



Cross-Border Settlement

-

Traps in connection with choosing one
competent court for disputes and
litigation

Dr.Ing. Christian Wende, LL.M.

Patent Infringement Case with Cross Border Situation

Patentee (client) and Plaintiff located in German

Patent in suit is an EP Patent validated in DE, FR,
IT and ES.

Defendant is located in Italy, manufactures in Italy
and sells in Italy and France.



The Cease and Desist Declaration

Accused Product is already a Work-Around-Solution following a 1st Gen. accused product, that has been stopped with a Cease and Desist Declaration.

Undertaking to not use the patent in DE, FR, IT and ES.

Düsseldorf Court shall have Exclusive Competence for all disputes arising from the Cease and Desist Declaration.

Complaint Filed in Düsseldorf

Complaint filed for patent infringement.

Offering sale in IT, FR and DE objected.

Manufacturing in IT objected.

Impact on sales of client was so severe that the complete sales in IT and FR broke down for this kind of product.

Reg. (EU) 2015/2012 („Brussels Ia“)

Relates to jurisdiction and recognition and enforcement of judgements in civil and commercial matters.

Art. 25. defines circumstances for prorogation of jurisdiction.

Art. 24 defines exclusive competences for patent matters, especially for invalidity.

Reg. (EU) 2015/2012 („Brussels Ia“)

Art. 25 No. 4, 2nd alternative:

4. Agreements or provisions of a trust instrument conferring jurisdiction shall have no legal force if they are contrary to Articles 15, 19 or 23, or if the courts whose jurisdiction they purport to exclude have exclusive jurisdiction by virtue of Article 24.

Reg. (EU) 2015/2012 („Brussels Ia“)

Art. 24 (4):

- (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 shall have exclusive jurisdiction in proceedings concerned with the registration or validity of any European patent granted for that Member State;

CJEU Case Law - GAT vs. LuK

Re C-4/03, GAT vs. LuK, Judgment of the CJEU of July 13, 2006:

Article 16(4) of the Convention of 27 September 1968 on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters, as last amended by the Convention of 29 November 1996 on the Accession of the Republic of Austria, the Republic of Finland and the Kingdom of Sweden, is to be interpreted as meaning that the rule of exclusive jurisdiction laid down therein 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.

CJEU Case Law - GAT vs. LuK

Re C-4/03, GAT vs. LuK, Judgment of the CJEU of July 13, 2006:

First, to allow a court seised of the main action relating to a patent, such as an action for infringement or for a declaration that there has been no infringement, to establish, indirectly, the invalidity of the patent at issue would undermine the binding nature of the rule of jurisdiction laid down in that article and would circumvent its mandatory nature.

CJEU Case Law - GAT vs. LuK

Re C-4/03, GAT vs. LuK, Judgment of the CJEU of July 13, 2006:

Second, the possibility which this offers would have the effect of multiplying the heads of jurisdiction and would be liable to undermine the predictability of the rules of jurisdiction laid down by the Convention, and consequently to undermine the principle of legal certainty, which is the basis of the Convention.

CJEU Case Law - GAT vs. LuK

Re C-4/03, GAT vs. LuK, Judgment of the CJEU of July 13, 2006:

Finally, to allow, within the scheme of the Convention, decisions in which courts other than those of a State in which a particular patent is issued rule indirectly on the validity of that patent would also multiply the risk of conflicting decisions which the Convention seeks specifically to avoid.

Personal Opinion

Brussel Ia, Art. 25 (4) in connection with Art. 24 (4) could form an obstacle for cross-border settlements.

However, these kind of rules must be interpreted very strict and narrow.

Brussel Ia, Art. 24, 25 deal only with patents and not with settlement agreements.

Also in the GAT vs. LuK case, only patents and no settlement agreement was subject.

“So, Brussel Ia, Art. 24, 25 are not applicable.”

Informal Comment from the Court

Presiding judge informally called the parties and urged, whether a settlement would be possible.

He placed the comment that this case and the question of competence might be indeed a question to be discussed in greater detail.

It might have been that the Düsseldorf would have sent this case to the CJEU for the check of competence.

Solution in this case

Settlement Agreement signed and executed one day before the Oral Proceedings in Düsseldorf.

Düsseldorf is still the only competent Court.

German Law explicitly chosen as lex fori.

Waiver for Invalidity Objection.

Explicit Approval for 3rd Gen. Work-Around.

Whatever we do, we do it with passion:



DTS Patent- and Trademark Attorneys
PA Dr.-Ing. Christian Wende, LL.M
St.-Anna-Str. 15
D-80538 Munich
Tel: +49 89 219996-0
Fax: +49 89 219996-99

E-Mail: c.wende@dts-law.com

www.dts-law.com

