

CROSS-BORDER LITIGATION IN INTELLECTUAL PROPERTY MATTERS IN EUROPE

**BACKGROUND PAPER FOR THE
HEIDELBERG WORKSHOP OF 21 OCTOBER 2006**

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Introduction

1. This interuniversity project on Judicial Cooperation in Matters of Intellectual Property and Information Technology, funded by the European Commission,¹ examines the interplay of two areas of great importance to European economic and social actors – judicial cooperation in civil and commercial matters, and the protection of intellectual property rights and information technology. Both areas have found themselves the object of increased normative activity by the Community.
2. Community activity in matters of judicial cooperation in civil matters goes back to Article 220 of the Rome Treaty (present 293 EC), and the 1968 Brussels Convention. Such activity has acquired new vigor and a systematic character following the entry into force of the Amsterdam Treaty and Article 65 EC.² Today, Community action in matters of judicial cooperation is increasingly entangled with the protection of intellectual property rights and information technology. Since the early 1990s, the Community has produced a good number of instruments legislating on

¹ Under the Framework Programme for Judicial Cooperation in Civil Matters (2002-2006).

² See Nikitas Hatzimihail, 'General Report: Transnational Civil Litigation between European Integration and Global Aspirations', in A. Nuyts and N. Watté, *International Civil Litigation in Europe and Relations with Third States* (Brussels, 2005: Bruylant), pp. 597-608.

intellectual property matters – mostly Directives seeking the harmonization of Member States laws, but also Regulations establishing Community forms of intellectual property. There are also even plans for a community patent tribunal with first-instance jurisdiction over Community Patents, under Article 225a EC.³ Last but not least, the Community has been taking an active and influential part in the World Intellectual Property Organization. Such prolific activity poses challenges to the sound implementation of the instruments constituting the European Judicial Area.

3. Much interesting work has already been done with regard to the Community protection of intellectual-property rights, mainly from the points of view of intellectual-property and internal-market experts. However, substantial work is still needed in studying the judicial-cooperation aspects of such matters. The mission of our project is to provide a comprehensive study (*approche globale*) of IP/IT protection as it relates to the evolving EU system of judicial cooperation. We shall consider the specificities, diverse needs and overarching principles of the various forms of intellectual property and information technologies, with a view to ensuring the optimal functioning of the EU judicial-cooperation system, both within the Community and in its relations with third countries.
4. The need for a thorough judicial-cooperation approach to IP/IT matters was perhaps first exemplified in the course of the communitarization of the Brussels Convention into Regulation 44/2001, in terms both of actual discussion and the canvassing of the lawmakers by business lobbies. The reaction of intellectual-property lawyers and IP/IT lobbies was one of the reasons behind the demise of the Hague Judgments Convention Project. Others have urged a stronger cooperation between the two fields.⁴ Today, however, the main initiatives in the field are driven primarily by intellectual-property experts.⁵ This may create issues of compatibility and coherence with the existing instruments of judicial cooperation.
5. The challenges are exacerbated by the specificity of the IP/IT subject matter. The fact that in this area it is even more difficult to insulate the Community space from the global IP/IT marketplace further adds to the challenges, as was illustrated in the negotiations of the Hague Conference Judgments Project. The Community has to decide, along with other international actors, which is the best forum to pursue such matters and whether the principles of the Brussels/Lugano system are appropriate.
6. On a different level, our project calls for broad reflection on what might the common denominators be in international litigation involving the different IP rights. Is the major concern, as recent developments might seem to suggest, the need to consolidate before one court proceedings relating to infringements spread over the territories of several countries? Is it necessary and/or possible to consolidate proceedings relating to several territorially enforceable rights in the court of a country other than the one where the rights in question were created? What are the other goals that should be pursued in this matter?
7. This paper has been drafted as a background paper for the purposes of the First Experts Meeting, at the University of Heidelberg on 21 October 2006. Our paper's focus is litigation in

³ Article 225a EC, added by the Nice Treaty, authorizes the creation of “judicial panels to hear and determine at first instance certain classes of action or proceeding brought in specific areas”. The EU Court of First Instance is to act as court of appeal to the decisions of such tribunals, of which the first has been the Civil Service Tribunal.

⁴ See e.g. Rochelle C. Dreyfuss, “An Alert to the Intellectual Property Bar: The Hague Judgments Convention,” *Univ. Ill. L. Rev.* (2001): 101.

⁵ See Rochelle C. Dreyfuss & Jane C. Ginsburg, *Draft Convention on Jurisdiction and Recognition of Judgments in Intellectual Property Matters*, WIPO Forum on Private International Law and Intellectual Property, January 24, 2001, WIPO/PIL/01/7.

intellectual property matters, under the Brussels Convention and the Brussels I Regulation (hereinafter: “the Brussels I regime”). The paper addresses copyright and trademark litigation (sections III and IV), considering in the process how new technologies and especially the internet alter the landscape of European jurisdictional law (section IV).

8. But the main focus is patent litigation (sections I and II): patent litigation has been the most fertile ground for legal developments under the Brussels regime, and European jurisdictional law in general – including, most recently, the twin decisions of the European Court of Justice of 13 July 2006 in the *Roche* and *GAT* cases⁶. The paper brings to light the evolution of the European law – both national and community – on jurisdiction over IP cases, as it moved from a system of strict territoriality towards more flexible solutions, indeed a system of cross-border litigation. “Ingenuous machinery” was created by national courts in the late 1980s, and then adjusted, after it had started to jam. The July 2006 decision may play this “machinery” in more serious jeopardy. In any case, they illustrate the difficulties in reconciling the system created for the needs, in general, of international litigation in civil and commercial matters with the particularities of international litigation in intellectual property matters.
9. It is useful, at this preliminary stage, to classify proceedings relating to the intellectual property matters in three categories pursuant to their object:
The first of them are proceedings concerned with registration, revocation and validity. These proceedings are relevant only in case of rights required to be deposited or registered, like patents, trademarks, designs or other similar rights. They are generally of an administrative nature.
The second group includes proceedings relating to the infringement of intellectual property rights. Such proceedings concern not only registered IP rights, but also IP rights stemming from the act of creation and not requiring deposition or registration, such as copyright and neighboring rights. This second group may be the most important group for IP practice in Europe today.
Finally, there are also proceedings concerning a breach of contract or the determination of the rights’ ownership. This paper does not pay much attention to this type of proceedings, which involves issues less specific to intellectual property and features less prominently in discussions of IP under Brussels I Regime.

I. From strict territoriality to cross-border litigation

a. **Territoriality of rights matched with territoriality of procedure**

10. Pervasive as it is in international litigation, the notion of *territoriality* acquires additional importance in intellectual property. The dimension that mainly concerns us here is the requirement that enforcement of IP rights, certainly of patent rights, could only be sought in the country where the right was created. The courts of that country had jurisdiction to decide all issues regarding the IP right.
11. This traditional theory was still very strong with courts and writers in the early days of the Brussels Convention. Such concentration of all types of proceedings before the court of the country where the right was created, as well as the unwillingness of courts to decide over foreign IP rights, was often helped by statutory provisions and the original international conventions of intellectual property law (dating from the 19th century and invoking a panoply of doctrines such as reciprocity, minimum standard and national treatment to open up national regimes). From the point of view of private international law, they were mostly attached to the concepts of territoriality, public policy, the wish to avoid the adjudication of a foreign law, the restrictive

⁶ ECJ of July 13, 2006 in case C-4/03 *GAT v LuK* and in case C-539/03 *Roche Nederland e.a.*, not yet published.

character of the laws protecting IP rights, or even the fact that intellectual property is a specialized and difficult branch of law and as such should be left to the respective national courts.⁷ In 1936, the famous French scholar J-P. Niboyet observed that the infringement to an intellectual property right is *un délit* and the exclusive applicability of French law justifies and requires in such cases the exclusive jurisdiction of French courts.⁸ Thirty five years later, the Paris Court of First Instance was still of the opinion that “the infringement of a patent is indisputably within the jurisdiction of this court for reasons of public policy”.⁹

Common law courts followed a different theoretical approach, relying principally on the double actionability rule,¹⁰ but arrived to the same result. As late as 1980, in the tenth edition of Dicey and Morris, it was still taught that:

(...) a United Kingdom patent cannot be infringed by an act committed outside the United Kingdom. Hence no action will lie in England for the infringement in a United Kingdom patent or a European patent (UK), e.g. in France or for a threat to bring an action for its infringement. Nor can the holder of a French patent sue in England for its infringement in France. Since the French patent is territorial in its operation and the act complained of would not be a tort if committed in England, it cannot be brought within the terms of clause (1)(a) of the Rule.¹¹

Similarly, in 1991, an English court upheld a strict approach to the principle of territoriality in the context of passing off and trademark litigation. The Court observed:

