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The UPC Sets Sail

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Introduction

Almost a year ago, just before summer last year, a (typically) short and simple e-mail from Robin Jacob came in. It said: ‘a BIG ask: would you do the Sir Hugh Laddie Lecture next year?’ I can assure you: BIG shock. It is of course a BIG challenge to deliver such a speech, but at the same time a BIG honour, since it is in memory of the late Sir Hugh Laddie. He combined the qualities of being an excellent judge, with being a lovely man with true European spirits.

When I asked Robin whether he had any specific topic in mind, he responded in equal simple terms: ‘it has to be UPC, I guess.’ Indeed, as the UPC having set sail just a few weeks ago, that seemed the logical topic. However, it also brings difficulties. With the Court in place for only three weeks now, there is not much to talk about in terms of its practice. Any prediction on how it will deal with several issues requires a crystal ball. Alas, I couldn’t find one.

On top of that: the UK left the EU. Its application to join the Lugano Convention was denied. In ‘European’ terminology, the UK is a ‘third State’. So, do we have anything in common at all? Should the UK courts and practitioners be bothered with the UPC? UK European patents, after all, fall under the exclusive realm of the UK courts, and UK defendants will be sued before the courts of their domicile. Or perhaps not?

That is my topic. I will discuss, insofar relevant for the UK, the opinions expressed in literature on the international jurisdiction the UPC may, or may not, have. The topic is fiercely debated on both sides of the Channel. I volunteered to enter this arena, but my arms are tied behind my back. Obviously, it would not be appropriate to give my personal opinions, if indeed I had any!

So, nothing I say today can be taken to be my personal opinion, still less that of the UPC. If anyone after this speech accuses me of beating about the bush, I will plead guilty. And on that terrible disappointment – as Jeremy Clarkson would say¹ – let’s begin.

The Unified Patent Court

The UPC was established by an Agreement of February 19, 2013. It is a court common to the 17 Contracting Member States that ratified the Agreement. Article 24 sets out which law it must apply.² EU law is at the top; national law is at the bottom and should only apply to fill any gaps.

Jurisdiction

In cases with an international element, i.e., outside UPC territory, before the court can consider the merits, it must first decide whether it has jurisdiction over the defendant(s) concerned.

In this respect Article 31 provides that the international jurisdiction of the UPC shall be established by the recast Brussels I Regulation (‘Br-Ia’).³ In 2014, as a prerequisite to the entry into force of the Agreement, the Regulation was amended.⁴ Articles 71a to d were inserted.⁵ This sought to regulate ‘the relationship of Br-Ia with the UPC Agreement’ to ensure a combined and coherent application of the two.⁶ These new articles, however, raise many questions and – of course – differences of opinion. Let’s look at them and the associated controversies.

Article 71a Br-Ia

Article 71a makes clear that the UPC is deemed to be a court of a Member State for the purposes of the Regulation. That seems relatively straightforward.

Article 71b(1) Br-Ia - defendants domiciled outside UPC territory but within the Union

Article 71b(1) sets out the general principle for determining the international jurisdiction. The UPC has jurisdiction where, under the Regulation, the courts of a Contracting Member State would have jurisdiction. In other words: the UPC takes the place of the national courts of the Contracting Member States. It is undisputable that in relation to claims against defendants domiciled in a Member State, all bases for jurisdiction contained in Br-Ia also apply to the UPC. The same goes for the applicable case law of the CJEU.

If jurisdiction is based on the place of the infringement,⁷ under *Shevill*,⁸ UPC jurisdiction is limited to its own territory – that of the 17 Contracting States. When jurisdiction is based on the domicile of at least one defendant within UPC territory (based on either article 4 or article 8(1) Br-Ia),

¹ See, e.g. <www.youtube.com/watch?v=Imh_8RHGLJo>.

² Art. 24 UPCA establishes the sources of law for the UPC Court.

³ Regulation (EU) No 1215/2012 of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast).

⁴ Regulation (EU) No 542/2014 of 15 May 2014 amending Regulation (EU) No 1215/2012 as regards the rules to be applied with respect to the Unified Patent Court and the Benelux Court of Justice.

⁵ See Annex 1.

⁶ Recital (3) of the 542/2014 Regulation.

⁷ Art 7(1) Br-Ia.

⁸ Case C-68/93, *Fiona Shevill v Presse Alliance*, EU:C:1995:61.

jurisdiction of the court may extend beyond its own territory, i.e., may include infringements of a patent in force outside UPC territory.

