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**CLARIFYING THE TACTICAL USE OF THE
DUTCH CROSS-BORDER INJUNCTION IN
INTERNATIONAL PATENT LITIGATION**

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PAPER

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A. Introduction

1. Due to the progressing harmonization of (especially) European patent law, patent litigation has become an international phenomenon. Preparing a strategy for patent litigation, and coordinating international patent litigation has become an important and costly and time consuming matter. This is especially true for the pharmaceutical industry. Now that the pharmaceutical industry is involved in the world wide distribution of pharmaceuticals, patent infringement is almost always of an international nature, and this of course provides for the possibility of forum shopping. It is no surprise, therefore, that forum shopping and identifying the right forum to litigate is a key issue when preparing a strategy for international patent litigation.
2. The identification of the right forum is not only dependant on the chances of success, but also on the relief which can be obtained and the speed and costs with which that relief can be obtained. Dutch courts have always been a popular forum in this respect, in view of the Dutch practice of granting cross border injunctions and the possibility of obtaining cross-border relief in an expedient and cost-effective preliminary relief procedure, known as "*kort geding*".

B. The Dutch "*kort geding*"

3. Most intellectual property cases in The Netherlands are now decided in preliminary relief proceedings. Plaintiffs have developed a special preference for this expedited relief, in view of the procedure and expedient nature of the "*kort geding*" and the fact that injunctions can be obtained in preliminary relief proceedings which resemble the injunctions that can be obtained in proceedings on the merits. The injunctions which can be obtained in preliminary relief proceedings, although formally provisional and interlocutory in nature, are in effect final, linked with a penalty sum and directly enforceable notwithstanding appeal. In this respect, injunctions in *kort geding* constitute a very effective measure to stop infringing activities from taking place.

4. The procedure of a preliminary relief action (*kort geding*) is as follows. The plaintiff submits a draft Writ to the President of the District Court and requests him to set a date for the hearing of the case. The date is usually set some weeks later. The Writ (or "Complaint") is then served on the Defendant. Before the hearing, counsels for the Plaintiff and the Defendant exchange copies of the documents they wish to rely on during the hearing. At the hearing, the case is argued by the two sides, and the parties to the litigation submit a complete file. Thereafter, judgment will usually be rendered one or two weeks after the hearing. If the claims are sustained and an injunction is issued, this is enforceable notwithstanding appeal (if so requested in Writ of summons).

5. The execution and enforcement of the judgment may nevertheless make the enforcing party liable for damages, should the judgment be reversed in appeal or should the Court come to a different conclusion in a procedure on the merits. A special procedure applies in complex patent matters. In complex patent matters, the Writ is followed by a statement of claim (accompanied by all the documents that the Plaintiff intends to rely on at the hearing), and subsequently a statement of defense (with all the documents that the Defendant intends to rely on at the hearing) is submitted, within the time frame set by the President of the District Court of The Hague. Thereafter, the hearing takes place. This special preliminary relief procedure takes somewhat longer than the usual procedure, but a judgment may still be expected in approximately two to three months after service of the Writ.

6. It should be noted, however, that certain relief, such as damages, cannot be obtained in *kort geding*, but should be obtained in a procedure on the merits. Furthermore there is no system of discovery, no cross-examination of witnesses, and no possibility of preservation of evidence through Anton Pillar Orders, such as in the UK and/or a *saisie descriptive* and/of *saisie contrefaçon* such as in Belgium or France. This should be taken into consideration, whenever there is a problem with obtaining sufficient evidence as to infringement.

C. The Cross-border-injunction: legal basis, an overview of cross-border decisions in patent cases and recent developments

7. The Dutch practice of granting cross-border injunctions rests firstly on a “broad” interpretation of the Brussels/Lugano Convention (particularly Article 6(1) of the Brussels/Lugano Convention), and secondly on the “broad” (extra-territorial) interpretation of Article 3: 296 sub section 1 of the Dutch Civil Code by the Dutch Supreme Court in its well known decision of 24 November 1989 in re *Interlas v. Lincoln*.²

The *Interlas v. Lincoln* decision was rendered in the trade mark dispute between an American trade mark owner, the Lincoln Electric Company, and the Dutch parallel importer, Interlas. One of the issues under consideration was whether the Dutch Court could extend an injunction for trade mark infringement to Belgium and Luxembourg. In its decision, the Dutch Supreme Court first referred to the general rule contained in Article 3:296 sub section 1 of the Dutch Civil Code that a party which is under obligation *vis à vis* another party to give, or do, or refrain from doing something, should be ordered by the Courts to comply with this obligation. The Dutch Supreme Courts held that, in this respect:

“In general there is no reason for assuming that there is no place for such a Court Order just because it concerns an obligation - possibly an obligation under foreign law - which must be performed out- side The Netherlands”.

