

Case C-339/22**Summary of the request for a preliminary ruling pursuant to Article 98(1) of the Rules of Procedure of the Court of Justice****Date lodged:**

24 May 2022

Referring court:

Svea hovrätt, Patent- och marknadsöverdomstolen (Sweden)

Date of the decision to refer:

24 May 2022

Appellant:

BSH Hausgeräte GmbH

Respondent:

Aktiebolaget Electrolux

Subject matter of the main proceedings

BSH Hausgeräte GmbH (BSH) is the holder of European patent EP 1 434 512 relating to a vacuum cleaner. The patent has been validated in Austria, Germany, Spain, France, the United Kingdom, Greece, Italy, the Netherlands, Sweden and Turkey. Aktiebolaget Electrolux (Electrolux) is domiciled, that is to say has its registered office, in Sweden and has subsidiaries in a number of other Member States, such as Germany. A number of disputes have arisen between BSH and companies in the Electrolux group concerning the patent in question. Inter alia, the European patent validated in Germany was invalidated in 2020 by a German court at the request of a subsidiary of Electrolux. The judgment has been appealed.

Subject matter and legal basis of the request for a preliminary ruling

Request pursuant to Article 267 TFEU for an interpretation of Article 24(4) of Regulation (EU) 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.

Questions referred for a preliminary ruling

1. Is Article 24(4) of Regulation (EU) 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 to be interpreted as meaning that the expression ‘proceedings concerned with the registration or validity of patents ... irrespective of whether the issue is raised by way of an action or as a defence’ implies that a national court, which, pursuant to Article 4(1) of that regulation, has declared that it has jurisdiction to hear a patent infringement dispute, no longer has jurisdiction to consider the issue of infringement if a defence is raised that alleges that the patent at issue is invalid, or is the provision to be interpreted as meaning that the national court only lacks jurisdiction to hear the defence of invalidity?
2. Is the answer to Question 1 affected by whether national law contains provisions, similar to those laid down in the second subparagraph of Paragraph 61 of the Patentlagen (Patents Law; ‘the Patentlagen’), which means that, for a defence of invalidity raised in an infringement case to be heard, the defendant must bring a separate action for a declaration of invalidity?
3. Is Article 24(4) of the Brussels I Regulation to be interpreted as being applicable to a court of a third country, that is to say, in the present case, as also conferring exclusive jurisdiction on a court in Turkey in respect of the part of the European patent which has been validated there?

Provisions of EU law relied on

Regulation 1215/2012, Articles 4(1), 24(4) and 27

Provisions of national law relied on

The Patentlagen (1967:837), Paragraph 61, second subparagraph

‘If an action concerning patent infringement is brought and the person against whom the action is brought claims that the patent is invalid, the question of invalidity may be considered only after an action to that effect has been brought. The court shall order the party claiming that the patent is invalid to bring such an action within a specific period.’

Paragraph 61, second subparagraph, of the Patentlagen implies that the defendant must bring a separate action for a declaration that the patent is invalid. If the Swedish court has jurisdiction to hear an invalidity action, that is to say if it relates to a Swedish patent, it is often heard in the same proceedings as the infringement action. According to the general rules of Swedish procedural law, an infringement action can be stayed pending determination of the invalidity action.