It is not possible under English law to hear and determine all of the plaintiff's complaints in English proceedings because the English court would have no jurisdiction to determine claims for passing off against the defendant, which is not domiciled in the United Kingdom, in respect of acts of passing off committed in Ireland. (...) Equally, in my view, it would probably not be possible for all the disputes between these two parties to be heard and determined in the Irish courts. As I have said, the United Kingdom trade mark has no effect outside the United Kingdom. The Irish courts cannot therefore hear and determine an action for infringement of that trade mark; and if Irish law is the same as English law, and I have no reason to believe on this application that it is different, it

⁷ GRZEGORCZYK, P., *Jurysdykcja krajowa w sprawach dotyczących patentów europejskich*, Kwartalnik Prawa Prywatnego, 2005.1059-1133, esp.1095; BONET, G. “(...) il semble impossible au juge français de laisser intervenir un juge étranger, sans qu’il sache pourquoi de façon précise, en l’absence notamment de toute disposition législative ou d’une stipulation conventionnelle expresse qui fonderait sa décision” comment to Paris Court of First Instance of May 4, 1971 in case *Yema v Jenny e.a.* Rev. Crit. DIP, 1974.110-118, esp. 114; for a systematic comparative presentation of different arguments invoked in the case law to corroborate exclusive jurisdiction of courts of the country where the right has arose see PERTEGAS-SENDER, M., *Cross-border enforcement of patent rights*, Oxford University Press, 2002 pp. 19-43. For an analysis of traditional rules in common law countries see: FAWCETT, J.J., TORREMANS, P., *Intellectual Property in Private International Law*, Oxford University Press 1998, pp.283-316, WADLOW, C. *Enforcement of Intellectual Property in Europe*, London 1998, pp. 344-404; see also in German traditional doctrine for instance LINDENMAIER, F., *Die inländische Rechtsverfolgung der Verletzung eines ausländischen Patents in Das Recht des schöpferischen Menschen. Festschrift der Akademie für deutsches Recht anlässlich des Kongresses der AIPPI in Berlin, Berlin, 1936, p.185*; for the presentation of the French case law legal writing see, for instance, MOUSSERON, J.M., RAYNARD, J., VERON, P., *Cross-border injunctions – a French Perspective*, IIC, 1998.884-906, esp. 886.

⁸ NIBOYET, J.-P., comment to the decision of French Supreme Court of January 21, 1936 in *Usines de Melle v Evence Coppé* Rev. Crit. DIP 1936.511-517, esp. 515.

⁹ “La contrefaçon de brevet est incontestablement de la compétence de ce tribunal pour la raison d’ordre public ci-dessus énoncée” Paris Court of First Instance of May 4, 1971 above in footnote 2 with a dissenting comment of G.Bonnet ; similar arguments as far as trademark litigation is concerned see Paris Court of Appeal October 17, 1990 in *La Martiniquaise v Companhia Geral* Rev. Crit. DIP 1991.401-204; see also Douai Court of Appeal March 20, 1967 in case *Clermont-Bonte v Groeninghe Ververij* Rev. Crit. DIP 1968.691

¹⁰ Repealed with effect from May 1 1996, this rule dictated that an act done in a foreign country is a tort and actionable as such in England, only if it is both (a) actionable as a tort in England and (b) actionable according to the law of the foreign country where it was done.

¹¹ DICEY&MORRIS “The conflict of law” 10th ed. 1980, London, rule 172.

would not be possible in the Irish courts to hear and determine allegations of passing off alleged to be taking place or to have taken place in the United Kingdom.¹²

One can find some scarce examples of more liberal approaches, like a 1909 Belgian court decision asserting jurisdiction in a case related, indirectly, to a French patent¹³ the above-mentioned decisions and legal writings show that the idea of a territorially limited procedure was a well rooted tenet of IP rights litigation. However, in the last few decades this “parochial approach to intellectual property litigation has been shaken, and in significant respects destroyed”.¹⁴

b. The change of thinking brought by the Brussels Convention

12. The landscape had started to change with the adoption of the Brussels Convention in 1968,¹⁵ even though it took many years before all implications of this instrument for intellectual property, and especially patent litigation became apparent. The principal innovation of the instrument was to reduce significantly the scope of exclusive jurisdiction in matters of intellectual property. As, according to article 2 of the Convention, the principal head of jurisdiction in international litigation is the domicile of the defendant, in accordance with the Latin adage “*actor sequitur forum rei*”,¹⁶ all other basis of jurisdiction set out in this act were to be treated as an exception to this principle. This is, among others, the case of the rule of exclusive jurisdiction in matters of intellectual property rights set out in article 16.4 (now article 22.4 of the Regulation), which reads as follows :

16. The following courts shall have exclusive jurisdiction, regardless of domicile

(4) in proceedings concerned with the registration or validity of patents, trade marks, designs, or other similar rights required to be deposited or registered, the courts of the Contracting State in which the deposit or registration has been applied for, has taken place or is under the terms of an international convention deemed to have taken place.¹⁷

¹² High Court of Justice (Ch Div.) of May 24, 1991 in case L.A. Gear Inc. c Gerald Whelan & Sons, F.S.R. 670. This was a case pleaded already under the Brussels Conventions rules. See more in WADLOW, Ch, Enforcement of Intellectual Property in European and International Law, Sweet& Maxwell, 1998, 283-290 and 381-404, PERTEGAS-SENDER, M. Cross-bordered enforcement of patent rights, Oxfors University Press, 2002, p. 24 point 2.22.

¹³ The Court of Appeal of Liège admitted that if it could not revoke a foreign patent, it has jurisdiction to decide over the nullity of a patent when it is brought as an incidental question. The case concerned the annulment of the license contract and the restitution of royalties because of the alleged nullity of the transferred patent. The court decided as follows: “Attendu que cette demande [de l’annulation du contrat K.S.] est principalement fondée sur la nullité ou la déchéance des brevets cédés et que le premier juge s’est déclaré incompétent pour en connaître en tant qu’elle concerne les brevets étrangers faisant l’objet de la cession litigieuse ; Attendu que si les tribunaux belges n’ont pas le pouvoir d’annuler e les brevets accordés par une puissance étrangère ils sont incontestablement compétents pour examiner, à l’occasion d’une contestation dont ils sont saisis, et sauf à se conformer aux règles de la législation à laquelle les brevets sont soumis, la question de l’existence et de la validité de brevets conférés en pays étranger“. Liège Court of Appeal of January 30, 1909 in case Wallot and Kruger v Georges et Fortunesco, Pascriis 1909, II, 175.

¹⁴ Justice H. Laddie in the decision of October 14, 1997 in case Fort Dodge Animal Health et al. v AKZO Nobel, [1998] F.S.R. 222.

¹⁵ Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters. We refer also to the Lugano Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters of 1988 and the Regulation 44/2001 which replaced the Brussels Convention in relations between Member States of the European Union, except from Denmark (OJ L 12 of 16.1.2001).

¹⁶ See, for instance, ECJ judgments of February 19, 2002 in case C-256/00 Besix, [2002] I-1699, points 26-27, of March 1, 2005 in case C-281/02 Owusu, [2005] I-1383, points 37-40.

¹⁷ Following the adoption of the Convention on the Grant of European Patents (European Patent Convention), the wording of article 16 has been adjusted during the transformation of the Convention into a Council Regulation. Article at hand changed also the number. Therefore, in article 22.4 of the sp called Brussels I Regulation following phrased has been added : “Without prejudice to the jurisdiction of the European Patent Office under the Convention on the Grant of European Patents, signed at Munich on 5 October 1973, the courts of each Member State shall have exclusive jurisdiction, regardless the domicile, in proceedings concerned with the registration and validity of any European patent granted for that State”.

It was explained in the Jenard report¹⁸ that this provision was to be construed restrictively, an approach which the Court of Justice confirmed and upheld in the *Duijnstee* case.¹⁹ The Court held that the notion of proceedings concerned with registration and validity should cover the proceedings relating to the validity, existence or lapse of a patent or an alleged right of priority by reason of an earlier deposit.²⁰ The Court added that if the dispute does not itself concern the validity of the patent or the existence of the deposit or registration, there is no special reason to confer exclusive jurisdiction on the courts of the contracting state in which the patent was applied for or granted and, consequently, such a dispute is not covered by article 16.4 of the Brussels Convention.

