

CLASH OF THE TITANS: THE TERRITORIALITY OF PATENT LAW vs. THE EUROPEAN UNION

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I. Introduction

"Intellectual property litigation in general and patent litigation in particular in Europe are currently in a state of disarray. . . . Until recently, intellectual property rights such as patents, trade marks and copyrights were viewed as entirely national in scope and effect." n1 This parochial approach has now been challenged and in significant respects destroyed. About seven years ago, the Dutch courts began to grant cross-border injunctions in intellectual property cases. n2 Under this approach, the Dutch courts can prohibit a litigant from infringing a non-Dutch patent outside of the Netherlands. n3

This article will analyze the European cross-border injunction phenomenon and its potential future. It will first discuss the historically territorial nature of patents and will outline the key developments in European patent harmonization, all of which reaffirm the territorial limits of patents. The article will then shift to a discussion of the formation and growth of the European Union, whose basic principles and practical effects clash with the concept of limited patent enforceability. The institutional procedures, developed to ensure a successful common market, will continue to fuel the inherent tension between national patent law and the European Union. I will then discuss the development of Dutch case law which allows for cross-border injunctions on intellectual property matters and will contrast this approach to decisions in the United Kingdom. Finally, I conclude that, no matter how the jurisdictional or cross-border injunction dispute is resolved by the European Court of Justice, the issue of regional patent enforceability will remain a priority as the European common market and the global market continue to develop.

II. The Inherent Conflict Between National Patent Law And The European Union

Intellectual or industrial property n4 signifies a group of rights deriving from invention, creativity or some form of creative thought. n5 Intellectual property rights protect applications of ideas and information that are of commercial value. The subject is growing in importance, to the advanced industrial countries in particular.

Patents are granted for inventions, including improvements, which contain at least some minimal new aspect of inventiveness. n6

While it has been generally believed that the English Statute of Monopolies of 1623 n7 is the fountainhead of the world's patent system, the evidence places the origin of state protection of intellectual property in Renaissance, Italy. n8 On June 19, 1421, the Republic of Florence, by private statute, issued to the eminent architect, Filippo Brunelleschi, the world's earliest true patent of invention presently known. n9 The patent's provisions forbade all persons to possess or operate any novel means of water transportation in Florentine territory, or to ship cargo on such new vessels, without Brunelleschi's consent for a period of three years. Infringing boats or ships were to be burned. n10 The preamble of the Brunelleschi patent recognized both the inventor's inherent rights in his invention (i.e. the right to use it or withhold it from public knowledge) and the contractual aspect of patent protection. n11 It also explicitly articulated the basic purpose of the patent instrument - to reward inventors and to provide an incentive for the manufacture of new works which benefit society. Despite the lack of success of the Brunelleschi invention, n12 patent law was born. The purpose of the original Brunelleschi patent remains the basic purpose of the modern patent. n13

A patent is a statutory right granted to an inventor or the inventor's assignee by a national government to exclude other people from practicing the invention disclosed and claimed in the patent specification. n14 Patents grant inventors exclusive rights to their inventions for a fixed period of years. n15 In most countries, the patent owner has the exclusive right to exclude others from making, using, or selling the patented invention. n16 As a general rule, "patents . . . protect the novel n17 and . . . nonobvious n18 functional aspects of useful articles or processes." n19

A. Patent Law is Territorial

Patent law, like all intellectual property law, has historically been based on the nation-state and the principle of territoriality. n20 National governments grant patents to inventors. n21 The territorial limits of sovereignty preclude a country from giving extraterritorial effect to its patent laws. n22 Obtaining a patent in the United States does not provide patent protection in other countries, nor can the United States grant foreign patents. "Foreign patents grant no monopolies in the United States, nor do United States patents grant any monopolies in foreign countries. A patent is granted by a sovereign power and its rights, privileges and obligations begin and end with the country that issues it." n23 Thus, each patent has a separate existence in each sovereign state from which it is issued.

Securing international patent protection requires significant effort. A patent application must be filed in each individual country where patent protection is sought. n24 Even if the patent is granted in multiple countries, it must be enforced in each individual jurisdiction. n25 The practical, monetary effect of patent territoriality can not be overestimated, particularly in today's increasingly global market. The unnecessary redundancies drive up the costs of obtaining and enforcing worldwide patent protection to a level than can only be afforded by the largest multinational corporations. Estimates suggest that "it costs between \$ 750,000 and \$ 1,000,000" to obtain meaningful global

patent protection for an important new chemical compound, and that figure appears to be growing at a rate of 10% per year. n26

B. Efforts to Harmonize Patent Law Throughout Europe: Moving Forward, But Still Committed To The National Territoriality of Patents

Although patent law remains territorial, there have been a number of efforts to harmonize patent law, either procedurally or substantively, throughout Europe and the world.

1. The Paris Convention

The foundational patent harmonization treaty is the International Convention for the Protection of Industrial Property, known as The Paris Convention. n27

This treaty was drafted in 1880 and became effective in 1884. Prior to the Paris Convention, inventors had to submit patent applications simultaneously in all the countries where protection was desired. Failure to do so could preclude patent protection in all but one country, with the first application destroying the "novelty" of the invention for subsequent applications. In addition, inventors had to comply with often radically different procedural and substantive requirements to obtain patent protection. n28

At the conclusion of the Convention, patent law was in a state of "crisis" around the world. In the Netherlands, patents had been abolished by law in 1869 and were not reestablished until 1910. n29 Switzerland did not have any patent laws, and in fact "a plebiscite for the enactment of a patent law was rejected in 1882." n30 In England, "an inquiry into the deficiencies and abuses of the patent system had been started" in 1872. n31

Furthermore, free trade movements advocated for the abolition of patents in France and Germany. n32 However, "after various congresses in Vienna and elsewhere, eleven countries adopted the Paris Convention." n33 Today the Paris Convention has more than one hundred signatories, "including all of the developed nations and most of the developing nations." n34

The fundamental principles of "national treatment" and "right of priority" were established by the Paris Convention. n35 "'National treatment' requires member states to accord nationals of other member states the same advantages under their domestic patent laws as they accord to their nationals." n36

"'Right of priority' entitles a patent applicant of one member country to a period of twelve months after the initial patent application to apply for protection in all of the other member countries. Within this one year period," the application dates back to the earliest application filing date. n37 "This provision offers great practical advantages to applicants desiring multinational patent protection." n38 It gives the applicant the earliest priority date so as to avoid intervening prior art that would prevent the grant of a patent. It also provides the applicant with time to evaluate the economic viability of the invention and to decide on the specific countries in which to seek patent protection. n39

Although the basic principles of the Paris Convention are of great importance, the principles are limited. Members States retain the ability to legislate on questions of

industrial property according to their interests or preferences. n40 Member States can establish their own standards of patentability. n41 They can impose a "first to invent" or a "first to file" standard. n42 They can also restrict whether a patent can be granted for products only, for processes only, or for both. n43 Furthermore, Member States retain the ability to determine in which fields of technology patents may be allowed. n44 Thus, the Paris Convention retains the restrictions of the national laws of each state. n45

2. The Patent Cooperation Treaty

"In the late 1960's, the United States took the lead in creating a new multilateral patent treaty to minimize duplicative patent application and examination worldwide. This eventually resulted in the Washington Treaty of 1970, commonly referred to as the Patent Cooperation Treaty or 'PCT'." n46 The PCT provides for the filing of one patent application that can have effect in many countries. n47

The PCT simplified the international patent application process. n48 First, an applicant files an "international application" in one of several designated national patent offices. n49 This application has the effect of a national application in all of the countries that the applicant designates. n50 The international search authority n51 then conducts a novelty examination and completes an "international search report." n52 The report expresses no opinion as to the patentability of the invention but does include the classification of the claimed invention, the technical fields searched and citations to the prior art. n53 Additionally, the international search authority may conduct an international preliminary examination that addresses novelty, inventive step, and industrial applicability. n54

The second step of the process is the so-called "national stage." The applicant submits the PCT application to national offices, along with any required translations. n55 At this time, patent examiners at each national office in a particular country examine the application based on their own national patent laws, either granting or rejecting the patent application. n56

While the PCT does facilitate the often burdensome task of obtaining patents in many countries, it does not alter the substantive requirements of patentability of the Member States. n57 Article 27(5) of the Treaty specifically provides that "nothing in this Treaty and the Regulations is intended to be construed as prescribing anything that would limit the freedom of each Contracting State to prescribe such substantive conditions of patentability as it desires." n58 Thus, although the Patent Cooperation Treaty significantly improved the patent application and management process, it did not eliminate the territorial nature of patents.

