The long-arm reach of the UPC

The unitary patent system has been in operation since June 1, 2023. European patents registered on or after that date may apply to the European Patent Office (EPO) for unitary effect. A key element of the system is the Unified Patent Court (UPC), which has exclusive jurisdiction over actions concerning actual or threatened infringements of unitary patents.

Currently, 18 European Union Member States participate in the unitary patent system. Six countries that have signed the Agreement on a Unified Patent Court (2013/C 175/01) have not yet ratified it: Cyprus, the Czech Republic, Greece, Hungary, Ireland, and Slovakia. The remaining three countries — Croatia, Poland, and Spain — have not signed the Agreement.

However, the UPC's recent practice demonstrates that the effects of its rulings on patent infringements can extend beyond the borders of the participating countries. In numerous recent decisions, the UPC has addressed infringements of national parts of European patents in other Member States and even third countries, issuing injunctions that also apply to those territories. This article presents the legal basis for the UPC's exercise of extended (long-arm) jurisdiction and examines cases in which it has issued rulings reaching beyond the states participating in the unitary patent system.

How to determine UPC jurisdiction: the Brussels I-bis Regulation

Regarding the determination of the international jurisdiction of the UPC, Article 31 of the UPC Agreement provides that it shall be established in accordance with Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast), or, where applicable, on the basis of the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (Lugano Convention) — an instrument analogus to the Regulation applicable in relations between the EU and EFTA states.

This reference, in particular, to the Brussels I-bis Regulation requires attention to the interpretation of its relevant provisions recently made by the Court of Justice of the European Union (CJEU) in the case of *BSH v. Electrolux (C-339/22)*. It can be said that the arguments presented by the CJEU in its judgment of 25 February 2025 regarding the jurisdiction of the courts of the defendant's domicile in patent infringement cases have emboldened UPC and legitimized its efforts to expand the scope of its jurisdiction beyond the countries participating in the unitary patent system.

CJEU judgment in *BSH v. Electrolux* (C-339/22): paving a path

The case heard by the CJEU concerned the following set of facts: BSH is the owner of European patent EP 1434512 concerning vacuum cleaners. The patent was validated in several countries, including Germany, France, Sweden, Italy, the Netherlands, the United Kingdom, and Turkey. BSH sued Electrolux in Sweden (the defendant's country of domicile) for patent infringement — not only of the Swedish patent, but of all national parts of the European patent. BSH sought an injuction ordering Electrolux to cease using the patented invention in all countries where validation had been carried out. Electrolux, however, sought dismissal of these claims, arguing that the Swe-

dish Industrial Property and Commercial Court, Patent- och marknadsdomstolen, cannot address claims concerning national parts of the patent other than the Swedish part. It also alleged that these national parts of the patent were invalid.

The subject matter of the judicial interpretation in this case was **Article 24(4) of the Brussels I-bis Regulation. Under this provision, the courts of the Member State in which the patent registriation has been applied for or has taken place shall have exclusive jujrisdiction in proceedings concerned with the registration or validity of patents.** Moreover, the courts of each Member State shall have exclusive jurisdiction in proceedings concerned with the registration or validity of any European patent granted for that Member State.[1] At the same time, the Brussels I-bis Regulation introduces **the general rule that persons domiciled in a Member State may be sued, regardless of their nationality, in the courts of that Member State (Article 4(1)).[2]**

This means that in the case of a patent infringement action, Article 4(1) of the Brussels I-bis Regulation will apply — meaning that the court of the country where the defendant has its domicile/seat will have jurisdiction. With respect to invalidity defenses, the regulation provides for exclusive jurisdiction of the country where the patent application was filed. The CJEU indicated that the correct interpretation of Article 24(1) of the Brussels I-bis Regulation is that the court of the country where the application was filed must be competent to hear the case. Article 24(4) requires that **the court of the Member State of the defendant's domicile, before which an action for infringement of a patent granted in another Member State is brought, continues to have jurisdiction to hear that action if the defendant challenges the validity of that patent, as its defense, but jurisdiction to rule on that validity lies exclusively with the courts of that other Member State.** In other words, the Swedish court could continue to deal with the infringement case, although the CJEU emphasized the possibility of staying the proceedings, in particular if the court finds "there is a reasonable, non-negligible possibility of that patent being declared invalid by the court of that other Member State that has jurisdiction" (para. 51).