There is also relevant case law in relation to article 8(1), where jurisdiction vis-à-vis multiple defendants, domiciled in different Member States, is based on the risk of irreconcilable judgments. According to *Roche v Primus*,⁹ there is no such risk where each defendant commits acts said to infringe only in its own Member State. The reason is that national parts of European patents have a different legal basis. However, according to *Solvay v Honeywell*,¹⁰ where each of the defendants is active with respect to the same product in the same territories, article 8(1) Br-Ia *does* apply.

Article 71b(2) 1st sentence - defendants domiciled outside the European Union

Article 71b(2), 1st sentence, explicitly deals with jurisdiction in relation to a defendant not domiciled in a Member State. It provides that, when the Regulation does not otherwise confer jurisdiction over him, Chapter II shall apply *as appropriate regardless of the defendant's domicile*.

Discussion on the meaning of articles 71b(1) and 71b(2) 1st sentence Br-Ia

Now let's dive into the controversies regarding these provisions. It is debated if, and to what extent, they apply to defendants domiciled outside the EU, such as the UK. This turns upon whether a strict or a broad interpretation is adopted.

The strict interpretation

In the 'strict' interpretation, article 71b(1) does not apply when the defendant is not domiciled in a Member State. Vis-à-vis such defendants, the national courts would have jurisdiction only on the basis of article 6 Br-Ia. That provides that the [*national*] *law* of a Member State shall determine the jurisdiction of that Member State. In the strict interpretation, this prevents article 71(b)(1) from being applicable for two reasons.

Firstly, the UPC is a court *common* to all Contracting Member States. As a consequence, there is not one specific national law to which article 6 can refer. And, as the Commission noted,¹¹ choosing one or the other national law would create an unequal access to justice, which could not be justified on any objective reason. Secondly, since article 6 Br-Ia only permits national courts to use their own national procedural law to establish its jurisdiction, this is not granted 'under this Regulation', as required by article 71b(1) Br-Ia.

In relation to article 71b(2), 1st sentence Br-Ia, it is argued under the strict interpretation, that 'as appropriate regardless of the defendant's domicile', means that international jurisdiction can only be found in those provisions of Br-Ia, where the domicile of the defendant within a Member State is not the *only* basis for jurisdiction. Article 4 jurisdiction is *only* based on the defendant's domicile and therefore does not qualify. Disregarding domicile would leave it without substance. Article 7(2) - where jurisdiction is also based on the place of infringement within a Member State - *does*

⁹ Case C-539/03, *Roche Nederland BV and Others v Frederick Primus and Milton Goldenberg*, EU:C:2006:458.

¹⁰ Case C-616/10, *Solvay SA v Honeywell Fluorine Products Europe BV and Others*, EU:C:2012:445.

¹¹ The European Commission in its Explanatory Memorandum to its first Proposal (COM(2013) 554 final), for the 542/2014 Regulation noted: 'a reference to the one or the other national law for the several divisions of the Unified Patent Court would create an unequal access to justice in a unified jurisdictional system which could not be justified on any objective reason.'

apply, as does article 8(1), where a defendant is sued alongside an ‘anchor’ defendant domiciled in a Member State, to prevent irreconcilable judgments. In those situations, a close connection with the territory of the Member States still exists. As mentioned, under *Shevill*, of those, only article 8(1) could lead to jurisdiction outside UPC territory.

The broad interpretation

Under the ‘broad’ interpretation, article 71b(1) allows the UPC to take the place of *any* national court of a Contracting Member State. So, if ‘a’ (understood as ‘any’) national court has jurisdiction under article 6, then the UPC has too, on that basis. Therefore, the UPC could apply national jurisdictional rules. Several Contracting Member States still have rules that deviate from principles underlying the Regulation, known as ‘exorbitant’ rules. In Belgium, France and Luxemburg, a court may accept international jurisdiction based on the domicile of the claimant, while in Germany, Denmark and Greece it may be based on property owned in the court’s territory. In the broad interpretation, the UPC could apply these exorbitant rules if it steps in the shoes of *any* national court.

In addition, proponents of this approach argue that the ‘regardless of the defendant’s domicile’ phrase in article 71b(2), 1st sentence allows to ignore the reference to domicile in any provision of Chapter II. Applied to article 4 Br-Ia, this leads to the UPC having jurisdiction vis-à-vis defendants not domiciled in a Member State. As *Shevill* would no longer be relevant, that jurisdiction could cover the territory of all EPC countries, so it is argued.

Critics

The broad interpretation has been heavily criticized. Critics have noted that it would not have been necessary to include article 71b(2), 1st sentence *at all*, if jurisdiction vis-à-vis defendants not domiciled in a Member State could still be based on article 6 Br-Ia via article 71b(1). This would indeed be at odds with recital 6 of the amending Regulation,¹² which makes clear that article 71b(2), 1st sentence, was considered necessary.

