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## The "Italian Torpedo"\*\*\*

### I. Short Introduction to Cross-Border Injunctions

#### 1.1 The Brussels and Lugano Conventions

In principle each country has a sovereign power of jurisdiction over its own territory. European and EFTA countries, having signed the Treaties of Brussels and Lugano,<sup>1</sup> have relinquished much of this sovereign power. The said treaties oblige the States to enforce in their own countries judicial decisions taken in other countries. So if an Italian judge, for instance, issues a decision prohibiting someone from infringing a Dutch patent, that decision will be enforceable in Holland. The same applies to decisions to pay a certain amount of money or to deliver certain goods.

Although litigation affected by the Brussels and Lugano Conventions could concern any commercial or civil right which can be protected abroad, in the following I will only refer to patents.<sup>2</sup>

A *cross-border injunction* consists of an order which might be granted in an interim proceeding to protect some rights, which can be effective not only in the country of the court that issued it, but also in other countries in which the unlawful act took place.<sup>3</sup>

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\*\* The judgment of the District Court of Brescia is taken into consideration as it was one of the first decisions in which the non-infringement of an Italian patent and its corresponding Swiss and French patents was declared with cross-border effects. The analysis of this judgment requires, however, some introduction to the cross-border injunction, the frequent and widespread use of which gave rise to the torpedo action, as I will illustrate in this article. For any further clarification reference is made to the articles mentioned under *infra* note 3.

- 1 The Brussels Convention, on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters was signed on 27 September 1968, OJ EC L304, at 163; this Convention was extended to EFTA members and was signed on 16 September 1988 in implementation of the Lugano Convention, OJ EC L319, at 9.
- 2 Even though the European-wide injunction started with an application before the Dutch Court for a violation of a trademark, in *Interlas v. Lincoln* - Dutch Supreme Court, 24 November 1989, 1991 BIE 89.
- 3 See BRINKHOFF, "Between Speed and Thoroughness: The Dutch Kort Geding Procedure in Patent Cases", [1996] 9 EIPR 499, Franzosi, "La pronuncia giudiziale 'cross-border': la Dutch European-wide injunction" (1995); FRANZOSI & DE SANCTIS "The increasing world-wide significance of European patent litigation", 25 AIPLA Quarterly Journal 67 (1997); G. O. SULLIVAN, "Cross-Border Jurisdiction in Patent Infringement Proceedings in Europe", [1996] 12 EIPR 654; VON MEIBOM & PRZ in "Die europäische Transborder-" (Contd. on page 784)

#### 1.4 General Jurisdiction (Art. 2 Brussels Convention); Alternative Jurisdictions (Arts. 5(3), 6(1) Brussels Convention)

The perpetrator of the patent infringement can be sued in his or her place of residence or domicile (Art. 2). If jurisdiction is established on this basis, the court might pronounce judgment for an infringement carried out by the defendant in any of the Contracting States in which the tort took place. A cross-border injunction can be granted for all these States. For example: a German company can be sued by the patentee before a German court for violation of a European patent valid in the Netherlands, Italy and Greece, for instance, for the sale of infringing products in the Netherlands, Italy and Greece.

Nevertheless, there are two kinds of exceptions:

- on the one hand, the Convention gives alternative jurisdiction (Arts. 5(3) and 6(1));
- on the other hand, in some cases the court determined has exclusive jurisdiction (Art. 16(4) Brussels Convention).

#### 1.5 Alternative Jurisdiction

Regarding the first kind of exception:

a) Article 5(3) states that the court in the territory of which the harmful act took place also has jurisdiction.<sup>6</sup>

According to the approach of the European Court of Justice, in this case the competent court has jurisdiction only to issue an order with effect restricted to the local area.<sup>7</sup>

b) Article 6(1) states that when there is more than one defendant, the Court of domicile of each of them has jurisdiction over all the defendants. Article 6(1) applies namely to avoid the risk of conflicting decisions, which could arise from separate proceedings.

Article 6(1) does not apply if the claims made against the defendant are not interrelated; this connection exists (according to the ECJ) in the case of infringement of the same right (the European patent<sup>8</sup>) when there is a concrete and close relationship between the defendants<sup>9</sup> (for instance,

6 The ECJ held that if the action is based on Art. 5(3) the application of the general principle of the jurisdiction of the courts of the State of domicile of the defendant must be excluded; ECJ, 27 October 1998 (C-51/97) – *Reunion européenne v. Spliethoff's Bevrachtingskantoor BV*.

