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JUDGMENT OF THE COURT (First Chamber)

13 July 2006^{*}

In Case C-4/03,

REFERENCE for a preliminary ruling, pursuant to the Protocol of 3 June 1971 on the interpretation by the Court of Justice of the Convention of 27 September 1968 on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters, from the Oberlandesgericht Düsseldorf (Germany), made by decision of 5 December 2002, received at the Court on 6 January 2003, in the proceedings

Gesellschaft für Antriebstechnik mbH & Co. KG

v

Lamellen und Kupplungsbau Beteiligungs KG,

THE COURT (First Chamber),

composed of P. Jann (Rapporteur), President of the Chamber, N. Colneric, J.N. Cunha Rodrigues, M. Ilešič and E. Levits, Judges,

* Language of the case: German.

Advocate General: L.A. Geelhoed,
Registrar: F. Contet, Principal Administrator,

having regard to the written procedure and further to the hearing on 14 July 2004,

after considering the observations submitted on behalf of:

- Gesellschaft für Antriebstechnik mbH & Co. KG, by T. Musmann, Rechtsanwalt,

- Lamellen und Kupplungsbau Beteiligungs KG, by T. Reimann, Rechtsanwalt,

- the German Government, by R. Wagner, acting as Agent,

- the French Government, by G. de Bergues and A. Bodard-Hermant, acting as Agents,

- the United Kingdom Government, by K. Manji, acting as Agent, assisted by D. Alexander, Barrister,

- the Commission of the European Communities, by A.-M. Rouchaud and S. Grünheid, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 16 September 2004,

gives the following

Judgment

1 This reference for a preliminary ruling concerns the interpretation of Article 16(4) of the Convention of 27 September 1968 on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters (OJ 1978 L 304, p. 36), as amended by the Convention of 9 October 1978 on the Accession of the Kingdom of Denmark, Ireland and the United Kingdom of Great Britain and Northern Ireland (OJ 1978 L 304, p. 1, and — amended version — p. 77), by the Convention of 25 October 1982 on the Accession of the Hellenic Republic (OJ 1982 L 388, p. 1), by the Convention of 26 May 1989 on the Accession of the Kingdom of Spain and the Portuguese Republic (OJ 1989 L 285, p. 1), and by the Convention of 29 November 1996 on the Accession of the Republic of Austria, the Republic of Finland and the Kingdom of Sweden (OJ 1997 C 15, p. 1) ('the Convention').

2 The reference has been made in the course of proceedings between Gesellschaft für Antriebstechnik mbH & Co. KG ('GAT') and Lamellen und Kupplungsbau Beteiligungs KG ('LuK') concerning the marketing of products by the first of those companies which, according to the second, amounts to an infringement of two French patents of which it is the proprietor.

Legal context

- 3 Article 16 of the Brussels Convention, which constitutes Section 5 ('Exclusive jurisdiction') of Title II, concerning the rules of jurisdiction, states:

'The following courts shall have exclusive jurisdiction, regardless of domicile:

...

4. in proceedings concerned with the registration or validity of patents, trade marks, designs, or other similar rights required to be deposited or registered, the courts of the Contracting State in which the deposit or registration has been applied for, has taken place or is under the terms of an international convention deemed to have taken place;

...'

- 4 The fourth paragraph of Article 17 of the Convention, which, together with Article 18, makes up Section 6 ('Prorogation of jurisdiction') of Title II, provides that '[a]greements ... conferring jurisdiction shall have no legal force ... if the courts whose jurisdiction they purport to exclude have exclusive jurisdiction by virtue of Article 16.'

5 Article 18 of the Convention states:

‘Apart from jurisdiction derived from other provisions of this Convention, a court of a Contracting State before whom a defendant enters an appearance shall have jurisdiction. This rule shall not apply ... where another court has exclusive jurisdiction by virtue of Article 16.’

6 Article 19 of the Convention, which features in Section 7 (‘Examination as to jurisdiction and admissibility’) of Title II, provides:

‘Where a court of a Contracting State is seised of a claim which is principally concerned with a matter over which the courts of another Contracting State have exclusive jurisdiction by virtue of Article 16, it shall declare of its own motion that it has no jurisdiction.’

