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**Extraterritorial Patent Jurisdiction:
Can One Sue in Europe for Infringement of
a U.S. Patent?**

Marko Schauwecker

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Abstract

The enforceability of industrial property rights is a key component of any patent system. In a globalized economy, being able to bring infringement lawsuits outside of the country where the patent was granted is very important. Landmark decisions on both sides of the Atlantic have only recently clarified the law of transnational patent enforcement. Whereas U.S. case law does not leave much room for interpretation, the European status quo is far from clear. Both decisions, however, are to be strongly criticized for their flawed reasoning and thus call for re-assessment and reform. Even though this paper does not omit to analyze the larger picture of extraterritorial patent jurisdiction *de lege lata* and *ferenda*, it is specifically geared towards a question so far largely ignored in scholarly writing: Can U.S. patents still be effectively enforced in European courts after the recent judgment? Based on a discussion of the pertinent provisions' conceivable interpretations, the author pleads to treat U.S. patents just as foreign registered industrial property rights from European countries, although this means extending a poor solution on a global scale.

Table of Contents

Table of Contents	1
A. Introduction	2
B. The Coordinates of Extraterritorial Patent Jurisdiction	5
I. <i>Voda v. Cordis</i> – Banning Foreign Patent Infringement Claims from U.S. Courts	5
II. <i>GAT v. LuK</i> – Re-Territorializing Patent Infringement Proceedings?	12
III. De-Territorialization – The Need for Legislative Reversal on the European and Global Level	18
C. The Effect of an Invalidity Defense on a European Court’s Jurisdiction Over Proceedings Concerned with the Infringement of a Non-EU Patent	24
I. Direct Reflexive Effect of Article 22(4) BR	27
II. Applying National Rules of Jurisdiction to Determine the Jurisdictional Consequences of an Invalidity Defense	31
1. Unrestricted Applicability of National Law in Light of the <i>Owusu</i> Decision	33
2. Indirect Reflexive Effect of Article 22(4) BR	39
III. Duty to Exercise Jurisdiction Based on Community Law	42
IV. Final Statement	44
D. Conclusion	45

A. Introduction

Whether patents are justiciable in foreign courts, that is, in courts outside of the country where the patent was granted or is protected (so-called extraterritorial patent jurisdiction) has been debated ever since inventor rights started playing an increasingly important economic role.¹ This huge interest is rooted in the truism that the value of patents – as is true for substantive rights in general – crucially depends on the ability to enforce claims for injunctions and damages effectively in the case of infringement.² As transnational cases have become the rule in the globalized economy³, conflict of laws provisions have gained great importance in the enforcement context. The rules on conflict of jurisdictions or international civil

¹ For Germany see Heinz W. Auerswald, Können Ansprüche wegen Verletzung eines ausländischen Patents vor deutschen Gerichten verfolgt werden? (*Are Claims for Infringement of Foreign Patents Actionable in German Courts?*), in: Karl Bruchhausen (ed.), Festschrift in honor of Werner von Stein (1961), 8 et seq.; Friedrich Groß, Wie mache ich im Inland Ansprüche aus Schutzrechten geltend, deren Verletzung im Ausland erfolgt ist? (*How to Claim Patent Infringement Committed Abroad?*), 6 Gewerblicher Rechtsschutz und Urheberrecht – Ausländischer Teil (*Foreign Industrial Property and Copyright Law*) (GRUR Ausl.) 346 et seq. (1957); Dieter Stauder, Gerichtliche Zuständigkeit für Klagen aus ausländischen Patenten (*Jurisdiction for Foreign Patent Infringement Claims*), in: Hans-Peter Kunz et al. (eds.), Festschrift in honor of Eugen Ulmer (1973), 509 et seq. For a very early contribution see J. Reuling, Auslandspatente vor deutschen Gerichten (*Foreign Patents in German Courts*), Gewerblicher Rechtsschutz und Urheberrecht (*Industrial Property and Copyright Law*) (GRUR) 77 et seq. (1896). For the United Kingdom see Peter A. Haas, Extra-Territorial Jurisdiction in Patent Infringement Issues, 6 Intellectual Property Quarterly (IPQ) 187 (2001); Edward Bragiel, A Funny Thing Happened on the Way to the Forum - Actionability In The United Kingdom of Infringements of IP Rights Committed Abroad, 2 IPQ 135 (1999); Stuart Dutson, Actions for Infringement of a Foreign Intellectual Property Right in an English Court, 46 International Competition Law Quarterly (ICLQ) 918 (1997); Christopher Floyd & Iain Purvis, Can an English Court Restrain Infringement of a Foreign Patent?, 17 European Intellectual Property Review (EIPR) 110 (1995); Richard Arnold, Can One Sue in England for Infringement of Foreign Intellectual Property Rights?, 21 EIPR 254 (1999). For the Netherlands see Jan J. Brinkhof, Could the President of the District Court of the Hague Take Measures Concerning the Infringement of Foreign Patents?, 16 EIPR 360 (1994). For a recent, comparative analysis see Matthias Zigann, Entscheidungen inländischer Gerichte über ausländische gewerbliche Schutzrechte und Urheberrechte (*Decisions of National Courts on Foreign Industrial Property Rights and Copyrights*) (2002).

² See generally Thomas Rauscher, Peter Wax & Joachim Wenzel (eds./also commentator), Münchener Kommentar zur Zivilprozessordnung (Munich Commentary on Civil Procedure), Vol. 1 §§ 1-501c (2008), Introduction, at 25; Richard Zöller (ed.) & Max Vollkommer (comm.), Zivilprozessordnung (Civil Procedure), 26th ed. (2007), Introduction, at 39; specifically with regards to patents see Thomas Pattloch, Symposium on Enforcement of Intellectual Property Rights and Patent Litigation vom 10. bis zum 14. September 2001 in München, 51 Gewerblicher Rechtsschutz und Urheberrecht – Internationaler Teil (*International Industrial Property and Copyright Law*) (GRUR Int.) 30 (2002).

³ See only Annette Kur, Principles Governing Jurisdiction, Choice of Laws and Judgments in Transnational Disputes: A European Perspective, 3 Computer Law Review – International (CRi) 65 (2003).

procedure determine whether claims can be brought in a single national court in the case of multistate patent infringement or whether the patent owner is forced to take the cumbersome way of asserting his rights piece by piece in each court of the state where the patent is protected (so-called piece-meal litigation). Furthermore, by assigning jurisdiction to the courts of a certain country, the rules on international civil procedure indirectly determine the applicable procedural law. Under the *lex fori* principle, competent courts resort to their national law in resolving procedural questions. The law of civil procedure, for its part, determines effective enforcement depending on the extent to which it allows the patent owner to take evidence or to secure his rights through interim measures, for example.⁴ Differences in the outcome of patent lawsuits often result not from differing substantive provisions in the respective national laws, but from nuances in procedural rules.⁵ Against this background, it is not surprising that parties frequently argue more about the jurisdiction of the court of a certain country where effective enforcement of patent rights seems particularly promising, than about the underlying substantive issues.⁶ In 2006, the European Court of Justice (ECJ) resolved a key issue of extraterritorial patent jurisdiction that had been subject to much dissent in the case law of national courts in Europe, as well as in legal writing ever since the Brussels Convention.

⁴ See Pedro de Miguel Asensio, Cross-Border Adjudication of Intellectual Property Rights and Competition between Jurisdictions, 15 *Annali italiani del diritto d'autore, della cultura e dello spettacolo (Italian Yearbook of Copyright Law, Culture, and Entertainment)* (AIDA) 3, at 8 et seq. (2007).

⁵ See unanimously Heleen Bertrams, The Cross-Border Prohibitory Injunction in Dutch Patent Law, 26 *International Review of Industrial Property and Copyright Law (IIC)* 618, 634 (1995); Annette Kur, Jurisdiction and Enforcement of Foreign Judgments – The General Structure of the MPI Proposal, in: Josef Drexl & Annette Kur (eds.), *Intellectual Property and Private International Law* (2005), 21, at 24, note 10. Explicitly also Dieter Stauder, Enforcing Industrial Property Rights: Patent Protection From a Comparative Viewpoint, in: Christopher Heath & Anselm K. Sanders (eds.), *New Frontiers of Intellectual Property Law* (2006), 291 et seq. and 301.

⁶ See Court of Appeal (Civil Division) of 6 March 2008, *Research in Motion UK Ltd. v. Visto Corporation*, [2008] EWCA Civ. 153, at 3: “The case is yet another illustrating the unsatisfactory state of the current arrangements for deciding European wide patent disputes. Too often one finds parties litigating as much about where and when disputes should be heard and decided as about the real underlying dispute.”

According to the court's decision *in re GAT v. LuK*⁷, the exclusive jurisdiction of the courts of the country where a patent was granted provided for in Article 22(4) Brussels I Regulation (BR)⁸ is not only triggered by direct actions for invalidating a patent, but also applies to proceedings where the issue of validity is raised as a plea in objection and thus emerges as an incidental matter.⁹ Shortly after, the Court of Appeals for the Federal Circuit (CAFC) followed suit *in re Voda v. Cordis* ruling that U.S. courts do not possess subject matter jurisdiction over foreign patent infringement claims.¹⁰

Both decisions have already received considerable attention in legal writing. Many U.S. readers will be familiar with the *Voda v. Cordis* case and its reception by scholars and practitioners.¹¹ This paper will therefore be limited to a short depiction of U.S. law on extraterritorial patent jurisdiction (see below B. I.). Even though there are almost 30 years of European contributions to the issue, the recent ECJ judgment has brought about a number of new, intricate questions in the field of cross-border patent jurisdiction that have not yet been exhaustively discussed – let alone conclusively resolved – and therefore deserve closer scrutiny here (see below B. II.). These analytical remarks concern, *a priori*, foreign patents in the larger European realm (EU and EFTA). At the core of this paper, however, lies a question which, surprisingly, has been largely neglected not only after *GAT v. LuK* but also in the 30 years of discussion preceding the decision¹²: Can one effectively sue in European courts for

⁷ ECJ, judgment of 13 July 2006, case C-4/03, *Gesellschaft für Antriebstechnik mbH & Co. KG (GAT) v. Lamellen und Kupplungsbau KG (LuK)*, OC 2006, I-6509 – *GAT v. LuK*.

⁸ Regulation (EC) No. 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, OJ No. L 12/1 of 16 January 2001.

⁹ ECJ, judgment of 13 July 2006, case C-4/03, OC 2006, I-6509, at 25, 31 – *GAT v. LuK*.

¹⁰ *Jan K. Voda, M.D. v. Cordis Corp.*, 476 F.3d 887, 905 (Fed. Cir. 2007).

¹¹ For a very recent in-depth study see Rochelle C. Dreyfuss, *Resolving Patent Disputes in a Global Economy*, New York University School of Law Law & Economics Working Paper 08-48, November 2008, available at <http://ssrn.com/abstract=1226562>.

¹² An exception in this regard is the contribution by Richard Fentiman, on which this paper draws at various points, see Richard Fentiman, *Justiciability, Discretion and Foreign Rights*, in: Arnaud Nuyts (ed.), *International Litigation in Intellectual Property and Information Technology* (2008), at

infringement of a U.S. patent? Which law determines the consequences of an invalidity plea in objection for a court's jurisdiction over a U.S. patent infringement claim? Can European courts determine the validity of a U.S. patent as an incidental matter to rule on the merits of the right owner's infringement claims after *GAT v. LuK*? Deciding these *prima facie* simple questions demands an in-depth analysis of the possible ways of interpreting the Regulation on this point, as well as close scrutiny of exploitable ECJ case law (see below C.), before a conclusion can be reached (see below D.).

B. The Coordinates of Extraterritorial Patent Jurisdiction

After a short depiction of U.S. law on extraterritorial patent jurisdiction (I.), the changes brought about by the recent ECJ judgment to cross-border patent lawsuits in Europe will be discussed (II.). A critique as well as an outline of potential legislative reversal of the decisions conclude the chapter (III.).

I. *Voda v. Cordis* – Banning Foreign Patent Infringement Claims from U.S.

Courts

It does not come as a big surprise that long before the landmark decision *in re Voda v. Cordis*, U.S. courts were confronted with the issue of extraterritorial patent

151 et seq. For a general discussion of the problem that an element for attributing jurisdiction points towards a third state, as provided for in the Regulation, see Pascal Grolimund, *Drittstaatenproblematik des europäischen Zivilverfahrensrechts (European Law of Jurisdiction and Third State Linkages)* (2000). Apart from the patent context discussed here, the problem concerns Article 6(1) BR (when the domicile of one of multiple defendants is in a third state), Article 23 BR (choice of court agreement conferring jurisdiction on a third country), as well as Articles 27 and 28 BR (pendency of same or related actions before a court outside of the EU).

jurisdiction. Already in 1964, a district court reasoned *in re Distillers v. Standard Oil* that there could be no doubt about a U.S. court being “empowered to hear claims arising under foreign patents”¹³. Contrary to that, *in re Ortman v. Stanray Corp.*, from the same decade, an appellate court concluded, after close scrutiny of the conceivable grounds for assuming extraterritorial patent jurisdiction¹⁴ and albeit some ambiguous statements, that “under ordinary circumstances, it would seem clear that [a] plaintiff could not come into a United States District Court and sue for infringement of patents issued by Canada, Brazil, and Mexico”¹⁵. Eventually, in the 1970s, the Northern District of Illinois decided on two occasions that it possessed subject matter jurisdiction over foreign patent infringement claims, but used its discretion not to take on the cases.¹⁶

Regardless of the common approach to foreign patents, case law lost any alleged precedential function in 1982 when the CAFC assumed office. The court had been created specifically to ensure the uniform application of U.S. patent law, which comprises the area of jurisdiction over patent disputes.¹⁷ The CAFC took up the issue for the first time¹⁸ *in re Mars*, where a plaintiff claimed damages for infringement of a Japanese patent.¹⁹ The appellate court rejected the plaintiff’s assertion that claims for infringement of a foreign patent could be considered as unfair competition and

¹³ 150 U.S.P.Q. 42, 47 (N.D. Ohio 1964).

