

English courts will not exercise jurisdiction over foreign designations of European patents where validity is also challenged

The High Court has recently dismissed a request to hear an infringement action in respect of the German designation of a European patent.

The High Court has confirmed that where the validity of a European patent is called into question, the English courts do not have jurisdiction to hear an infringement action in respect of a foreign designation, and careful drafting or re-drafting of the infringement action does not provide a way round this position.

Background

It is well known that English courts can hear infringement actions in relation to foreign patents under certain circumstances. Where UK and foreign patent rights are both in issue, the ability to bring infringement actions against multiple claims in the English courts may allow a claimant to reduce costs and obtain a more expedient decision than if claims were litigated in multiple jurisdictions.

Claims for non-/infringement and declaratory relief in respect of foreign designations of European patents can be determined by the English courts where validity of that patent has not been raised. However, where the validity of the patent is challenged in a counterclaim, the courts of the state where the patent is registered will instead have exclusive jurisdiction over the final determination

of infringement (*GAT v Luk (Case C-4/03)* and Articles 24(4) and 27 of the Recast Brussels I Regulation¹). This does not prevent national courts exercising pan-European jurisdiction in an action for a declaration of non-infringement in which the validity of the patent is not challenged (*Actavis v Eli Lilly [2013] EWCA Civ 517*).

The Court of Justice of the European Union has held in *Solvay S.A. v Honeywell Fluorine Products Europe BV and Ors (Case C-616/10)* that the exclusive jurisdiction rule (invoked when the validity of the patent is in question) does not preclude a court from invoking provisional measures ordering a defendant to stop infringing a patent on a pan-European basis (even if validity is challenged). Thus one national court may have jurisdiction in relation to provisional measures even where another national court would have jurisdiction as to the substance of the matter.

The facts

- Rhodia, as the exclusive licensee of the UK and German designations of a European patent “Ceric oxide and method for production thereof, and catalyst for exhaust gas clarification”, brought infringement proceedings in the English

Patents Court (a division of the High Court) against the English-domiciled defendant, Molycorp, for infringement of the UK and German designations of the patent.

- Rhodia issued an application for an order for the provision by Molycorp of samples of its ceric oxide products for testing for the purposes of infringement of both the UK and German designations.
- Molycorp then issued nullity proceedings in the German Federal Patent Court challenging the validity of the German designation of the patent.
- Rhodia applied to have the infringement actions heard before the English courts, whilst Molycorp challenged the jurisdiction of the English courts in respect of the claim for infringement of the German designation.
- Rhodia declined to accept Molycorp’s position and amended their allegations of infringement by separating out the issue of validity to try to enhance its case on the jurisdiction in respect of infringement of the German designation.

Decision

Issue 1: Does the English High Court have jurisdiction over the infringement claim in respect of the German designation of the patent?

The parties were aware that the German courts have exclusive jurisdiction over the validity of the German designation of the patent. The issue in dispute was whether the amended allegations of infringement by Rhodia were “concerned with” the validity of the German designation, or “principally concerned with” the German designation (within Articles 24(4) or 27 of the Brussels Regulation), such that jurisdiction would fall exclusively with the German courts.

Rhodia argued that their amended allegations of infringement excluded any question on the validity of the German designation, and so the English courts had jurisdiction over the claim in respect of the German designation. Molycorp contended that the amended allegations still fell within these provisions of the Brussels Regulation because the question of infringement is inseparable from that of validity.

The High Court agreed with Molycorp, considering that the dispute was simply whether “Molycorp has infringed a valid claim” of the patent. Rhodia’s careful re-drafting of the allegations were seen to be a “transparent attempt” to circumvent the mandatory nature of the rule of jurisdiction laid down in the Brussels Regulation. To allow Rhodia’s claim to proceed, according to the High Court, would be liable to undermine the predictability of the rules of jurisdiction.

The High Court emphasised that the same claim construction must be used for both infringement and validity. If these issues were allowed to be tried separately, by different courts, the risk of conflicting decisions would be multiplied since a claim construction adopted by the English courts would not be binding upon the German courts.

Issue 2: Should an order be made by the English High Court for the provision of samples in aid of a claim by Rhodia in the German courts?

Rhodia intimated that if the English High Court did not have jurisdiction in respect of the German designation, they still wished to obtain samples from Molycorp for testing for the claim for infringement, which Rhodia would bring in a German court in that event.

The High Court held that Rhodia’s application was for the sole purpose of obtaining evidence to support its infringement claim in Germany. This form of interim relief could not be granted by the High Court as, in their opinion, they did not have jurisdiction in relation to the subject-matter of the infringement proceedings (in accordance with the exclusion in Section 25(7)(b) of the Civil Jurisdiction and Judgments Act 1982²), which Rhodia intended to bring in the German courts.

Conclusion

This decision illustrates that where infringement actions are brought in respect of UK and foreign designations of European patents and validity is challenged, the courts of the state where the patent is registered will have exclusive jurisdiction. Careful drafting or re-drafting of the action is not a way to circumvent the rule of jurisdiction laid down in the Brussels Regulation.

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Need advice?

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1. “Article 24

The following courts of a Member State shall have exclusive jurisdiction, regardless of the domicile of the parties:

...

(4) in proceedings concerned with the registration or validity of patents, trade marks, designs, or other similar rights required to be deposited or registered, irrespective of whether the issue is raised by way of an action or as a defence, 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 an instrument of the Union or an international convention deemed to have taken place.

Without prejudice to the jurisdiction of the European Patent Office under the Convention on the Grant of European Patents, signed at Munich on 5 October 1973, the courts of each Member State have exclusive jurisdiction in proceedings concerned with the registration or validity of any European patent granted for that Member State;

Article 27

Where a court of a Member State is seised of a claim which is principally concerned with a matter over which the courts of another Member State have exclusive jurisdiction by virtue of Article 24, it shall declare of its own motion that it has no jurisdiction. [emphasis added]

2. “(1) The High Court in England and Wales or Northern Ireland shall have power to grant interim relief where –

(a) proceedings have been or are to be commenced in ... a Regulation State other than the United Kingdom ...;

...

(2) On an application for any interim relief under subsection (1) the court may refuse to grant that relief if, in the opinion of the court, the fact that the court has no jurisdiction apart from this section in relation to the subject matter of the proceedings in question makes it inexpedient for the court to grant it.

...

(7) In this section ‘interim relief’, in relation to the High Court in England and Wales or Northern Ireland, means interim relief of any kind which that court has power to grant in proceedings relating to matters within its jurisdiction, other than—

...

(b) provision for obtaining evidence. [emphasis added]