2. **The term "proceedings concerned with the registration or validity of patents" contained in Article 16 (4) must be regarded as an independent concept intended to have uniform application in all the Contracting States.**

3. **The term "proceedings concerned with the registration or validity of patents" does not include a dispute between an employee for whose invention a patent has been applied for or obtained and his employer, where the dispute relates to their respective rights in that patent arising out of the contract of employment.**

Mertens de Wilmars Koopmans

Bahlmann O'Keeffe Bosco

Delivered in open court in Luxembourg on 15 November 1983.

P. Heim
Registrar

J. Mertens de Wilmars
President

OPINION OF MRS ADVOCATE GENERAL ROZÈS DELIVERED ON 5 OCTOBER 1983 [1]

Mr President,
Members of the Court,

A request for a preliminary ruling has been submitted to the Court by the Hoge Raad der Nederlanden [Supreme Court of the Netherlands] in a dispute between F. M. J. J. Duijnstee, the liquidator in the winding-up of BV Schroefboutenfabriek, and Lodewijk Goderbauer, a former employee of that company who made a patented invention.

I — The facts are as follows:

Lodewijk Goderbauer, of Schaesberg (Netherlands), the manager of a bolts factory owned by BV Schroefboutenfabriek [hereinafter referred to as "the Company"], whose registered office is in Heerlen (Netherlands), had made an invention consisting in the mounting of a

1 — Translated from the French.

rail on a girder. He submitted to the Netherlands Patent Office an application for a patent in his own name for that invention (No 75.93593) and then made applications in 22 other countries, including five Contracting States.

Considering that the invention was made as a result of special knowledge which Mr Goderbauer had acquired in the ordinary performance of his duties with it, the Company on 26 August 1976 applied to the President of the Arrondissementsrechtbank [District Court], for an interlocutory injunction requiring Mr Goderbauer, subject to the payment of periodic penalties in the event of non-compliance, to transfer into its name the application for a Netherlands patent and the applications lodged and patents obtained abroad and, in the alternative, to refrain from disposing of those applications or patents or taking any measure necessary for the conservation of his own rights in those applications or patents.

By judgment of 7 December 1976 the President of that court dismissed the principal claim but granted the alternative claim.

Later, at an unspecified date, the Company submitted a claim to the Netherlands Patent Office, under the conditions laid down in Article 10 [1] of the Netherlands Patents Law [Octroiwet], to the effect that it was *entitled* to the Netherlands patent which Mr Goderbauer had *applied for*.

The Claims Division of the Netherlands Patent Office granted the Company's claim on 28 December 1977, and that decision was confirmed by the Appeals Division of that office on 7 March 1979.

On 10 April 1979, the Company took action to transfer to its name the application for a patent in the Netherlands.

At a date also unspecified, but after that transfer and without any apparent causal link, the Company went into liquidation. Mr Duijnstee [hereinafter referred to as "the Liquidator"], of Rekem (Belgium), was appointed liquidator.

On 28 November 1979 he applied to the President of the Arrondissementsrechtbank, Maastricht, for an interlocutory injunction requiring Mr Goderbauer to sign the forms needed for the purpose of the transfer of the applications lodged and patents granted in the 22 foreign countries.

On 19 December 1979 the President dismissed that application.

On 21 December 1979 Mr Goderbauer himself brought proceedings against the Liquidator before the Arrondissements-

1 — That article provides as follows:

"1. If the product or process for which an application for a patent is made was invented by a person employed by another person such that he uses his special knowledge in order to make inventions similar to those in respect of which the application for a patent is made, the employer is entitled to the patent . . .

2. If the remuneration which he receives or any special consideration to be received cannot be regarded as constituting compensation to the inventor for loss of the patent, the employer is bound to pay to him a fair sum, having regard to the financial value of the invention and the circumstances in which it was made. If the employer and the inventor fail to reach agreement on the amount of compensation, they may request the Patent Office in writing to determine it. The Patent Office shall give a decision on that request. The parties are bound by the duly motivated decision of the Patent Office. If the employer and the inventor do not make use of that possibility, Article 56 shall be applicable. The inventor shall lose all rights of appeal under the present provision on the expiry of a period of three years following the notification of the patent.

