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Provisional Cross-Border Jurisdiction in Patent Cases according to the CJEU in Solvay

Richard Ebbink (Brinkhof) · Friday, March 15th, 2013

Introduction

The Court of Justice of the European Union last year delivered a decision on the impact of the *GAT/LuK* decision on jurisdiction in preliminary infringement proceedings (*Solvay/Honeywell*).

As the case below is continuing its way through the Dutch courts, the frequency of publications trying to make sense of the 2012 CJEU decision come down significantly. The majority of the commentators so far seem to conclude that the CJEU in *Solvay* gave the green light to cross-border jurisdiction in preliminary infringement proceedings.

This is a fresh attempt at establishing the impact of the *Solvay* decision on the interpretation of the relevant articles of the Brussels Regulation (EU Regulation 2001/44).

Jurisdiction under the Brussels Regulation

The contents of the Brussels Regulation are based on the 1968 Brussels Convention. They were last amended in 2012.^[1]

The main rule is that a patentee can sue a company for infringement in the defendant's home court (Article 2) or in one of the countries where the infringement occurs (Article 5-3). If you sue in the defendant's home court, this home court in principle *also* has cross-border jurisdiction. That is, it can in principle *also* order its nationals to stop infringing abroad. If you sue in a non-domicile country, that court will most likely *not* have cross-border jurisdiction (Case C-68/93; *Shevill/Presse Alliance*).

Under a joint-defendant provision it is also possible to sue, together with a national defendant, one or more foreign co-defendants and, under circumstances, get cross-border jurisdiction against them as well (Article 6-1).

In most countries the defendant will raise the invalidity of the patent as a defense and, if possible, will counterclaim for nullification. Does this defense affect the jurisdiction of the infringement court? Not if it is a purely *national* case, of course. But jurisdiction in *cross-border* cases is affected significantly by a nullity defense.

That is because of Article 22-4 of the Brussels Regulation. This Article says that as to the validity

of patents, trademarks, or designs, the country of *registration* has *exclusive jurisdiction*.

GAT/LuK

In 2006 the CJEU held that this exclusivity not only applies to nullity actions, but *also* applies in case the foreign invalidity is invoked *as a defense* (Case C-4/03; *GAT/LuK*). In other words, the infringement court is not allowed to go into this defense, let alone to rule on it. The *GAT/LuK* decision does not say, however, what the infringement court should do in such case. It is not possible to infringe an invalid patent. But is the foreign patent invalid? It is often assumed that the national court should stay the cross-border part of the proceedings until the competent *foreign* court has spoken.

GAT/LuK did not say in so many words that the infringement court would *also* have to decline to go into the foreign nullity defense in case of a request for a *preliminary injunction* (PI).

Thus, after *GAT* the question remained whether the infringement court in the face of an invalidity defense at least has *preliminary jurisdiction* to go into the foreign nullity defense to find out if a cross-border PI can be granted.

Thanks to the District Court of The Hague, then, this question made it to the CJEU last year. It was decided on 12 July 2012 in Case C-616/10 (*Solvay/Honeywell*).

Solvay/Honeywell

The first three of the five questions dealing with Article 22-4 from the Hague Court to the CJEU were based on the consideration that the Dutch Court had infringement jurisdiction vis-à-vis the Dutch Honeywell defendant based on Article 2 and vis-à-vis the foreign Honeywell defendants based on Article 6-1. This is confirmed by the reference decisions.

The last two Hague questions were about the possible application of Article 31.

Article 31 of the Brussels Regulation is an exceptional rule. It is not listed with the general jurisdictional rules nor with the special rules. It has its own section heading in the Regulation. It says that preliminary relief may be obtained from a national court as may be available to that court, even if that court is not competent to hear the case on the merits.

Article 31 rules

The EUCJ first considered that it was “*apparent*” that the issue “*at the heart of the dispute*” in The Hague was about jurisdiction under Article 31.

There is no basis in fact for this Luxembourg position. Clearly the Hague questions were primarily directed at finding out how Article 22 related to preliminary jurisdiction based on the Articles 2 and 6-1.

What else can we conclude from this first Luxembourg consideration than that there is no doubt in the mind of the CJEU that when national courts are dealing with foreign invalidity defenses in cross-border PI proceedings, for jurisdiction they can rely *only* on Article 31?

Article 22 has special scope

Second the CJEU in Solvay considered that the Court in *GAT* had interpreted Article 22-4 widely, and had accorded it a specific binding effect, a specific scope. In cross-border PI proceedings *GAT* entails that the infringement court simply has no jurisdiction to go into the nullity defense.