Succinct presentation of the facts and procedure in the main proceedings

- 1 On 3 February 2020, BSH brought an action against Electrolux before the Patent- och marknadsdomstolen (Patents and Market Court) in Sweden and claimed inter alia that Electrolux should be prohibited from using the patented invention in all the abovementioned States and ordered to pay reasonable compensation for the unlawful use. BSH also claimed compensation for the additional damage caused by Electrolux's alleged patent infringement.
- 2 In its defence, Electrolux contested all the claims made by BSH. For its part, Electrolux contended that the Patents and Market Court should dismiss the action brought by BSH in relation to the Austrian, German, Spanish, French, UK, Greek, Italian, Netherlands and Turkish parts of EP 1 434 512 ('the foreign patents'), that it is to say the entire action brought by BSH other than the claims relating to the part of the European patent which was validated in Sweden.
- 3 As grounds for its contention that the action should be dismissed, Electrolux stated primarily that the foreign patents are invalid and that the Swedish court therefore lacks jurisdiction to hear infringement actions concerning those patents. BSH challenged the contention that the action should be dismissed.
- 4 By decision of 21 December 2020, the Patents and Market Court dismissed the action brought by BSH in respect of infringement of the EP 1 434 512 patents validated in Austria, Germany, Spain, France, the United Kingdom, Greece, Italy, the Netherlands and Turkey (the foreign patents), referring to the fact that courts in other States have exclusive jurisdiction to consider the validity of patents validated there, which means that, pursuant to Article 27 of the Brussels I Regulation, the Patents and Market Court should declare that it lacks jurisdiction to hear the part of the action brought by BSH concerning infringement of the EP 1 434 512 patents validated in Austria, Germany, Spain, France, the United Kingdom, Greece, Italy and the Netherlands. Since Article 24(4) of the Brussels I Regulation may be regarded as expressing an internationally accepted principle of jurisdiction, the court also lacks jurisdiction to hear the part of the action concerning infringement of the EP 1 434 512 patent validated in Turkey.
- 5 BSH appealed against the decision of the Patents and Market Court and requested, in so far as is relevant, that the Patent- och marknadsöverdomstolen (Patents and Market Court of Appeal, Sweden) should, by varying the decision of the lower court, dismiss Electrolux's application for dismissal of the action brought by BSH in respect of the Austrian, German, Spanish, French, UK, Greek, Italian, Dutch and Turkish parts of EP 1 434 512. BSH has relied on the same facts as in the Patents and Market Court as regards the jurisdiction of the Swedish court. Electrolux has contested any variation of the decision of the Patents and Market Court and adhered to the facts relied on as grounds for its application for dismissal.

The essential arguments of the parties to the main proceedings

- 6 Electrolux stated, *inter alia*, as follows with regard to the jurisdiction of Swedish courts. Under Article 24(4) of 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 ('the Brussels I Regulation'), courts in the Member State in which a patent has been registered have exclusive jurisdiction to consider a case concerned with the registration or validity of such a patent, irrespective of whether the issue is raised by way of an action or as a defence. Before the recasting of the Brussels I Regulation it was proposed that a defence of invalidity raised in infringement proceedings would merely give a court the possibility of staying the infringement proceedings. However, this proposal was rejected by the legislature, which chose instead to codify the judgment of the Court of Justice of the European Union of 13 July 2006, *GAT*, C-4/03, EU:C:2006:457. An action for infringement cannot be separated from the question of invalidity when that question is raised since the question of liability presupposes infringement of a valid patent. The action brought by BSH concerning infringement of the foreign patents must therefore be dismissed because, after Electrolux raised the question of invalidity, the Swedish court lacks jurisdiction to consider the infringement of those patents.
- 7 Electrolux further stated as follows. The provision contained in Paragraph 61, second subparagraph, of the Swedish Patentlagen (1967:837), under which a question of invalidity may be considered only after an action has been brought to that effect, applies to Swedish patents. However, that does not imply that the defendant is prevented, as a ground of defence in an infringement action, from contending that a patent granted or validated in Sweden is invalid. It merely implies that an action for a declaration of invalidity must also be brought in order for the defence to be taken into account in the infringement action. There is nothing in that provision or any other Swedish procedural law to prevent a court from taking into consideration a defence of invalidity in relation to a foreign patent. In accordance with Article 8 of Regulation (EC) No 864/2007 of the European Parliament and of the Council of 11 July 2007 on the law applicable to non-contractual obligations ('the Rome II Regulation'), Swedish law is not applicable to foreign patents. Nor is it possible to apply by analogy the procedural provisions of the Patentlagen to foreign patents. An analogous application cannot be made until the court has found that it has jurisdiction to consider the case. Such provisions cannot therefore be applied to establish jurisdiction. There is nothing to prevent BSH from bringing infringement proceedings in the States in which the patents have been validated. BSH suffers no legal disadvantage because actions for infringement of foreign patents cannot be heard in Sweden. Moreover, even before these proceedings were initiated, BSH was aware that the validity of the patents had been called into question.
- 8 BSH stated, in essence, as follows as regards jurisdiction. In accordance with Article 4(1) of the Brussels I Regulation, a case should, as a general rule, be heard in the Member State in which the defendant is domiciled. Exceptions to that rule

