

# ALLEN & OVERY

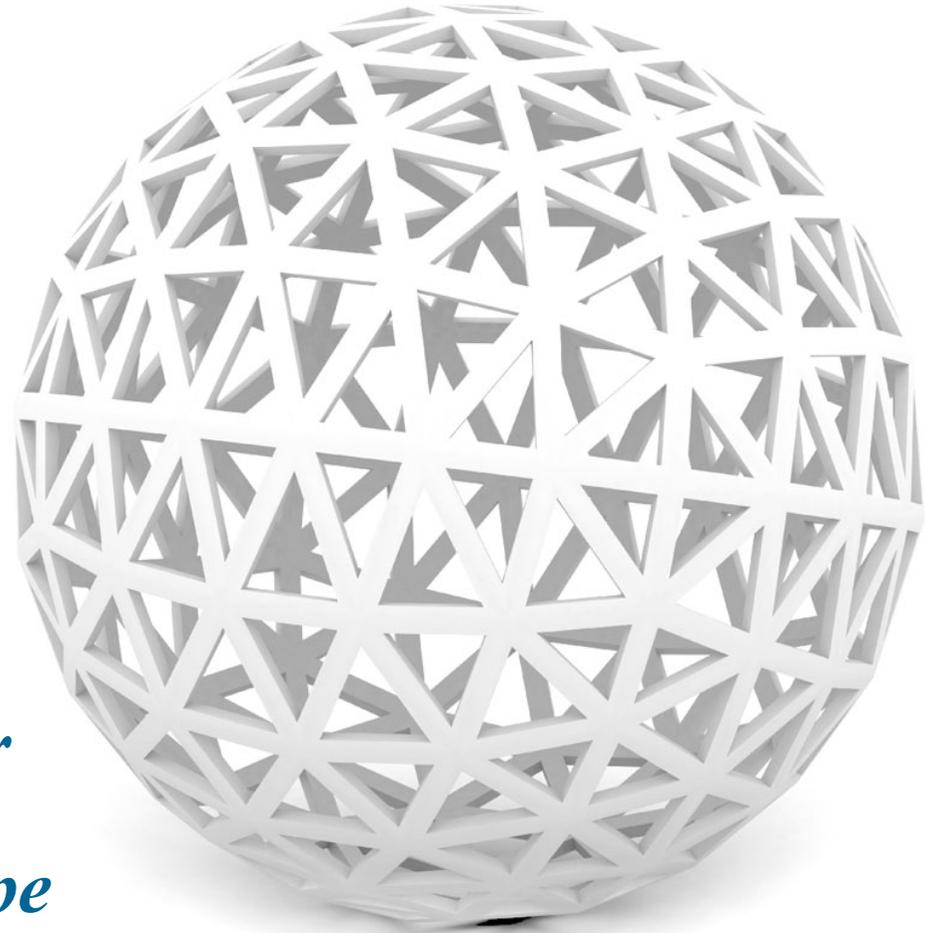
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*Cross-border injunctions for  
registered IP rights in Europe*



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## I. General rule for all IP rights: Brussels Regulation No 44/2001

- **A right holder may be able to enforce its intellectual property rights:**
  - in the courts of the State where the defendant is domiciled (Article 2)
  - in the courts of the State where the harmful event occurred or may occur (Article 5(3))
  - or even, in the case of multiple defendants, in the courts of the state where any one of them is domiciled, provided that the claims against them are "*so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings*" (Article 6(1))
- **Such flexibility is limited concerning registered rights such as patents, trade marks and designs**, since Article 22(4) of Brussels Regulation provides that the courts of the State where the registration has taken place have exclusive jurisdiction for "*proceedings concerned with the registration or validity*" of such intellectual property rights
- **Preliminary injunctions do not appear to be affected by this limitation**. According to Article 31 of Brussels Regulation, "*application may be made to the courts of a Member State for such provisional, including protective, measures as may be available under the law of that State, even if, under this Regulation, the courts of another Member State have [exclusive] jurisdiction as to the substance of the matter*"

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## II. Cross-border injunctions based on European patents

