Legal doctrine of the UPC's Court of Appeal on the patent invalidity defence: is the way in which the 'long arm' is applied compatible with the UPC's own Rules of Procedure?

This paper analyses the Order of the Appeal Court of the Unified Patent Court of 20 June 2025, which made a series of observations on the possibility of defendants before the Unified Patent Court pleading invalidity of a patent. Doubts are raised as to whether the manner in which this court is applying the *BSH/Electrolux* doctrine is appropriate and whether, in essence, it can validly apply that doctrine in accordance with its own Rules of Procedure.

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1. Introduction

In cases where, in application of the 'long arm', the Unified Patent Court (UPC) hears a case concerning the infringement of a European patent validated in a State that is not a party to the Agreement on a Unified Patent Court (UPCA) or a member of the European Union (such as Switzerland, the United Kingdom or Turkey) or the infringement of a European patent validated in a Member State of the Union, but which is not a party to the UPCA (such as Spain, Poland, Croatia and Ireland, for example, until such time as they ratify it), a frequent response from defendants is to plead invalidity of the European patent that is alleged to have been infringed.

In such situations, the UPC has been applying the doctrine established by the Court of Justice in its judgment of 25

February 2025, C-339/22, *BSH/Electrolux*[1], a judgment which does not interpret the UPCA, but rather the provisions of the Recast Brussels I Regulation (Brussels Ia Regulation)[2]. Thus, and in application of that judgment:

— With regard to States that are not part of the European Union and European patents validated in those third countries, the UPC considers that the provisions of Article 24(4) of the Brussels Ia Regulation and Article 22 of the Lugano Convention[3], which confer exclusive jurisdiction to hear cases concerning the validity of the patent on the courts of the State that granted it, are not applicable, whether the validity is challenged in a counterclaim or as a defence.

  Consequently, a court of a European Union Member State, such as the UPC (as it is considered a common court comparable to the national courts of the Member States), may hear cases concerning the validity of such patents with *inter partes* effect.

— And, in relation to European Union Member States that have not signed or ratified the UPCA, this court considers that it retains jurisdiction to hear cases of infringement of European patents validated in those countries, even if the defendant challenges their validity.

  In that case, the UPC retains its jurisdiction to hear the infringement case but, if it considers it appropriate, it may stay the infringement proceedings until the court of the EU Member State (not party to the UPCA) in which the European patent was validated has ruled on its invalidity. In this regard, the Court of Justice allows for the possibility of staying infringement proceedings when the court hearing the case "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".

Although the rules of the game seemed to be established, the Order of 20 June 2025 (UPC_CoA_393/2025) issued by the Court of Appeal of the UPC has made a series of observations on the possibility of defendants before the UPC pleading the invalidity of a patent and raises doubts as to whether the way in which this court is applying the *BSH/Electrolux* doctrine is appropriate and whether, in essence, this doctrine can be validly applied by the UPC, given the provisions of the UPCA and the UPC's own Rules of Procedure (RoP).

[1] We have discussed this judgment in detail in the document "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"; see this ***link***.

[2] Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters.

[3] Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (Lugano Convention), signed in 2007 by the European Union, Denmark, Iceland, Norway and Switzerland.

The Court of Appeal states that the validity of the patent cannot be challenged by way of a defence in the UPC

2. Order of the Court of Appeal of the Unified Patent Court issued on 20 June 2025 (UPC_CoA_393/2025)

In this Order, the UPC's Court of Appeal deals primarily with the interpretation of Article 69(4) UPCA (according to which, "security for costs may be ordered "at the request of the defendant", requiring that the applicant provides security for the legal costs and other expenses of the proceedings") and its possible application in cases where a counterclaim for revocation has been filed.

It is not appropriate at this time to discuss in detail the specific issue raised because it goes beyond the long arm problem. In fact, this ruling would appear to have nothing to do, in principle, with the long arm issue at hand. However, as we will see below, in its Order, the Court of Appeal makes a series of observations that may be relevant when considering the applicability of the long arm in UPC proceedings.