3. European Regional Patent Systems

The preparatory work for a European patent system was launched by the original six Member States of the European Economic Community, later to become the European Community. n59 The first agreement of the European Patent Convention ("EPC") created a bundle of European patent rights with effect in Europe and the individual states designated by the applicant. n60

Based on the European Patent Convention, a second agreement designated specifically for European Member States, was to avoid the division of the European

patent, on grant, into patent rights governed essentially by national laws. Thus, a supranational unitary Community patent with a uniform subsequent life, scope of protection and enforceability in the courts would eventually be created. This project became the Community Patent Convention, n61 but it has not entered into force and its future is uncertain. n62

a) European Patent Convention

Twenty years after the creation of the European Community, some of the European countries developed a comprehensive multinational patent system. n63 Adopted in Munich in 1973, the Convention on the Grant of European Patents ("European Patent Convention" or "EPC") is a regional patent system with effect throughout the European Union. n64

The European Patent Convention allows an applicant to file a single patent application at the European Patent Office which, if accepted, yields a series of national patents in all designated countries participating in the Convention. n65 An EPC patent gives the inventor the same rights that would be conferred by a national patent in the designated country. n66 However, the EPC application effort does not result in a single Community patent. Applicants receive a series of patents or a bundle of rights, enforceable in respective courts of the Member States as if the patent were issued by each individual country. n67

Although the EPC creates a unitary patent law for use by the European Patent Office, infringement disputes are adjudicated by national courts each applying the law of its own country. n68 The courts may freely follow their own national rules of claim interpretation and infringement analysis. n69 This has led to inconsistent treatment of patents granted under EPC law. The national courts often disagree as to the interpretation of EPC provisions, even though such provisions may bind multiple countries. n70

b) The Community Patent Convention

At essentially the same time that the EPC was enacted, Member States created the Community Patent Convention ("CPC"). n71 The goal of the CPC was to offer a single community patent in the territory of the European Union on the basis of one uniform patent law. The CPC would provide for the grant of a single patent covering all of the states of the European Union. n72 It would also create a new European Common Appeal Court with the power to confirm a reversed decision of Community National Courts on questions of infringement and validity of a community patent. n73

Although the CPC was originally signed in 1975, it is still not in force and has little prospect of becoming law in the immediate future. n74 Although Member States signed a resolution that they intended to ratify the CPC soon after ratification of the EPC, they later agreed that this was not desirable. n75 Instead, the Members agreed that they would make the EPC a success before ratifying the CPC. n76 Since the European Patent Office was not an immediate success, the CPC process was delayed. n77

Over the years, there have been a number of conferences about, and modifications to the CPC. n78 In June 1998, the European Commission n79 published a Green Paper n80 on the Community Patent. n81 At that time, practitioners predicted that the Community Patent would not become a viable alternative to the European patent in the

near future, if ever. n82 Today, after the resignation of all twenty members of the Commission, n83 the Community patent may be doomed.

Thus, despite European patents and attempts to harmonize patent laws, the territoriality principle of patents is alive and well in Europe. Furthermore, the European Union lacks a Community Patent Appeal Court, similar to the Court of Appeals for the Federal Circuit in the United States. As such, there is a considerable advantage to the plaintiff patentee who engages in forum shopping in the European Union.

III. Barriers To Patent Territoriality In Europe: The Development of a European Common Market and the European Union

Simultaneously with the patent harmonization efforts, the European countries took much more dramatic action. They began to work for a European peace, in part through the establishment of a European economic market. The vast destruction of life and property caused by the Second World War, coupled with accompanying political instability, provided the impetus for a series of important steps toward European integration. n84 In 1951, six countries established the first major modern European community, n85 the European Coal and Steel Community, n86 based on a common concern about the peaceful and efficient use of Europe's coal and steel resources. n87 The European Community sought "to create, by establishing an economic community, the . . . [foundation of a broad and independent] community among peoples long divided by bloody conflicts." n88

As international trade expanded, European nations wanted to encourage the free movement of goods across their borders. In 1957, the same six countries joined in the Treaty of Rome n89 and created the European Economic Community ("EEC"). n90 The Treaty of Rome sought "to eliminate the barriers which divide Europe," to remove existing obstacles and engage in concerted action with respect to trade, to reduce differences among the European Member States and "to contribute, by means of a common commercial policy, to the progressive abolition of restrictions on international trade." n91 The Treaty of Rome created "an internal market characterized by the abolition, as between Member States, of obstacles to the free movement of goods, persons, services and capital." n92 The hallmark of the European Community system is the virtual elimination of national boundaries for purposes of trade: customs duties are eliminated, n93 workers may move freely throughout the Community, n94 and entrepreneurs of one State may establish business enterprises freely in neighboring Member States. n95

The EEC metamorphosed in 1993 into the European Union, n96 with the EEC forming the principal part. n97 The agenda of the European Community is no longer limited to establishing the common market or providing for more free competition and increased free trade. It now pursues a common foreign and security policy and advocates social change throughout the European Union. n98

As the European Court of Justice declared in 1963, the European Community created "a new legal order of international law for whose benefits the states have limited their sovereign rights . . ." n99 Thus, the evolution and future of the European Union itself significantly reduce the current and future strength of territoriality. As the Community

creates institutions and legal procedures to facilitate the free movement of goods, it further erodes principles of territoriality.

IV. The European Community Attacks Territoriality: The Brussels Convention

Early in the European Union's history, the leaders recognized that as economic ties between Members expanded, the need for a coherent and uniform set of rules concerning the enforcement of judgments rendered in other Member States would grow. In an October 22, 1959 note to Member States, the European Commission concluded that a "true internal market between the Member States will be achieved only if adequate legal protection can be secured." n100 The Treaty of Rome itself suggested that the Member States create a common procedure for the recognition and enforcement of judgments throughout the Community. Article 220 provides:

Member states shall, so far as is necessary, enter into negotiations with each other with a view to securing for the benefit of their nationals . . . the simplification of formalities governing the reciprocal recognition and enforcement of judgments of courts or tribunals and of arbitration awards. n101

On September 27, 1968, the original six Member States of the European Economic Community signed the Convention on Jurisdiction in the Enforcement of Judgments in Civil and Commercial Matters (Brussels Convention). n102 This convention significantly changed the way in which a judgment may be recognized and enforced in the European Union. n103

The Convention wholly replaced the convoluted system of bilateral recognition and enforcement treaties existing between Member States and introduced a clever and streamlined body of laws applicable to the recognition and enforcement of judgments in Europe. n104 Under the Convention, a judgment rendered in one Member State is automatically recognized and enforceable in all other Member States, with some limited exceptions. n105 For this reason the Convention has been described as the European equivalent of the Full Faith and Credit Clause of the United States Constitution. n106

While the Convention has been substantially altered over the years, n107 it remains fully consistent with the Treaty of Rome's goal to create a European common market. n108 Today the Brussels Convention is binding on Belgium, Germany, France, Italy, Luxembourg, Netherlands, Denmark, Ireland, United Kingdom, n109 Greece, n110 Spain and Portugal, n111 Austria, Finland and Sweden. n112 As more nations join the European Union, they too will be required to accept the general rules of the Brussels Convention. n113 The Convention remains a tremendous accomplishment in European Union law. n114

V. The Brussels Convention and European Patent Litigation

The Brussels Convention provides for Europe-wide recognition and enforcement of judgments through two basic principles. It first specifies the rules of jurisdiction in civil and commercial matters relating to property. n115 It then sets forth a procedure for the enforcement of judgments given in another Member State. n116

Various provisions of the Brussels Convention allow patentees considerable flexibility in choosing a forum for litigating their disputes. As a result, patentees are encouraged to forum shop with their patent disputes among various national courts. n117

Article 2 of the Brussels Convention is the general rule of jurisdiction and requires a plaintiff to sue a defendant in the defendant's state of domicile, regardless of the defendant's nationality. n118 Thus, a plaintiff is not required to bring a patent infringement action in the country where the alleged infringement occurred. n119

Article 5 creates special jurisdiction for actions between EU parties in matters relating to a tort. n120 Thus when a tort is involved, the defendant may be sued "in the courts of the place where the harmful event occurred." n121 So, "if a German-domiciled defendant infringes a British patent in England . . . [the defendant] . . . may be sued in Germany under Article 2." n122 The defendant may also be sued in England, pursuant to Article 5(3). n123

In litigation involving multiple EU defendants, Article 6 allows the plaintiff to bring suit in a state in which any one of the defendant's are located. n124 Clearly, this provision gives plaintiffs the opportunity to forum shopping if the plaintiffs can join additional defendants domiciled in various EU member states. n125

In addition to the exceptions described above, under Article 24, a plaintiff has the freedom to choose the jurisdiction in which to apply for interim relief. Article 24 provides:

Application may be made to the courts of a Contracting State for such provisional, including protective, measures as may be available under the law of that state even if, under this Convention, the courts of another Contracting State have jurisdiction as to the substance of the matter. n126

Article 24 is implicated in Dutch patent proceedings because of the Dutch kort geding procedure, a summary procedure similar to a temporary or preliminary injunction, routinely used in Dutch civil matters. n127

