

Invalidity of a patent raised as a defence: questions of jurisdiction

(CJEU Judgment of 25 February 2025, Case C-339/22)

The determination of international jurisdiction in respect of the invalidity of a patent raised as a defence varies depending on the State — whether member or not of the European Union — in which such patent was granted.

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The court of the Member State of domicile of the defendant seised, pursuant to Article 4 of Regulation (EU) No 1215/2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (Brussels I bis Regulation), of an action alleging infringement of a patent granted in another Member State, still has jurisdiction to hear that action where, in the context of that

action, the defendant challenges, as its defence, the validity of the patent, whereas the courts of the Member State where the patent was granted have exclusive jurisdiction to rule on that validity. However, the court of the Member State in which the defendant is domiciled will also have, in principle, jurisdiction to rule on an issue of validity of a patent raised as a defence in an action alleging infringement of that patent if the patent was granted in a

third State, although the decision of that court will not affect the existence or content of that patent in that third State, or cause its national register to be amended.

The Court of Justice of the European Union (CJEU) reaches these conclusions on referral of a number of questions by the Stockholm-based court of appeal (the Swedish Patent and Commercial Court of Appeal) in relation to the interpretation of Article 24(4) of the Brussels I bis Regulation. According to this provision, they have exclusive jurisdiction “in proceedings concerned with the registration or validity of patents, [...] 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 [...] registration [of the patent] 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”. A European patent issued by the European Patent Office in accordance with the procedure provided for in this respect in the European Patent Convention signed in Munich on 5 October 1973 and subsequently validated in a Member State is subject to the same rules of jurisdiction regarding validity as a national patent.

The issues arose in the context of a dispute between BSH, a German company, and Electrolux AB, a Swedish company. BSH is the holder of a European patent protecting an invention in the vacuum cleaner sector that was validated in several Member States of the European Union as well as in the United Kingdom and Turkey, which gave rise to the grant of national patents from those States. BSH brought an action in Sweden against Electrolux for infringement of all the national parts of the European patent. Electrolux argued that those claims should be not be upheld and pleaded that the claims relating to infringements of the national parts of the European patent other than the Swedish part (‘the foreign patents’) were inadmissible.

It argued that the foreign patents were invalid and that the Swedish courts did not have jurisdiction to rule on whether they had been infringed.

The Court of Justice of the European Union based its conclusions mainly on the following arguments:

- 1) Under Article 4(1) of the Brussels I bis Regulation, persons domiciled in a Member State are to be sued in the courts of that Member State, except in cases where the regulation itself allows for a departure from this general rule. Among these are the exclusive forums, included in Article 24, which apply ‘regardless of the domicile of the parties’.
- 2) In the case of Article 24(4), exclusive jurisdiction is justified both by the fact that the granting of patents involves the intervention of the national authorities and by the fact that those courts are best placed to hear cases in which the dispute itself concerns the validity of the patent or whether or not deposit or registration has occurred.
- 3) The concept of ‘*proceedings concerned with the [...] validity of patents*’, within the meaning of Article 24(4) of the Brussels I bis Regulation, must be interpreted strictly. If it were accepted that a court of the Member State in which the defendant is domiciled loses its jurisdiction in an action alleging infringement of a patent granted in another Member State merely because that defendant challenges, indirectly, the validity of that patent would mean that the exception provided for in the aforementioned Article 24(4) would become the rule in many patent disputes.

This would not achieve the objective of legal certainty sought by the Brussels I bis Regula-

tion. If it were accepted that, depending on the defence chosen by the defendant and, and, as the case may be, whenever the defendant considers it appropriate – in particular where the rules of procedure of the forum permit such a defence to be raised at any stage of the proceedings – a court of a Member State would lose its jurisdiction in an action of which it has properly been seised, there is a risk that the court will have to decline jurisdiction.

On the other hand, the interpretation upheld by the CJEU allows the holder of a European patent, who believes that that patent has been infringed by the same defendant in several Member States, to concentrate all of its infringement claims and to obtain overall compensation in a single forum, thus avoiding, *inter alia*, the risk of divergent decisions.

