

Limits of the Unified Patent Court's long arm with regard to Spain (II): the controversial judgment of the Court of Justice in the *BSH/Electrolux* case

This paper analyses the impact of the Court of Justice ruling of 25 February 2025, C 339/22, *BSH/Electrolux* (ECLI:EU:C:2025:108), on the Unified Patent Court's praxis and the application of its long arm.

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1. Introduction

As explained in the first document in this series, which deals with the limits of the jurisdiction of the Unified Patent Court ('UPC') to hear disputes relating to classic European patents validated in States that are not party to the Agreement on a Unified Patent Court ('UPC Agreement' or 'Agreement') or to supplementary protection certificates granted in those States, the court does not have jurisdiction over the validity of such rights. This is because

Article 24(4) of the Brussels Ia Regulation^[1] provides that "exclusive jurisdiction, regardless of the domicile of the parties", "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", shall rest with "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 inter-

national convention deemed to have taken place”. As the Court of Justice has held – judgment of 8 September 2022, *IRnova*, C399/21, EU:C:2022:648, para. 36 –, this exclusive jurisdiction stems from the fact that those courts are closely linked in fact and law to the register and are best placed to adjudicate on cases where the validity of the right concerned, or even the existence of the deposit or registration, is in dispute.

This exclusive jurisdiction under Article 24(4) of the Brussels Ia Regulation has recently been interpreted by the Court of Justice (‘CJEU’) in its judgment of 25 February 2025, C339/22, *BSH/Electrolux*, ECLI:EU:C:2025:108. This ruling has a significant impact on the praxis of the Unified Patent Court and the application of its *long arm*, leading to undesirable results, as explained below.

2. The CJEU judgment of 25 February 2025, *BSH/Electrolux*

The dispute in which the preliminary ruling was made concerned the owner of a European patent validated in various EU Member States and in Turkey, who brought proceedings against a Swedish company before a Swedish court for acts of infringement in all the countries where the European patent was validated. However, the defendant raised the plea of invalidity of that European patent, and the Swedish court asked the CJEU whether, as a result of that and in accordance with Article 24(4) of the Brussels Ia Regulation, that meant that it no longer had jurisdiction to hear the infringement action.

Although the dispute underlying the judgment was not brought before the UPC, the interpretation of the CJEU in the *BSH/Elec-*

trolux judgment is equally applicable, since said court is equivalent to the national courts of the contracting states party to the UPC Agreement.

2.1. *The state of the matter prior to the judgment in BSH/Electrolux*

In its judgment in *BSH/Electrolux*, the CJEU began by recalling that a court of a Member State may hear infringement proceedings relating to a patent of another Member State, which is merely a manifestation of the international jurisdiction based on the defendant’s domicile, as established in Article 4(1) of the Brussels Ia Regulation. On that basis, the CJEU emphasises that the exception to that rule laid down in Article 24(4) of the Brussels Ia Regulation (granting exclusive jurisdiction to the courts of the State which granted the patent to rule on its validity) applies whether the validity is raised by way of an action or as a defence.

This is expressly provided for in Article 24(4) of the Regulation, which follows the case law of the CJEU in its judgment of 13 July 2006, *GAT*, C-4/03, EU:C:2006:457. It should be recalled that the 1968 Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters (Article 16) did not clarify whether exclusive jurisdiction to rule on the validity of intellectual property rights also extended to cases where the issue was raised as a defence, and that it was the CJEU in the *GAT* judgment (para. 25) which clarified that the exclusive jurisdiction provided by that provision should apply “whatever the form of proceedings in which the issue of a patent’s

validity is raised, be it by way of an action or a plea in objection, at the time the case is brought or at a later stage in the proceedings”. Consequently, there is now no doubt that where the courts hearing the infringement proceedings are not those of the State in which the intellectual property right was applied for, registered or deemed to have been registered, those courts cannot examine the validity of the right, even with mere *inter partes* effects.

