



COURT RULES AGAINST CROSS-BORDER ENFORCEMENT OF “EUROPEAN” PATENT RIGHTS

by
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In two recent decisions, the European Court of Justice (“ECJ”) clarified that a European patent is merely a bundle of national patents, effectively ending the practice of cross-border injunctions for patent infringement. Patent enforcement in Europe, for the time being, will generally take place in each country where the patent is registered.

Before the two recent decisions, Dutch courts had issued cross-border injunctions for patent infringement under various interpretations of the Brussels Convention. Although no specific legislation for cross-border injunctions exists, Article 2 of the Convention provides that persons domiciled in a Contracting State of the Brussels Convention must be sued in the courts of that Contracting State. Article 6(1) of the Convention provides an exception: in a case by the same plaintiff against multiple defendants, a defendant domiciled in a Contracting State may be sued in another Contracting State where one of the defendants is domiciled. Parties used this exception to join multiple defendants and seek cross-border injunctions for patent infringement.

In *Roche v. Primus*, the ECJ considered the Article 6(1) exception when Primus filed an action in the Netherlands against Roche Nederland BV (a Dutch company) and eight other Roche companies from various countries, for infringement of a European patent. The non-Dutch Roche companies contested jurisdiction. The ECJ had held in previous cases that for Article 6(1) to apply there must exist a “connection” such that “it is expedient to determine the actions together in order to avoid the risk of irreconcilable judgments resulting from separate proceedings.”

The lower court determined that it had jurisdiction, but on appeal, the Dutch Supreme Court sent two questions to the ECJ. First, the Dutch Supreme Court asked the ECJ to determine whether there is a risk of “irreconcilable judgments” if defendants from different countries are not joined in these types of cases. The court also asked the ECJ to clarify if it matters whether defendants are part of the same group of companies, acting under a common policy, where the allegedly infringing acts are the same or virtually the same.

The ECJ determined that no risk of “irreconcilable judgments” exists in this situation. Even if “irreconcilable judgments” are defined broadly as “contradictory decisions,” there are no risks of factual or legal contradictions. The facts are not the “same” because: (1) the defendants are different and (2) the alleged infringements are different because they are committed in different countries. Further, the ECJ noted that the legal situation is not the same in each country because the infringement of a European patent “must be examined in the light of the relevant national law” of the Contracting State where the patent was granted.

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The ECJ went on to conclude that even if the companies act in identical ways, under a common policy so that the facts are the same, the legal determinations could still not contradict each other, because a patent continues to be governed by the national law of the Contracting State where the patent was granted.

The ECJ noted that although consolidating such actions before one court would seem efficient, it would ultimately undermine legal certainty and therefore encourage forum shopping. To determine if it had proper jurisdiction, each court would have to adjudicate the substance of the case to determine if the factual situations were the same—a waste of time. Further, as the ECJ clarified in *GAT v. Luk*, discussed below, validity must be decided by the Contracting State where the patent was registered.

Thus, Article 6(1) does not allow for a plaintiff to sue multiple defendants in patent infringement proceedings involving companies in various Contracting States, and acts in one or more of those States, even if the companies are in the same group and act in the same manner in accordance with a common policy.

In *GAT v. Luk*, decided the same day as *Roche*, the ECJ considered whether a German court had jurisdiction over the validity of a French patent. Article 16(4) of the Brussels Convention states that the Courts of the Contracting State where the patent was registered have exclusive jurisdiction over proceedings “concerned with the registration or validity of patents.” The ECJ interpreted Article 16(4) to state that patent validity is exclusively a question for the national court where the patent was registered.

After *Luk* alleged infringement of two French patents, *GAT* brought a declaratory action before a regional court in Germany. The German regional court held that it had jurisdiction to rule on the validity of the French patent. On appeal, however, the higher regional court asked the ECJ to clarify whether the exclusive jurisdiction provision applied to any case where validity is raised. If the exclusive jurisdiction provision applied, only a French court could decide the validity of the French patent.

The ECJ held that the language in Article 16, “concerned with the registration or validity of patents,” has uniform application in all Contracting States, and applies to any proceedings related to the validity, existence, or lapse of a patent. If the validity of patent is disputed, the exclusive jurisdiction provision applies and is justified “whatever the form of proceedings in which the issue of a patent’s validity is raised.” The ECJ noted, however, that the provision does not apply when validity is not actually disputed by the parties. If validity is actually challenged at any time in a proceeding (e.g., by counterclaim), the exclusive jurisdiction provision applies.

The ECJ declared that to hold otherwise would undermine the exclusive jurisdiction provision of Article 16. Allowing multiple countries to determine the validity of a patent would multiply the risk of conflicting decisions because every country could come to its own conclusion regarding the validity of a patent. A plaintiff could bring suit in its choice of countries, and this forum shopping would undermine predictability of the law.

After *Roche*, a party may theoretically still obtain a cross-border injunction in the unique case where the party sues a single defendant in the country where the defendant is domiciled, for patent infringement in multiple Contracting States. In light of *GAT*, however, the defendant simply has to challenge the validity of the patent to limit the suit to the patent in that single jurisdiction. Validity is exclusively a matter of national law for the countries where the patents are registered, even if the patents are based on a single European patent application and contain the same claims and drawings.

The decisions in *Roche v. Primus* and *GAT v. Luk* illustrate the need for a more harmonized approach to patent litigation in Europe. One highly favored solution is the European Patent Litigation Agreement, which attempts to create uniform rules and a common European Patent Court for appeals. For now, however, European patent holders must prepare to pursue alleged infringers separately in each country where the patent is registered. Accordingly, applicants should recognize that a “European patent” is merely a European patent application.