

THE PATENT FILE



Jonathan Radcliffe,
Mayer Brown

Patents without borders

Jonathan Radcliffe, partner at Mayer Brown, discusses an important new weapon in pan-European patent disputes – the English Courts can hear non-English patent infringement cases

The English Patents Court has delivered a ground-breaking judgment which could change the way that European patent litigation is conducted.¹ It has significant strategic implications for companies involved in pan-European patent litigation, or who are crafting such strategies.

This judgment opens the way for litigants to seek pan-European declarations of non-infringement from a single court. It establishes that the English courts can now determine non-infringement disputes covering all of a European patent's national designations, not just the UK national designation alone. The decision is significant for a number of reasons.

- The English courts have handed litigants a major new weapon to fight their patent battles over multiple foreign patent rights. This case extends the convenient English procedure for patent infringement clearance² of a European patent to include clearance of other relevant European designations through the mechanism of a single case for a pan-European declaration of non-infringement heard in England and – if agreed – under one law and with one set of expert witnesses and evidence.
- This new process will save significant costs and time, as well as allowing parties to take advantage of the procedural advantages inherent in the English common law system (document discovery, and cross-examination of expert and factual evidence at trial). It also eliminates the risk of inconsistent decisions inherent in the current European patent landscape; even if different national laws are applied by the one court, there would only be one judgment and one appeal process.
- This decision has important ramifications where infringement is simultaneously in

issue in multiple European markets. But it will not apply where validity is in dispute, because under the Brussels Convention a challenge to validity engages the exclusive jurisdiction of each European country to determine challenges to the validity of their own national registered rights.

“At a time when European patent judges are widely questioning the current proposed single European Patent Court, this case shows London positioning itself as a centre for excellence for patent litigation.”

- Coupled with the recent Court of Justice of the European Union decision in *Solvay v Honeywell* permitting interim pan-European injunctions in patent cases, which has been expressly acknowledged by the English court, this opens the prospect for patent litigants of a real alternative to the current European patent litigation landscape (which requires separate litigation in each country).
- At a time when European patent judges are widely questioning the current proposed

single European Patent Court, this case shows London positioning itself as a centre for excellence for patent litigation and as a venue for pan-European patent disputes, as well as offering litigants the potential for cost-effective and speedy litigation.

Factual background

Eli Lilly's cancer drug pemetrexed is protected by a basic patent extended by supplementary protection certificates (SPC) that expire in December 2015, and by another patent that expires in June 2021 for the use of pemetrexed disodium in combination with vitamin B12.

Actavis wanted to resolve the question whether its proposed sale of pemetrexed dipotassium would infringe the SPCs, and wanted to do so in time to be able enter the major pharmaceutical markets in Europe on expiry of the SPCs. Actavis therefore commenced proceedings in the English Patents Court seeking declarations of non-infringement under section 71 of the Patents Act in relation to each of the English, French, German, Italian and Spanish national designations of the patent. Eli Lilly contested the jurisdiction of the English courts to rule on all save the English designation of the patent.

Importantly, Actavis did not challenge the validity of the patent in the litigation. It irrevocably bound itself through undertakings to the court not to challenge validity. This meant that the exclusive jurisdiction given to countries in Europe under the Brussels Convention for challenges to the validity of registered rights was not engaged.

The decision

Although the result in this case turned on an analysis of the English rules of service of process at a granular level (which will not be

Jonathan Radcliffe is a partner in the Intellectual Property practice of the London office of Mayer Brown and has practised exclusively in this field for over 25 years. His work covers a wide range of technologies, with a particular focus on cases with a high scientific/technological content in the pharmaceutical, life sciences, medical devices, and high-tech sectors.

considered further for present purposes), the points of real interest relate to the jurisdiction the English court extended over the non-English designations of the patent.

• **Extending the jurisdiction to hear non-English infringement disputes to patents**

Following the decision of the UK Supreme Court in *Lucasfilm Ltd v Ainsworth*³, Eli Lilly was unable to dispute that the English courts could not hear claims relating to the French, German, Italian and Spanish national designations of the patent, in addition to the UK national designation.