must be applied strictly. In European law there is a principle that where a court has found that it has jurisdiction, jurisdiction remains even if the circumstances which conferred that jurisdiction on the court change in the course of the proceedings. A claimant must be able to determine the court having jurisdiction at the time when he or she brings an action. A defence should not be able to remove the jurisdiction of the court where such jurisdiction existed at the time proceedings were initiated. Article 24(4) of the Brussels I Regulation is applicable only to disputes relating to the registration or validity of patents. Under Article 27 of the Brussels I Regulation, a court is to declare that it does not have jurisdiction where a claim is raised which is principally concerned with a matter over which the courts of another Member State have exclusive jurisdiction by virtue of Article 24. The claim in this case is not principally concerned with the matter of the patent's validity, but rather with infringement. If, in an infringement action, the defendant claims that the patent in question is invalid, under the national rule in Paragraph 61, second subparagraph, of the Patentlagen, the court is to order the defendant to bring an action to that effect. If Electrolux were to bring an action for a declaration of invalidity in the relevant State in which the patent has been validated, the Patents and Market Court may, under that provision, determine the infringement matter in a separate judgment and then stay proceedings pending a final judgment in the invalidity proceedings. Article 24(4) of the Brussels I Regulation is not applicable to third countries.

- 9 BSH further set out its arguments before the Patents and Market Appeal Court, stating inter alia as follows. The Court of Justice has expressly held that pure infringement proceedings fall outside the scope of Article 24(4) of the Brussels I Regulation (see, for example, the judgment of 5 October 2017, *Hanssen*, C-341/16, EU:C:2017:738, paragraph 34 and the case-law cited). This makes shared jurisdiction possible where one court may hear an infringement action on the basis of a foreign patent whilst another hears an invalidity action concerning the same patent. The Patents and Market Court has jurisdiction to rule on the infringement action also in so far as it is based on the Turkish part of the patent on account of the international jurisdiction which arises from Article 4(1) of the Brussels I Regulation and the general principle of domicile which shapes international law and international jurisdiction.
- 10 Electrolux has set out its arguments and stated in summary as follows. It is clear from the wording of Article 24(4) of the Brussels I Regulation that it covers actions for a declaration of infringement in which a defence of invalidity has been raised. Swedish law, that is to say Paragraph 61 of the Patentlagen, does not prevent validity from being disputed in the infringement proceedings. With reference to the *GAT* judgment, the Court of Justice has ruled that the validity of a patent is an absolute requirement in all infringement proceedings (see judgment of 12 May 2011, *BVG*, C-144/10, EU:C:2011:300, paragraphs 45 and 46). As regards jurisdiction, the matter of patent infringement therefore cannot be separated from the matter of the patent's validity where the latter is at issue in infringement proceedings.

Succinct presentation of the reasoning in the request for a preliminary ruling

- 11 The matter before the Patents and Market Court of Appeal concerns jurisdiction to hear an action for a declaration of infringement of a European patent validated in Austria, Germany, Spain, France, the United Kingdom, Greece, Italy, the Netherlands and Turkey. Since the defendant contended that the patent is invalid in all the States to which the infringement proceedings relate, the lower court dismissed the infringement action in relation to the foreign patents. The dispute in which the question of jurisdiction has arisen falls within civil and commercial matters and thus the scope of the Brussels I Regulation (see Article 1).
- 12 On the basis of Articles 24(4) and 27 of the Brussels I Regulation, the Patents and Market Court declared that it did not have jurisdiction to hear the infringement action in respect of the patents validated in Austria, Germany, Spain, France, the United Kingdom, Greece, Italy and the Netherlands, and also found that it had no jurisdiction to hear the infringement action in respect of the Turkish patent.
- 13 According to the wording of Article 24(4) of the Brussels I Regulation, it covers ‘proceedings concerned with the registration or validity of patents ... irrespective of whether the issue is raised by way of an action or as a defence’. However, infringement proceedings are not specifically mentioned, even though a typical case in which the matter of invalidity arises in a defence is where the defendant raises a defence of invalidity in an infringement action.
- 14 In a number of decisions the Court of Justice has set out in detail reference points for interpreting Article 24(4). The Court of Justice has noted inter alia that the expression ‘proceedings concerned with the registration or validity of patents’ is an autonomous expression and must be interpreted uniformly in all Member States (see judgment of 15 November 1983, *Duijnstee*, C-288/82, EU:C:1983:326, paragraph 19 and *GAT*, paragraph 14; see also, as regards a case relating to a trade mark, judgment of 5 October 2017, *Hanssen Beleggingen*, C-341/16, EU:C:2017:738, paragraph 31).
- 15 The rule laid down in Article 24(4) seeks to ensure that jurisdiction rests with courts closely linked to the proceedings in fact and law. The exclusive jurisdiction of the courts in the country of registration is justified by the fact that those courts are best placed to adjudicate upon cases in which the dispute concerns the validity of the patent or the existence of the deposit or registration. The courts in the country of registration 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 (see, in particular, the judgment in *GAT*, paragraphs 21 and 22, but also the judgments in *Duijnstee*, paragraph 22, and *Hanssen Beleggingen*, paragraph 33.)

