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CLARITY ON KNOTTY PATENT JURISDICTION QUESTIONS FROM CJEU

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Despite the emergence of the Unified Patent Court in 2023, with jurisdiction over 18 of the 27 European Union member states for both infringement and validity, the national patent courts in the EU retain a competitive jurisdiction.

Some national courts have used EU Regulation 1215/2012, known as the Brussels I bis Regulation, or BIB, to further extend their geographical jurisdiction. For example, in 2022, the French Supreme Court ruled in Hutchinson v. Dal, on the basis of Article 8(1) of the BIB, that French courts have jurisdiction over acts of infringement committed in pre-Brexit U.K. and Germany by French and U.K. defendants.[1]

However, some questions had remained unanswered.

What happens if the acts of infringement are committed outside the EU? And, regardless of whether the acts are committed inside or outside the EU, what happens if the defendant raises a defense of invalidity, or a revocation action before a foreign court located in the state where the foreign patent right is validated?

On Feb. 25, the Court of Justice of the EU clarified these issues in BSH Hausgeräte GmbH v. Electrolux AB.[2] Its ruling, which applies to the UPC among others, could have a significant impact not only on intra-EU actions but also on actions initiated in the EU but relating to infringements outside the EU.

Background

The German company BSH brought an infringement action against the Swedish company Electrolux before a Swedish court, the Svea Court of Appeal, based on a European patent covering EU member states and Turkey, which is part of the European Patent Convention, or EPC, but not of the EU. The Swedish court was seized pursuant to the so-called domicile-of-the-defendant rule of Article 4(1) of the BIB.

In its defense, Electrolux argued that the foreign parts of the patent were invalid and that the Swedish courts should therefore declare that they had no jurisdiction over the infringement claim insofar as it concerned those foreign parts. Its reasoning was based on Article 24(4) of the BIB, which provides that the courts of the member state where a patent has been registered have exclusive jurisdiction to hear "proceedings concerned with the registration or validity of patents ... irrespective of whether the [invalidity] issue is raised by way of an action or as a defence."

The Svea Court of Appeal decided to ask the CJEU for clarification.

Its first and second questions revolved around whether a court of an EU member state, seized pursuant to the defendant's domicile rule outlined in Article 4(1), has jurisdiction to hear an infringement claim concerning acts committed in another member state when, as a defense, the defendant challenges the validity of the patent registered in that foreign member state.

The third question can be rephrased as follows: Does a court of an EU member state, seized pursuant to the defendant's domicile for an action relating to acts of infringement committed in a non-EU country, have jurisdiction to hear such an action if the defendant has raised a defense of invalidity of the patent registered in such a country?

Infringement Committed Intra-EU

In answering the first two questions, the CJEU first recalled that the defense of invalidity is to be examined exclusively by the courts of the state in which the patent is registered.[3] However, the CJEU then went on to explain that the infringement action remains within the jurisdiction of the court seized under Article 4(1) even in respect of acts committed in other EU member states.[4]

This is more or less in line with what the French courts ruled in the Hutchinson case.[5]

Finally, the CJEU ruled on whether the court is obliged to stay the infringement proceedings if an invalidity action is brought before the competent foreign court. The answer: There is no obligation, only a possibility, in particular where "it takes the view that there is a reasonable, non-negligible possibility of that patent being declared invalid by the court of that other Member State."[6]

The national action for invalidity is therefore no longer an unstoppable torpedo.

Infringement Committed in Third States

The third question concerned infringement proceedings based on a patent validated outside the EU, as part of BSH's claims related to infringement committed in Turkey and therefore based on the Turkish part of its European patent.

The CJEU first considered that Article 24(4) of the BIB cannot benefit a third state and patents validated therein,[7] and therefore found that a court of a member state seized pursuant to Article 4(1) for an infringement action based on non-EU patent rights may, in principle, rule on the infringement and the defense of invalidity of such non-EU patent rights.[8]

However, the CJEU clarified that this does not apply to patents validated in states that are party to the Lugano Convention, or any bilateral convention concluded with a member state before the BIB came into force and containing a rule similar to Article 24(4).[9] In such cases, the court can only rule on the infringement, according to the CJEU.[10] It is worth noting that in Europe, only Switzerland, Iceland and Norway are party to the Lugano Convention, but not the U.K. and Turkey.

