Jurisdiction in patent cases

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What we would like to talk about today

• Context of international jurisdiction
• Major provisions of Brussels I-bis Regulation and Lugano Convention
• Relevant case-law of the Court of Justice of the European Union
• Three case studies on cross-border injunctions, multiple defendant scenarios and declaratory action for non-infringement
• Tips and tricks for cross-border situations
Context of international jurisdiction

- **International jurisdiction**
  - No cross border situation
    - National procedure law
  - Defendant based in a EU Member State (except Denmark)
    - EU regulation 1215/2012 (Brussels I-bis Regulation)
  - Defendant based in Denmark, Norway, Iceland or Switzerland
    - Lugano Convention
  - Defendant neither based in a EU Member State nor in Norway, Iceland or Switzerland
    - International contracts or national procedure law
Major provisions of Brussels I-bis regulation

• **Principles**
  – Art. 4/63: jurisdiction of domicile (general jurisdiction)
  – Art. 5 (1): special jurisdictions (besides general jurisdiction)
  – Art. 27: exclusive jurisdiction (trumps general/special jurisdiction)
  – Art. 35: jurisdiction for provisional and protective measures

• **Special jurisdiction**
  – Art. 7 (2): jurisdiction for tort/delict/quasi-delict
  – Art. 8 (1): jurisdiction for closely connected claims where one Defendant is domiciled
  – Art. 8 (3): jurisdiction for counter-claims arising from the same facts

• **Exclusive jurisdiction**
  – Art. 24 (4): proceedings concerning registration / validity of a patent
Landmark cases of the Court of Justice

• Possible extension of the jurisdiction of the court seized to cross-border relief:
  – Fiona Shevill, 7 March 1995, C-68/93

• Exclusive jurisdiction in re. to the validity/registration of a patent:
  – proceedings on the merits: GAT v. LuK, 13 July 2006, C-4/03
  – preliminary relief: Solvay v. Honeywell, 12 July 2012, C-616/10

• Assessment of the connection between multiple defendants:
  – Roche v. Primus, 13 July 2006, C-539/03
  – Solvay v. Honeywell, 12 July 2012, C-616/10

• Possible application of the special jurisdiction in re. to tort to negative declaratory action:
CASE STUDIES
Overview and main topics of case studies

• Case study #1: Cross border-injunction
  – Proceedings on the merits
  – Provisional measures

• Case study #2: Multiple defendants / Forum shopping
  – Infringement of same national parts of EP

• Case study #3: Declaratory action
  – Torpedo action
  – Declaration of non-infringement
Case study #1: Cross-border injunction

Situation:
• Our client P owns a European Patent validated in .NL, .FR and .DE
• The client’s competitor C is established in .NL and sells infringing products across Europe

Questions:
• What is the most efficient way for P to stop C’s activities in Europe?
• Should P be able to sue C in NL and get a Europe-wide injunction?
• What happens, if C raises invalidity in the proceedings?
• Is a cross border preliminary relief possible?
• What if C were established in .DE, .FR, or …?
Question #1: What is the most efficient way for P to stop C’s activities in Europe?

Cross-border injunction

- Injunction by a court in one European country, such as for example a court in the Netherlands forbidding infringement in several other European countries.

Requirements:

- International jurisdiction
- The court applies its domestic procedural law and the national law of the respective patents
- Decision will be recognized by and is enforceable in other Member States
- Enforcement acc. to law of the affected states
Question #2: Should our client be entitled to cross-border relief?

Pro’s:
• The basic rule of Art. 4 is to sue in the defendant’s home state.
• No exclusive jurisdiction for patent infringement.
• Forcing C to litigate outside home state is contrary to Art. 4.

Con’s:
• A patent has limited territorial scope. National courts should rule on national rights.
• Art. 7 (2): The courts of the place where the delict/harmful event occurred or may occur are usually the most appropriate for deciding the case, in particular on grounds of proximity and ease of taking evidence.
• Infringement is closely connected to validity: exclusive jurisdiction of Art. 24(4).
Question #3: What happens, if C raises invalidity in infringement proceedings?

Art. 24 (4):

“The following courts of a Member State shall have exclusive jurisdiction, regardless of the domicile of the parties: (4) in proceedings concerned with the registration or validity of patents (…) irrespective of whether the issue is raised by way of an action or as a defence, (…)”

ECJ, C-4/03, 13 July 2006, GAT v. LuK

How to handle?

- Dismiss action acc to Art. 27?
- Stay proceedings until final (in)validity decision of exclusively competent court?
- Are there differences in bifurcated system?
- Does it matter if the patent is prima facie invalid, or the invalidity defense prima facie unfounded?
Question #4: Is a cross-border preliminary relief possible?