7 ECJ, 68/93–1995 – *Fiona Shevill v. Press Alliance*, (1995) E.C.R. I-415; and ECJ, 19 September 1995 – *Marinari v. Lloyd's Bank*.

8 Even though the UK court asserted that a European patent can give rise to conflicting judgments, *Fort Dodge v. Akzo Nobel*, 1998 EIPR, No. 10, 29 IIC 927 (1998).

9 ECJ, 189/87 – *Kalfelis v. Banca Schroeder*, (1988) E.C.R. 5565, 1990 Foro Italiano, part IV, at 345.

#### 1.2 Substantive Reason on Which Cross-Border Injunction Is Founded

In the case where a patent granted in different EC countries is infringed by the same entity or several interrelated entities, the patentee has two possibilities to litigate: a series of national litigation proceedings (namely different proceedings before the various courts in the territory where the infringement took place) or European-wide litigation by filing an application for a cross-border injunction.<sup>4</sup>

In the former case the patentee may run the risk of obtaining an unfavourable judgment in one country, which might then affect the result of the other proceedings.

#### 1.3 Law on Which Cross-Border Injunction Is Founded

According to the Brussels and Lugano Conventions judgments given by a court of a Contracting State must be enforced in and accepted by the other Contracting States. Pursuant to Art. 25 of the Brussels Convention, all the orders, decrees and any other decisions which are given by a court of any Contracting State have the same effect as judgments. Therefore, a cross-border injunction has to be considered a judgment and the effectiveness of the cross-border injunction will be the same as the effectiveness of the final judgment. Obstacles to this cross-border order can only arise from their recognition and enforcement by the local court as provided by Arts. 27 and 28 of the Brussels Convention.<sup>5</sup> This issue, however, concerns the enforcement of cross-border injunctions and not the admissibility.

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rechtsprechung stößt an ihre Grenzen", 1998 GRUR Int. 765, at H. 10. Actually this definition does not consider the counter-suit injunction: this application is filed by an alleged infringer to restrain the owner of a patent from carrying on legal proceedings in other countries in respect of any act of alleged infringement committed. The cross-border injunction is considered an attack and counter-suit a defence. But both produce effects outside the territory in which the order is granted.

4 See FRANZOZI & DE SANCTIS, "The increasing world-wide significance of European patent litigation in AIPLA" 67 (1997).

5 The obstacles to the execution of the cross-border injunction taken into consideration in the said articles include the following:

- i. If the opposing parties were not summoned to court or if the decision to be enforced was issued without being communicated to the opposing party.
- ii. If the decision conflicts with another decision between the same parties issued in the same State in which the decision must be enforced or in any other State for the same cause and claim (*re bis in idem*);
- iii. If the cross-border injunction is contrary to the public order of the State in which it has to be enforced.

2. If the answer to question 1 is "yes", is the effect that notwithstanding any other provision of the Brussels Convention, proceedings for infringement of a patent granted pursuant to a European application can only be brought in the Courts of the country in which the patent is registered?

3. Where, under the national law of the State in which a patent is registered, the question of infringement of the patent depends upon the validity of the patent (so that, where validity is in issue, the questions of infringement and validity would be tried together in the Courts of the State):

(i) do the Courts of the State in which the patent is registered have exclusive jurisdiction in respect of both questions pursuant to Article 16(4) and/or 19 of the Brussels Convention?

(ii) should the Courts of a State in which the patent is not registered decline jurisdiction pursuant to Article 19?

4. Does Article 24 enable a Court not otherwise having jurisdiction in a matter to grant provisional relief in circumstances where there are no proceedings seeking final relief pending or imminent before any Court having jurisdiction under the Brussels Convention as to the substance of the matter?

5. Does the fact that two patents registered in different Contracting States stemming from the same European patent application provide a sufficient connection for jurisdiction to be claimed under Article 6 in respect of a person not domiciled in the State where litigation is pending against a Defendant who is so domiciled where the allegations in that litigation are:

(i) of infringement of both patents by the domiciled person, or  
(ii) of infringement only of the patent in the State where litigation is pending by the domiciled person, but the non-domiciled person is alleged to infringe the other patent?