### a) Different positions adopted by national courts

- **Bundle of national rights:** European patents are enforceable in the concerned Contracting States as if they had been issued by each individual country (Article 64 of European Patent Convention)
- **Patent holders did not have the time to wait for the outcome of the negotiations on the unitary patent system.** They used the flexibilities provided by the Brussels Convention (soon to become the Regulation) to obtain cross-border injunctions from whichever court would be ready to grant them
- **Dutch courts were particularly welcoming:** accepted to grant cross-border injunctions applicable in all the Contracting States designated by a European patent, whenever
  - 1) infringement of the Dutch part of the European patent was claimed (Article 5.3) or
  - 2) the defendant was based in the Netherlands (Article 2)
- **“Spider in the web” doctrine:** Based on Article 6(1), Dutch courts accepted to include in infringement proceedings defendants which were not domiciled in the Netherlands and had not infringed the Dutch part of the patent, if :
  - 1) the main defendant was based in the Netherlands and
  - 2) the other defendants were part of a group of companies and acted on the basis of a common business policy
- **Most national courts** refused to examine cross-border infringement as soon as the validity of the patent was challenged (Article 22(4)). In addition, they dismissed the spider in the web doctrine, considered to be based on an extremely broad interpretation of Article 6.1.

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## II. Cross-border injunctions based on European patents

### b) Findings from CJEU

➤ **CJEU, 13 July 2006, GAT v. LuK, C-4/03**

*"The rule of exclusive jurisdiction laid down [by Article 22.4 of the Brussels Regulation] 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"*

Courts of the State where the national part of a European patent is registered, have exclusive jurisdiction to grant an injunction based on this national patent in all cases where the invalidity of the patent is raised by the defendant => reduces to virtually nothing possibility to obtain a cross-border injunction in proceedings on the merits.

➤ **CJEU, 13 July 2006, Roche v. Primus, C-539/03**

*"Article 6(1) of the [Brussels Regulation] must be interpreted as meaning that it does not apply in European patent infringement proceedings involving a number of companies established in various Contracting States in respect of acts committed in one or more of those States even where those companies, which belong to the same group, may have acted in an identical or similar manner in accordance with a common policy elaborated by one of them"*

Court precised that judgments may only be regarded as at risk of being irreconcilable within the meaning of Article 6(1) if a divergence in the outcome of the dispute arises in the same situation of fact and law. These conditions were not met by spider in the web theory.

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## II. Cross-border injunctions based on European patents

### b) Findings from CJEU

➤ **CJEU, 12 September 2012, Solvay v. Honeywell, C-616/10**

– **First question:**

*"Is Article 22(4) of [Regulation No 44/2001] applicable in proceedings seeking provisional relief on the basis of a foreign patent (such as a provisional cross-border prohibition against infringement), if the defendant argues by way of defence that the patent invoked is invalid, taking into account that the court in that case does not make a final decision on the validity of the patent invoked but makes an assessment as to how the court having jurisdiction under Article 22(4) of [that] regulation would rule in that regard, and that the application for interim relief in the form of a prohibition against infringement shall be refused if, in the opinion of the court, a reasonable, non-negligible possibility exists that the patent invoked would be declared invalid by the competent court?"*

– **Answer:**

*"Article 22(4) of [Brussels Regulation] must be interpreted as not precluding, in circumstances such as those at issue in the main proceedings, the application of Article 31 of that regulation".*

- **Cross-border injunctions may be granted in preliminary proceedings where the court does not make a final decision on the validity of the patent, insofar as the validity of the patent is not seriously challenged.**

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## II. Cross-border injunctions based on European patents

### b) Findings from CJEU

#### ➤ CJEU, 12 September 2012, Solvay v. Honeywell, C-616/10

##### – Second question:

*"In a situation where two or more companies from different Member States, in proceedings pending before a court of one of those Member States, are each separately accused of committing an infringement of the same national part of a European patent which is in force in yet another Member State by virtue of their performance of reserved actions with regard to the same product, does the possibility arise of 'irreconcilable judgments' resulting from separate proceedings as referred to in Article 6(1) of [Regulation No 44/2001]?"*

##### – Answer:

*Such situation "is capable of leading to 'irreconcilable judgments' resulting from separate proceedings" because "it follows from the specific features of a case such as that in the main proceedings that potential divergences in the outcome of the proceedings are likely to arise in the same situation of fact and law".*

*"It is for the referring court to assess whether such a risk exists, taking into account all the relevant information in the file". Therefore, the national court should "take into account, inter alia, the dual fact that, first, the defendants in the main proceeding are each separately accused of committing the same infringements with respect to the same products and, secondly, such infringements were committed in the same Member States, so that they adversely affect the same national parts of the European patent at issue".*

#### ➤ Article 6(1) of the Regulation is likely to apply where defendants established in different Member States are accused of committing the same infringements with respect to the same products on the same territories.