13. As a consequence, all other types of proceedings, in particular proceedings concerned with infringement of rights, are subject to the general rule of article 2 and to the provisions governing special jurisdiction (article 5) and related actions (article 6). It follows from article 2 that intellectual property right infringers domiciled in the territory of an EU Member State may be sued in the courts of their home state even if the right infringed arose in another country. For example, the infringer of a foreign patent domiciled in France may be sued in a French court. As such, the possibility of suing in France exists even if the patent infringed by the French resident was not issued in France. Moreover, it makes no difference whatsoever whether the patent has been issued by one of the European Member States or by any other foreign state as long as the infringer is domiciled in the Community.²¹
14. Proceedings relating to the infringement of intellectual property rights may also fall within the scope of article 5.3, which provides a special forum in matters relating to torts, delicts or quasi-delicts. Hence, a defendant domiciled in a Member State may be sued in the courts for the place where the harmful event occurred or *may occur*. The insertion of words “*may occur*” in article 5.3 of the Regulation, following the judgment of the Court of Justice in the *Henkel*²² case, seems to have resolved the issue, abundantly discussed in academic writings, as to whether a court may, on grounds of article 5.3, assert jurisdiction with regard to a threatened infringement.²³ This does not, however, resolve other difficulties relating to the application of article 5.3 to infringement of intellectual property rights, stemming from the twofold definition of the place where the damage occurred given in the *Bier* ruling.²⁴ Owing to the limited scope of the present background paper, we shall only acknowledge for the moment the existence of this possibility to bring an action outside the place where the defendant is domiciled on grounds of article 5.3.²⁵
15. The consequences of the basic distinction between the jurisdiction for issues of validity and registration of intellectual property rights (subject to the exclusive jurisdiction rule), and all other types of proceedings, including infringement proceedings (subject to other rules of jurisdiction),

¹⁸ OJ 1979 C 59 p. 1, point 36 : “other action, including those for infringement of patents, are governed by the general rules of the Convention”.

¹⁹ ECJ of November 15, 1983 in case 288/82 Ferdinand M.J.J. Duijnstee v Lodewijk Goderbauer [1983] 3663, points 23-25. See also judgment of December 14, 1977 in case 73/77 Sanders [1977] 2383, where the Courts observes that “the provisions of article 16 must not be given a wider interpretation than is required by their objective” (point 18).

²⁰ Duijnstee, point 24.

²¹ V. MEIBOM, W., PITZ, J. Cross-border injunctions in International Patent Proceedings EIPR 1997.469-478, esp.480.

²² Judgment of October 1, 2002 in case C-167/00 Verein für Konsumenteninformation v K.H. Henkel, [2002] I-8111.

²³ See, for example, PERTEGAS-SENDER., M., op.cit.p.108, point 3.73 and following, FAWCETT, J.J. and TORREMANS, P., op.cit. p. 151, BRIGS, A., and REES, P., Civil Jurisdiction and Judgments, London, 2nd ed 1997, 125.

²⁴ Judgement of November 30, 1976, in case 21/76 Handelskwekerij G. J. Bier BV c Mines de potasse d'Alsace SA, [1976] 1735.

²⁵ For a thorough analysis of this problem see: PERTEGAS-SENDER., M., op.cit.p.104-127, FAWCETT, J.J. and TORREMANS, P., op.cit. p. 144-175, see also, MEIBOM. W.,V., PITZ, J., Cross-border injunctions in International Patent Infringement Proceedings, EIPR 1997.469-478, GRZEGORCZYK, op.cit. esp.p. 1112-1113, O’SULLIVAN Cross-border jurisdiction in patent infringement proceedings, EIPR 1996.654-664.

were far more important than one could foresee in the late sixties. This is in particular due to the fact that article 16.4 of the Brussels Convention, which became article 22.4 of the Brussels I Regulation, was only one of the multiple pieces of a mechanism composed of several other provisions of the Convention whose meaning developed along with the evolution of the case law of the European Court of Justice. Other important parts of this mechanism are cross-border injunctions, the rule of *forum connexitatis* set out in article 6.1 and, last but not least, the liberal enforcement rules of Title III of the Convention. Combining these elements has allowed for the consolidation of infringement actions which otherwise would have to be pursued on a country-by-country basis. The possibility of consolidating the proceedings established by the Brussels Convention became therefore a preferred tool for the protection of IP rights, as it permitted to overcome the obstacles caused by the territorial character of those rights. This proved especially useful in practice because of the characteristics of the European market divided into multiple national territories.

Unfortunately, this ingenious cross-border litigation machinery started to jam. This was due, on the one hand, to the fact that some right holders have engaged in tactical and abusive use of the tools set out by the Brussels Convention and, on the other hand, to the fact that the alleged infringers took advantage of an extensive interpretation of the *lis pendens* rule, as defined in the *Gubisch*, *Tatry* and *Gasser* cases,²⁶ in order to suffocate the cross-border litigation by the so-called “torpedo” proceedings.

Finally, and most importantly, the distinction between validity and infringement of a registered intellectual property rights, confirmed in the Jenard report and in the *Dujnstee* case, proved to be at least unclear. This issue became a major stumbling block for the cross-border enforcement of the intellectual property rights and severely obstructed the cross-border litigation practice.

16. The following section describes in detail the evolution in case law relating to the litigation of intellectual property rights under the Brussels Convention/Regulation system. It shall be divided into three parts covering, respectively, three stages in the evolution of litigation practice. The first one presents in detail the elements of the cross-border litigation machinery turned on in the late eighties by the Dutch courts. The second will cover the problems which have arisen in the late nineties and the solutions which have been given to them by national courts. Finally, the third and last section shall cover the most recent decisions of the European Court of Justice.

II. The cross-border litigation machinery

a. How the machinery started...

i. Cross-border injunctions

17. If the right holder decides to challenge a cross-border infringement in court, the cheapest and most convenient way to do so consists of course in filing a single action against all the undertakings involved in the infringement and relating to the infringements committed in all countries where the invention or the trademark is protected. Such a “pan-European”, one-stop-shop solution is even more appropriate when the infringement is flagrant and the right holder wants to stop it as soon as possible via fast summary proceedings.

²⁶ ECJ of December 8, 1987 in case 144/86 *Gubisch v Palumbo* [1987] 4861, of December 6, 1994 in case C-406/92 *The owners of the cargo lately laden on board the ship “Tatry” v the owners of the ship “Maciej Rataj”* [1994] I-5439 and of 9 December 2003 in case C-116/02 *Erich Gasser GmbH v MISAT Srl* [2003] I-14693.

18. As, along with the development of the knowledge-based economy and integration of the internal market, the cases of pan-European infringement became more frequent, the need for pan-European solutions was the more and more pressing. Finally, the arguments of economic nature found their way to the courts. They underlined the decisions of Dutch courts issued in the early nineties in the trademark litigation. This was in particular the case in the *Interlas* ruling of the Dutch Supreme Court (Hoge Raad),²⁷ considered to be the first example of decision ordering extra-territorial prohibitory measures.²⁸ The Hoge Raad pointed out in this judgment that:

There is no support in the law for a restrictive interpretation, which would, in an age of increasing cross-border contacts, lead to undesirable result in practice that a Dutch plaintiff whose rights have been infringed by unlawful actions of a cross-border nature, such as the infringement of intellectual property rights, acts of unfair competition in more than one country, or cross-border environmental pollution, would be obliged to bring an action before the courts of each of the countries in question.²⁹

The *Interlas* judgment was given in the specific context of the Benelux trademark – a uniform right established by international convention and protected throughout the territories of Belgium, the Netherlands and Luxembourg.³⁰ While the Hoge Raad solution was criticized by some as being contrary to the principle of state sovereignty,³¹ it was eventually endorsed by the Benelux Court of Justice,³² which held that an injunction prohibiting the infringement of a Benelux trademark shall as a matter of principle apply in the whole of the Benelux territories, even if no such request is made.³³

19. As a French author observed, the most important effect of the *Interlas* decision was to “broke down certain psychological barriers”.³⁴ Indeed, even though it was, above all, the legal context and the construction of the Benelux trademark that favoured the adoption of a cross-border solution in the *Interlas* case, the Hoge Raad took care to open the door to the consolidation of proceedings before one court to victims of different territorially unlimited torts. The court went far beyond the Benelux trademark infringement and referred to the intellectual property rights in general, as well as to the international pollution and unfair competition acts. Therefore, the most important input of the *Interlas* decision in the international litigation was to acknowledge that

²⁷ Hoge Raad of November 24, 1989 *Nederlandse Jurisprudentie*, 1992.404 ; BIE, 1991.86.

²⁸ In fact decision of the Hoge Raad only confirmed the earlier case law, but was at the same time the decision to which the courts referred to in subsequent rulings, including rulings in patent infringement cases. See: BERTRAMS, H., The cross-border prohibitory injunction in Dutch patent law, IIC.1995.618-636, esp.619 and EVRARD.J-J.&GIELEN, C., L'étendue territoriale des jugements prononcés par les tribunaux des pays du Benelux en matière de marques in *Jura vigilantibus Antoione Braun, les droit intellectuels, le barreau*, Larcier 1994, pp.184-192, esp. 188 and the case law referred to in fnnt (6).