However, neither the CJEU in its judgment in *GAT* nor, subsequently, Article 24(4) of the Brussels Ia Regulation clarify what should happen to the infringement action once the invalidity has been raised, by way of an action or as a defence. In his conclusions in the *GAT* case, delivered on 16 September 2004 (EU:C:2004:539, para. 46), the Advocate General pointed to three possibilities: “The court judging the infringement can transfer the case completely, it can stay the proceedings

Suzo International (UK) Limited and others (1997) F.S.R. 660] that the court hearing the infringement action must declare itself incompetent, whereas in the Netherlands, the Supreme Court (Judgment of 30 November 2007, Case C02/228HR and C02/280HR, ECLI:NL:DH:2007:BA9608) held that the claimant must be given the opportunity to withdraw its claim and that, if it does not do so, the court must stay the infringement proceedings until the foreign court with jurisdiction has given a final decision on the question of validity.

2.2. *The CJEU’s interpretation in the BSH/Electrolux judgment*

- a) On this important question, the CJEU now states, in its judgment in *BSH/Electrolux* (para. 52), that “a court of the Member State of domicile of the defendant which is seised, pursuant to Article 4(1) of that regulation, of an action alleging infringement of a patent granted in another Member State, does still have jurisdiction to hear that action where, in the context of that action, that defendant challenges, as its

defence, the validity of that patent, whereas the courts of that other Member State have exclusive jurisdiction to rule on that validity”. It is therefore emphasised that the court retains jurisdiction to hear the infringement proceedings because, otherwise, jurisdiction would be left in the hands of the defendant, who would simply have to raise

The interpretation of the CJEU in the BSH/Electrolux judgment affects the UPC

until the court of another Member State with jurisdiction [...] rules upon the validity of the patent, or it can deal with the case itself where a defendant acts in bad faith.” However, the CJEU did not address this issue, giving rise to divergent solutions by national courts. Thus, in the praxis of the United Kingdom (while it was part of the European Union), it was considered [for example, in the case of *Coin Controls Limited v*

the plea of invalidity. The court refers to its judgments of 15 November 1983 (*Duijnste*, 288/82, EU:C:1983:326, paras 22 and 23) and of 8 September 2022 (*IRnova*, C399/21, EU:C:2022:648, para. 48), in which it already emphasised the possibility for a court to hear actions for infringement of a foreign patent, but which did not address the specific case of a plea of invalidity of such patents.

This conclusion of the CJEU in its judgment in *BSH/Electrolux*, to

The BSH/Electrolux judgment requires a defendant who wishes to defend himself against an infringement action to bring an action for a declaration of invalidity

the effect that the court hearing the infringement action retains jurisdiction even if a plea of invalidity of the intellectual property right is raised before it, or even if an action for invalidity of the intellectual property right is brought before the courts with exclusive jurisdiction in another State, is equally applicable to the UPC when it is hearing an infringement action relating to a classic European patent validated in a non-contracting state (or to a supplementary protection certificate granted in one such state). In fact, there are already decisions in which the UPC has stated that “the UPC (as well as the National

Court) does not lose that jurisdiction merely because, as its defence, that defendant challenges the validity of that patent” (Order of the Milan Local Division of 8 April 2025, UPC_CFI_792/202, although no action or defence of invalidity was brought or raised in that case).

- b) On the basis that the court before which the infringement proceedings have been brought retains jurisdiction to hear the infringement proceedings, even though the question of the validity of the intellectual property right has been raised, the CJEU considers that the court may exercise that jurisdiction and hear the infringement proceedings or, if it considers it appropriate, stay the infringement proceedings until the invalidity proceedings have been adjudicated on.

The CJEU states in this regard (para. 51 of the judgment in *BSH/Electrolux*) that its interpretation “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 (see, by analogy, judgment of 12 July 2012, *Solvay*, C-616/10, EU:C:2012:445, paragraph 49), 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.” As can be seen, the CJEU seeks to justify this conclusion by referring to its *Solvay* judgment, which concerned provisional, including protective, measures even though the *BSH/Electrolux* case concerns infringement proceedings.