3. Any agreement contrary to the provision laid down in the proceding paragraph shall be void."

Article 56 (2) provides that:

"Actions based on the provisions of the second paragraph of Article 10 shall be regarded as relating to a contract of employment."

rechtbank, Maastricht, in order to obtain recognition, as against the Liquidator, of the "right of lien" over the application for a patent in the Netherlands and over the foreign applications and patents, which he claimed arose out of Article 60 [1] of the Netherlands Insolvency Law.

For his part, the Liquidator pleaded a counterclaim identical to his previous claim of 28 November 1979.

Mr Goderbauer's claim and the Liquidator's counterclaim were dismissed by the Arrondissementsrechtbank on 24 April 1980.

On 17 July 1980 the Liquidator appealed against that judgment to the Gerechtshof [Regional Court of Appeal], 's-Hertogenbosch, contending that Mr Goderbauer's claim should be declared unfounded and that his own counterclaim should be upheld, that is to say that Mr Goderbauer should be ordered to cooperate in the formalities requisite for the transfer of the applications or patents into the name of the Company or of the Liquidator, and that periodic penalty payments should be imposed upon failure to do so.

Mr Goderbauer himself lodged a cross-appeal, claiming that under the second paragraph of Article 10 of the Netherlands Patents Law, in the event of his being required to transfer the applications and patents to the Company, he should be accorded a right of lien as against the Liquidator until he had been compensated for the loss of the patent and the administrative expenses which he had incurred (fees for filing, designation and so forth).

On 28 May 1981 the Gerechtshof, s'-Hertogenbosch, upheld the contested decision.

1 — That article provides that: "A creditor who is entitled to withhold goods belonging to the debtor until payment of his debt shall not lose that right by reason of the debtor's insolvency."

The Liquidator lodged an appeal in cassation against that judgment to the Hoge Raad der Nederlanden. Mr Goderbauer, the respondent, contended that the appeal should be dismissed.

Neither of the parties raised the questions which have been submitted to this Court by the Hoge Raad der Nederlanden. The Advocate General at that court recommended that a reference should be made to the Court of Justice for a ruling on the interpretation of Articles 19, 16, 6 and 22 of the 1968 Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters.

II — By a judgment dated 29 October 1982 the Hoge Raad der Nederlanden referred the following questions to the Court:

"1. Does the obligation imposed on the court of a Contracting State by Article 19 of the Convention of 27 September 1968 on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters to declare of its own motion that it has no jurisdiction override a provision such as Article 419 (1) of the Netherlands Code of Civil Procedure, with the result that the court of cassation must consider whether the judgment appealed against relates to a claim covered by Article 19 and, if that question is answered in the affirmative, quash the judgment appealed against, even if the question has not been raised in the grounds of appeal?

2. Must the question whether the proceedings are 'concerned with the registration or validity of patents' within the meaning of Article 16 (4) of the said Convention be determined:

(a) according to the law of the Contracting State whose courts are referred to in that provision;

(b) according to the *lex fori;* or

(c) on the basis of an independent interpretation of the said provision?

3. If Question 2 is answered in the manner suggested under (c), must a claim such as that concerned here ... be considered to be a claim covered by Article 16 (4)?"

III — I shall consider those questions in a different order, which has the advantage of following the numerical order of the provisions to be interpreted.

Second question submitted by the Hoge Raad

This question asks on what basis the term "proceedings concerned with the registration or validity of patents" within the meaning of Article 16 (4) of the Convention must be defined. In my view, that term must be interpreted on an *independent* basis.

The Commission rightly points out the inconveniences of recourse to a definition based either on the *lex fori* or on the law of the Contracting State within which the deposit or registration of the patent has been applied for, has taken place or is, under the terms of an international convention, deemed to have taken place.