In addition, those advancing the strict interpretation have pointed out that the broad interpretation solely relies on national law and therefore ignores the ranking of the sources of law set out in article 24 of the UPC Agreement. The higher-ranking article 71b(2), 1st sentence, would take precedence over national law.

To date, proponents of the broad interpretation have not given a plausible response to these arguments.

Article 71b (2) 2nd sentence Br-Ia – provisional measures

Turning to article 71b(2), 2nd sentence. This extends article 35 Br-Ia to defendants not domiciled in a Member State. Thus, the UPC has jurisdiction for provisional measures, even if a court of a third State has jurisdiction as to the substance of the matter. Like jurisdiction based on articles 4 or 8(1), this provision allows the UPC to hear disputes relating to patents outside its territory. But this may sound more far reaching than it is. The CJEU prescribes that the court can only assume

¹² 542/2014 Regulation.

jurisdiction for provisional measures, if there is a sufficient connection between the measure sought and the territory of the court.¹³ That also applies to the UPC.

Some suggest that the UPC could deal with opted-out patents under this provision. However, an opt-out must always be for all designations of a European patent. It seems to follow from article 83(3) Agreement that with an opt-out, the jurisdiction of the UPC is excluded altogether. It is not self-evident that article 71b(2), 2nd sentence can have the effect of restoring that jurisdiction after an opt-out was made.

Article 71b(3) Br-Ia – asset-based long arm jurisdiction

When the Brussels Regulation was amended in 2014, the Member States did not restrict themselves to *aligning* the international jurisdiction of the UPC with the existing provisions of the Regulation. Article 71b(3) gives the UPC an *additional* asset-based ground for jurisdiction, which is not available to national courts. This is often referred to as the long arm jurisdiction of the UPC. It has raised several questions and controversies.

Damage arising from which infringement – inside or outside the Union?

A first question is whether the phrase ‘damage arising outside the Union from such an infringement’ refers to damage resulting from an infringement *within* the EU, or damage arising out of an infringement committed in an EPC country *outside* the EU.

Some say that the *travaux préparatoires*, especially the first Proposal for the Regulation amending Br-Ia, point in the direction of damage arising from an infringement *outside* the EU. In its Explanatory Memorandum to that first Proposal, the Commission noted:

the asset-based jurisdiction would ensure that the Court would have jurisdiction vis-à-vis a Turkish defendant infringing a European patent covering several Member States and Turkey.

Others say that it is not certain that this interpretation is the one that was envisaged by the Member States when adopting the amending Regulation. Indeed, many Member States objected to the first Proposal. As a result, the final provision is more limited than the first Proposal.

On the other hand, the cross-border effect seems not to have been the primary concern of the objecting Member States. For example, the UK delegation, then still an EU Member State, pressed for a clearer and more focused provision, but this was still based on the assumption that it led to decisions with a cross-border effect. This is clear from its concern that:

provision should demonstrate an adequate connection with the (...) [UPC] which will lead to any resulting judgment standing a reasonable chance of being recognized and enforced in Third States.

So, it may well be that the cross-border effect of article 71b(3) Br-Ia was meant to be retained in the final version, but only under further and stricter conditions. That then brings me to these conditions.

Condition precedent: article 71b(2)-based jurisdiction

¹³ Case C-391/95, *Van Uden Maritime BV v Deco-Line*, EU:C:1988:543.

The first condition is that the UPC already has article 71(2) Br-Ia-based jurisdiction against a defendant not domiciled in a Member State for the infringement of a European patent, leading to damage within the EU. As said, paragraph 2 jurisdiction is likely to be based on the place of infringement,¹⁴ or multiple defendants and the risk of irreconcilable judgments.¹⁵ The latter basis already provides for extra-territorial jurisdiction. Therefore, it is only if jurisdiction is based on the place of infringement, that paragraph 3 has the effect of extending the jurisdiction of paragraph 2 to also cover damages suffered outside the EU.

Property owned in a Contracting Member State

The second condition for the long arm jurisdiction is that the defendant has property which is located in a Contracting Member State. Recital 7 of the amending Regulation states that the UPC:

should have regard to the value of the property in question, which should not be insignificant, and which should be such as to make it possible to enforce the judgment, at least in part, in the [UPC territory].

What that means in practice remains to be seen. Case law has to develop as to the required nature and value of such defendant owned property.