²⁹ Translation by BERTRAMS, H., op.cit. p. 619

³⁰ Benelux Trademark Agreement of March 19, 1962 (Convention Benelux en matière de marques de produits) [*Moniteur Belge* October 14, 1969 available at http://www.juridat.be/cgi_loi/legislation.pl] is an international agreement between Belgium, the Netherlands and the Luxembourg, on the grounds of which a uniform Benelux Trademark has been adopted in those three countries, while the national trademarks were abolished. The Benelux trademark is regulated by a uniform Benelux Trademark Act. Benelux trademarks are registered in an international Office of the Benelux Trademark. The litigation relating to this trademark lies in the competence of national courts, nevertheless a special court - the Benelux Court of Justice – has been instituted with a mission of guaranteeing the uniform interpretation of the Benelux Trademark Act by the national courts. An analogous regulation applies in domain of the protection of designs. For a detailed presentation of the issue see. BRAUN, A., Précis des marques: Loi uniforme Benelux, droit belge, droit international, Larcier 1995, pp.25-35, VAN INNIS, Th., Les signes distinctifs, Larcier 1997, pp.85-92, EVRARD, J.- J., PETERS, Ph., La défense de la marque dans le Benelux Larcier, 2000.

³¹ BRAUN, A., Précis des marques de produits et de service, Larcier 3rd ed.,1995 : n° 578..

³² Benelux Court of Justice is a specific jurisdiction whose creation was provided for article 10 of the Benelux Trademark Agreement. It has been established by a treaty of March 31, 1965 and an additional protocol of October 25, 1966, for a detailed presentation see. BRAUN, A., op. cit. 483-515. See in particular.

³³ Benelux Court, Renault v Reynolds decision of June 13, 1994, *Nederlandse Jurisprudentie* 1994.3172. BERTRAMS, H., op.cit. 620, EVRARD.J-J.&GIELEN, C., op.cit.192

³⁴ VERON, P., Trente ans d'application de la Convention de Bruxelles à l'action en contrefaçon de brevet d'invention, *Journal de Droit International*, 2001.05-830, esp. 809.

when the infringer goes cross-border, the victim should be given appropriate tools allowing it to do the same.

20. From the perspective of the Brussels Convention, the decision of the Hoge Raad (which, by the way, did not refer to the Convention) was not revolutionary because the court, in fact, simply based its jurisdiction on the domicile of the defendant and decided over a tort committed both in its territory and abroad.³⁵ In other countries, courts have taken more time to liberate themselves from the shackles of the concept of territoriality. The English courts, for instance, proved reluctant to deciding over the infringement of a foreign right, in particular trademarks and patents, in several decisions rendered in the nineties.³⁶ It was only in 1997 with *Pearce v Ove Arup*³⁷ that it was admitted that:

The [Brussels] Convention does require an English court to accept jurisdiction where an action is brought against an English domiciled defendant (with or without other defendants) for breach of a Dutch copyright, and to hear that action on the merits (...)

As in the *Interlas* case, the English court pointed out the practical need for the consolidation of proceedings relating to the breach of intellectual property rights committed in several countries. It was observed that:

In circumstances of increasingly international dealings as regards intellectual property rights and articles created using them, including the dramatic potential effects of the Internet and other transnational communication systems, and the possible supply of articles in breach of copyright in a Contracting State by a person who does not establish a place of business there, it might be said to be convenient to be able to sue a person who is said to have infringed such rights in two or more Contracting States by one action in the court of domicile (unless Article 16(4) requires otherwise) instead of proceeding separately in each relevant jurisdiction: this might result in an economic and efficient resolution of a dispute of an international character, and avoid inconsistent results.

The *Interlas* judgment had a decisive impact on the evolution of the cross-border litigation, especially in the context of European Patents, granted according to the provisions of the European Patent Convention.³⁸ Further to the decision, a new practice developed under which courts in several Member States have asserted their power to issue cross-border decisions. The first decisions were issued principally in The Hague³⁹, but were quickly followed by rulings from German courts, most notably the District Court (Landgericht) of Düsseldorf through decisions of 1 February 1994 and 16 January 1996.⁴⁰ While the Hague Court of Appeals later limited the use of cross-border injunctions against defendants from other countries of the European

³⁵ Comp. ECJ of March 7, 1995 in case C-68/93 Fiona Shevill [1995] I-415.

³⁶ *Mölnlycke AB v. Procter & Gamble Ltd* (No. 4), (CA) of June 26-27, 1991; [1992] R.P.C (patents), *Plastus Kreativ AB v Minnesota Mining & Manufacturing, Co.*(Ch D (Pt Ct)) of December 9, 1994, [1995] R.P.C. 438 (patents); *L.A. Gear Inc. v Gerald Whelan & Sons Ltd*, (Ch D) of May 24, 1991, [1991] F.S.R. 670 (trademarks), *James Burrough Distillers Plc v Speymalt Whisky Distributors Ltd*, (OH), December 13, 1988, [1991] R.P.C. 130 (trademarks).

³⁷ High Court of Justice of March 7, 1997 in case *Pearce v Ove Arup Limited and Others*, 1997 WLR 779, IIC 1998.833-841 (summary).

³⁸ The Convention on the Grant of European Patents (European Patent Convention) signed in Munich on 5 October 1973.

www.european-patent-office.org

³⁹ See, e.g. The Hague District Court of February 21, 1990 in case *Flesstop*, BIE, 1993.274 (N° 99), The Hague District Court of August 28, 1990 in case *Voerderhek*, BIE 1992.315 (N° 99), The Hague District Court of December 28, 1990, upheld on appeal by The Hague Court of Appeals on January 16, 1992 in case *Wavin c Pipe Liners* BIE, The Hague District Court of December 30, 1991 in *Philips v Hemogram*, BIE 1992.323 (N° 80), The Hague District Court of July 22, 1994, *Chiron Corp. v Akzo Pharma Organon Technika UBI, Industriële Eigendomsrechten Reclamenrecht* 1994.150

⁴⁰ Commented by STAUDER, D., VON ROSPATT, P., and VON ROSPATT, M., *Protection transfrontalière des brevets européens* RID éco. 1999.119-133 esp.126.

Union,⁴¹ the Hoge Raad still recently confirmed the possibility for granting cross-border injunctions, in particular in the preliminary proceedings in the decision of March 19, 2004 in *Philips Electronics v Postech and Princo*.⁴²

The practice of cross-border enforcement was also introduced to courts in other European venues, including Belgium, where cross-border prohibitory orders appeared in 1999.⁴³ Subsequently, decisions from 2001⁴⁴ and 2005,⁴⁵ given in summary proceedings, noticeably changed the intellectual property litigation practice in this country.⁴⁶

21. It should be pointed out, finally, that the success of cross-border injunctions, in particular in the Netherlands, was due to the fact that in most cases they were ordered in summary proceedings. The most important consequence of the application of the *kort geding* proceedings is obviously the rapidity of the obtained relief. However, in the context of the Dutch proceedings, another feature was yet more important in practice: the fact that there was no obligation to start proceedings on the merits once the injunction was granted. In consequence, the decision given in the *kort geding* procedure was *de facto* becoming definitive.⁴⁷

ii. Jurisdiction over joint defendants

22. The mere possibility of granting a cross-border relief is not always as such sufficient for an expedient enforcement of intellectual property rights registered in several countries. This is because the right holder is often faced with multiple infringers e.g. branches of its competitor or independent distributors established in several countries. In such situation the parallel territorial rights are usually infringed by several distributors present in the respective countries. In addition, it may happen that the infringement of a right registered in one country is principally caused by importations of products manufactured by a parent company established in a country where the product in question is not protected by a registered intellectual property right. In such cases, the effective protection of the infringed rights implies a joint simultaneous action against all the entities involved in the infringement. The Brussels I regime provides for a specific tool for that purpose. Pursuant to article 6.1 of the Brussels Convention, “A person domiciled in a contracting state may also be sued ... where he is one of a number of defendants, in the courts for the place where any one of them is domiciled”.

⁴¹ PORS, W., Supreme Court of the Netherlands 19 March 2004, RvdW 2004/51 gives judgment on cross-border injunctions in *Philips Electronics v. Postech and Princo*, available at

http://www.twobirds.com/english/publications/articles/Philips_Electronics_v_Postech_Princo.cfm (posted on May 21, 2004).

⁴² Available at www.rechtspraak.nl as of June 20, 2006, see also the Hague District Court of March 16, 2005 in *Engrow v ECM* (no. KG 05-32, unreported).

⁴³ Antwerp Court of Appeals of October 18, 1999, in *Resilux NV v Schmalbach-Lubeca Pet Containers Belgium N.V.* I.R. D.I. 2002.292.

⁴⁴ President of the Court of the Brussels Court of First Instance of September 14, 2001 in case *Colgate v Unilever*, IR. DI. 2002.239-248; commented in I.E.R. (NL) 2002.34.

