Kluwer Patent Blog

The English Patents Court declines jurisdiction over German patent

Brian Cordery (Bristows) · Monday, August 1st, 2016

by Gregory Bacon

The English courts are not averse to determining disputes concerning foreign rights, including intellectual property rights. Readers will no doubt be aware of the recent case between Actavis and Eli Lilly in which Actavis sought declarations of non-infringement in relation to the UK and foreign designations of Eli Lilly's European patent concerning the formulation of pemetrexed. This recent case (*Rhodia v Molycorp*) is an interesting attempt by a patentee to litigate the question of infringement of a foreign patent before the English Patents Court, albeit one in which the patentee was unsuccessful.

The patentee commenced proceedings for infringement of a German designation of a European patent in the English Court in addition to infringement of the UK designation. In case this was not permitted, the patentee's also applied for an order that the defendant provide samples to support an infringement claim under the German patent to be brought in the German Regional Court. As explained below, the Patents Court rejected both approaches on the basis of lack of jurisdiction. The case demonstrates that it may be difficult to obtain the assistance of the English Courts where there may be disadvantages in bringing an infringement claim in the country where the patent is registered, for example where disclosure is unavailable to assist in proving infringement of a process patent.

Claim for infringement of German patent

The defendant challenged the jurisdiction of the English Court to determine infringement of the German patent on the basis that the German courts had exclusive jurisdiction to consider validity under Article 24(4) of Regulation 1215/2012/EU (the Recast Brussels I Regulation). Not only did the defendant raise the issue of validity in correspondence but commenced nullity proceedings against the German patent in the German Federal Patent Court. The defendant also counterclaimed for revocation of the UK patent in the English proceedings.

The Judge (Arnold J) applied the reasoning of the CJEU in *GAT v LuK and Solvay v Honeywell*, holding that the claim advanced by the patentee was "concerned with" the validity of the German patent for the purposes of Article 24(4) of the Recast Brussels I Regulation, or at least "principally concerned with" that validity under Article 27 of the Regulation, and therefore the English court had no jurisdiction. This was notwithstanding the fact that the patentee had attempted in drafting its

pleadings to acknowledge that the infringement finding was conditional on a finding that the patent was not invalid, and that this was to be determined by the German court.

The Judge held that ultimately the issue between the parties was a single issue of whether the defendant had infringed a *valid* claim, and the sub-issues of infringement and validity were inseparable. This was because it was implicit in a finding of infringement that the patent was valid as it is not possible to infringe an invalid patent. The outcome can be contrasted with the *Actavis v Eli Lilly* litigation concerning pemetrexed, where the English Courts held that they did have jurisdiction to grant declarations of non-infringement in relation to foreign designations of a European patent, where validity was not in issue in any sense.

The Judge gave three reasons for concluding that Article 24(4) (or at least Article 27) applied, following the reasons given by the ECJ in *GAT v LuK*. First, the amendments to the pleadings were a transparent attempt to circumvent the mandatory nature of the jurisdiction rule concerning validity of a patent. Second, allowing the claim to proceed would have the effect of multiplying the heads of jurisdiction and undermining the predictability of the jurisdiction rules in the Regulation. Third, it would increase the risk of conflicting decisions. This latter was as a result of the English court having to construe the patent claims in order to determine infringement, which the German court would also have to do in order to determine validity. As the English decision on construction would not be binding on the German court (and *vice versa*) there was a possibility of conflicting decisions on construction. Although the Judge noted that the German system allows for bifurcation, in his view the problem can be ultimately resolved within the German system when both the infringement and nullity cases reach the same court, i.e. the Federal Court of Justice. One interesting additional point is that it did not appear to the Judge to be a requirement for the defendant to commence actual nullity proceedings in Germany and that merely raising invalidity could be sufficient to avoid the jurisdiction of the English Court.

Request for samples

Here the Judge decided that the question of whether the English Court had power to make the order was a matter of English law, regardless of whether Article 35 of the Recast Brussels I Regulation was applicable. Section 25 of the Civil Jurisdiction and Judgments Act 1982 provides that the English court has power to grant interim relief where proceedings have or are to be commenced in another EU Member State. However, interim relief by this route expressly excludes orders for the purposes of obtaining evidence. As a result, the English court only has such power pursuant to a request of a foreign court, under either the Evidence (Proceedings in Other Jurisdictions) Act 1975 or Regulation 1206/2001/EC. As no such request had been made by the German court (the patentee had not yet commenced any infringement action before the German court) the Judge ruled that it had no jurisdiction to make the order sought. As a final point, the Judge ruled that had the English Court had such power (for example as a result of a request from the German court), it would have been expedient in the circumstances to make the order sought.

Unless and until there is an alternative treatment of the law by a higher appellate court, this case suggests that a party will have difficulty in persuading the English Court to assist in a case for infringement of a foreign patent, for example in relation to a process patent where it would be difficult to prove infringement without disclosure or the provision of samples.

A link to the decision can be found here.

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This entry was posted on Monday, August 1st, 2016 at 3:55 pm and is filed under (Cross-border) jurisdiction, Germany, Procedure, United Kingdom

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