In any event, the CJEU found, the infringement court may stay or even terminate the proceedings if parallel connected proceedings are pending before a court of a third state.[11]

And finally, if the court rules on the defense of invalidity, such ruling will have an inter partes effect only, according the CJEU.[12]

In theory, BSH could therefore lead to situations where an EU national court would have jurisdiction to rule on acts of infringement committed in third states, and on invalidity defenses against non-EU (and non-Lugano) patent rights, provided that the infringer is seating in the EU.

In practice, however, one might wonder whether an EU national court would really want to rule on extra-EU patents, especially those outside the EPC system. For instance, we are not sure Italian judges will be willing to rule on a U.S. patent that has significantly different wording from the patents they are used to in Europe.

Impact on the UPC The UPC

cannot benefit from the full breath of the ruling in BSH as it only has jurisdiction over European patents.[13] The traditional EU national courts may therefore have a slight advantage over the UPC. However, as soon as a European patent is invoked, it follows from the BSH ruling that, with regard to defendants domiciled in the UPC territory:

- The UPC has jurisdiction to rule on acts of infringement of a European patent even if committed in an EU but non-UPC contracting state (such as Spain, Croatia and Poland), or in a non-EU state that is part of the EPC (such as Albania, Switzerland, the U.K., Iceland, Liechtenstein, Monaco, Montenegro, North Macedonia, Norway, Serbia, San Marino and Turkey).

- The UPC has no jurisdiction to rule on the validity of a European patent's parts validated in EU or Lugano but non-UPC contracting states (such as Spain, Croatia, Poland, Switzerland and Norway). However, in this case the UPC is free not to stay the infringement proceedings pending national validity proceedings. Given that the UPC is reluctant to stay infringement proceedings pending an invalidity decision expected from another division of the UPC, we can assume that it will be equally reluctant, if not more so, to stay pending a decision from a national court.

- The UPC has jurisdiction to rule on the defense of invalidity (but not on the invalidity claim) of a European patent's parts validated in non-EU, non-Lugano and non-UPC states (such as Turkey and the U.K.), but in this case, its decision on validity will only have an inter partes effect.[14]

It is important to note that the reasoning in the BSH ruling refers to Article 4(1) of the BIB, which recognized jurisdiction based on the defendant's domicile. Such reasoning may not apply when a court's jurisdiction is justified only because it is the place of the infringement, under Article 7(2) of the BIB. In such a case, the UPC would only have jurisdiction to compensate for the damage caused in the UPC territory.[15]

Nor does the BSH ruling mention the case of multiple defendants, addressed by Article 8(1) of the BIB, including UPC-based defendants and non-UPC-based defendants. However, in
such a case, the UPC could apply its reasoning in the BSH case in combination with the reasoning in its 2012 decision in Solvay SA v. Honeywell Fluorine Products Europe BV regarding Article 8(1).[16]

This would lead the UPC to find that it has jurisdiction not only over the UPC-based defendants but also over the non-UPC-based ones provided that the latter's acts of infringement relate to the same product and the same national parts of the European patent. All this provided that the non-UPC-based defendants are EU-based, or the BIB cannot apply. But in this case, other jurisdiction rules may also apply.

To conclude, the BSH ruling combined with the previous Solvay decision could lead to the following extension of international jurisdiction of EU courts, from the most local situation to the more global.

Situation 1

Let's suppose there is an action involving acts of infringement of a European patent committed in France and in a country that is part of the EU, the UPC and the EPC — such as Germany — by EU co-defendants, including an anchor co-defendant.[17]

In this case, a French national court has full jurisdiction (infringement and validity) over the French part of the European patent and over the infringement action in Germany over all EU co-defendants. However, it has no jurisdiction over the validity regarding the German part of the patent, whether it is challenged through a claim or a counterclaim or a defense of invalidity. The court is free to stay the infringement proceedings if the nullity issue is brought before a German court.

The UPC's jurisdiction would be broader as it would have full jurisdiction (infringement and validity) over the French and German part of the European patent over all EU co-defendants.

Situation 2

Let's suppose there is an action involving acts of infringement of a European patent committed in France and in a country that is part of the EU and the EPC but not of the UPC, such as Spain, by EU co-defendants, including an anchor co-defendant.