- c) Another novelty of the *BSH/Electrolux* judgment is that it develops the conclusion reached in the previous judgment of 8 September 2022, *IRnova*, according to which the exclusive jurisdiction of the courts of the State of grant or registration of the patent to rule on its invalidity or validity does not apply where the patent in question has not been granted or validated in a Member State of the European Union but in a third State (such as Turkey or, following Brexit, the United Kingdom).

Therefore, in these cases where the patent has been granted in a State outside the European Union, since Article 24(4) of the Brussels Ia Regulation does not

apply, the court of the Member State which, by virtue of the defendant’s domicile, has jurisdiction to hear actions for infringement of that third State’s patent, may examine the validity of the patent by way of defence (provided that the third country is not a member of the Lugano Convention[2], there is no bilateral agreement between that country and the European Union to the contrary, or no proceedings are pending before a court of that third country).

However, the court hearing the infringement proceedings may not make a declaration of invalidity that would result in the cancellation of the patent with *erga omnes* effect. According to the CJEU (para. 73 of the *BSH/Electrolux* judgment), the principle of non-interference between States, which is inherent in international law, means 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”. On the other hand, the court of the Member State of the defendant’s domicile before which an action for patent infringement has been brought and in which, by way of defence, the invalidity of a patent granted or validated in a third State is raised, has jurisdiction to rule on that question, since the decision of that court on that issue cannot

affect the existence or the content of the patent in that third State or entail the modification of the national register of that State.

2.3. *Critical analysis*

In our view, the Court's reasoning presents a number of difficulties, raises considerable doubts and leads to undesirable results:

- a) A first drawback stems from the fact that, in order for the court before which the infringement proceedings are brought to be able to determine “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”, it will be necessary for it to examine the validity of the patent in the context of main infringement proceedings, which is precisely what it lacks jurisdiction to do.

The CJEU held that such an analysis would be preliminary and, therefore, in its view, comparable to that carried out in the context of the granting of interim relief, where a preliminary analysis of validity is necessary. As stated in the first document in this series of analyses, the CJEU ruled in its judgment of 12 July 2012, *Solvay* (C-616/10, ECLI:EU:C:2012:445), that a national court retains jurisdiction to grant provisional or protective measures for infringement of a patent or other intellectual property right even if an action for a declaration of invalidity

has been brought before the courts with exclusive jurisdiction. This is because, as the CJEU explained in that judgment, the provisional decision taken by the court before which the interim proceedings have been brought will not in any way prejudice the decision to be taken on the substance by the court having jurisdiction.

However, it is highly debatable whether the analysis of the validity of the patent carried out in the interim proceedings and that carried out in the main infringement proceedings for the purpose of deciding whether or not to stay those proceedings are parallel situations. Although the analysis of validity carried out by the court hearing the infringement action is not binding on the analysis that may be carried out in that regard by the court having jurisdiction to rule on the validity of the right, the consequences of granting interim relief for infringement of a patent which is subsequently declared invalid by the competent court are not comparable to the consequences of a final and conclusive declaration of infringement, since a decision is made on the substance of the matter, with the risk of incompatible decisions and undesirable consequences.

Imagine a scenario in which the UPC does not stay the infringement proceedings of a classic European patent validated in Spain, finds infringement and im-

poses an obligation to pay damages, and that this judgment becomes final and conclusive and is enforced, and that, subsequently, a Spanish court declares the invalidity of that classic European patent validated in Spain, which had previously been found infringed by the UPC. It should be noted that the Spanish Patents Act (Article 104) does not extend the retroactive effect of the invalidity of patents to the point of affecting decisions on patent infringement that had become final and had been enforced prior to the declaration of invalidity, but only allows compensation to be obtained for any harm that may have been caused where the patent holder has acted in bad faith. The undesirable consequences that would arise in this case speak for themselves and, given the timeframes in which proceedings before the UPC are expected to be conducted, this is not a “theoretical” case, but one that could well arise in practice.