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[1] **Article 24 Regulation Brussels I-bis**
The following courts of a Member State shall have exclusive jurisdiction, regardless of the domicile of the parties:
(...)
(4) in proceedings concerned with the registration or validity of patents, trade marks, designs, or other similar rights required to be deposited or registered, irrespective of whether the issue is raised by way of an action or as a defence, the courts of the Member State in which the deposit or registration has been applied for, has taken place or is under the terms of an instrument of the Union or an international convention deemed to have taken place.
Without prejudice to the jurisdiction of the European Patent Office under the Convention on the Grant of European Patents, signed at Munich on 5 October 1973, the courts of each Member State shall have exclusive jurisdiction in proceedings concerned with the registration or validity of any European patent granted for that Member State (...).

[2] **Article 4 Regulation Brussels I-bis**
1. Subject to this Regulation, persons domiciled in a Member State shall, whatever their nationality, be sued in the courts of that Member State.
2. Persons who are not nationals of the Member State in which they are domiciled shall be governed by the rules of jurisdiction applicable to nationals of that Member State.

However, this conclusion applies to the Member States. Since BSH claims that the Turkish part of the European patent has been infringed as well, the question arises: could the Swedish court deal with it too? The CJEU confirmed that, indeed, the court of a Member State of the defendant's domicile, when ruling on infringement, also has jurisdiction to rule on the invalidity defense raised by the defendant — "its decision in that regard not being such as to affect the existence or content of that patent in that third State or to cause the national register of that State to be amended." (para. 76) Such a ruling on invalidity is therefore not effective *erga omnes* (against all) and does not result in the removal of the defective patent from legal circulation, but produces effects only in relations between the parties to the dispute.

Of course, specific provisions could exclude this possibility — for example, the Lugano Convention, which contains a rule analogous to that expressed in Article 22(4) of the Brussels I-bis Regulation. However, Turkey is not a party to it. Under the conditions laid down in Articles 33 and 34 of the Brussels I-bis Regulation, a Swedish court could also recognize the jurisdiction of a Turkish court — by staying the proceedings, or even terminating them — if proceedings were already pending before that court with the same subject matter and the same cause of action, or based on a related claim.

By comparison, **in these proceedings, the Swedish court could, for instance, review the infringement of the Austrian part of the patent (an EU Member State) but could not rule on its validity. However, it would have jurisdiction to assess both infringement and validity with respect to the Turkish part of the patent (a third country).**

What does this mean for the functioning of th eunitary patent system — and for the countries outside it?

Importantly, in the scenario considered by the CJEU, the UPC could just as easily have been substituted for the Swedish court. Specifically, pursuant to Article 71a of the Brussels I-bis Regulation, a court common to several Member States — for example, the UPC — shall be deemed to be a court of a Member State when, pursuant to the instrument establishing it, such a common court exercises jurisdiction in matters falling within the scope of the Regulation. Indeed, this expansive interpretation of the CJEU's jurisdiction has been applied by the UPC in practice in recent months. Individual divisions of the Court have relied on it to adjudicate infringements occurring outside the borders of countries participating in the unitary patent system and to issue injunctions effective within those territories.

- **Case of *IMC Créations v Mul-T-Lock France and Mul-T-Lock Switzerland* (UPC_CFI_702/2024)**

Less than four weeks after the CJEU issued its decision in *BHS v. Electrolux*, the Paris division of the UPC, applied the approach established by the Court in Luxembourg and declared itself competent to investigate infringements also in countries outside the unitary patent system: Spain, Switzerland, and the United Kingdom. It also stated that it could rule on the validity of the patent in those countries — but only with *inter partes* effect, thus leaving the matter to the national authorities for final resolution. Interestingly, only one of the defendants, Mul-T-Lock France, is based in an EU member state; the other is a Swiss company.

- **Case of *Fujifilm Corporation v. Kodak GmbH and Others* ((UPC_CFI_365/2023), i (UPC_CFI_359/2023)**

Fujifilm sued three German Kodak companies for infringement of patents relating to printing plates and their chemical components (EP 3511174B1, EP 3476616B1, and EP 3594009B1). The cases were heard before the UPC divisions in Mannheim and Düsseldorf. The patents had been validated in Germany and the UK, and, importantly, Fujifilm sought an injunction against infringement also with respect to the UK parts of the patents.