⁴⁵ President of the Brussels Court of First Instance of March 25, 2005 in *Altana Pharma A.G. v Europharma Ltd, Intas Pharmaceuticals Ltd, Korea United Pharma Inc.* IR.DI. 2005.302-309 with a comment of ROOX, K. See also DE JONG, Ph., Patent infringements at international fairs – cross-border enforcement through Belgian summary proceedings. *Journal of Intellectual Property Law & Practice* 2005.13-15.

⁴⁶ DE JONG, P., The Belgian Torpedo : From Self-propelled Armament to Jaded Sandwich EIPR 2005.75-81, ROOX, K. Grensoverschrijdende maartegelen in octrooizaken : overzicht van Belgische rechtspraak (1997-2002) IR.DI.2002.257-274, VANDERMEULEN, B., “Cross-border patent litigation in Belgium: the next generation“ available on the site http://twobirds.com/english/publications/articles/Crossborder_patent_litigation_in_Belgium.cfm?RenderForPrint=1

⁴⁷ See also the judgments of the ECJ of 14 December 2000 in joined cases C-300/98 and C-392/98 *Parfums Christian Dior SA contre TUK Consultancy BV et Assco Gerüste GmbH et Rob van Dijk v Wilhelm Layher GmbH & Co. KG et Layher BV*, [2000] I-11307 and of 13 September 2001 regarding the interpretation of provisions of the TRIPs Agreement governing the lifetime of preliminary measures. At present, following the adoption of the Enforcement Directive, the effects of *kort geding* procedure are actually provisional.

The most important guidance on the interpretation of article 6.1 until recently was the Court of Justice *Kalfelis* ruling.⁴⁸ In this decision, the Court ruled that for this provision to apply, there must be a sufficient connection between the claims raised against each of the defendants. For the Court, this connection consists in the fact that the claims are so closely related that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings. Such requirement⁴⁹ has been integrated into the new wording of article 6.1 of the Brussels I Regulation, which now reads as follows:

A person domiciled in a Member State may also be sued:

1. where he is one of a number of defendants, in the courts for the place any one of them is domiciled, provided the claim 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.

23. The application of article 6.1 in the context of intellectual property litigation has given rise to interesting developments. In a series of decisions from the nineties, courts have exercised jurisdiction over entities domiciled in different States not only where the infringement of a single IP right was alleged,⁵⁰ but also with respect to sets of intellectual property rights existing under different laws in different States. The most significant practice in this respect has developed in the Netherlands, in particular in the patent litigation.⁵¹ Some courts in England⁵² and in Germany⁵³ have also followed the same path.
24. According to *Kalfelis*, the task of verifying in each individual case whether there is a sufficient connection between the claims is left to the national courts.⁵⁴ Often, the national courts have paid a great attention to this issue and have carefully justified the decision to join – or not – the various claims under article 6.1. This issue was debated thoroughly in particular in proceedings involving the protection of several patents issued from a single European Patent application. The courts generally referred to the applicable legal regime of the European Patent Convention (EPC), which creates not only common patent application and grant procedure, but also imposes to all courts of the contracting States the obligation of construing the national patents in the same way.⁵⁵ The following quotation from the *Coin Controls v Suzo* case,⁵⁶ illustrates the approach undertaken not only by an English court but also by many Dutch and German courts:⁵⁷

⁴⁸ ECJ of September 27, 1988 in case 189/87 A. *Kalfelis v Schroeder* [1988] 5565 points 9-12; FAWCETT, J.J., Multi-party litigation in private international law? *Int'l and Comparative Law Quarterly*, 1995.744-770, esp750

⁴⁹ Defined by reference to article 22 of the Convention which governs “related actions” in case of parallel proceedings.

⁵⁰ See for example High Court of Justice of March 26, 1997 in case *Coin Controls Limited v Suzo International (UK) limited and Others*, FSR 660, 672, IIC 1998.804-812 (summary), where the court assumed jurisdiction over an U.K. based and a Dutch companies for an infringement of an U.K. patent.

⁵¹ For example: Court of Appeal of the Hague of 16 January 1992 (*Wavin v Pipe Liners*) BIE 1993.44, President of the District Court of the Hague of 22 December 1994 (*un Cordis v Cadsand Medica*) IER 1995.18, President of the District Court of the Hague of May 3, 1995 in *Bard v Medica* BIE 1996.300, President of the District Court of the Hague of May 26, 1997 *Unilever v Nestle* IER 1997.140, President of the District Court of the Hague December 2, 1997 *Cordis v Boston Scientific* IER 1998.66, District Court of the Hague of March 31, 1999 in *Scimed v Guidant* BIE 1999.445, Court of Appeal of the Hague of May 25, 2000 in *EKA/Nako* referred to in: PERTEGAS-SENDER, M., op. cit. p. 91, footnote 37.

⁵² See the *Pearce v Over Arup* decision, referred to in fnnt 34. In this case the defendants were respectively a firm of UK architects retained for the construction of a building in Rotterdam, the designers of the building and the City of Rotterdam as owner of the building. All were alleged to have infringed the UK and Dutch copyright of the plaintiff.

⁵³ District Court (Landgericht) of Düsseldorf of January 16, 1996 (4 O 5/99) in case *Reinigungsmittel*; reported by STAUDER, D., VON ROSPATT, P., and VON ROSPATT, M., op.cit. p.128. In this case a German plaintiff sued before the court of Düsseldorf a UK company distributing plaintiff's products in the United Kingdom and three managers of this company, among which only one was domiciled in Germany. The court assumed jurisdiction with respect to all defendants on grounds of articles 2 and 6.1 of the Brussels Convention.

⁵⁴ *Kalfelis*, point 12.

⁵⁵ High Court of Justice of March 26, 1997 *Coin Controls v Suzo International Ltd and others*, IIC 1998.804

⁵⁶ *Ibid.*

⁵⁷ PERTEGAS-SENDER, M., op.cit. p.91 point 3.29.

(...) what the European Patent Convention is creating is a “European Patent”. Although that patent is then granted in respect of individual countries and, in each, is treated like a national patent (EPC Article 64(1), nevertheless those national patent rights can be considered as cuttings taken from the European Patent stock and planted in the national soil.

(...) In this judgment I have accepted the argument that, absent an attack on validity, it would be possible in circumstances similar to those existing in this case to bring proceedings here for infringement of foreign patent. That is crucially dependent on the fact that UK and foreign patent are identical. Proceedings regarding to them can therefore be regarded as related for the purpose of article 6(1).⁵⁸

25. This approach was however criticized by some writers, who contend that patents under the EPC are only a bundle of national patents which are governed by the provisions of different national laws.⁵⁹ In their view, claims relating to infringement of a bundle of patents could not fulfill the condition set out in the *Kalfelis* ruling. This restrictive view finally prevailed in Luxembourg, causing a major disruption to the functioning of the litigation machinery, as shall be discussed below. Up to the end of nineties, however, this machinery was still ticking to the rhythm given by the intellectual property rights holders. This was possible not only thanks to the two foregoing elements (cross-border injunctions and consolidation of claims against all infringers), but also thanks to the rules governing the recognition and enforcement of foreign judgments, whose role in the Brussels machinery is essential.

iii. Recognition and enforcement of foreign judgments

26. Title III of the Brussels Convention (now Chapter III of the Brussels I Regulation) has played an important role in the evolution of the case law in the domain at hand. Indeed, if one-stop-proceedings against multiple defendants and the possibility of enjoining them from infringing several intellectual property rights with a single cross-border injunction were the two keys to the protection of right holders, the effectiveness of such protection would have been easily frustrated if the plaintiff had not been able to enforce the injunction in the relevant countries.⁶⁰

As the Court of Justice has often stressed “the purpose of the [Brussels] Convention is to facilitate, to the greatest possible extent, the free movement of judgments by providing for a simple and rapid enforcement procedure”.⁶¹ Therefore, grounds for refusal of the recognition are very limited and exhaustive and have to be construed restrictively.⁶² The public policy defense has often been raised, but rarely upheld by the courts. It is interesting to recall in this respect a French judgment from January 28, 1994 in *Eurosensory v Teimann & Blind Equipment*.⁶³ In this case, a Dutch court had granted a cross-border injunction in summary proceedings that was to be

⁵⁸ Note, however, that eventually the court declined jurisdiction over the joint defendants in this case in respect to actions concerned with the infringement of the foreign patents on grounds of article 19. It upheld its jurisdiction as to the English- and the Netherlands-domiciled defendants for the infringement of the U.K. patent.

⁵⁹ For example O’SULLIVAN, G., op.cit., esp. 657.

⁶⁰ For a thorough analysis of this issue see: FAWCETT, J. & TORREMANS, P., op. cit., esp. Chapter 14 ; PERTEGAS-SENDER, M., L’execution des decisions de justice en matière de contrefaçon des droits de propriété intellectuelle in Caupain & De Leval, L’efficacité de la justice civile en Europe, Larcier, 2000 pp.207-218 ; MOUSSERON, J.M., RAYNARD, J., VERON, P., op.cit.