Sufficient connection

The third cumulative condition is that the dispute has a sufficient connection with the Contracting Member State where the property is located. This can be deduced from the use of the word ‘such’ Member State. Recital 7 of the amending Regulation states that a sufficient connection could for example exist when the claimant is domiciled in the Member State where the property is located or the evidence relating to the dispute is available there. The required connection could also exist when the requisite damage within the EU is, at least also, suffered in the Member State where the property is located. Inevitably, situations will arise where such a connection is less evident. For example, that Contracting Member State where the assets are located may have been carved out from the infringement proceedings, or damages were not suffered there. Here also, case law will have to develop.

As a final note on article 71b(3) Br-Ia: one thing is clear. It is limited to a damages award. It does not allow the UPC to issue cross-border injunctions. There might, however, be another basis that allows the UPC to do so.

Article 24(4) Br-Ia

As we all know, in proceedings concerning the validity of a European patent, article 24(4) Br-Ia grants exclusive jurisdiction to the court of the Member State where the relevant national part of that patent is registered, regardless of the domicile of the parties. It codifies *GAT v LUK*,¹⁶ and applies ‘irrespective of whether the issue is raised by way of an action or as a defence.’

¹⁴ Art. 7(2) Br-Ia.

¹⁵ Art. 8(1) Br-Ia.

¹⁶ Case C-4/03, *GAT v LUK*, EU:C:2006:457.

In *Solvay v Honeywell*,¹⁷ it was held that article 24(4) Br-Ia does not preclude the granting of provisional measures under article 35 Br-Ia. This means that a court having jurisdiction in preliminary injunction proceedings, may decide on infringement of a European patent registered in another Member State and may, in that context, also deal – on a provisional basis – with validity defences, by evaluating the likely outcome of validity proceedings before a court having exclusive jurisdiction to the substance.

It is an open question whether 24(4) Br-Ia applies to courts of third States. A pending referral from the Swedish Court of Appeal, *BSH Hausgeräte v Electrolux*,¹⁸ concerns a case on infringement and validity. One of the questions referred, asks whether:

Article 24(4) of the Brussels I Regulation [is] to be interpreted as being applicable to a court of a third country, that is (...) as also conferring exclusive jurisdiction on a court in Turkey in respect of the part of the European patent which has been validated there?

Interestingly, this question was referred prior to the CJEU decision in *IRnova*,¹⁹ an earlier referral by the same court. There the question was whether article 24(4) Br-Ia applies to entitlement proceedings in relation to patents and patent applications registered in third countries at all. In its ruling, the CJEU considered that:

As Article 24(4) of the Brussels Ia Regulation does not envisage that situation, that provision cannot be regarded as applicable to the main proceedings.²⁰

Note that there was actually no need for the CJEU to answer the question of whether article 24(4) Br-Ia is applicable to courts of third countries. After it did answer that question (by saying it does not apply), it went on to consider: secondly, and in any event, entitlement proceedings do not constitute proceedings within the meaning of article 24(4) Br-Ia. That, in itself, would have been sufficient to answer the referred question.

Although with the decision in *IRnova*, the question in the second referral now seems *acte éclairé*, it is still possible the CJEU will not confirm its earlier ruling and will decide differently in the pending case. It would not be the first time that the CJEU changes its mind. Needless to say, the answer is very relevant indeed: after Brexit, the UK is in exactly the same position as Turkey.

If the CJEU rules that article 24(4) Br-Ia *does* apply to courts of third states, then *Solvay v Honeywell* still applies. Under the UPC Rules of Procedure, an invalidity *defence* is not possible, but surely starting a revocation action before the court having exclusive jurisdiction under article 24(4) Br-Ia, would prevent the UPC from hearing the infringement of that patent in proceedings on the merits. It seems to imply that as a consequence, exercising the long arm jurisdiction under article 71b(3) would then also be blocked.

If, however, the CJEU follows its earlier *IRnova* judgment, i.e., that article 24(4) Br-Ia does *not* apply, the opposite is true. The consequence would be that the UPC could hear an infringement dispute in relation to a European patent in force outside its territory, even if a revocation action was pending in that territory, also in cases on the merits. After all, in this scenario, the highly

¹⁷ Case C-616/10, *Solvay SA v Honeywell Fluorine Products Europe BV and Others*, EU:C:2012:445.

¹⁸ Pending Case C-339/22 *BSH Hausgeräte v Electrolux*, lodged on 24 May 2022.

¹⁹ Case C-399/21, *IRnova*, EU:C:2022:648.

²⁰ *Ibid*, [35].

criticized *GAT v Luk*-ruling would not apply either. This would mean that the UPC could rule *inter partes* on an invalidity defence and issue a cross-border injunction when that defence is dismissed.

Thus, one may conclude that the UPC may have extra-territorial jurisdiction, also against defendants not domiciled in a Member State.