7 According to the first paragraph of Article 28 of the Convention, which is in Section 1 (‘Recognition’) of Title III, concerning the rules of recognition and enforcement, ‘a judgment shall not be recognised if it conflicts with the provisions of Sections 3, 4 or 5 of Title II’. The second paragraph of Article 34 of the Convention, which is in Section 2 (‘Enforcement’) of Title III, refers, in regard to the possible grounds for refusing enforcement of a decision, to the first paragraph of Article 28, cited above.

The dispute in the main proceedings and the question referred for a preliminary ruling

8 GAT and LuK, companies established in Germany, are economic operators competing in the field of motor vehicle technology.

- 9 GAT made an offer to a motor vehicle manufacturer, also established in Germany, with a view to winning a contract to supply mechanical damper springs. LuK alleged that the spring which was the subject of GAT's proposal infringed two French patents of which LuK was the proprietor.

- 10 GAT brought a declaratory action before the Landgericht (Regional Court), Düsseldorf to establish that it was not in breach of the patents, maintaining that its products did not infringe the rights under the French patents owned by LuK and, further, that those patents were either void or invalid.

- 11 The Landgericht Düsseldorf considered that it had international jurisdiction to adjudicate upon the action relating to the alleged infringement of the rights deriving from the French patents. It considered that it also had jurisdiction to adjudicate upon the plea as to the alleged nullity of those patents. The Landgericht dismissed the action brought by GAT, holding that the patents at issue satisfied the requirements of patentability.

- 12 On appeal by GAT, the Oberlandesgericht (Higher Regional Court) Düsseldorf decided to stay the proceedings and refer the following question to the Court of Justice for a preliminary ruling:

'Should Article 16(4) of the Convention ... be interpreted as meaning that the exclusive jurisdiction conferred by that provision on the courts of the Contracting State in which the deposit or registration of a patent has been applied for, has taken place or is deemed to have taken place under the terms of an international convention only applies if proceedings (with *erga omnes* effect) are brought to declare the patent invalid or are proceedings concerned with the validity of patents within the meaning of the aforementioned provision where the defendant in a patent infringement action or the claimant in a declaratory action to establish that a patent

is not infringed pleads that the patent is invalid or void and that there is also no patent infringement for that reason, irrespective of whether the court seised of the proceedings considers the plea in objection to be substantiated or unsubstantiated and of when the plea in objection is raised in the course of proceedings?’

The question referred for a preliminary ruling

- 13 By that question, the referring court seeks in essence to ascertain the scope of the exclusive jurisdiction provided for in Article 16(4) of the Convention in relation to patents. It asks whether that rule concerns all proceedings concerned with the registration or validity of a patent, irrespective of whether the question is raised by way of an action or a plea in objection, or whether its application is limited solely to those cases in which the question of a patent’s registration or validity is raised by way of an action.
- 14 It should be recalled, in this connection, that the notion of proceedings ‘concerned with the registration or validity of patents’ contained in Article 16(4) of the Convention must be regarded as an independent concept intended to have uniform application in all the Contracting States (Case 288/82 *Duijnstee* [1983] ECR 3663, paragraph 19).
- 15 The Court has thus held that proceedings relating to the validity, existence or lapse of a patent or an alleged right of priority by reason of an earlier deposit are to be regarded as proceedings ‘concerned with the registration or validity of patents’ (*Duijnstee*, cited above, paragraph 24)

- 16 If, on the other hand, the dispute does not concern the validity of the patent or the existence of the deposit or registration and these matters are not disputed by the parties, the dispute will not be covered by Article 16(4) of the Convention (*Duijnstee*, paragraphs 25 and 26). Such would be the case, for example, with an infringement action, in which the question of the validity of the patent allegedly infringed is not called into question.
- 17 In practice, however, the issue of a patent's validity is frequently raised as a plea in objection in an infringement action, the defendant seeking to have the claimant retroactively denied the right on which the claimant relies and thus have the action brought against him dismissed. The issue can also be invoked, as in the case in the main proceedings, in support of a declaratory action seeking to establish that there has been no infringement, whereby the claimant seeks to establish that the defendant has no enforceable right in regard to the invention in question.
- 18 As the Commission has observed, it cannot be established from the wording of Article 16(4) of the Convention whether the rule of jurisdiction set out therein applies only to cases in which the question of a patent's validity is raised by way of an action or whether it extends to cases in which the question is raised as a plea in objection.
- 19 Article 19 of the Convention, which, in certain language versions, refers to a claim being brought 'principally', does not provide further clarity. Apart from the fact that the degree of clarity of the wording of that provision varies according to the particular language version, that provision, as the Commission has observed, does not confer jurisdiction but merely requires the court seised to examine whether it has jurisdiction and in certain cases to declare of its own motion that it has none.