6. Are the answers to any of the preceding questions different (and if so, which) if the proceedings are "kort geding" proceedings in the Netherlands in respect of a European patent and the designated State is other than the Netherlands?

The ECJ has not issued any judgment.

b) *Dutch (and German) approach*: The question of infringement is different from the question of validity. The court which has jurisdiction for the infringement can incidentally examine the matter of validity; if invalidity is not likely to be found, the court pronounces the infringement.

Nevertheless, in both instances the court might be entitled to issue an injunction according to Art. 24 of the Brussels Convention. Such decision, however, will not have a cross-border effect and will only be limited to the local territory.<sup>14</sup>

<sup>14</sup> The Hague Court of Appeal, 23 April 1998 – *Cordis v. Boston*. On the limits of the injunction granted pursuant to Art. 24, following the line of the UK Court of Appeal, 27 October 1997, 1998 EIPR, No. 10 – *Fort Dodge v. Akzo Nobel* cited above.

between companies belonging to the same group or individuals with a commercial connection in terms of distribution or a licence).<sup>10</sup> The ECJ held that "A court may decline jurisdiction if it becomes clear that the person whose residence was taken into consideration for founding jurisdiction was involved in the proceeding only for this very purpose".<sup>11</sup>

### 1.6 Exclusive Jurisdiction Under Art. 16(4) and the Question of *Lis Alibi Pendens*

According to Art. 16(4) the court of the place in which the patent was registered has exclusive jurisdiction when it comes to deciding on the validity of the patent itself.

What happens in the case where the defendant who is alleged to be the infringer raises the question that the patent is not valid and initiates a nullity action before the court where the patent is registered? Article 19 of the Brussels Convention provides that, where a court is seized of a claim which is principally concerned with a matter over which the courts of another Contracting State have exclusive jurisdiction, the former should pronounce its lack of jurisdiction. There are two different approaches to this issue.

a) *British approach*: An invalid patent cannot be infringed. Before the court can decide on infringement, there must be a judgment on the validity of the patent if the matter of invalidity has been raised.<sup>12</sup> Therefore litigation for infringement may be suspended, or the decision on infringement must be requested from the same judge who has to decide on the validity of the patent.<sup>13</sup> This approach was upheld by the Court of Appeal in London on 17 December 1997. In that case the court refused to grant an injunction and submitted the case for an interpretation of the Brussels Convention to the ECJ, formulating the following question:

1. In the case of patents granted due to European applications pursuant to the European Patent Convention, are the provisions of Article 2 and/or 64 of the European Patent Convention provisions which govern jurisdiction in relation to particular matters (i.e. proceedings for infringement of such patents) within the meaning of Article 57 of the Brussels Convention?

<sup>10</sup> Therefore jurisdiction can be established according to Art. 6(1) when: a) there is a violation of a European patent carried out in different states by companies belonging to the same group, one of which has its head office in the territory where the court has jurisdiction; b) the infringement of a European patent is committed in country A by the distributors in country A and in country B by the producers in these countries; in this case the infringers can be sued alternatively before the courts of A or B.

<sup>11</sup> See ECJ – *Kalfelis v. Banca Schroeder*, cited above.

<sup>12</sup> High Court, *Coin Controls Ltd. v. Suizo International (UK) Ltd.*, (1997) FSR 669, EIPR (1997) D-187, 29 IIC 804 (1998).

<sup>13</sup> High Court, *Fort Dodge v. Akzo Nobel*, (1997) CHPCI 97/1395/B.

## 2. *The Torpedo*

A person who has just<sup>15</sup> reason to believe he might soon be accused of infringement and be summoned in a Contracting State with a cross-border injunction has the possibility to initiate proceedings in another State asking for a declaration of non-infringement with effect throughout Europe in the countries where he may be attacked; thus paralyzing the cross-border injunction.<sup>16</sup>

Suppose a Belgian company may be summoned before a Dutch court for violation of a European patent valid in the Netherlands and Belgium. The Belgian company may bring suit for non-infringement of the Belgian portion and the corresponding Dutch portion before the Belgian court. If the owner of the patent subsequently proceeds before the Dutch court with a cross-border injunction action against the Belgian company, the "torpedo" effect will be triggered: the Dutch court, according to Art. 21 of the Brussels Convention, will suspend litigation, having been seized later than the Belgian court, because the same question of infringement of the same patent involving the same parties is pending before the courts of different Contracting States.