Territorial scope of UPC decisions

From the foregoing, we may conclude that the UPC Court is likely to have extra-territorial jurisdiction, also against defendants not domiciled in a Member State, if based on the ‘appropriate’ application of article 8(2), article 71(2), 2nd sentence for provisional measures or the long arm jurisdiction of article 71b(3) Br-Ia. Some have advanced arguments that, irrespective of whatever international jurisdiction the UPC may have, its decisions can, nevertheless, not have effect outside its own territory. I turn to these.

Article 34 Agreement

One line of reasoning is based on Article 34 Agreement. It says:

Decisions of the Court shall cover, in the case of a European patent, the territory of those Contracting Members States for which the European patent has effect.

The argument made is that this provision sets the *maximum* territorial scope of decisions of the UPC. Consequently, cross-border decisions would be excluded.

However, that provision could also be interpreted differently. Article 34 does not refer to all decisions of the UPC, but only those ‘in the case of a European patent’. Other than a Unitary patent, European patents are not necessarily in force in all Contracting Member States. In view of this, Article 34 can also be understood to make clear that in the case of a European patent, decisions of the UPC *as a rule* cover its entire territory, only with the exception of the territories of those Contracting Member States where that European patent is not, or no longer in force. Following this view, Article 34 does not generally exclude decisions having effect beyond UPC borders.

That last interpretation is supported by the *Onusu*-doctrine,²¹ recently endorsed in *IRnova*. In *Onusu*, the CJEU accepted that the international element, which is required for the application of Br-Ia, may not only be intra-EU. The international element may also be found outside the Member States, when the legal relationships at issue involve only one Member State and one or more non-Member States.²² This is a general principle of Union law which the UPC must respect and apply as its highest-ranking source of law.²³

In addition, Article 3 of the UPC Agreement provides that it applies, amongst others, to European patents and European patent applications, *without* limitation to designations covering the UPC territory. This also points in the direction that European patents in force outside UPC territory are *within* the scope of the Agreement and so are within the *jurisdiction* of the UPC. This is also why

²¹ Case C-281/02, *Onusu v Jackson*, EU:C:2005:120.

²² Opinion 1/03, EU:C:2006:81, [143]-[146].

²³ Art. 24(1)(a) UPCA.

the opt-out provision of Rule 5.1.b of the Rules of Procedure requires an opt-out for *all* countries where the European patent is in force, not only for UPC countries.

Confirmation for this may be found in Article 24(3) UPC Agreement. This sets out that, when designated by the private international law rules mentioned in Article 24(2), the law of a non-Contracting Member State shall apply in particular in relation to several Articles of the Agreement that deal with substantive law such as infringement, prior use, corrective measures and damages. Clearly, as the Agreement is not applicable in such non-contracting States, the reference to these Articles must be understood as a reference to similar provisions under the applicable national law. This seems to indicate that it is envisaged that the UPC can actually decide disputes relating to patents in force in non-Contracting Member States. After all, the reference to these national substantive law provisions in Article 24(3) would be superfluous if that were not so.

Principle of territoriality

The ‘principle of territoriality’ is another basis for the argument that the UPC (and, for that matter, any national court) is prevented from ruling on the infringement of intellectual property rights outside its own territory.

As a basis for this principle, reference is made to the exclusive application of the law of the protection state in article 8(1) Rome II.²⁴ That Regulation, however, deals with the question which law is applicable, not which court has jurisdiction to hear the case. In international private law these are two distinct issues.

In support of the territoriality argument, reference is also made to the decision of the CJEU in the *Wintersteiger* trade mark case.²⁵ The CJEU considered that:

the protection afforded by the registration of a national mark is, in principle, limited to the territory of the Member State in which it is registered, so that, in general, its proprietor cannot rely on that protection outside the territory.

But, the CJEU also noted:

that the territorial limitation of the protection of a national mark is not such as to exclude the international jurisdiction of courts other than the courts of the Member State in which that trade mark is registered.²⁶

Other CJEU decisions confirm this. In *Solvay v Honeywell*,²⁷ the court was not prohibited from ruling on IP rights in force outside its own territory. Also, as discussed above, in *IRnova*,²⁸ the CJEU, with reference to *Onusu*,²⁹ explicitly accepted that the Swedish court had international jurisdiction based on article 4 Br-Ia, in a case where the subject matter of the proceedings concerned patents and patent applications registered in third States.

²⁴ (EC) No 864/2007 of 11 July 2007 on the law applicable to non-contractual obligations (Rome II).

²⁵ Case C-523/10, *Wintersteiger*, EU:C:2012:220, [25].

²⁶ *Ibid*, [30].

²⁷ Case C-616/10.

