



JUSTICIABILITY OF FOREIGN INTELLECTUAL PROPERTY RIGHTS IN THE UNITED KINGDOM - WITH A EUROPEAN PERSPECTIVE

(Yabancı Fikri Mülkiyet Haklarının İngiltere'de Yargılanabilirliği - Bir Avrupa Perspektifiyle)

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ABSTRACT

On what basis can courts adjudicate a case that involves an intellectual property (IP) right crossing national boundaries? The primary purpose of this article is to provide a brief answer to this question (the justiciability of foreign IP rights) under UK law within the wider context of the EU law. It concentrates on the justiciability of three main IP rights - copyrights, trade marks and patents. It further explains the current architecture of the legal framework applicable to UK courts and within the EU. It also explores recent jurisprudence on justiciability in the UK courts and in the Court of Justice of European Union (CJEU) in the context of claims related to IP rights with foreign elements. It provides a few conclusions to determine to what extent the current case law is consistent and whether solely accepting justiciability of a foreign IP right is enough to provide access to justice for IP holders.

Keywords: Intellectual property law, copyright, trade marks, patents, justiciability, jurisdiction, private international law, access to justice, Brussels Regulation.

ÖZ

Milli sınırları aşan fikri mülkiyet haklarını içeren bir dava mahkemelerce hangi temelde yargılama konusu olabilir? Bu makalenin ana amacı, bu soruya (yabancı fikri mülkiyet haklarının yargılanabilirliği) daha geniş Avrupa Birliği (AB) hukuku bağlamında ve İngiliz hukuku altında kısa bir cevap sunmaktır. Bu makale, üç ana fikri mülkiyet hakkının - telif hakları, ticari markalar ve patentler - yargılanabilirliğine odaklanmaktadır. Bu makale ayrıca, İngiliz Mahkemelerinde ve AB içinde uygulanabilir olan hukukî çerçevenin güncel mimarisini açıklamaktadır. Bunun yanında, yabancılık unsuru içeren fikri mülkiyet haklarıyla ilgili talepler bağlamında yargılanabilirlik üzerine yakın zamanda İngiliz Mahkemeleri ve Avrupa

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Adalet Divanı tarafından verilen kararları incelemektedir. Güncel içtihat hukukunun ne dereceye kadar tutarlı olduğu ve yabancı bir fikri mülkiyet hakkının yargılanabilirliğini tek başına kabul etmenin fikri mülkiyet sahipleri bakımından adalete erişim sağlamaya yetip yetmeyeceğini belirleme ile ilgili birkaç sonuç sunulmaktadır.

Ahahtar Kelimeler: Fikri mülkiyet hukuku, telif hakları, ticari markalar, patentler, yargılanabilirlik, yetki, milletlerarası özel hukuku, adalete erişim, Brüksel Tüzüğü.

INTRODUCTION

In the past, there was a reluctance by courts in one jurisdiction to hear cases concerning an infringement which took place in another jurisdiction or, further, that a declaratory action to establish that an intellectual property (IP) right is not infringed pleaded that the intellectual property right is invalid or void and that there is also no infringement of that right for that reason. In the European Union (EU), this stems in part from the exclusive subject-matter jurisdiction (exclusive jurisdiction) rule, namely Article 16(4) of the 1968 Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters (Brussels Convention), replaced in March 2002 by Article 22(4) of the Brussels I Regulation.² At times, these decisions were also grounded on a 'discretionary act of courts' self-restraint based on domestic rules of international procedural law',³ stemming from the case law, such as reasons of *comity to the courts* and on the *act of state doctrine*. The underpinning assumption of these principles was that since intellectual property rights relate to a state's sovereignty or national policies, intellectual property rights are granted through state's acts and are limited to the territory of the state that granted them.⁴

2 Convention concernant la competence judiciaire a l'execution des decisions en matiere civile et commerciale [Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters] Article 16(4), 1968 OJ (L 299) 32, 35 (EC) [hereinafter Brussels Convention]; Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, OJ L 12, 1-23, Article 22(4) [hereinafter Brussels I Regulation]. The Brussels I Regulation is replaced as of 10 January 2015 by Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast), OJ L 351, 1-32 [hereinafter Brussels I Regulation (recast)]. Article 22(4) of the Brussels I Regulation is now Article 24(4) of the Brussels I Regulation (recast). In the 1980s, the rules of the Brussels Convention were extended to the Member States of the European Free Trade Association (EFTA) by way of an international convention. This Convention, known as 'The Lugano Convention', was renegotiated once the Regulation Brussels I had been in force for a number of years and this gave rise to a revised Convention. Today, the new Lugano Convention II applies in proceedings between the EU member states and Iceland, Norway and Switzerland.

3 UBERTAZZI Benedetta, 'Intellectual Property Rights and Exclusive (Subject Matter) Jurisdiction: Between Private and Public International Law' **Marquette Intellectual Property Law Review**, 2011, Vol. 15(2), pp. 357-361.

4 UBERTAZZI, p. 361.



Therefore, where a case did arise before a court which concerned a foreign intellectual property right, the courts preferred to respect the other state and its sovereign decisions and remained silent. This was somewhat an outcome of the exclusive subject-matter jurisdiction, requiring not to interfere with the grant of the intellectual property right. The recent and prominent examples of these decisions are the judgements of the Court of Appeal of the United Kingdom (UK) in *Lucasfilm Entertainment Co v Ainsworth*,⁵ the Court of Appeal for the Federal Circuit of the US in *Voda v Cordis Corporation*⁶ and the Court of Justice of the European Union (CJEU) in *GAT v LuK*.⁷

Recently, there has been an important new understanding in the field of international private law and conflict of laws in the UK and in the EU: the growing recognition of justiciability of foreign intellectual property rights. In 2011 The Supreme Court of the UK, in the landmark case *Lucasfilm Ltd v Ainsworth*,⁸ ruled that the law had changed to the extent that there was now no bar to adjudicating cases for infringement of a foreign intellectual property right in English courts, where it has *in personam* jurisdiction in respect of the defendant under EU legislation. Likewise, in July 2012, the CJEU offered a new interpretation on the effects of the exclusive jurisdiction rule in *Solvay SA v Honeywell Fluorine Products Europe BV (Solvay)*.⁹ The CJEU, in this case, ruled that Article 22(4), by conferring exclusive jurisdiction on the validity of registered intellectual property rights, does not affect the application of Article 31 of the Brussels I Regulation. This meant that the Dutch court may make an assessment of patent validity during interim proceedings as to whether or not to grant a

5 *Lucasfilm Entm't Co v Ainsworth* [2009] EWCA (Civ) 1328 (Eng). See; TORREMANS Paul L C, 'Editorial: Lucasfilm v Ainsworth' **International Review of Intellectual Property and Competition Law**, 2010, Vol. 41(7), pp. 751-753; TORREMANS Paul L C, 'The Sense or Nonsense of Subject Matter Jurisdiction over Foreign Copyright' **European Intellectual Property Review**, 2011, Vol. 33(6), pp. 349-356; DICKINSON Andrew, 'The Force be with the EU? Infringements of US Copyright in the English Courts' **Lloyd's Maritime and Commercial Law Quarterly**, 2010, Vol. 2, p. 181. On the Court of First Instance decision, see; AUSTIN Graeme, 'The Concept of "Justiciability" in Foreign Copyright Infringement Cases' **International Review of Intellectual Property and Competition Law**, 2009, Vol. 40(4), p. 393.

6 476 F3d 887 (Fed Cir 2007).

7 Case C-4/03 *Gesellschaft für Antriebstechnik mbH & Co KG (GAT) v Lamellen und Kupplungsbau Beteiligungs KG (LuK)* [2006] ECR I-6509. See; KUR Annette, 'A Farewell to Cross-Border Injunctions? The ECJ Decisions *GAT v. LuK* and *Roche Nederland v. Primus* and *Goldenberg*,' **International Review of Intellectual Property and Competition Law**, 2006, Vol. 37(7), pp. 844-855; JOSEPH Paul, 'The rise and fall of cross-border jurisdiction and remedies in IP disputes,' **Journal of Intellectual Property Law & Practice**, 2006, Vol. 1(13), pp. 850-857; TORREMANS Paul L C, 'The Widening Reach of Exclusive Jurisdiction: Where Can You Litigate IP Rights after GAT?' in Arnaud Nuyts and Jean-Sylvestre Bergé (eds), **International Litigation In Intellectual Property And Information Technology**, 2008, pp. 61-77.

8 *Lucasfilm Ltd v Ainsworth* [2011] UKSC 39 (SC).

9 Case C-616/10 *Solvay SA v Honeywell Fluorine Products Europe BV* [2012] ECR I-0000.

preliminary measure, even if the assessment concerns a foreign patent.¹⁰ Finally, the Court of Appeal in the UK followed this trend in *Actavis v Eli Lilly*¹¹, holding that English courts have jurisdiction to hear cases for declarations of non-infringement in relation to foreign designations of European patents where there is no challenge to validity.

The above-mentioned decisions regarding justiciability of foreign IP rights have remarkable doctrinal and practical importance for and beyond intellectual property rights. Nevertheless, they also raise difficult questions regarding the interface of substantive and procedural law and the distinction between them as well as the principles to be applied in determining remedies. One might find it understandable that courts have shown compassion to provide relief for the plight of the foreign intellectual property holding remedy seekers from an expansive point of view. Yet, the question still remains whether an all-encompassing extension of jurisdictional power of local courts so as to include all foreign intellectual property rights, as a matter of policy, can be an appropriate way to provide justice, that is, one that adequately protects the interests of intellectual property holders. A few questions arise here: when *should* courts enforce foreign intellectual property claims, now that it has been established that they *may*, and when *must* they? On what basis can courts adjudicate a case that involves an IP right crossing national boundaries?

This article concentrates on the justiciability of three main IP rights, copyrights, patents and trade marks, under UK law within the wider context of the EU – with an awareness at the time of writing of the uncertainty given the prospect of Brexit.¹² It endeavours to draw a line

10 Ibid paras 31-51.

11 *Actavis v Eli Lilly* [2013] EWCA Civ 517.

12 For the commentaries on the potential impact of Brexit on IP rights see: ROSATI Eleonora, 'Brexit and UK copyright: the story of a loss among all other losses' *Journal of Intellectual Property Law & Practice*, 2016, Vol. 11(8), pp. 563-564; COOK Trevor, "'Brexit" and Intellectual Property Protection in the UK and the EU' *Journal of Intellectual Property Rights*, 2016, Vol. 21(5), pp. 355-361; RAHMATIAN Andreas, 'Brief speculations about changes to IP law in the UK after Brexit' *Journal of Intellectual Property Law & Practice*, 2017, Vol. 12(6), pp. 510-515; UBERTAZZI Luigi Carlo, 'Brexit and the EU patent' *Journal of Intellectual Property Law & Practice*, 2017, Vol. 12(6), pp. 516-525; UBERTAZZI Luigi Carlo, 'Brexit and the EU Patent – Part II: What shall we do?' *Journal of Intellectual Property Law & Practice*, 2017, Vol. 12(11), pp. 937-953; RAMALHO Ana and GARCIA Maria C. Gomez, 'Copyright after Brexit' *Journal of Intellectual Property Law & Practice*, 2017, Vol. 12(8), pp. 669-672; FARRAND Benjamin, 'Bold and newly Independent, or Isolated and Cast Adrift? The Implications of Brexit for Intellectual Property Law and Policy' *Journal of Common Market Studies*, 2017, Vol. 7(2), pp. 1-16; MORCOM Christopher, 'The Implications of 'Brexit' for Trade Marks and for Practitioners in the UK: What Are the Likely Effects and What Needs to Happen Now?' *European Intellectual Property Review*, 2016, Vol. 38(11), pp. 657-660; ARNOLD Richard, BENTLY Lionel, DERCLAYE Estelle and DINWOODIE Graeme, 'IP Law post-BREXIT' *Judicature*, 2017, Vol. 101(2), pp. 65-71; MCDONAGH Luke, 'UK Patent Law and Copyright Law after Brexit Potential Consequences' *CIGI Brexit: The International Legal Implications Series*, Paper No 3 (November 2017); MIMLER



between the terms justiciability and jurisdiction by portraying a brief outline of the current architecture of the legal framework applicable to UK courts and within the EU law (Part I). It further explores recent jurisprudence on justiciability in the UK courts, as well as in the CJEU, in the context of claims related to copyrights (Part II), patents (Part III) and trade marks (Part IV) with foreign elements. The conclusion part questions to what extent the current case law is consistent and whether solely accepting justiciability of a foreign IP right is enough to provide access to justice for IP holders.