Following the announcement of the aforementioned CJEU ruling, the UPC division in Mannheim confirmed the infringement of one of the UK patents. Furthermore, it also deemed it invalid — but only *inter partes*, i.e., between the parties to the dispute. In reaching this conclusion, the court relied on the CJEU's interpretation of Article 4(1) of the Brussels I-bis Regulation: the courts of the defendant's domicile (seat) in EU Member States may hear cases concerning infringement of patents validated in third countries. UPC may assess validity if necessary to investigate potential infringement, but invalidation of such a patent could only occur in proceedings before the UKIPO or British courts. It is also worth noting the law under which UPC analyzed the infringement of the British part of the patents: Sections 60(1)(a) and (b) of the British Patents Act 1977. Ultimately, UPC prohibited the sale and ordered the destruction and recall of the infringing products in the UK, awarding damages. However, it refused to publish the judgment.

- **Case of *Dyson Technology Ltd v Dreame International Ltd* (UPC_CFI_123/2025)**

There is also a pending case against Dreame International Ltd, a Hong Kong-based company, initiated by Dyson Technology Ltd. In this case, UPC granted the plaintiff an injunction in Spain, where the defendant sold hair styling products similar to the Dyson AirWrap. The injunction was issued under Spanish law.

As in the Fujilfilm case, UPC cited the CJEU judgment in *BSH v. Electrolux*, which confirms the ability of Member State courts (and therefore UPC) to adjudicate infringement cases involving third countries if the defendant is domiciled/established in an EU country.

- **Case of *HL Display AB v. Black Sheep Retail Products B.V.* (UPC_CFI_386/2024)**

The plaintiff, HL Display, is a Swedish company specializing in the production of display and in-store communication systems. It holds patent EP 2432351, which protects a system for securing shelf accessories. Meanwhile, the defendant is a Dutch company that produces similar solutions. HL Display — alleging that Black Sheep Retail Products had infringed its patent — sought a ban on the sale of the specified products in all countries where the patent was validated, including those outside the unitary patent system. Poland is one of these countries.

The UPC Division in The Hague found that HL Display's patent had indeed been infringed. It also dismissed the invalidation counterclaim, rejecting Black Sheep Retail Products' arguments regarding, i.a., the lack of an inventive step. Citing the CJEU ruling in *BSH v. Electrolux*, the Hague UPC Division held that it had jurisdiction to assess infringement allegations with respect to all countries where the plaintiff enjoyed patent protection, even if those countries had not ratified the UPC Agreement. It noted — again in accordance with the CJEU ruling — that with respect to Member States outside the unitary patent system, as well as other states party to the Lugano Convention, it was necessary to consider whether there was a reasonable and substantial chance of invalidity being declared by the competent national courts. Finding that such a chance did not exist, it granted injunctive relief with respect to all countries where patent EP 2432351 remained in force.

Summary

Based on the CJEU's judgment in *BSH v. Electrolux*, **UPC has consistently and dynamically developed case law that allows it to investigate allegations of infringement in countries outside the unitary patent system and issue injunctions with a reach beyond the countries party to the Agreement.** This makes UPC an attractive forum for patent holders: they can also initiate infringement proceedings for the national parts of their patents in countries outside the system (e.g., the United Kingdom, Poland, or Spain). However, this approach may be somewhat controversial. **Certainly, the countries that opted not to ratify or accede to the UPC Agreement did not do so with the intention of ultimately falling within the jurisdiction of this Court.** Contrary to their intentions, UPC seems striving to become a quasi-pan-European court, gradually extending the effects of the unitary patent across Europe.

It also remains unclear how national courts and offices will react to such an approach. We will certainly be facing numerous jurisdictional conflicts. One way to combat UPC's "long arm" could be to initiate patent invalidation actions in national courts/patent offices outside the unitary patent system, relying on *lis pendens* provisions to block proceedings before the UPC. This possibi-

lity, it seems, is suggested by the CJEU judgment. We will soon publish an article dedicated to this very issue.