



PATENT BOX INCENTIVES

On July 1, 2016 the new regulation for the so-called Patent Box of Law 27/2014 of Corporate Tax came into force in Spain after the last reform of the General Budget 2015.

The Patent Box is a tax incentive aimed at promoting the growth of companies that invest in intangible assets such as patents, industrial designs or trademarks, and provides significant reductions in the taxable base on the income generated by the license or transfer of these assets.

Under the new regulation, companies that develop these assets themselves will benefit from a greater tax relief than those who purchase from or commission said assets to third parties.

NEW SPANISH PATENT LAW

The new Spanish Patent Law 24/2015 was published on 25 July 2015, and will come into force on 1 April 2017 for all new Spanish patent applications.

This law seeks to bring the Spanish regulation into line with international regulations, as well as to strengthen the Spanish patent system by establishing a legal framework that ensures the grant of truly inventive inventions.

One of the key changes is the modification of the granting system, which establishes a single procedure with prior examination of novelty and inventive step. At present, this examination is optional, thus allowing some non-inventive patents to be granted, but also providing a less costly granting procedure for applicants.

Moreover, the modality of the utility model is maintained as the most suitable for minor inventions, where examination is not mandatory, and it extends its scope of protection to chemical products.

Thus, patents applied for from April 1st, 2017 will be compulsorily examined, with the additional costs associated with this procedure.



IP ASSETS VALUATION

Last October 14, Josep Maria Pujals, lawyer at our firm, took part as speaker in the Tech-Breakfast “IP Assets Valuation” organized by the IQS-Universitat Ramon Llull of Barcelona in cooperation with ORIM Consulting.

MAJOR IMPROVEMENTS ON OUR CLIENTS' EXTRANET

Over the last months we have carried out a full reshaping of PontiNET.

Currently, the tool provides a much friendlier user experience for our clients and has also enhanced the consistency of the information uploaded and the available resources to monitor the files of your IP portfolio. Checking the status of a particular record, retrieving documents, creating worldwide protection maps or just listing your entire portfolio are now quicker and much more intuitive processes.

PontiNET

AGENDA / EVENTS:

20-23.09.2016 MARQUES. European Brand Owners Association. Alicante, Spain.

08-11.10.2016 APAA. Asian Patent Attorneys Association. Bali, Indonesia.

04-07.12.2016 ASIPI. Asociación Interamericana de la Propiedad Intelectual. Buenos Aires, Argentina.

THE ACTIVE LEGITIMATION OF NON-RECORDED OWNERS OR LICENSEES



Raül Gutiérrez
Chartered Spanish IP Attorney
Head of the Alicante Office

Intellectual property rights such as patents or trademarks can be fully transferred to a new owner or licensed to a third party, independently from the company. This lies at the core of the IP system, wherein patents and trademarks serve the purpose not only of stopping eventual infringers, but obtaining a profit for their exploitation as intangible assets.

The question arises as to whether it is necessary to record said changes of ownership (assignments) or license agreements with the corresponding national IP registers, in this case the Spanish Patent and Trademark Office (SPTO).

Practice has long established that it is not necessary to record assignments or licenses with the SPTO to be valid and produce effects on both of the parties, provided that they execute the corresponding private agreement. However, for these agreements to have full effects vis-à-vis third parties, the general rule is that they should be registered.

Art. 79.2 of the current Spanish Patent Law establishes that “[...] any transfer, license or other act, whether voluntary or compulsory, affecting patent applications or patents already granted shall only have effect against third parties of good faith when it has been recorded in the Patent Register.”

But what happens then when said acts are to be enforced against third parties acting in bad faith?

Let us consider a practical case where a patent holder assigns or licenses a granted patent to a new owner or licensee and the assignment or license has not been recorded with the SPTO. In case of an infringement of said patent by a third party... who would be entitled to sue?

The commonly accepted approach is that both the former and the new owners would be entitled to exercise their exclusive rights. In the first case, because the former owner is the rightful proprietor recorded on the register and, accordingly, he would not need any kind of consent from the new owner.

Likewise, the non-recorded new owner or licensee would also be entitled to sue a third party who has acted in bad faith or who was aware of the current ownership or license status of the patent.

A recent ruling by the European Court of Justice provides further insight into this issue, although from a trademark perspective. In the case C-163/15 (Youssef vs. Breiding), the ECJ addresses the legitimation to oppose to third parties on the basis of a non-recorded trademark license agreement.

One of the parties (the alleged trademark infringer) cast doubt on the legitimation of the opposing party (a non-recorded licensee) by referring to art. 23 (1) of the Community Trademark Regulation. Under said article, “Legal acts referred to in Article 17, 19 and 22 concerning a Community trade mark shall only have effects vis-à-vis third parties in all the Member States after entry in the Register.”

Given a plain reading, a licensee would need to be recorded in order to bring an action for infringement against a third party.

However, in its ruling the Court applied a systematic construction of the regulation by arguing that, when interpreting EU law not only the wording but the context and objective of the legislation should be considered. Accordingly, the content of articles 17 (right to transfer), 19 (right in rem) and 22 (right to licence) of the regulation shall only be understood to refer to third parties that have or could have rights over the trademark as an object of property, but not to a situation where the exclusive rights of the trademark are infringed, as in the instant case.

In this sense, the court further held that Article 23(1) is in place to protect, for example, a party acquiring a trade mark in case that they were unaware it was subject to an unregistered license.

The ruling finally concludes that the licensee can indeed exercise legal actions for infringement even when the license had not been recorded in the register.

Thus, from the point of view of trademark infringers, it should not make any difference whether the protected mark was used under a recorded license. What matters in these cases is that the mark is protected, and this could be checked by reference to the register.

Notwithstanding the above, it should be noted that this ruling relates only to trademark matters at EU level, and it is still to be seen whether national courts would understand that the same applies to patent disputes.

As a conclusion, it seems that the most commonly accepted (and coherent) interpretation is the old principle that recording an assignment or a license is a necessary condition for acting against third parties in good faith, and therefore, that in cases of bad faith it should be not necessary.

However, and in order to avoid this potentially conflictive procedural discussions about the legitimation to exercise the patent rights, we would consider it the best option to record any assignment or licence with the SPTO.

Experts in Intellectual
Property Rights

Official Agents
since 1935

Barcelona: +34 93 487 49 36 / ponti@oficinaponti.com

Madrid: +34 91 457 93 11 / madrid@oficinaponti.com

Alicante: +34 96 520 26 95 / alicante@oficinaponti.com

Suggestions and subscriptions: newsletter@oficinaponti.com

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