I. JUSTICIABILITY AND JURISDICTION

What does the concept of justiciability mean? How does it differ from the concept of jurisdiction? In a recent case, *Mohammed and Rahmatullah v Ministry of Defence*,¹³ Lord Sumption viewed ‘nonjusticiability’ as ‘a treacherous word’, because of its lack of definition, and because it is commonly used as a portmanteau term encompassing a number of different legal principles with different incidents. In *Shergill v Khaira*,¹⁴ the Supreme Court noted that:

There is a number of rules of English law which may result in an English court being unable to decide a disputed issue on its merits. Some of them, such as state immunity, confer immunity from jurisdiction. Some, such as the act of state doctrine, confer immunity from liability on certain persons in respect of certain acts. Some, such as the rule against the enforcement of foreign penal, revenue or public laws, or the much-criticised rule against the determination by an English court of title to foreign land (now circumscribed by statute and by the Brussels Regulation and the Lugano Convention) are probably best regarded as depending on the territorial limits of the competence of the English courts or of the competence which they will recognise in foreign states. Properly speaking, the term non-justiciability refers to something different. It refers to a case where an issue is said to be inherently unsuitable for judicial determination by reason only of its subject-matter. Such cases generally fall into one of two categories.

The two categories the Supreme Court identified are: (1) issues with no domestic law basis and (2) issues upon which a domestic court will refrain

Marc, ‘The Effect of Brexit on Trademarks, Designs and Other “Europeanized” Areas of Intellectual Property Law in the United Kingdom’ *CIGI Brexit: The International Legal Implications Series*, Paper No 7 (December 2017); FHIMA Ilanah, ‘Brexit: EU27 Position Paper on Intellectual Property’ *Journal of Intellectual Property Law & Practice*, 2018, Vol. 12(2), pp. 98–100; ALLAN Nick, Michael Browne and Anna Carboni, ‘Post-Brexit IP rights: what is agreed and yet to be agreed under the European Commission’s draft Withdrawal Agreement’ *Journal of Intellectual Property Law & Practice*, 2018, Vol. 13(8), pp. 608–610.

13 [2017] UKSC 1 para 79.

14 [2014] UKSC 33 para 41.



from adjudicating for reasons associated with the separation of powers and executive competence.¹⁵

In the language used by courts and commentators, it is often ambiguous whether the principle of justiciability is different from the principle of jurisdiction.¹⁶ Sometimes the terms jurisdiction and justiciability seem to be used interchangeably.¹⁷ In effect, justiciability can be rationalized from procedural, institutional or substantive perspectives or a mixture of them.¹⁸ "From a procedural perspective it can cover elements of jurisdiction, standing, mootness, ripeness, admissibility of evidence and even the appropriateness of remedies."¹⁹ "From an institutional perspective it can cover components of democracy and of the separation of powers and relative institutional competence within a particular constitutional system."²⁰ "From a substantive perspective it can cover the complex or polycentric legal, political or policy nature of the right, interest, decisions or questions at issue."²¹ The term justiciability is in this sense broader, and to relatively encompasses, the term jurisdiction. Thus, in the context of private international law, a rule of jurisdiction is argued to some extent be not only a rule of jurisdiction.²² It is sometimes also one which goes to the justiciability of the claim.²³

The question of whether a UK court (as well as a court in the EU) has jurisdiction over case involving a foreign IP right is presently governed by the rules of the Brussels I Regulation (recast).²⁴

The general rule of the Brussels I Regulation (recast) is that a person domiciled in a member state should be sued at the courts of that state (Article 4(1)²⁵). The defendant's domicile rule, also known as *actor sequitur forum rei*²⁶ or *forum domicilii*, may be highly practical where there is a single

15 Ibid para 42.

16 For example, see; *Lucasfilm v Ainsworth* (n 7) paras 50, 97 and 98; *Nokia Corporation v InterDigital Technology Corporation* [2006] EWHC 802 (Pat) para 20; *Arrow Generics Limited & Anor v Merck & Co, Inc* [2007] EWHC 1900 (Pat) para 59; BACON Gregory and ROOTH Katie, 'Justiciability and litigation of foreign patents in the English courts' **Journal of Intellectual Property Law & Practice**, 2017, Vol. 12(10), pp. 851-859; ENGLAND Paul, 'Cross-border actions in the CJEU and English Patents Court: Ten years on from *GAT v LuK*' **Journal of Intellectual Property Law & Practice**, 2017, Vol. 12(2), pp. 105-114.

17 For example, see; *Lucasfilm v Ainsworth* (n 7) 50, 97 and 98.

18 MCGOLDRICK Dominic, 'The Boundaries of Justiciability' **International and Comparative Law Quarterly**, 2010, Vol. 59, p. 985.

19 Ibid.

20 Ibid.

21 Ibid, p. 986.

22 Ibid, p. 983.

23 Ibid.

24 See footnote 1.

25 Article 2 of the Brussels I Regulation.

26 KONO Toshiyuki and JURCYNS Paulius, 'General Report' in KONO Toshiyuki (ed),



copyright infringer. Conversely, it might be less favourable in cases where the defendant lives in a member state that is far away from the member state in which the rightholder is based, where the defendant does not perform any allegedly infringing activity in the forum or where there are multiple defendants.²⁷ In the first two circumstances, the court would have to apply foreign laws on an infringement occurred in other countries.²⁸ In case of existence of multiple defendants, it imposes an onerous (financial) burden on the rightholder, especially as Internet cases may often involve more than two jurisdictions.²⁹ There are certain alternatives to this general rule. The first category is special jurisdiction rules. These include *forum delicti* (Article 7(2)³⁰),³¹ establishment (Article 7(5)³²),³³ multiple defendants' (Article 8(1)³⁴) rules.

Intellectual Property and Private International Law: Comparative Perspectives, Hart Publishing, 2012, p. 24.

- 27 TORREMANS Paul L C, 'Copyright jurisdiction under EU private international law' in Paul L C Torremans (ed), *Research Handbook on Copyright Law* (Edward Elgar Publishing, 2nd edn, 2017) p. 559 ("Copyright jurisdiction"); TORREMANS Paul L C, 'Litigating cross-border intellectual property disputes' in the EU Private International Law Framework' in BEAUMONT Paul, DANOV Mihail, TRIMMINGS Katarina and YÜKSEL Burcu (eds), *Cross-Border Litigation in Europe*, Oxford, Hart Publishing, 2017, p. 657 ("Litigating cross-border IP disputes").
- 28 TORREMANS, Copyright jurisdiction, p. 559; TORREMANS, Litigating cross-border IP disputes, p. 57.
- 29 Torremans, Copyright jurisdiction, p. 559-560; Torremans, Litigating cross-border IP disputes, p. 657.
- 30 Article 5(3) of the Brussels I Regulation.
- 31 TORREMANS Paul L C, 'Jurisdiction for Cross-border Intellectual Property Infringement Cases in Europe' **Common Market Law Review**, 2016, Vol. 53(6), p. 1625 ("Jurisdiction for Cross-border IP Infringement Cases").
- 32 Article 5(5) of the Brussels I Regulation.
- 33 The establishment rule or branch rule, often disregarded in IP litigation, provides that a person domiciled in a member state may be sued in another member state concerning a dispute arising out of the operations of a branch, agency or other establishment, in the courts for the place where the branch, agency or other establishment is situated. It is a special jurisdiction rule and, similar to the *forum delicti* rule, supplements the defendant's domicile rule in Article 4. LARSEN Torsten Bjørn, 'Reverse use of Article 7(5) Brussels Regime in IP litigation: can you sue from the establishment?' **Journal of Intellectual Property Law & Practice**, 2018, Vol. 13(10), p. 776. The establishment rule applies when two cumulative requirements are met: Firstly, the defendant must have a branch, agency or other establishment in an EU/EFTA member state different from where he/she is domiciled (Ibid 777). While the terms 'branch' and 'agency' are examples of the term 'establishment', the latter is defined autonomously and requires, *inter alia*, that: (i) the establishment engages in external business activity; (ii) the establishment is subject to the direction and control of the parent; and (iii) the establishment acts on behalf of and binds the parent (FAWCETT James J and TORREMANS Paul L C, *Intellectual Property and Private International Law*, OUP, 2nd edn, 2011, paras 5.111-5.113). Secondly, the dispute must arise out of the operation of the establishment. In an IP context, distributing infringing products from an establishment meets this requirement (Ibid 5.112). Conversely, merely being the registered owner of an IP right does most likely not suffice to be sued, where there is no external business activity in any such situation (Ibid 5.113.).
- 34 Article 6(1) of the Brussels I Regulation.

The second category is exclusive jurisdiction rules. Where the action concerns the registration or validity of patents, trade marks, design or other similar rights required to be deposited or registered (*Article 24(4)*³⁵) or where the parties have selected a forum (*Article 25*³⁶), the jurisdiction is *exclusive* regardless of the domicile of the parties. This means that if a court in a member state is presented a claim that is principally related to a matter over which the courts of another state have exclusive jurisdiction, it ought to decline the jurisdiction.³⁷

The jurisdiction rule on the pending actions (the *lis pendens* rule) is another factor that needs to be taken into account in particular to avoid irreconcilable judgments in appropriate circumstances.³⁸

There are also special regimes of jurisdictional rules applicable to unitary IP rights. The first type of an IP right which has a unitary character is an EU trade mark. An EU trade mark refers to a trade mark for goods or services which is registered in accordance with the conditions included

35 Article 22(4) of the Brussels I Regulation.

36 Article 23 of the Brussels I Regulation.

37 VAN CALSTER Geert, **European Private International Law**, Hart Publishing, 2nd edn, 2016, p. 115. The 'exclusivity' of choice of forum clauses under Article 25 is weaker than that under Article 24(4). Thus, such clauses cannot override the impact of the exclusive jurisdiction rule under Article 24(4) (Ibid). The determination of whether the parties have a formal agreement governing the choice of jurisdiction is relatively easier than the determination of when the exclusive jurisdiction rule under Article 24(4) (BENTLY Lionel, SHERMAN Brad, GANGJEE Dev and JOHNSON Phillip, **Intellectual Property Law**, OUP, 5th edn, 2019, p. 1316.). Article 24(4) applies to the registration or validity of patents, trade marks, design or other similar rights required to be deposited or registered. The phrase 'other similar rights' refers to other registrable rights such as plant varieties, supplementary protection certificates and utility models. The IP rights that are unregistered, such as copyright, unregistered design right or passing off, does not fall into the scope of the Article 24(4). It applies only to proceedings of 'registration' and 'validity' of the IP rights that are registered (Ibid 1316.). A court seized with jurisdiction must divest itself as soon as a defendant pleads a defence of invalidity (BRIGGS Adrian, 'Jurisdiction over defences and connected claims' **Lloyd's Maritime and Commercial Law Quarterly**, 2006, Vol. 4, pp. 450-451.). The rule must, as an exception to the defendant's domicile rule, be interpreted narrowly (FAWCETT and TORREMANS, para 7.30.).

38 The forum delicti and multiple defendants' rules may give rise to alternative jurisdictions other than the domicile of the defendants. The possibility of alternative jurisdictions leads to the problem that simultaneous proceedings might produce inconsistent judgements. To avoid this problem, the Brussels I Regulation (recast) contains a rule that deals with pending actions (*lis pendens* rule). The *lis pendens* rule essentially provides that where a later court is presented with the same cause of action between the same parties, that court must decline jurisdiction (*Article 29*- formerly Article 27 of the Brussels I Regulation). However, a later court has discretion to stay proceedings, where it is presented an action that is related to one that is already being heard in the courts of another state (*Article 30* – formerly Article 28 of the Brussels I Regulation.). This discretion arises only where the actions are 'related' - that is, where they are so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments (BENTLY, SHERMAN, GANGJEE and JOHNSON, p. 1317.). In exercising the discretion, the court will take into consideration the domicile of the defendant, the applicable law and whether any UK-related action needed to be tried in any case (*Research in Motion (UK) Ltd v Visto Corp* [2008] FSR (20) 499.).



in the EU Trade Mark Regulation (EUTMR)³⁹ and in the manner therein provided.⁴⁰ An application for an EU trade mark shall be filed at the European Union Intellectual Property Office (EUIPO).⁴¹ The EU trade mark has an equal effect throughout the EU.⁴² The EU member states shall designate in their territories as limited a number as possible of national courts and tribunals of first and second instance (EU trade mark courts), which shall perform the functions assigned to them by the EUTMR.⁴³ The international jurisdiction rules applicable to an EU trade mark are found in two legal instruments. The first category exists in Title X of the EUTMR (the 'cascade' rules).⁴⁴ The second category exists in the Brussels I Regulation (recast).⁴⁵ The second category applies as 'fall back'.⁴⁶ The Lugano Convention complements them as 'fall back' in the EU and in full in the EFTA.⁴⁷

39 Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (Text with EEA relevance) OJ L 154 16 June 2017 p. 1–99.