The jurisdiction of the French national court would remain unchanged as regards to the French acts or the French part of the patent. When it comes to the Spanish acts or Spanish part of the patent, the situation would be identical to Situation 1 as regards to the German acts or German part of the patent. The jurisdiction of the UPC in Situation 2 would be identical to that of the French courts in Situation 1. It will therefore be more limited than in Situation 1.

Situation 3

Let's suppose an action involving acts of infringement of a European patent committed in France and in a country that is part of the EPC but not of the EU nor the UPC, such as the U.K., by EU co-defendants, including an anchor co-defendant.

The jurisdiction of the French national courts would remain unchanged as regards to the French acts or the French part of the patent. However, in this case, a French national court would have jurisdiction not only over the infringement action in the U.K. over all EU co-
defendants, but also over the defense of invalidity regarding the U.K. part of the patent — its decision on such defense of invalidity being inter partes only. Here again, the court could be free to stay the infringement proceedings if the nullity issue is brought before a U.K. court.

The jurisdiction of the UPC in Situation 3 would be identical to that of the French courts in such a situation. It will therefore be more limited than in Situation 1.

Situation 4

Let's suppose there is an action involving acts of infringement of a European patent committed in France and of a U.S. patent committed in the U.S. — which is not a part the EU, the UPC or the EPC — by EU co-defendants, including an anchor co-defendant.

The jurisdiction of the French national courts would remain unchanged as regards to the French acts and the French part of the patent. As regards to the U.S. acts and the U.S. patent, the situation would be identical to Situation 3 as regards to the U.K. acts and the U.K. part of the patent.

The jurisdiction of the UPC in Situation 4 would be more limited compared to that of the French courts in such a situation as it would have full jurisdiction (infringement and validity) over the French part of the European patent over all EU co-defendants, but no jurisdiction over the infringement action in the U.S. nor over the defense of invalidity regarding the U.S. patent.

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[1] Cass. civ. 1, 29 June 2022, Hutchinson v. Dal and o., 21-11.085.
[2] CJEU, 25 Feb. 2025, C339/22, BSH.
[3] as held in CJEU, 13 July 2006, C4/03, GAT and now expressly stated in Article 24(4) BIB.
[4] CJEU, 25 Feb. 2025, C339/22, BSH, §41-50.
[5] CA Paris 5.2, 11 Oct. 2024, Hutchinson v. Tyron, 22-16203 (ruling of the court of Appeal to which the case has been refereed after the Supreme court decision) ruling that the international jurisdiction for patent infringement "does not prevent the defendant from seeking revocation of the title invoked against it before the respective competent courts."
[6] CJEU, 25 Feb. 2025, C339/22, BSH, §51.
[7] CJEU, 25 Feb. 2025, C339/22, BSH, §53-57.
[8] CJEU, 25 Feb. 2025, C339/22, BSH, §58-61.
[9] Article 22(4) of the Lugano convention.
[10] CJEU, 25 Feb. 2025, C339/22, BSH, §62-64.
[11] CJEU, 25 Feb. 2025, C339/22, BSH, §65.
[12] CJEU, 25 Feb. 2025, C339/22, BSH, §68-75.

[13] Art. 3 UPC Agreement.
[14] The UPC has already applied some of these principles from the BSH ruling recently. See: LD Paris, 21 March 2025, Mul-Lock v. IMC, ORD_11997_2025, UPC_CFI_702/2024 ; LD Milan, 8 April 2025, Alpinestars v. Dainese, UPC_CFI_792/2024, App. 61708/2024. [15] CJEU, C-68/23, 7 March 1995, Fiona Shevill.
[16] CJEU, C-616/10, 12 July 2012, Solvay which rules that "Article 6(1) of Council Regulation (EC) No 44/2001 of 22December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters [which became Article 8(1) BIB], must be interpreted as meaning that a situation where two or more companies established in different Member States, in proceedings pending before a court of one of those Member States, are each separately accused of committing an infringement of the same national part of a European patent which is in force in yet another Member State by virtue of their performance of reserved actions with regard to the same product, is capable of leading to 'irreconcilable judgments' resulting from separate proceedings as referred to in that provision. It is for the referring court to assess whether such a risk exists, taking into account all the relevant information in the file."
[17] An "anchor co-defendant" is a co-defendant which is seated in the geographical territory of the court seized. This defendant is the reason for jurisdiction of the court also for other defendants against whom connected claims are raised. Here as an example: the French co-defendant would be the anchor co-defendant for both the French national court and the UPC.