⁶¹ ECJ of March 28, 2000 in case C-7/98 Krombach [2000] I-1935, para 19.

⁶² See articles 34 and 35 of the Brussels I Regulation; ECJ judgment of June 2, 1994 in case C-414/92 Solo Kleinmotoren v Boch [1994] I-2237, point 10.

⁶³ R.D.P.I.1995.18 with a comment of VERON, P. Les euro-injonctions devant la justice française ibid. p. 13. This author mentions also an earlier unreported decision of January 25, 1989 of the Court of Appeals of Versailles rejecting the appeal against a judgment granting the exequatur of a decision of a Haarlem court prohibiting the use of a trademark and ordering some other ancillary measures. VERON, Pierre “Trente ans d’application de la Convention de Bruxelles à l’action en contrefaçon de brevet d’invention” J.D.I. 2001.805-830, esp. 814.

enforced, among others, in France. The French company tried to resist the enforcement on the ground that the recognition of an extraterritorial judgment is contrary to the public order when it is not possible to obtain a similar provisional injunction in summary proceedings under French law. This argument was rejected by the Court of appeal of Paris: there is nothing to contradict the French *ordre public* in enforcing a foreign injunction relating to the infringement of a French intellectual property right. Such approach is now reinforced by the Court of Justice's ruling in the *Renault*⁶⁴ case. The court held in that case that the decision from a court of a Member State to recognize the existence of an intellectual property right in car body parts, and to confer on the holder of that right protection by enabling him to prevent third party trading in another Member State from manufacturing and commercializing in that State, cannot be considered to be contrary to public policy.

b. ... how it got jammed and was then fixed ...

27. As the foregoing demonstrates, the Brussels regime contains a number of litigation tools which permit a quick and effective enforcement of intellectual property rights on a European scale. Cross-border injunctions, consolidation of claims and simplified procedures for the recognition and enforcement of foreign judgments were the three key elements of a functional machinery which was used on a systematic basis by right holders.

The most popular forum for cross-border litigation was the Netherlands, where the courts developed an abundant case law favoring right-holders. Unfortunately, the possibility of concentrating infringement proceedings involving multiple rights and infringers before one court started, during the nineties, to be the object of excesses and misuses. The Dutch courts were flooded with claims for which their jurisdiction was at least questionable. In a separate development, the alleged infringers, well instructed by the Court of Justice's case law, invented a formidable defense tool capable of blocking the cross-border litigation machinery.

The second stage of the development of the case law is therefore the story of the *forum shopping*, which admitted to a certain degree in the Brussels regime, eventually attained the limits of abuse,⁶⁵ both on the side of the attack and on the side of the defense. This is also the story of the national courts trying to address this problem through inventive corrective mechanisms in order to fix the machinery which was in the process of getting jammed.

28. As an introduction to these remarks, it is interesting to quote what is probably the most vivid description of the state of patent litigation just before the turn of the century. It was given by an English patent judge, Justice H. Laddie, in *Sepracor Inc. v Hoechst Marion Roussel Limited e.a.*⁶⁶ When reading the following words, one is under a compelling impression that the practice had taken a very bad turn:

“A sensible man, uncontaminated by familiarity with the Brussels Convention, and faced with the necessity to litigate in a national court, would be forgiven for thinking that the obvious ways to resolving the issues without unnecessary duplication of proceedings would be to litigate validity and infringement in Germany. But that is the course that both sides wish to avoid. Hoechst wants the German issues to be decided in Belgium and Sepracor wants them resolved in England. Similarly, although France is not the source of the drug and is not said to be a hub for its distribution, Hoechst wants the French issues decided in Belgium and Sepracor Inc. wants them resolved in England. In addition, in

⁶⁴ ECJ of May 11, 2000 in case C-38/98 Renault v Maxicar [2000] I-2973.

⁶⁵ NUYTS, A. *Forum shopping* et l'abus du *forum shopping* dans l'espace judiciaire européen in *Mélanges Kirpatrick* Bruylant, 2004, pp.745-790, esp. 751

⁶⁶ High Court of Justice (Patents Court) of January 29, 1999 in case *Sepracor Inc. v Hoechst Marion Roussel Limited e.a.*, [1999] FSR 746.

relation to all countries except England, Speracor Inc. wants to restrain local infringement without bringing proceedings against local companies which are primarily responsible for the allegedly infringing activities.(...) As it is there is a positive incentive to commence proceedings in countries where they are not likely to come to a hearing within a reasonable period of time or in countries which have no relationship to the acts of infringement or, as here, in both. A less sensible system could not have been dreamt up by Kafka.”

29. In order to untangle this knot of multiple cross claims commenced in several countries, it is necessary to describe successively each of its contributing elements. Thus, the following remarks shall first refer to what was called by the English judge ‘a positive incentive to commence the proceedings in countries which have no relationship to the acts of infringement’ i.e. the broad interpretation of article 6.1. Then, we shall turn to the ‘positive incentive to commence proceedings in countries where they are not likely to come to a hearing within a reasonable period of time’ or, in other words, the *lis alibi pendens* rule and the ‘torpedo’ practice. For each of these developments, one shall also present the corrective tools that have been devised by national courts to avoid the clearly excessive practices.

i. Abuse of Joinders and Remedies from Domestic Courts

30. The possibility of consolidating the proceedings against several defendants before a single court, preferably the Dutch one, has been used extensively by patent litigators. This wide scale practice has generated some excesses. For example, in *Akzo v Webster*,⁶⁷ proceedings against a UK-based defendant and its Netherland-based subsidiary were commenced before the Hague court, although 96 % of the infringing activities were carried out in the United Kingdom. In another Dutch case, the Belgian manufacturer of the allegedly infringing product and its UK-based distributor were sued in the Netherlands on grounds of article 6.1 as co-defendants of a Netherlands-based company which, through an intermediary, had bought just 50 kilos of the product in question.⁶⁸
31. Such practice eventually provoked a firm response from exasperated judges who considered that the forum shopping had gone too far.⁶⁹ In the two above-mentioned cases, the court of The Hague refused to assert jurisdiction on grounds of articles 2 and 6.1. The court referred to the ‘safeguard clause’ which was set out in the *Kalfelis* decision through the “sufficient connection between the claims” requirement,⁷⁰ and used the theory of abuse of rights. For the court, the justification of the refusal to accept jurisdiction was that the actions were brought in the Netherlands with the sole purpose of ousting the jurisdiction of foreign courts against the foreign defendants.
32. The most significant limitation against excessive uses of article 6.1 is due, however, to another concept developed in the *Expandable Grafts* case by The Hague Court of Appeals.⁷¹ The court held that, where the infringement is committed by several companies belonging to the same group, the joinder of the claims in the proceedings instituted before a Dutch court is possible under article 6.1 of Brussels I only when the Netherlands-based company is the ‘management epicenter’ of this group. This requirement has been referred as the so-called “*spider in the web*”

⁶⁷ District Court of The Hague of December 23, 1997. IER 1998.75, BIE 1999.55.

⁶⁸ President of the District Court of The Hague, November 26, 1997, IER 1998.79.

⁶⁹ See for instance the explanations of J. Brinkhof in DE RANITZ, R. J. Brinkhof in Conversation with Remco de Ranitz, EIPR 1999.143

⁷⁰ *Kalfelis*, point 9.

⁷¹ Court of Appeal of the Hague of April 23, 1998 in case *Expandable Grafts, Ethicon & Cordis Europe v Boston Scientific*, [1999] F.S.R. 352.

doctrine: for article 6.1 to apply, the Dutch defendant must be the spider in the infringement web.

33. The ‘spider in the web’ doctrine was considered to be a satisfactory solution to the excessive recourse to article 6.1 of Brussels I, and was given preference in the judicial practice over the theory of abuse of right. It quickly became a systematic test applied by Dutch courts for the application of article 6.1,⁷² and started to be used in other Member States, including Belgium.⁷³ The relative success of the ‘spider in the web’ doctrine can be explained by the fact that it seems to be based on reasonable arguments. The circumstance that the infringers belong to the same group of companies, and that the infringement is orchestrated by a single company, was considered to be a sufficient justification for a joinder of multiple claims before the court of the entity which dictates the policy to the others, but not before the courts of the latter.