The general rules of broad European jurisdiction do have limitations. Article 16 gives exclusive jurisdiction to certain courts for particular types of cases, irrespective of the defendants domicile, whether inside or outside of the EU. n128 Most importantly for purposes of this article, Article 16 may limit jurisdiction in patent cases. Article 16(4) provides:

In proceedings concerned with the registration or validity of patents, trademarks, 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. n129

Thus, provisions of the Brussels Convention appear to grant a plaintiff significant flexibility in choosing a forum in which to litigate patents. Yet, the Brussels Convention goes further, as it sets forth a procedure which is simpler than traditional arrangements

for the enforcement of a judgment given in another Member State. n130 As a general rule, under Article 26, a foreign judgment is recognized automatically in other Member States. n131 A court may refuse to recognize a foreign judgment if such recognition is "contrary to public policy in the State in which recognition is sought." n132 If recognized and enforceable in the issuing State, the judgment is enforceable upon application of any interested party. n133

VI. The Developing Jurisdictional Dispute: Courts in the Netherlands and the United Kingdom Disagree About The Authority Under the Brussels Convention To Decide Cross-Border Patent Disputes

"The territoriality of . . . [intellectual property] . . . rights was well-suited to a world rigidly divided into national entities, . . . [a world which required] . . . control over the movement of goods." n134 However, with the adoption of the Treaty of Rome and the expansion of its principles, an attack on the territoriality of national intellectual property rights was inevitable. n135 The Brussels Convention would be the instrument used in the ensuing legal battles.

A. Relying on the Brussels Convention, The Dutch Courts Issue Cross-Border Injunctions in Patent Actions

The 1989 Dutch Supreme Court (Hoge Raad) decision in *Lincoln v. Interlas* n136 started the trend of cross-border patent enforceability. In this case, a Dutch company, Interlas, imported diesel welding units from the United States into the Netherlands. Interlas modified the units and offered them for sale throughout Europe. The units bore the "Lincoln" trademark, owned by different corporations in the United States, France and the Netherlands. The Dutch owners of the mark sued Interlas in the Netherlands for trademark infringement. Plaintiffs requested, and the lower court granted, an injunction against infringement not only in the Netherlands, but also in Belgium and Luxembourg. n137

On appeal, Interlas questioned the court's jurisdiction to issue the extraterritorial injunction, but the Dutch Supreme Court rejected this argument. n138 In doing so, the Supreme Court specifically acknowledged that the Dutch courts had the right to enforce intellectual property rights outside of the Netherlands. n139 To hold otherwise would require the injured party to file suit in every country where the infringement occurred. Such a practice would be undesirable, especially in intellectual property cases where the property transcended national borders. n140

After the *Interlas* decision, Dutch lower courts granted cross border injunctions in other cases, particularly in patent infringement litigation. n141 In *Voerderheck*, n142 the Hague District Court, referring to the *Interlas* decision, imposed an injunction covering the Netherlands and Germany. n143 In *Philips v. Hemogram*, n144 a Dutch court imposed an injunction for the Netherlands, Denmark, Belgium, German, Sweden, Finland, Australia and Hungary. n145 In general, the cross-border decisions involved disputes between Dutch parties competing in Dutch and foreign markets, and Dutch patentees "whose patents were infringed by a foreign party in the Netherlands" and elsewhere. n146

In 1994, it became apparent that the tables could be turned against an alleged Dutch infringer. A foreign plaintiff could sue the competitor's Dutch distributor, along with the foreign competitor-manufacturer and its distributors in the other designated countries. The plaintiff would then seek a cross-border injunction against all defendants. n147

In *Applied Research Systems v. Organon*, n148 *Applied Research Systems ("ARS")* held a European patent, granted for the Netherlands, Germany, France, Liechtenstein, Luxembourg, Austria, the United Kingdom, Switzerland, and Sweden. n149 The Hague Court of Appeals (*Gerechtshof*) found that the Dutch defendant *Organon*, a division of *AKZO*, infringed the patent in the Netherlands as well as the other countries. The court issued a restraining order of NLG 100,000 per infringement. The order was enforceable in the Netherlands and any other country where *ARS* had patent protection for the invention, even if the other countries could not provide such a provisional remedy. n150

Six months after the injunction issued in *ARS*, the *Organon* division of *AKZO* was confronted again with a cross-border injunction in *Chiron Corp. v. Organon AKZO Pharma-Organon Technika-UBI*. n151 This time a U.S. company, *Chiron Corp.*, was the plaintiff, and four Dutch *AKZO* subsidiaries, one Belgian subsidiary, and a U.S. supplier were the defendants. n152 The trial court granted an injunction against all the defendants in the countries where *Chiron* had a European patent. n153 In addition, the court ordered the defendants to provide a list of their purchasers and granted the plaintiff's demand for a return of the infringing products held in the Netherlands. n154 Upon appeal the court of appeals upheld the district court's injunction. n155

The Dutch courts also issued a cross-border injunction against a Dutch distributor in *Bard v. ACS*. n156 *Bard*, a U.S. based corporation, had a European patent for heart catheters in several European countries. Defendant *ACS* manufactured catheters in the United States and shipped them to European distributors. The Dutch district court held that, if *Bard's* patent was not invalid and was infringed, *ACS* should be enjoined not only in the Netherlands, but also in the United Kingdom, France, Germany and Spain. n157

Under Article 26 of the Brussels Convention, a Dutch cross-border injunction arguably is enforceable in another country. n158 This proposition was apparently first tested in the French courts. n159 The President of the District Court at The Hague issued a cross-border injunction that prevented a defendant from infringing a European patent and from marketing infringing products. n160 The injunction applied not only in the Netherlands, but also in France. The plaintiff appealed in the French courts claiming that the order was contrary to French policy. n161

In making its decision the *Cour d'Appel* refused to review the material contents of the Netherlands court's decision. n162 It reasoned that courts of the executing jurisdiction are not required to examine whether the foreign decision itself complies with the public policy of the executing jurisdiction, but only if recognition of the foreign decision would violate the executing jurisdiction's public policy. n163 This narrow standard of review does not include consideration of whether the issuing court's procedural rules are similar to those of the executing jurisdiction. n164 Therefore, the appeal to the *Cour d' Appel de Paris* of the Dutch courts cross-border injunction was dismissed. n165

In issuing multinational injunctions, the Dutch courts acknowledge the success of the European Patent Convention and recognize the efficiencies of having just one European infringement judgment. n166 They (and other courts) frame the issue as one of international jurisdiction. As Judge Brinkhof explained,

the point of departure is that the law concerning international jurisdiction is national law. While in earlier days jurisdiction was seen as the sovereign authority of the state and its demarcations as a matter of international law, nowadays one is of the opinion that international law only sets marginal limits to the organization of international jurisdiction by the national state. Every state is free to organize this law according to its own views. n167

Obviously, this statement reflects a significant departure from the traditional principle that patents and their enforcement are territorial.

However, the availability of a Dutch cross-border injunction is not automatic. Dutch courts have refused to issue cross-border injunctions where the issuing country's patent formalities may not have been satisfied or where the finding of patent infringement is unlikely. n168 In *Hoffman LaRoche v. Organon*, n169 the Dutch Court of Appeals held that the patent owner had waited too long before starting the preliminary relief proceedings and had not shown a need for urgent relief. n170 Therefore, the case was dismissed. n171

Nevertheless, the *Interlas* decision and its progeny have major strategic importance for the management of patent portfolios and international patent litigation. n172 Prior to *Interlas*, a separate patent infringement action would normally have to be separately litigated in each separate European country. The *Interlas* line of cases changed this territorial (and duplicative) approach. Now European patent attorneys consider filing patent infringement actions in the Netherlands in order to obtain an injunction throughout the European Union. n173 As one practitioner noted, "cross-border injunctions . . . are the most effective way to manage the patent portfolio in litigation now and in years to come." n174 Because of the availability of cross-border injunctions, the Netherlands is "becoming a favored European jurisdiction in patent cases." n175 Not to be outdone, Germany may be adopting the Dutch approach. n176 Lawyers in the United Kingdom and elsewhere are examining whether their own national courts also have the power to impose cross-border injunctions. n177

B. The United Kingdom Begins to Refine the Jurisdictional Issues in Multinational Patent Litigations.

The Dutch approach has not been embraced throughout the European Union. In particular, courts in the United Kingdom seem disturbed with the extra-territorial approach to patent enforcement. In dicta, Justice Aldous specifically rejected the cross-border approach in *Chiron Corporation v. Organon Teknika Ltd.*, n178 a U.K. suit involving multiple actions on same patent.