The strategy is commonly known as the "Italian torpedo".<sup>17</sup>

If one wants to prevent the patentee from taking an attack action, it is necessary to paralyse him by means of an action for declaration of non-infringement of predictably lengthy duration. Court litigation in many countries has the same features. As, after the reform of the Code of Civil Procedure, several Italian courts were able to reduce the duration of proceedings, the adjective "Italian" was abandoned, yet the term "torpedo" remained to indicate this kind of anti-suit action (often resorted to in Belgium).<sup>18</sup>

15 The mere risk of being attacked as compared to the concrete possibility that this might happen is particularly relevant with reference to the admissibility of the present action, as I will illustrate below.

16 Such effect is indisputable if it aims to paralyse an action for declaration of infringement brought in the form of a proceeding on the merits. Greater difficulty may arise, as we will see, if the torpedo suit is brought to prevent the same action in the form of an interim proceeding.

17 FRANZOSI, "World-wide Patent Litigation and the Italian Torpedo", 7 EIPR 382 [1997]; FRANZOSI, "Weltweite Patentstreitigkeit und ein Italienisches Torpedo", Mitt., August 1998; followed also by House of Lords, European Community, 22nd Report, "The value of patents" (1998); UK High Court – *Roussel v. Martori*; Court of Düsseldorf, 27 January 1998 (4 O418/97); PERKINS, "Injunctive relief in IP cases" (1999), [www.bmplp.com](http://www.bmplp.com).

18 GILBERT, "Enforcing patents in Europe" (1999), [www.Bristows.com](http://www.Bristows.com).

In order to analyse thoroughly this kind of action (in an aim to understand its limits, if any, even in the light of the criticism raised), I think it is useful to examine separately the two steps characterising it:

- a) A national court (which we might define as the "torpedoer") of a Contracting State can issue a decision on the (non-) infringement of a European patent, which was extended to several States (or of several patents in the same family as provided by the Court of Brescia) with effect on all the said States.
- b) Once proceedings pursuant to a) have been started, the court seized later (which we might define as the "torpedee") with a claim for infringement of the same patents should stay the proceedings according to Art. 21.
- a) It is evident, in theory, that the torpedo suit might be brought before the court of a Contracting State in which the patentee has its domicile or its residence, pursuant to Art. 2 of the Brussels Convention. If this were so, there would be no obstacle to obtaining a decision of non-infringement with cross-border effect. This, however, is merely hypothetical, since it is at least highly unlikely that a person accused of infringement would initiate proceedings in the "territory" of the patentee.

The natural arena of the torpedo action involves the possibility of an alternative forum. In the judgment commented on here, the Court of Brescia had no hesitation in confirming its own jurisdiction by virtue of the special jurisdiction of Art. 5(3) of the Brussels Convention. The article indeed states: "A person domiciled in a Contracting State may be sued in another Contracting State ... in matters relating to tort, delict or quasi-delict in the courts for the place where the harmful event occurred." In the course of the proceeding it was proved, as the patentee alleged in a concrete and effective manner, that the Italian company (producer of machinery) and the Swiss company (distributor of the machines produced by the Italian company) were infringing its patent rights (three Swiss patents extended with an Italian and a French patent). The District Court of Brescia held itself to have jurisdiction since the machines contested were produced in Brescia.

Examination of the decision of the District Court of Brescia raises two issues:

- i. The court with jurisdiction where the alleged unlawful act was committed is not competent to issue a decision on non-infringement.
- ii. Even if objection i. should be overcome the court cannot issue a cross-border decision.

With reference to a) i., the District Court of Bologna in a recent decision asserted that Art. 5(3) refers to the place in which the harmful event took place: "This cannot be applied to the facts for which the declaration of

would have arisen or would have been fulfilled (Supreme Court, 12 November 1993, No. 11183; 14 January 1992, No. 241).<sup>25</sup> Thus, there does not seem to be any doubt on the jurisdiction of the court in the local territory where the alleged tort was committed to issue decisions of non-infringement. The only obstacle to consider, therefore, is the fact that there is a concrete prerequisite of prior accusation on the part of the infringer (which is the prerequisite that occurred in the case in Brescia).