- 20 In those circumstances, Article 16(4) of the Convention must be interpreted by reference to its objective and its position in the scheme of the Convention.
- 21 In relation to the objective pursued, it should be noted that the rules of exclusive jurisdiction laid down in Article 16 of the Convention seek to ensure that jurisdiction rests with courts closely linked to the proceedings in fact and law.
- 22 Thus, the exclusive jurisdiction in proceedings concerned with the registration or validity of patents conferred upon the courts of the Contracting State in which the deposit or registration has been applied for or made is justified by the fact that those courts are best placed to adjudicate upon cases in which the dispute itself concerns the validity of the patent or the existence of the deposit or registration (*Duijnstee*, paragraph 22). The courts of the Contracting State on whose territory the registers are kept may rule, applying their own national law, on the validity and effects of the patents which have been issued in that State. This concern for the sound administration of justice becomes all the more important in the field of patents since, given the specialised nature of this area, a number of Contracting States have set up a system of specific judicial protection, to ensure that these types of cases are dealt with by specialised courts.
- 23 That exclusive jurisdiction is also justified by the fact that the issue of patents necessitates the involvement of the national administrative authorities (see, to that effect, the Report on the Convention by Mr Jenard, OJ 1979 C 59, p. 1, at p. 36).
- 24 In relation to the position of Article 16 within the scheme of the Convention, it should be pointed out that the rules of jurisdiction provided for in that article are of an exclusive and mandatory nature, the application of which is specifically binding on both litigants and courts. Parties may not derogate from them by an agreement

conferring jurisdiction (fourth paragraph of Article 17 of the Convention) or by the defendant's voluntary appearance (Article 18 of the Convention). Where a court of a Contracting State is seised of a claim which is principally concerned with a matter over which the courts of another Contracting State have jurisdiction by virtue of Article 16, it must declare of its own motion that it has no jurisdiction (Article 19 of the Convention). A judgment given which falls foul of the provisions of Article 16 does not benefit from the system of recognition and enforcement under the Convention (first paragraph of Article 28 and second paragraph of Article 34 thereof).

- 25 In the light of the position of Article 16(4) within the scheme of the Convention and the objective pursued, the view must be taken that the exclusive jurisdiction provided for 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.
- 26 First, to allow a court seised of 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 Article 16(4) of the Convention.
- 27 While the parties cannot rely on Article 16(4) of the Convention, the claimant would be able, simply by the way it formulates its claims, to circumvent the mandatory nature of the rule of jurisdiction laid down in that article.
- 28 Second, the possibility which this offers of circumventing Article 16(4) of the Convention 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 (see Case C-256/00 *Besix* [2002] ECR I-1699, paragraphs 24 to 26, Case C-281/02 *Owusu* [2005] ECR I-1383, paragraph 41, and Case C-539/03 *Roche Nederland and Others* [2006] ECR I-6535, paragraph 37).

29 Third, 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 (see, to that effect, Case C-406/92 *Tatry* [1994] ECR I-5439, paragraph 52, and *Besix*, cited above, paragraph 27).

30 The argument, advanced by LuK and the German Government, that under German law the effects of a judgment indirectly ruling on the validity of a patent are limited to the parties to the proceedings, is not an appropriate response to that risk. The effects flowing from such a decision are in fact determined by national law. In several Contracting States, however, a decision to annul a patent has *erga omnes* effect. In order to avoid the risk of contradictory decisions, it is therefore necessary to limit the jurisdiction of the courts of a State other than that in which the patent is issued to rule indirectly on the validity of a foreign patent to only those cases in which, under the applicable national law, the effects of the decision to be given are limited to the parties to the proceedings. Such a limitation would, however, lead to distortions, thereby undermining the equality and uniformity of rights and obligations arising from the Convention for the Contracting States and the persons concerned (*Duijnstee*, paragraph 13).

31 In the light of the foregoing, the answer to the question referred must be that Article 16(4) of the Convention 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.

Costs

- 32 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (First Chamber) hereby rules:

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.

[Signatures]