At one time I wondered whether it would be right for this court to do the same as the Dutch Court, but have concluded that it would not be right for this court to grant an injunction which had an effect outside the United Kingdom. Further, I believe that the

Dutch Court was correct not to grant an injunction preventing trade in the United Kingdom. Even though the basic law as to validity and infringement of patents is the same in Holland as it is in this country, the factual matrix is unlikely to be the same as the product for ascertaining the facts and scientific evidence are different. Further this case shows that there are many considerations which have to be taken into account, which do not appear to be relevant in a Dutch Court. Thus, it would be unlikely that a Dutch Court could be sure that an injunction would be appropriate in the United Kingdom upon an application in Holland for interlocutory, preliminary or final relief. n179

The UK decisions, followed by a relatively recent Dutch decision, have refined the jurisdictional issues for consideration by the European Court of Justice. n180 In *Pearce v. Ove Arup Partnership Ltd.*, n181 the plaintiff, an author of drawings with both a U.K. and a Dutch copyright, sued for copyright infringement against a defendant domiciled in the United Kingdom, a defendant who may have been domiciled in the United Kingdom, and foreign defendants. n182 The foreign defendants argued that the English courts could not decide a claim for breach of a Dutch or any other foreign copyright. n183

Although plaintiff's claim failed on the merits, the Court confronted some of the jurisdictional issues relating to the Brussels Convention. Applying provisions of the Convention, the Court held that the English courts had jurisdiction over the U.K. defendant on the basis of domicile and against the other defendants together with the first defendant on the basis of Article 6(1). n184 Also, English jurisdiction could be found even though the harmful event occurred in Rotterdam, and the courts of the Netherlands would have jurisdiction under Article 5(3). n185 The Brussels Convention "establishes an autonomous system of international jurisdiction in relations between the Member States. The rules are applicable independently of any proceedings for international recognition and enforcement." n186

The Pearce court also rejected the suggestion that Article 16(4) of the Brussels Convention prohibited its jurisdiction over intellectual property matters. n187 "The fundamental rule of jurisdiction is that a person domiciled in a Contracting State shall be sued in the Courts of that State." n188 Exceptions to the rule, including Article 16(4), that require intellectual property to be deposited or registered, should be read narrowly. n189 Therefore, since the intellectual property at issue was a copyright (which was not required to be deposited or registered), Article 16(4) did not apply. n190 Even where the intellectual property involved a registered right, an action where the registration or validity were not at issue does not fall within Article 16(4). n191

Another important U.K. case is *Coin Controls Ltd. v. Suzo International (U.K.) Ltd.* n192 In this case, the plaintiff was a proprietor of essentially identical patents in the United Kingdom, Germany and Spain. n193 All of the national patents arose "out of a single patent application made to and processed through the European Patent Office." n194 The first defendant traded in England and sold the allegedly infringing product (of the British patent) in England. The second defendant was its Dutch subsidiary which provided only financial support. n195 The third defendant, Suzo Holland, was another Dutch company which manufactured the allegedly infringing products, eventually sold in

England. n196 The fourth defendant was a German company with sales in Germany. n197

Plaintiff sued all of the defendants for infringing the U.K., German and Spanish patents. n198 All the defendants, except the U.K. defendant, applied to strike out all the proceedings against them and the U.K. defendant applied to strike out allegations that it had infringed the Spanish and German patents. n199

Although Justice Laddie recognized the historical territorial limits of patents, n200 he also acknowledged the "profound changes" that the Brussels Convention was designed to effect. n201 If the Convention required the U.K. courts to accept the foreign patent infringement claims, then none of the Contracting States had the power or the right to ignore or override it. "If the Convention gives jurisdiction to the courts of one country, they cannot reject the gift. They must accept it and act on it." n202

The Court concluded that the "defendants play at home" provisions of Article 2 of the Brussels Convention did not confer jurisdiction on the foreign defendants. n203 As to the foreign patent claims, Article 6(1) did not provide jurisdiction over the English manufacturer. n204 In contrast, Article 6(1) probably did create jurisdiction with respect to the U.K. infringement claims. Because the infringement claims in the U.K., Germany and Spain were based on the same patent application under the European Patent Convention, the actions were essentially identical. Under Articles 21 and 22 of the Brussels Convention, n205 "where identical causes of action are involved, the court first seised" shall not decline jurisdiction, whereas the other courts must decline. n206 In short, the British Court acceded to the principles of international jurisdiction found in the Brussels Convention.

So, whatever views may be held as to the convenience or otherwise of allowing English courts to determine issues of infringement of foreign intellectual property laws, if the Convention compelled the plaintiff to sue here, e.g. because of the provisions of Article 2, or give it the option of so doing, e.g. because of the provisions of Article 6, the English courts cannot decline jurisdiction. n207

While the Court acknowledged a jurisdictional basis under the Brussels Convention, it ultimately refused to accept jurisdiction on the foreign patent issues because defendants had raised validity issues with respect to the non-U.K. patents. Once the defendant raises validity issues, jurisdiction under Article 16(4) is improper, and the court must hand the proceedings over to the courts having exclusive jurisdiction over that issue. n208 Furthermore, Article 19 of the Brussels Convention n209 requires the Court to decline jurisdiction over all claims, not just the invalidity issues. n210

In reaching these conclusions, Justice Laddie could not "pretend to be happy" about the consequences for intellectual property litigation. n211 He recognized that a defendant could, within limits, forum shop by deciding whether to attack a patent's validity. However, this appeared to be the inevitable consequence of Article 16(4) of the Brussels Convention, particularly in light of the status of the Community Patent Convention. n212 "There is much to be said from the user's point of view for a system where an international patent application leads to a patent having international effect and

which needs only to be litigated in one country. That is not yet the system which we have." n213

C. The Dutch Courts Respond (And Fail to Adopt) the U.K. Approach

The debate about jurisdiction (and ultimately cross-border injunctions) did not end with the Coin Controls case. In *Palmaz v. Boston Scientific B.V.*, n214 and *Expandable Grafts Partnership v. Boston Scientific B.V.*, n215 the Dutch District Court again faced the issue of a cross-border injunction. In *Palmaz* and *Expandable Grafts* the plaintiffs were proprietors of two distinct but similar European patents. n216 The defendant in both cases was an interconnected company consisting of two Dutch companies, and one Belgian, English, Swiss, Norwegian, French, Swedish, Spanish and Italian company. n217 The parties sought a determination of invalidity and infringement issues in District Court of the Hague. Related suits were pending, with respect to the same European patent, in the Netherlands, Belgium, France, Germany, the United Kingdom, Italy, Sweden and Spain. n218

The defendants challenged the jurisdiction of the District Court over the foreign defendants. n219 With respect to the Dutch defendants, they urged against cross border relief. n220 The defendants denied that plaintiffs had met the appropriate urgency requirements for interim relief and also claimed non-infringement and patent invalidity. n221

Relying on Article 2 of the Brussels Convention, the Court found itself competent to handle the claims against the Dutch defendants. n222 It also had jurisdiction over other (non-Dutch) defendants based on Article 16(1). "This is because all the claims concern the same European patents - which must be interpreted in the same manner in all designated countries under Article 69 EPC." n223 Moreover, the claims concerned the same product of the defendant. "This makes it necessary to avoid conflicting decisions and a sufficient connection between the claims has thus been established." n224

Importantly, the defendants also challenged the Court's jurisdiction under Articles 16(4) and 19 of the Brussels Convention. n225 Relying on *Coin Controls*, the defendants argued that, since the patents would be invalidated, "only the courts of the countries where the European patents . . . had . . . been registered" could decide on the invalidity defenses. n226 The Court considered this argument, but reasoned that Article 16 can be read two different ways: 1) that "the infringement court - which in principle has jurisdiction - has to declare itself not to have jurisdiction as soon as the invalidity of the patent is claimed as a defense" (the English rule); or 2) "that the infringement court . . . is . . . competent to take . . . the claim but . . . that it cannot give a decision on it until after the invalidity court . . . has given its opinion on the validity of the patent." n227

Relying on the public policy embodied in the Brussels Convention, i.e. "to strengthen the legal protection of the persons established within the territory of the Contracting States," the Dutch court rejected the English rule. n228 The English approach was likely to lead to attempts by defendants to eliminate jurisdiction by bringing invalidity proceedings elsewhere. This would result in wasted costs for the patentee and could "open the door to attempts to frustrate . . . speedy and affordable" patent litigation, which is generally considered desirable. n229 Moreover, as an exception to the general rule, Article 16(4) must be interpreted narrowly. n230 In short, the alleged invalidity of the

subject patents did not deprive the Dutch court of jurisdiction on the injunctive claims, although the Court might not be able to reach a final decision while the invalidation court is considering the invalidity issues. n231

The defendants also argued that injunctive relief could not extend beyond the Netherlands. n232 Relying on *Interlas*, the Court rejected this argument as well.