¹⁴ For more on the statutory grounds see immediately infra, discussing the *Voda v. Cordis* judgment.

¹⁵ 371 F.2d 154, 155 et seq. (7th Cir. 1967).

¹⁶ See *Packard Instrument Co. v. Beckman Instruments, Inc.*, 346 F. Supp. 408, 408 (N. D. Ill. 1972); as well as *Goldberg v. Cordis Corp.*, 203 U.S.P.Q. 717, 717 et seq. (N.D. Ill. 1976).

¹⁷ On the CAFC’s jurisdiction to determine a Federal district court’s subject matter jurisdiction over patent matters see *C.R. Bard, Inc. v. Schwartz*, 716 F.2d 874, 877 (Fed. Cir. 1983); see also Fritz Blumer, *Jurisdiction and Recognition in Transatlantic Patent Litigation*, 9 *Tex. Intell. Prop. L.J.* 329, 337, 343 (2001).

¹⁸ More precisely, the CAFC’s truly first encounter with the question of extraterritorial patent jurisdiction took place *in re Stein Associates* where the court stated that “only a British court, applying British law, can determine validity and infringement of British patents,” see *Stein Associates, Inc. v. Heat Control, Inc.*, 748 F.2d 658 (Fed. Cir. 1984). However, the case was very specific and thus could not be considered as precedent, but rather as mere dictum; see John R. Thomas, *Litigation Beyond the Technological Frontier: Comparative Approaches to Multinational Patent Enforcement*, 27 *Law & Pol’y Int’l Bus.* 277, 321 (1996).

¹⁹ *Mars Inc. v. Kabushiki-Kaisha Nippon Conlux*, 24 F.3d 1368 (Fed. Cir. 1994).

therefore would fall within the subject matter jurisdiction of U.S. federal courts pursuant to 28 U.S.C. § 1338(b).²⁰ Likewise, the CAFC repudiated the lower court's assertion of supplemental jurisdiction under 28 U.S.C. § 1367.²¹ This provision is considered to be a codification of the principle of so-called pendent or ancillary jurisdiction developed by the Supreme Court *in re Gibbs* in 1966. It extends the subject matter jurisdiction of federal courts to matters not originally covered, provided that these are so closely related to a federal claim to permit "the conclusion that the entire action before the court comprises but one constitutional 'case,'" or, in other words, that "a plaintiff's claims are such that he would ordinarily be expected to try them all in one judicial proceeding."²² In *Mars*, the CAFC did not consider the claims for infringement of the U.S. and Japanese patent to "derive from a common nucleus of operative fact"²³ because of differences with regards to the respective patents, the accused devices, the alleged infringing acts, and the governing patent laws.²⁴ Eventually, the court clarified that it would also decline, on *forum non conveniens* grounds, to exercise subject matter jurisdiction based on diversity of citizenship, 28 U.S.C. § 1332(a)(2),²⁵ should the plaintiff amend its pleadings accordingly.²⁶

²⁰ 28 U.S.C. § 1338(b) stipulates: "The district courts shall have original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent, plant variety protection or trademark laws."

²¹ 28 U.S.C. § 1367(a), which will also be critical in discussing the *Voda v. Cordis* case, reads: "Except as provided in subsections (b) and (c) or as expressly provided otherwise by Federal statute, in any civil action of which the district courts have original jurisdiction over all other claims that are so related to claims in the action within such original that they form part of the same case or controversy under Article III of the United States Constitution..."

²² *United Mine Workers v. Gibbs*, 383 U.S. 715, 725 (1966).

²³ For this standard of pendent or rather supplemental jurisdiction see *id.*

²⁴ See *Mars*, 24 F.3d at 1375.

²⁵ 28 U.S.C. § 1332(a)(2) provides: "The district courts shall have original jurisdiction of all civil actions where the matter in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs, and is between — citizens of a State and citizens or subjects of a foreign state."

²⁶ *Mars*, 24 F.3d at 1375 et seq.

Although there was reason to assume that *Mars* had at least factually shut the door for litigating foreign patents in the U.S.²⁷, some courts and commentators nevertheless opined that U.S. courts were still able to adjudicate foreign patent infringement claims if the action met the 4-prong test developed for supplemental jurisdiction in *Mars*, or just involved different circumstances allowing a court to exercise diversity jurisdiction.²⁸ This loophole, accompanied by the fact that the claims at issue in *Voda v. Cordis* presented a certain chance to meet the *Mars* standard, can explain why in 2005 the CAFC admitted another appeal dealing with the very same question of supplemental jurisdiction over foreign patent infringement claims. Accordingly, intellectual property stakeholders who had filed *amicus curiae* briefs urged the CAFC to create greater legal certainty, either by unequivocally withdrawing foreign patent infringement claims from the adjudicative authority of U.S. courts,²⁹ or by providing guidance for district courts on when to assume jurisdiction.³⁰

²⁷ See only Thomas, *supra* note 18, at 323; as well as Harold C. Wegner, *Voda v. Cordis*: Transborder Patent Enforcement, 2005, available at http://www.foley.com/files/tbl_s31_Publications/fileUpload137/2989/Voda_Texas_Paper.pdf, at 27 (speaking of a "chilling effect").

²⁸ See the CAFC itself in *Mars*, 24 F.3d at 1374 et seq. ("distinguishing *Mars* from *Ortman*"); explicitly after *Mars Medigene AG v. Loyola Univ. of Chicago*, No. 98-C-2026, 2001 WL 1636916 (N.D. Ill. Dec. 19, 2001), at 1: "[The plaintiff] argues that disputes about foreign patent applications are beyond the jurisdictional reach of Section 1367(a), and relies on *Mars*. We do not read that case to support any such broad rule. Rather, the discussion of the Court made clear that in appropriate circumstances Section 1367 permits exercise of supplemental jurisdiction over a claim for infringement of a foreign patent." See also Blumer, *supra* note 17, at 345 (arguing that *Ortman* remained good law even after *Mars*); likewise Eric Chan, *Asserting Foreign Patent Claims in U.S. Federal Courts: What's Left After Voda v. Cordis*, Working Paper June 2007, available at http://works.bepress.com/cgi/viewcontent.cgi?article=1001&content=eric_chan, at 12; eventually see Peter Nicolas, *The Use of Preclusion Doctrine, Antisuit Injunctions, and Forum Non Conveniens Dismissals in Transnational Intellectual Property Litigation*, 40 Va. J. Int'l L. 331, 355 (1999) (concluding that federal courts agreed on their authority to exercise jurisdiction over foreign patent infringement claims).

²⁹ See Jeffrey Hawley et al., *Brief of Intellectual Property Owners Association as Amicus Curiae in Support of the Appellant (Cordis Corp.)*, June 15, 2005, at 3; William C. Rooklidge et al., *Brief for Amicus Curiae American Intellectual Property Law Association in Support of Cordis*, June 15, 2005, at 2; Charles F. Schill et al., *Brief of Amicus Curiae The Federal Circuit Bar Association in Support of Defendant-Appellant's Position Seeking Reversal of the District Court's August 2, 2004 Order*, June 10, 2005, at 2; James A. Toupin et al., *Brief for the United States as Amicus Curiae in Support of the Appellant (Cordis Corp.)*, June 15, 2005, available at <http://www.uspto.gov/go/com/sol/ambriefs/05-1238.pdf>, at 7.

³⁰ John R. Thomas et al., *Brief for Amici Curiae Law Professors in Support of the Appellee (Jan K. Voda, M.D.)*, July 29, 2005, at 25 et seq.

In *Voda v. Cordis*, the district court had granted the plaintiff's motion to extend his claims for patent infringement, originally only drawn to U.S. patents, to parallel patents held in Canada, France, Germany, and the United Kingdom.³¹ The court opined to possess subject matter over the foreign claims pursuant to 28 U.S.C. § 1367, which it intended to exercise. Called in through an interlocutory appeal,³² the CAFC majority decided³³ that the district court had erred in assuming it had jurisdictional power to hear the foreign patent infringement claims.³⁴ Contrary to its *Mars* decision, here the CAFC did not base its ruling on the four-prong test of 28 U.S.C. § 1367(a). In the majority's view, the district court's findings did not suffice for the CAFC to address the "common nucleus of operative facts" question,³⁵ which ended up being immaterial because the lower court had abused its discretion to exercise supplemental jurisdiction under 28 U.S.C. § 1367(c).³⁶ According to the majority opinion, compelling reasons under 28 U.S.C. § 1367(c) (4) preclude a court from exercising jurisdiction over foreign patent infringement claims. First, the Paris Convention for the Protection of Industrial Property, the Patent Cooperation Treaty (PCT), as well as the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), as supreme law of the land, provide for the independence of national patent systems, which strongly argues against the authority of courts to determine infringement and validity of foreign patents. To do so could undermine the obligations

³¹ Rule 18(a) of the Federal Rules of Civil Procedure allows such a joinder of claims provided that the court's jurisdiction encompasses the claim to be joined.

³² See 28 U.S.C. § 1292(b) and (c).

³³ For Judge Newman's dissent see *infra* III.

³⁴ *Voda v. Cordis*, 476 F.3d at 905.

³⁵ *Id.*, at 896.

³⁶ 28 U.S.C. § 1367(c) reads: "The district courts may decline to exercise supplemental jurisdiction over a claim under subsection (a) if (1) the claim raises a novel or complex issue of State law, (2) the claim substantially predominates over the claim or claims over which the district court has original jurisdiction, (3) the district court has dismissed all claims over which it has original jurisdiction, or (4) in exceptional circumstances, there are other compelling reasons for declining jurisdiction..." On a court's duty to exercise this discretion see *City of Chicago v. Int'l Coll of Surgeons*, 118 S. Ct. 523 (1997) (holding that when deciding whether to exercise supplemental jurisdiction, "a federal court should consider and weigh in each case, and at every stage of the litigation, the values of judicial economy, convenience, fairness, and comity.").

of the United States under the named international instruments. Second, assuming jurisdiction would unreasonably interfere with the sovereign authority of other nations by prejudicing the rights of foreign governments to interpret and enforce the patents granted by them. This would amount to a violation of the comity principle³⁷ and go against the spirit of cooperation between sovereign nations. Third, considerations of judicial economy militate against the exercise of jurisdiction over foreign patents as states have installed specific courts and procedures on the national level to deal with patent issues. Given the difficulty of applying foreign patent law and the likelihood of jury confusion, trying such claims in the U.S. would, to the contrary, waste judicial resources, to the detriment of the countries and parties involved. Finally, the principle of judicial fairness constitutes a compelling reason to refrain from the exercise of jurisdiction, under the act of state doctrine, pursuant to which U.S. courts “will not sit in judgment on the acts of the government of another [country], done within its own territory,”³⁸ a judge would be obliged to presume the validity of foreign patents and thus deprive the defendant of its most effective defense against the infringement claims.³⁹

Assessing the decision’s impact on the extraterritorial patent jurisdiction of U.S. courts would have been much more straightforward had the majority not concluded its reasoning with a caveat, creating – just as the court had done in *Mars* – a loophole for a different outcome of future cases.⁴⁰ Even more so – and in this regard contrary to the *Mars* court – the CAFC did not rule out 28 U.S.C. § 1332 as alternate

³⁷ On comity see in general *Hilton v. Guyot*, 159, U.S. 113, 163-64 (1895).

³⁸ *Underhill v. Hernandez*, 168 U.S. 250, 252 (1897). For a more recent expression of the doctrine specifically related to the question of jurisdiction see *W.S. Kirkpatrick & Co. v. Environmental Tectonics Corp.*, 493 U.S. 400, 405 (1990).

³⁹ *Voda v. Cordis*, 476 F.3d at 897-905.