²⁸ Case C-399/21.

²⁹ Case C-281/02.

It therefore seems to follow that a ‘principle of territoriality’ does not preclude the UPC from exercising jurisdiction with respect to IP-rights in force outside its territory.

To conclude, it seems that if the UPC has extra-territorial jurisdiction, its decisions may have cross-border effect.

Should the UPC use its international (long arm) jurisdiction?

The next question is: will there be reasons why the UPC indeed should, or rather should not, *exercise* these powers?

Comity

If the UPC has international jurisdiction to rule on patents in force outside its territory, that does not necessarily mean it should exercise it every time. Given use of the word ‘may’ in relation to provisional measures and asset-based-long-arm jurisdiction, the Court has discretion to accept jurisdiction. Principles of international law – such as comity – may guide the Court to exercise this discretion reluctantly under certain circumstances.

Comity – notably (according to Wikipedia³⁰) developed by a group of Dutch jurists and only later introduced to English law – is (now) a principle of common law. That does, however, not mean that the underlying concept of due respect for the laws and decisions of foreign courts is alien to continental Europe. In *Allianz v West Tankers*,³¹ the CJEU held that the system of jurisdiction under the Brussels Regulation is based ‘on the trust which the Member States accord to one another’s legal systems and judicial institutions.’ Even though reference is only made to Member States, there is no reason why, if dictated by the circumstances of the case, the UPC could not consider it appropriate to apply a similar principle to the courts of third countries. For example, I do not expect that a court would decide a claim for revocation of a patent in force outside its territory, even if it had jurisdiction to do so.

It must be born in mind, however, that according to *Onusu*, the UPC *cannot* decline jurisdiction on the basis of *forum non convenience* when it has jurisdiction vis-à-vis an EU domiciled defendant under article 4 Br-Ia. That is even so if that defendant is only accused of infringing a patent outside the UPC territory. An interesting question is whether the same applies to a non-EU domiciled defendant sued under article 8(1) Br-Ia. Arguably, the reasoning in *Onusu* does not necessarily apply to such defendants.

Enforceability

The enforceability – or rather unenforceability – of its decision, is another aspect relevant to the UPC, when it has to decide whether or not to use its extra-territorial jurisdiction. The recitals of the UPC Agreement expressly mention that Union law, which it must respect and apply, includes the general principles developed by the CJEU, in particular the right to an *effective* remedy. An unenforceable judgment can hardly be regarded as compliant with that.

³⁰ See: <https://en.wikipedia.org/wiki/Comity>.

³¹ Case C-185/07, *Allianz v West Tankers*, EU:C:2009:69.

However, not every cross-border judgment requires enforcement in a third country. Assets owned within UPC territory may be sufficient to ensure at least partial enforcement. Thus, the threat of non-enforcement will not always be a compelling reason to refrain from entertaining extra-territorial jurisdiction.

Will there be ways around the long arm jurisdiction of the UPC?

Another question discussed in literature recently is whether there are ways to escape from the international jurisdiction of the UPC.

Anti-suit injunctions

For courts outside the EU, an anti-suit injunction is one way of preventing the UPC from entertaining extra-territorial jurisdiction and issuing cross-border injunctions. The fact that this is a real possibility – or threat – is apparent from the recent *Cook v Boston Scientific* decision by Mr Justice Meade.³² He already, albeit reluctantly, hinted at the possibility of granting an anti-suit injunction in view of proceedings initiated in The Netherlands, in relation to a UK patent against – inter alia – UK based defendants.

In the ‘anti-suit war’ between China and various other countries, including India, the USA and European courts, the number of times ‘anti’ preceded the word ‘injunction’ was seemingly limitless. In an ‘anti-suit war’, all parties involved end up in legal uncertainty and deadlock situations. It is not difficult to see that this is a route that should not lightly be embarked on. Ultimately, it is not in the interest of any of the parties involved and detrimental to the functioning of the patent system at large. Going down this route is problematic, for all parties involved. Food for thought on either side of the Channel.

Torpedo actions and *lis pendens*

Another suggested route to prevent the UPC from deciding a case, is to make use of the *lis pendens* rules in Br-Ia. In the transitional period of seven years, the UPC and the national courts have parallel jurisdiction with respect to European patents. During this time, the *lis pendens* provisions of articles 29 to 32 Br-Ia apply to proceedings brought in the UPC and national courts.³³ These may, however, be of more limited use for preventing the international jurisdiction of the UPC than often presented.

