

## The European Court of Justice has restricted the possibilities of “Forum Shopping” for patent infringement actions in Europe

In two decisions of July 13, 2006 (C-4/03 and C-539/03) concerning the Brussels Convention, the European Court of Justice has clarified the provisions of Article 16 and Article 6 concerning jurisdiction. The decisions have the result of a considerable restriction of “Forum Shopping”.

In the case C-4/03, a German company sued another German company in Germany (Düsseldorf) in a declaratory action for non-infringement of French patents. The action was based on arguments concerning non-infringement and invalidity of the patents. The Higher Regional Court of Düsseldorf has transferred the case to the European Court of Justice. The latter court has decided that on the basis of Article 16 No. 4 of the Brussels Convention, French courts are competent, rather than German courts. According to this provision, actions concerning the validities of patents are to be brought before the courts of the contracting state (of the Brussels Convention) in which territory the registration has taken place. The courts of this state are exclusively competent. According to the decision of the European Court of Justice, for this exclusive competence it is irrelevant whether the action was directed at a nullification of the intellectual property right or whether nullity has only arisen due to a defense argument in the frame of an infringement action. Furthermore, it is irrelevant whether the decision has an effect “erga omnes” or only “inter partes”.

In the case C-539/03, two American citizens have sued a Dutch company in the Netherlands and eight further companies of the same group on the basis of a European patent because of patent infringement. The Dutch Hoge Raad (Supreme Court) has transferred the case to the European Court of Justice and asked the following questions concerning Article 6 (1) of the Brussels Convention:

Is there a connection, as required for the application of Article 6 (1) of the Brussels Convention, between a patent infringement action brought against one infringer in the state of its registered office, and different other infringers with their registered offices in different states, if

- the defendants form part of one and the same group of companies;
- the defendants are acting together on the basis of a common policy, and if so, is the place from which that policy originates relevant;
- the infringing acts of the various defendants are the same, or virtually the same.

The European Court of Justice has stated that Article 6 (1) of the Brussels Convention forms an exception of the principles that a defendant has to be sued in the state where it has its registered office. Exceptions to this ruling are only appropriate if there is a connection in the sense that contradicting decisions of separate proceedings have to be avoided. If different contracting states (of the Brussels Conventions) decide about the infringement of the respective national part of a European patent which is valid in the respective territory, there is no risk of contradicting decisions. The defendants are different entities and the infringing acts are different, especially

because, according to Articles 2 (2), 64 (1) and 64 (3) of the EPC, patent infringements are to be decided on the basis of the respective national law.

As a result, the actions against the different defendants belonging to the same group of companies could not be concentrated in the Netherlands.