With reference to a)ii., the Hague Court of Appeal, in its decision of 23 April 1998,<sup>26</sup> asserted that the court seized pursuant to Art. 5(3) might decide only and exclusively on the infringement that occurred in its own State.<sup>27</sup> In the grounds of the decision, the Hague Court of Appeal referred to the approach of the ECJ in *Shevill v. Press Alliance*.<sup>28</sup>

Since the same rules apply both for the claims of verification of the infringement and for the declaration of non-infringement, the limits indicated in the judgment mentioned above also seem to affect the torpedo. As a consequence, the torpedo launched in the court of the State in which the tort took place, according to Art. 5(3), cannot have cross-border effect. The action for non-infringement would only be limited to the territorial effect of the courts seized.

Nevertheless, it seems to me that the interpretation of the judgment *Shevill v. Press Alliance* given by the Dutch court went beyond the actual extent the ECJ wished to attribute to the case examined. As a matter of fact, the *Shevill v. Press Alliance* judgment concerned verification of the damage and the consequent assessment following a publication that occurred in several European countries. In that case the ECJ, under points 32 and 33, asserted that the damaged party in a case of libel via the press, extended to several Contracting States, has the possibility to bring the action as a whole both before the court of the defendant's place of domicile and the court of the place where the publishing house of the defamatory publication is situated. Furthermore, the damaged party can take action pursuant to Art. 5(3) in each Contracting State in which the publication appeared and where the victim alleges to have suffered damage to its reputation. In that case, however, the courts have jurisdiction to issue decisions only on the damages incurred in the State of the court seized.

25 4 April 1997, 1997 II diritto industriale 828.

26 *Boston v. Cordis* cited above.

27 A similar view was shared by the English High Court in *Pearce v. Ove Arup Partnership Ltd.*, 7 March 1997, 29 IIC 833 (1998); *Fort Dodge v. Akzo Nobel*, 27 October 1997, 1998 EIPR, No. 10.

28 ECJ, 7 March 1995, 1995 Foro Italiano IV, at 331.

non-infringement is requested, which by express assertion of the party is lawful and as such is alien to the concept of delict or quasi-delict under Art. 5(3).<sup>19</sup> The court supported its own decision by citing as a precedent the judgment of the Supreme Court *en banc* of 8 August 1989, No. 365.<sup>20</sup> Nevertheless, the Supreme Court judgment only appears to support the District Court of Bologna's findings. The Court holding indeed states as follows: "the Italian court has no jurisdiction as to the claim for declaration of non-infringement and unfair competition filed against companies having no registered office in Italy". Actually, the Supreme Court expressly emphasized that Art. 20 of the Code of Civil Procedure (*Forum Commissi Delicti*) cannot find application in the case examined above since the claim for non-infringement "did not involve any concretely occurring harmful event which the judge should verify". In other words the challenge was only hypothetical and not verified.<sup>21</sup> In this sense, a judgment of the Court of Lodi followed in which the court stated that Art. 5(3) of the Brussels Convention refers to the "hypothesis in which the claim is based on a certain harmful event that has taken place and not in which the claim is based on events that may occur in the future".<sup>22</sup>

As a matter of fact, the rules on jurisdiction (Arts. 18 and 20 or the corresponding Arts. 75 and 76 of the Patent Law, or Arts. 2 and 5(3) of the Brussels Convention) which regulate the litigation cases requesting verification of the infringement also apply to those of negative verification, provided, however, the unlawful act is not potential but has turned into a concrete accusation made by the owner of the industrial right. In this sense, indeed, it was considered to be sufficient as a prerequisite for an action for declaration of non-infringement to have received a warning letter sent by the patentee. In a case in which this premise was satisfied, the Supreme Court<sup>23</sup> stated that "a constant principle asserted by the case-law of the present Supreme Court is that in case of claims of declaration of non-infringement the same jurisdiction applies as that which is valid for the action for declaration of infringement."<sup>24</sup>

Similarly, the District Court of Naples, with an order of 4 April 1997 in a case for declaration of non-infringement in the form of an interim proceeding, asserted that "also with reference to the claim for non-infringement the criteria of Art. 20 of the Code of Civil Procedure can be applied and must be referred to the place in which the obligation, if existent,

19 Unpublished judgment No. 2032, 22 September 1998.

20 In 1989 Riv.Dir.Ind. II, at 224.

21 See comment in 1991 GADI 130.

22 Court of Lodi, 13 February 1991 in 1992 GADI No. 2759, at 144.

23 Supreme Court, 10 September 1991, No. 9504, 1991 GADI No. 2607, at 129.

24 See Supreme Court, No. 1398/81, 4444/80, 25 January 1968, No. 223; 10 July 1968, No. 2391; 28 June 1969, No. 2369; 9 April 1974, No. 988; 18 October 1982, No. 5421.