The main rule . . . is that, save it results otherwise from the law, the nature of the obligation or a legal act, the person who is obliged to give, do or refrain from doing something with regard to somebody else, is ordered to do so by the court when claimed by the entitled person . . . there is no reason to assume that there is no room for such an order if it concerns an obligation - possible an obligation under foreign law - which must be met outside the Netherlands. n233

On the facts of the case, however, injunctive relief was denied because it was very likely that neither patent was infringed. n234

Thus, both the Dutch and the U.K. courts agree that they may have jurisdiction in patent infringement actions involving foreign patents under the Brussels Convention. However, the United Kingdom will decline jurisdiction where the defendant asserts a claim of invalidity thereby allowing a defendant to forum shop. Moreover the U.K. rule means that it will rarely litigate foreign patents since invalidity is nearly always an issue.

D. Is the Issue Ripe for the European Court of Justice: *Fort Dodge v. Azko*.

The most recent decision of the U.K. courts refines the issues and refers the matter to the European Court of Justice. In *Fort Dodge Animal Health Ltd. v. Akzo Nobel*, n235 the U.K. Patent Court and Court of Appeal were presented with an extension of the *Coin Controls* decision. *Akzo Nobel*, a Dutch company, was the owner of numerous European patents all derived from an application prosecuted through the European Patent Office. n236 *Akzo's* Dutch and UK patents were essentially identical. The *Fort Dodge* group consisted of three companies domiciled in England, one in Australia and one Dutch company in Holland. n237 *Azko* commenced patent infringement proceedings in Holland against all of the *Fort Dodge* parties and another Dutch company. Thereafter, the *Fort Dodge* group petitioned the Patent Court in England to revoke *Azko's* U.K. patent. n238 The group also sought an injunction to prohibit *Azko* from bringing or maintaining a patent action in the Netherlands for the infringement of the United Kingdom patent based on acts committed in the United Kingdom. n239

The English Patent Court refused to grant the group's request which appeared to be based heavily on the argument that a Netherlands court would reach an improper or unfair result. n240 The Court of Appeals stayed the appeal pending a judgment of the European Court of Justice. n241 The appellate court specifically refused to consider or comment upon the Dutch procedures in resolving patent disputes. Instead, it viewed the dispute as a jurisdictional question - i.e., "whether the English Patents Court has exclusive jurisdiction . . . with . . . respect of the issues concerning the United Kingdom patent." n242

In reviewing the various sections of the Brussels Convention, the Court concluded that:

Articles 2 and 5(3), subject to the exclusion contained in Article 16, apply to actions in respect of intellectual property rights. Thus an owner of an appropriate right can take proceedings in respect of that right either in the country of domicile of the defendant or where the infringement takes place. n243

The Court recognized that the crucial issue of the case concerned the effect of Article 16(4) and whether it provided for exclusive U.K. jurisdiction over the dispute concerning the U.K. patent. n244 The Court concluded that under Article 16(4), all proceedings for revocation of a patent have to be decided by the Court of the State where the patent is registered. n245 As such, the Court reasoned, Article 16(4) differentiates between actions for infringement and proceedings concerned with validity. n246 "It follows that Article 24 does not provide jurisdiction to grant provisional relief restraining infringement within the United Kingdom as an adjunct to the claim for full relief pleaded in the Dutch proceedings." n247

However, the English appellate court also recognized that "a contrary opinion is tenable." n248 As such, it referred the question to the European Court of Justice and adjourned the appeal. n249

The question of which view is right is one of considerable importance to the enforcement of intellectual property rights in jurisdictions subject to the Brussels Convention. We believe that it is necessary for the European Court of Justice to consider the reconstruction [of Articles 16(4) and 24] and their applications to the facts and therefore it would be right to refer appropriate questions to that Court. n250

VII. Conclusion

Thus, while the courts of the Netherlands and the United Kingdom may disagree about how to interpret provisions of the Brussels Convention, they readily acknowledge that the Brussels Convention introduced a new international legal order, which in many respects eliminates national legal boundaries. The courts of both countries hold that the Brussels Convention confers judicial authority to national courts to decide issues of foreign patent infringement. This alone is a significant deviation from the traditional notion that a patent is territorial in scope. The deference of the issue to the European court systems (instead of the national court system) is yet another sign that the territorial limit of patents in European countries is rapidly dissolving.

Regardless of the European Court of Justice decision, patent enforceability throughout Europe will remain a priority. In order to ensure a successful Common Market, the Union must maintain an internal market that has no obstacles to the free movement of goods. n251

The institutions of the European Union plainly have changed traditional notions of patent enforceability, primarily due to the pressure of allowing (and encouraging) free trade. As this stronger European Union erodes the territorial nature of patents, will other countries do the same? With the advent of globalization and the dramatic increase of world trade, will the world follow Europe's lead?

n1 Fort Dodge Animal Health Ltd. v. AKZO Nobel N.V., 1998 Fleet Street Reports 222, 226.

n2 See id. at 227; see also Wouter E. Pors, *Litigation and Patent Portfolio Management*, IP Strategy Y.B. 37, 39 (1998).

n3 See id.

n4 "Intellectual property" is a term primarily used in the United States. David R. Bumbak, *Industrial Property Rights and the Free Movement of Goods in the European Communities*, 16 *Case W. Res. J. Int'l L.* 381, 385 n.23. (1984); see also W.R. Cornish, *Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights* § 1-01, at 3 (3d ed. 1996).

n5 See Arthur W. Weil, *American Copyright Law* 5 (1917).

n6 See Cornish, *supra* note 4, § 1-05, at 6.

n7 Statute of Monopolies of 1623, 21 Jam., ch. 3, § 6 (Eng.).

n8 See Bruce Bugbee, *The Genesis of American Patent and Copyright Law* 12 (1967).

n9 See id. at 17.

n10 See id. at 18.

n11 The preamble read:

THE MAGNIFICENT AND POTENT LORDS, LORDS MAGISTRATE AND STANDARD BEARER OF JUSTICE,

CONSIDERING that the admirable FILLOPPO BRUNELLESCHI, a man of the most perspicacious intellect, industry and invention, a citizen of Florence, has invented some machine or kind of ship, by Arno and on any other river or water, for less money than usual, and with several other benefits to merchants and others; and that he refuses to make such machine available to the public, in order that the fruit of his genius and skill may not be reaped by another without his will and consent; and that, if he enjoyed some prerogative concerning this, he would open up what he is hiding, and would disclose it to all:

AND DESIRING that this matter, so withheld and hidden without fruit, shall be brought to the light, to be of profit both to said FILLIPPO and to our whole country and others; and that some privilege be created for said FILLIPPO, as hereinafter described, so that he may be animated more fervently to even higher pursuits, and stimulated to more subtle investigations

Bugbee, *supra* note 8, at 17-18.

n12 The vessel appears to have sunk in the Arno while transporting white marble for the construction of Brunelleschi's famous cathedral in Florence. See Bugbee, *supra* note 8, at 19.

n13 See *Bonito Boats v. Thunder Craft Boats*, 489 U.S. 141, 146-47, 9 U.S.P.Q.2d 1847, 1850 (1989) (discussing the public policies of modern patent law).

n14 See *id.*

n15 See Cornish, *supra* note 4, § 3.001, at 65; Valentine Korah, *An Introductory Guide to EC Competition Law and Practice* § 9.1, at 189 (5th ed. 1994).

n16 See Margaret A. Boulvare et al., *An Overview of Intellectual Property Rights Abroad*, 16 *Hous. J. Int'l L.* 441, 446 (1994).

n17 Although countries define these elements differently, as a general rule, novelty is a legal fiction requiring, in the strictest sense, that nothing like this has existed before. See Christopher D. DeCluitt, *International Patent Prosecution, Litigation and Enforcement*, 5 *Tulsa J. Comp. & Int'l L.* 135, 138 (1997).

n18 As a general rule a patent is only granted if the invention, in light of prior art "would not have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains." 35 U.S.C. § 103 (1994).

n19 Boulvare et al., *supra* note 16, at 446.

n20 A United States patent only grants a right to exclude others from making, using, offering for sale, selling or importing the invention throughout, within, or into the United States. See 35 U.S.C. §§ 154, 271(a) (1994 & Supp. IV 1998).

n21 See George A. Bermann et al., *Cases and Materials on European Community Law* 396 (1993).

n22 See *Opinion of the Comptroller General of the United States*, 159 U.S.P.Q. 298, 301 (1968).

n23 *Aluminum Co. of Am. v. Sperry Prod., Inc.*, 285 F.2d 911, 925, 127 U.S.P.Q. 394, 406 (6th Cir. 1960); see also *Dowagiac Mfg. Co. v. Minnesota Moline Plow Co.*, 235 U.S. 641, 650 (1915) (holding that "the right conferred by a patent under [United States] law is confined to the United States and its territories."); *Ortho Pharm. Corp. v. Genetics Inst., Inc.*, 52 F.3d 1026, 1033, 34 U.S.P.Q.2d 1444, 1448 (Fed. Cir. 1995) ("A U.S. patent grants rights to exclude others from making, using and selling the patented invention only in the United States.") (emphasis added); *Mars Inc. v. Kabushiki-Kaisha Nippon Conlux*, 24 F.3d 1368, 1372-75, 30 U.S.P.Q.2d 1621, 1622-26 (Fed. Cir. 1994) (holding that the United States courts do not have the power to interpret whether a foreign patent has been infringed).