⁴⁰ *Id.*, at 905: “In addition, we emphasize that because the exercise of supplemental jurisdiction under § 1367(c) is an area of discretion, the district courts should examine these reasons along with others that are relevant in every case, especially if circumstances change, such as if the United States were to enter into a new international patent treaty or if events during litigation alter a district court’s conclusions regarding comity, judicial economy, convenience, or fairness.”

statutory basis.⁴¹ Hence, even after *Voda v. Cordis* scholars continue to opine that U.S. courts possess subject matter jurisdiction over foreign patent infringement claims based on 28 U.S.C. § 1367 and § 1332, or, alternatively, consider state courts to be vested with judicial authority over such proceedings.⁴² However, given the generality of the court's reasoning, there can be no doubt that claims for infringement of foreign patents are beyond the jurisdiction of U.S. courts.⁴³ No matter what ground of jurisdiction the plaintiff may plead, a judge will, in following the CAFC's arguments in the framework of 28 U.S.C. § 1367(c) (4), its general *forum non conveniens* considerations, or in application of the act of state doctrine,⁴⁴ be obliged to decline to exercise jurisdictional authority over infringement and validity of non-U.S. patents, or else clearly abuse its discretion.⁴⁵ To overturn the decision and change the law would require the Supreme Court to extend its recently revived interest in patent law to the question of extraterritorial jurisdiction, which cannot be expected to happen in the near future.⁴⁶ Thus, at present there is but one straightforward conclusion, that the law as it stands, and presumably for a long time ahead, does not provide for extraterritorial patent jurisdiction of U.S. courts.

⁴¹ Id.: "We therefore decline to decide whether the district court could properly exercise jurisdiction based in diversity."

⁴² See, in particular, Chan, *supra* note 28, at 43.

⁴³ See Thomas, *supra* note 18, at 324; Wegner, *supra* note 27, at 34; as well as Toshiko Takenaka, High Hurdle for U.S. Courts to Hear Foreign Infringement Claims, *Jan K. Voda v. Cordis Corp.*, A Comparative Law Perspective, 14 (2) CASRIP Newsletter 1, 3 (2007). See also *Voda v. Cordis*, 476 F.3d at 909 (Newman, J., dissenting).

⁴⁴ It is very important to note that the act of state doctrine accounts for independent grounds for declining to exercise jurisdiction; see *Vanity Fair Mills, Inc. v. T. Eaton Co.*, 234 F.2d 633, 646-47 (2d Cir. 1956), as well as *Packard Instrument Co. v. Beckman Instruments, Inc.*, 346 F. Supp. 408, 410 (N.D. Ill. 1972).

⁴⁵ For a confirmation that the arguments the CAFC considered compelling under 28 U.S.C. § 1367(c)(4) to a large extent equal those private and public interests a court has to weigh in the framework of its *forum non conveniens* considerations, see *Gulf Oil Corp. v. Gilbert* (330 U.S. 501, 508-09 (1947)); *Murray v. British Broadcasting Corp.*, 81 F.3d 287, 293 (2d Cir. 1996), as well as *Creative Technology, Ltd. v. Aztech Sys. PTE*, 61 F.3d 696, 699, (9th Cir. 1995). See also the in-depth analysis by Nicolas, *supra* note 28, at 375 et seq., as well as Thomas, *supra* note 18, at 315 et seq.

⁴⁶ No writ of *certiorari* was granted in *re Voda v. Cordis*. A grant of *certiorari* might be provoked if other Circuit courts rule contrary on the extraterritorial jurisdiction of U.S. courts with respect to other intellectual property rights such as trademarks and copyrights; see Wegner, *supra* note 27, at 33.

II. GAT v. LuK – Re-Territorializing Patent Infringement Proceedings?

Similar to the practice of U.S. courts, courts in European countries would decline jurisdiction over not only foreign patents, but also intellectual property rights in general until at least the second half of the 20th century.⁴⁷ In some countries, like Germany, this dogma would be gradually loosened by jurisprudence, in others, like the United Kingdom, religiously followed through modern day like a principle carved in stone. When the question of jurisdiction vis-à-vis other states was withdrawn from national law upon the Brussels Convention's entry into force in the early 1970s, so was the question of extraterritorial patent jurisdiction. Even though it took another decade, patent litigators eventually used the Convention as grounds for bringing their cases outside of the state of the patent grant, and found the approbation of national courts in their venture, especially in the Netherlands.⁴⁸ Based on what is today Article 2(1) BR, judges would rule on the infringement of foreign patents, provided that the alleged infringer resided within the court's jurisdiction. Irrespective of the defendant's domicile, courts would issue cross-border preliminary injunctions in patent cases on the grounds of today's Article 31 BR.⁴⁹ Until very recently, opponents of this cross-border machinery continuously challenged its consistency with the Regulation,⁵⁰ arguing that the question of patent infringement was comprised by the exclusive jurisdiction over validity matters of courts in the country where the patent was granted provided for in Article 22(4) BR, as infringement and validity were "two sides of the

⁴⁷ For a detailed study of this development in different European countries see the references supra note 1.

⁴⁸ See on this point very apposite Pierre Véron, 127 *Journal du droit international Clunet (French International Law Journal)* 805, 809 (2001); as well as Christopher Wadlow, 10 *European Law Review (ELRev)* 305, 306 (1985). On the Dutch courts as pioneers of this cross-border practice see, e.g., Bertrams, supra note 5.

⁴⁹ Even though Article 23 and 24 BR constitute additional grounds of extraterritorial patent jurisdiction, there are no reported cases basing jurisdiction for cross-border injunctions on these provisions. This might be explained by the fact that alleged infringers will, under ordinary circumstances, neither agree on a subsequent choice of court agreement nor accept a forum through voluntary appearance.

⁵⁰ The last "attack" took place *in re GAT v. LuK* in form of submissions by the governments of France and the United Kingdom; see only Advocate General, opinion of 16 September 2004, case C-4/03, OC 2006, I-6509, at 18-19 and 38 – *GAT v. LuK*.

same coin”⁵¹. However, if disregarding the numerous court decisions, convincing scholarly contributions, and even more the unequivocal stance of the expert report on this matter⁵², all arguing to the contrary⁵³, must have already been a tough challenge for the advocates of such a read, they have been utterly ousted by the ECJ’s recently, and for the second time, explicit confirmation of the extraterritorial patent jurisdiction of Member State courts.⁵⁴ European Law of Civil Procedure has brought about, in principle, a de-territorialization of patent infringement lawsuits.

However, this dispute of interpretation constituted merely a side dispute – with the odds clearly in favor of the cross-border advocates; the real battle between “territorialists” and “extraterritorialists” wrestled with a far more intricate question regarding the consequences of an invalidity defense on a foreign court’s patent infringement jurisdiction. Did such a plea in objection make infringement proceedings, as Article 22(4) provides⁵⁵, “concerned with the...validity of patents,” or “relating to the validity...of a patent,” the ECJ’s phrasing from the court’s only judgment on Article 22(4) BR prior to 2006?⁵⁶ While German courts used to assess the validity of the patent as an incidental matter in such cases, the infringer’s defense provided English courts, wanting to dismiss patent lawsuits as a general matter, with a stronger basis for their practice. Dutch courts chose to strike a balance between

⁵¹ For that standard argument see only Marta Pertegás Sender, *Cross-Border Enforcement of Patent Rights – An Analysis of the Interface between Intellectual Property and Private International Law* (2002), at 161.

⁵² See Jenard Report, OJ EC No. C 59/1 of 5 March 1979, at 36.

⁵³ From the vast number of scholarly contributions see only very recently Arnaud Nuyts & Szychowska & Hatzimihail, in: Nuyts (ed.), *International Litigation* (2008), 6 et seq.

⁵⁴ See ECJ, judgment of 13 July 2006, case C-4/03, OC 2006, I-6509, at 16 – *GAT v. LuK*. Before that see ECJ, judgment of 15 November 1983, case C-288/82, *Ferdinand M.J.J. Duijnste v. Lodewijk Goderbauer*, OC 1983, 3663 at 23, 25 – *Duijnste*.

⁵⁵ Article 22(4) BR provides: “The following courts shall have exclusive jurisdiction, regardless of domicile: in proceedings concerned with the registration or validity of patents, trade marks, designs, or other similar rights required to be deposited or registered, the courts of the Member State in which the deposit or registration has been applied for, has taken place or is under the terms of a Community instrument or an international convention deemed to have taken place.”

⁵⁶ ECJ, judgment of 15 November 1983, case C-288/82, OC 1983, 3663 at 24 – *Duijnste*.

these two approaches by staying the infringement proceedings until the competent court in the country of the patent grant had given judgment on the right's existence.⁵⁷ The matter finally reached the ECJ *in re GAT v. LuK*, where two German companies in the field of motor vehicle technology argued, in a German court, over the alleged infringement of a French patent. Although the district court examined the patent's validity as an incidental matter, the court of appeals referred the consistency of such course of action with Article 22(4) BR to the ECJ. The judges decided that Article 22(4) BR "is to be interpreted as meaning that the rule of exclusive jurisdiction laid down therein concerns all proceedings relating to the registration or validity of a patent, *irrespective of whether the issue is raised by way of an action or a plea in objection* (emphasis added)".⁵⁸ According to the court's rationale, the wording of both Article 22(4) and 25 BR is ambiguous, so that the provision's special purpose and the Regulation's general purpose were determinative. With the former intending to ensure that jurisdiction rests with the courts closely linked with the proceedings in fact and in law, the ECJ inferred that the courts of the registration state were best placed to adjudicate questions of validity. In the court's view, the concern for the sound administration of justice underlying Article 22(4) BR justifies this attribution of jurisdiction all the more, given that the majority of Member States provide for specialized courts to deal with this type of cases. Neither did the ECJ consider a different interpretation of the provision's second justification, namely to respect the nature of patents as sovereign administrative acts. Rather, making the application of Article 22(4) BR dependent on the way the validity of a patent is challenged would undermine the rule's mandatory nature. As to the regulation's general objectives,

⁵⁷ For an exhaustive analysis of the case of European courts on this point see Johannes Bukow, *Verletzungsklagen aus gewerblichen Schutzrechten (Actions for Infringement of Industrial Property Rights)* (2003), at 203 et seq. Excellent on the conceivable interpretations of Article 22(4) BR also Christopher Wadlow, *Enforcement of Intellectual Property in European and International Law* (1998), at 194 et seq.

⁵⁸ ECJ, judgment of 13 July 2006, case C-4/03, OC 2006, I-6509, at 25, 31 – *GAT v. LuK*.

multiplying the number of courts authorized to rule on a patent's validity would hamper the predictability of the heads of jurisdiction, thus curtailing the Regulation's paramount principle of legal certainty, and furthermore it would create a risk of conflicting decisions. Finally, due to the heterogeneity of national provisions on the *res iudicata* effect of incidental rulings, limiting a court's ability to rule on the validity of foreign patents to cases where such a decision is only vested with *inter partes* effect would result in a non-uniform application of the Regulation.⁵⁹

Although in the meantime the court's precise wording has been incorporated into the revised Lugano Convention⁶⁰, and will also be accommodated in the framework of the Regulation's adaptation in the near future⁶¹, the judgment has attributed little to the understanding of Article 22(4) BR. The only thing that can be unequivocally inferred from *GAT v. LuK* is that the "German practice" of ruling on the validity of foreign patents as an incidental matter is inconsistent with Community Law. However, a number of questions are still unsolved, and new problems of interpretation have arisen. Having ruled out one approach still leaves courts with the "English" and the "Dutch" way of resolving the issue. It does not come as a surprise that some courts have rushed to interpret the ECJ's decision as creating a duty to dismiss infringement proceedings "affected" with an invalidity defense⁶², whereas

⁵⁹ Id., at 18-30.

⁶⁰ See Marko Schauwecker, Reformiertes Lugano-Übereinkommen kodifiziert umstrittene EuGH-Rechtsprechung zu grenzüberschreitenden Patentverletzungsklagen (*Revised Lugano Convention Codifies Contentious ECJ Judgment on Cross-Border Patent Infringement Lawsuits*), 56 GRUR Int. 551 (2007). The Lugano Convention regulates jurisdiction, recognition, and enforcement issues between EU Member States and countries of the European Free Trade Agreement (EFTA).

⁶¹ See Commission of the European Communities of 29 February 2008, Proposal for a Council Decision concerning the conclusion of the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, COM(2008) 116 final, at 7 (Annex). The scrutiny of the Regulation's application and possible adaptations is mandatory under Article 73 BR.

⁶² See High Court of Justice (Chancery Division), judgment of 27 February 2007, *SanDisk Corp. v. Koninklijke Philips Electronics N.V., France Télécom S.A., TDF, Institut für Rundfunktechnik GmbH, Società Italiana per lo Sviluppo dell'elettronica S.P.A.*, [2007] EWHC 332, at 39; as well as High Court of Justice (Chancery Division, Patents Court), judgment of 7 February 2008, *Knorr-Bremse Systems for Commercial Vehicles Ltd. v. Haldex Brake Products GmbH*, [2008] EWHC 156, at 44 – *Knorr-Bremse*.

others take *GAT v. Luk* as an approval of the judicial practice to stay extraterritorial infringement proceedings⁶³. Both interpretations have generated equal support in academic writing.⁶⁴ Also, presumably a majority of courts and commentators assume the applicability of Article 22(4) BR – and therefore of the *GAT v. LuK* judgment – to be limited to main proceedings. Therefore, courts are still free to issue cross-border preliminary injunctions in summary patent proceedings.⁶⁵ Even with regard to main proceedings it remains perfectly unclear whether the application of Article 22(4) BR is subject to certain requirements. Should, for example, the non-admissibility of an invalidity defence in patent infringements proceedings pursuant to the applicable patent law – as it is the case in Germany and Austria – bar the application of Article 22(4) BR on the assumption that there is no point in transferring the infringement proceedings to the country of the patent grant if the defendant cannot plead invalidity there either? Or should at least a no-challenge agreement, validly concluded between the parties and in conformity with antitrust law, have this effect? Should Article 22(4) BR come into play even though the defendant's plea is precluded due to the fact that he did not raise it in a timely fashion? Should there be any conditions on the alleged infringer acting in good faith, or having to carry a certain burden of production to initially support the invalidity attack, and so on?⁶⁶ Until a new

⁶³ In addition to numerous decisions of lower Dutch courts see Hoge Raad, judgment of 30 November 2007, *Roche Nederland B.V. v. Primus*, reported by Lydia Lundstedt, In the Wake of *GAT/LuK* and *Roche/Primus*, unpublished talk given on 21 January 2008 (copy on file with author), at 4-5. See also, presumably as the first court after *GAT v. LuK*, Zurich Commercial Court, judgment of 13 October 2006, *Eurojobs Personaldienstleistungen S.A. v. Eurojobs AG*, 10 Schweizerische Zeitschrift für Immaterialgüter-, Informations- und Wettbewerbsrecht (*Swiss Journal for Intellectual Property, Competition, and Information Law*) (sic!) 845 (2007).