40 EUTMR Article 1(1).

41 EUTMR Article 30(1).

42 EUTMR Article 1(2).

43 EUTMR Article 123(1).

44 EUTMR Articles 124(a), 125(1)(2)(3) and (5).

45 For example, Brussels I Regulation (recast) Article 8(1).

46 These forum rules arise according to the type of the action in question. *Infringement actions* (EUTMR Article 124(a)) in relation to an EU trade mark may be brought before the designated EU trade mark courts: i) at the defendant's EU domicile (EUTMR Article 125(1)), ii) in the absence of a domicile, at the defendant's EU establishment (EUTMR Article 125(1)), or otherwise at the claimant's EU domicile or at the claimant's EU establishment (EUTMR Article 125(2)), or iii) if neither of the parties is domiciled or has a business establishment within the EU, at the place where the European Union Intellectual Property Office (EUIPO) has its seat (in Spain) (EUTMR Article 125(3)), or iv) at *forum delicti* (EUTMR Article 125(5)), v) or through following the multiple defendants' rule (EUTMR Article 122(2)(a) cf. Brussels I Regulation (recast) Article 8(1)) (seven options). The jurisdiction rules of Article 125 of the EUTMR are mandatory and applied in sequence. Bently, Sherman, Gangjee and Johnson, p. 1319. Although no precedent has not been set on the matter by the CJEU, it is possible to argue that the forum rules explained above would apply *mutatis mutandis* to *non-infringement actions*, except from the *forum delicti* rule (The actions for a declaration of non-infringement of an EU trade mark has been exempted from the implementation of the *forum delicti* rule. See; EUTMR Article 125(5)). The main purpose of this exception is that non-infringement actions as a principle must be brought at the home domicile or establishment of the rightholder (European Max Planck Group on Conflicts of Laws in Intellectual Property, **Conflict of Laws in Intellectual Property: The CLIP Principles and Commentary**, Oxford, OUP, 2013, p. 192 ("The CLIP Principles and Commentary")). Nevertheless, a non-infringement action taking place within the EFTA can be brought in the *forum delicti* (Lugano Convention Article 5(3)). As regards *invalidity claims*, the forum that it is raised and the case type that this court oversees becomes relevant. Where it is raised as a counterclaim before an EUTM court hearing an *infringement action*, this court has exclusive jurisdiction over the matter in question (EUTMR Article 124(d) and 128). Where it is put forward before an EUTM court hearing a *non-infringement action*, the EUIPO has exclusive jurisdiction over the matter (EUTMR Article 127(2) cf. Article 63).

47 Three more forums might be added to the seven options mentioned in footnote 44 in

At the present, the establishment of unitary patents (a single right which covers all contracting member states of the EU) and a Unified Patent Court is in progress based on a patent package. The patent package is composed of the Unitary Patent Regulation,⁴⁸ the Translation Regulation⁴⁹ and the Agreement on a Unified Patent Court (AUPC).⁵⁰ The Unitary Patent system is inextricably linked to the creation of the Unified Patent Court, which will have jurisdiction over Unitary Patents and ‘classic’ European patents.⁵¹ The international jurisdiction rules applicable to a unitary patent is governed by the Chapter VI AUPC.⁵²

relation to *infringement actions within the EFTA*: the defendant’s EFTA domicile (Lugano Convention Article 2), or the defendant’s EFTA establishment (Lugano Convention Article 5(5)), or at *forum delicti* (‘place of action’) in the EFTA (Lugano Convention Article 5(3)). A distinction must be made in relation to the implementation of the multiple defendants’ rule: while it applies with respect to infringement actions where the defendants are domiciled in the EFTA (Lugano Convention Article 6(1)), it is inapplicable where they are domiciled outside the EU/EFTA. To apply the multiple defendants’ rule, ‘a person must be domiciled in a Member State’. See; Brussels I Regulation (recast) Article 8(1). In addition, where *invalidity* is raised before an EFTA court but not before an EUTM court, then the EUIPO has exclusive jurisdiction over the matter regardless of whether it is an infringement or a noninfringement action (Article 22(4) of the Lugano Convention applies per analogy). See; LARSEN Torsten Bjørn, **Intellectual Property Jurisdiction Strategies: Where to Litigate Unitary Rights vs National Rights in the EU**, Edward Elgar Publishing, 2017, pp. 62-63 (“Intellectual Property Jurisdiction Strategies”).

48 Regulation (EU) No 1257/2012 of the European Parliament and of the Council of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection, OJL 361, 31 December 2012 p. 1.

49 Council Regulation (EU) No 1260/2012 of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection with regard to the applicable translation arrangements, OJL 361, 31 December 2012 p. 89.

50 Agreement on a Unified Patent Court, OJC 175, 20 June 2013, p. 1 [hereinafter AUPC].

51 AUPC Articles 1 and 3.

52 These forum rules arise according to the type of the action in question. Infringement actions (AUPC Article 32(1)(a)) in relation to a Unitary Patent may be brought before the local division hosted by the contracting member state: i) at *forum delicti* (AUPC Article 33(1)(a)), ii) at the defendant’s EU residence (AUPC Article 33(1)(b)). The AUPC uses the term ‘residence’ instead of the term ‘domicile’ as in the Brussels I Regulation (recast) and the EUTMR, iii) in the absence of a residence, at the defendant’s principal place of business or at the defendant’s place of business in a contracting member state, or otherwise the regional division in which that contracting member state participates (AUPC Article 33(1)(b)), or iv) through following the multiple defendants’ rule (AUPC Article 33(1)(b)) (four options). Where the defendant is not domiciled or does not have principal place of business or place of business in any contracting member state, an infringement action may be brought at *forum delicti* (AUPC Article 33(1) para 2) or at the central division in Paris, London or Munich depending on the subject matter (AUPC Article 33(1) para 3 cf. Annex II). As regards non-infringement (AUPC Article 32(1)(b)) and invalidity (AUPC Article 32(1)(d)) actions, where any infringement action is pending, the non-infringement action must be brought at the same forum (four options) (AUPC Article 33(4)). Where any such infringement action is not pending, the non-infringement action must be brought at the central division in Paris, London or Munich (AUPC Article 33(4) cf. Annex II). As regards invalidity counterclaims (AUPC Article 32(1)(e)) three options arise. The local or regional division may after having heard the parties: i)



The last category of jurisdiction rules relates to provisional measures. A court which has jurisdiction under any of the provisions of the Brussels I Regulation (recast) can order any provisional or protective measures it deems necessary, even if it has stayed its jurisdiction by the application of the *lis alibi pendens* rule.⁵³ An application can also be made to the courts of a member state for provisional measures (including protective measures that are available under the law of that state) even though the courts of another member state have jurisdiction over the substance of the matter under the Brussels I Regulation (recast) (*Article 35*⁵⁴).⁵⁵ In appropriate circumstances, claimants can initiate proceedings before a forum to get an interim injunction even though that court could not grant the final remedy.⁵⁶ Article 35 is therefore an additional, subsidiary rule of jurisdiction with reference to national law. The phrase ‘provisional, including protective, measures’ within the meaning of Article 35 must be understood as referring to provisional measures only: not measures taken in expedient procedures.⁵⁷ The existence of ‘a real connecting link’ between the subject-matter of the measures sought and the territorial jurisdiction of the court must be established for granting provisional or protective measures on the basis of Article 35 before which those measures are sought. A typical link is evident where there is a presence of assets in the member state concerned.⁵⁸

II. COPYRIGHT

A. UK Law

1. The *Moçambique* rule

Within the British legal tradition, the roots of the refusal of justiciability of foreign intellectual property rights can be found in the Australian case *Potter v Broken Hill*.⁵⁹ The High Court of Australia held in *Potter* that

decide both infringement and invalidity (AUPC Article 33(3)(a)), or ii) refer the invalidity to the central division while either suspend or proceed with the infringement (AUPC Article 33(3)(b)), or iii) send the both infringement and invalidity away to the central division with the agreement of the parties (AUPC Article 33(3)(c)). If these actions are brought in a third state invalidity is subject to the international forum rules of the third state. See; LARSEN, Intellectual Property Jurisdiction Strategies, p. 72.

53 VAN CALSTER, p. 185.

54 Article 31 of the Brussels I Regulation.

55 VAN CALSTER, p. 186.

56 *Solvay v Honeywell* (n 8) paras 49-50.

57 Case C-261/90 *Mario Reichert, Hans-Heinz Reichert and Ingeborg Kockler v Dresdner Bank AG* [1992]

ECR 2149 para 34.

58 VAN CALSTER, p. 186.

59 (1906) 3 CLR 479.



a Victorian court had no jurisdiction over an infringement of a patent registered in New South Wales where the defendant had denied the novelty and utility of the alleged invention in respect of which the patent had been granted.⁶⁰ The Australian Court extended the *Moçambique* rule to actions for infringement of patents by analogy.

The *Moçambique* rule was essentially the pronouncement of the public policy rule concerning jurisdiction, 'emphasising the connection between international comity concerns and the jurisdictional prohibition in cases involving foreign land rights'.⁶¹ The case of *British South Africa Co v Companhia de Moçambique*⁶² is the authoritative basis for the rule that the English court 'has no jurisdiction to entertain an action for (1) the determination of the title to, or the right to the possession of, any immovable situate out of England ... or (2) the recovery of damages for trespass to such immovable'.⁶³ This rule has two limbs. One is the 'the issue of title to immovable'⁶⁴ which is a close connection to the act of the state doctrine. This concerns disputes over registration matters. The *Moçambique* rule distinguished 'torts (delicts) occurring in foreign lands as local in the sense that they had a particular connection with the territory on which they occurred'.⁶⁵ The second aspect of the rule thus referred to the fact that the local court, where the trespass occurred, was the suitable forum to hear any action concerning this tort. In short, the essence of the *Moçambique* rule is that the English courts have no jurisdiction over matters that relate to title in foreign land, the right to possession of foreign land or trespass to foreign land.

For the Australian court in *Potter*, there was a clear analogy between patent rights and rights on land ownership, which are designed by 'territorially confined domestic statutes' and are granted by national authorities 'acting under the delegated authority of the (foreign) sovereign'.⁶⁶ This analogy led the Australian court to decline exerting jurisdiction where 'the substantial question sought to be raised by the defendant is the validity of the act of the governing power of New South

60 Ibid 493.

61 AUSTIN, p. 396.

62 [1893] AC 602 HL.

63 *Lucasfilm v Ainsworth*, para 54.

64 TORREMANS Paul L.C, 'Star Wars rids us of subject-matter jurisdiction: The Supreme Court does not like Kafka either when it comes to copyright' **European Intellectual Property Review**, 2011, Vol. 33(12), p. 815 ("Star Wars").

65 WAEDELDE Charlotte, BROWN Abbe, KHERIA Smita, and CORNWELL Jane, **Contemporary Intellectual Property: Law and Policy**, OUP, 4th edn, 2016, p. 998.

66 AUSTIN, p. 396-397.



Wales in granting the patent sued on'.⁶⁷ The case of *Potter*, therefore, arose over and was resolved by the act of the state doctrine.⁶⁸

The first genuine departure from the *Moçambique* rule in an IP case was in *Pearce v Ove Arup*.⁶⁹ In this case, the Court of Appeal accepted, though in interim proceedings, that English law empowers English courts to decide upon claims for infringement of foreign copyright where the defendant is domiciled in the UK but the infringing act has occurred in a foreign jurisdiction. The claimant was an architect who had alleged infringement of his UK and Dutch copyright in drawings and plans for a town hall in London as a result of the design of an art gallery in Rotterdam. In the course of the proceedings, only the main claim for infringement of the Dutch copyright was sustained, and the UK copyright claim was dropped because the latter was time barred. The Court of Appeal approved jurisdiction based on the Civil Jurisdiction and Judgments Act 1982. The Court particularly considered Section 30, which provides that the English courts have jurisdiction to entertain proceedings for trespass to land, wherever situated, unless the proceedings are principally concerned with a question of title or the right to possession. This national provision was subject to the Brussels Convention, according to which, if proceedings were not concerned with a question of title or the right to possession of immovable property, they could be adjudicated upon by the courts of other contracting states. The court thus held that, at least in relation to land situated within a Brussels Convention contracting state (and, by extension, to at least some forms of IP rights in those states), there was no longer any basis for the *Moçambique* rule and the English courts did not have to refuse to entertain a claim for infringement of Dutch copyright.

2. *Lucasfilm*

The justiciability of foreign copyright of a country that was not a signatory to the Brussels Convention (or the subsequent Lugano Convention or Brussels Regulation I) was later answered by the Supreme Court in the leading case of *Lucasfilm v Ainsworth*.⁷⁰ This case was related to the ownership of copyright in the helmets worn by the Imperial Stormtroopers in the *Star War* films and whether these helmets were sculptures under UK Law. In 2004, Mr Ainsworth, who made these helmets for Lucasfilm, subsequently started selling them to the public, advertising on his website. He was sued in California where Lucasfilm was awarded

67 *Potter v Broken Hill*, p. 500.

68 *Lucasfilm v Ainsworth*, para 68.

69 *Pearce v Ove Arup Partnership* [2000] Ch 403.