- b) Furthermore, on closer inspection, the doctrine of the *BSH/Electrolux* judgment requires a defendant who wishes to defend itself against infringement actions (such as those that may be brought before the UPC for infringement of a Spanish validation of a classic European patent) to bring an action for a declaration of invalidity before the exclusively competent court. It should be noted that the CJEU refers to the possibility that the court

hearing the infringement action may consider “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” and that, for that possibility to exist, it seems necessary that a prior action for a declaration of invalidity has been brought. Consequently, if the defendant wishes to defend its rights and seek at least a stay of proceedings before the court hearing the infringement, it must prove that it has brought such action, and it is not sufficient for it to submit to the court hearing the infringement the grounds on which it considers that the patent (or the claimant’s intellectual property right) is invalid. In short, what the CJEU is doing is imposing a bifurcation system in these cases, similar to the German system, where the validity and infringement of a patent are judged by different courts.

The CJEU’s interpretation in the *BSH/Electrolux* judgment therefore has several consequences that may affect the defendant’s right of defence:

- Firstly, the defendant in infringement proceedings (in our case, before the UPC) is allowed to rely before that court on the fact that it has brought an action for a declaration of invalidity of the patent before the national courts with exclusive jurisdiction, for the

purposes of the UPC assessing whether or not to stay the infringement proceedings. However, what is not possible is for the defendant to simply assert before the court hearing the infringement proceedings (in our case, the UPC) that there are grounds for invalidity of the patent so that the court can take them into account when deciding whether to stay the infringement proceedings. That being the case, insofar as the defendant in infringement proceedings is in fact being forced to bring an action for a declaration of invalidity in another jurisdiction, it would be deprived of a means of defence, namely the possibility of simply pleading invalidity before the UPC without first bringing an action for a declaration of invalidity.

- Secondly, by allowing the court hearing the infringement proceedings (the UPC) to continue the proceedings, even though it has been made aware of grounds for invalidity of the patent, it is in effect accepting that infringement proceedings may continue without the defendant being able to defend the invalidity of the patent — and without the court being able to examine it — with

all the depth that the issue deserves.

- In addition, the defendant is deprived of the possibility of raising a plea of invalidity (with *inter partes* effect). This is because, although it may bring an action for a declaration of invalidity (with *erga omnes* effect) before the courts with exclusive jurisdiction in the State where the patent was granted, it cannot raise a plea of invalidity (with *inter partes* effect) before any of the courts. He cannot do so before the Spanish courts with exclusive jurisdiction to hear the invalidity of the patent (because he has not been sued before them). Nor can he do so before the UPC (because, according to Article 24(4) of the Brussels Ia Regulation, it lacks jurisdiction).

The Court of First Instance of the UPC, in the Order of the Paris Local Division of 21 March 2025 (UPC_CFI_702/2024), para. 25— has held that the interpretation of the CJEU in the judgment in *BSH/Electrolux* does not affect either the rights of defence or the principle of equality of arms between the parties, because, in the event of a plea of invalidity, the court hearing the infringement proceedings has the power to stay the proceedings in order to take into account, where appropriate, the decision

given by the court of the Member State of the European Union or of a State bound by the Lugano Convention (“Il n’est pas porté atteinte aux droits de la défense, ni au principe d’égalité des armes entre les parties, dès lors qu’en cas de contestation par voie d’exception, de la validité du brevet, la juridiction saisie d’une action en contrefaçon, has the power to stay the proceedings in order to take into account, where appropriate, the decision given by the court of the Member State of the European Union or of a State bound by the Lugano Convention”).

However, as already indicated, strictly speaking, and as stated by the CJEU, it cannot be established “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” without an action for a declaration of invalidity having been brought before that court, the mere allegation of the existence of grounds for invalidity of the patent before the court hearing the infringement being insufficient. And, in fact, when the CJEU refers to the finding 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”, it does so after stating that its interpretation “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”.