⁶⁴ From the numerous advocates favoring the “English” read see only Paul Torremans, The Widening Reach of Exclusive Jurisdiction: Where Can You Litigate IP Rights after *GAT?*, in: Nuyts (ed.), *International Litigation* (2008), 61, 71. Privileging the “Dutch” approach, e.g., Burkhard Hess & Thomas Pfeiffer & Peter Schlosser, Report on the Application of the Regulation Brussels I in the Member States (2007), at 925.

⁶⁵ See in-depth, with references to court decisions from the pre- and post-*GAT v. LuK* era, Katarzyna Szychowska, Jurisdiction to Grant Provisional and Protective Measures in Intellectual Property Matters, in: Nuyts (ed.), *International Litigation* (2008), 207, 221.

⁶⁶ On these questions see in great detail Marko Schauwecker, Extraterritoriale Patentverletzungsjurisdiktion (*Extraterritorial Patent Jurisdiction*) (2009), at 215 et seq.

pronunciation on Article 22(4) BR by the ECJ, these issues once more float in heterogenous national jurisprudence, thereby blurring the predictability of the European rules of jurisdiction, as well as undermining the legal certainty and uniform application of the Regulation.

Thus, compared with U.S. law, providing a clear and concise statement on the *status quo* of European Law of extraterritorial patent jurisdiction is far more challenging, if not impossible. Instead of a “No!,” a simplified summary of Community Law would be “Yes, but!” It is still (or now beyond any doubt) settled case law that European courts possess, in principle, jurisdiction to rule on the infringement of foreign patents, primarily based on Article 2(1) BR. However, a simple invalidity claim by the defendant significantly curtails the patent jurisdiction of foreign courts by virtue of Article 22(4) BR. Given that alleged infringers regularly plead invalidity, the authority to rule on the infringement of foreign patents provided by the general heads of jurisdiction may be moot. Still, swinging back in the direction of de-territorialization,⁶⁷ even after *GAT v. LuK*, it is still conceivable that courts might only (or at least alternatively) be obliged to stay (instead of dismissing) the proceedings for a certain period of time, thus not losing jurisdiction over the infringement part of the patent lawsuit. Also, strong arguments exist that Article 22(4) BR does not abridge at all the jurisdiction of foreign courts to issue preliminary injunctions, and that, finally, even in main proceedings under certain circumstances (preclusion, no-challenge agreement, bad faith, etc.) an invalidity plea might not trigger the application of Article 22(4) BR. However, there is good reason to assume such enormous legal uncertainty, will prompt patent owners and their counsel to bring infringement lawsuits in the state of the patent grant.

⁶⁷ In the style of Lydia Lundstedt, *Jurisdiction and the Principle of Territoriality in Intellectual Property Law: Has the Pendulum Swung Too Far in the Other Direction?*, 32 IIC 124 (2001).

Despite the unpredictability of the judgment's exact consequences in law and in fact, there is no doubt that the ECJ has severely and excessively abridged the extraterritorial patent jurisdiction of European courts. This highlights the importance of investigating the need and options for reform on the European and global scale.

III. De-Territorialization – The Need for Legislative Reversal on the European and Global Level

In spite of certain differences in the law of extraterritorial patent jurisdiction on both sides of the Atlantic – which are rooted solely in the higher degree of integration between European States, exemplified, inter alia, by the existence of directly applicable uniform law on jurisdiction in the shape of the Brussels Regulation – the similarities in the reasoning of both the CAFC and the ECJ, are astounding. Both courts justify the “territorial” interpretation of the pertinent provisions with considerations of sovereignty (act of state, comity, national administrative authority) on the one hand, and of judicial economy (existence of specialized courts, familiarity with national patent law, risk of conflicting decisions, etc.) on the other. Depending on how one interprets the *GAT v. LuK* ruling, both cases had the same outcome regarding the factual jurisdictional consequences on extraterritorial patent lawsuits.⁶⁸

However, in this case as in many others, the reasoning does not become more rightful or convincing from being endorsed by two admittedly highly influential institutions. Rather, both decisions are based on flawed reasoning and poor judicial craftsmanship. First of all, the view of patents as acts of state, and of infringement

⁶⁸ For a very narrow read of the *GAT v. LuK* judgment see High Court of Justice (Chancery Division, Patents Court), judgment of 7 February 2008, [2008] EWHC 156, at 56 – *Knorr-Bremse* (arguing that a defendant's mere announcement to put validity at issue should be sufficient for a court to dismiss the infringement proceedings for lack of jurisdiction).

lawsuits as public interest proceedings, is anachronistic and false.⁶⁹ The *act of state* doctrine refers to governmental acts “that occurred as a result of a considered policy determination by a government to give effect to its political and public interest,”⁷⁰ Patents have long lost this aura of public policy, act of state, and sovereignty. Inventor rights are granted without the discretion of the patent office where the patentability requirements are met. The conditions to obtain monopoly-like protection are exclusively determined by the legislature. The grant itself does not convey any additional policy considerations beyond the parliament’s weighing of the economic and social aspects at stake in patent policy. Thus, “the grant of a patent is less a governmental act than a governmental reaction”⁷¹. With the application of patent law, but not the grant of the patent, being the conveyor of public policy interests, there is no justification to monopolize patent infringement disputes between private parties in the country where the right originated. Under established principles of private international law, a foreign court will apply a state’s patent law just as national judges would do, taking into consideration the pertinent methods of interpretation and case law. Therefore, a patent does not, a priori, result in a different exclusivity right depending on the country where infringement is litigated.⁷² Basing exclusive

⁶⁹ In addition to the majority opinion in *Voda v. Cordis*, see for this argument High Court of Justice (Chancery Division, Patents Court), judgment of 9 December 1994, *Plastus Kreativ AB v. Minnesota Mining and Manufacturing Co. et al.* [1995] RPC 438, 447: “A finding of infringement is a finding that a monopoly granted by the state is to be enforced. The result is invariably that the public have to pay higher prices than if the monopoly did not exist.” See also James Fawcett, *Special Rules of Private International Law for Special Cases: What Should We Do About Intellectual Property?*, in: James Fawcett (ed.), *Reform and Development of Private International Law, Essays in Honour of Sir Peter North* (2002), 137, 152 (“patent law involves considerations of public policy”); as well as Randall R. Rader, *Do You Want Your Foreign Patent Enforced in a U.S. Court?*, CASRIP Publication Series No. 6, July 2001, 2, 7.

⁷⁰ See *Mannington Mills, Inc. v. Congoleum Corp.*, 595 F.2d 1287, 1294 (3d Cir. 1979).

⁷¹ Thomas, *supra* note 18, at 337.

⁷² See Pauline Newman, 8 *Fordham Intell. Prop. Media & Ent. L.J.* 3, 6 (1997): “On review of specific cases that have been litigated in these countries in addition to the United States, it seems to me that the differences in result and in analysis are no greater than the differences among the judges of the Federal Circuit.” However, a certain caveat has to be made with respect to patent claim interpretation, which oftentimes differs from country to country, see, e.g., from the extensive literature on this problem in Europe, Dieter Brändle, *Can and May Interpretation and Determination of the Extent of Protection of a European Patent in Different Countries Lead to Different Results?*, 30 *IIC* 875 (1999).

jurisdiction of patent cases on the interference of a national agency would entail the monopolization of a number of disputes over property rights where the involvement of administrative authorities is not much different from in patent law.⁷³ Eventually, enforcing patents from foreign countries in national courts can actually constitute an act of comity, for example, where the infringer's assets are exclusively located in the state where redress is sought.⁷⁴ To the contrary, the CAFC's alternative to allowing U.S. courts to decide foreign patent claims, namely to apply U.S. patent law extraterritorially to cover behavior occurring abroad,⁷⁵ truly amounts to an unacceptable interference with other nations' legitimate and sovereign interests.⁷⁶ Secondly, the application of foreign law, relied on by the *Voda v. Cordis* and *GAT v. LuK* courts to justify their territorial interpretations, is a commonplace⁷⁷ and accepted phenomenon in private international law.⁷⁸ Courts apply foreign law all the time without encountering insurmountable difficulties as a general rule.⁷⁹ The parallelism

⁷³ See Torremans, *supra* note 64, at 66: "The involvement of national administrative authorities in patent law is therefore not necessarily more important than other form of state involvement in the economy and there is hardly any suggestion around that any such involvement should necessarily lead to exclusive jurisdiction."

⁷⁴ See Thomas et al., *supra* note 30, at 3 ("respecting the legitimately granted proprietary interests of other nations"); also Chan, *supra* note 28, at 39 (speaking of an "obligation to do justice to individual parties").

⁷⁵ *Eolas Tech. Inc. v. Microsoft Corp.*, 399 F.3d 1325 (Fed. Cir. 2005); *NTP, Inc. v. Research in Motion, Ltd.*, 418 F.3d 1282 (Fed. Cir. 2005); *AT&T Corp. v. Microsoft Corp.*, 414 F.3d 1366 (Fed. Cir. 2005), *rev'd* 127 U.S. 1746 (S. Ct. 2007).

⁷⁶ See, in the first place, the *amicus curiae* brief of the Canadian Government *in re NTP v. RIM*, Homer E. Moyer et al., Brief *Amicus Curiae* of the Government of Canada in Support of the Request for Rehearing *en banc* Made in the Combined Petition by Research in Motion, Ltd. For Panel Rehearing and Rehearing *en banc*, January 13, 2005; see also Chan, *supra* note 28, at 38-39; Thomas et al., *supra* note 30, at 3; as well as Rochelle C. Dreyfuss, An Alert to the Intellectual Property Bar: The Hague Judgments Convention, 2001 U. Ill. L. Rev. 421, 442. For a general and very recent study on the extraterritorial application of U.S. patent law see Timothy R. Holbrook, Extraterritoriality in U.S. Patent Law, 49(6) W&M L. Rev. 2119 (2008).

⁷⁷ See, e.g., *Voda v. Cordis*, 476 F.3d at 906 et seq. (Newman, J., dissenting) (referring to the existence of rules regarding the determination and application of foreign law in the civil procedure statutes of many countries).

⁷⁸ See on that the American Law Institute's (ALI) project on Intellectual Property: Principles Governing Jurisdiction, Choice of Law, and Judgments in Transnational Disputes, § 103(2): "A court should not dismiss or suspend proceedings merely because the dispute raises questions of foreign law."

⁷⁹ See very apposite *Distillers Co. v. Standard Oil Co.*, 150 U.S.P.Q. 42, 47 (N.D. Ohio 1964) (arguing that the adjudication of foreign law "does not pose a serious problem...The law is in the books, and may be found conveniently if not easily."). See also Thomas, *supra* note 18, 342-43.

of jurisdiction and applicable law is an anachronism belonging to the Savignyan era. Reinstating this outmoded principle would not only wipe out the carefully weighed and agreed upon principles of attributing jurisdiction, but also turn out to be unfeasible, given that in most international lawsuits not just a single, but rather a number of different laws are applicable, each to another relevant question. Also, if one were to follow the “familiarity with the applicable law” argument, patent law, as opposed to many other fields of law, would not be the first candidate to fall under such a rule. The degree of complexity in patent disputes is less than in other disputes due to the advanced international harmonization in this area of law, and because not legal, but rather technical questions, which are not subject to national differences, are generally predominant and decisive.⁸⁰ Moreover, the ECJ’s and CAFC’s reference to the existence of specialized courts is an argument *for* extraterritorial patent jurisdiction, as highly specialized judges will have fewer difficulties in dealing with a slightly different foreign patent law than a generally-trained district court judge will encounter in getting a grasp on, e.g., the intricacies of German contract law.

Third, as to the paramount principle of judicial economy, the introductory chapter has already alluded to extraterritorial jurisdiction as an indispensable aspect of effective patent enforcement, be it in cases of multistate infringement, or to avoid cumbersome recognition and enforcement proceedings.⁸¹ The TRIPS agreement’s focus on facilitating the effective enforcement of intellectual property rights cuts off any justification for the CACF and ECJ to encumber the assertion of inventor rights.