- 16 That exclusive jurisdiction is also justified by the fact that the issue of patents necessitates the involvement of the national administrative authorities. In this context, the Court of Justice referred to the Jenard Report on the Brussels Convention, which emphasised that the granting of patents constitutes an exercise of national sovereignty (see the *GAT* judgment, paragraph 23).
- 17 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’. If, on the other hand, the dispute does not concern the validity of the patent or the existence of the deposit or registration, the dispute will not be covered by the rule on exclusive jurisdiction. The provision therefore does not apply to an infringement action, in which the question of the validity of the patent allegedly infringed is not called into question. The provision must be applied restrictively (see, for example, the judgments in *Duijnste*, paragraphs 23 to 25, and *GAT*, paragraphs 15 and 16).
- 18 The Court of Justice has also stated that it is not sufficient, with a view to avoiding the risk of contradictory decisions, for a non-exclusive court to rule only on the validity of a patent in relation to the parties to the proceedings. The rule of exclusive jurisdiction therefore 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 (see the judgment in *GAT*, paragraphs 30 and 31). This is now stated explicitly in the wording of Article 24(4) of the Brussels I Regulation.
- 19 It should furthermore be noted that the Court of Justice has ruled that Article 27 (previously Article 19) 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 (see the judgment in *GAT*, paragraph 19).
- 20 In the case before the Patents and Market Court of Appeal the question is raised as to whether Article 24(4) of the Brussels I Regulation must be interpreted as meaning that the expression ‘proceedings concerned with the registration or validity of patents ... irrespective of whether the issue is raised by way of an action or as a defence’ also covers the question of infringement where the defendant in the infringement action has raised a defence alleging that the patent is invalid. In the view of the Patents and Market Court of Appeal, this is not apparent from the wording of the regulation or answered in the *GAT* judgment or subsequent case-law. The question is therefore whether, as found by the lower court, the national court lacks jurisdiction to hear the infringement proceedings in respect of all the patents validated in States other than its own where the defendant has introduced the question of the patent’s validity into the infringement proceedings by means of a defence. Alternatively, Article 24(4) could be interpreted as meaning that the national court only lacks jurisdiction to consider the invalidity objections in the infringement proceedings. The question also arises as to whether it is relevant that the national court initially found that it had

jurisdiction to hear the infringement action under Article 4(1) of the Brussels I Regulation.

- 21 An argument in favour of interpreting the provision as the lower court did in the national proceedings is that, where a defence alleging invalidity of the patent is raised, the question of infringement is, as a rule, entirely dependent on the outcome of the validity issue. This means that often it is most appropriate and effective to consider those questions together, that is to say in the course of the same proceedings. Such an arrangement is therefore often best from the point of view of efficiency. Both invalidity and infringement proceedings generally also require an interpretation of the patent claims. A cohesive process therefore reduces the risk of conflicting decisions.
- 22 An argument against interpreting Article 24(4) of the Brussels I Regulation as covering infringement actions is that that provision, as an exception to the general rule laid down in Article 4(1), must be interpreted restrictively and that it must therefore not be given a broader interpretation than is necessary in the light of its objective. As explained above, in relation to the objective pursued, it should be noted that the rule of exclusive jurisdiction seeks to ensure that jurisdiction rests with courts closely linked in fact and law to questions concerning the patent's validity and registration (see the *GAT* judgment, paragraph 21). In the view of the Patents and Market Court of Appeal, it does not appear to be clear that the objective pursued by the provision requires that infringement proceedings be covered.
- 23 A claimant who, in accordance with the general rule in Article 4 of the Brussels I Regulation, has brought proceedings in the defendant's domicile may also suffer a legal disadvantage if the claimant has to bring proceedings again in another Member State in the event that the defendant raises a defence of invalidity. For example, the claimant may run the risk of exceeding the applicable limitation periods or other periods for bringing an action.
- 24 As has been shown, an infringement action in which the patent is not called into question is not covered by Article 24(4) of the Brussels I Regulation (see, for example, the judgment in *GAT*, paragraph 16 with references to the judgment in *Duijnstee*, paragraphs 25 and 26). A claimant who wishes to bring an infringement action can therefore always bring the action in the defendant's country of domicile under the general rule in Article 4 of the Brussels I Regulation. It is true that the claimant often also has the possibility, under Article 7(2) of the Brussels I Regulation, to bring proceedings in the Member State in which the harmful event occurred or may occur, which often coincides with the country of registration. However, if Article 24(4) of the Brussels I Regulation is to be interpreted as meaning that an infringement action is covered by exclusive jurisdiction where a defence of invalidity is raised, the claimant must always bring an action in the country of registration in order to be sure that the action cannot be dismissed.

