

EIP

National or UPC jurisdiction for damages?

Fives ECL, SAS v REEL GmbH (UPC_CFI_274/2023)

Order of 17 November 2023

On 8 August Fives ECL, SAS (“Fives”) lodged in hard copy a claim for the determination of damages. It was not possible to file this electronically because the CMS requires the entry of an underlying UPC case number. The claim was to determine damages due in relation to a judgment of patent infringement that Fives had obtained from the Düsseldorf Regional Court – a national rather than UPC court.

REEL GmbH (“REEL”) lodged a preliminary objection under Rule 19.1 that the application to determine damages was inadmissible and sought its costs. Fives requested the court to reject the objection and recognise the Düsseldorf judgment pursuant to Art 36(3) of Brussels I Regulation Recast.

Held

The objection is admissible under Rule 19.1(a). The court can dismiss an action at any time under Rule 361 (action manifestly bound to fail) but it is advisable to wait until an objection has been lodged. The judge-rapporteur exercised her discretion under Rule 20.1 to decide on the objection at this stage.

The objection was well-founded. The division of the UPC seised had no jurisdiction to hear a claim for damages from national patent infringement proceedings that were res judicata. Art 32(1) exhaustively lists the actions for which UPC has jurisdiction. The national courts have jurisdiction for all other requests pursuant to Art 32(2).

First, the court has no jurisdiction to hear this claim under Art 32(1)(f) which relates to an

action for damages or compensation derived from the provisional protection conferred by a published European patent application. This claim is for damages for infringement of a granted patent.

Secondly, Art 32(1)(a) provides jurisdiction for actual or threatened infringements of patents. This jurisdiction in Part I of UPC Agreement is given to UPC, with national courts having parallel jurisdiction during the provisional period. If UPC court establishes infringement, the consequences are formulated in UPC Agreement as procedural powers, including Art 68 on damages which is in Part 3, Chapter IV Powers of the Court. Art 68 on damages and other powers such as injunctions (Art 63), corrective measures (Art 64), communication of information (Art 67) do not constitute the basis for a claim but legal consequences at the discretion of the court. The legal consequences are considered in a second, subsidiary, step after determination that a patent has been infringed.

Pursuant to Art 68, and Rule 118, the court may make a declaratory order for the infringer to pay damages to the injured party in the infringement proceedings. The amount to be paid can be determined at a later date at the request of the successful party under Rules 125-144. The competent court is the same one that ruled on infringement including by Rule 135.2 the same panel of judges.

Jurisdiction of UPC is withdrawn if a national court has already issued a final judgment on a national part of a European patent, to the extent of that member state.

The judge also dismissed an argument for jurisdiction in relation to damages on the basis of recognition of the judgment of the Düsseldorf Regional Court under Brussels I Regulation Recast.

The judge declined to order an interim hearing saying that the parties had been heard in writing.

Comment

The outcome of this case is not surprising. It is perhaps more interesting to contemplate why Fives is keen to bring its damages claim in front of UPC rather than Düsseldorf Regional Court.