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CJEU Expands Cross-Border Patent Infringement Jurisdiction In *BSH Hausgeräte v. Electrolux*

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Commentary

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[Editor's Note: Tim Powell, Hiroshi Sheraton and Alexander Ritter are partners with the law firm Morgan Lewis and specialists in intellectual property (IP) law and patent disputes. Tim and Hiroshi are based in the firm's London office, while Alex operates from Munich. Any commentary or opinions do not reflect the opinions of Morgan Lewis & Bockius LLP or LexisNexis®, Mealey Publications™. Copyright © 2025 by Tim Powell, Hiroshi Sheraton and Alexander Ritter. Responses are welcome.]

The Court of Justice of the European Union (CJEU) has delivered a landmark ruling in *BSH Hausgeräte v. Electrolux* that significantly expands the jurisdictional reach of EU courts in cross-border patent infringement cases. The decision affirms that courts in any EU member state can hear patent infringement claims involving other EU countries, as well as third states, even when the validity of the patents is contested provided that the defendant is domiciled in the court's jurisdiction. This ruling may reshape IP enforcement strategies across Europe and beyond.

Key Findings

- *Long-Arm Jurisdiction Affirmed:* The CJEU ruled that EU courts have jurisdiction over cross-border patent infringement cases, regardless of validity challenges, when the defendant is domiciled within the court's state or (for Unified Patent Court (UPC) actions) in one of the 18 states participating in the UPC.

- *Article 24(4) Brussels I Regulation Recast Interpretation:* The court held that Article 24(4), which grants exclusive jurisdiction over patent validity disputes to the national courts of the country where the patent is registered, does not bar infringement actions in other EU states, even when validity challenges are raised as defenses in those actions.
- *Applicability to non-EU States:* The CJEU confirmed that Article 24(4) does not limit EU courts' jurisdiction over patent infringement actions involving non-EU countries, enabling claims to proceed for defendants domiciled within the EU, even when the alleged infringement occurs outside the EU and validity is raised as a defense.

Commentary

The jurisdiction of courts within the EU to hear civil and commercial cases is governed by the Regulation 1215/2012/EU on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast) ("Brussels 1 Regulation Recast"). Under Article 4 of Brussels 1 Regulation Recast, a party domiciled in a Member State of the EU is to be sued in the courts of that Member State. However, there are exceptions to this rule. Of relevance to patent litigation are Articles 7, 24 and 27. Article 7(2) provides that claims relating to tort (which include patent infringement) may be brought in the courts for

the place where the harmful event occurs. Article 24 (4) provides that in proceedings concerned with the validity of patents, irrespective of whether the issue is raised by way of an action or defense [highlighting added], the courts of a Member State in which the patent was granted have exclusive jurisdiction regardless of the Defendant's domicile. Under Article 27, where a court of another Member State is seised of a claim which is principally concerned with a matter over which another court has exclusive jurisdiction by virtue of Article 24, it must declare that it has no jurisdiction to hear the claim. The highlighted wording of Article 24 (previously Article 16) of the Brussels 1 Regulation was amended to take account of the 2006 CJEU ruling in *GAT v LuK*. In that earlier ruling, it was held that "the exclusive jurisdiction ... should apply whatever the form of proceedings in which the issue of a patent's validity is raised, be it by way of an action or a defense, at the time the case is brought or at a later stage in the proceedings."

The judgment in *GAT v LuK* did not expressly state what should happen to an infringement claim once validity was but in issue as a defense. That said, it was generally understood that the effect of *GAT v LuK* was that the infringement claim should be heard by the courts of the Member State having exclusive jurisdiction to hear the invalidity claim. For example, the UK court in *Anan Kasei v Molycorp* held that it did not have jurisdiction to hear an infringement claim concerning a German patent where the Defendant had challenged the validity of the German patent in Germany. In that case, Arnold J. observed that infringement and validity were in substance a single issue – has the defendant infringed a claim of a valid patent? This ruling was consistent with earlier decisions of the UK courts at both first instance and appellate level going back to the 1990's.

On the other hand, "pure infringement" actions in which validity is not (directly or indirectly) called into question have been allowed to proceed in the courts of a defendant's domicile. For example, in the UK case *Actavis v Eli Lilly* the court accepted jurisdiction over claims for declarations of non-infringement of foreign patents, where the applicant undertook not to challenge the validity of those patents.

In *BSH*, the Claimant brought before the Swedish court a claim for patent infringement against the

(Swedish domiciled) Defendant. The claim was for infringement of all national designations of a European patent, including in EU Member States and a non-Member State (Turkey) – a so-called "third State". The Defendant put the validity of the foreign patents in issue as a defense in the Swedish case and brought a nullity action in at least Germany. The Swedish court requested that the CJEU rule on the issue of whether the Swedish court had jurisdiction to continue with the extra-territorial infringement claim.

In what many see as a departure from its previous case law, the CJEU considered that the exception to domicile based jurisdiction in Brussels 1 Recast should be narrowly construed. The court effectively treated infringement and validity as separate issues. Whilst the court accepted that the court of a Member State in which a patent was granted has exclusive jurisdiction to determine its validity, it noted that such exclusivity applies only to the **validity** part of the dispute. This did not mean however that the court properly seised of the extra-territorial infringement claim lost jurisdiction over that (**infringement**) claim merely because invalidity was raised as a defense. The court did not outline the extent to which an infringement court could or should take account of any invalidity arguments, but suggested that it should not be ignored completely. Thus, a court may decide as a matter of case management to stay the extra-territorial infringement claim pending the determination of the issue of validity by the foreign court in cases where there was a "reasonable, non-negligible" possibility of the foreign court finding the patent invalid.

