

German Threats Cost Dutch Euros

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The Hague courts are not reluctant to cross borders in patent litigation. The Dutch cross-border injunction is one (in)famous example. Maybe it's the lack of mountains providing – on the spare sunny days – clear views to foreign skies. In two recent cases The Hague District Court has embraced a pan-European approach to the threat of patent enforcement. Not to grant an injunction, but to the reimbursement of costs for threatening with an injunction.

When it comes to cost reimbursement in patent litigation, in the Netherlands the winner takes it all (Art. 1019h Dutch Code of Civil Procedure, the implementation of Art. 14 Enforcement Directive). The losing party of patent litigation has to pay the full legal costs of the winning party (and carry his own). That is, only if the litigation concerns the (threat of) enforcement of a patent in the Netherlands. In a 'pure' nullity action (e.g. a party merely claiming the nullity of the patent without an infringement counterclaim), the court does not award the full costs, but a relatively small statutory fee (referring to the CJEU's *Bericap/Platinova* judgment). This can be the difference between a couple of thousand euros and a hundredfold thereof.

But what constitutes a threat of enforcement in the Netherlands?

In the *Vita / Ivoclar* case (decision April 4, 2018), Vita claimed nullification of the Dutch part of Ivoclar's European patent (Ivoclar decided not defend the Dutch part). Ivoclar had sent a warning letter to Vita's German counsel, stating: '*Due to Vita's unwillingness to accept the licence terms we proposed, and its ongoing infringements of Ivoclar's patents, we have decided to immediately begin asserting our legal rights against Vita in any country that we deem appropriate*'. The Hague Court considered this a threat of enforcement in the Netherlands ('any country'). In this regard the Court considered that – without any known substantiation in its written judgment – that Vita's decision to file nullity proceeding in the Netherlands directly related to Ivoclar's initiation of infringement of proceedings against Vita in Germany, while Vita's product attacked in Germany was the same as in the Netherlands. Result: full cost reimbursement instead of the low standard fee.

In the *Acteon / Dürr Dental* case (decision April 11, 2018), the German counsel of patentee Dürr sent a warning letter to the German counsel of Acteon. The letter included the phrase: '*Unsere Mandantin hat festgestellt, dass Ihre Mandantin ein Gerät unter der Bezeichnung PSPIX im Geltungsbereich des deutschen Teils ihres Patent es anbietet und vertreibt [...]*' (English translation: '*Our client has determined that your client offers and trades in an apparatus falling within the scope of protection of the German part of her patent [...]*'). Attached to the letter was a declaration to be signed by Acteon to refrain from offering infringing devices '*im Geltungsbereich des Europäischen Patents EP (...) 371*' (English translation: '*within the scope of protection of the European Patent EP (...) 371*'), and to destruct '*die in Deutschland (...) befindlichen (...) Vorrichtungen*' (English translation: '*the devices located in Germany*'). Dürr – when Acteon did not comply – initiated infringement proceedings in Germany (claiming infringement of the German part of the patent). Acteon subsequently filed nullity proceedings in the Netherlands (Dürr decided not to defend against this nullity claim). The Court considered above 'German' actions a threat of enforcement in the Netherlands. Result: full cost reimbursement instead of the low standard fee.

These recent decisions show the Dutch Court is not only willing to grant cross-border relief, but also to present the bill for a cross-border threat. Something for foreign counsel to consider when drafting warning letters.

Disclosure: the author represented Dürr Dental in the Netherlands