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## II. Cross-border injunctions based on European patents

### c) The future – Unitary Patent System

- **Adopted after 30 years of negotiations. Still raises several legal issues and a lot of practical aspects remain to be determined. In the best case scenario, the system will be up and running by late 2014.**
  - Unitary Patent Regulation No 1257/2012 (UPR) adopted on 17 December 2012, effective in 25 of the 27 MS (excluding Italy and Spain) will not apply until the entry into force of the UPC Agreement
  - Unified Patent Court Agreement signed by 24 of the 27 Member States on 19 February 2013. Must be ratified by 13 Member States (including France, Germany, and UK) to apply.
  - The Council decision of March 2011 authorising enhanced cooperation in the area of unitary patent protection is challenged by Spain and Italy before the CJEU ( C-274/11 and C-295/11). Should the CJEU invalidate the decision, the whole unitary patent system would have to be renegotiated
- **European patents with unitary effect:** “A European patent granted with the same set of claims in respect of all the participating Member States shall benefit from unitary effect in the participating Member States provided that its unitary effect has been registered in the Register for unitary patent protection” (Article 3 of UPR)
- **Scope of protection and limitations remain defined by national law:** European patent with unitary effect shall be treated in its entirety as a national patent of the participating Member State in which the applicant had his residence or principal place of business on the date of filing.

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## II. Cross-border injunctions based on European patents

### c) The future – Unitary Patent System

- **Unified Patent Court** will have **exclusive competence** in respect of all infringement and validity actions concerning European patents with unitary effect and, subject to **opt-outs during a transitional period of 7 years** (which may be extended by another 7 years), European patents
  - In view of the doubts concerning the quality, efficiency and costs of the proposed system, it would not be surprising that many patent holders, in particular small and medium enterprises, prefer to go forum shopping before the national courts for as long as possible
- Includes the power to grant **provisional and permanent injunctions** enforceable in all the participating Member States where the European patent has unitary effect, provided however that they have ratified the Agreement.

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## III. Specific rules for Community Trade Mark and Designs

### a) Community Trade Mark and Design Regulations

- According to the Community Trade Mark Regulation No 207/2009 (CTMR) and the Community Design Regulation No 6/2002 (RCD):
  - national courts which have been selected as Community Courts have **jurisdiction to grant injunctions in respect of acts of infringement committed or threatened within the territory of any of the Member States**
  - such injunctions, subject to any necessary procedure for recognition and enforcement pursuant to the Brussels Regulation, are **applicable in the territory of any Member State**.
  - This supposes however that **infringement actions are brought** in the Community courts of the Member State :
    - where the defendant is domiciled or established
    - or, if not applicable, where the claimant is domiciled or established
    - or, if not applicable, where the OHIM has its seat
- Trade mark and design holders may also elect to bring infringement proceedings in the courts of the Member State in which the act of infringement has been committed or threatened but, in that case, they shall have jurisdiction only *“in respect of acts committed or threatened within the territory of the Member State in which that court is situated”*

### III. Specific rules for Community Trade Mark and Designs

#### a) Community Trade Mark and Design Regulations

➤ **The CTMR and RCD remain vague as to the way to obtain and enforce pan-European injunctions in practice**

*"Where a Community (...) court finds that the defendant has infringed or threatened to infringe a Community trade mark [or design], it shall, unless there are special reasons for not doing so, issue an order prohibiting the defendant from proceeding with the acts which infringed or would infringe the Community trade mark [or design]. It shall also take such measures in accordance with its national law as are aimed at ensuring that this prohibition is complied with" (Article 102 (1) CTMR, Article 89 RCD)*

➤ **Two questions concerning pan-European injunctions:**

- 1) Since Community rights have a unitary character, is it sufficient to establish infringement in one Member State to obtain a pan-European injunction?
- 2) How to enforce coercive measures in other Member States, to the extent that they have not been harmonised?