The adoption of an independent criterion for the definition of the scope of the Convention has already been recommended in the judgments of the Court. The Court has indeed stated that "in order to ensure, as far as possible, that the rights and obligations which derive from [the Convention] for the Contracting State and the persons to whom it applies are equal and uniform" the terms of Article 1 should not be interpreted as a mere reference to the national law of one or other of the States concerned and that the concepts used in Article 1 should be regarded "as independent concepts which must be interpreted by reference, first, to the objectives and scheme of the Convention and, secondly, to the general principles which stem from the corpus of the national legal systems". [1]

This approach should also be adopted in order to define the proceedings in which certain courts are to have exclusive jurisdiction under Article 16. Whilst Article 1 of the Convention in principle excludes certain proceedings from the scope of the Convention, for example bankruptcy (in paragraph (2)), it does not contain a similar exception in relation to disputes involving patents or other rights required to be deposited or registered: on the contrary, in so far as the dispute concerns the registration or validity of such rights, Article 16 (4) *confers* exclusive jurisdiction upon the courts of the Contracting State in which registration takes place. For the rest, it does not affect the applicability in principle of the general and special provisions of the Convention.

The Court has adopted the same method in relation to sales by instalment (Article 13 and the second paragraph of Article 14) [2] and in relation to special jurisdiction ("in matters relating to a contract", Article 5 (1)). [3]

1 — Judgment of 22 February 1979 in Case 133/78, *Gourdain* v *Nadler,* [1979] ECR 733, at p. 743, paragraph 3.

2 — Judgment of 21 June 1978 in Case 150/77, *Bertrand* v *Ott,* [1978] ECR 1431 *et seq.*

3 — Judgment of 22 March 1983 in Case 34/82, *Martin Peters Bauunternehmuing* v *Zuid Nederlandse Aannemers Vereniging,* [1983] ECR 987.

It follows that the concepts used in Article 16, and in particular paragraph (4) thereof, must also be interpreted independently.

Third question submitted by the Hoge Raad

(a) On the basis of an independent criterion, does the expression "proceedings concerned with the registration or validity of patents" include a dispute such as that which is before the Hoge Raad?

In accordance with the previous judgments of the Court, I consider first that the exclusive jurisdictions created by the Convention in derogation from the general and special provisions must be interpreted narrowly.

The Court has indeed ruled that:

"... the assignment, in the interests of the proper administration of justice, of exclusive jurisdiction to the courts of one Contracting State in accordance with Article 16 of the Convention results in depriving the parties of the choice of the forum which would otherwise be theirs and, in certain cases, results in their being brought before a court which is not that of the domicile of any of them."

From that the Court inferred that "the provisions of Article 16 must not be given a wider interpretation than is required by their objective". [1]

1 — Judgment of 14 December 1977 in Case 73/77, *Sanders v van der Putte*, [1977] ECR 2383, at p. 2391, paragraphs 17 and 18.

Like the exclusive jurisdiction provided for in Article 16 (3) (validity of entries in public registers), the exclusive jurisdiction laid down in Article 16 (4) is explained by the fact that patents and other similar rights involve — according to the systems in force in the Member States — either deposit or registration after prior examination, and obviously the courts of the State in which the deposit or registration has taken place or is deemed to have taken place are best placed to adjudicate upon cases in which the dispute (validity or existence of the patent, alleged right of priority by reason of earlier deposit, revocation, lapse, unity of the invention, etc.) itself centres on the validity or existence of the deposit or registration.

None of those questions seems to be *primarily* at issue in the dispute before the Hoge Raad. The legality of the grant of the patent was not disputed when the patent was applied for; nor is it the subject-matter of the proceedings before the Hoge Raad.

It appears from the papers before the Court that the outcome of the dispute depends first upon the classification of the relationship which existed between the Company and Mr Goderbauer and secondly upon the rights and obligations arising out of that relationship.

That question arises in advance of the formalities, properly so called, for the transfer of the applications lodged or patents registered by Mr Goderbauer in the Contracting States other than the Netherlands. It is not until a decision has been taken on any assistance which Mr Goderbauer might have to give to the Liquidator that the problem of the transfer, properly so called, of the rights of the applicant or the inventor will actually arise in the other Contracting

States and in the countries which are not parties to the Convention.

In reality, what the Liquidator is seeking — and this is clearly demonstrated by the fact that at first instance he applied for an interlocutory injunction — is the adoption of an *interim* measure relating to an obligation *to act* on the part of Mr Goderbauer, since in order to wind up the insolvent company it is necessary that the formalities for transfer should be carried out.