The said judgment only concerns the method to limit the assessment of the damages incurred in several States: in other words the *quantum* and not the *an*. The same court, under points 38 and 39, stated that, in the verification of the unlawfulness or not of the event to be judged, the court will have to apply the rules "applying the substantial law referred to by the national norms provided the said application is not prejudicial to the effect of the Convention". The Italian court, therefore, according to what was stated by the ECJ, will have to examine, as to the verification of the *an*, the rules of international private law in the matter: Art. 62 of Law 31 May 1995, No. 218 (liability for unlawful acts). In that case, the court will have to apply the law of the State in which the act causing the damage took place. Therefore, if the alleged tort took place in several states, the Italian court should apply the law of the single states in which the tort was carried out to verify if the case is considered an unlawful act there.

In particular, in the case examined by the District Court of Brescia, the Italian court verified non-infringement by applying Italian law to the event (production of the machines contested) that occurred in Italy.

It should be noted that the district court, in verifying non-infringement of the Swiss and French patents, could have applied Swiss and French law, respectively. Thus, according to Art. 14 of Law 31 May 1995, No. 218, as the verification of the foreign law is carried out by the court, it could have "referred not only to instruments indicated by the international Conventions, but also to information acquired by means of the Ministry of Justice, or it should have also applied to experts and specialised institutions". I do not know what measure was taken by the district court in this respect.

It is, however, to be observed that in this way, for the first time, we can be ahead of "European cases" in which legal experts of the individual Contracting States involved in the proceedings can participate in the hearing both for the plaintiff and the defendant. They would have the opportunity to explain to the court the grounds of law and facts, founded on local law, that might justify acceptance of the claim. For instance, in the case at issue a Swiss expert could have proved non-infringement of a Swiss patent according to Swiss law, and a French expert could have proved non-infringement of the French patent according to French law.<sup>29</sup> In other cases, a similar procedure was followed: for example, before the Hague District Court in Holland, in *Yakult v. Danone* of 13 February 1998,<sup>30</sup> in which the

29 It is true that for cases having a European patent as subject-matter the task of the judge will be easier. The court indeed can verify the scope of protection of the patent and of all its portions by applying the European Patent Convention (Art. 69). Yet, the help of the counsel of the individual Contracting States might be decisive for the verification of (non-) infringement, as for instance the criteria for evaluating infringement by equivalence are different from one State to another.

30 In 1998 European Trade Mark Report 465.

counsel from the individual countries in which the infringement was allegedly carried out were heard for a cross-border injunction.

Nevertheless a different route can be followed to avoid possible challenges on the admissibility of the torpedo (under a)ii). It was said that the torpedo brought in the jurisdiction of the defendant pursuant to Art. 2 of the Brussels Convention could resist any (reasonable) challenge. However, if it is true that "the rules of jurisdiction established according to Arts. 75 and 76 of the Patent Law, for cases in which the subject-matter of the proceeding is the verification of infringement, also apply to those cases aiming to obtain a declaration of non-infringement of the patent rights,"<sup>31</sup> then it can be asserted that, in the case examined by the Court of Brescia, the Italian plaintiff played that role only from a formal point of view, whereas from a substantive point of view the Italian company was the defendant in the action for infringement of which it was accused by the Swiss company. In that case, bringing the action for non-infringement before the Court of Brescia could have also been justified by applying Art. 2, with the company from Brescia being the defendant from a substantive point of view. This is, indeed, the Court of Bologna's approach, which, in a case regarding declaration of non-infringement brought by an individual with a registered office in that jurisdiction,<sup>32</sup> held itself to have jurisdiction according to Art. 75 of the Patent Law, referring to a principle held by the Supreme Court. This principle states "in relation to the actions for declaration of non-infringement, which arise each time one can symmetrically see an action for infringement, the plaintiff-defendant relationship is overturned."<sup>33</sup>

A further opportunity to avoid the possible objections under a)ii) occurs when a patent licensee involved in a torpedo action has its registered office in the chosen alternative forum. In that case the said alternative forum will have jurisdiction according to Art. 6(1).