⁸⁰ *Voda v. Cordis*, 476 F.3d at 906 (Newman, J., dissenting); Wadlow, *supra* note 57, at 114; Blumer, *supra* note 17, at 397-98; Chan, *supra* note 28, at 37-38; Thomas, *supra* note 18, at 341; as well as Thomas et al., *supra* note 30, at 18-19.

⁸¹ See *supra* A. with reference to Bender, See Ann G. Bender, Clash of the Titans: The Territoriality of Patent Law vs. the European Union, 40 *IDEA: The Journal of Law & Technology* 49, 81 (2000): “cross-border patent enforceability is an indispensable component of the regulation of transnational”.

Finally, regarding the ECJ decision, the shortness in reasoning (in particular given the years of deliberation and the richness of national case law and scholarly contributions to draw on) as well as the lack of coherence with the court's prior case law are beyond disappointment. The ECJ deviates from its settled principle that the heads of exclusive jurisdiction have to be interpreted narrowly, and not given the largest possible meaning. Even more egregious is the fact that the judgment leads to a curtailment of the fundamental *perpetuatio fori* principle pursuant to which the jurisdiction of a court, once established, cannot cease on the grounds of procedural acts or changes in the circumstances occurring at a later stage of the proceedings. *GAT v. LuK*, however, allows the defendant to encroach upon a court's jurisdiction (at any time⁸²) by way of a simple invalidity defense. In addition, in its prior judgments the ECJ had consistently referred to the plaintiff's action alone in determining jurisdiction. For instance, to decide whether the same action is already pending before another court for the purposes of Article 27 BR, the ECJ only refers to the plaintiff's claims, but not to the defendant's counter-claims or defenses.⁸³ Likewise, in assessing whether a dispute is within the Regulation's scope pursuant to Article 1 BR, the court would not refrain from qualifying a matter as a civil or commercial dispute because of the defendant raising a defense based on provisions of (public) customs law.⁸⁴ Last but not least, as previously alluded, the ECJ has created a great amount of uncertainty and unpredictability, and also paved the way for a continued

⁸² For an allusion to the so far unsolved question whether a late plea might not trigger the application of Article 22(4) BR under the preclusion doctrine see *supra* II.

⁸³ See ECJ, judgment of 8 May 2003, case C-111/01, *Gantner Electronic GmbH v. Basch Exploitatie Maatschappij BV.*, OC 2003, I-4207, at 31-32; see also ECJ, judgment of 14 October 2004, case C-39/02, *Maersk Olie & Gas A/S v. Firma M. de Haan en W. de Boer*, OC 2004, I-9657, at 36.

⁸⁴ See ECJ, judgment of 15 May 2003, case C-266/01, *Préservatrice foncière TIARD SA v. Staat der Nederlanden*, OC 2003, I-4867, at 41 et seq.

non-uniform interpretation and application of Article 22(4) BR, all issues the court precisely intended to prevent by way of its judgment.⁸⁵

Reform thus being indispensable and urgent, the good news is that one can draw on ample scholarship and reform proposals in this undertaking. Since the mid-1990s, when the Member States of the Hague Conference on Private International Law launched the project of a Global Judgments Convention similar to the Brussels Convention, the critical issues at the interface of intellectual property and private international law have been discussed in great detail in political and scientific fora. When the negotiations first stalled and eventually were adjourned for an indefinite time due to unresolvable disagreement over precisely the design of intellectual property provisions, research groups on both sides of the Atlantic took over the venture.⁸⁶ In the meantime, academics have advanced their recommendations, unanimously voting for a de-territorialization of the law of patent jurisdiction. Both proposals endorse the application of the general rules on jurisdiction to patent proceedings, which would confer upon courts jurisdiction over such disputes irrespective of a patent's provenance.⁸⁷ As to the more important question regarding the consequences of an invalidity defense, the projects advocate for giving foreign courts the authority to determine validity with an *inter partes* effect.⁸⁸ These

⁸⁵ However, there is some evidence supporting the ECJ's argument that due to the lack of a uniform *res iudicata* concept in Europe an alternative interpretation of Article 22(4) BR also would have lead to a non-uniform application of the Regulation. However, an exhaustive discussion and critique of the *GAT v. LuK* judgment largely exceeds the limits of this paper; see exhaustively and with numerous references Schauwecker, *supra* note 66, at 389 et seq.

⁸⁶ See ALI, *supra* note 78; as well as the "European Max Planck Group for Conflict of Law in Intellectual Property" (CLIP), information and documents available at <http://www.cl-ip.eu>.

⁸⁷ See ALI, *supra* note 78, comment c. to § 201. The CLIP proposal thereby only confirms the current practice under the Brussels Regulation.

⁸⁸ See ALI, *supra* note 78, § 214(4): "A court has authority to consider defenses related to the validity of registered rights. In an action in which a court in one State has determined that the registration of a right in another State is invalid, the effect of the judgment is limited to the parties to that action." CLIP recommends a slightly different provision which, however, is still under review. For a detailed analysis and an alternative proposal see Schauwecker, *supra* note 66, at 400 et seq.

amendments would significantly facilitate the international enforcement of patent rights and hence contribute to the promotion of innovation and competition.⁸⁹

However, given the recency of the judgments and (in Europe) their codification in the pertinent legal instruments, there is no doubt that a judicial (in the U.S.) or legislative (in Europe) reversal is, at best, the dream of a distant future. For the foreseeable future, *Voda v. Cordis* and *GAT v. LuK* will determine the metes and bounds of extraterritorial patent jurisdiction on both sides of the Atlantic. Still, there is reason to inquire about whether U.S. patents are subject to the same treatment imposed on patents from European countries by the ECJ ruling, or whether European courts retain greater leeway in dealing with the former (see now C.).

C. The Effect of an Invalidity Defense On a European Court's Jurisdiction Over Proceedings Concerned With the Infringement of Non-EU Patents

Without doubt, the vast majority of litigation in European courts involves patents from Member Countries of the EU or EFTA. In a number of cases the disputes concerned – and very likely will do so in the future – EPO or national patents from countries not bound by the Brussels I Regulation or Lugano Convention.⁹⁰ The motivation to litigate such cases in a European court might be to evade cross-border recognition and enforcement proceedings where the defendant has no assets in the state of the

⁸⁹ Another aspect of allowing courts to rule on foreign intellectual property rights is that it might promote a spirit of cooperation between courts and eventually lead to the creation of global standards; see in-depth Graeme B. Dinwoodie, A New Copyright Order: Why National Courts Should Create Global Norms, 149 U. Pa. L. Rev. 469 (2000).

⁹⁰ For such a case see, e.g., Commercial Court of the Canton of Zurich of 9 January 1984, 34 GRUR Int. 411 et seq. (1985) – *International Jurisdiction*. Member States of the EPO that are neither EU nor EFTA Member States are: Croatia, Liechtenstein, Macedonia, Monaco, and Turkey. The same holds true for the EPO extension states Albania, Bosnia and Herzegovina, and Serbia. In the following, it will only be referred to EU countries and the Brussels I Regulation. The remarks, however, apply *mutatis mutandis* to EFTA Member Countries and the Lugano Convention.

patent grant, but only in the country where the suit is filed. Likewise, the claimant might want to join the claim for infringement of the foreign, non-EU patent with an action for infringement of a patent granted by the state where the proceedings are brought.

The jurisdiction of the courts of an EU Member State for such proceedings accrues from Article 2(1) BR, provided that the alleged infringer is domiciled in the EU. If the defendant's domicile is outside the EU, the jurisdiction of EU courts can be based on Article 4(2) BR in conjunction with national rules of jurisdiction, for example Sec. 23 of the German Code of Civil Procedure (ZPO) in Germany or Articles 14 and 15 of the *Nouveau Code de la Procédure Civile* in France etc.⁹¹ Irrespective of the defendant's domicile, jurisdiction derives from Article 23 BR if the parties have concluded a valid choice of court agreement – usually in the framework of a license contract – conferring jurisdiction to the courts of one or several EU Member States. Finally, jurisdiction can be based on Article 24 BR where the defendant enters an appearance without contesting the court's jurisdiction.

If the defendant raises the invalidity of the patent as defense in such infringement proceedings, it is unclear whether the court has to apply Article 22(4) BR and thus also has to follow the ECJ's interpretation *in re GAT v. LuK*. What creates difficulties is not the fact that, where the defendant is not domiciled in an EU Member State, the jurisdiction does not derive from the Brussels I Regulation but from national rules of jurisdiction. Article 4(1) BR and Article 22(4) BR clearly indicate that the applicability of the latter is contingent on the subject matter of the claim and not on the place of the defendant's domicile, so that Article 22(4) applies irrespective of whether the

⁹¹ See Annex I to the Brussels Regulation. For more on these so-called exorbitant heads of jurisdiction see Rauscher (ed.) & Mankowski (comm.), *Europäisches Zivilprozessrecht (European Law of Civil Procedure)*, 2nd ed. (2006), Article 3 BR, at 3 et seq.

jurisdiction derives from the Brussels I Regulation or not.⁹² Equally, the opinion that the Brussels I Regulation as a whole is not applicable to proceedings concerned with non-EU patents⁹³ can be easily dismissed as *contra legem*. Article 22(4) BR does not set up an additional prerequisite for the territorial application of the Brussels I Regulation, but rather expands the Regulation's applicability beyond cases where the defendant is domiciled in the EU.⁹⁴ The intricate part of applying Article 22(4) BR to this set of cases is that the provision exclusively and unequivocally relates to patents granted in or for EU Member States.⁹⁵

If jurisdiction for the infringement proceedings derives from the Regulation – i.e. from Articles 2(1), 23 or 24 BR⁹⁶ –, there are at least four different conceivable ways to interpret European Law of Jurisdiction on this point: First, Article 22(4) BR could be vested with a so-called direct reflexive effect and therefore determine the consequences of an invalidity defense just as in cases relating to patents from EU Member States (*infra I.*). Furthermore, autonomous procedural rules might regulate

⁹² See explicitly Dutch Supreme Court (Hoge Raad), judgment of 30 November 2007, *Roche Nederland B.V. v. Primus*, reported by Lundstedt, *supra* note 63, at 4. See as well the Jenard Report, OJ EC No. C 59/1 of 5 March 1979, at 34; also, with further references, Rebekka Hye-Knudsen, *Marken-, Patent-, und Urheberrechtsverletzungen im europäischen internationalen Zivilprozessrecht (Trademark, Patent, and Copyright Infringement in European Law of International Civil Procedure)* (2005), at 21; as well as Michael Wilderspin, *La compétence juridictionnelle en matière de litiges concernant la violation des droits de propriété intellectuelle. Les arrêts de la Cour de justice dans les affaires C-4/03, GAT c. LuK et C-539/03, Roche Nederland c. Primus et Goldberg, (Jurisdiction Over Cases Involving the Infringement of Intellectual Property Rights – The Judgments of the ECJ in re C-4/03, GAT v. LuK, and C-539/03, Roche Nederland v. Primus and Goldberg)*, 95(4) *Revue critique de droit international privé (Private International Law Review)* (Rev. crit. DIP) 777, at 795 (2006).

⁹³ For this interpretation see Pertegás Sender, *supra* note 51, at 158-59; Clare Tritton & Guy Tritton, *The Brussels Convention and Intellectual Property*, 9 *EIPR* 349, 350 (1987); see also Michel Vivant, *Das europäische Gerichtsstands- und Vollstreckungsübereinkommen und die gewerblichen Schutzrechte (The Brussels Convention and Industrial Property Rights)*, *Recht der Internationalen Wirtschaft (International Business Law)* (RIW) 1991, 26, at 30.

⁹⁴ Vgl. James Fawcett & Paul Torremans, *Intellectual Property and Private International Law* (1998), at 31 et seq.; Wolfgang von Meibom & Johann Pitz, *Cross-Border Injunctions in International Patent Infringement Proceedings*, 19 *EIPR* 469, 475 (1997); Volkmar Tetzner, *Die Verfolgung der Verletzung ausländischer Patente vor deutschen Gerichten unter Berücksichtigung des EWG-Gerichtsstands- und Vollstreckungsübereinkommens (Suits for Infringement of Foreign Patents in German Courts and the Brussels Convention)*, 28 *GRUR* 669, 670 (1976).

⁹⁵ See the provision's wording *supra* note 55.

⁹⁶ For the rather uncomplicated case in which jurisdiction over the infringement proceedings does not derive from European Law of Jurisdiction, but rather from national rules, see the short remark *infra* under IV.

the consequences of an invalidity defense on a court's infringement jurisdiction. The pertinent national provisions might be applicable without further requirements (infra II. 1.), or the application could be contingent on their consistency with the general concept underlying Article 22(4) BR (so-called indirect reflexive effect) (infra II. 2.). Finally, it could be argued that Community Law regulates the question of jurisdiction exhaustively. Therefore, due to the absence of a provision determining the consequences of an invalidity plea in proceedings relating to the infringement of a non-EU patent, it could be assumed that such an objection must not affect a court's jurisdiction in any way (infra III.).