The adoption of such a measure is dependent upon the civil or commercial relationship which existed between the Company and Mr Goderbauer. It is a question of whether the Liquidator, in so far as he is the assignee of the rights of the Company, may, on the basis of the links or the contract of employment between Mr Goderbauer and the Company, and notwithstanding the right to compensation which the latter continues to assert as against the insolvent Company, require his cooperation in order to carry out the preliminary formalities needed in order to realize the asset of the Company constituted by the applications lodged and the patents obtained abroad in the name of Lodewijk Goderbauer.

(b) Since the adoption of the 1968 Convention on Jurisdiction and the Enforcement and Judgments, two international conventions have been drawn up concerning patents: the Convention on the Grant of European Patents, signed in Munich on 5 October 1973, and the Convention for the European Patent for the common market, signed in Luxembourg on 15 December 1975.

Only the Munich Convention is at present in force. It deals only with the European patent. The applications made or patents held by Mr Goderbauer are national; therefore it appears that only the Paris Convention for the Protection of Industrial Property of 20 March 1883, most recently amended in Stockholm on 14 July 1967, should be applied to them.

That point was considered in the written observations submitted to the Court and it is not without interest to examine the problem of jurisdiction in the light of the solutions or approaches adopted by the two Conventions of Munich and Luxembourg. Those two Conventions, which are subsequent to the Brussels Convention, in fact contain special provisions on jurisdiction, in particular in relation to actions for the revocation of patents under the Luxembourg Convention. In addition, they deal with the special case of the inventor in the service of an employer.

Article 60 (1) of the Munich Convention provides as follows:

"The right to a European patent shall belong to the inventor or his successor in title. If the inventor is an employee the right to the European patent shall be determined in accordance with the law of the State in which the employee is mainly employed; if the State in which the employee is mainly employed cannot be determined, the law to be applied shall be that of the State in which the employer has his place of business to which the employee is attached."

Article 4 of the Protocol on Jurisdiction and the Recognition of Decisions in

respect of the Right to the Grant of a European Patent (known as "the Protocol on Recognition"), annexed to that Convention, provides that:

"Subject to Article 5, if the subject-matter of a European patent application is the invention of an employee, the courts of the Contracting State, if any, whose law determines the right to the European patent pursuant to Article 60, paragraph 1, second sentence, of the Convention, shall have exclusive jurisdiction over proceedings between the employee and the employer."

Article 68 of the Luxembourg Convention provides that:

"Unless otherwise specified in this Convention, the Convention on jurisdiction and enforcement of judgments in civil and commercial matters, signed at Brussels on 27 September 1968 ... shall apply to actions relating to Community patents and to decisions given in respect of such actions."

Article 69 (4) of that Convention provides that:

"The following courts shall have exclusive jurisdiction, regardless of residence:

(a) ...

(b) in actions relating to the right to a patent in which an employer and an employee are in dispute, the courts of the Contracting State *under whose law the right to a European patent is determined* in accordance with the second sentence of Article 60 (1) of the European Patent Convention. Any agreement conferring jurisdiction shall be valid only in so far as the national law governing the contract of employment allows the agreement in question."

Finally, Article V (d) of the Protocol annexed to the Brussels Convention, after the adjustments made by the Convention on the Accession of Denmark, Ireland and the United Kingdom and by the Convention on the Accession of Greece, will, when it enters into force, provide that:

"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 Contracting State shall have exclusive jurisdiction, regardless of domicile, in proceedings concerned with the registration or validity of any European patent granted for that State which is not a Community patent by virtue of the provisions of Article 86 of the Convention for the European Patent for the common market, signed at Luxembourg on 15 December 1975."

By stating that in disputes between employer and employee in relation to patents the courts of the State whose law determines the right to the patent (European or Community) are to have exclusive jurisdiction, all those texts by implication confirm the special nature of the concepts of registration and validity of patents.

Even if the patent were a European or Community patent, the courts of the State in which the employee is mainly employed, that is to say in this case the Netherlands courts, would have exclusive jurisdiction, provided that the dispute between Mr Goderbauer and the Liquidator could properly be described as an "action in which an employer and an employee are in dispute". It seems

that Mr Goderbauer was employed mainly in the Netherlands; in addition, that part of the Company to which he was attached was also situated in the Netherlands.