The application of the doctrine in practice was not however without problems. In particular, for the definition of the ‘spider’, i.e. the management epicenter of the group of companies, the courts relied on the private international law rules of the forum State. The consequence of the absence of uniform definition of the management epicenter created inconsistencies. For instance, in the eyes of Dutch courts the management epicenter of a company with its statutory seat in the Netherlands and principal place of business in Belgium was based in the Netherlands, while in the eyes Belgian courts it was rather localized in Belgium.⁷⁴ This was the reason why it was argued by certain writers that the solution based on the safeguard clause of the *Kalfelis* judgment was still to be preferred over the spider-in-the-web doctrine.⁷⁵

It should be noted in this respect that, in spite of certain differences between them, the ‘spider in the web’ doctrine and the solution based on the safeguard clause have an important element in common. Indeed, while both of them permit to limit the abusive recourse to article 6.1, at the same time they do not undercut completely the cornerstone finding on which the joinder of multiple claims is based, i.e. that the factual and legal context of claims against each of the defendants involved in the infringement proceedings is identical or very similar. Therefore, the cross-border mechanism described above was able to continue to tick for the majority of cases. It was simply adjusted by domestic courts in order to curtail the clearly excessive *forum shopping* by unscrupulous litigants.

ii. Pre-emptive Litigation and Remedies from Domestic Courts

34. The alleged infringers (i.e. potential defendants against infringements claims) have not remained inactive further to the development of the above-mentioned pan-European claims used by patent holders. They have, in reaction, developed their own pan-European defenses. To this end, they have relied mainly on a specific rule of the Brussels regime that deals with parallel proceedings: the *lis alibi pendens* rule of article 27 of the Brussels I Regulation (article 21 of the Brussels Convention.)

This provision reads as follows in both texts:

Art. 27 “Where proceedings involving the same cause of action and between the same parties are brought in the courts of different Member States, any court other than the

⁷² Recently confirmed by The Hague Court of Appeal of May 27, 2003, BIE 2004, 139, Referred to by DE JONG, P. op.cit. p.80.

⁷³ The Belgian decision was rendered in summary proceedings: President of the Brussels Court of First Instance of October 24, 2004 in *Medinol v Johnson & Johnson* (unreported). An example of a Belgian decision implicitly recognizing the spider in the web theory in proceeding on the merits: Brussels Court of First Instance of July 30, 2001 *Sython v SKB* IR.DI.2003.301.

⁷⁴ PERTEGAS-SENDER, M., op.cit. p.101, point 3.52.

⁷⁵ *Ibid.*, point 3.53

court first seized shall of its own motion stay its proceedings until such time as the jurisdiction of the court first seized is established.”

In the early nineties, the Court of Justice gave several important judgments interpreting this provision. The Court stressed that the main objective of the rule is to avoid parallel proceedings in different Member States and to prevent diverging decisions to be rendered in cases involving the same parties and the same object of the dispute. In 1991 the Court decided that in order to achieve its aims, article 21 of the Brussels Convention must be interpreted broadly, so as to cover all situations of *lis pendens* before courts in Member States.⁷⁶ Such broad interpretation involves a liberal reading of the notions of “same cause of action” and “same parties” which are used for the definition of the relation between the claims that are subject to *lis pendens*. The Court reinforced this approach in the *Tatry*⁷⁷ (1994) ruling, where it admitted that a claim for non-liability for a loss has the same cause and object that a claim for damages in respect of the same loss. The particularity of this ruling, which admittedly was in line with earlier decisions of the Court,⁷⁸ consisted in the fact that it was the first time where the claim for a negative declaration had been lodged before the claim for damages, bringing to light the mechanism of pre-emptive litigation.

The Court did not demonstrate any hostility towards such a practice, provoking severe criticism from some legal writers who pointed out the risk that that pre-emptive litigation be turned into abusive *forum shopping*.⁷⁹ The following development of the practice proved that they were right. Although the *Tatry* judgment was given in the contractual context, the principle underlying it has been transposed to extra-contractual grounds of infringement of IP rights. The then rarely used action for declaration of non-infringement, until then existing but dormant in several European legal systems, was suddenly back in fashion with patent litigators. As such an action is considered to be the mirror image of an infringement action, it was observed that, following *Tatry*, the technique could be used to block subsequent cross-border proceedings for infringement.⁸⁰ If the declaration of non-infringement is requested in an overloaded court, subsequent proceedings risk to be blocked for a long period, while time is working for the alleged infringer. In other words, it is in the interest of the alleged infringer to rush to the slower court before the patent owner sues for infringement. This is how the ‘torpedo’ was born.

It should be born in mind that the most important element of the torpedo claim is its extraterritorial scope, which means that the claimant applies for the declaration relating not only to the national part of the patent, but also to other divisional parts of it, i.e. the foreign patents. Once the action for a negative declaration is pending, the courts second seized stay the infringement proceedings under *lis pendens*. Therefore, the IP right owner finds himself unable to enforcing his rights, in particular through cross-border infringement proceedings. This

⁷⁶ ECJ of June 26, 1991 in case C-351/89 *Overseas Union Insurance Limited e.a. v New Hampshire Insurance Company* [1991] I-3317. para 16.

⁷⁷ Referred to above in footnote 26.

⁷⁸ Judgment in the *Gubisch v Palumbo*, referred to above in footnote 26 in which the Court observed that an action for payment of the price of a machine and an action for a declaration that the contract was void or should be rescinded have the same *cause* and the same *objet*. This view was confirmed in the *Overseas Union* decision above (ftnt 76).

⁷⁹ See e.g. FENTIMAN, R., *Tactical declarations and the Brussels Convention*, C.L.J. 1995.261-263 (a charte de forum shopper); VON MEHREN, A., *The Transmogrification of Defendants into Plaintiffs : Herein of Declaratory Judgments, Forum Shopping and Lis Pendens in Festschrift Ulrich fur Drobnig*, Mohr Siebeck, 1998 pp.409. HARTLEY, Trevor C., “The European Union and the systematic dismantling of the common law of Conflicts of Laws” *Int’ and Comp. Law Quarterly* 2005.813

⁸⁰ Probably the first article in which the idea of pre-emptive practice in intellectual property litigation was developed was published by M. Franzosi in 1997, FRANZOSI, M., “Worldwide patent litigation and the Italian torpedo” *E.I.P.R.* 1997.282-285.

mechanism has been successfully used by potential defendants to infringement claims in a number of cases.⁸¹

35. The torpedo practice has originally been elaborated as a tool of defense against the pan-European injunctions presented above, which were criticized as an example of the misuse of rules of Brussels Convention. Hence, it has been suggested that pre-emptive proceedings are an appropriate and necessary tool which further the principle of ‘equality of arms’ as it gives the ‘natural’ defendant the same right as the plaintiff to take advantage of the choice between multiple forum under the Brussels regime.⁸² It has also been pointed out that the torpedo allows defending against the patent owner when the latter tries to blackmail the defendant and threatens him with proceedings in several countries, so dissipating the defendant’s money and energy.⁸³
36. On the other hand, the torpedo has started to be used increasingly as a purely tactical tool by unscrupulous litigants only to block legitimate claims by patent holders. This practice has been tagged as unfair litigation practice by some courts,⁸⁴ and after a number of accurate strikes, the torpedoes started to miss their marks. Both in Italy and in Belgium (the two preferred “torpedo venues”) the courts have found ways to block the extraterritorial actions for a declaration of non-infringement which are the torpedo ‘launcher’.

One way to achieve that end was to reject the cross-border negative declaration claim on the basis that such a claim is so closely linked to the issue of validity of patent that only the court of the country where the validity is at issue has jurisdiction to rule over the infringement. The sole exception to this would be where a plaintiff explicitly states that it does not contest the validity of a patent, so that only infringement is at issue. The jurisdiction of the forum court was therefore held to be limited to the issue of validity and, consequently, the non-infringement of the patent only in the forum State. Hence, when seized of an action for an extraterritorial declaration of non-infringement, the court declined jurisdiction in favor of the court of the place where the patent was registered.⁸⁵ This decision was however criticized for having confused the issues of validity with the one of infringement which, according to the established case law of Court of Justice may be discussed separately.⁸⁶

Acknowledging the point in such criticism, courts found another way to counter the torpedo action when it was brought in the country of the domicile of the defendant (i.e. on grounds of articles 2 and 6.1). In 2001 in terms which echo the argumentation presented several years later by the Court of Justice in the case C-359/03 *Roche*,⁸⁷ the Brussels Court of Appeal⁸⁸ held that

⁸¹ See for instance in Germany : decision of Landgericht of Dusseldorf of February 27, 1998 in *Connaught/SKB*, 4 O 127/97 and in the Netherlands : decision of Court of the Hague of April 29, 1998 (quoted by VERON, P., *Trente ans d’application ...* p.828; see also in Italy : decision of the Districts Court in Brescia of November 9, 1999 in *Euromach SRL v Hiebsch & Peege AG* (commented by JANDOLI, V., in *The ‘Italian Torpedo’* IIC 2000.783, High Court of Novara of April 20, 2000 in *Novamont v Biotec* E.I.P.R. 2000.N-142; in Belgium : decision of the President of the Court of First Instance of Brussels of February 7, 1997 in *SKB v Chiron*, available at http://www.juridat.be/cgi_juris/jurf.pl (as of April 13, 2006).