I. Direct Reflexive Effect of Article 22(4) BR

First, Article 22(4) BR could be applied analogously where the invalidity of a non-EU patent is raised in infringement proceedings.⁹⁷ According to this so-called *effet réflexe*, a court would have to observe Article 22(4) BR in proceedings concerned with the infringement of third state patents in presence of an invalidity plea. The

⁹⁷ In favor see Christian A. Heinze & Anatol Dutta, Ungeschriebene Grenzen für europäische Zuständigkeiten bei Streitigkeiten mit Drittstaatenbezug (*Implicit Limits for Jurisdiction Deriving from Community Law in Disputes Involving Third States*), 24 Praxis des Internationalen Privat- und Verfahrensrechts (*Review of Private International Law and Procedure*) (IPRax) 224, at 227 et seq.(2005); also Christian A. Heinze & Esther Roffael, Internationale Zuständigkeit für Entscheidungen über die Gültigkeit ausländischer Immaterialgüterrechte (*Jurisdiction Over Validity of Foreign Intellectual Property Rights*), 56 GRUR Int. 787, 796 (2006) (subject to the existence of a provision parallel to Article 22(4) BR in the third state's law). See also Fritz Blumer, Patent Law and International Private Law on Both Sides of the Atlantic (2001), <http://www.cptech.org/ecom/hague/Blumer.pdf>, at 8; Ulrich Magnus & Peter Mankowski (eds.) & Luis P.R. de Lima Pinheiro, Brussels I Regulation (2007), Article 22, at 10; Rolf Schack, Internationale Marken-, Urheber- und Wettbewerbsrechtsverletzungen im Internet – Internationales Zivilprozessrecht (*Transnational Trademark, Copyright, and Competition Law Infringement on the Internet – International Law of Jurisdiction*), 3 Multimedia und Recht (*Multimedia and the Law*) (MMR) 135, at 136 (2000). With numerous further references to advocates of such an interpretation see also Rauscher (ed.) & Mankowski, supra note 91, Article 22 BR, at 2b and 16, 17.

effect of such an objection on an extraterritorial patent jurisdiction would be the same irrespective of the provenance of the patent in dispute.⁹⁸

This interpretation would be justified if Article 22(4) BR, as a head of exclusive jurisdiction, contained such an imperative attribution of jurisdiction that it needed to be observed even where the connecting factor for determining jurisdiction is located outside of the EU. The provision's compelling character would entail and justify its application even where it leads to taking away or limiting the jurisdiction of courts in EU Member States. In other words, one could assume that the primary purpose of Article 22(4) BR is not to attribute jurisdiction to the courts of an EU Member State, which in light of the provision's *ratio legis* is best placed to resolve the dispute in question. Rather, under such a reading the function of Article 22(4) BR would be to attribute jurisdiction to the courts of a certain country while at the same time excluding the jurisdiction of any other courts. Although Article 22(4) BR could not declare courts in a country outside of the EU competent when the provision's jurisdictional hook points to a non-EU country,⁹⁹ EU Member State courts would still have to respect the negative function of Article 22(4) BR, i.e. to take away jurisdiction from all other courts.¹⁰⁰ The result of such an interpretation would be that the Regulation also respects the exclusive jurisdiction of courts in non-EU countries.

However, the assumption of such a reflexive effect in cases involving third states raises grave doctrinal concerns.¹⁰¹ This is not primarily the case because it would create the danger of a "negative conflict of jurisdiction" if Article 22(4) BR points to a

⁹⁸ For an analysis of these consequences after the ECJ's decision *in re* "GAT v. Luk" see *supra* under B.

⁹⁹ Unequivocal Rauscher (ed.) & *Mankowski*, *supra* note 91, Article 22 BR, at 2b.

¹⁰⁰ See Heinze & Dutta, *supra* note 97, at 227 et seq.

¹⁰¹ Arguing against a reflexive effect, with numerous references, e.g., Rauscher (ed.) & *Mankowski*, *supra* note 91, Article 22 BR, at 2b-e; also Andri Hess-Blumer, *Crossborder Litigation – und sie lebt doch! Anmerkungen zu einem Beschluss des Handelsgerichts des Kantons Zürich vom 13. Oktober 2006 (Crossborder Litigation – Alive Against All Odds! Comments on a Decision of the Commercial Court of the Canton of Zurich of 13 October 2006)*, 9 *sic!* 882, at 887 (2006); as well as Pertegás Sender, *supra* note 51, at 158 et seq.

non-EU country and therefore takes away jurisdiction from EU Member State courts, without the third state in question giving its own courts jurisdiction over the dispute. The solution should also not be rejected by the mere fact that limiting the reflexive effect to cases where the third state's law indeed provides for the exclusive jurisdiction of its national courts, would force courts to consult foreign procedural law to decide about its own jurisdiction.¹⁰² In patent litigation there is no doubt that States' national courts have exclusive jurisdiction over registration and validity proceedings. Other reasons militate against attributing a reflexive effect to Article 22(4) BR, though. It is first of all the wording of Article 22(4) BR as well as the correspondent Article 25 BR, which both refer to patents, or rather courts, from EU Member States. Second, not only the regulatory focus of the Brussels I Regulation, but also in particular of Article 22(4) BR, question the legality and appropriateness of an *effet réflexe*. By virtue of Articles 61(c), 65 and 67(1) of the Treaty establishing the European Community as the basis of competence for European Law of Jurisdiction, the Brussels I Regulation is limited to creating an intra-community system of jurisdiction (as well as recognition and enforcement). Based on the mutual trust in the administration of justice in the EU, the regulation's subject is to attribute jurisdictional competence to the courts of EU Member States.¹⁰³ Likewise, the regulation's primary objective to create legal certainty through highly predictable rules of jurisdiction and by minimizing concurrent proceedings and irreconcilable judgments relates exclusively to the intra-community area of justice.¹⁰⁴ Against this backdrop, the assumption that Article 22(4) BR was primarily concerned with determining the court

¹⁰² See Rauscher (ed.) & *Mankowski*, supra note 91, Article 22 BR, at 2b.

¹⁰³ See once more explicitly Rauscher (ed.) & *Mankowski*, supra note 91, Article 22 BR, at 2b.

¹⁰⁴ See ECJ, judgment of 13 July 2006, case C-4/03, OC 2006, I-6509, at 28 et seq. – *GAT v. LuK*. Explicitly also Fentiman, supra note 12, at 159: "...the Regulation assumes that national courts must exercise jurisdiction unless Article 22(4) locates exclusive jurisdiction elsewhere. This reflects the need for procedural certainty and uniformity within the Community, and the overriding need to avoid any risk of irreconcilable judgments within the Brussels regime. But these concerns carry less weight (or none) in cases beyond the regime."

best placed to adjudicate upon questions of validity irrespective of whether this court is one of an EU Member State or a third state, has no substance.

Rather, the Brussels I Regulation is in no way concerned with the jurisdiction of third states: neither by attributing jurisdiction to them, nor by respecting the fact that third states might claim exclusive jurisdiction for their own courts, nor by taking into account the suitability – under the Regulation’s very own standards – of third states to adjudicate upon cases by taking away jurisdictional competence from the courts within the EU. Article 4(2) BR clearly affirms this interpretation. Against defendants not domiciled in an EU Member State, a claimant domiciled in a Member State can avail himself of the rules of “exorbitant jurisdiction,” the application of which is banned in an intra-EU context pursuant to Article 3(2) BR. This amounts to the suppression of the fundamental jurisdictional principle of *actor sequitur forum rei* enshrined, inter alia, in Article 2(1) BR as cornerstone of the Regulation. The argument that the jurisdictional principle underlying Article 22(4) BR is so fundamental that it needs to be respected even if the provision’s jurisdictional hook points towards a third state, appears particularly controversial in light of these considerations.¹⁰⁵

Furthermore, vesting Article 22(4) BR with a reflexive effect also conflicts with the general requirement that the rules of jurisdiction provided for in Articles 5 to 24 BR, as exceptions from the *actor sequitur forum rei* principle of Article 2(1) BR, have to be interpreted in a restrictive manner.¹⁰⁶ Finally, in its judgment *in re Coreck Maritime*, the ECJ – albeit in a mere *obiter dictum* – did not assume Article 23 BR to have a reflexive effect in cases where the parties had agreed on the jurisdiction of the courts

¹⁰⁵ See Rauscher (ed.) & Mankowski, *supra* note 91, Article 22 BR, at 2b-e. After extensive consideration arguing against a reflexive effect Fentiman, *supra* note 12, at 171: “The conceptual difficulties associated with the direct reflexive effect of the Regulation are, however, severe, and perhaps fatal. How the Regulation itself may be seen as a source of the necessary rules is especially problematic.”

¹⁰⁶ Admitted even by Heinze & Dutta, *supra* note 97, at 229.

of a third country.¹⁰⁷ Rather, the ECJ implicitly declared the national rules of jurisdiction to be applicable under such circumstances.¹⁰⁸

II. Applying National Rules of Jurisdiction to Determine the Jurisdictional Consequences of an Invalidity Defense

Given the concerns about the assumption of a reflexive effect of Article 22(4) BR, the most obvious approach would be to resort to national rules of jurisdiction. As in other cases where the Regulation does not regulate a jurisdictional or procedural aspect, determining the consequences of an invalidity plea in objection in proceedings concerned with the infringement of third state patents could be left to the autonomous rules of the country in which the infringement proceedings take place.¹⁰⁹ Indications for the legality of this solution under European Law of Jurisdiction can be found in the *Coreck Maritime* judgment alluded to above.¹¹⁰ There, the referring court sought the ECJ to ascertain whether Article 23 BR was also applicable to choice of court agreements designating a court in a third country. The ECJ rejected the applicability of Article 23 BR and explicated that “[a] court situated in a Contracting State must, if it is seised notwithstanding such a jurisdiction clause, assess the validity of the clause according to the applicable law, including conflict of laws rules, where it sits.”¹¹¹ Also, in doing so the court referred to the pertinent passage of the Schlosser

¹⁰⁷ Nevertheless referring to “Coreck” as an example where the ECJ accepted the Regulation’s reflexive effect Heinze & Dutta, *supra* note 97, at 229.

¹⁰⁸ ECJ, judgment of 9 November 2000, case C-387/98, *Coreck Maritime GmbH v. Handelsveem BV et al.*, OC 2000, I-9337, at 19 – *Coreck Maritime*. For more on this judgment see *infra* C. II.

¹⁰⁹ See Fentiman, *supra* note 12, at 165: “Or does it suggest that such cases are the province of national law?” For a discussion of the scope of national law in the realm of the Brussels Regulation see Rauscher (ed.) & *Mankowski*, *supra* note 91, preliminary remarks to Article 2 BR, at 17 and 19.

¹¹⁰ ECJ, judgment of 9 November 2000, case C-387/98, OC 2000, I-9337, at 19 – *Coreck Maritime*.

¹¹¹ *Id.*

Report¹¹² dealing with the question referred to the ECJ. The commentator stated that, where the applicable law leads to the invalidity of the clause, the Regulation's applicability to decide jurisdiction revives. From this it follows that a Member State court is barred from exercising jurisdiction, which in the absence of a choice of court agreement would derive from the Regulation, if the clause designating the third state is valid. By *argumentum a contrario* from the cited passage of the Schlosser Report, the Regulation's rules of jurisdiction are not applicable in such a line up.¹¹³

Transferring this result without any limitations¹¹⁴ to patent infringement proceedings in which the validity of a third state patent is challenged, a Member State court would be free to decide about the consequences of the plea in objection according to its national law and practice.¹¹⁵ Courts that before *GAT v. LuK* used to assess the validity of a patent as an incidental matter in infringement proceedings notwithstanding the applicability of Article 22(4) BR would be allowed to do so even after *GAT v. LuK* with regards to third state patents. English courts, on the contrary, could continue their practice not to exercise jurisdiction for infringement proceedings concerned with the validity of patents when third state rights are at issue. Dutch and other courts could suspend such proceedings according to their practice under national procedural rules until a competent court in the country of the patent grant has ruled on the validity of the right.¹¹⁶

However, it is questionable whether national law truly remains unrestricted by European Law of Jurisdiction in determining the jurisdictional consequences of an invalidity defense. On the one hand, the reconcilability of the *Coreck Maritime* dictum with the ECJ's later ruling *in re Owusu* is problematic (see *infra* 1.). On the other

¹¹² OJ EC No. C 59/1 of 5 March 1979, at 71 (No. 176).

¹¹³ Fentiman, *supra* note 12, at 174.

¹¹⁴ See *infra* 1.

¹¹⁵ For a similar reasoning see Fentiman, *supra* note 12, at 174.

¹¹⁶ For an analysis of the jurisprudence of European national courts prior to the *GAT v. LuK* judgment see the exhaustive study by Bukow, *supra* note 57, at 203 et seq.

hand, the authority of national law in cases involving third states insinuated by the court in *Coreck Maritime*, does not preclude that the applicability of national rules of jurisdiction are subject to a certain degree of consistency with the principles underlying Article 22(4) BR (so-called indirect reflexive effect) (see *infra* 2.).

1. Unrestricted Applicability of National Law in Light of the *Owusu* Decision

An assessment of the consistency with Community Law of incidental validity determinations, the negation of jurisdictional competence, and the stay of infringement proceedings by resort to autonomous procedural law, must depart from an analysis of the ECJ's jurisprudence *in re Owusu*.¹¹⁷ In this matter, a defendant domiciled in the United Kingdom was sued in an English court on the basis of Article 2(1) BR for damages related to an accident suffered in Jamaica. The defendant argued that the court should not exercise its jurisdiction in application of the *forum non conveniens* doctrine,¹¹⁸ as Jamaican courts were better placed to adjudicate the dispute. In response to a reference for a preliminary ruling from the English Court of Appeal,¹¹⁹ the ECJ decided that a court having jurisdiction under the Brussels I Regulation is precluded "from declining to exercise jurisdiction on the ground that a court in a non-Contracting State would be a more appropriate forum for the trial of the action"¹²⁰.