n24 See Boulvare, *supra* note 16, at 459.

n25 See Gerald J. Mossinghoff & Vivian S. Kuo, *World Patent System Circa 20XX, A.D.*, 38 *IDEA* 529, 530 (1998).

n26 *Id.* at 530.

n27 International Convention for the Protection of Industrial Property, July 14, 1967, reprinted in 8 Donald S. Chisum, *Chisum on Patents*, app. 3 at app. 3-1 to 3-31 (1998) [hereinafter *Paris Convention*]; see John R. Thomas, *Litigation Beyond the Technological*

Frontier: Comparative Approaches To Multinational Patent Enforcement, 27 Law & Pol'y in Int'l Bus. 277, 289 (1996).

n28 Mossinghoff & Kuo, supra note 25, at 532.

n29 See 1 Stephen P. Ladas, Patents, Trademarks, and Related Rights: National and International Protection 284 (1975).

n30 Id.

n31 Id.

n32 Id.

n33 Mossinghoff & Kuo, supra note 25, at 532. The original signatories were Belgium, Brazil, France, Guatemala, Italy, The Netherlands, Portugal, Salvador, Serbia, Spain and Switzerland. See G.H.C. Bodenhausen, Guide to the Application of the Paris Convention for the Protection of Industrial Property 9 n.1 (1968).

n34 Mossinghoff & Kuo, supra note 25, at 532.

n35 Id. As stated in Article 2(1) of the Convention:

Nationals of any country of the Union shall, as regards the protection of industrial property, enjoy in all the other countries of the Union the advantages that their respective laws now grant, or may hereafter grant, to nationals; all without prejudice to the rights specially provided for by this Convention. Consequently, they shall have the same protection as the latter, and the same legal remedy against any infringement of their rights, provided that the conditions and formalities imposed upon nationals are complied with.

Paris Convention, supra note 27, art. 2, 8 Chisum at app. 3-1 to 3-2.

n36 Mossinghoff & Kuo, supra note 25, at 532.

n37 Id. at 533.

n38 Id.

n39 See id.

n40 See Ladas, supra note 29, at 283.

n41 See id. at 286.

n42 Id. at 287.

n43 See id. at 286.

n44 See id. at 287.

n45 See id. at 283; see, e.g., Paris Convention, supra note 27, art. 4bis, 8 Chisum at app. 3-5 to 3-6.

n46 Mossinghoff & Kuo, supra note 25, at 535; Patent Cooperation Treaty, June 19, 1970, reprinted in 8 Donald S. Chisum, Chisum on Patents app. 4 (rel. no. 55, Sept. 1995).

n47 See Patent & Trademark Office, U.S. Dep't of Commerce, Current Alphabetical Listing of PCT Contracting States (last modified Oct. 19, 1998) <<http://www.uspto.gov/web/office/pac/dapps/pct/pct.htm>>.

n48 See Mossinghoff & Kuo, *supra* note 25, at 536.

n49 Patent Cooperation Treaty, *supra* note 40, art. 3, 8 Chisum at app. 4-6.

n50 See *id.* art. 11, 8 Chisum at app. 4-8 to 4-9.

n51 See *id.* art. 16, 8 Chisum at app. 4-12.

n52 *Id.* art. 18, 8 Chisum at app. 4-13 to 4-14; see also Thomas, *supra* note 35, at 292.

n53 See Patent Cooperation Treaty, *supra* note 46, art. 15, 8 Chisum at app. 4-11; see also Thomas, *supra* note 35, at 292.

n54 See Patent Cooperation Treaty, *supra* note 46, art. 32, 8 Chisum at app. 4-21; see also Thomas, *supra* note 27, at 292.

n55 Patent Cooperation Treaty, *supra* note 46, art. 22, 8 Chisum at app. 4-15.

n56 See *id.* art. 27, 8 Chisum at app. 4-17 to 4-18.

n57 See 4 Donald S. Chisum, Chisum on Patents § 14.02[4], at 14-23 (rel. no. 39, Aug. 1991).

n58 Patent Cooperation Treaty, *supra* note 46, art. 27(1), 8 Chisum at app. 4-17 to 4-18.

n59 Provisions amending the Treaty establishing the European Economic Community with a view to establishing the European Community, Mar. 25, 1957. The six original members were Belgium, France, Germany, Italy, Luxembourg, and The Netherlands. See European Union -- Selected Instruments Taken from Treaties (visited Sept. 22, 1999) <<http://europa.eu.int/abc/obj/treaties/en/entr6a.htm>>; see also *infra* notes 89-98 and accompanying text.

n60 See European Patent Convention of October 7, 1977, 2K World Patent Law and Practice EPC-3 (John P Sinnott et al. eds.) (rel. no. 75, July 1997) [hereinafter European Patent Convention or EPC]; see also *infra* notes 63-70 and accompanying text.

n61 See Convention for the European Patent for the Common Market, 2A World Patent Law and Practice app. 3-484 (J.W. Baxter et al. eds.) (rel. no. 92, Aug. 1996) [hereinafter Community Patent Convention]; see also Christian Hilti, The Future European Community Patent System and Its Effects on Non-EEC Member States, 18 *AIPLA Q.J.* 288, 293 (1990).

n62 See *infra* notes 74-83 and accompanying text.

n63 See Iain C. Baillie, Where goes Europe? The European Patent, 58 *J. Pat. Off. Soc'y* 153, 154 (1976).

n64 See European Patent Convention, *supra* note 60, 2K World Patent Law and Practice at EPC-3.

n65 See *id.* art. 1.

n66 See Mossinghoff & Kuo, *supra* note 25, at 542.

n67 See *id.*

n68 See European Patent Convention, *supra* note 60, arts. 63(2), 138, 2K World Patent Law and Practice at EPC-20, EPC-44.

n69 See Brian Turner, The German Formstein Case: An Alternative Harmony, 14 *Eur. Intell. Prop. Rev.* 181 (1992).

n70 See Jeffrey L. Thompson, Note, The North American Patent Office? A Comparative Look at the NAFTA, The European Community, and the Community Patent Convention, 27 *Geo. Wash. J. Intl. L. & Econ.* 501, 511 (1993).

n71 See Community Patent Convention, *supra* note 60, 2K World Patent Law and Practice at app. 3-484.

n72 See *id.* art. 2.

n73 See *id.* arts. 7, 62, 63, 2K World Patent Law and Practice at apps. 3-485, 3-505, 3-506; Turner, *supra* note 69, at 183.

n74 "The Convention was supposed to go into effect three months after the deposit of the ratification instrument by the last signatory state. This event has not yet occurred." Mossinghoff, & Kuo *supra* note 25, at 543.

n75 See Michael Burnside, The Community Patent Convention: Is It Obsolete In Its Present Form?, 14 *Europ. Intell. Prop. Rev.* 285 (1992).

n76 *Id.*

n77 *Id.*

n78 See *id.* at 285-86.

n79 See Institutions of the European Union (visited Sept. 22, 1999) <<http://europa.eu.int/inst-en.htm>>. The European Commission of the European Union is responsible for initiating proposals for legislation and is "firmly at the heart of the European Union's policy-making process." *Id.*

n80 Commission Green Papers are documents intended to stimulate debate and launch

a process of consultation at the European level on a particular topic.

These consultations may then lead to the publication of a White Paper, translating the conclusions of the debate into actual proposals for

Community action. See SCADplus: Glossary (visited Dec. 20, 1999) <<http://europa.eu.int/scadplus/leg/en/cig/g4000g.htm#g3>>.

n81 See Pors, *supra* note 2, at 39.

n82 See *id.*

n83 On March 15, 1999, all twenty of the European Commissioners resigned in response to allegations of fraud and mismanagement. If political squabbling erupts, it

could take months to appoint a new Commission. See *Clearing the Decks for Reform*, *Bus. Wk.*, Mar. 1999, at 52.

n84 See Bermann et al., *supra* note 21, at 7.

n85 These were France, Germany, Italy, Belgium, Luxembourg and The Netherlands.

See *id.* at 5.

n86 Treaty Establishing the European Coal and Steel Community as Amended by Subsequent Treaties, Paris, Apr. 18, 1951, reprinted in *Basic Community Laws* 7 (Bernard Rudden & Derrick Wyatt eds., 6th ed. 1996) [hereinafter ECSC Treaty].

n87 Bermann et al., *supra* note 21, at 3.

n88 ECSC Treaty, *supra* note 86, *Basic Community Laws* at 7.

n89 Treaty Establishing the European Community as Amended by Subsequent Treaties, Rome, Mar. 25, 1957, reprinted in *Basic Community Laws* 22 [hereinafter Treaty of Rome].

n90 *Id.* art. 2, *Basic Community Laws* at 22-23.

n91 *Id.* Preamble, *Basic Community Laws* at 22. Also see Article 2 for the "task" of the EEC:

The Community shall have as its task, by establishing a common market and an economic and monetary union . . . to promote throughout the Community a harmonious and balanced development of economic activities, sustainable and non-inflationary growth . . . a high degree of convergence of economic performance . . . and economic and social cohesion and solidarity among Member States.