Effectively, Article 3:296 sub section 1 of a Dutch Civil Code constitutes the basis for any injunction, and the Dutch practice of granting cross-border injunctions is based on the “broad” (extra-territorial) of Article 3:296 sub section 1 of the Dutch Civil Code by the Dutch Supreme Court. The legality of the Dutch cross-border injunction under the Dutch Civil Code has therefore been affirmed by the Dutch Supreme Court.

8. However, the legality of the Dutch cross-border injunction is not only based on the question whether cross-border injunctions can be rendered under national law, but also on the question whether Dutch Courts can effectively assume jurisdiction with regard to cross-border claims under the Brussels/Lugano convention.

² decision of 24 November 1989, BIE1991, 23

In fact, the question whether Dutch Courts can issue a cross-border injunction is twofold and dependant on:

- i) the question whether Dutch Courts can assume jurisdiction to hear the cross-border claim and
- ii) the question whether Dutch Courts can award the injunction.

9. The answer to the first question depends on an interpretation of the specific sections of the Brussels/Lugano Convention and Article 126(7) of the Dutch Code of Civil Procedure. The answer to the second question is dependent on the question whether there is an infringement under Netherlands and the applicable foreign law.

C. 1. Jurisdiction for EU or EFTA-domiciled Defendants: the Brussels/Lugano Convention

10. Jurisdiction of Dutch Courts can be based on the EU Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters [the "Brussels Convention"], if the Defendants are domiciled in a Contracting State to the Brussels Convention, or the 1988 Lugano Convention on Jurisdiction and the Enforcement of Judgments [the "Lugano Convention"], if the Defendants are domiciled in a Contracting State to the Lugano Convention. The relevant Articles of the Brussels and Lugano Conventions are:

- iii) Article 2: a Defendant domiciled in a contracting State may be sued in that State. This Article sets forth the main principle of the Brussels and Lugano Convention; the principle that a Defendant should be sued in the Contracting State in which he is domiciled.
- iv) Article 5 (3): in matters relating to tort [and infringement of IP-rights!] the Defendant may be sued in the Courts for the place where the harmful event, such as the infringing activity, occurred. The ECJ provided a further choice of forum in its interpretation of Article 5 (3) in its judgment in re Bier v. Mines de Potasse d'Alsace of November 1976 [Case 21/76 [1976] ECR 1735-1748]. The court held that the "place where the harmful event occurred" in Article 5 (3) was to be interpreted so as to give the Plaintiff an option to initiate proceedings either at the place where the damage

occurred or the place where the harmful event giving rise to such damage occurred.

- v) Article 6. (1): A Plaintiff can also bring action in the Courts of the Contracting State where any of the co-Defendants is domiciled. According to the **Kalfelis v. Schröder** decision of the ECJ of September 27, 1988 [case 189/87, NJ 1990, 425; there must be a connection between the claims made against each of the Defendants for Article 6 (1) to be applicable, and an action should not be brought, pursuant to this provision, solely with the object of ousting the jurisdiction of the Court of the State in which one of the Defendants is domiciled.
- vi) Article 16 (4) and Article 19: On the basis of Article 16(4) disputes on the registration or validity of patents must be adjudicated by the courts of the state where registration was applied or is deemed to have been effected. Article 19 stipulates, in this respect, that the court called upon to adjudicate a dispute “principally concerned with” a claim in regard of which another court has exclusive jurisdiction, should declare that it lacks jurisdiction. In case the exclusive jurisdiction provided by Article 16 (4) applies, the Plaintiff cannot bring an action in the jurisdiction other than that stipulated by this Article. Article 16 (4) only has a limited bearing on infringement proceedings. Case law in The Netherlands shows that the more or less "standard" defense of invalidity in infringement actions, does not lead to the applicability of Article 16 (4). See, for example, the Decision of the President of the District Court of The Hague of January 5, 1993 in re **Rhone Poulenc Rorer v. Prographarm** [NJ 1994, 617] and the interlocutory Judgment of December 1, 1994 of the Court of Appeals in The Hague in re **Chiron v. Organon Teknika-UBI** [IER 1995, 5]. In this respect, Dutch Courts adopt a distinctly different interpretation of Articles 16(4) and 19 than the Courts in the UK in the judgment of Laddie J. in re Coin Controls v. Suzo ([1997] F.S.R. 660) and the judgment of Aldous J. in re Fort Dodge v. Akzo Nobel and in re Boston Scientific v. Cordis ([1998] FSR 222 (A)).
- vii) Article 24: Preliminary relief may be sought before any court, even if this court does not have jurisdiction in proceedings on the merits. It should be noted that most or all of the Dutch "cross-border

injunctions" were issued in preliminary relief-proceedings.

9. Article 5(3): Fiona Shevill and Article 24

Dutch Courts may not award cross-border injunctions insofar as their jurisdiction is solely vested on Article 24 or on Article 5 (3) of the Brussels or the Lugano Convention, especially since the ECJ-judgments in re **Fiona Shevill v. Presse Alliance S.A.** [case C-68/93 [1995] ECR I-0415] and in re **Marinari v. Lloyds Bank Plc** [Case C-364/93] and the judgment of the District Court of The Hague of 20 May 1998 in re Baxter v. Pharmacia & Upjohn (Docket no. 98/573-IER 1998, 31).