70 *Lucasfilm v Ainsworth*.



a judgement for US\$ 20 million. However, Lucasfilm was unsuccessful in seeking to enforce the US judgement, since Mr Ainsworth, together with his assets, was domiciled in the UK. In 2008, Lucasfilm then commenced proceedings against Mr Ainsworth in the UK, seeking to enforce the US judgement, and alternatively bringing claims for the infringement of its UK and, surprisingly, US copyright in helmets. While the Supreme Court found that no copyright existed in helmets because they were not sculptures within the meaning of the Copyright, Designs and Patents Act 1988 (CDPA), the questions turned into the justiciability of Lucasfilm's claim in England for the infringement of copyright in the US. Reversing the Court of Appeal's decision, the Supreme Court concluded that such a claim could be heard as long as the court has *in personam* jurisdiction.⁷¹

In reaching this conclusion, the Court found that the *Moçambique* rule⁷² had been largely eroded,⁷³ *Tyburn Productions*⁷⁴ wrongly decided, and that there is no public policy rule that could be asserted against the justiciability of copyright under similar circumstances. On this score, the case of *Lucasfilm* has undoubtedly brought a complete change to English Private International Law.

The Supreme Court opined that there is no basis for denying the justiciability of foreign intellectual property claims in the rules regarding immovable property rights (the *Moçambique* rule), as it has 'been fatally undermined' by subsequent legislation.⁷⁵ In its opinion, the argument that the grant of a national patent is 'an exercise of national sovereignty' is not valid, since in English law 'the foreign act of state doctrine has not been applied to any acts other than foreign legislation or governmental acts of officials such as requisition'.⁷⁶ Hence, the Supreme Court abstained from applying the foreign act of state doctrine to an action for infringement, since it is obvious that not every governmental act or ministerial activity can be classified as an act of state.

Paul Torremans argues that the court's approach is sensible because 'most copyright infringement cases will be mere *inter pares* litigation that does not call into question the validity of the right'.⁷⁷ For Torremans, the obtention of copyrights appears automatically, thus there is no act of state

71 Ibid, para 105.

72 *British South Africa Co v Companhia de Moçambique*.

73 *Lucasfilm v Ainsworth*, para 105.

74 Ibid, para 110.

75 Ibid, para 71.

76 Ibid, para 86.

77 TORREMANS, *Star Wars*, p. 815.



in granting them.⁷⁸ Torremans further extends this argument so as to cover intellectual property rights that require registration. For him, ‘in such cases a validity argument can be said to call into question the decision of a foreign official, but clearly this official intervention is of a radically different nature and importance and never reaches the legislative and extremely restrictive level that is required for the application of the foreign act of state doctrine’.⁷⁹

Torremans’ ‘no act of state’ argument regarding registered intellectual property rights was reflected in paragraph 86 of the judgement. The Supreme Court, whether on purpose or by mistake, concluded that the act of state ‘should not today be regarded as an impediment to an action for infringement of foreign intellectual property rights, even if validity of a grant is in issue, simply because the action calls into question the decision of a foreign official’.⁸⁰ At first glance, this creates confusion around the justiciability of cases regarding infringement of patents and trademarks as well as matters of validity or grant of these rights, if considered the clear conclusion of paragraph 106 of the judgement. By the linguistic use of ‘intellectual property rights’ in a catch-them-all manner, the Supreme Court under paragraph 86 refuses the application of the act of state doctrine to cases regarding infringement of all intellectual property rights as well as matters concerning validity of registered intellectual property rights. However, under paragraph 106 the Court still recognizes a narrow possibility of the application of the *Moçambique* rule, not the act of state doctrine, ‘at any rate where questions of validity are involved’, and sees the rule as a part of the rationale for article 22(4) of the Brussels I Regulation.⁸¹

The Supreme Court examined other policy considerations that might be argued against the justiciability of foreign intellectual property claims. Firstly, it held that the aspect of the *Moçambique* rule that deals with damages for trespass was abolished by Section 30(1) of the Civil Jurisdiction and Judgments Act 1982 and the scope of the rule has been reduced the first aspect of the rule where proceedings for infringement of rights in foreign land are ‘principally concerned with a question of the title to, or the right to possession of, that property’ and thus apply to patents where questions of validity are at stake.⁸² Further, the court confirmed that the rule regarding the choice of law in tort in *Phillips v Eyre*⁸³ was

78 Ibid.

79 Ibid.

80 *Lucasfilm v Ainsworth*, para 86.

81 Ibid, para 106.

82 Ibid, paras 72 and 106.

83 *Phillips v Eyre* (1870) LR 6 QB 1.

'first eroded by case-law and then abolished' by the statute in the Private International Law (Miscellaneous Provisions) Act 1995.⁸⁴ Likewise, the Act abolished the double actionability rule⁸⁵ (except for defamation cases⁸⁶) in *Phillips v Eyre* and in *Tyburn Productions Ltd v Conan Doyle*⁸⁷ (a case in which it was held that it was not possible to bring an action in England for a declaration of non-infringement of United States copyright).⁸⁸ Finally, the Supreme Court highlighted the EU framework in which the trend is towards the adjudicating of foreign intellectual property rights, noting that Article 22(4) of the Brussels I convention only allows exclusive jurisdiction in cases regarding registration or validity of rights.⁸⁹

B. EU Law

1. *Painer* – Multiple defendants' rule

The Brussels I Regulation (recast) provides that co-defendants might be sued in the country in which one of them is domiciled (*Article 8(1)*⁹⁰). The multiple defendants' rule (*forum connexitatis*) supplements the defendant's domicile rule in Article 4.⁹¹ It is in effect a special jurisdiction rule and shall not apply if its use deprives a defendant of the courts in his/her own domicile.⁹² This rule has the twofold rationale. The first is to avoid irreconcilable judgments.⁹³ The second is to create foreseeability as to where to be sued.⁹⁴

This rule is also related to the 'spider in the web' doctrine which was developed for the purposes of the Article 8(1) by Dutch courts.⁹⁵ In this

84 *Lucasfilm v Ainsworth*, paras 79-80.

85 Private International Law (Miscellaneous Provisions) Act 1995, s 10.

86 Private International Law (Miscellaneous Provisions) Act 1995, s 13.

87 *Tyburn Productions Ltd v Conan Doyle* [1991] Ch 75 CA.

88 *Lucasfilm v Ainsworth*, para 80.

89 *Ibid*, para 87-88.

90 Article 6(1) of the Brussels I Regulation.

91 Case C-281/02 *Andrew Owusu v N B Jackson, trading as 'Villa Holidays Bal-Inn Villas' and Others* [2005] ECR I-1383 paras 37-43; KUR Annette and DREIER Thomas, **European Intellectual Property Law: Text, Cases and Materials**, Edward Elgar Publishing, 2013, p. 488 et seq.

92 LARSEN, *Intellectual Property Jurisdiction Strategies*, p. 154.

93 Case C-189/87 *Athanasios Kalfelis v Bankhaus Schröder, Münchmeyer, Hengst and Co and Others* [1988] ECR 5565 para 11; Case C-51/97 *Réunion européenne SA and Others v Spliethoff's Bevrachtungskantoor BV and the Master of the vessel Alblasgracht V002* [1998] ECR I-06511 para 48; Case C-145/10 *Eva-Maria Painer v Standard Verlags GmbH and Others* (Third Chamber) [2011] ECDR 6 para 77; *Solvay v Honeywell*, para 19; The CLIP Principles and Commentary, p. 103.

94 Case C-539/03 *Roche Nederland BV and Others v Frederick Primus and Milton Goldenberg* [2006] ECR I-6535 paras 36-9; Case C-98/06 *Freeport plc v Olle Arnoldsson* [2007] ECR I-8319 para 36; *Painer v Standard Verlags*, para 75 and *Solvay v Honeywell*, para 20.

95 Court of Appeal of The Hague, *Expandable Grafts Partnership v Boston Scientific BV* [1999] FSR 352 (the Netherlands).



form of cross-border action, an injunction is granted by one court against defendants who are both based and infringing in member states other than those of the granting court. The infringing activities must be coordinated from an office domiciled in the country of the granting court. Thus, according to the spider in the web doctrine, the connection between them warrants a single action to avoid the irreconcilable judgments that might otherwise arise from parallel proceedings. However, a risk of irreconcilable judgments is the *conditio sine qua non* to apply the multiple defendants rule which constitutes a derogation to Article 4 and takes away one or more defendants from the forum of their domicile.⁹⁶ The multiple defendants' rule also allows the claimant to consolidate the actions, not only where the 'spider' defendant is domiciled (where the defendant coordinating the activities is based), but anywhere in the 'web' (where any one of the defendants are based).⁹⁷

It is the national court's task to consider whether the proceedings are 'so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings.' For decisions to be regarded as contradictory, it is not sufficient that there be a divergence in the outcome of the dispute. Such divergence must also arise in the context of the same situation of law and fact.⁹⁸

For the multiple defendants' rule to apply, two conditions should be met. Firstly, all defendants must be domiciled in the EU/EFTA.⁹⁹ Where the defendants are domiciled outside the EU/EFTA, third states' own international forum rules apply.¹⁰⁰ Secondly, the claims must be closely connected to avoid the risk of irreconcilable judgments.¹⁰¹ To establish whether the claims are closely connected, the court where the action is brought must address 'all the elements of the case'¹⁰², namely whether the 'laws' are substantially identical and whether the 'facts' are the same.¹⁰³ These requirements are cumulative.¹⁰⁴

96 TORREMANS, *Litigating cross-border IP disputes*, p. 662.

97 FAWCETT AND TORREMANS, para 5.17; KUR Annette, 'Enforcement of unitary intellectual property rights: international jurisdiction and applicable law' **Journal of Intellectual Property Law & Practice**, 2015, Vol. 10(6), p. 475; The CLIP Principles and Commentary, p. 115 ("Enforcement of unitary intellectual property rights").

98 *Roche v Frederick Primus*, para 26; VAN CALSTER, p. 167.

99 Case C-645/11 *Land Berlin v Ellen Mirjam Sapir and Others* ECLI:EU:C:2013:228 para 55.

100 LARSEN, *Intellectual Property Jurisdiction Strategies*, p. 162.

101 *Ibid*, p. 155.

102 *Painer v Standard Verlags*, para 83; *Solvay v Honeywell*, para. 23; *Freeport plc v Olle Arnoldsson*, para 41.

103 TORREMANS, *Litigating cross-border IP disputes*, p. 662.

104 LARSEN, *Intellectual Property Jurisdiction Strategies*, p. 155.



A notable example of the applicability of the multiple defendants' rule in copyright context is the *Painer* case.¹⁰⁵ Ms Painer is a photographer and she takes pictures of children in schools. The case concerned the photographs of Natasha Kampusch at nursery school. The photographs were taken by Ms Painer, a freelance photographer. Ms Kampusch was abducted in 1998 aged 10 and held captive until she escaped in 2006. After the incident of the abduction, the Austrian police used the picture of Natascha Kampusch in their search and have therefore diffused the picture, which allowed a press photo agency to offer this picture to some newspapers. Following Ms Kampusch's escape and prior to her first public appearance, five newspaper publishers, four German and one Austrian, published those photographs in certain newspapers and known websites without, however, crediting any name as the photographer. Ms Painer claimed that the publication in the German and Austrian newspapers infringed her copyright. She sued both German and Austrian newspaper publishers before an Austrian court by relying on Article 6(1) of the Brussels I Regulation (now Article 8(1) Brussels I Regulation (recast)). It must be noted that some German publishers were not operating in the Austrian market, although all publishers performed the same conduct in relation to the picture, that is, the publication of the picture obtained by the agency.¹⁰⁶

In that case, the CJEU vigorously underlined that copyright law, which protects the picture at hand, has been harmonized by different European directives.¹⁰⁷ The CJEU then held that the fact that the complaints based on the violation of German and Austrian copyright laws did not have the same legal basis was only one of several relevant factors.¹⁰⁸ The uniform nature of the legal basis was not considered an indispensable requirement for the application of Article 8(1).¹⁰⁹ It was further noted that some minor divergences between national copyright laws (of Germany and Austria) did not constitute a hurdle in resorting to this jurisdiction rule, because an identical legal basis is no longer necessary.¹¹⁰ The CJEU hinted at an analysis based on a number of factors: (i) the 'substantially identical' nature of the laws,¹¹¹ (ii) whether the acts were 'substantially identical', and (iii) whether the co-defendants acted independently.¹¹² The CJEU said that it was for

105 *Painer v Standard Verlags*.

106 *Ibid*, paras 27-39.

107 *Ibid*, paras 11-25.

108 *Ibid*, para 80.

109 *Ibid*, para 80.

110 *Ibid*, para 81.

111 *Ibid*, para 82.

112 *Ibid*, para 83.



the referring Court to decide whether there was the risk of irreconcilable judgments in the light of these elements.¹¹³ Just because Austrian and German copyright law was not identical did not automatically mean that there should be coexisting proceedings in Germany and Austria.