In considering the position in the third State (Turkey), the CJEU held that Brussels 1 Recast only applied to Member States of the EU. Whether a claim involving the patent granted in a third State could proceed was a matter of general international law. In a radical approach, the CJEU held that the Member State court could rule on infringement of a patent in a third State, even if validity of that patent was in issue. The only restriction on the court's power was that it could not order the revocation of the patent in that third State, as that was a matter for that State alone. Any ruling by the court on the validity of the patent in the third State would only have *inter partes* effect and so would not encroach on the jurisdiction of the courts in the third State.

Consequences Of The Decision In *BSH*

The ruling in *BSH* only applies to actions that are brought against EU defendants based on their domicile, and therefore does not extend to defendants domiciled outside the EU. However, for such EU-domiciled defendants, the assertion of jurisdiction over non-EU patents, even where validity is in issue allows—at least in principle—EU courts to rule on patent infringement cases globally.

While the *BSH* decision related to the jurisdiction of a national (Swedish) court, the reasoning should also apply, albeit in a limited way, to the UPC (being a “European Community court”). Whereas a national court has an inherent jurisdiction for all matters over entities domiciled within its borders (including, for example, infringement of US patents), the UPC’s jurisdiction is limited to European Patents (under the European Patent Convention) and Unitary Patents. The decision potentially confers on national EU courts a broader jurisdiction to determine international infringement cases in a single forum. This may increase the competition between national courts in the EU and the UPC. If a national court can deal with infringement across the EU and beyond, the competitive advantage of the UPC in deciding cases centrally may diminish, at least in cases involving EU domiciled defendants. An additional advantage of bringing a claim before a national court rather than the UPC is that the Claimant does not expose itself to a central revocation of its patent in all UPC territories.

The UPC itself has recently ruled on its extra-territorial jurisdiction in *Fujifilm v Kodak* and provided some practical insights into how the *BSH* case may be applied. In that case, heard before the *BSH* decision was handed down, there was a claim to infringement of a UK designation of a European Patent (the UK not being a party to the UPC Agreement) as well as the German designation of the same patent. The defendant relied on invalidity as a defense, and sought revocation of the German patent but did not bring a corresponding UK invalidity case. The Dusseldorf Local Division of the UPC held that it did have jurisdiction over the UK infringement claim based on the domicile of the defendant (three German subsidiaries of the Eastman Kodak Company) notwithstanding that invalidity had been raised. It went on to consider the validity of the German designation and found the patent invalid.

The UPC acknowledged that it did not have jurisdiction to rule on the validity of the UK patent, but noted that it had found the German patent invalid as a matter of European Patent Convention law. In the absence of the claimant pointing to differences in the law, the court held that the UK infringement claim “cannot be successful in such a factual and legal situation”. Thus, in practical terms, the UPC appears to have used the German invalidity findings as a proxy for the UK invalidity defense in circumstances where no UK proceedings had been brought. It is unclear how much the absence of a UK case influenced this approach or indeed if it will be endorsed on appeal. However, in any multi-national infringement proceedings there will inevitably be a “home patent” the validity of which is within the competence of the court and which will be examined in detail. This could lead, especially for EP patents, to a *de facto* consideration of the validity of foreign patents based on the home patent.

It remains to be seen how the courts in non-EU jurisdictions will react to this development. There is clearly the possibility of parallel conflicting proceedings with the court in a non-EU state taking an action for the revocation of the relevant patent, potentially coupled with a declaration that the patent is not infringed. As discussed above, the UK courts have consistently regarded the issues of infringement and validity as inextricably linked. The US courts have declined jurisdiction over claims for infringement of foreign patents where validity is in issue, based on the act of state doctrine (*Voda v Cordis Corp.*). The approach of the UK and US courts to justiciability of foreign patent claims is inconsistent with the CJEU ruling, raising issues of comity.

A further practical issue is how far courts in Europe will feel comfortable ruling on issues of infringement and associated validity concerns on non-EPC patents. To determine infringement in say the US or China, the court would need to take evidence on patent law in those territories, which is different in significant ways from the laws in European territories. In such circumstances, there may be applications for anti-suit injunctions (ASIs) to prevent a party from pursuing an infringement/validity action in the EU courts. Legal frameworks outside of the Brussels Regulation (such as national legislation, case law, or the application of private international law) may conflict with the

notion that an EU court can determine infringement and/or invalidity (including by way of a defense) of a non-EU patent. ASI's and AASI's have been deployed in a number of global cases recently, particularly in the field of standard essential patents (SEP's).

Implications For Businesses And IP Strategy

The decision in *BSH* may intensify forum shopping in global patent disputes. Companies might now consider pursuing cross-border patent infringement claims by consolidating actions in a single forum. The ruling could also intensify competition between the UPC and national courts as attractive venues for cross-border IP litigation, impacting strategic decisions on where to file infringement suits.

The case will foreseeably result in jurisdictional battles concerning patents both within and outside the EU. Potential litigants on both sides of the court will need to consider strategies such as parallel or

pre-emptive proceedings in non-EU jurisdictions and/or anti-suit injunctions to place themselves in the best position. Businesses should also reassess their European patent portfolios and infringement strategies to optimize enforcement and defense mechanisms in light of this decision. Companies should coordinate closely with international legal counsel to address complexities arising from multi-jurisdictional patent enforcement and the interplay between different jurisdictions.

Conclusion

The CJEU's decision in *BSH Hausgeräte v. Electrolux* represents a pivotal development in European patent litigation, reinforcing the jurisdictional power of EU courts and the UPC in cross-border infringement disputes. Companies operating in Europe should promptly reassess their IP litigation and enforcement strategies to capitalize on this enhanced jurisdictional scope. ■

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