When a related action is brought before a national court, the UPC is not necessarily blocked for its *entire* territory. A common view is that Article 34 of the UPC Agreement on the scope of UPC decisions, does not prescribe a *minimum* territorial scope. Article 76(1) UPC Agreement provides that the Court shall decide in accordance with the requests submitted by the parties. This implies that a claimant can carve out certain parts of the UPC territory. Consequently, a UPC decision can have a more limited scope than the entire UPC territory (where the patent is in force). The *Chronopost* ruling of the CJEU³⁴ supports this view.

³² *Cook UK Limited v Boston Scientific Limited* [2022] EWHC 504.

³³ Art. 71c(1) Br-Ia.

³⁴ Case C-235/09, *DHL v Chronopost*, EU:C:2011:238.

This means that the UPC will only be blocked to the extent the national court is seized – and has jurisdiction. Jurisdiction is often limited to the court’s own country. Pursuant to article 24(4) Br-Ia, a revocation action can only pertain to the court’s own territory. In infringement cases, an invalidity defence blocks the court’s extra-territorial jurisdiction. Under *Shevill*,³⁵ the claimant may request measures with cross border effect only at the court of the defendant’s domicile.

If the UPC were to be blocked to decide on infringement for the entire UPC territory in proceedings on the merit, it could still hear requests for preliminary injunctions, even when a validity defence is brought. Initiating cross-border actions before a national court, in particular where justice is known to be very slow, with a clear view to prevent the UPC from hearing a case, also known as ‘a torpedo action’, could justify the Court to actually use its discretion and issue preliminary injunctions with cross-border effect.

It may also be possible that a national court considers that such torpedoes constitute an abuse of right, leading to denial of cross-border jurisdiction. An argument that could be made in that regard is that the UPC is established with the object to provide an efficient one-stop- shop for enforcement of European patents. It is contrary to that rationale to continue to bring cross-border requests to a national court, especially if that is clearly done with the purpose of frustrating the UPC in doing exactly that which it has been established for.

Cross border judgments with effect in UPC territory from outside the European Union

As a third route, it has been noted that not only the UPC, but also courts of third countries can entertain cross-border litigation, extending its judgments to UPC countries. Indeed, if and when a court has a proper basis for jurisdiction to do so. It may, however, be questioned how effective this route to escape from the UPC, really is.

For courts of third States (such as those of the UK), when entertaining cross-border jurisdiction, the same problems will arise as the ones just discussed for the UPC, such as the possibility of anti-suit injunctions and the (un)enforceability of its decisions. When several courts have and entertain cross-border jurisdiction, a problem arises if there are no *lis pendens* rules in place. This is likely to result in conflicting judgments, unless the courts – especially when serious validity defences are raised – voluntarily stay the proceedings.

Possible approach

Clearly the UPC will have to develop case law on how it will exercise the international jurisdiction bestowed on it, taking into account general principles such as predictability, legal certainty and effectiveness of remedies. Third countries will have to do the same. That is in particular true for the UK, who has to reposition itself now that it is out of the EU.

One of many possible approaches to the use of international jurisdiction could be to apply the so-called ‘spider in the web-doctrine’ known from earlier case law. Under this doctrine, a court can accept jurisdiction against defendants not domiciled in its territory on the basis of article 8(1) Br-Ia, *only* if the anchor defendant (normally: the holding, the spider in the web) is determining the

³⁵ Case C-68/93.

common policy of those article 8(2) defendants (often group companies) *and* the court has article 4-based jurisdiction for that spider in the web.

If such a doctrine were applied by both the UPC and the national courts outside UPC territory, as a matter of comity, a natural division of cases would result. Forum shopping would be limited, as the number of spiders and thus number of possible territories where such action could be brought, would be only one or just a few. That would serve predictability, legal certainty and efficient enforcement of patent rights.

Conclusion

Summarizing, the UPC may be able to render judgments with cross border effect, adjudicating European patents in force outside its territory and affecting defendants not domiciled in a UPC territory. Courts and users of the patent system in third States may try and sometimes wholly or partially succeed in preventing this. The financial interests of all involved in the patent system guarantee that, no doubt, all possibilities will be tried. It will be for the UPC (and maybe in certain circumstances with guidance from the CJEU), to provide the answers to the many open questions and develop case law on this. We have to wait for such case law to emerge.

However disappointing and unsatisfactory this may be, after about an hour of listening, there is no way of telling you today what the end result will be.

Personal note

For now, leaving aside the legal issues and the answers to them, I would like to finish this lecture with a strictly personal note. Quite apart from – and in parallel to – the route the courts of the UPC the UK (and other countries) will go, harmonisation is always a good way of going forward.

It was originally envisaged that European Patents, granted through the single granting procedure of the European Patent Office in Munich, could also be litigated in a single court. As we all know, there were many hurdles on the long way to the establishment of the UPC. We are still far from a single court for all EPC signatories, but it is a start.