Under the current legal position within the EU, similar to copyright law,¹¹⁴ the laws are considered substantially identical for registered national trade marks¹¹⁵ and for one same national part of the same European patent.¹¹⁶ By contrast, the laws are not considered substantially identical for unregistered national trade marks¹¹⁷ and designs,¹¹⁸ for different national parts of the same European patent¹¹⁹ and for purely national patents. The legal basis of the action brought before that court may be one indication, but it is certainly not necessary for that legal basis to be identical.¹²⁰ This requirement is interpreted rather flexibly. For instance, the multiple defendants' rule could be invoked where the claims brought against a number of defendants arguably had different legal bases, namely contract and tort.¹²¹ Equally, the application of that rule is not precluded simply because actions brought against several defendants for substantially identical IP infringements rest on national legal bases which vary according to the member states concerned.¹²² A sufficient juridical concordance is on this point sufficient since it is only a question of a risk of irreconcilable judgments.

Advocate General Trstenjak in *Painer* opined that the facts are considered the same where the defendants have acted in an identical or similar manner in accordance with a common policy elaborated by one

113 Ibid.

114 Ibid, paras 11-25.

115 Trade marks law is substantially harmonized within the EU. Particularly see; Articles 10, 14 and 15 of the Directive 2015/2436 (OJL 336/1) of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks. Case C-16/03 *Peak Holding AB v Axolin-Elinor AB (formerly Handelskompaniet Factory Outlet i Löddeköpinge AB)* [2004] ECR I-11313 para 30; Case C-355/96 *Silhouette International Schmied GmbH & Co. KG v Hartlauer Handelsgesellschaft mbH*, [1998] ECR I-4799 paras 25 and 29 and Joined Cases C-414/99 to C-416/99 *Zino Davidoff SA v A & G Imports Ltd. And Levi Strauss & Co. and Others v Tesco Stores Ltd. and Others* [2001] ECR I-8691 para 39.

116 *Solvay v Honeywell*, para 30.

117 LARSEN, Intellectual Property Jurisdiction Strategies, p. 158.

118 Ibid, p. 158.

119 *Roche v Frederick Primus*, para 33.

120 *Freeport plc v Olle Arnoldsson*, para 41.

121 Ibid, para 47. The CJEU held that the fact that the claims against the defendants had different legal bases did not prevent the claimant from invoking Article 6(1) and, in arriving at this decision, it departed from its judgement in *Réunion Européenne (Case C-51/97)*. See; *Freeport plc v Olle Arnoldsson*, paras 44-46.

122 *Painer v Standard Verlags*, para 81.

of them.¹²³ The ‘in an identical or similar manner’ condition requires the infringement to relate to the same use of an IP right.¹²⁴ The ‘in accordance with a common policy’ condition requires the behaviours of the co-defendants to be linked to the behaviour of the anchor defendant (concerted behaviour) excluding parallel behaviour which have been consensually agreed by all the parties.¹²⁵ However, in copyright field the CJEU in *Painer* held that whether the defendants did not act in mutual agreement is a factor that national courts have to consider to determine if there is a risk of irreconcilable judgments.¹²⁶ Thus, when it comes to copyright infringement, the absence of a form of agreement or coordination is not sufficient to reject the application of Article 8(1), where there is a common form of action among the wholly unconnected defendants.¹²⁷

2. *Pinckney, Hi Hotel and Hejduk* – Tortious claims

The ubiquity of online copyright ‘piracy’ has led the efficient enforcement of copyright to be a challenging task for the courts.¹²⁸ The hurdle here is to decide which court has jurisdiction in copyright infringement cases online. The CJEU has provided answers to this contentious question in two recent cases. The guidance given in these cases was built on an interpretation of ‘place of the harmful event’.

In effect, an action involving tortious claims, as is the case in infringement cases, may be brought in the place in which ‘the harmful event’ occurred or may occur (*Article 7(2)*¹²⁹).¹³⁰ Since the most infringements of intellectual property are deemed as tortious, this rule might have a wide implementation in the field of intellectual property. The *forum delicti* rule¹³¹ is a special jurisdiction rule, supplementing the defendant’s domicile rule in Article 4. This means that the claimant may choose between the two along with, *inter alia*, the establishment rule in Article 7(5) and the multiple defendants rule in Article 8(1), without being restricted through the doctrine of *forum non-conveniens*.¹³² Compared to

123 Opinion of Advocate General Trstenjak in case 145/10, *Eva-Maria Painer*, para 87-94.

124 The CLIP Principles and Commentary, p. 106.

125 *Ibid*, p. 107-109.

126 *Painer v Standard Verlags*, para 83.

127 TORREMANS, Litigating cross-border IP disputes, p. 665.

128 MATULIONYTE Rita, ‘Enforcing Copyright Infringements Online: In Search of Balanced Private International Law Rules’ *Journal of Intellectual Property, Information Technology and E-Commerce Law (JIPITEC)*, 2015, Vol. 6, p. 132.

129 Article 5(3) of the Brussels I Regulation.

130 TORREMANS, Jurisdiction for Cross-border IP Infringement Cases, p. 1625.

131 LARSEN, Intellectual Property Jurisdiction Strategies, p. 174.

132 KUR and DREIER, p. 488 et seq.



Article 4, which favours the defendant, Article 7(2) attempts to strike a balance between the interests of the parties.¹³³

The key question whether to apply the *forum delicti* rule is determining where the harmful event occurred. It is recognized that this encompasses two different possibilities: the place where *the damage* occurs and the place of *the event* giving rise to it.¹³⁴ The venues are also referred to as places of ‘act’ and ‘effect’.¹³⁵ The claimant may select whichever they prefer.¹³⁶ There was initially no distinction in relation to the extent of judicial competence vested in those courts. The well-known *Shevill*¹³⁷ case changed this, in which it was held with regard to violations of rights of privacy that the courts in the country where the damage manifested itself (place of effect) merely had jurisdiction for the damage arising in that particular member state, whereas the courts in the country where the damage was caused (place of act) were entitled to impose sanctions relating to the infringement as a whole.¹³⁸ In the case of *eDate*,¹³⁹ the CJEU converted and adapted the *Shevill* case to personality rights which have been infringed on the Internet and held that the place where the damage occurred is where the content is placed online or has been made accessible.¹⁴⁰ In *eDate*, it was further concluded that, the place of ‘harmful event’ (place of act) also includes ‘the centre of claimant’s interest’ – that is, typically the place of the domicile of claimant, and that this court has likewise jurisdiction to hear, without territorial restrictions, on all the damage caused.¹⁴¹

133 LARSEN Torsten Bjørn, ‘Wintersteiger v Coty Prestige: The place of infringement under the forum delicti rule’ *Journal of Intellectual Property Law & Practice*, 2018, Vol. 13(3), p. 180 (“Wintersteiger v Coty Prestige”).

134 Established case law since Case C-21/76 *Bier v Mines de Potasse d’Alsace* [1976] ECR 1735.

135 KUR, p. 469. While the place of the harmful event in case of online copyright infringement is the place where copyright material is uploaded to the Internet without the authorization of the rightholder, damage arises wherever the material is downloaded or potentially even merely accessed. TORREMANS, *Litigating cross-border IP disputes*, p. 658.

136 *Bier v Mines de Potasse d’Alsace*, para 25.

137 Case C-68/93 *Shevill v Press Alliance* [1995] ECR I-415. In *Shevill*, the CJEU held that victims of defamation by means of newspapers could sue the publisher either for the whole harm suffered in the country where the publisher is established, or in countries where the newspaper was distributed, but only for compensation of the harm suffered in the relevant country.

138 It is a well-established practice that the harmful event occurs either in the place where the harmful act originated (the causal event took place) or in the place of the damage that resulted from this act (the ‘ubiquity theory’). The courts of the place of the harmful act have jurisdiction over the entire dispute, while the courts of the place of damage have jurisdiction limited to the territory of that state only. While establishing the place of the causal event in online infringement cases may be quite manageable, determining the ‘place of damage’ in an online environment has proven to be a difficult task. See; *Shevill v Presse Alliance SA*.

139 Joined Cases C-509/09 and C-161/10 *eDate Advertising GmbH v X and Olivier Martinez and Robert Martinez v Socie’te’ MGN Limited* [2011] ECR I-10269.

140 *Ibid*, para 51.

141 *Ibid*, para 40.

The question of jurisdiction based on the accessibility of a website selling copyrighted material was the centre of discussion in the *Pinckney* case.¹⁴² A reference for a preliminary ruling from France was made in the context of proceedings for alleged copyright infringement on the Internet. In *Pinckney*, the claimant (Pinckney), a musician residing in France, discovered that his 12 songs had been reproduced without his authority on a CD in Austria by Mediatech.¹⁴³ These CDs were marketed by the UK companies through various Internet sites accessible *inter alia* in France.¹⁴⁴ He brought an action against the Austrian company, namely Mediatech, before the court in his own domicile in France, seeking damages for the harm which he claimed to have suffered due to the infringement of his copyright.¹⁴⁵ The defendant's act was not selling and delivering the CDs, but manufacturing them on behalf of the distributor who was not present at the case. The manufacturer had not even acted in the jurisdiction where the case was brought. The CJEU found that, in online copyright infringement cases, the place of damage under Article 5(3) of Brussels I Regulation (now Article 7(2) Brussels I Regulation (recast)) is the place where the infringing content could be accessed.¹⁴⁶ Accordingly, the French court was granted jurisdiction. However, it was limited to the territory of France only.¹⁴⁷

The CJEU went on to see 'accessibility' as a valid ground to establish jurisdiction pursuant to Article 7(2) Brussels I recast in *Hi Hotel v Uwe Spoering*.¹⁴⁸ The reference in *Hi Hotel* for a preliminary ruling was made in a case between a photographer and a hotel chain by the BGH. The photographer was commissioned to produce a number of photographs of Hi Hotel rooms in Nice. He also granted Hi Hotel the right to use them in advertising brochures and on its website. Subsequently, he noticed in a bookshop in Cologne an illustrated book on interior architecture published by a German publisher, containing reproductions of some of

142 Case C-170/12 *Peter Pinckney v KDG Mediatech AG* EU:C:2013:635. For commentaries on the case see; SMITH Joel and LERICHE Alexandra, 'CJEU Ruling in Pinckney v Mediatech: Jurisdiction in Online Copyright Infringement Cases Depends on the Accessibility of Website Content' **European Intellectual Property Review**, 2014, Vol. 36(2), pp. 137-38; HUSOVEC Martin, 'European Union: comment on Pinckney' **International Review of Intellectual Property and Competition Law**, 2014, Vol. 45(3), pp. 372-373; HITSEVICH Nataliya, 'The accessibility of a website as a basis of jurisdiction in the case of IPR infringement over the internet' **Journal of Intellectual Property Law & Practice**, 2016, Vol. 11(11), pp. 846-855.

143 *Pinckney v Mediatech*, para 10.

144 *Ibid.*

145 *Ibid.*

146 *Ibid.*, para 47.

147 *Ibid.*

148 C-387/12 *Hi Hotel HCF SARL v Uwe Spoering*, EU:C:2014:215.



his photographs. He brought proceedings against Hi Hotel -established in France- for copyright infringement in Germany. Upon appeal, the BGH decided to stay the proceedings and seek guidance from the CJEU as to whether German courts could be competent to hear such action. The CJEU concluded that the casual event did not occur within the jurisdiction of the court seized. Therefore, it was held that the place giving rise to the damage within Article 5(3) of Brussels I Regulation cannot be considered as conferring jurisdiction to courts located in a Member State where the alleged infringer has not acted. The CJEU however ruled that the jurisdiction may be established on the basis that the damage occurred in Germany.¹⁴⁹

Although *Pinckney* was not a classical example of the internet-based copyright case, the same approach constructed upon ‘accessibility’ has been maintained by the CJEU in the recent *Hejduk* case.¹⁵⁰ A German company EnergieAgentur, without Ms Hejduk’s consent and without providing a statement of authorship, made her photographs of architectural buildings available on its website www.energieregion.nrw.de for viewing and downloading.¹⁵¹ Ms Hejduk brought a copyright infringement action before an Austrian court.¹⁵² The CJEU confirmed the *Pinckney* judgement and once again held that the court of the place where the infringing content can be accessed has jurisdiction to hear the case.¹⁵³ However, it stated that although copyright must be automatically protected in accordance with the relevant directives in all member states, it is still subject to the principle of territoriality. For the CJEU, where the alleged tort consisted in the online infringement of copyright, ‘the activation of the process for the technical display of the photographs on that website must be regarded as the causal event. The event giving rise to a possible infringement of copyright therefore lies in the actions of the owner of that site’.¹⁵⁴ The Advocate General’s suggestion to distinguish the *Pinckney* case and reject the access approach and establish jurisdiction only in the country ‘where the causal event took place’ was not embraced by the CJEU.¹⁵⁵ Instead, *Hejduk* confirmed the ruling of *Pinckney* and the subsequent decision

149 Ibid, para 40.

150 Case C-441/13 *Pez Hejduk v EnergieAgentur NRW GmbH*, EU:C:2015:28. For academic commentary on the case see; BERCIMUELLE-CHAMOT Kevin, ‘Accessibility is the relevant criterion to determine jurisdiction in online copyright infringement cases’ **Journal of Intellectual Property Law & Practice**, 2015, Vol. 10(6), pp. 406–407.