¹¹⁷ ECJ, judgment of 1 March 2005, case C-281/02, *Andrew Owusu v. N. B. Jackson, owner of the company „Villa Holidays Bal-Inn Villas“ et al.*, OC 2005, I-1383 – *Owusu*. For a discussion of the judgment see, e.g., Heinze & Dutta, *supra* note 97, 224 et seq. Also raising doubts about the reconcilability with the *Owusu* judgment of the practice to dismiss infringement proceedings for lack of jurisdiction, see Wilderspin, *supra* note 92, at 796. In-depth analysis by Fentiman, *supra* note 12, 164 et seq.

¹¹⁸ See *Hay*, *US-American Law*, 2nd ed. (2002), at 141 et seq. Specifically with regard to the use of *forum non convenience* dismissals by English courts see the concise analysis by Heinze & Dutta, *supra* note 97, at 225 et seq.

¹¹⁹ For earlier decisions of English courts declining to exercising jurisdiction conferred upon them by the Regulation on *forum non conveniens* grounds see Heinze & Dutta, *supra* note 97, at 226.

¹²⁰ ECJ, judgment of 1 March 2005, case C-281/02, OC 2005, I-1383, at 46 – *Owusu*.

Applying this ruling *mutatis mutandis* to the hypothetical case at hand regarding infringement proceedings where the validity of a third state patent is challenged, a court competent to hear the infringement lawsuit by virtue of the Regulation would be precluded from denying to exercise its jurisdiction on the ground that a third state claims exclusive jurisdiction over the matter.¹²¹ However, *Owusu* only concerned the case where a court with jurisdiction pursuant to Article 2(1) BR intended to refrain from exercising jurisdiction on the ground that a more convenient forum existed in a third state. In the second part of its reference, the Court of Appeal had sought the ECJ to ascertain – should the court view to application of the *forum non conveniens* doctrine in the case at hand to be illegal – whether the exercise of discretionary power available under national law to decline to hear proceedings in favor of the courts of a third state was inconsistent with European Law of Jurisdiction in all cases or only in some. The ECJ understood very well that by this second question the referring court sought to clarify whether in cases where an intra-community jurisdictional hook embodied in the Regulation was pointing towards a non-EU country – i.e., the pendency of identical or related proceedings before a court of a third state (Art. 27 and 28 BR), a clause granting jurisdiction to such a court (Art. 23 BR), or a connection with a non-EU state of the same type as reflected in Art. 22 BR – a court could still apply the *forum non conveniens* doctrine and therefore decline to exercise its jurisdiction.¹²² However, the judges dodged the the question, referring to the purpose of the Art. 234 EC procedure of preliminary rulings without intending to

¹²¹ See explicitly Fentiman, *supra* note 12, at 167 et seq.: “To do so entails that an English court could in no circumstances decline to exercise jurisdiction in cases involving third-state rights. If the argument is that reference to national law is prohibited whenever jurisdiction derives from the Brussels regime, this must prevent a court from declining jurisdiction in cases involving the validity of rights...”

¹²² ECJ, judgment of 1 March 2005, case C-281/02, OC 2005, I-1383, at 48 – *Owusu*.

clarify general or hypothetical questions lacking immediate relevance to the corresponding proceedings.¹²³

The silence of the court does not allow any presumption on how the ECJ will assess the interaction of the Brussels I Regulation and national rules of jurisdiction in other situations involving third states. Neither did the ECJ indicate a different evaluation of the cases alluded to above, nor did the judges hold out the prospect of applying the *Owusu* ruling *mutatis mutandis* to these sets of cases. The ECJ was just not willing or – if one wants to follow the reference to the nature of the Art. 234 EC procedure – not authorized to adjudicate upon this question.¹²⁴ Therefore, it is a question of interpretation whether the *Owusu* ruling – i.e., the preclusion to decline jurisdiction emanating from the Regulation on the grounds of national law – applies *mutatis mutandis* to the situation in which a court intends to decline its jurisdiction for infringement proceedings, conferred on it by the Regulation, based on the fact that, under its national law, the existence of an exclusive jurisdiction in a third state precludes the court from taking on the case.

The inconsistency of declining to exercise jurisdiction in all circumstances is supported by the fact that the ECJ based its *Owusu* decision on the Regulation's general objectives, which apply to the patent infringement line-up in addition to the case actually decided by the court. In particular, the ECJ refers to the respect of the principle of legal certainty,¹²⁵ as well as to the need for uniform application of the Regulation.¹²⁶ Allowing courts to decline, on a discretionary basis, to hear cases on the ground that courts in a third state are vested with exclusive jurisdiction to adjudicate upon the matter, would undermine the predictability of the the jurisdictional

¹²³ *Id.*, at 49 et seq.

¹²⁴ With a similar reasoning Fentiman, *supra* note 12, at 165 et seq.

¹²⁵ ECJ, judgment of 1 March 2005, case C-281/02, OC 2005, I-1383, at 40 – *Owusu*. For further references to the principle of legal certainty in ECJ case law see Heinze & Dutta, *supra* note 97, at 227.

¹²⁶ ECJ, judgment of 1 March 2005, case C-281/02, OC 2005, I-1383, at 38-41 and 43 – *Owusu*.

rules. Because an invalidity plea in patent infringement proceedings triggers different jurisdictional consequences in Member States, the primacy of national law would also conflict with the uniformity objective.¹²⁷ Above that, the ECJ drew on the legal protection of persons established in the EU.¹²⁸ This principle, which is of paramount importance in the Regulation's framework (see Articles 2(1) and 4(2) BR), has to be respected to the extent possible in patent disputes just as in lawsuits involving general claims for breach of contract and torts.¹²⁹ The legal protection of persons domiciled in the EU is not limited to the benefits of intra-EU proceedings, but also concerns the advantages of automatic recognition and enforcement attached to a judgment handed down by a Member State court.¹³⁰

The ECJ's reference in *Owusu* to the exhaustive and mandatory character of the Regulation.¹³¹ however, cannot be drawn upon with regards to the patent infringement constellation. It is true that the Regulation, within its scope of application defined by Article 1 BR (*ratione materiae*), Articles 2(1), 4(1), 22 and 23 BR (*ratione personae et loci*) and Article 76 BR (*ratione temporis*), exhaustively regulates the question of jurisdiction. The realm of national law is limited to those jurisdictional aspects not dealt with by the Regulation, i.e. the repartition of jurisdiction within a Member State¹³² and within a competent court. Beyond that, national law governs procedural issues other than jurisdiction. Autonomous rules are applicable to determine a country's international jurisdiction only in the framework of Article 4(1) BR, which is not pertinent in the cases at scrutiny here where jurisdiction precisely

¹²⁷ See Fentiman, *supra* note 12, at 165 et seq.: "In so far as the Court of Justice favoured strict adherence to the stipulated rules of the Regulation, and their uniform application, this would appear to leave no scope for national law – or for giving those rules reflexive effect."

¹²⁸ ECJ, judgment of 1 March 2005, case C-281/02, OC 2005, I-1383, at 42 – *Owusu*.

¹²⁹ The claims for damages in *Owusu* were based on contractual and tortious liability.

¹³⁰ For a closer discussion of this aspect see, with further references, Heinze & Dutta, *supra* note 97, at 227.

¹³¹ ECJ, judgment of 1 March 2005, case C-281/02, OC 2005, I-1383, at 37 – *Owusu*.

¹³² In some cases, though, the Regulation attributes jurisdiction to a specific court within a Member State and therefore not only determines the international, but also the local jurisdiction (venue); see, e.g., Article 5(1) BR.

derives from the Regulation. Thus, in *Owusu* the ECJ pointed to the Regulation's failure to provide a *forum non conveniens* exception. The authors of the Brussels Convention discussed and then explicitly rejected the doctrine's accommodation within European Law of Jurisdiction.¹³³ One could argue that Article 22(4) BR in conjunction with Article 25 BR governs the grounds for Member State courts to reject patent lawsuits for lack of jurisdiction exhaustively, so that in all other patent cases courts would be obliged to exercise jurisdiction. In other words, beyond the primary purpose to create a duty to reject certain proceedings, Articles 22(4) and 25 BR would be assumed to convey the regulatory content that in all matters not falling under Article 22(4) BR courts have a duty to exercise jurisdiction conferred upon them by the Regulation.

Such a reading, however, would disregard the limited scope of European Law of Jurisdiction alluded to above,¹³⁴ namely the fact that the Brussel I Regulation only governs the jurisdiction of courts in EU Member States (just as it is only concerned with the recognition and enforcement of judgments rendered by those courts). The Regulation is not endowed with universal application, i.e., it cannot attribute jurisdiction to third countries. Thus, the lack of a provision creating for Member States' courts the duty to dismiss proceedings for lack of jurisdiction where these concern the validity of third state patents does not allow the reverse conclusion that courts have to exercise jurisdiction in such cases and that a decline of jurisdiction based on national law is ruled out. Rather, the "negative" or "indirect" regulatory content of Articles 22(4) and 25 BR – i.e., that in all cases outside of the scope of Article 22(4) BR the exercise of jurisdiction is mandatory – is limited to the intra-community system of administration of justice. From this it follows that only a refusal, based on national law, to exercise jurisdiction conferred by the Regulation for

¹³³ ECJ, judgment of 1 March 2005, case C-281/02, OC 2005, I-1383, at 37 – *Owusu*.

¹³⁴ See *supra* I., discussing the Regulation's reflexive effect.

proceedings concerned with EU Members States' intellectual property rights other than those comprised by Article 22(4) BR is inconsistent with the Regulation.¹³⁵ To the contrary, Article 22(4) BR itself does not rule out the possibility that courts could decline to exercise jurisdiction over the validity of patents from third states.

Drawing on *Owusu* in determining the jurisdictional consequences of a plea for invalidity of a third state patent, in turn, is supported by the fact that the refusal to exercise jurisdiction over matters for which a third state claims exclusive jurisdiction is based on considerations of judicial economy equal to those underlying the *forum non conveniens* doctrine. In both situations, there is no exercise of jurisdiction, because a court in another State is better placed to administrate justice in the case at hand.¹³⁶ The only difference is that in the former case the more appropriate foreign forum is exclusive.¹³⁷ Therefore, a distinctive treatment would need to depart from, and be justified by, this difference.

One might also presume that under the *Owusu* judgment the ECJ only wanted to exclude the general possibility of courts declining to exercise a Community Law Jurisdiction on *forum non conveniens* grounds.¹³⁸ To the contrary, the refusal to

¹³⁵ Fentiman, supra note 12, at 167, discussing *in re Pearce v. Ove Arup* where an English court had to explore the consistency with the Regulation of declining to exercise jurisdiction deriving from Article 2(1) BR, on *forum non conveniens* grounds, over proceedings concerned with the infringement of a Dutch copyright.

¹³⁶ In line with that, the ECJ, in responding to the second question of the referring court, assumed that declining to exercise jurisdiction in cases where one of the elements of Article 22 BR points towards a third state, would also be based on *forum non conveniens* grounds; see ECJ, judgment of 1 March 2005, case C-281/02, OC 2005, I-1383, at 47 et seq. – *Owusu*. See explicitly also Fentiman, supra note 12, at 176, note 88: “Assuming that such cases are subject to the doctrine of *forum non conveniens*, and are not simply non-justiciable.”

¹³⁷ For this distinction see Fentiman, supra note 12, at 151. The author opines it to be irrespective whether the law of the third state actually claims exclusive jurisdiction, as long as the *lex fori* of the court intending to decline jurisdiction views the foreign court to be exclusively competent; see Fentima, supra note 12, at 174. As all countries claim exclusive jurisdiction over the validity of national patents, it is not necessary to decide this dispute in the present context.

¹³⁸ Such the interpretation of the *Owusu* judgment by Fentiman, supra note 12, at 165: “The scope of the decision in *Owusu* was explicitly limited. The court addressed only the issue of staying proceedings on *forum conveniens* grounds in cases subject to Article 2. It left open whether a different result might be possible, and national law preserved, in cases involving a different basis of jurisdiction, and (importantly) a different ground for declining to exercise jurisdiction. The court was not required to consider how, if at all, jurisdiction might be declined on the basis that the claim concerned third-state rights in intellectual property.”

assume jurisdiction in a limited number of pre-defined cases could still be consistent with the Regulation. Even if one was to accept this differentiation,¹³⁹ there can be no doubt that the determination of those specific cases could not be left to national laws of EU Member States. If *Owusu* leaves open the possibility to decline jurisdiction in exceptional cases at all, from the ECJ's reasoning there can be no doubt that such exceptions must respect, at least to some extent, the Regulation's fundamental objectives to provide for legal certainty, legal protection for EU residents, as well as uniform rules of jurisdiction. Allowing national law to define the situations where courts can disregard a Community Law jurisdiction would conflict with these fundamental principles, just as the application of the general *forum non conveniens* doctrine was precisely ruled out by the ECJ in *Owusu*. Therefore, even this lenient interpretation of "Owusu" excludes the possibility of a "pure" application of national law. It rather yields the discussion of an indirect reflexive effect of Article 22(4) BR.

