

UPC weighs in on extraterritorial jurisdiction

FUJIFILM Corporation v Kodak Holding GmbH, Kodak GmbH, Kodak Graphic Communications GmbH UPC_CFI_355/2023

Decision of 28 January 2025[1] (ORD_598539/2023)

Fujifilm brought an infringement action against three Kodak companies based in Germany at the Düsseldorf Local Division of the UPC, asserting EP 3594009 which was in force in UK and Germany only. Fujifilm sought relief not only in respect of Germany, but also in respect of the UK. The defendants challenged the UPC's jurisdiction with regard to the UK part of the European patent in a preliminary objection that the judge-rapporteur decided should be dealt with in the main proceedings. The defendants counterclaimed for revocation of the patent in respect of Germany only.

The question of whether the UPC had jurisdiction to determine infringement in respect of the UK was extensively considered in the judgment, even though not determinative of the outcome. The court held that the patent was invalid, and therefore declined to rule on infringement in either Germany or UK. However, the jurisdiction point has already attracted much comment.

The court determined that it did have jurisdiction over infringement with respect to the UK as well as Germany. This is not actually surprising and follows entirely conventional understanding of the Brussels Ibis Regulation. Art. 31 UPC Agreement stipulates that the international jurisdiction of the UPC is determined in accordance with Brussels Ibis Regulation, and so it is that Regulation, not the UPCA that solves the jurisdiction question.

Art. 4(1) Brussels Ibis Regulation specifies that a person domiciled in a member state shall be sued in the courts of that member state. All three defendants were domiciled in Germany, and therefore a German local division of the UPC has competence, being

equivalent to a national court as specified in Art. 71b(1) Brussels Ibis Regulation. It is well established (eg in *Owusu*, C-281/02) that when a court has personal jurisdiction in this manner, the court has competence irrespective of where the acts are committed. This type of extraterritorial jurisdiction was exercised by UK courts in the *Actavis v Lilly*[2] litigation, which ruled on non-infringement in respect of France, Italy and Spain as well as UK.

The reason why this jurisdiction is not often seen is because of Art. 24(4) Brussels Ibis Regulation, which gives exclusive jurisdiction to national courts in respect of the validity of a patent in their territory. Therefore, while a competent court in another territory may have jurisdiction over infringement, that court cannot rule on validity. Since it is rarely convenient to separate the issues, extraterritorial jurisdiction on infringement is rarely seen. But just because it is rare does not mean it is not possible. It occurred in *Actavis v Lilly* because the action started as a declaration of non-infringement with a commitment not to put validity into question.

Having decided that the patent asserted was invalid, the Düsseldorf Local Division ordered its revocation with respect to Germany. It had no such power to do so with respect to the UK, because of Art. 24(4) Brussels Ibis Regulation. In principle it could have considered infringement including in respect of UK, but declined to do so. It noted that:

the validity of the patent in suit is a prerequisite for an injunction and further orders based on a finding of infringement. Although the UPC has no jurisdiction to rule on the validity of the UK part of the patent in suit, the invalidity of the patent in suit has been broadly discussed.

And stated:

Even if the Court cannot decide on the validity of the UK part of the patent in suit, and certainly cannot revoke that part, the infringement action cannot be successful in such a factual and legal situation.

It is perhaps unfortunate that the UPC has entered the sensitive topic of extraterritorial jurisdiction in a case where it was immaterial to the outcome. However, in principle a court must determine its jurisdiction as a preliminary question irrespective of the merits of the case, and so perhaps it was unavoidable.

[1] <https://www.unified-patent-court.org/en/node/53123>

[2] <https://www.supremecourt.uk/cases/uksc-2015-0181>