The judgment of the District Court of Brescia leads us to make further observations.

One of the greatest limits to the admissibility of cross-border decisions on the part of English courts was that the Brussels Convention can only be applied in the case of violation of the same right. English courts on several occasions observed that the European patent is nothing other than a bundle of national patents, in which each individual national patent has a

31 BERTANI, "Commentario breve al diritto della concorrenza" 1487 (Padua 1997).

32 Court of Bologna, 7 December 1993, 1995 *Giurisprudenza Commerciale*, Part II, at 75. See also R. BIANCO, "Sul criterio distintivo della competenza a concedere misure cautelari a tutela di invenzioni industriali brevettate" (note to Court of Genoa, 23 March 1992), 1993 *Giur. Merito* 31 *et seq.*

33 Supreme Court, 10 September 1991, No. 9504, cited above.

different scope according to the law of the State for which the patent was designated. On this premise it follows that the European patent consists of a series of different rights and thus protection thereof by means of a cross-border injunction would not be admissible. This would also be true on the basis of the finding by the ECJ in *Kalfelis v. Banca Schroeder*.<sup>34</sup> In case of a plurality of defendants, a party can be summoned before the court in the jurisdiction of which some of them are domiciled if, however, there is a close connection between the same, determined by:

- the infringement of the same right
  - a close commercial or corporate relationship between the defendants.
- With regard to the possibility of the court to issue a cross-border injunction in case of infringement of a European patent, as we have mentioned above, the English court referred the question to the ECJ.

The British considerations, however, were totally abandoned by the Hague District Court, which in *Cordtis v. Boston*, of 2 December 1997, asserted that the European patent can only be considered a sort of bundle of European patents, all having the same scope of protection, which the court must examine on the basis of Art. 69 of the European Patent Convention.

The District Court of Brescia went even further and took an extremely substantive approach. In the present action, in fact, the court did not examine a European patent, but an Italian patent with corresponding Swiss and French patents. The objections of those supporting the British approach are quite predictable. It must be said, however, that, on the basis of the expert's report, the court examined the individual claims of the patents that were the subject matter of the case, and therefore declared non-infringement. This is consistent with what was mentioned above in relation to Arts. 14 and 62 of the Rules on Private International Law. If the court had any doubts on the application of French or Swiss rules, it might have taken the same approach as the Hague District Court in *Yakult v. Danone* mentioned above.

b) Once the admissibility of an action for declaration of non-infringement with cross-border effect has been verified, can a decision deriving therefrom result in the suspension of actions for declaration of the infringement before the courts of other Contracting States?

Article 21 of the Brussels Convention seems to find undisputed application if an ordinary proceeding for declaration of infringement is started

after the torpedo.<sup>35</sup> What happens, however, if after the torpedo an interim proceeding is started? The Hague Court in *Boston v. Cordis*<sup>36</sup> asserted that there is no obstacle in Art. 21 of the Brussels Convention to an interim proceeding since there is no *lis alibi pendens* between the interim proceeding and the ordinary proceeding.<sup>37</sup> This observation can be negated by the fact that in all the European States, also in line with the implementation of TRIPS, the interim proceeding is necessarily followed by the ordinary proceeding, under the penalty of the ineffectiveness of the interim measure eventually granted. Therefore, the proceeding is one and the same, which consists of a first interim stage and a second ordinary stage.<sup>38</sup> This unitary nature can only lead one to believe that the limits of an ordinary proceeding also apply to the interim proceeding.

Moreover, in Art. 21 there is no differentiation between interim and ordinary proceedings. It is indicated that the *lis alibi pendens* pursuant to Art. 21 must be asserted if claims involving the same parties with the same cause and title have been put forward before the courts of several Contracting States. If torpedo and cross-border injunction actions are pending between the same parties, I believe there is identity of subject matter and claim,<sup>39</sup> and that Art. 21 can therefore be applied. It would be interesting

35 Art. 21 must be interpreted in the sense that the claim to obtain a declaration stating that the defendant is liable for damages and condemning him to pay compensation has the same subject-matter as a previous claim brought by the same defendant to obtain a declaration stating he is not liable for the said damages. ECJ, 6 December 1994, No. 406; *The Owners of the Cargo lately Laden on Board the Ship Taty v. The Owners of the Ship Maciek Taty*, 1996 Dir. maritt. 521.