151 *Pez Hejduk v EnergieAgentur*, para 11.

152 Ibid, para 12.

153 Ibid, para 38.

154 Ibid, paras 24 and 38.

155 C-441/13 *Hejduk*, *Opinion of Advocate General Pedro Cruz Villalón*, delivered on 11 September 2014, para 44.



in *Hi Hotel*, that in online copyright infringement cases, accessibility — rather than targeting — is the criterion to employ to determine jurisdiction according to Article 5(3) of the Brussels I Regulation.

In short, for jurisdiction based on the mere accessibility of a website to arise, two conditions must be met: (i) the website is accessible in the court of the member state seized; (ii) the relevant IP rights are protected in the territory of the court seized. In particular, according to the principle of territoriality, an IP right infringement could only occur in the territory of the country under whose laws those rights are granted and exercised, and this territory would necessarily coincide with the place where the damage is felt. Another outcome of this approach is that copyright holders would still need to bring multiple actions in different courts in order to obtain redress in all the territories in which the infringing content may be accessible online.¹⁵⁶ The CJEU further embraces the principle that the jurisdiction analysis in relation to Article 7(2) should be based on a factual examination and should not involve elements of substantive law.¹⁵⁷

III. PATENTS

A. UK Law

The relatively recent trend in the English courts both to recognize and choose to exercise jurisdiction in relation to foreign IP rights is not only peculiar to copyright as embodied in *Lucas* but also to, in particular, foreign designations of European patents. A number of interesting judgements on cross-border actions in patent matters have emerged recently, though with some significant limitations.

The High Court of England and Wales considered the limits of extending jurisdiction over disputes involving foreign patents through the implementation of Articles 16 and 19 of the Brussels Convention (now Articles 24 and 27 of the Brussels I Regulation (recast)) in *Coin Controls Ltd v Suzo International (UK) Ltd*.¹⁵⁸ The case concerned a claim for the infringement of the UK, Spanish and German designations of a European Patent, while the defendant counterclaimed for invalidity. The Court held in *Coin Controls* that it is appropriate to exert jurisdiction over a claim for infringement of a foreign IP right based on domicile, but that as soon as an issue of validity is raised, the court must decline jurisdiction in favour of the court having exclusive jurisdiction.

156 TORREMAN, Copyright jurisdiction, p. 562; HITSEVICH, p. 852. Also see; The opinion of Advocate General Jaaskinen in *Coty Germany GmbH v First Note Perfumes NV* (C-360/12, EU:C:2013:764), para 61.

157 See Case C-228/11 *Melzer v MF Global UK Ltd* EU:C:2013:305 and *Pinckney v KDG Mediatech*.

158 [1999] Ch 33.



The reasoning in *Coin Controls*, that is, infringement and validity are two inseparable aspects of the same question: ‘has the defendant infringed a valid claim?’, has been subsequently endorsed by the Court of Appeal in *Fort Dodge Animal Health Limited v Akzo Nobel NV*.¹⁵⁹ In this case, *Fort Dodge* (five companies domiciled in the UK, Netherlands and Australia) filed an action for revocation of the UK designation of a European patent before a court in the UK, while Akzo filed an action before a Dutch court seeking preliminary and final injunctions against a group of companies for alleged acts of infringements of both the Dutch and the UK patent. An injunction to restrain the infringement proceedings in the Netherlands under the UK patent was also sought by the claimants. The Court of Appeal held that a clear distinction between validity and infringement could not always be made; where there was a bona fide challenge to the validity of a UK patent, any proceedings for infringement would be concerned with the validity of the patent.

In *Coin Controls* and *Fort Dodge*, the question of justiciability was examined at the arguably interconnected nexus between infringement and validity claims. In *Actavis Group HF v Eli Lilly and Company*,¹⁶⁰ however, Arnold J had to decide whether the English Patents Court has jurisdiction to hear an action for declarations of noninfringement in respect of not only of the UK designation of a European patent, but also of the German, Spanish, French and Italian designations. The case concerned Permetrexed, a cancer treatment patented by Eli Lilly. Actavis, a multinational supplier of generic pharmaceuticals, wanted to market a version of the drug by using slightly different chemical elements in the countries protected by these patents. Thus, Actavis did not challenge the validity of the European patent but sought declarations of non-infringement for each of the UK, French, German, Italian and Spanish designations. While Eli Lilly did not contest the English Court’s jurisdiction in relation to the UK designation, but argued that the court does not have, or should not exercise, jurisdiction in respect of the foreign designations. Arnold J. ruled that Lilly had consented to service, and that it had a place of business within the jurisdiction and thus was validly served under rule 6.9 of the Civil Procedure Rules (CPR). Having held that service was validly made, the court went on to consider whether the Patents Court was nonetheless a *forum non conveniens* - that there is some other available forum, having competent jurisdiction, which is the appropriate forum for the trial of the action.

159 [1990] FSR 222.

160 [2012] EWHC 3316 (Pat).



Citing the Supreme Court's decision in *Lucasfilm*, Arnold J observed that the reasons for this decision applied equally to the case at hand. The defendant in *Lucasfilm* was domiciled in the UK. However, Arnold J did not think this prevented the application of the same reasoning to facts of the current one, in which the defendant is domiciled in a country that was not a signatory to the Brussels Regulation (recast) (or the Lugano Convention) but resident and validly served in England. In conclusion, Arnold J held that if claims for foreign copyright infringement were justiciable before the English Courts, then so should claims for foreign patents, as patents are no different to copyrights for the purpose of justiciability, therefore accepted jurisdiction over the claim in respect of both the UK and foreign designations.¹⁶¹

Most recently, the reasoning of *Coin Controls*, as well as *GAT v LuK*¹⁶² and *Solvay v Honeywell*¹⁶³ - which were handed down after *Coin Controls* by the CJEU, has been applied to *Rhodia v Molycorp*.¹⁶⁴ The case concerned a European that designated Belgium, France, Germany, Italy and the UK. The claimants commenced infringement proceedings in the English Patents Court, claiming infringement of the UK and German designations by Molycorp, a UK-domiciled company. In this case, Arnold J held that the English court had no jurisdiction to hear claims concerning infringement of a German designation of a patent when that patent was subjected to nullity proceedings in Germany.

While the above-mentioned decisions were the fairly standard situations of infringement, non-infringement or validity, another recent case arose in relation to claims for 'Arrow' declarations.¹⁶⁵ In essence, an Arrow declaration is a declaration where a product, process or particular use was not new or was obvious at a particular date. It therefore provides the potential infringer with a type of Gillette defence: that is, an alleged infringement solely remains within the scope of what is disclosed in the prior art or is an insubstantial variation and thus cannot infringe any valid patent regardless of the scope of that patent.¹⁶⁶ It is claimed to prevent a case of infringement on the basis that such a case would necessarily mean the invalidity of the patent being asserted.¹⁶⁷ The most notable case where

161 The Court of Appeal later upheld Arnold J's decision that the English court has jurisdiction to hear the actions in *Actavis Group v Eli Lilly*.

162 *GAT v LuK*. See infra part IV.B.1. *GAT – Invalidity claims*.

163 *Solvay v Honeywell*. See infra part IV.B.3. *Solvay – Interim injunctions*.

164 [2016] EWHC 1722 (Pat).

165 Named after the case of *Arrow Generics v Merck* [2007] EWHC 1900 (Pat), in which such a declaration was sought for the first time.

166 *Gillette Safety Razor v Anglo-American Trading* (1913) 30 RPC.

167 ENGLAND, p. 113.



the Arrow declarations were sought was *FKB v AbbVie*.¹⁶⁸ In this case, the Court of Appeal endorsed the jurisdiction of the English courts, as a matter of principle, to grant Arrow declarations in appropriate cases. The court made clear that any declaration would not impact in any way on the jurisdiction of the EPO to grant patents on the divisional applications, and that the form of Gillette defence that such a declaration would set up would not challenge the validity of any granted patent. However, the court noted that the circumstances in which such declarations would be justified are exceptional. While, on the basis of Article 24(4) of the Brussels I Regulation (recast), it would logically seem unlikely that the English courts would accept jurisdiction over a claim for an Arrow declaration in relation to a pending foreign patent application or an application for a European patent that did not designate the UK, an application for an Arrow declaration was allowed in such circumstances to proceed to trial, and at trial found that the declaration sought was still justified on the facts of that case.¹⁶⁹

B. EU Law

1. *GAT – Invalidity claims*

In exploring the trends concerning litigating foreign patent rights within the EU, it is first necessary to examine the case of *GAT v LuK*.¹⁷⁰ *GAT* brought a declaratory action before the German courts in respect of its supply of shock absorbers in France, arguing that its products did not infringe the rights under the French patents owned by LuK and, further, that those patents were either void or invalid.¹⁷¹ When *GAT* appealed, the appellate court made a referral to the CJEU on the interpretation of Article 16(4) Brussels Convention (now Article 22(4) Article of the Brussels Regulation (recast)). In *GAT*, the CJEU encountered the question of whether the exclusive jurisdiction provision concerned only actions for a declaration of invalidity of a patent or whether the provision was also applicable to circumstances where the issue of patent validity is put forward by a counterclaim or as a plea in defense by the defendant in a patent infringement case.¹⁷² The CJEU, in a relatively short judgement,

168 [2017] EWCA Civ 1. The cases overseen by the Court of Appeal were *Fujifilm Kyowa Kirin Biologics Co, Ltd ('FKB') v AbbVie Biotechnology Limited ('AbbVie Bermuda')* ('FKB 1') [2016] EWHC 425 (Pat) per Henry Carr J; and *Fujifilm Kyowa Kirin Biologics Co, Ltd ('FKB') v AbbVie Biotechnology Limited ('AbbVie Bermuda') and AbbVie Limited ('AbbVie UK')* [2016] EWHC 2204 (Pat) ('FKB2') per Arnold J.

169 *FKB v AbbVie* [2017] EWHC 395 (Pat) per Henry Carr J.

170 *GAT v LuK*.

171 *Ibid*, para 10.

172 *Ibid*, para 13.



held the Article must be construed in accordance with the objective it pursues that regardless of the way in which the issue of validity raised in court proceedings, a court may not exert its own jurisdiction on the validity of foreign patents.¹⁷³

In *GAT*, The CJEU strengthened the notion that only the courts and administrative bodies of the country in which a patent was granted may decide the validity of the patent.¹⁷⁴ For instance, the repercussions of the ruling thereafter resonated in the wording of the revised Convention on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters (Lugano II Convention), which provides the rules of jurisdiction for courts in the European Economic Area.¹⁷⁵ The revised Lugano II Convention embraced the opinion in the judgement, which the exclusive jurisdiction applies 'irrespective of whether the issue [of patent validity] is raised by way of an action or as a defence.'¹⁷⁶ The same wording has also been inserted in the recast of the Brussels I Regulation.¹⁷⁷

The judgement in *GAT* attracted criticism for failing to eliminate the possibility of undesirable litigation practices (e.g. forum shopping) leaving the defendant uncertain as to which court they may be required to appear before, and for enabling fragmentation of litigation which could lead claimants need to bring cases in a number of different jurisdictions.¹⁷⁸

2. *Roche* – Multiple defendants' rule

On the same day as *GAT*, the CJEU announced its judgement in *Roche v Primus*,¹⁷⁹ where for the first time the potential application of Article 6(1) of the Brussels Convention (now Article 8(1) of the Brussels Regulation (recast)) concerning intellectual property rights was assessed. In this case, proceedings for infringement of a European patent had been brought before the District Court of the Hague. The defendants were Roche Nederland BV, a Dutch domiciled company, and its several

173 Ibid, para 25.

174 Ibid, para. 22.

175 Convention on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters, June 10, 2009, 2009 OJ. (L 147) 1-44 [hereinafter Lugano II Convention].

176 Lugano II Convention 12.

177 Brussels I Regulation (recast) arts. 24(4) & 81.

178 FAWCETT and TORREMANS, paras 7.30-7.34; TRIMBLE Marketa, 'GAT, Solvay, and the Centralization of Patent Litigation in Europe' **Emory International Law Review**, 2012, Vol. 26, p. 520; TORREMANS Paul L C, 'Exclusive jurisdiction and cross-border IP (patent) infringement: suggestions for amendment of the Brussels I Regulation' **European Intellectual Property Review**, 2007, Vol. 29(5), pp. 195-203 ("Exclusive jurisdiction"); MARIO Franzosi, 'GAT and Roche – Idola Fori, Teatri, Specus: Regulation 864/2007 Makes Cross-Border Patent Litigation Possible' in TORREMANS Paul L C, **Intellectual Property and Private International Law**, Edward Elgar Publishing 2015, pp. 182-190; KUR footnote 6.