## III. Specific rules for Community Trade Marks and Designs

### b) Findings from CJEU

#### ➤ CJEU, 12 April 2011, DHL / Chronopost

##### 1) Scope of Community trade mark injunctions

- *"the scope of the prohibition against further infringement or threatened infringement of a Community trade mark, issued by a Community trade mark court whose jurisdiction is based on [Articles 97(1) to (4) and 98(1) CTMR], extends, as a rule, to the entire area of the European Union"*
- However, *"the territorial scope of the prohibition may, in certain circumstances, be restricted"*. In particular, the territorial scope *"may not extend beyond what that [trade mark] right allows its proprietor to do in order to protect his trade mark, that is, to prohibit only uses which are liable to affect the functions of the trade mark"*

##### 2) Application of coercive measures provided by national law in other MS

- *"a coercive measure [...] ordered by a Community trade mark court by application of its national law [...] has effect in Member States to which the territorial scope of such a prohibition extends other than the Member State of that court, under the conditions laid down, in Chapter III of Council Regulation No 44/2001 on the recognition and enforcement of judgments"*
- Where the national law of some Member States does not contain a similar coercive measure, the courts having jurisdiction to enforce the judgment in these Member States must have recourse *"to the relevant provisions of its national law which are such as to ensure that the prohibition is complied with in an equivalent manner"*

#### ➤ DHL is likely to impact the injunctions granted for registered Community designs because the RCD provisions are comparable to the CTMR

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## III. Specific rules for Community Trade Marks and Designs

### c) Community injunctions post-DHL

#### 1) Trade marks: UK Patent County Court, 8 September 2011, Watson / Boots (Superdrug)

Transferred the case to High Court because the complexity of the issues raised made it unsuitable for a standard two-day trial: *"I do not doubt that a considerable degree of streamlining could be undertaken to reduce the areas of dispute here but the fact remains that 14 countries are distinctly at stake and, at least as matters stands before me, each of them will need to be considered in some detail [...]. It seems to me almost inconceivable that a single expert could deal with the position, including the linguistics, of all the separate countries at issue"*

#### 2) Trade marks: French Supreme Court, 29 November 2011, DHL / Chronopost

Cancelled the measures granted by the Court of Appeals, because *"it did not result from the reasons [given by the Court of Appeals] that the existence of a likelihood of confusion was limited to the French territory"*

#### 3) Designs: Samsung / Apple – conflicting decisions and res judicata

- 9 July 2012: **UK High Court** held that the Galaxy Tabs 7.7, 8.9 and 10.1 did not infringe Apple's registered Community design throughout the European Union
- 24 July 2012: **Dusseldorf Court of Appeals** ordered a pan-European injunction concerning the Galaxy Tab 7.7 based on the infringement of Apple's same Community design.
- 18 October 2012: High Court order was confirmed by **UK Court of Appeals** and accompanied with a publicity order, to counteract publicity given to German decision
- 16 January 2013: **The Hague District Court** declined to rule inconsistently with UK Court of Appeals. As a result, it dismissed claim for a preliminary injunction directed against Galaxy tabs

## IV. Conclusion

- **The lucky ones are Community trade mark and design owners which, created by the EU for the internal market, have a unitary character throughout the Community**
  - Community injunctions and coercive measures are, as a rule, available for Community trade mark and designs, pursuant to the Trade Mark and Design Regulations
  
- **European patent holders have not had the same chance. For the jewels of innovation, Member States have been more reluctant to give up the territoriality principle.**
  - Cross-border injunctions are available for European patents in preliminary proceedings insofar as the validity of the patent is not seriously challenged
  - Cross-border injunctions are not available for European patent in proceedings on the merits as soon as the validity of the patent is challenged (i.e. in most cases)
  - If and when the unitary patent system becomes operational, injunctions granted by the Unified Patent Court shall be enforceable in all the participating Member States where European patents have unitary effect, provided that they have ratified the Agreement.

# Questions?

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