36 See *supra* note 14.

37 This approach seems to find confirmation in our case-law in the judgment of the Supreme Court of 9 August 1996, No. 7337; neither *lis alibi pendens* nor the connection of cause can occur between an interim proceeding pursuant to Art. 700 of the Code of Civil Procedure and an ordinary proceeding on the merits. Since the said interim relief cannot represent final judgment as it only provisionally ensures the effects of the decision on the merits and is the start of the related subsequent and potential proceeding, this excludes *lis alibi pendens* and the connection of the cases. In Massimario 1996.

38 This is the approach followed recently by the District Court of Genoa, which by means of an order dismissed the preliminary relief requested on the ground that ordinary litigation had been previously started having substantially similar claims to those put forward in the interim proceeding before the court. It therefore declared its lack of jurisdiction pursuant to Art. 696<sup>quater</sup> (23 May 2000). This decision, therefore, is partly different from the one mentioned in *supra* note 37.

39 This is also true on the basis of the interpretation given to Art. 21 by the ECJ, 6 December 1994, No. 406, cited above. An opposite interpretation seems to be given by GALLI, "Problemi e prospettive delle cross-border injunctions in materia di proprietà intellettuale" cited above. SCHLOSSER seems to exclude the possibility to apply Art. 21 in the case of interim proceedings in "EuGVÜ Kommentar", Art. 21(5), point 4; KRÖPPELLER, "Europäisches Zivilprozessrecht", Art. 24 III, para. 7.

34 ECJ, 27 September 1988 - *Kalfelis v. Banca Schroeder*, 1990 Foro Italiano IV, at 345.

to pursue this issue, but would exceed the bounds of this comment to the present judgment and will be postponed to a future occasion.

In any event Art. 25 of the Brussels Convention laid down that "judgment" means any judgment given by the court "whatever the judgment may be called, including a decree, order, decision or writ". Thus, if the Convention is equally applied to all those measures, it is evident that the underlying actions should also be subject to the same rules of the Convention. As a consequence, actions or claims referred to in Art. 21 of the Brussels Convention should be considered as both those aiming to obtain interim relief and judgments, (*i.e.* all the claims aimed at obtaining any decision issued by a court of a Contracting State<sup>40</sup>).

Raising the objection that the *lis alibi pendens* finds application only between proceedings of the same State (*i.e.* between interim proceedings or between ordinary proceedings) would lead to the launching of torpedo actions, having the effect of paralysing the cross-border injunction, in the form of interim proceedings for non-infringement.<sup>41</sup>

It should be observed that the torpedo is not merely theoretical. A first case decided by the Düsseldorf District Court was heard and led to a decision issued on 8 July 1999.<sup>42</sup> The court found on that occasion that the alleged infringer of a patent can bring a proceeding in one of the Contracting States aimed at obtaining a declaration of non-infringement as to the various national portions of a European patent. If this action for non-infringement is brought with "sufficient" priority, the said proceeding might block a following action for infringement brought by the patentee in another Contracting State.<sup>43</sup>

Nevertheless, it is evident that the torpedo, if used too carelessly, might damage the (legitimate and protection-worthy) rights of those who do not want to be involved in several disputes throughout Europe.<sup>44</sup> I, however, believe there is a natural remedy. The lawful exercise or the abuse of the right will be judged by two different courts, the "torpedoer" and "torpedee", which will evaluate in each individual case whether or not to admit the claim for declaration of non-infringement with cross-border effect and the objection of *lis alibi pendens* according to Art. 21.

40 See Art. 25 of the Brussels Convention.

41 For a thorough analysis see order of the District Court of Naples, 4 April 1997, cited above.

42 Case No. 4, No. O187/99 – *The General Hospital et al. v. Bracco Byk Goultden GmbH et al.*, WIPO September 1999.

43 The effect of the torpedo, however, might even be different: to eliminate the urgency.

44 In this regard reference is made to the recent judgment of the Court of Brussels, 12 May 2000 – *RÖHM v. DSM*, Patent World, September 2000, at 12 (to be published in IIC), and UK High Court, 16 March 2000 – *Molins Plc. v. GD spa*.