The prevailing opinion now - and before the Brexit referendum - is that only European Member States can join the UPC Agreement. But I call to mind that for obvious pragmatic reasons, shortly after the Brexit referendum, many were quick to argue that the opinion of the CJEU³⁶ could be interpreted such that the UK could still participate, even when no longer within the EU. After Brexit, Theresa May's government understood the importance of the UPC for the functioning of the patent system, both within and outside the territory of the European Union. She allowed the UPC Agreement to be ratified by the UK, even post-Brexit. If it had not been for Boris Johnson's government, who subsequently withdrew the ratification, the UK might still be in. But who knows, maybe one day, one way or the other, the UK will join. What a huge step towards harmonisation – and what a wonderful world that would that be!

In the meantime, it is of the utmost importance that both judges and practitioners continue to join forces to come to a patent law system that is as harmonised and efficient as possible. Over the last decades, judges have made a huge endeavor and, to a very large extent, have succeeded to

³⁶ Opinion of 08/03/2011 – Case C-1/09, EU:C:2011:123.

harmonise various aspects of patent law. *Actavis*,³⁷ where the UK Supreme Court accepted the doctrine of equivalence, is an important, but only one of many examples that could be given in this respect. Judges read and cite each other's decisions in parallel proceedings, either with approval or explaining why the outcome is different.

This judicial harmonisation of patent law is enabled by, and is the result of, discussions at conferences, workshops, and the like, all over Europe and elsewhere, among each other and with practitioners. And, maybe most importantly, by becoming friends. That is what judges should continue to do, regardless of whether they are UPC or national judges, whether their courts are within or outside the EU. That is what I plan to do, and I invite all judges to do the same.

To conclude: the question I proposed to answer in this lecture – whether or not the UK judges and practitioners should be interested in the functioning of the UPC system – must be answered in the affirmative, regardless of the answers to all the questions pertaining to the international jurisdiction of the UPC. Likewise, UPC judges and practitioners should be interested in patent law developments here in the UK. We should do so for the sake of continuing to discuss, exchange thoughts, harmonise, but most of all for the sake of continuing our invaluable friendships. Events like these tremendously contribute to all of that.

Therefore, even though it caused a BIG shock, I am really very deeply grateful for the invitation to deliver this lecture here today.

Robin, a BIG thank you!

³⁷ *Actavis UK Limited v Eli Lilly and Company* [2017] UKSC 48.

Annex 1 – Selected Provisions of Br-Ia

Article 4

1. Subject to this Regulation, persons domiciled in a Member State shall, whatever their nationality, be sued in the courts of that Member State.

Article 6

1. If the defendant is not domiciled in a Member State, the jurisdiction of the courts of each Member State shall, (...) be determined by the law of that Member State.

Article 7

A person domiciled in a Member State may be sued in another Member State

(...)

(2) in matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred or may occur; ...

Article 8

A person domiciled in a Member State may also be sued:

(1) where he is one of a number of defendants, in the courts for the place where any one of them is domiciled, provided the claims 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 24

The following courts of a Member State shall have exclusive jurisdiction, regardless of the domicile of the parties:

(...)

(4) in proceedings concerned with the (...) 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 has been applied for.

Article 71a

1. For the purposes of this Regulation, a court common to several Member States as specified in paragraph 2 (a ‘common court’) shall be deemed to be a court of a Member State when, pursuant to the instrument establishing it, such a common court exercises jurisdiction in matters falling within the scope of this Regulation.

2. For the purposes of this Regulation, each of the following courts shall be a common court:

(a) the Unified Patent Court established by the Agreement on a Unified Patent Court signed on 19 February 2013 (the ‘UPC Agreement’).

Article 71b

The jurisdiction of a common court shall be determined as follows:

- (1) a common court shall have jurisdiction where, under this Regulation, the courts of a [Contracting] Member State would have jurisdiction in a matter governed by that instrument.
- (2) where the defendant is not domiciled in a Member State, and this Regulation does not otherwise confer jurisdiction over him, Chapter II shall apply as appropriate regardless of the defendant's domicile.

Application may be made to a common court for provisional, including protective, measures even if the courts of a third State have jurisdiction as to the substance of the matter.

- (3) where a common court has jurisdiction over a defendant under point 2 in a dispute relating to an infringement of a European patent giving rise to damage within the Union, that court may also exercise jurisdiction in relation to damage arising outside the Union from such an infringement.

Such jurisdiction may only be established if property belonging to the defendant is located in any [Contracting] Member State party to the instrument establishing the common court and the dispute has a sufficient connection with any such Member State.