10. Article 6(1) - Connection requirement

Plaintiffs usually rely on Article 6 (1) of the Brussels or Lugano Convention to establish jurisdiction over foreign Defendants.

If there is at least one distributor domiciled in The Netherlands, then jurisdiction for this Defendant can be based on Article 2 and one can join European Co-Defendants under Article 6 (1).

As indicated above, the relevant criterion in this respect is that a connection exists between the various claims

In some Dutch judgments, the required connection is only assumed whenever there is at least some relationship between the different Defendants, especially insofar as the co-Defendants constitute one manufacturing and/or distribution network, making them Joint tortfeasors.

However, in patent cases, the District Court of The Hague has adopted a somewhat different and more liberal interpretation of Article 6 (1). The District Court of The Hague holds that international infringements of parallel European patents by various Defendants, constitute the infringement of "one" European patent, the scope of which should be determined uniformly according to Article 69 of the European Patent Convention (EPC) in all designated contracting States, and this fact alone constitutes sufficient connection between the claims against the various Defendants.

11. Questions have arisen regarding this particular "Dutch" interpretation of Article 6 (1).

For example, it is questionable whether there is in fact "one" European patent.

After all, a European patent falls apart into national patents after it has been granted.

In his Judgment of May 8, 1995 in re **Chiron v. Murex** [Docket No KG95/303 - not yet reported], the President of the District Court of The Hague held in this respect that, even if there would be no "one" European patent, it is still desirable to interpret the scope of protection of a European patent uniformly in view of article 69 EPC. The President then went on to argue that the connection requirement is fulfilled now that it is desirable that the different (extraterritorial) claims be heard together to avoid "irreconcilable judgments" with regard to the scope of protection of such an European patent.

In the appeal proceedings, Murex' counsel filed a motion for the provisional suspension of the extraterritorial effects of the preliminary injunction in the first instance. In this motion, Murex argued that there was an "evident error in law" now that the President assumed the required connection on the mere fact that "one" European patent was infringed, and on the mere argument that it was in any case desirable to avoid "irreconcilable judgments" with regard to the scope of protection of this European patent. Murex argued that there was no "one" European patent and that different decisions with regard to the scope of protection in different jurisdictions, did not constitute "irreconcilable judgments" in the sense of article 6 (1) of the Brussels Convention.

In its decision of December 7, 1995 [IER 1996, 12], the Court of Appeals in The Hague held that there was no "evident error in law" now that in the specific wording of article 6 (1) of the Brussels Convention does not exclude the interpretation of the President of the District Court of The Hague. The Court of Appeals further held that there is no established case-law, which differs from the aforementioned "Dutch" interpretation.

Murex lodged an appeal in cassation but the case settled before the Dutch Supreme Court could render a decision "Dutch" interpretation of article 6 (1) to the ECJ. However, it should be noted that the "evident error test" applied to the motion by the Court of Appeals is a marginal one and the Dutch Supreme Court might decide that the decision of the Court of Appeals was correct, in view of the marginal nature of this test.

12. Dutch Courts sometimes argue that the uniform interpretation of the scope of protection of a European patent under article 69 EPC and the Protocol on its interpretation implies that infringement under Dutch law necessarily also implies infringement under the laws of foreign jurisdictions.

This argument, however, does not take into consideration that article 64 (3) EPC explicitly provides that the alleged infringement of a European patent in foreign jurisdictions be judged according to the national laws of these foreign jurisdictions. Infringement criteria do vary amongst different jurisdictions. Article 69 EPC only provides for a uniform interpretation of the claims of a European patent. Article 69 EPC does not provide for uniform infringement criteria. Therefore, different judgment on the infringement question do not necessarily constitute 'irreconcilable judgments' with regard to the scope of protection. In its decision of December 14, 1995 in re **Hoffmann-LaRoche v. Organon Teknika** [IER 1996, 6], the President of the District Court of The Hague held that the mere fact that infringements in foreign jurisdictions be judged according to the national laws of these foreign jurisdictions, does not exclude that different judgments on the infringement-question would be in conflict with the purport of article 69 and can in fact be deemed "irreconcilable judgments" in the sense of Article 6 (1). Under this argument the establishment of infringement is contained in the establishment of the scope of protection and it could certainly be argued that the President fails to make a clear distinction between claim construction or interpretation on the one side and infringement on the other side.

Jurisdiction for non-EU- or non-EFTA-domiciled Defendants: Article 126 (7) of the Dutch Code of Civil Procedure

13. Where it concerns non-EU-domiciled or non-EFTA-domiciled Defendants, such as US Defendants, the jurisdiction of Dutch Courts cannot be based on the Brussels or Lugano Convention. In this case the "general" Jurisdiction Provision of Article 126, and in particular subparagraph 7 of Article 126, of the Dutch Code of Civil Procedure is usually applied. Based on Article 126 (7) of the Dutch Code of Civil Procedure, a US Defendant can be tied as a Co-Defendant, in the same way and on the same basis as a "European" Defendant pursuant to Article 6 (1) of the Brussels and Lugano Convention.