In this regard, it is interesting to note that, when referring to the counterclaim for revocation in its Order, the Court of Appeal states (paragraphs 26 and 27) that, under the procedural system of the UPCA and the UPC's RoP, a defendant is not allowed to challenge the validity of the patent by way of an invalidity defence in the infringement proceedings but only by lodging a separate counterclaim for revocation.

Although not expressly mentioned in the Court of Appeal's Order, it is clear that this interpretation is based on Rule 25(1) RoP, which states as follows: "If the Statement of defence includes an assertion that the patent alleged to be infringed is invalid the Statement of defence shall include a Counterclaim against the proprietor of the patent for revocation of said patent in accordance with Rule 42."

Consequently, in order for a defendant in an infringement action to be able to defend itself by raising invalidity arguments, it is forced to file a counterclaim.

The implications of this interpretation by the UPC's Court of Appeal are very significant.

This is because, in the event of an action for infringement of a European patent validated in an EU Member State that is not a party to the UPCA (as is the case with Spain, among others) or of a patent validated in a third country that is not an EU member (as is the case with the UK after Brexit), the defendant could never plea in their defence that the patent is invalid because, according to the Court of Appeal, invalidity defences cannot be raised in the UPC.

Similarly, it would not be possible to file a counterclaim for revocation.

Indeed, if the European patent relates to a Member State of the EU but not to a State party to the UPCA, the defendant would also be unable to file a counterclaim for revocation before the UPC because that

court lacks jurisdiction to hear such claims under the Brussels Ia Regulation and the Lugano Convention.

In turn, if the European patent is validated in a State outside the Union and the Lugano Convention - although in such cases the exclusive jurisdiction of the Brussels Ia Regulation (Art. 24(4)) and the Lugano Convention (Art. 22) does not apply - the Court of Justice, in its judgment in *BSH/Electrolux* (para. 61), has only recognised the jurisdiction of the courts of the EU Member State in which the defendant is domiciled to hear the validity of the patent as a defence in the context of an infringement action, so that it is also not possible to file any counterclaim for revocation.

That being the case, if, in accordance with the UPC's RoP, it is not possible to plead the invalidity of the patent as a defence, but only as a counterclaim for revocation, and it turns out that, in relation to both European patents validated in EU Member States that are not party to the UPCA and with patents validated in States that are not members of the Union or party to the Lugano Convention, that court does not have jurisdiction to hear their validity by means of a counterclaim for revocation, how does the *rationale* behind the *BSH/Electrolux* judgment apply?

If, as the Court of Appeal has pointed out, the defendant can only plead the invalidity of the patent by filing a counterclaim for revocation, in those cases where it is not possible to file such a counterclaim with the UPC because it does not have jurisdiction, the UPC would not be able to assess 1) the validity of the European patent validated in those States outside the European Union with *inter partes* effect or, 2) even superficially, whether "there is a reasonable, non-negligible possibility of that patent being declared invalid by the court of that other Member State that has jurisdiction" in the case of European patents validated in a Member State of the European Union but not party to the UPCA. In other words, this analysis, which would be allowed by the *BSH/Electrolux* judgment (despite the questionable nature thereof with regard to the second scenario, given the exclusive jurisdiction established in Article 24(4) of the Brussels Ia Regulation), does not seem to be permitted by its own regulatory framework, as interpreted and applied by the Court of Appeal of the UPC in the aforementioned ruling.

It should also be noted that the impossibility of raising invalidity as a defence has been recognised by the Court of Appeal, which means that this interpretation is binding on the court of first instance of the UPC. We will have to see how the UPC will reconcile the way it is applying the 'long arm' with its own rules of procedure when the defendant seeks to invoke the invalidity of the patent as a defence, as this does not seem to fit well. This fact may constitute a relevant line of argument to oppose the way in which the 'long arm' is being applied by this court, as it is not in accordance with its own rules of procedure and because of the clear impact this may have on the defendant's right of defence.