

Hans Bottema of Nederlandsch Octroobureau outlines issues of extraterritorial contributory infringement in the Netherlands under *GAT v LuK*

Jurisdiction matters

On April 11 2007, the District Court of The Hague decided, in *SBM v Bluewater*, that it had jurisdiction to judge on a claim by SBM that constructing or offering for sale an essential element relating to the invention in the Netherlands of an offshore structure that is patented by SBM's European patent both in the Netherlands and in another EU state, in which other state the defendant knows that the patented invention will be constructed or used by a third party, would constitute a special form of cross-border contributory infringement. This special case is an interesting exception to the exclusive jurisdiction in patent infringement actions that is attributed to the court of an EU member state in proceedings concerned with the registration or validity of any European patent granted for that state.

Legal framework

Contributory infringement in the Netherlands is judged under Article 73 of the Patents Act of 1995, according to which "the patent proprietor may institute the claims at his disposal in enforcing his patent against any person who, in the Netherlands or Netherlands Antilles or, where a European patent is concerned, in the Netherlands, supplies or delivers to or for his business, in respect of an essential part of the invention, to persons other than those who by virtue of Articles 55 to 60 are empowered to work the patented invention, the means for the application of the patented invention in the Netherlands or Netherlands Antilles, or where a European patent is concerned, in the Netherlands, provided that that person knows, or that it is evident considering the circumstances, that those means are suitable and intended for that application".

Article 22 (4) of Council Regulation EC 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, specifies that the courts of each member state will have exclusive jurisdiction, regardless of domicile, in proceedings concerned with the registration or validity of any European patent granted for that state.

In case C-4/03, *Gesellschaft für Antriebstechnik mbH & Co KG (GAT) v Lamellen und Kopplungsbau Beteiligungs KG (LuK)*, the ECJ (on July 13 2006) clarified in respect of Article 16(4) of the Brussels Convention on Jurisdiction, which article corresponds to Article 22(4) of EC 44/2001, that it should apply to all forms of proceedings:

"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".

This rule of procedure is of exclusive and mandatory nature and its application is specifically binding on both litigants and courts.

In the case of contributory infringement, however, the strict interpretation of these rules of procedure was found to lead to the problem that the patentee would be left without a legal remedy.

The specifics of the case

In these proceedings, SBM is proprietor of European patent number 0808270, directed to a hydrocarbon production system including a vessel moored to the

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seabed via a turret. A turret is a large cylindrical structure extending vertically through the hull of the vessel. Hydrocarbon production risers extend from a wellhead on the seabed through such a turret to the vessel, the vessel acting as storage for the produced hydrocarbons. The turret is moored to the seabed in a geostationary manner and the vessel can “weathervane” around the turret by way of a bearing construction. In European patent number 0808270, the turret constitutes an essential part of the invention.

“The limits of Article 22(4) of EC 44/2001 are being further drawn up after *GAT v LuK*”

In respect of SBM’s action for direct infringement or for participating in a significant way in either direct or contributory infringement of the equivalent European patent outside the Netherlands, the court declined jurisdiction with reference to *GAT v LuK*.

However, the court held that SMB’s action against providing or offering for sale means relating to an essential part of the invention (the turret) in the Netherlands, while knowing that these will be mounted on a vessel or used on a vessel in another country in which the equivalent European patent is in force by a third party, constitutes a special form of cross-border contributory infringement. The District Court declared itself competent to hear this case on the following grounds.

A special form of cross-border contributory infringement

A strict interpretation of the rules of exclusive jurisdiction as laid down in Article 16(4) of the Brussels Convention on Jurisdiction and Art 22(4) of EC 44/2001 would lead to the fact, in light of *GAT v LuK*, that in a case where a defendant raises a relevant invalidity objection no court would have jurisdiction to hear the case. This is so because before granting any legal remedy, the court would have to decide on the validity of both the Dutch part and the other member state’s national equivalent of the European patent. For each part of the European patent, a different court is competent. This situation was deemed by the District Court to be in adversity with Article 6 of the European Convention on Human Rights (ECHR) according to which, in the determination of their civil rights and obligations, everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law.

The court held it to be clear that the Brussels Convention on Jurisdiction and EC 44/2001 could not have as an effect that no single national court would have jurisdiction. The present case was found to differ from *GAT v LuK*, which involved a declaration of non-infringement of a European patent in several countries and could in that sense be split up into a separate declaration for each country. In the present proceedings, the action required determination of the validity of the European patent in two jurisdictions that could not be split up, as in case of *Gat v LuK*, into a separate action for each geographic location.

On that basis, the District Court was of the opinion that

a reasonable interpretation of Article 16 (4) of the Brussels Convention on Jurisdiction and Article 22(4) of EC 44/2001, read in the context of *GAT v LuK*, in this special case did not lead to the consequence of the District Court having to decline jurisdiction. It does however force the Dutch court to refrain as much as possible from giving a judgment on the validity of the equivalent European patent in countries outside the Netherlands. This means that as soon as invalidity is raised in proceedings outside the Netherlands, the case must be stayed independent of which stage the proceedings in the Netherlands are in.

As in the present case, no foreign action for nullification of the corresponding European equivalent patent had been initiated, so the District Court was able to render a judgment and concluded that there was no direct or contributory infringement.

Clearly, the limits of Article 22(4) of EC 44/2001 are being further drawn up after *GAT v LuK*. It is interesting

to see how the contours of an answer to a related question that has arisen between the same parties will develop when, instead of being based on contributory infringement, an action is based on the general law of tort. In *SBM v Bluewater*, the Court of Appeal in the Netherlands, in an appeal in summary proceedings of May 18 2006, declined SBM's action based on tort on the basis that no direct or contributory patent infringement activities (in the country outside the Netherlands) could be found. This verdict still leaves room for the question of whether a party, by providing or offering for sale an essential part of the patented invention in the Netherlands for infringing use by a receiving third party in another country, is liable under the Dutch general rules of tort when it knows the receiving party will infringe the equivalent European patent in that other country. The answer to this question would, according to Dutch international private law, be determined by the national law of the country of the receiving party.