Overview of cross-border - judgments in patent cases

14. It should be noted that a clear distinction should be made between the jurisdiction of a Dutch Court to grant cross-border injunctions and the admissibility of

the "cross-border" claims.

Once a Dutch Court has established that it has jurisdiction over the (foreign) Defendants, it is of course not certain that a cross-border injunction will be granted. The Plaintiff should establish that all Defendants are involved in infringement of the different parallel (European) Patents in all jurisdictions. Furthermore, the Dutch Supreme Court decision of December 15, 1995 in re **Proctor & Gamble v. Kimberley Clark** [RvdW 1996, 5C] implies that all or parts of the extraterritorial claims may be refused in preliminary relief-proceedings on the basis of the weighing of the interests of the parties concerned. Bearing this in mind, we can now look at the most important extraterritorial decisions in patent cases.

- In his decision of August 28, 1990 in re **De Boer Staalrichtingen v. Cewaco** [BIE 1992, 78], the President of the District Court of The Hague, issued a cross-border injunction enjoining Cewaco from patent infringement in The Netherlands and Germany. The President referred to "the general rule" established of the *Interlas v. Lincoln* Decision and argued that there was no reason to make an exception in this case, now that the case is sufficiently connected to the Dutch legal sphere and now that infringement can be established both under Article 14 of the German Patentgesetz and Article 30 of the Dutch Patent Act.
- In his decision of December 30, 1991 in re **Philips v. Hemogram** [BIE 1992, 80] the President of the District Court of The Hague enjoined the Danish Company Hemogram, together with its Dutch importer, from infringing the various parallel national patents held by Philips in various countries, including Argentina, Brazil and Australia. The President simply held "that there is no legal rule which stands in the way of granting extraterritorial injunctions" and merely referred to the undesirability of Philips being "forced to sue before the Courts in the other countries concerned".
- In its decision of January 16, 1992 in re **Pipe Liners v. Wavin** [BIE 1993, 9], the Court of Appeals of The Hague granted an extraterritorial injunction with effect for 8 countries.
- In his decision of April 15, 1992 in re **Vredo v. Veenhuis** [BIE 1994, 77], the President of the District Court of The Hague enjoined the Dutch Defendant

Veenhuis from infringing the European patent held by Vredo not only in The Netherlands but also in the other designated Contracting States.

- In his decision of November 30, 1993, [BIE 1995/2] in re **Wiener v. Lloveras**, the President of the District Court of The Hague refused to grant an extraterritorial claim on the mere basis that it is as yet not clear in which of the designated Contracting States, the patentee will in fact maintain and uphold its European patent, by way of submission of translations and payment of taxes and the like. On this argument alone, the injunction is limited to The Netherlands.
- In his decision of December 12, 1993 in re **De Groot cs v. Euro Agra, Agmat and Tigma** the President of the District Court of The Hague enjoined the Dutch and Spanish Defendants from infringing the European patent in all designated Contracting States held by De Groot. The President simply referred to the Interlas v. Lincoln decision and argued that an extraterritorial injunction could "therefore" be issued.
- In its decision of February 3, 1994, in re **Applied Research Systems v. Organon Teknika** [IER 1994, 8] the Court of Appeals in The Hague granted an injunction enjoining all Defendants [two Dutch companies and seven companies established in different European countries] from infringing the European Patent, held by ASR in all designated Contracting States.
- In his decision in re **Chiron v. Organon Teknika- UBI** of July 22, 1994, [IER 1994, 24], the President of the District Court of The Hague awarded a pan-European injunction against all of the Defendants. The President explicitly rejected the argument raised by Defendants that an extraterritorial injunction was only admissible in case of a Dutch Plaintiff would be established in The Netherlands. The President of the District Court of The Hague explicitly indicated that such an argument would imply an unjustifiable discrimination of foreign Plaintiffs. In the interlocutory judgment of December 1, 1994, in the appeal proceedings, [IER 1995, 15] the **Court of Appeals** in The Hague upheld the President's decisions relating to the jurisdiction and the power to grant extraterritorial injunctions. In its interlocutory judgment, the Court of Appeals held that jurisdiction could be based on Article 6 (1) of the Brussels Convention and

Article 126 (7) of the Dutch Code of Civil Procedure.

The Court of Appeals further held that once a Dutch Court has established that it has jurisdiction over foreign Defendants, it is under a duty to grant extraterritorial relief [Court of Appeals of The Hague December 1, 1994, IER 1995, 15].

- In his decision of December 22, 1994 in re **Cordis v. Schneider** [IER 1995, 6] the President of the District Court of The Hague came to a different conclusion.

In this case the patentee, Cordis Cooperation, brought a cross-border action in The Netherlands in preliminary relief proceedings. However, before bringing the action, Cordis Cooperation had initiated proceedings on the merits in Germany, the UK, France and Italy.