179 *Roche v Frederick Primus*.



affiliated companies based in different EU member states. It was argued that each of these companies, by marketing certain immuno-assay kits in those countries, infringed the relevant national part of the European patent for its country of domicile. As previously mentioned, consolidating the cases against these defendants in one case was also possible because Dutch courts had developed for the purposes of Article 8(1) the so-called ‘spider in the web’ doctrine.¹⁸⁰ The *Roche* seemed to be a typical case.¹⁸¹ On appeal, the Dutch Supreme Court referred for a preliminary ruling the question of whether the defendants were sufficiently closely connected for the purpose of the application of Article 8(1) Brussels Regulation (recast), such that the Dutch court could deal with all defendants in one action.

In *Roche*, the CJEU ruled that the condition of the ‘same factual situation’ was not met.¹⁸² According to the CJEU, since each branch operated in a separate country, the elements of the patent infringement were different in each country. The infringing act was also done in different countries by each defendant.¹⁸³ In this sense, since there was no joint act of infringement in a particular country, and thus there were no overlapping infringing activities or defendants. In addition, the CJEU opined that that this case was not even subject to the same law. Since the European patent consists of a number of national patents and each of these patents is subject to national patent law, they are independent from each other.¹⁸⁴

In short, the CJEU concluded that the Dutch court did not have jurisdiction to determine claims against non-Dutch co-defendants for infringements that took place outside the Netherlands, because the co-defendants were alleged to infringe different national laws, so that there could be no possibility of contradictory judgements. Similar to *GAT*, the ruling in *Roche* has been vigorously criticized. The most important of these criticisms is that *Roche* might lead to fragmented litigation,¹⁸⁵ and thus go against the aim to promote a common European area of justice in civil and commercial matters.¹⁸⁶ Another critique with the approach in *Roche* is that it construes territoriality too strictly and thus excludes consolidation where the national laws are different due to the *lex loci protectionis* principle.¹⁸⁷ Critics have also argued that the CJEU’s analysis holding that European patents are independent of each other was not correct due to Article 69 of

180 See supra part III.B.1. *Painer – Multiple defendants’ rule*.

181 TORREMANS, *Litigating cross-border IP disputes*, p. 661.

182 *Roche v Frederick Primus*, para 27.

183 *Ibid*.

184 *Ibid*, paras 29–31.

185 FAWCETT and TORREMANS, para 11.06

186 FAWCETT and TORREMANS, para 11.09; TORREMANS, *Exclusive jurisdiction*, p. 201.

187 *The CLIP Principles and Commentary*, p. 111.



the EPC.¹⁸⁸ Finally, *Roche* fails to provide cost-efficiency in cross-border litigation.¹⁸⁹

3. *Solvay* – Interim injunctions

The CJEU in *GAT* did not address one of the fundamental questions that concerns the potential impact of Article 22(4) on the jurisdiction of courts in granting provisional measures under Article 31 of the Brussels I Regulation. As previously mentioned,¹⁹⁰ Article 31 (now Article 35 of the Brussels Regulation (recast)) contains a special jurisdictional rule for provisional measures, allowing parties to apply for provisional measures in a court in any EU member state, despite the fact that the courts of another member state have jurisdiction as to the substance of the matter.¹⁹¹ *GAT* did not explain whether jurisdiction can be exerted for provisional measures during the proceedings concerning a patent, when patent validity needs to be scrutinized, and the court that is asked to grant provisional measures is not a court of the country where the patent was granted. Likewise, in *Roche*, the CJEU took a tremendously narrow approach to the question of jurisdiction in the context of a claim concerning to infringement of a series of national patents brought against multiple defendants from the same corporate group.¹⁹²

Departing from *GAT* and ameliorating the position in *Roche* in July 2012, the CJEU in *Solvay* held that the preliminary assessment of validity that the Dutch court must make in interim proceedings before deciding whether or not to grant a preliminary measure does fall within the provisional measure jurisdiction of Article 31, and that therefore the Dutch court may make an assessment of patent validity, even if the assessment concerns a foreign patent.¹⁹³

IV. TRADE MARKS

A. UK Law

There are a number of UK cases on trade mark infringement on the Internet relating to whether a UK court has jurisdiction. In *1-800 Flowers Inc v Phonenames Ltd*,¹⁹⁴ the Court of Appeal of England and Wales considered

188 KUR, p. 850; FAWCETT and TORREMANS, para 11.07

189 NORRGARD Marcus, 'A Spider Without a Web, Multiple Defendants in IP Litigation' in LIEBLE Stefan and OHLY Ansgar (eds), **Intellectual Property and Private International Law**, Mohr Siebeck, Heidelberg, 2009, p. 221.

190 For the special jurisdiction rule in relation to provisional measures see supra part II. JUSTICIABILITY AND JURISDICTION.

191 Brussels I Regulation Article 31.

192 BENTLY, SHERMAN, GANGJEE and JOHNSON, p. 1315.

193 *Solvay v Honeywell*, paras 31-51.

194 *1-800 Flowers Inc v Phonenames Ltd* [2001] EWCA Civ 721, 100.



whether the mere accessibility of a website in the UK is enough to indicate the use of a trade mark in the UK. 1-800 Flowers Inc ('Flowers') was a US company which operates an international floral telemarketing business. Flowers also operated a US based internet site accessible in the UK, with the address www.1800flowers.com. Flowers applied under section 17(1) of the Trade Marks Act 1938 to register the trade mark 800-FLOWERS as a 'service mark' in respect of services consisting of the receipt and transfer of orders for flowers and floral products. Phonenames Ltd opposed Flowers' registration. The High Court found the mark unregistrable. Upon appeal, the Court of Appeal opined that the mere fact that the web site be accessed from anywhere in the world, including in the UK, in itself did not constitute use of the service mark in the UK. Therefore, on the facts, the use of the mark on a US website was not use in the UK that established any goodwill and accordingly the applicant could not register its mark.¹⁹⁵

The High Court of England and Wales had another opportunity to consider the matter in *Euromarket Designs Inc v Peters*.¹⁹⁶ The claimant was an American company which had a chain of stores there under the name 'Crate and Barrel' which it had registered as a trade mark in the UK and as an EU trade mark. The defendant had a shop in Dublin also called Crate and Barrel and sold household items and furniture. The defendant used the Crate and Barrel name in an advertisement in a UK magazine (Home & Garden) and on its. The defendant had however never sold any goods in the UK. When the claimant sought summary judgement for infringement of the UK trademark, the High Court of England and Wales held that mere accessibility of a website in the UK did not lead to the conclusion of trade mark infringement in the UK.

The position in respect to validity and infringement of trade marks was considered by the Court of Appeal's judgment in *Prudential Assurance Co Ltd v Prudential Insurance Co of America*.¹⁹⁷ In this case, a claim was brought in the UK for infringement of both Community and UK registered trade marks. In this dispute, the validity of the defendants' trade marks had been litigated in the French proceedings. The Court of Appeal, in this case, held that pre-existing revocation proceedings in France for the French trade marks did not preclude or pre-empt an action for infringement of the corresponding Community trade marks in the UK. However, it underlined that, under Article 16(4) of the Brussels Convention, if validity is questioned in an action for infringement, a court must refuse jurisdiction if it is not the court of the state which has registered the trade mark.

195 Ibid.

196 *Euromarket Designs Inc v Peters* [2000] EWHC Ch 179 paras 12, 24.

197 [2003] EWCA Civ 327.



More recently, the Patents County Court hinted at circumstances where a UK court would have jurisdiction in online trade mark infringement cases in *Yell Ltd v Louis Giboin*.¹⁹⁸ The case concerned trade mark infringement and passing off of 'YELLOW PAGES' and the 'walking figures' marks. Yell was the registered proprietor of the YELLOW PAGES trade marks, one of which was a word mark and the other a device mark containing the words YELLOW PAGES. These marks were well-known. The defendants ran websites on which they used the words 'transport yellow pages' and a 'walking fingers' device in a truck motif in respect of an online directory of transport business and other services. Yell commenced proceedings for trade mark infringement and passing off. The defendants did not deny that they used Yell's trade marks but argued that their websites were not UK-based and were therefore outside the court's jurisdiction. They also argued that the marks were not distinctive.

Judge Birss QC found that amongst other things: (1) the websites depicted a British flag; (2) the default search county was that of the UK; (3) the businesses offered services that were linked to the UK; (4) the services could be purchased from the UK. These findings led the judge to come to the conclusion that use of the word mark 'TRANSPORT YELLOW PAGES' and the 'walking fingers' logo on a non-UK website infringed Yell's well-known registered trade marks in the UK. The passing off action was also succeeded.

As a principle, according to UK case law simply placing a sign on a website that can be and is accessed by persons in a particular jurisdiction is not sufficient, *per se*, to form the basis of a trade mark action. However, it is possible to conclude that depending on the particular circumstances of each case, UK courts might extend its jurisdiction to a non-UK-based use of a registered trade mark where use of a sign to infringe that trade mark is in the course of trade for the purposes of trade mark infringement and where there is actual sale of goods or supply of services to persons within the jurisdiction concerned.

B. EU Law

1. *Wintersteiger* – Online tortious claims

The more frequently used jurisdiction rule in European trade mark litigation is the *forum delicti* rule.¹⁹⁹ Relying on this rule, the judgment of the CJEU in *Wintersteiger AG v Products 4U Sondermaschinenbau*

198 [2011] EWPC 9.

199 LARSEN, *Wintersteiger v Coty Prestige*, p. 179.



three-dimensional EUTM for a perfume bottle.²⁰⁸ It marketed a women's perfume called Davidoff Cool Water Woman in a bottle reproducing its EUTM.²⁰⁹ The defendant was First Note, a perfume wholesaler established in Belgium.²¹⁰ In 2007, First Note sold a perfume called Blue Safe for Women to an individual, Stefan P. Subsequently, the allegedly infringing bottles of perfume were resold in Germany by Stefan P.²¹¹ Coty Germany brought an action against First Note in Germany for trade mark infringement.²¹² The case was dismissed at both first instance and on appeal. It was particularly held on appeal that German courts did not have jurisdiction to hear such action. Eventually, a reference for a preliminary ruling was made by the Bundesgerichtshof (BGH, the German Federal Court of Justice), seeking clarification as to whether there had been an infringement in Germany, which could justify jurisdiction under Article 125(5) EUTMR.

The CJEU held that the German court did not have jurisdiction to hear an infringement action against the original seller on the basis of the place where the event occurred if the seller did not act there (in Germany, where the country of the court seized of the matter).²¹³ However, jurisdiction could be established there on the basis of place of occurrence of damage if a person established in another member state is alleged to have committed an act which infringes national law (even the law of unfair competition) and causes (or may cause) damage within that jurisdiction.²¹⁴

According to the CJEU, the fact that claims for contributory liability regarding the infringement of an EUTM cannot be brought where the damage arises derives from the wording of Article 125(5) EUTMR. Since the said article refers to the act of infringement, the CJEU concluded that its scope is more limited than that of Article 7(2) Brussels I Regulation (recast). In support of its reasoning it pointed out that Article 125(5) EUTMR is *lex specialis vis-a-vis* Article 7(2) Brussels I Regulation (recast) so that both cannot be interpreted in the same way.²¹⁵ Annette Kur sees 'no pertinent reason' to make such a distinction, as 'based on the principle of territoriality the occurrence of the harmful event necessarily requires that the cause of that harmful event can be ascertained in the same country. Likewise, an act of use becomes legally relevant only if it results in an

208 *Coty Prestige v First Note*, para 18.

209 *Ibid*, para 19.

210 *Ibid*, para 20.

211 *Ibid*.

212 *Ibid*, para 21.

213 *Ibid*, para 38.

214 *Ibid*, paras 57-59.

215 *Ibid*, paras 27-32.



infringement in that same country.²¹⁶ Thus, this consideration leads her to argue that ‘it is logical that the terms ‘harmful event’ (corresponding to “infringement” in the parlance of intellectual property law) and “act of infringement” cannot have different meanings.’²¹⁷

CONCLUSIONS

A. Theorizing the Case Law?

Regarding online infringement cases, the CJEU has had the opportunity to determine the applicability of the multiple defendants’ rule in copyright field (*Painer*) and the concept of place of the event giving rise to the damage in respect of national trade marks (*Wintersteiger*) and copyright (*Pinckney* and *Hejduk*). *Painer* suggests that the high level of harmonization of copyright law in the EU creates a possibility for the use of Article 8(1) in copyright cases in an Internet context where there are several defendants. In *Wintersteiger*, the CJEU held that the place of harmful event would be the place of establishment of the advertiser (the place where the activation of the display process is decided). It must be recalled that the CJEU portrayed a different picture in *Wintersteiger* with regard to online trade mark infringement from the one in *Pinckney* and *Hejduk* with regard to online copyright infringement: while the accessibility was seen sufficient to establish jurisdiction in the latter cases, action can be brought at the place of action (the place where the advertiser is established usually coinciding with the defendant’s domicile) or at the place of effect (the place(s) where the trade mark is registered with no need for connecting factors) in the former case. The UK courts does not see the accessibility of a website as a sufficient factor to establish jurisdiction in trade mark cases. Although the principles of *Coins Control* were embodied within the trade mark context in *Prudential Assurance*, the UK courts in the cases of *1-800 Flowers*, *Euromarket Designs* and *Yell* have signalled to extend their jurisdiction to a non-UK-based infringement of a registered trade mark provided that the actual trade (sale of goods or supply of services) targets consumers within its jurisdiction.