Consequently, the jurisdiction of the Netherlands courts — subject to the national rules on jurisdiction contained in Article 5 of the Netherlands Patents Law [1] — resulting in this case from the combined provisions of Articles 2 and 5 of the Brussels Convention would not be affected by the provisions of the two European Conventions on patents.

(c) The papers before the Court show that the dispute between Mr Goderbauer and the Liquidator arose before the Company went into liquidation.

Nevertheless, as the United Kingdom points out in its written observations, it is not impossible that, while not falling within the matters referred to in Article 16 (4) and therefore being in principle within the scope of the general or special provisions of the Convention, the dispute exhibits a link with the rules on bankruptcy, which is specifically excluded by Article 1.

For example, there might be a problem in relation to the registration of a patent in the name of the Liquidator. It is in that case that Mr Goderbauer relies upon Article 60 of the Netherlands Insolvency Law.

However, it should be noted that, apart from the fact that the applications or patents in question are registered abroad and the Liquidator resides in Belgium, the dispute does not exhibit any foreign element.

As for the problem of the effect of the insolvency on the disposal of the intangible assets, which are subject to registration in the public registers of other Contracting States, it does not arise until a later stage: first, it must be determined whether those rights are part of the assets; the applications or patents in question can be involved in the insolvency proceedings relating to the Company only in the State in which such proceedings have been brought in the first place, that is to say in the Netherlands.

The question of what effects a reference, or failure to make reference, to the insolvency in the public registers of the other Contracting States in which the applications or patents in question have been registered will have on the disposal of those assets also does not arise until a later stage.

Consequently, if it is accepted that the Netherlands rules of private international law on bankruptcy are applicable, the same result is achieved as that reached by the interpretation which I have suggested of Article 16 (4) of the Convention.

First question submitted by the Hoge Raad

Article 419 (1) of the Netherlands Code of Civil Procedure provides that:

"The Hoge Raad shall confine its consideration of the case to the grounds on which the appeal is based."

1 — That article provides that:

"1. The Arrondissementsrechtbank, The Hague, shall have exclusive jurisdiction at first instance in relation to any claim for revocation, for a declaration of loss of legal effect or for changing the patent, referred to in Article 51, 52 and 53 respectively, and also in relation to any claim for the fixing of compensation, referred to in Articles 34 (9), 34A (2) or 34B (3)."

Since none of the parties has expressly pleaded the lack of jurisdiction of the Netherlands courts under international law, the Hoge Raad asks whether, notwithstanding that provision of national law, it is bound to examine of its own motion whether it has jurisdiction under Article 19 of the Convention, which provides as follows:

"Where a court of a Contracting State is seised of a claim which is principally concerned with a matter over which the courts of another Contracting State have exclusive jurisdiction by virtue of Article 16, it shall declare of its own motion that it has no jurisdiction."

The Commission, the Federal Republic of Germany and the United Kingdom answer that question in the affirmative, which is fully in accordance with the tenor of the preamble to the Convention and with its general spirit. I for my part, however, consider that the explanations set out in relation to the second and third questions render consideration of this point superfluous.

In order that it should be necessary to consider whether or not the courts of a Contracting State are entitled to make the examination of their own jurisdiction dependent upon whether or not the lack of international jurisdiction has been pleaded during the proceedings, those courts must first have before them a claim which is *principally* concerned with a matter in which Article 16 confers exclusive jurisdiction upon the courts of another Contracting State.

As I have stated, it seems to me that the terms of Article 16 (4) do not cover, at any rate principally, a dispute of the type brought before the Hoge Raad.

Another ground, based on practical considerations, may be added to that fundamental reason: I do not believe that it would be in the interests of the proper administration of justice to adjudicate upon a question of this importance when, apart from the Commission, only the governments of two Member States — amongst which not even the Netherlands Government was included — have submitted written observations and when no government of any Member State has presented oral argument.

The Commission itself laid no special emphasis on this point in its observations.

In reply to the questions submitted, I conclude that the Court should rule as follows:

1. The expression "proceedings concerned with the registration or validity of patents" used in Article 16 (4) of the Brussels Convention must be given an independent interpretation.

2. That expression covers only disputes which are principally concerned with the registration or validity of a patent.