- 4) It is not an obstacle, for these purposes, that this interpretation may cause infringement proceedings, which remain pending before a court of the Member State in which the defendant is domiciled, to be divided from the dispute relating to the validity of the patent granted in another Member State, for which the courts of the latter Member State have exclusive jurisdiction, pursuant to that provision. Such a division does not mean that the court of the Member State in which the defendant is domiciled that is seised of the infringement action should disregard the fact that an action for a declaration that the patent granted in another Member State is invalid has been duly brought by that defendant in that other Member State. If it considers it justified, in particular where it takes the view that there is a reasonable, non-negligible possibility of that patent being declared invalid by the court of that other Member State that has jurisdiction, the court seised of the infringement action

may, where appropriate, stay the proceedings, which allows it to take account, for the purpose of ruling on the infringement action, of a decision given by the court seised of the action seeking a declaration of invalidity.

- 5) The conclusion is different when the question of validity affects a patent registered in a third State because the *Brussels I bis* Regulation establishes a system of jurisdiction internal to the European Union that pursues objectives specific to it, such as the proper functioning of the internal market and the establishment of an area of freedom, security and justice. Article 24 does not apply to a court of a third State and, consequently, does not confer any jurisdiction, whether exclusive or otherwise, on such a court as regards the assessment of the validity of a patent granted or validated in that State.

Under Article 4(1) of the *Brussels I bis* Regulation, the courts of the Member State in which the defendant is domiciled have, in principle, jurisdiction in an infringement action brought against that defendant by the holder of a patent granted or validated in a third State which is domiciled in another Member State. This jurisdiction extends, in principle, to the question of the validity of that patent raised as a defence in the context of that infringement action.

- 6) However, this principle of jurisdiction may be limited by special rules, such as those laid down in Article 73 of the *Brussels I bis* Regulation, according to which this Regulation shall not affect the application of bilateral conventions and agreements between a third State and a Member State concluded before the date of entry into force of [the *Brussels I* Regulation] which concern matters governed by this Regulation.

On the other hand, in the circumstances referred to in Articles 33 and 34 of the Brussels I bis Regulation, a court of a Member State whose jurisdiction is based on Article 4 of that regulation may be prompted to recognise the jurisdiction of the courts of third States, by staying proceedings, or even terminating the proceedings before it, where proceedings are already pending before a court of a third State at the time when that first court is seised either of an application between the same parties involving the same subject matter and cause of action as the application brought before the court of the third State, or of an application related to the one brought before the court of the third State.

- 7) Subject to verification by the referring court, no restriction provided for by such special rules seems to have to be taken into consideration in the present case. Nor is there any limitation imposed by general international law. In this respect, the jurisdiction of the courts of the Member State in which the defendant is domiciled is not contrary to the international law principle of the relative effect of treaties, although it must be exercised without infringing the principle of non-interference, according to which a State may not interfere in cases which essentially come within the national jurisdiction of another State.

In the exercise of its powers, a State may grant, validate and register intellectual property rights which, within that State, confer on their holder exclusive intellectu-

al property rights, such as a patent. That State may also consider that, where a judicial decision annulling a patent affects the existence or, in the event of annulment in part, the content of those exclusive rights, only the courts having jurisdiction in that State may give such a decision. It follows from the principle of non-interference that only the courts of the third State in which a patent is granted or validated have jurisdiction to declare that patent invalid by a decision that may cause the national register of that State to be amended as regards the existence or content of that patent.

In return, the court of the State of domicile of the defendant that is seised of the infringement action and, in the context of which, the defendant challenges, as its defence, the validity of the patent may rule on both matters (unless there are any of the limitations mentioned in section 6) because its decision has only *inter partes* effects, that is to say, a scope limited to the parties to the proceedings. Where the issue of the validity of a patent granted in a third State is raised as a defence in an action alleging infringement of that patent before a court of a Member State, that defence seeks only to have that action dismissed, and does not seek to obtain a decision that will cause that patent to be annulled entirely or in part. In particular, under no circumstances can that decision include a direction to the administrative authority responsible for maintaining the national register of the third State concerned.