The President of the District Court of The Hague refused the requested cross-border injunction because Cordis brought actions against the respective foreign European Defendants in the Courts in their own jurisdictions, before bringing the preliminary relief action in The Netherlands.

Although the proceedings on the merits in foreign jurisdictions did not imply that Article 21 of the Brussels or Lugano Convention (Litis Pendens) was applicable, the President held that insofar as a patentee had already initiated proceedings in a large number of countries outside The Netherlands, before bringing action in The Netherlands, he could still refuse cross-border injunctions with regard to those foreign jurisdictions where such other actions were brought (or even all other foreign jurisdictions).

This reasoning clearly differs from the standpoint of the Court of Appeals in re Chiron v. Organon Teknika-UBI [IER 1995, 15].

- In his decision in re **British Telecommunications plc v. Plumettaz B.V.-Plumettaz S.A.** of March 31, 1994 [Docket No. 94/269 - not yet reported], the President of the District Court of The Hague granted an extraterritorial injunction for all the designated Contracting States as a matter of course. It should be noted, however, that the Swiss Defendant Plumettaz S.A. did not dispute the jurisdiction of the President.
- In his decision of October 21, 1994 in re **Minnesota Mining and Manufacturing Company v. Professional Diamond Tools Elburg B.V.-SSID Investment and Developments Inc.-Fesinvest AG** [Docket No. 94/1044 - not yet reported], the President of the District Court of The Hague granted an

extraterritorial injunction for infringement of a European patent in all designated Contracting States. The President refused to grant an extraterritorial injunction against the Swiss Defendant Fesinvest AG now that the involvement of this Defendant in patent infringement had not been sufficiently established.

- In his decision in re **Brard v. ACS** of January 26, 1995 [Docket No 95/87 - not yet reported], the President of the District Court of The Hague held that the Interlas v. Lincoln decision of the Dutch Supreme Court of 1989, was in fact applicable also in case the "main" infringing party is not established in The Netherlands.
- In the **Chiron v. Murex** case, Murex tried to rely on the Cordis v. Schneider-Decision by initiating proceedings on the merits in several foreign jurisdictions. After Chiron initiated summary proceedings in The Netherlands to obtain a "pan European injunction", Murex argued that no extraterritorial injunction be awarded, since proceedings had been initiated before Chiron brought the preliminary relief action in The Netherlands. This defense was not successful, however.

In his decision of May 8, 1995 in re **Chiron v. Murex** [Docket No. KG 95 303 - not yet reported], the President of the District Court of The Hague pointed out that the proceedings in foreign jurisdictions, were initiated by Murex and not by Chiron and granted a cross-border injunction. Peculiarly, the President did not grant a pan European injunction for all Defendants. Only for the "European" manufacturer [the Italian company Schiapparelli] a "pan European injunction" was granted. The President held that the other Defendants were only involved in infringing activities in one of two of the designated Contracting States, and issued limited extraterritorial injunctions enjoining those Defendants from infringement in these designated Contracting States. This seems to imply that the "all or nothing approach" taken earlier, has been abandoned.

- In his decision in re **Hoffmann-La Roche v. Organon Teknika** of December 14, 1995 [IER 1996, 6], the President of the District Court of The Hague refused the requested cross-border injunction now that Defendant's products do not infringe Plaintiffs patent. In his findings with regard to his jurisdiction over the foreign Defendants, the President again adopts a very broad, "Dutch" interpretation of Article 6 (1) of the Brussels Convention. The President makes

a clear distinction between Article 5 (3) and Article 6 (1) of the Brussels Convention. The President admits that the judgment of the ECJ in re Fiona Shevill v. Presse Alliance seems to indicate that the exceptions of the main rule set forth in Article 2 of the Brussels Convention be interpreted narrowly and strictly. Nevertheless, so the President argues, Article 6 (1) of the Brussels Convention provides for a jurisdiction which is in fact based on the domicile of at least one of the Defendants, thereby a jurisdiction based on Article 2 of the Brussels Convention. Therefore, so the President continues, Article 6 (1) need not be interpreted so strictly and narrowly as Article 5 (3).

Foreign "Non-European" patents

- In his decision of May 22, 1995 in re **Raychem Corporation v. Thermon** [IER 95, 3], the President of the District Court of The Hague held that in case of infringement of parallel national ("non-European") patents, the required "connection" between the claims in the sense of Article 6 (1) and infringement under foreign law may be much more difficult to establish [absent a clear "guideline" such as Article 69 EPC and the Protocol on its interpretation].