Pro’s:

- Art. 35 provides jurisdiction for preliminary relief regardless of jurisdiction on the merits.
- CJEU, C-616/10, Solvay /. Honeywell: Art. 24(4) does not trump Art. 35.

Con’s:

- Territorial scope
- Court would have to apply domestic law of the national patents.
- Possible circumvention of case-law or procedural requirements from other Member States.
Question #5: What if C were established in .DE, .FR, or …?

.DE:
- Requirements for PI proceedings fulfilled?
- Expert opinion on domestic law of foreign patents

.FR
- French judges have already acknowledged cross-border relief
- Better to file a PI after the beginning of an infringement action
- Recent trend: various PI granted in France
Case Study #2: Multiple defendants / forum shopping

Situation:
- Client P owns a European Patent validated in .NL, .FR and .DE;
- The client’s competitor C is established in .DE and sells infringing products across Europe; A and B are domiciled in .FR and .NL, and sell C’s infringing products across Europe. P sues A, B and C in .NL

Questions:
- Should P be able to get a cross-border injunction against C at a court in .NL?
- What if it turns out that B did not infringe?
Question #1: Should P be able to get a cross-border injunction against C in .NL?

Pro’s:
• Court is competent for B acc. to Art. 4(1)
• Alternative 1: Court is competent for A and C acc. to Art. 8(1)
  - Domestic and foreign defendants infringe the same national parts of a European Patent
  - CJEU, C-616/10, Solvay /. Honeywell: “same situation of fact & law”
  - Art. 8(1) competence has same international scope as Art. 4(1)
  - No conflicting decisions

Con’s:
• Infringement of same patent is not necessarily sufficient, the infringing acts must be the same (same situation of fact)
• Strict assessment of the exception to the principle sets out by Brussels I-bis of the jurisdiction of the domicile of the defendant
• Defendants could still raise validity defence (Art. 24 (4))
Question #2: What if B did not infringe? Should court remain competent vs. C?

Pro’s:

• The decision on jurisdiction should not require full merits proceedings (cf. CJEU, Barclay/Kolassa, Universal Music);

• Jurisdiction is to be established at the start of the proceedings. A change of circumstances at a later moment does not impact jurisdiction that is already established (inefficient).

• CJEU, C-103/05 Reisch vs. Kiesel

Con’s:

• Forum-shopping far too easy – anchor defendants/infringing acts can be made up

• Claim for an abuse of procedure
Case study #3: Declaratory action

Situation:
• Our client Q is established in .NL and its product across Europe
• Patentee P (established in .FR) has send a warning letter and claims infringement of its European Patent (across Europe)
• Q believes its products do not infringe

Question:
• Can Q file a cross border declaratory action for non-infringement (DNI) with a .FR court?
• Is every DNI considered a “torpedo action”?
Question #1: Can Q file a cross border DNI in .FR?

Pro’s:
- P is established in .FR. → Art. 4(1) is applicable
- If validity is not attacked → Art. 24 (4) is not applicable

Con’s
- Q sells across the EU, including in .NL → Art. 7(2) is applicable (Folien Fisher)
- Cross-border extension on DNI: interpretation of Fiona Shevill (domicile of the patentee vs domicile of the person responsible for the harmful event)
- Art. 29 (Lis pendens):
  - P can only file counter-claim
  - Q chooses jurisdiction
Question #2: Is every DNI considered a „torpedo action“?

What is a torpedo action?
• Cross border declaratory action filed in one Member State that has no jurisdiction and with the intention of preventing/slowing down anticipated national infringement actions in other jurisdictions

Why is such action problematic?
• Art. 29: Lis pendens
• Torpedo actions are often initiated in jurisdictions where the duration of such proceedings is rather long
• Unlawful behaviour?

How to handle?
• No warning letter
• If it is already too late:
  • Counter-claim for infringement (Art. 8 (3))
  • PI proceedings (Art. 35)
TIPS AND TRICKS
Tips and tricks for cross-border

Patentee:
• Find anchor defendant in patentee-friendly jurisdiction
• Reconsider sending warning letter before initiating proceedings on the merits (risk of torpedo action)
• File a cross-border injunction claim in a preliminary relief, but not only on the merits (risk of Art. 24 (4))

Alleged infringer:
• Filing DNI in preferred jurisdiction
• Torpedo strategies (be careful – could be unlawful behaviour)
• File nullity action as soon as an infringing action with cross-border injunction has been filed
QUESTIONS AND DISCUSSION
We are happy to get in contact with you

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