The Patents Court held that these claims for a declaration of non-infringement were justiciable by the English courts and that it had subject matter jurisdiction, even though *Lucasfilm Ltd v Ainsworth* was a copyright case (concerning American copyrights in the Star Wars Stormtrooper helmets) and this concerned patents. Despite the fact that such claims were previously unprecedented in England, the position is that the law had been changed by the Supreme Court in *Lucasfilm*.

• **The Brussels Convention exclusive jurisdiction on patent validity**

Actavis made no challenge to the validity of the patent in the English declaratory proceedings. Had it done so, that would have engaged the exclusive jurisdiction of each European country under the Brussels Convention to determine challenges to the validity of their own national registered rights. Importantly, Actavis gave the court undertakings not to challenge validity or to contend in argument that the patent is invalid in these proceedings if the court accepted jurisdiction over the claims. This tactical device ensured that the court was not required to decline jurisdiction by virtue of Article 22(4) of the Brussels Regulation.

• **Which national law to apply to pan-European infringement cases**

It was accepted by the parties and the Court that the law applicable to whether the English court could grant declarations on non-infringement under the patent's non-English designations was English law as the *lex fori*.

Under the Rome II Convention⁵ the law applicable to the non-infringement of each non-English designation of the patent is the substantive patent law of that country. However, the Court held that it would apply

English law to each national designation on the assumption those laws were substantively no different to English law, unless Eli Lilly positively chose to assert that there were relevant differences which required the English Court to apply the relevant foreign law to determine whether there would be infringement.

- As all the relevant non-English countries whose national designations were in issue had all implemented Articles 25 and 26 Community Patent Convention (CPC), as had England, all therefore had identical substantive laws on infringement.

“The litigation could be handled by one team of lawyers on each side using one set of factual and expert witnesses. This would save legal costs for both sides.”

- Although in theory the position on accessory liability can be different in Europe, Eli Lilly was unable to adduce any evidence that there is any difference between the relevant national laws on accessory liability that might be material to the question of infringement.
- Similar considerations applied to interpretation of the patent itself. Each of the relevant countries gives effect in its national substantive patent law to Article 69 of the European Patent Convention and to the Protocol on the Interpretation of Article 69. In principle this means that each country has the same approach to determining the scope of protection of a patent.
- The court accepted that there are some national differences on the issue of equivalents, but was sceptical that these were responsible for different outcomes in parallel cases.

The court identified a number of advantages to the English court determining infringement in all five relevant countries.

- The litigation could be handled by one team of lawyers on each side using one set of factual and expert witnesses. This would save legal costs for both sides. This would especially be the case if experiments were needed to prove issue around infringement.
- The judge was unimpressed by the argument that there would be no costs savings because expert evidence would be required to prove each relevant national law, which would be difficult and expensive to prove. The judge held that this was simply to be treated as a question of fact. It is increasingly common in IP cases for the English courts to apply case law from other EU Member States when deciding questions of European Union law or national law based on European conventions such as the CPC, so there were no difficulties in doing so.
- Even if different laws were applied, it would mean that one court (and only one court on appeal) would determine all five claims. This would eliminate the possibility of inconsistent decisions unless they really were mandated by the different national laws' approaches to Article 69 EPC and the Protocol.

Accordingly, the court declined to stay the pan-European infringement claims on the grounds of *forum non conveniens* on the basis that it had not been demonstrated that the courts of France, Germany, Italy and Spain were the appropriate *fora* for the trial of Actavis' claims in relation to those national designations of the patent. The court held that it had not been shown that those courts were clearly or distinctly more appropriate than the English court.

Footnotes

1. *Actavis Group HF v Eli Lilly & Company* [2012] EWHC 3316 (27 November 2012), Arnold J.
2. Section 71 of the Patents Act 1977.
3. *Lucasfilm Ltd v Ainsworth* [2011] UKSC 39.
4. See *Case C-4/03 Gesellschaft für Antriebstechnik mbH & Co KG v Lamellen und Kupplungsbau Beteiligungs KG* [2006] ECR I-6523 at paragraph 16.
5. Article 8(1) of European Parliament and Council Regulation 864/2007/EC of 31 July 2007 on the law applicable to non-contractual regulations.