Id. art. 2, *Basic Community Laws* at 23.

n92 *Id.* art. 3(c), *Basic Community Laws* at 23.

n93 *Id.* arts. 3(a), 9, 12-17, *Basic Community Laws* at 23, 29, 30-32.

n94 *Id.* arts. 3(c)-(d), 48-51, *Basic Community Laws* at 23, 45-46.

n95 *Id.* art. 59, *Basic Community Laws* at 49.

n96 *The Treaty on European Union*, Feb. 7, 1992.

n97 See Denis J. Edwards, *Fearing Federalism's Failure: Subsidiarity in the European Union*, 44 *Am. J. Comp. L.* 537, 539 (1996).

n98 See *id.*

n99 *Van Gend v. Nederlandse Tariefcommissie*, 1963 C.M.L.R. 105.

n100 Report by Mr. R. Jenard on the Convention of 27 Sept. 1968 on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters, 1979 O.J. (c 59) 1, 3 [hereinafter Jenard Report].

n101 Treaty of Rome, *supra* note 89, Part. VI, art. 220, at 136.

n102 Convention on Jurisdiction and Enforcement of Judgments In Civil and Commercial Matters, September 27, 1968, 29 *I.L.M.* 1417, 1418 [hereinafter Brussels Convention].

n103 See *id.*

n104 See Robert C. Reuland, The Recognition of Judgments in the European Community: The Twenty-fifth Anniversary of the Brussels Convention, 14 *Mich. J. Int'l L.* 559-72 (1993).

n105 See, e.g., Brussels Convention, *supra* note 102, arts. 26, 31, at 1424-25.

n106 See, e.g., Lee S. Bartlett, Full Faith and Credit Comes to the Common Market: An Analysis of the Provisions of the Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters, 24 *Int'l & Comp. L.Q.* 44 (1975).

n107 The 1968 text of the Brussels Convention has been substantially altered by the subsequent treaties and agreements, rendering a coherent reading of the current Convention text somewhat difficult. Recognizing this difficulty, the Secretariat of the Council of Europe in 1990 produced a consolidated and updated version of the Brussels Convention. A consolidated version of the 1971 Protocol was also produced. These texts incorporate amendments and revisions to the 1968 text as a result of the 1979, 1982, and 1989 accession conventions and the 1988 Lugano Convention. See Reuland, *supra* note 104, at 571.

n108 See *id.*

n109 After Denmark, Ireland and the United Kingdom of Great Britain and Northern Ireland joined the European Communities (Europe of Nine), they agreed in a separate act of accession to enter into negotiations with a view toward accession to the Brussels Convention. See Act Concerning the Conditions of Accession and the Adjustment to the Treaties, 1972 O.J. Spec. Ed. (L73) 14.

n110 In 1982, following its accession to the Treaty of Rome, Greece also acceded to the Brussels Convention. See Convention on the Accession of the Hellenic Republic to the Convention on Jurisdiction and Enforcement in Civil and Commercial Matters and to the Protocol on Its Interpretation by the Court of Justice with the Adjustments Made to Them By the Convention on the Accession of the Kingdom of Denmark, of Ireland, and of the United Kingdom of Great Britain and Northern Ireland. Convention on the Accession of the Hellenic Republic to the Brussels Convention, Sept. 25, 1982, art. 1(1), 1982 O.J. (L 388) 1, 2.

n111 Spain and Portugal signed a convention of accession to the Brussels Convention in 1989, after their accession to the EC, by the treaty known as the San Sebastian. See Convention on the Accession of the Kingdom of Spain and the Portuguese Republic to the Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters and to the Protocol on Its Interpretations By the Court of Justice with the Adjustments Made to Them by the Convention on the Accession of the Kingdom of Denmark, or Ireland and of the United Kingdom of Great Britain and Northern Ireland and the Adjustments Made to Them by the Convention on the Accession of the Hellenic Republic, May 26, 1989, art. 1, 1989 O.J. (L 285) 1, 3.

n112 Austria, Finland, and Sweden are not parties to Brussels Convention, but are signatories to Lugano Convention between EFTA countries (i.e. Iceland, Norway, and Switzerland) and Member States of the EC. See Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters, Sept. 6, 1988, 1988 O.J. (L 319) 9. The Lugano Convention provides for a regime similar to the Brussels Convention to which the Kingdom of Spain and the Portuguese Republic acceded. See Martin de Almeida Cruz et al., Report on the Brussels Convention on the Accession of the Kingdom of Spain and the Portuguese Republic, 1989 O.J. (C 189) 35, 38 [hereinafter Cruz Report].

n113 See Cruz Report, supra note 112, at 38. One of the fundamental principles of the Brussels Convention is that "any State which becomes a member of the European Economic Community is required to accept the Convention as a basis for the negotiations necessary to ensure the implementation of Article 220 of the Treaty of Rome." Id.

n114 See Christian Kohler, Practical Experience of the Brussels Jurisdiction and Judgments Convention in the Six Original Contracting States, *34 Int'l & Comp. L.Q.* 564 (1985). The Brussels Convention has been described as the "foundation of a European Law of Procedure." Id. at 563.

The practical significance of the Brussels Convention for the Contracting States in everyday legal terms can hardly be overestimated if one considers that it covers, both as regards jurisdiction and the recognition and enforcement of foreign judgments, the majority of civil actions which involve connection with other Contracting States; when it was estimated that the Convention would be relevant in approximately 20,000 cases each year, that figure was probably not put too high.

Id. at 564.

n115 See Brussels Convention, supra note 102, arts. 2-24, *29 I.L.M. at 1417-24*.

n116 See Brussels Convention, supra note 102, arts. 26-53, *29 I.L.M. at 1424-29*.

n117 See David Perkins & Garry Mills, Patent Infringement and Forum Shopping in the European Union, *20 Fordham Int'l L.J.* 549, 551 (1996).

n118 See Brussels Convention, supra note 102, art. 2, *29 I.L.M. at 1418*.

n119 See Perkins, supra note 125, at 552; Gearoid O'Sullivan, Cross-border Jurisdiction in Patent Infringement Proceedings in Europe, *18 Eur. Intell. Prop. Rev.* 654, 655 (1996).

n120 This includes patent litigation. See infra notes 136-250.

n121 See Brussels Convention, supra note 102, art. 5(3), *29 I.L.M. at 1419*.

n122 See O'Sullivan, supra note 109, at 656.

n123 See id. at 656.

n124 Brussels Convention, supra note 102, art. 6(1), *29 I.L.M. at 1419*.

n125 O'Sullivan, supra note 119, at 656.

n126 Brussels Convention, supra note 102, art. 24, *29 I.L.M. at 1424*.

n127 See Introduction to Dutch Law For Foreign Lawyers 210-11 (Jeroen Chorus et al. eds., 2d ed. 1993). The kort geding summary procedure is frequently used in the Netherlands. "About one fourth of all litigation in the big cities (Amsterdam, The Hague, Rotterdam) is conducted by way of kort geding." Id. at 211.

n128 See Brussels Convention, supra note 102, 29 *I.L.M.* at 1422.

n129 Brussels Convention, supra note 102, art. 16(4), 29 *I.L.M.* at 1422.

n130 See Reuland, supra note 104, at 561.

n131 See Brussels Convention, supra note 102, art. 26, 29 *I.L.M.* at 1424. Article 26 specifically provides that, "a judgment given in a Contracting State shall be recognized in the other Contracting States without any special procedure being required." Id.

n132 Id. art. 27(1), 29 *I.L.M.* at 1424.

n133 Id. art 31, 29 *I.L.M.* at 1425.

n134 Prof. Mario Franzosi & Dr. Guistino de Sanctis, Are National IP Rights Becoming Obsolete, *IP Worldwide*, May/June 1996.

n135 See Diana Guy & Guy I.F. Leigh, *The EEC and Intellectual Property* 6 (1981).

n136 See Thomas, supra note 27, at 299, n.132 giving case citation as *Judgment of Nov. 24, 1989, HR, 1992 NJ 404* (Neth.). For other articles discussing *Interlas v. Lincoln* and its impact, see Franzosi, supra note 142; Charles E. Miller & Bart J. van den Broek, Netherlands Courts Allow Patent Owners to Obtain Cross-Border Injunctions, Sparing Owners the Necessity of Initiating Multiple Infringement Proceedings, *Nat'l L.J.*, Jan. 13, 1997, at B4; Richard A. Kempner & Joe Fricker, Can UK Courts Face the Dutch Challenge on Cross-Border Injunctions in Intellectual Property Cases?, 18 *Eur. Intell Prop. Rev.* 377 (1996); and Heleen Bertrams, The Cross-Border Prohibitory Injunction in Dutch Patent Law, 26 *Int'l Rev. Indus. Prop. & Copyright L.* 618 (1995).