Recent Developments

15. Immediately after the Interlas v. Lincoln decision, Dutch Courts simply and merely referred to the Interlas v. Lincoln decision, and argued that, once they established jurisdiction over all Defendants, the requested extraterritorial injunction could be issued as a matter of course.
As a matter of fact, cross-border injunctions were issued more or less in an "all or nothing" approach. As soon as the Court established jurisdiction, and as soon as the Court established infringement, the Court in some cases granted extraterritorial injunctions for all countries against all Defendants, even though no actual infringement occurred or was threatened in all countries. Furthermore, extraterritorial injunctions were issued against all Defendants, even though it could not be established that all Defendants were involved in infringing activities at all. Immediately after the Interlas v. Lincoln Decision several Dutch Courts held that, once they had established jurisdiction, and had established infringement, they were in fact under a duty to grant the extraterritorial injunctions, in view of Article 3:296 of the Dutch Civil Code. This practice has attracted a lot of criticism.
Recently, however, it seems that Dutch Courts sought a way out of this "all or nothing" approach. It became more and more important to actually establish

infringement by all the different Defendants, in all the countries where an injunction was requested. In the past, sometimes infringement was too easily assumed, without there being any evidence as to the actual involvement of some of the Defendants in infringing activities in all or some of the countries where an injunction was requested.

It may further be expected that the weighing of interests will play an even more important role in the decision whether or not to grant all the requested extraterritorial injunctions against all of the Defendants.

This has been affirmed in the decision of the Dutch Supreme Court of December 15 1995 in re **Proctor & Gamble v. Kimberly Clark** [RvdW 1996, 5]. The Supreme Court indicated that the President in preliminary relief proceedings in fact has a discretionary power to refuse to grant an injunction in a particular case on the sole ground that the President considers the interest of the defendant in not imposing an injunction to outweigh the interest of plaintiff in obtaining the injunction.

This "weighing of interests-argument" will most likely especially be applied in complex cases, where it is difficult to establish infringement.

16. This has been affirmed in the judgment of the Court of Appeals of the Hague of 12 September 1998 in re **Hoffmann LaRoche v. Organon Teknika** [Docket no. 96/277]

In this judgment, the Court of Appeals first argued that Organon Teknika's interests in not issuing an injunction prevail over Hoffmann La Roche's interests in obtaining the requested injunction given the substantial damages that Organon Teknika may incur as a result of a possible injunction and now that Hoffmann La Roche did not immediately object to Organon Technical's distribution of the allegedly infringing products. Based on this argument, which is in fact merely a "weighing of interests-argument", the Court of Appeals refused to grant the requested injunction.

In an "obiter dictum" the Court of Appeals specifically held that given the complexity of the case and the huge financial interests at stake, the President of the District Court of the Hague should have rejected the requested injunction, now that the matter at hand was too complicated for a decision in preliminary relief proceedings. The Court of Appeals explicitly indicated that the expedient nature of Dutch preliminary relief proceedings, may imply that Defendants are not allowed sufficient time to prepare for the case.

The Court of Appeals further argued that the nature of preliminary relief

proceedings implies that the first question that should be answered is which (provisional) measures are under the circumstances of the case sufficient and effective so as to avoid or/and threatened infringing activities. The Court of Appeals then went on to argue that the claims of Hoffman LaRoche against the foreign Organon Teknika Companies served to end the alleged infringing activities by these companies in their respective domiciles. This could be achieved by an injunction against the Dutch Organon Teknika Companies, limited to the Netherlands, now that these companies are the (international) manufacturers. Now that the Organon Teknika companies in The Netherlands are the (international) manufacturers, the effect of an injunction limited to The Netherlands, will be that the foreign Organon Teknika companies can not commit any infringing activities in their respective domiciles any more. According to the Court of Appeals, Hoffman LaRoche, therefore, has no sufficient interest in an injunction against the foreign Organon Teknika Companies. This once again constitutes a "weighing of interests-argument", which is clearly in keeping with the Dutch Supreme Court decision in re **Proctor & Gamble v. Kimberly Clark** of December 15 1995.

D. The Fort Dodge v. Akzo Nobel and Cordis v. Boston Scientific case in the U.K. - Article 16 (4) and 19 of the Brussels/Lugano Convention.

17. In the judgment of the English Court of Appeal of 6 October 1997 in re Fort Dodge v. Akzo Nobel and in re Boston Scientific v. Cordis, the Court of Appeal held that a national Court lacks jurisdiction over the foreign infringement claims once the invalidity of the foreign patent is invoked, since the final judgment on the invalidity and, in view of the relation between the questions of invalidity and infringement, therewith also on the infringement on the basis of Article 16 (4) and 19 of the Brussels/Lugano Convention falls under the exclusive jurisdiction of the foreign Court.

This judgment confirms the judgment of Laddie J. in the matter Coin Controls v. Suzo (CH 1996 C no.7837). For this reason, the English Court' interpretation of Article 16 (4) and 19 of the Brussels/Lugano Convention is also referred to as the

“Coin Controls Doctrine”.

