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Jurisdiction in patent cases

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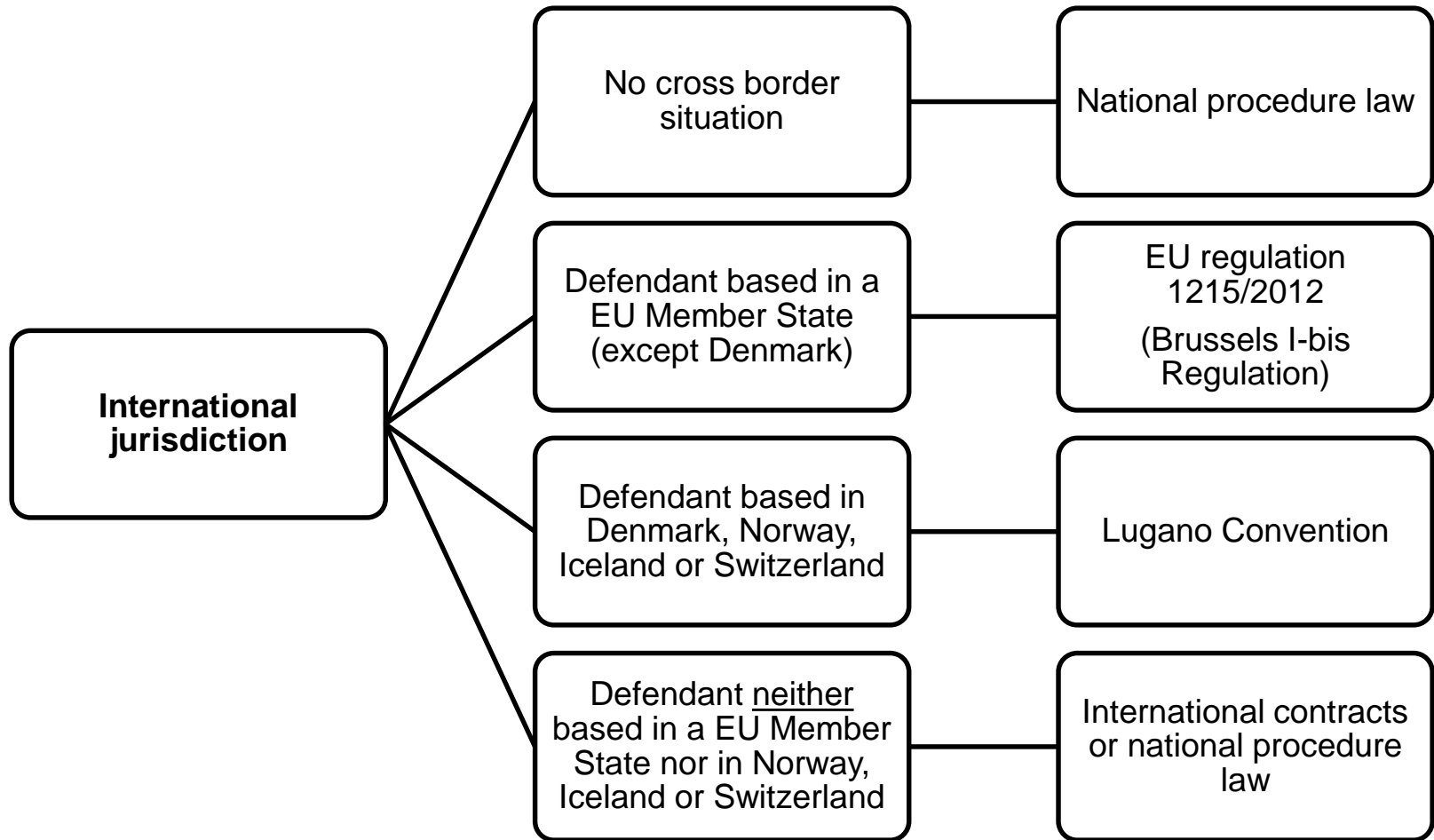
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What we would like to talk about today

- 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



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:
 - **Folien v. Ritrama**, 25 Oct. 2012, C-133/11

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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