n137 See Thomas, supra note 27, at 299.

n138 See id.

n139 See id. at 300.

n140 See Jan. J. Brinkof, Could the President of the District Court of the Hague Take Measures Concerning the Infringement of Foreign Patents?, 16 *Eur. Intell. Prop. Rev.* 360, 361 (1994).

n141 See Miller, supra note 136.

n142 1992 BIE, No. 78 (Hague Dist. Ct. Dec. 1990).

n143 See Bertrams, supra note 136, at 620.

n144 1992 BIE, No. 80 (Hague Dist. Ct. Dec 1991).

n145 See id. at 620-21; Thomas, supra note 27, at 303-04.

n146 See Miller, supra note 136, at B4.

n147 See Miller, supra note 136, at B4.

n148 *Applied Research Systems v. Organon*, IER 1994, 57 (Hague Ct. of App. Feb 94). For other articles discussing *Applied Research Systems v. Organon*, see Bertrams, supra note 136, at 618; Miller, supra note 136; Kempner, supra note 136; and Charles Gielen & Richard Ebbink, *First Europe-Wide Biotech Patent Injunction*, 16 Eur. Intell. Prop. Rev. 243 (1994).

n149 See Miller, supra note 136, at B4.

n150 See Bertrams, supra note 136, at 618.

n151 *Chiron Corp. v. Organon AKZO Pharma-Organon Technika-UBI*, 1994 IER, No. 10 (Hague Dist. Ct. Jul. 94), upheld 1994 IER, No. 24 (Hague Dist. Ct. Dec. 94). For other articles discussing *Chiron v. Organon*, see Bertrams, supra note 136, at 621; Miller, supra note 136, at B4; and Kempner, supra note 136. In addition, see generally Hub. Harmeling, *Multi-National Enforcement of IP-rights*, IP Strategy Y.B. 31 (1997).

n152 See Miller, supra note 136, at B4.

n153 See id.

n154 See Bertrams, supra note 136, at 621.

n155 See Miller, supra note 136.

n156 See Thomas, supra note 27, at 299-301; Miller, supra note 136.

n157 See Thomas, supra note 27, at 301; see also *Cordis v. Cadsand Medica*, discussed in Miller, supra note 136. The Cordis dispute involved a U.S. company, Cordis Corp., and a Swiss company, Schneider, which was part of a U.S. group of companies. Plaintiff sued a competitor's Dutch distributor, the competitor's other European distributors, and the foreign competitor-manufacturer. Although the court rejected plaintiff's claim for a cross-border injunction on the merits, in dicta, the President of the district court recognized the court's ability to issue cross-border injunctions against Dutch and foreign defendants even though the defendants' only connection to the Netherlands was via their Dutch distributors. See id.

n158 Brussels Convention, supra note 102, art. 26, 29 *I.L.M. at 1424*.

n159 See *Extra-Territorial*, 17 *Europ. Intell. Prop. Rev.* D-73 (1995) (discussing BIE 1994, No. 111 (Cour d' Appel de Paris Jan. 1994)).

n160 See id.

n161 See id.

n162 See id.

n163 See id.

n164 See id.

n165 See id.

n166 See Brinkhof, supra note 140, at 360. The author of the comment was the Vice President of the Court of Appeal of the Hague, as well as a Professor of Industrial Property Law at the University of Utrecht. Id. at 364.

n167 Id. at 361.

n168 Bertrams, supra note 136, at 621.

n169 Hoffman LaRoche v. Organon (Hague Ct. of App. Sept. 1996) (unpublished).

n170 See Miller, supra note 136, at B4.

n171 See id.

n172 See Harmeling, supra note 151, at 31.

n173 See Pors, supra note 2, at 37; Harmeling, supra note 151, at 31; Injunctive and Summary Proceedings in the Netherlands, IP Litigation Y.B. 40 (1994); see also Steven B. Pokotilow et al., A Better Way to Protect Patents in Europe, 4 The Intell. Prop. Strategist, Aug. 1998, at 1.

n174 Pors, supra note 2, at 39.

n175 Kempner, supra note 136, at 377.

n176 See O'Sullivan, supra note 119, at 664; see also Harmeling, supra note 151, at 32. Apparently, the Dusseldorf District Court enjoined several defendants, including one German company director, from infringing a United Kingdom patent. The court applied German law in assessing damages on the basis that application of English law would involve discovery proceedings not available in Germany. See Richard Ebbinks, Cross-Border Injunctions: Are the Dutch Getting Support, Patent World 15, 19 (1996).

n177 See Fort Dodge Animal Health Limited v. AKZO Nobel N.V., 1998 Fleet Street Reports 222.

n178 1995 Fleet Street Reports 325.

n179 Id. at 338.

n180 The European Court of Justice has two principal functions: 1) to check whether instruments of the European institutions and of governments are compatible with the Community Treaties; and 2) at the request of a national court, to pronounce on the interpretation or validity of the provisions contained in Community law. See European Union Website, Court of Justice (visited Dec. 18, 1999)

<<http://europa.eu.int/inst/en/cj.htm>>. Members to the Brussels Convention agree that the European Court of Justice has authority to interpret the Convention. See Protocol on the Interpretation by the Court of Justice of the Convention of Sept. 27, 1968 on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters, June 3, 1971, 1975 O.J. (L204) 28. Under the Protocol, which entered into force on September 1, 1975, the courts of Member States may ask the European Court to issue interpretive rulings on the Brussels Convention and its various attendant treaties and agreements. See Re uland, supra note 104, at 564-65.

n181 1997 Fleet Street Reports 641.

n182 See id. at 647.

n183 See id. at 644.

n184 See id. at 648.

n185 See id. at 648. In addition, Article 5(3) provides for jurisdiction "in matters relating to tort . . . in courts for the place where the harmful event occurred." Brussels Convention, supra note 102, art. 5(3), *29 I.L.M. at 1419*.

n186 Pearce, 1997 Fleet Street Reports at 646.

n187 See id. at 647.

n188 Id.

n189 See id.

n190 See id.

n191 See id. at 648.

n192 1997 Fleet Street Reports 660.

n193 See id. at 663.

n194 Id. at 663.

n195 See id.

n196 Although plaintiff did not have an equivalent patent in Holland, the representative for the defendants conceded that Suzo Holland was jointly liable because of commercial activities that infringed the plaintiff's U.K. patent. See id. at 664.

n197 See id.

n198 See id.

n199 See id.

n200 See id. at 669.

n201 Id. at 671.

n202 Id.

n203 Id.

n204 See id. at 672.

n205 Article 21 provides in pertinent part:

Where proceedings involving the same cause of action and between the same parties are brought in the courts of different Contracting States, any court other than the court first seised shall of its own motion decline jurisdiction in favour of that court

Brussels Convention, supra note 102, art. 21, *29 I.L.M. at 1423* (emphasis added).

Article 22 provides:

Where related actions are brought in the courts of different Contracting States, any court other than the court first seised may, while the actions are pending at first instance, stay its proceeding.

Brussels Convention, supra note 102, art. 22, *29 I.L.M. at 1423* (emphasis added).

n206 Coin Control, 1997 Fleet Street Reports at 673.

n207 Id. at 674.

n208 See id. at 675-78.

n209 Article 19 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.

Brussels Convention, supra note 102, art. 19, 29 *I.L.M. at 1423*.

n210 See Coin Controls, 1997 Fleet Street Reports at 677.

n211 Id. at 678.

n212 See id.

n213 Id. at 678-79.

n214 1998 Fleet Street Reports 199.

n215 1998 Fleet Street Reports 199.

n216 See Palmaz, 1998 Fleet Street Reports at 203-04.

n217 See id. at 207, 210.

n218 See id. at 207-08.

n219 See id. at 208-09.

n220 See id. at 209.

n221 See id. at 208-09.

n222 See id. at 209.

n223 Id.

n224 Id.

n225 See id. at 211.

n226 Id.

n227 Id. at 212.

n228 Id. at 213.

n229 Id.

n230 See id.

n231 See id. at 214.

n232 See id. at 215.

n233 Id.

n234 See id. at 217-21.

- n235 1998 Fleet Street Reports 222.
- n236 See id. at 230.
- n237 See id.
- n238 See id.
- n239 See id. at 231-32.
- n240 See id. at 235-37.
- n241 See id. at 239.
- n242 Id. at 240.
- n243 Id. at 242.
- n244 See id. at 245.
- n245 See id. at 242.
- n246 See id.
- n247 Id. at 246.
- n248 Id.
- n249 See id.
- n250 Id.
- n251 Treaty of Rome, *supra* note 89, art. 3(c), Basic Community Laws at 23.