18. The Dutch Courts, however, have taken another position.

See in this regard the judgment of the District Court of The Hague of 29 October 1997 in *re Palmaz v. Boston Scientific* (IER 1998, 2), the judgment of the District Court of The Hague of 10 December 1997 in *re Gist Brocades v. Offra* (Docket No. 97/123 and 97/124), the judgment of the District Court of The Hague of 23 December 1997 in *re Akzo Nobel v. Fort Dodge* (Docket No. 97/2413), the judgment of the President of the District Court of The Hague of 3 February 1998 in *re Yakult v. Danone* (Docket No. KG97/1526) and the judgment of the President of the District Court of The Hague of 2 December 1997 in *re Cordis v. Boston Scientific* (Docket No. KG97/741).

Dutch Courts take the position that Article 16 (4) and Article 19 of the Brussels/Lugano Convention allow for two interpretations.

On the one hand, Article 16 (4) in conjunction with Article 19 Brussels/Lugano Convention may be interpreted in such a way that the Court in the infringement proceedings lacks jurisdiction to hear a cross-border claim, as soon as the invalidity of the patent is invoked by way of defense.

On the other hand, the court in the infringement proceedings may declare itself competent to hear the cross-border claim, but determine after an evaluation of the merits and after estimating the chances of nullification of the patent, whether, in view of the merits of the nullity defense, the Court in the infringement proceedings may pass judgment or should suspend the proceedings until a decision has been reached by the foreign Court in the nullification proceedings on the validity of the foreign patent.

The UK Court adheres to the first interpretation, and the Dutch Court admits that this interpretation is tenable. Nonetheless, the Dutch Court opts for the second interpretation. The Dutch Courts acknowledge that the “Coin Controls Doctrine” employed by the UK Courts is tenable, and that neither the text of the Brussels/Lugano Conventions, nor the text of the Jenard Report compels to either of the solutions. The Dutch Courts hold, however, that the solution they advocate benefits the system of the Brussels/Lugano Conventions, and in particular argue in this context that the solution employed by the UK Court opens the door to unfounded invalidity defenses.

E. The Expandable Grafts v. Boston Scientific judgment of the Court of Appeals of The Hague of 23 April 1998

19. As indicated above, the Dutch practice of granting cross-border injunctions not only rests on Article 3:296 (1) of the Dutch Civil Code but also on a peculiarly “broad” interpretation of especially Article 6 (1) of the Brussels/Lugano Convention.

It is clear that Dutch Courts cannot assume jurisdiction over “cross-border claims”, whenever their jurisdiction is solely based on Article 5 (3) of the Brussels/Lugano Convention (which provides that a defendant may be sued in the Courts of the place where the harmful event, such as the infringing activity, occurred, and Article 24 of the Brussels/Lugano Convention (which provides that preliminary relief may be sought before any court, even if this court has no jurisdiction in proceedings on the merits).

In the judgment of the Court of Appeals of The Hague of 22 January 1998 in *re Evans v. Chiron*, and in the recent judgment of the District Court of The Hague of 20 May 1998 in *re Baxter v. Pharmacia & Upjohn*³ the District Court of The Hague and the Court of Appeals of The Hague held that a Dutch Court cannot grant cross-border injunctions, whenever their jurisdiction is solely based on Article 5 (3) and Article 24 of the Brussels/Lugano Convention.

This implies that Dutch Courts can only award cross-border relief, whenever they can assume jurisdiction with regard to the cross-border claims, based on Article 2 of the Brussels/Lugano Convention (providing that a defendant domiciled in a contracting state may be sued in that state), whenever there is a Dutch defendant, and Article 6 (1) of the Brussels/Lugano Convention, (which provides that a plaintiff can also bring an action in the Courts of the contracting state where any of the co-defendants is domiciled) where it concerns the European Co-Defendants.

20. Article 6 (1) of the Brussels/Lugano Convention in fact allows a plaintiff to join European co-defendants in the action before a Dutch Court together with the Dutch defendant.

Article 6 (1) of the Brussels/Lugano Convention is only applicable, whenever there is a *connection* between the different claims against the different defendants.

³ IER 1998, 31

Dutch Courts have always adopted a peculiar “broad” interpretation of the connection requirement for the applicability of Article 6 (1) of the Brussels/Lugano Convention in patent matters.

Dutch Courts have always held that the mere fact that the different defendants are all involved in the alleged infringement of “one” European Patent, the scope of which should be interpreted uniformly pursuant to Article 69 of the European Patent Convention and the Protocol on its Interpretation, implies that the connection requirement for the applicability of Article 6 (1) of the Brussels/Lugano Convention is actually met.

21. Surprisingly, however, the Court of Appeals of The Hague rendered judgment on 23 April 1998 in re *Expandable Grafts v. Boston Scientific* and gave a rather strict and distinctly different interpretation to Article 6 (1) and the connection requirement.

The Court of Appeals of The Hague held that there is no “one” European Patent, but a bundle of national patents, so that the mere fact that various defendants are involved in international infringement of the different national (European) patent from this “bundle” does not imply that the connection requirement for the applicability of Article 6 (1) is actually met.

According to the Court of Appeals of The Hague, the connection requirement is only met whenever the various defendants are part of a group of companies, with the Dutch company (defendant) being the head office. (also referred as: the “spider in the web”).