- 25 The question whether Article 24(4) of the Brussels I Regulation should be interpreted as also covering infringement actions where a defence of invalidity has been raised is also the subject of debate in legal literature. Some writers argue that the ruling of the Court of Justice in *GAT*, which was subsequently codified in Article 24(4) of the Brussels I Regulation, implies that the court loses its jurisdiction to hear an infringement action as soon as a defence of invalidity has been raised (see, for example, Hess/Pfeiffer/Schlosser, *The Brussels I Regulation 44/2001, Application and Enforcement in the EU*, 2008, p. 193, paragraph 668, and Dicey, Morris & Collins, *The Conflict of Laws*, 15th ed., Sweet & Maxwell, London: 2012, p. 525, paragraphs 11 to 392). Others take the opposite view and maintain that a court does not lose its jurisdiction to hear the infringement case (see, for example, Lehmann, *The Brussels I Regulation Recast*, 2015, p. 272, paragraph 8.42). Finally, several others consider that uncertainty exists and there is a need for a preliminary ruling by the Court of Justice (see, for example, Heinze, Roffael, 'International jurisdiction for decisions on the validity of foreign intellectual property rights', *GRUR Int* 2006, p. 797 et seq., and Fawcett & Torremans, 2011, p. 368, paragraphs 7.109 to 110).
- 26 If Article 24(4) of the Brussels I Regulation is to be interpreted as meaning that the expression 'proceedings concerned with the registration or validity of patents ... irrespective of whether the issue is raised by way of an action or as a defence' covers an infringement action where a defence of invalidity has been raised, the question arises whether the interpretation is affected by the fact that national law contains provisions under which a matter of invalidity may be considered only after a separate action has been brought to that effect (see second subparagraph of Paragraph 61 of the Patentlagen).
- 27 Finally, the question also arises whether it is relevant that the European patent in question was validated in a non-Member State. A related, but not identical, question has been raised by the Patents and Market Court of Appeal in a request for a preliminary ruling (see Case C-399/21). The question in that case is whether Article 24(4) of the Brussels I Regulation covers an action brought in a Member State seeking a declaration of better entitlement, based on a claim of inventorship or co-inventorship, to an invention or patent registered in a non-Member State. The answer to that question may be relevant and provide guidance in the present case too.
- 28 The wording of Article 24(4) of the Brussels I Regulation does not expressly state that it is applicable to courts in third States. On the other hand, certain other articles of the Brussels I Regulation do expressly state that they are also applicable to third States (see Articles 33 and 34 of the Brussels I Regulation concerning *lis pendens*). Nor are there any rulings by the Court, as far as the Patents and Markets Court of Appeal is aware, which address the question whether Article 24(4) is also applicable to a court in a third State. On the other hand, it is apparent from a ruling of the Court concerning the Convention of 27 September 1968 on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters ('the Brussels Convention') that Article 2 of the Brussels Convention, on the

jurisdiction of a court according to domicile, is applicable also to cases concerning the relationship between courts of a Contracting State and a non-Contracting State, that is to say a third country (see judgment of 1 March 2005, *Owusu*, C-281/02, EU:C:2005:120, paragraphs 26 and 35). Article 4 of the Brussels I Regulation has similar wording to Article 2 of the Brussels Convention, which suggests that Article 4 should be applied in the same way as Article 2 of the Brussels Convention, that is to say also to courts in third countries. In that case, the Court has therefore ruled that an article is applicable to third countries even if this is not apparent from its wording. To sum up, it is unclear whether Article 24(4) of the Brussels I Regulation should be interpreted as applying to a court of a third country, that is to say, in the present case, Turkey.

- 29 The conclusion of the Patents and Market Court of Appeal, on the basis of an overall assessment of the relevant EU law, is that is not clear or established how EU law is to be interpreted in relation to the questions set out above. In order for the Patents and Market Court of Appeal to rule on the case, it therefore requires an answer to the questions referred.