Even though Article 31 is an autonomous provision, Article 22-4 could also affect the application of that Article, according to the CJEU.

Reasonable possibility

Third, according to the CJEU, in the case at bar Article 31 is not curtailed by Article 22-4 because the national court “makes an assessment as to how the court having jurisdiction under Article 22-4 of the Regulation would rule [in regard of validity], and will refuse to adopt the provisional measure sought if it considers that there is a *reasonable, non-negligible possibility* that the patent invoked would be declared invalid by the competent court.” (Solvay, para. 49)[2]

That is, the CJEU continues, because “*In those circumstances, ... the provisional decision ... will not in any way prejudice* the decision to be taken on the substance by the court having jurisdiction...” (Solvay, para. 50).[3]

Conclusion

The gist of the Solvay/Honeywell decision therefore is the following:

1. The basic rule is that the infringement court has no jurisdiction to treat a cross-border nullity defense, *also* in preliminary proceedings;
2. However, Article 31 may provide a jurisdictional basis in preliminary proceedings, *even* for cross-border relief.[4]
3. But, cross-border relief in preliminary proceedings must be denied if there is a reasonable, non-negligible possibility that the competent foreign court will nullify the patent.

All of this based on the assumption that if the national court does just this (“*in these circumstances*”), it will “*not in any way prejudice*” the decision to be taken on the substance by the competent foreign court.

Ratio

Obviously a PI decision is not a decision on the merits. That would not stop Article 22-4 from reaching through, however. It would seem that the trigger for the application of Article 31 rather is the *practical procedural* circumstance that the PI court will apply what may be called a more or less marginal review of the foreign nullity arguments brought to its attention. A review only to find out if they could *reasonably* serve their purpose. The PI judge should stay away from going into, let alone from writing an opinion on, the *substance* of the foreign arguments. To do otherwise would be in contravention of the special scope of Article 22-4 of the Brussels Regulation.

This is a European rule

For Dutch lawyers the *Solvay* test is new.

So far, in The Hague the test for granting or not granting national or cross-border PI relief in patent matters was that in case there was a *serious*, not to be neglected chance that the national or foreign

patent would be nullified, relief would be denied. Traditionally, Dutch Courts have taken this review very *seriously* and their decisions would contain several pages discussing the foreign nullity arguments. That traditional *Dutch* test is no longer in line with the *European* test set out in Solvay for cross-border proceedings.

Richard Ebbink, Amsterdam, 15 March 2013

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This article is based on a presentation delivered to the Dutch AIPPI group on 13 March 2013.

[1] With the change from 1968 Treaty to 2001 Regulation, the article numbering changed. With the amendment of the 2001 Regulation in 2012 the numbering of the articles changed again. Do the drafters of these constant numerical changes realize that, without apparent necessity, they make life miserable for those who have to work with the Regulation?

[2] In Dutch: *een redelijke en niet te verwaarlozen kans*; French: *une chance raisonnable et non négligeable*; German: *eine vernünftige und nicht zu vernachlässigende Möglichkeit*.

[3] In Dutch: *In deze omstandigheden ... geenszins zal vooruitlopen op de beslissing ten gronde ...*; French: *Dans ces circonstances ... ne préjugera aucunement de la décision à prendre sur le fond ...*; German: *Unter diesen Umständen ... in keiner Weise der Entscheidung vorgreift, die das ... zuständige Gericht in der Hauptsache zu treffen hat.*

[4] The Court does not discuss the requirements for the application of Article 31 contained in Case C-391/95(*Van Uden/Decoline*). This decision requires that there is '*a real connecting link*' between the measure sought and '*the territorial jurisdiction*' of the national court.

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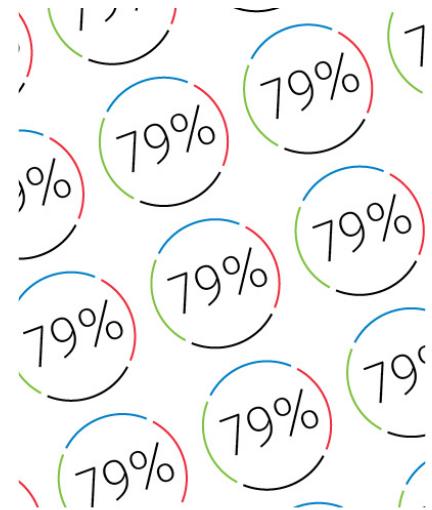
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