Regarding offline infringement cases, the CJEU has maintained a similar line of reasoning in respect of EUTMs (*Coty*) and copyright (*Hi Hotel*). In *Coty* and *Hi Hotel*, for instance, it was held that jurisdiction can be established on the basis of the place of occurrence of damage where the disputed material is protected under the laws of that place. In the UK, the wording of the judgment in *Lucasfilm*, although it was only concerned

216 KUR, Enforcement of unitary intellectual property rights, pp. 471-472.

217 Ibid, p. 471.



with the justiciability of foreign copyright infringement claims, is quite an extensive one.²¹⁸ The Supreme Court clearly suggests that the ruling encompasses all intellectual property rights, as far as infringement is in question.

One might question whether it was appropriate, as a matter of policy, to use a tort analogy in establishing jurisdiction in cross-border IP cases. Is, in other words, the infringement of IP rights the same as a tort? Some scholars today highlight the inadequacies of the existing case law. Torremans, for example, argues that ‘the *Pinckney-Hejduk* approach in combination with the ubiquitous nature of the Internet and the automatic protection granted by copyright may create the option to sue an alleged defendant in places where success in the substantive case is unlikely.’²¹⁹ Similarly, Nataliya Hitsevich suggests that ‘a further future development of the jurisdictional rule based on mere accessibility of a website in the case of IPR infringements over the internet is required.’²²⁰ Within the trade mark context, Torsten Bjørn Larsen argues that ‘*Wintersteiger* can be criticized, inter alia, for the lack of proximity and for leading to forum shopping,’ and the ruling in *Coty* – that is the place of action, has ‘the unfortunate effect that inconsistency is created vis a’ vis art. 7(2) [Brussels Regulation I (recast)].’²²¹ To eliminate these undesirable results, the European Max Planck Group on Conflict of Laws in Intellectual Property (CLIP) group proposed to add a proviso to the jurisdiction rule to centralize litigation of online infringement cases.²²²

218 *Lucasfilm v Ainsworth*, para 106.

219 TORREMANS, *Litigating cross-border IP disputes*, p. 660.

220 HITSEVICH, p. 852.

221 LARSEN, *Wintersteiger v Coty Prestige*, p. 185 (Emphasis original, brackets added).

222 Article 2:202: Infringement

In disputes concerned with infringement of an intellectual property right, a person may be sued in the courts of the State where the alleged infringement occurs or may occur, unless the alleged infringer has not acted in that State to initiate or further the infringement and her/his activity cannot reasonably be seen as having been directed to that State. (The CLIP Principles and Commentary, p. 69.)

Article 2:203: Extent of jurisdiction over infringement claims

(1) Subject to paragraph 2, a court whose jurisdiction is based on Article 2:202 shall have jurisdiction in respect of infringements that occur or may occur within the territory of the State in which that court is situated.

(2) In disputes concerned with infringement carried out through ubiquitous media such as the Internet, the court whose jurisdiction is based on Article 2:202 shall also have jurisdiction in respect of infringements that occur or may occur within the territory of any other State, provided that the activities giving rise to the infringement have no substantial effect in the State, or any of the States, where the infringer is habitually resident and

(a) substantial activities in furtherance of the infringement in its entirety have been carried out within the territory of the State in which the court is situated, or

(b) the harm caused by the infringement in the State where the court is situated is substantial in relation to the infringement in its entirety. (The CLIP Principles and Commentary, p. 85).



Until such an amendment to the existing law is made, UK courts and the CJEU need to justify how the divergent principles of tort and IP laws will comparatively and mutually apply to each other, if they wish to invoke Article 7(2). As can be seen from the previous English case law, the (mis) analogising of real property to rights in intellectual creations and inventions has impeded the justiciability of the foreign intellectual property rights for more than a century. The property gloss over intellectual property rights, as Peter Yu points out, might have confused judges, notwithstanding the significant differences between attributes of real property and those of intellectual property.²²³ This brings us to another conclusion, as Peter Drahos writes: ‘We would not know who the real winners and losers are when states, legislatures and judges shift the boundaries of abstract objects and draw new enclosure lines in the intellectual commons.’²²⁴

All these points demonstrate that ‘reasoning by analogy is as dangerous as it is ubiquitous.’²²⁵ Mark Lemley vividly highlights the *sui generis* nature of intellectual property law in saying that: ‘The needs and characteristics of intellectual property are unique, and so are the laws that establish intellectual property rights.’ In order to depict the true character of intellectual property law, he finally reminds us of a few-decades-old decision of the Supreme Court of Canada:²²⁶

*Copyright law is neither tort law nor property law in classification, but is statutory law. It neither cuts across existing rights in property or conduct nor falls in between rights and obligations heretofore existing in the common law. Copyright legislation simply creates rights and obligations upon the terms and in the circumstances set out in the statute.*²²⁷

When it comes to the issues regarding registration and validity of patents, however, the exclusive jurisdiction rule in Article 24(4) of the Brussels I Regulation (recast) and the CJEU cases of *GAT*, *Roche* and *Solvay* shed light on the matters. The UK courts in *Coins Control*, *Fort Dodge* and *Rhodia* appear to go further, by taking the approach that an action for infringement implicitly raises validity. However, as was approved in *Solvay*, if the decisions on the validity of registered rights are binding

223 YU Peter K, ‘Reconceptualizing Intellectual Property Interests in a Human Rights Framework’ *U C Davis Law Review*, 2007, Vol. 40, pp. 1127-1128.

224 DRAHOS Peter, *A Philosophy of Intellectual Property*, 1996, 1st edn, Ashgate, p. 7-8.

225 STERK Stewart E, ‘Intellectualizing Property: The Tenuous Connections Between Land and Copyright’ *Wash U L Q*, 2005, Vol. 83, p. 420.

226 LEMLEY Mark A, ‘Property, Intellectual Property, and Free Riding’ *Texas Law Review*, 2005, Vol. 83, p. 1075.

227 *Compo Co Ltd v Blue Crest Music Inc* 45 CPR (2d) 1, 13 (Sup Ct Canada 1979) (Emphasis added).



only *inter pares*, eg binding only on the parties in the interim proceedings for provisional measures and the infringement litigation, and are only temporary until a final decision, then this assessment on a foreign registered right can be made by a competent body or court regardless of the way in which the validity raised.²²⁸ Therefore, it will be possible to extend *Solvay* for all types of the assessment of validity of the foreign registered rights, if this does not amount to finalising the matter. The Supreme Court clearly expunges the effects of the *Moçambique* rule for validity in the copyright sphere.²²⁹

In *Actavis*, jurisdiction has been extended over a cross-border declaration of non-infringement in respect of a non-EU defendant under UK law. This shows that jurisdiction can be accepted under Article 7(2) for a defendant domiciled in an EU country outside the UK. Obtaining a cross-border 'Arrow declaration' is also available under particular circumstances, but this should not apparently contravene with Article 24(4).

From the above it is apparent that UK courts, as well as the CJEU, have been in some instances quite progressive in providing flexibility for the cross border litigation of IP rights. These instances have been emerged as intermittent, and rather spontaneous, sparks of legal reasoning. However, the assessment of the case law of these courts reveals that the guidance provided by them has been inconsistent, unpredictable and ultimately incoherent in relation to such contentious matters.

B. Would Access to A Court Suffice to Attain Justice?

Benedetta Ubertazzi recently explored the problems associated with exclusive jurisdiction, concluding that:

[E]xclusive jurisdiction rules related to [intellectual property rights] cases are not only insufficiently supported by any of the arguments usually invoked in their favor, but actually are also contrary to the public international rules on the avoidance of a denial of justice and on the fundamental human right of access to a court.²³⁰

If followed, the analysis in *Lucasfilm* and *Solvay* will represent an important development, as Ubertazzi underlines, to enable access to justice in international intellectual property jurisprudence. However, would access to court suffice to attain justice? This question invites a

228 Also see *Actavis v Eli Lilly* (n 10).

229 TORREMANS, *Star Wars*, p. 817.

230 UBERTAZZI Benedetta, *Exclusive Jurisdiction in Intellectual Property*, Tübingen, Mohr Siebeck 2012, p. 295.



deeper and new examination of the ongoing relevance of the concept of justiciability in such cases.

Almost universally recognized, the so-called *lex fori regit processum* doctrine has provided for centuries that procedural matters shall be governed almost exclusively by the domestic law of the forum (*lex fori*).²³¹ Neither the Brussels I Regulation (recast) nor its predecessors (the Brussels Convention and the Brussels I Regulation) have really departed from the general position on the applicability of *lex fori* on procedural matters. The applicability of national procedural rules remains intact, since there are a limited number of specific procedural rules, like those in Articles 52-57 on common provisions on recognition and enforcement. For that reason, procedural diversity between the EU member states can have another type of forum shopping. Forum shopping is not a problem *per se*, to the extent that it offers litigants the possibility of choosing the most efficient and effective procedural system. However, forum shopping could potentially encourage intellectual property holders to transfer all disputes from their commercial activities to member states with the most favourable procedural regimes. This may breed a claim concentration in one jurisdiction which could ultimately lead to a competition of jurisdictions whereby the one with the lowest enforcement standards survives.²³² This situation is often described as the 'Delaware Effect', named after the competition among corporate laws of different US states leading to low quality corporate regulation in the state of Delaware.²³³ One may argue that this competition and centralization of the disputes can have beneficial effects in finding the best forum, the clogged docket record of the European Court of Human Rights and the longevity of the finalization of the cases might be a discouraging example, despite the court's success in the enhancement of human rights.

Will courts be required to award damages in accordance with the foreign jurisdiction within which the breach of intellectual property rights occurred? A recent report by the European Observatory on Counterfeiting and Piracy on the civil damages in intellectual property rights cases portrays the problems which are created by divergent applications in deciding civil damages among the member states. According the report, 'the rightholder often cannot recover in full the compensation

231 GARNETT Richard, **Substance and Procedure in Private International Law**, OUP, 2012, p. 1, 5-6.

232 SINN H, 'The Selection Principle and Market Failure in Systems Competition (MS)' **Journal of Public Economics**, 1997, Vol. 66, pp. 247-274.

233 CARY William L, 'Federalism and Corporate Law: Reflections upon Delaware' **Yale Law Journal**, 1974, Vol. 83(4), pp. 663-705.



appropriate to an infringement, or the full costs that the rightholder has borne to redress the infringement,²³⁴ despite the EU Directive on the Civil Enforcement of Intellectual Property Rights.²³⁵ Following the evaluation of Enforcement Directive, in November 2017 the European Commission adopted, as part of the IP package to modernize the IP framework, the Guidance Communication clarifying the provisions of the Directive where there have been differing interpretations in the EU countries.²³⁶ The guidance is based on ruling by the CJEU and best practice developed in EU countries. The Communication observed that ‘the measures, procedures and remedies set out in the Directive are not implemented and applied in a uniform manner among the Member States. This is because, since the Directive provides for minimum harmonisation ..., there is no uniform interpretation of the Directive’s provisions and there are differences in national civil law proceedings and judicial traditions.’²³⁷ This suggests that even if an intellectual property holder is accepted to a court, she might not get what she wishes. Indeed, Lucasfilm was given a permit to enter the courtroom, but did the expansion of the justiciability of its foreign copyright, enabling access to the court, (a question about which a rather agnostic view might be embraced until a concrete reform on procedural laws of the EU states and remedial aspects of their intellectual property laws) provide the damage that is equivalent to the damages in the US?

234 European Observatory on Counterfeiting and Piracy, **Damages in Intellectual Property Rights**, available online at <<https://euipo.europa.eu/ohimportal/documents/11370/80606/Damages+in+intellectual+property+rights/b0d70979-2af3-48cf-870b-9ed1139d917a>> last revisited 9 June 2019. See also European Observatory on Counterfeiting and Piracy, **Observatory update on Costs and Damages**, available online at <https://euipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/observatory/documents/publications/Observatory+update+on+costs+and+damages.pdf> last revisited 9 June 2019.

235 Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights.

236 Communication from the Commission to the Institutions on Guidance on certain aspects of Directive 2004/48/EC of the European Parliament and of the Council on the enforcement of intellectual property rights (Brussels, 29 November 2017).

237 Ibid 1.



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