All of the above also leads to the paradoxical result that the defendant accused of infringing a classic European patent validated in Spain — who is sued before the UPC — is in a worse position to exercise his right of defence than the defendant accused of infringing a classic European patent validated, for example, in Turkey, since the latter may raise the plea of invalidity as a defence and the court may examine the validity of the patent without limitation, albeit with effects only *inter partes*.

- c) The CJEU’s interpretation also implies rejecting both the British and Dutch solutions referred to above. The conclusion — contrary to the British solution — that the court before which proceedings for infringement of a patent granted by another State are brought retains jurisdiction, even if the defendant raises a plea of invalidity or brings an action for a declaration of invalidity before the court with exclusive jurisdiction, seems appropriate. Otherwise, the jurisdiction established in the Brussels Ia Regulation would be left to the discretion of the defendant. However, in order to avoid contradictory decisions (final and conclusive

judgments finding infringement of a patent that is subsequently declared invalid), it would have been appropriate for the CJEU to declare that the infringement proceedings should be stayed until the competent court had

The various interests are better reconciled by the Dutch solution than by the interpretation of the CJEU

ruled on the invalidity, in line with the Dutch solution. In other words, the various interests at stake are better reconciled by the Dutch solution than by this new interpretation of the CJEU, which does not guarantee (at least in all cases) that contradictory decisions will not be handed down by different courts.

In contrast, the CJEU empowers the court hearing the infringement (such as the UPC) to continue the proceedings, even if the defendant has brought an action for declaration of invalidity before the courts with exclusive jurisdiction (which, in the case of classic European patents validated before the Spanish Patent and Trademark Office, would be the Spanish courts). The CJEU does not even limit this possibility to cases where the defendant is acting in bad faith, as the Advocate General did in his Opinion in the *GAT* case, delivered on 16 September 2004 (EU:C:2004:539,

para. 46), to which reference has already been made. It should be noted that in the *BSH/Electrolux* judgment, the Court does not require the stay of infringement proceedings, even if the court hearing the infringement considers that there is a “reasonable, non-negligible possibility” that the patent will be declared invalid. Even in such cases, the *BSH/Electrolux* judgment merely states that the court hearing the infringement action “may”, if appropriate, stay the proceedings (it is not obliged to do so).

- d) The CJEU’s view, recognising the discretion of the court hearing the infringement action to stay or continue the proceedings, even if the patent is invalid, is questionable and leads to undesirable practical consequences.

It is debatable because, as already indicated, it is based on an analogy with the situation of the granting of interim relief, which was the subject of the *Solvay* case, to which the *BSH/Electrolux* judgment refers in order to justify this conclusion. However, the preliminary analysis of the validity or invalidity of a patent prior to the granting of interim relief (which is therefore provisional) is not the same as an analysis for the purpose of deciding whether or not to continue with proceedings which, if continued, will result in a decision on the substance of the matter.

This can lead to undesirable results, such as those that would arise in situations such as the following:

Consider the scenario in which the UPC hears a case concerning an infringement of a unitary patent and, at the same time, an infringement of a classic European patent, parallel to the unitary patent and validated in Spain. Imagine that the defendant claims before the UPC that it has brought an action for a

the court does not suspend the infringement proceedings and subsequently declares the unitary patent invalid, we could find ourselves in a situation where the UPC issues a judgment declaring the invalidity of a unitary patent and, at the same time, the infringement of the parallel classic European patent validated in Spain, as this court has no jurisdiction to declare its invalidity or to render it ineffective on the grounds that it is invalid. This is particularly serious if we re-

member that the fact that a Spanish court subsequently declares the Spanish validation of the European patent invalid will not have retroactive effect and will not allow the defendant—who has been ordered

by the UPC to pay damages for infringement of that patent and which order has become final and conclusive and has been enforced—to claim reimbursement of those amounts.

Non-staying may in practice lead to undesirable situations which could affect the defendant's right of defence

declaration of invalidity of the European patent validated in Spain before the Spanish courts, while at the same time filing a counterclaim for a declaration of invalidity before the former. If