Of course, this would seriously restrict the Dutch practice of granting cross-border injunctions.

22. However, the District Court of The Hague rendered judgments in different cross-border patent cases, which seem to imply that the *Expandable Grafts v. Boston Scientific* Judgment of 23 April 1998 of the Court of Appeals of The Hague does not apply to US concerns with head offices in the US.⁴

These judgments seem to indicate that the District Court of The Hague is of the

⁴ See in this respect the judgment of the District Court of The Hague of 20 May 1998 in re *Baxter v. Pharmacia & Upjohn* (IER1998, 31), as well as the judgment of the District Court of The Hague of 15 July 1998 in re *Genetics Institute v. Baxter* (docket number 98/1929) and *Augustine Medical v. Granulab* (docket number 98/2205) and *Augustine Medical v. Mallinckrodt* (docket number 98/1851), as well as the

opinion that Dutch Courts can assume jurisdiction based upon Article 6 (1) of the Brussels/Lugano Convention against foreign European defendants, whenever such defendants belong to the same group of companies and the Dutch defendant is not the head office, but the group of companies is a US concern, with a head office in the US, where it is not prima facie clear how the European organization is in fact structured.

It remains to be seen, however, whether these judgments of the District Court of The Hague will be upheld in appeal. Effectively, most of these judgments will go on in appeal to the Court of Appeals of The Hague.

Furthermore, the UK-Courts have submitted questions on this issue with the ECJ under Article 177 of the Treaty of Rome, so that the ECJ will determine whether the old, “liberal” Dutch interpretation of Article 6 (1), i.e. that the connection requirement for the applicability of Article 6 (1) is met in the event that the various defendants are involved in international infringement of “one” European Patent, is in fact good law.⁵ It appears that the reference by the UK Courts to the ECJ in *Fort Dodge* and *Boston Scientific v. Cordis* will not proceed, but a similar reference could be expected in current litigation between Sepracor Inc. and Hoechst Marion Roussel in the UK.

F. Judgment of the Court of Appeals of The Hague of 26 November 1998 in re Cordis v. Boston Scientific

23. Nevertheless, the recent judgment of the Court of Appeals of The Hague of 26 November 1998 in re Cordis v. Boston Scientific implies a further limitation of the Dutch practice of granting cross border injunctions.

In this judgment, the Court of Appeals of The Hague reiterates that Dutch courts can only assume jurisdiction pursuant to Article 6(1) of the Brussels/Lugano Convention whenever the various (European) defendants are part of a group of companies, with a Dutch company (defendant) being the head office (“spider in the web”).

The Court of Appeals then goes on to argue, however, that Dutch courts should refrain from judging infringement on foreign patents in a preliminary relief action altogether whenever the defendants have initiated nullity actions with regard

recent judgment of the District Court of The Hague of 26 August 1998 in re Merck v. Monsanto (docket number 98/2341).

⁵ See in this respect the judgment of Aldous J. in re Fort Dodge v. Akzo and Boston Scientific v. Cordis [1998] FSR 222, CA, as well as the article of James Marshall and Daniel Pavin, entitled “The future of forum shopping in Europe” in the March-issue of *Managing Intellectual Property*, p. 15-p.18.

to these foreign patents in the respective Contracting States and whenever a provisional assessment of the validity of the patent is required in preliminary relief proceedings (“*kort geding*”).

In this respect, the judgment of the Court of Appeals of 26 November differs from the judgment of the Court of Appeals of 23 April 1998. In the judgment of 23 April 1998, the Court of Appeals held that Dutch courts should take a reticent attitude in this respect. In the judgment of 26 November, however, the Court of Appeals simply holds that Dutch courts should refrain from judging infringement in preliminary relief actions, whenever foreign nullity actions have been initiated. Although this interpretation of Article 16(4) and Article 19 of the Brussels/Lugano Convention is still different from the interpretation of the Courts in the UK⁶, the judgment of 26 November implies that the Court of Appeals of The Hague is indeed moving closer to the UK position.

The judgment of 26 November does imply an important further limitation on the Dutch practice of granting cross border injunctions in patent cases, especially now that most cross border decisions have been granted in preliminary relief actions (“*kort geding*”).

G. Conclusion

24. It will be clear from the above that the effect of the *Fort Dodge v. Akzo Nobel*-case in the UK and the *Expandable Grafts v. Boston Scientific* judgment of the Court of Appeals of The Hague of 23 April 1998 as well as the *Cordis v. Boston Scientific*-judgment of the Courts of Appeals of The Hague of 26 November 1998 does imply a serious limitation of the Dutch practice of granting cross-border injunctions, but does not (as yet) imply the end of the Dutch cross-border injunction, and does not (as yet) imply that the attractiveness of Dutch Courts in forum shopping will be diminished completely.

⁶ See the judgment of Laddie J. in *re Coin Controls v. Suzo* and the judgment of Aldous J. in *Fort Dodge v. Akzo Nobel* and in *re Boston Scientific v. Cordis*.