2. Indirect Reflexive Effect of Article 22(4) BR

Striking a balance between *Owusu* – where the ECJ ruled out the jurisdictional relevance of national law whenever the Regulation confers jurisdiction – and the same court's dictum in *Coreck Maritime* – where the same national law was called upon to decide whether the exercise of Community Law jurisdiction is barred by a contractual attribution of jurisdiction to a third state – the assumption of an indirect reflexive effect of Article 22(4) is the most natural solution reconcilable with existing case law. National law would be applicable to decide upon the jurisdictional consequences of an invalidity plea in proceedings concerned with the infringement of a third state patent, if the pertinent autonomous rules are consistent with the Regulation's general principles as well as the specific purpose underlying Article

¹³⁹ For a statement on this question see immediately infra 2.

22(4) BR.¹⁴⁰ Therefore, to be applicable, the legal consequences of an invalidity defense would need to be (more or less¹⁴¹) comparable to those provided for by Article 22(4) BR. An incidental determination of the patent's validity (the so-called German practice) would be ruled out, whereas a dismissal (English practice) or stay of infringement proceedings (Dutch practice) would be consistent, as far as Article 22(4) BR and the *GAT v. Luk* ruling are interpreted in a way accommodating these jurisdictional consequences of an invalidity plea in objection.¹⁴²

However, on closer inspection, the reconcilability of an indirect effect with the Regulation and ECJ case law is doubtful, too. First of all, striking a balance between *Owusu* and *Coreck* does not necessarily mean that the ECJ would follow this line of reasoning. Rather, the Court completely ignored *Coreck* in its *Owusu* judgment,¹⁴³ particularly regarding the second question referred to the ECJ. Therefore, one could assume that *Owusu* alone is authoritative and that it "overruled" *Coreck*, as exceptions from the general duty to exercise jurisdiction conferred upon by the Regulation would clearly conflict with the reasoning underlying *Owusu*.

Beyond that, the unambiguous rule from "Owusu" would be abandoned for the sake of a complex case-by-case analysis. The assumption of an indirect reflexive effect would require determining the measure of consistency with the Regulation necessary for a national rule of jurisdiction to retain applicability. In his leading contribution on the topic, Richard Fentiman distinguishes different measures of consistency: consistency in terms, consistency in specific objectives, consistency in general objectives, and consistency in design, with, in each case, the further sub-differentiation as to the discretionary or non-discretionary nature of the pertinent

¹⁴⁰ See Heinze & Dutta, *supra* note 97, at 227.

¹⁴¹ For a discussion of the necessary degree of consistency see immediately *infra*.

¹⁴² It has been stated *supra* B. that the exact jurisdictional consequences deriving from the application of Article 22(4) BR to patent infringement proceedings after *GAT v. LuK* are unclear.

¹⁴³ Criticizing the ECJ in this regard, Fentiman, *supra* note 12, at 174: "Coreck...was strangely ignored by the Court of Justice...."

autonomous provision.¹⁴⁴ This variety of possible interpretations of “consistency” serves as proof that the approach lacks practicality for judicial practice. In discussing an English judgment in which the judge arguably followed the theory of the Regulation’s indirect reflexive effect, Richard Fentiman confesses himself that it is unclear which measure of consistency the court adopted.¹⁴⁵

Thus, the assumption of an indirect reflexive effect creates a level of legal uncertainty as well as a risk of non-uniform interpretation which are both irreconcilable with the Regulation. Moreover, given that the laws of the Member States provide for different consequences of an invalidity plea in patent infringement proceedings, the approach would also affect the uniform application of the rules of jurisdiction contained in the Regulation which, according to the ECJ’s settled case law, must be avoided by all means.¹⁴⁶ Eventually, insofar as a Member State does not provide for a rule sufficiently consistent with Article 22(4) BR, viewing an indirect reflexive effect as the solution can lead to the lack of an applicable provision (*Normenmangel*). As the Regulation is not vested with a direct, but only indirect reflexive effect, it bars the application of national law without answering the question itself. Consequently, the assumption of an indirect reflexive effect raises even greater concern than the alternative solutions discussed *supra*.¹⁴⁷

¹⁴⁴ See in-depth *id.*, at 171 et seq.

¹⁴⁵ *Id.*, at 174 et seq., referring to *in re Konkola Copper Mines Plc v. Coromin*, [2005] EWHC 896 (Comm).

¹⁴⁶ See Heinze & Dutta, *supra* note 97, at 228.

¹⁴⁷ Against the assumption of an indirect reflexive effect arguably also Rauscher (ed.) & Mankowski, *supra* note 91, preliminary remarks to Article 2 BR, at 15 et seq.

III. Duty to Exercise Jurisdiction Based On Community Law

This leaves the interpretation that jurisdiction conferred upon a court by the Regulation is mandatory and exhaustive in the sense that it creates an absolute duty to exercise such jurisdiction. Any resort to national law affecting the Regulation's attribution of jurisdiction would be considered inconsistent. An invalidity plea in objection that in other cases – e.g. in proceedings concerned with patents from EU Member States, or whenever the Regulation is not applicable – triggers a jurisdictional consequence, would not have any effect on a court's infringement jurisdiction.¹⁴⁸ National rules of jurisdiction would have no bearing on this question at all.

The solution's appeal stems from its strict observance of the *Owusu* ruling. It allows for the respect of Community Law's conferral of jurisdiction, as well as the need for uniform interpretation and application of the Regulation. Moreover, the approach promotes legal certainty and the legal protection of EU residents who cannot be deprived of jurisdiction within the EU on the grounds of national law. The only concern results from the ECJ's remarks in *Coreck* which as mere dicta carry less weight than the same court's *Owusu* judgment.¹⁴⁹

In spite of this apparent appeal, the solution raises far more serious concern with respect to the results of its application.¹⁵⁰ Courts would not only be barred from dismissing patent infringement lawsuits for lack of jurisdiction if the defendant raises an invalidity plea, but also from staying such proceedings. The Regulation governs the grounds for a stay of proceedings exhaustively in Articles 27 et seq. BR. In addition, a stay of proceedings would partly affect the jurisdiction conferred on the

¹⁴⁸ For this interpretation see Fentiman, supra note 12, at 165 et seq. and 169.

¹⁴⁹ It has already been mentioned supra that one could also interpret *Owusu* as overruling of any contrary statements of the ECJ in *Coreck*.

¹⁵⁰ Contra also Heinze & Dutta, supra note 97, at 227 (speaking of hardly justifiable results); as well as Fentiman, supra note 14, at 167 (referring to "awkward consequences").

court by Community Law which does not contain any limitation as to the question of validity.¹⁵¹ Therefore, referring the question of the patent's validity to a court in a third country would violate the duty to exercise jurisdiction entirely, deriving from *Owusu*.¹⁵² As a consequence, the court would be forced to determine the patent's validity as an incidental matter, or, if unable to do so, would need to presume the right's validity to the defendant's disadvantage. Thus, the consequences of an invalidity defense with regard to patents from third states would be in stark contrast to the *GAT v. LuK* judgment which precisely ruled out incidental validity determinations of patents from EU Member States.

Applied to other situations involving jurisdictional hooks to third states, a court in a Member State would always be forced to exercise jurisdiction even where the parties have validly agreed that the court of a third state is to have jurisdiction. It is hard to believe that the Community legislator intended to disregard the interests and autonomy of parties resident in the EU so egregiously.¹⁵³ Rather, these deficiencies are yielded by the fact that this approach considers a jurisdictional question (the consequences of a defendant pleading invalidity of a third state patent; effects of a choice of forum clause designating a third state, etc.), as implicitly resolved by the Regulation and therefore withdraws the matter from national or reflexively applicable European rules of jurisdiction. In reality, however, the Regulation is unable to deal with the issue because of the EC's limited competence.¹⁵⁴

¹⁵¹ Above that, one could argue that the prolongation resulting from a stay of proceedings encroaches upon the conferral of jurisdiction by the Regulation.

¹⁵² Even qualifying the stay of proceedings as general procedural, rather than jurisdictional, aspect (and therefore falling in the realm of national law), would not change this result, as, under the *effet utile* doctrine, the application of national rules of procedure must not jeopardize the Regulation's objectives; see very convincing Heinze & Dutta, *supra* note 97, at 226.

¹⁵³ It was, however, mentioned *supra* that the Regulation disregard third states' claims for jurisdiction.

¹⁵⁴ For the Regulation's basis of competence see *supra* C. I.

IV. Final Statement

As a result, none of the possible interpretations is perfect. However, taking a holistic look at the approaches discussed, the assumption of a direct reflexive effect emerges as the most appropriate solution for determining the consequences of an invalidity defense in proceedings concerned with the infringement of third state patents. A direct reflexive effect is reconcilable with the ECJ's *Owusu* judgment as it, more than the alternative interpretations, creates legal certainty and promotes the uniform interpretation and application of the Regulation.¹⁵⁵ Furthermore, extending the Regulation's general and specific objectives to third state cases is superior to other solutions in yielding persuasive results on the application level. Last but not least, the application of uniform rules to EU and non-EU patents creates a coherent system of jurisdiction in Europe. As a result, Article 22(4) BR should be applied whenever the defendant in an infringement proceeding – for which the court possesses jurisdiction pursuant to the Regulation – raises the invalidity of the patent, irrespective of whether the patent was granted in (or for) an EU Member State or a third state.

If jurisdiction for the patent infringement lawsuit is not based on the Regulation but rather on national rules of jurisdiction (i.e. in absence of the defendant's domicile in the EU, a choice of court agreement, or a voluntary appearance of the defendant; see Article 4(1) BR), courts are free to determine the jurisdictional consequences of an invalidity plea in objection by resorting to national law. Therefore, a judge can determine the patent's validity as an incidental matter, stay the infringement proceedings until a validity decision is rendered by the competent authority in the granting state, or dismiss the patent lawsuit for lack of jurisdiction. In such cases, the Regulation does not bar such results, but rather bases the question of jurisdiction in its entirety upon national law.

¹⁵⁵ Following this line of reasoning also Heinze & Dutta, *supra* note 97, at 228.

D. Conclusion

Asserting patent infringement claims outside of the country where the patent was granted can facilitate the effective enforcement of industrial property rights, where the defendant disposes of assets only in the foreign country, because of special features of the applicable foreign procedural law, or when the rightowner seeks to enforce the rights together with claims for infringement of patents from other countries in a single lawsuit. In 2006, the ECJ has drastically limited the possibilities to enforce patents from EU Member States outside of the granting (or protecting) state. All the more, the question so far widely ignored becomes relevant whether rightholders and courts still retain more leeway with regard to third country patents whose validity is challenged in infringement proceedings.

to come to a solution, four different ways of interpreting the Regulation are conceivable: The assumption of an absolute mandatory and exhaustive nature of Community Law, the creation of a – direct or indirect – reflexive effect, or finally the primacy of national law. All four solutions are accompanied by strong concerns regarding the wording and purpose of the Regulation as well as their reconcilability with existing ECJ case law. Overall, the assumption of a direct reflexive effect of Article 22(4) BR seems most appropriate to determine the jurisdictional consequences of invalidity defenses against third state patents. Therefore, the *GAT v. LuK* ruling should apply in such cases just as in proceedings concerned with patents from EU Member States. Only where jurisdiction for the patent infringement lawsuit does not emanate from the Regulation, is national law free under Community Law to decide this intricate aspect of international patent enforcement.

This conclusion must not be misunderstood as an approval of the ECJ's *GAT v. LuK* judgment, which has been rightly criticized for its flawed reasoning and fatal consequences for international patent enforcement. A different interpretation of

Article 22(4) or rather, now that the *GAT v. LuK* ruling is out, a legislative reversal and clarification which would allow courts to determine the validity of foreign EU and – by direct reflexive application of Article 22(4) BR – non-EU patents as an incidental matter with an *inter partes* effect is still preferable. Alongside the efforts regarding the establishment of a European Patent Judiciary, such a reform of the Brussels I Regulation would be an important complementary contribution to improve the enforcement of patents and thus spur innovation and competition. In view of the CAFC's recent ruling, which is to be rejected for the same reasons, the need for reform applies likewise to the global scale. In case of a revival of efforts for a Global Judgments Convention – be it under the auspices of the Hague Conference or the World Intellectual Property Organization (WIPO), be it a general or IP-specific agreement – one should draw on the rich analysis and convincing proposals contained in the academic reform projects of ALI and CLIP on both sides of the Atlantic provide for rich analysis and convincing proposals to draw on.¹⁵⁶ For the time being, however, one might take consolation in the fact that even under a reflexive application of Article 22(4) and *GAT v. LuK* to third country patents, claims for infringement of these rights might still be litigated in European courts as long as the defendant does not raise the invalidity plea, whereas U.S. courts do not possess subject matter jurisdiction over foreign patent infringement claims irrespective of an invalidity defense.

¹⁵⁶ For a critique of the *GAT v. LuK* judgment and a discussion of reform proposals see supra B.