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CJEU and SCOTUS go separate ways regarding “forum shopping”

Important decisions were issued in recent days concerning the ability of plaintiffs to choose the jurisdiction for their complaints (“forum shopping”).

While the Supreme Court of the United States of America (SCOTUS) decided on 22 May 2017 in *TC Heartland LLC v. Kraft Food Group Brands LLC* (available [here](#)) to significantly restrict “forum shopping,”¹ the CJEU decided exactly the opposite only four days earlier, on 18 May 2017, in a case that, although not identical, is similar.

In decision C-617/15 (available [here](#)), the firm Hummel Holding A/S had brought an action for infringement of an EU trade mark against the Nike company, namely Nike Inc. (USA) and Nike Retail BV (Netherlands), before the Düsseldorf Regional Court and in the appeal process before the Düsseldorf Higher Regional Court.

Pursuant to Article 97 of the EU regulation EU 207/2009, which remains applicable here, an action can be brought against a defendant in a member state if the defendant has a place of business there. EU 2007/2009 (since replaced by EU 2015/2424) refers in this regard to EU 44/2001 – which in turn has been replaced in the meantime by EU 1215/2012.

Nonetheless, both defendants presented defenses including the argument that the Düsseldorf Regional Court lacked local jurisdiction due to the absence of a place of business in Germany.

However, a subsidiary does exist in Germany, Nike Deutschland GmbH,² which constitutes a subsidiary or second-tier subsidiary of the defendant companies.

The Düsseldorf Higher Regional Court then asked the CJEU whether this is sufficient to constitute a

“What's out is out” – the Federal Court of Justice “Ankopplungssystem” ruling

The recently issued decision X ZR 10/15 – “Ankopplungssystem” by the Federal Court of Justice (available [here](#)) concerns the options for defending the contested patent in partial nullity actions.

Since the defraying of costs pursuant to Section 91 of the German Code of Civil Procedure applies in a nullity proceeding, it can save costs for the client if dependent claims for which no satisfactory prior art has been found are explicitly taken out of the nullity petition.

Admittedly, in this case the patent is certain to remain in effect within the scope of these dependent claims, but if the case is won in all other respects, the patent holder bears the full costs instead of only a portion.

In the present case a nullity action was filed that was directed only against claim 1. The patent holder had then submitted multiple sets of claims as auxiliary requests, including several in which features from dependent claims that had not been contested were incorporated into claim 1.

The Federal Court of Justice then ruled that such sets of claims were inadmissible, because: “A patent can be defended by the nullity defendant only within the scope in which it is contested by the nullity plaintiff.” [27]

Thus, when a nullity plaintiff deliberately refrains from contesting several dependent claims of a patent, it is not possible to use features from these claims to uphold the patent.

Nor is such a limitation necessary to begin with, since the patent will in any case remain in force

And in our own affairs...

On the 8th June 2017, the 10th Rhineland Biopatent Forum is scheduled to take place in our offices. Speakers at the event include: Tarun Gandhi, Chada & Chada (India) Atushi Shiomi, Tsukuni & Associates (Japan), Tilman Breitenstein, Director DSM Innovation Center Intellectual Property, Violeta Georgieva, Legal and Regulatory Manager, EuropaBio Brussels, Dr. Bettina Wanner, Bayer Intellectual Property GmbH, as well as some members of our practice.

The event is free to attend. For the complete programme and to register your attendance, please respond [here](#).

Proposals and Questions

If you have any proposals or questions, please don't hesitate to contact us [here](#).

place of business, and the CJEU confirmed that it is. The action is now continuing before the Düsseldorf Higher Regional Court.

Consequently, the options for trade mark plaintiffs in the EU have been significantly broadened with regard to the choice of their venue.

Although it primarily deals only with trade mark infringement cases arising from EU trade marks, this decision is also significant for patents, since the underlying EU regulation is EU 1215/2012 (revised by EU 542/2014), which is generally applicable in civil litigation as the “Brussels I Regulation.” Its predecessor, EU 44/2001, is also cited in the decision.

This regulation is also applicable for the coming Unified Patent Court, and the CJEU is responsible in this respect as well, so in all probability broad “forum shopping” will be possible here.

It may likewise turn out that the significance of German law to substantive law for unitary patents will be significantly reduced on account of the fact that the German term “Niederlassung” (“place of business”) is used in the German version of the Unitary Patent Regulation EU 1257/2012.

Pursuant to Article 7 of EU 1257/2012, the substantive law for unitary patents is governed by the law of the member state in which the applicant (in the case of multiple applicants, the first applicant named) has his residence, the location of his principal place of business, or in the alternative even only a place of business.³

Only in the case of unitary patents for which none of the applicants has such a place of business does the law of “the State where the European Patent Organisation has its headquarters,” hence Germany, apply.

However, pursuant to C-617/15 virtually all large companies outside the EU, and in any case all international holdings, will now have a place of business in a member state, which is to say that this will be the exception, and not – as previously thought – the rule.

¹ For a detailed analysis of this decision, please refer to the appropriate US publications.

² This company was not a party to the litigation. It supports Nike Retail BV in supplying distributors, and provides end customer service.

³ On this topic, see also the more detailed *Hüttermann, Einheitspatent und Einheitliches Patentgericht*, Heymanns 2016, available [here](#). It should be noted, however, that the English version does not use “domicile,” but instead “seat of business.”

within this scope.

Nevertheless, if a parallel infringement action is pending – which is the usual situation, of course – the nullity plaintiff must proceed with the greatest of care, and leave uncontested only those claims for which he is very certain that the embodiment contested in the infringement action does not implement them.

Otherwise he would then have “dug his own grave.” Although he could still submit a second nullity petition against the previously uncontested claims, the chance of the infringement courts granting a stay is rather slim.

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