⁸² See WAUTELET, P., *Le droit au procès équitable et l’égalité des armes : le cas de la litispendance dans les Conventions de Bruxelles et de Lugano* in *Caupain&De Leval, L’efficacité de la justice civile en Europe*, Larcier, 2000, p.101-129.

⁸³ See FRANZOSI, M., *Torpedoes are here to stay* IIC 2002.155; *Comments to Novamont v. Biotec*, High Court of Novara, April 20, 2000. E.I.P.R. 2000.N-142 ; with ADAMI, L., *Comments on Dade v Chiron*, Court of Milan March 21, 2002, E.I.P.R. 2004.N-91-91. Another Italian author seems to be of the same opinion: JANDOLI, V., *The ‘Italian Torpedo’* IIC 2000.783

⁸⁴ See for example decisions of Paris Court of First Instance de Paris of March 9, 2001 in *Schaerer Schweiter Mettler A.G. v Fadis SpA*, ICC 2002.225 and Brussels Court of First instance of May 12, 2000 in case *Röhm Enzyme v DSM Basf* where the courts raised the policy arguments and explicitly recognized that the aim of the bringing of the claims was to block other proceedings.

⁸⁵ Brussels Court of First instance of May 12, 2000 in case *Röhm Enzyme v DSM Basf*, IR.DI. 2002.321-327.

⁸⁶ The criticism with regard to this decision was expressed by P.Véron, see. VERON, Pierre *Trente ans d’application ...* p. 826, long before the Court of Justice decided over the *GAT* case. See. *infra* II.(c).

⁸⁷ See *infra* II)c.(i).

there was no relevant connection ('connexité') between the different claims relating to the non-infringement of parallel patents. In consequence, the court rejected the claims for the cross-border declaration of non-infringement – thus giving a strong blow to the Belgian torpedo.⁸⁹

Different arguments aimed at curtailing the excessive practice were developed with respect to actions brought on grounds of article 5.3. In such cases the torpedo has been disarmed with a restrictive interpretation of article 5.3 of the Brussels Convention. Some significant decisions regarding the interpretation of article 5.3 were given in Italy. First, in *Macchine Automatiche v Windmoller & Holscher KG* decided on December 12, 2003,⁹⁰ the Corte Suprema di Cassazione ruled that since in a declaratory action the plaintiff denies that any tort has been committed the tort jurisdiction of article 5.3 cannot be relied upon. In the opinion of the courts, the non-infringement claim is not consistent with article 5.3, which requires that a harmful event took place. Some doubts arose with the modification of article 5.3 at the occasion of the transformation of the Convention into the Brussels I Regulation. In fact, following the *Henkel* ruling,⁹¹ the wording of that provision had been adapted so as to cover the actions aimed at preventing the imminent commission of a tort. Therefore, jurisdiction under the new article 5.3 exists also at the place where the harmful event *may occur*.⁹² These doubts (and hopes) were dissipated by Court of Appeal of Milan,⁹³ which applied the reasoning of the Corte Suprema and rejected the negative declaration claim brought on grounds of article 5.3 of the Brussels I Regulation. It is interesting to add that such approach has also been followed by the courts of other Member States, namely in Sweden.⁹⁴

Finally, article 24 of the Brussels Convention – today article 31 of the Brussels I Regulation – was also invoked as a head of jurisdiction for a cross-border declaration of non-infringement. The first torpedo applications were successful, but starting from 2000 the views changed. In a judgment of September 2000 the President of the Court of the Brussels First Instance refused to grant a cross-border negative declaration in summary proceedings.⁹⁵ With a reference to the *Van Uden* case,⁹⁶ the Brussels court ruled that the enforcement of rights on grounds of article 24 of the Brussels Convention depends on the existence of an actual link between the subject of the interim measure applied for and the territorial competence of the contracting State of the court seized (*compétence territoriale de l'Etat contractant du juge saisi*). In this respect the court held that, even though the dispute is indisputably linked with Belgium – as the probe tube covered by the patent

⁸⁸ Brussels Court of Appeal of February 20, 2001 on the appeal from Brussels Court of First Instance of June 8, 2000 in case *NV Roche & Ors v The Wellcome Foundation Ltd e.a.* IR.DI. 2001.169-175, with a comment of S. Catoor.

⁸⁹ Recently the hostility towards the negative declaration claims was affirmed again in a ruling of the Antwerp Court of First Instance in decision of April 9, 2004 in case *Möllers v Beumer*, under appeal. Unreported, referred to in DE JONG, P., op.cit. p.77

⁹⁰ Corte Suprema di Cassazione of 19 December 2003, <http://www.lovells.com/NR/rdonlyres/1CC471D8-0E91-4F6C-B147-2EA40B23DA92/0/2850.pdf> p. 4 and <http://www.sib.it/itasib/novita/pat/290604.htm>.

⁹¹ Referred to above in point 14, fnnt 22.

⁹² During the adoption of the Brussels I Regulation word “may occur” were added and today this provision reads as follow: 3. in matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred or may occur”. This element have been one of the main arguments in discussions relating to the applicability of article 5.3 to declaration of non-infringement. See, for example, VERON, P., op. cit. p.827, PERTEGAS-SENDER, M., op.cit. .179 point 4.96-4.98, see also *ibid.* p. 107 points 3.68-3.72 ; DROZ, G., and GAUDEMMENT-TALLON, H., *La transformation de la Convention de Bruxelles du 27.09.1968 en Règlement du Conseil concernant la compétence judiciaire, la reconnaissance et l'exécution des décisions en matière civile et commerciale* Rev.Crit. DIP 2001.601-652, esp. p. 637.

⁹³ Judgment of March 2, 2004 in the *Optigen v Marchion* case, referred to by CUONZO, G. *Patent litigation in the post-torpedo era* MIP, 2005

<http://www.managingip.com/includes/supplements/PRINT.asp?SID=473491&ISS=12729&PUBID=199>

⁹⁴ See judgment of Swedish Supreme Court (Högsta Domstolen) of 14 June 2000. IIC 2001.231, commented in LUNDSTEDT, L., *Jurisdiction and the Principle of Territoriality in Intellectual Property Law: Has the Pendulum Swung Too Far in the Other Direction?* IIC 2001.125-141

⁹⁵ President of the Court of the Brussels First Instance of September 22, 2000 in case *Epic Medical Equipement Services and Hospitera v Delaware Nellcor Puritain Bennet*. Ing.Cons. 2000.292-301.

⁹⁶ ECJ of November 17, 1998 in case C-391/95 *Van Uden Maritime BV v Deco-Line e.a.* [1998] I-7091

under discussion was widely sold throughout Belgium – it is actually the subject of the interim measure itself that should be linked with Belgian territory in order for Belgian courts to have jurisdiction in the matter. The court considered that the measure applied for was not just one interim measure that had to be partially executed in Belgium, but a series of separate interim measures that have to be practically executed, be it voluntarily or compulsorily, in the territory of 8 different States. The judge drawn from it a conclusion that such separate interim measures have no sufficient real link, within the meaning of *Van Uden*, with the Belgian territory, therefore Belgian courts had no jurisdiction as regards the extra-territorial claim in declaration on non-infringement.

One might wonder however, whether the refusal to accept the jurisdiction over a cross-border negative declaration claim brought in preliminary proceedings is the only way to counter the torpedo launched on grounds of article 24 [31]. The issue that emerges here is the applicability of the *lis pendens* rule in the context of preliminary proceedings. It is still an open question whether the operation of the rule of article 21 of the Brussels Convention/27 of the Brussels I Regulation precludes a court from continuing the proceedings, while preliminary proceedings between the same parties and concerning the same object are pending in another Member State.

37. Subsequent to these developments, many writers sounded the death knell for the torpedo.⁹⁷ But the Court of Justice seems to have given it another chance when it upheld, in the *Gasser* ruling of 2003,⁹⁸ the substance of the torpedo mechanism. The Court decided in that case that article 21 of the Brussels Convention must be interpreted as meaning that the court second seized whose jurisdiction has been claimed under a jurisdiction agreement must nevertheless stay proceedings until the court first seized has declared that it has no jurisdiction. For the Court, it cannot be derogated from this obligation even if the Claimant has started proceedings before a court which he knows lack jurisdiction, and even also where, in general, the duration of proceedings before the courts first seized is excessively long.⁹⁹ Hence, the time it takes for a court just to decide that it lacks jurisdiction becomes essential. An English writer commenting on *Gasser* sarcastically – and with self-admitted bias – noted that in some continental European countries it may take as long as 12 years.¹⁰⁰

The *Gasser* ruling may seem to have restored the torpedo power in the intellectual property field.¹⁰¹ Indeed, bringing proceedings in a ‘slow’ court in spite of a choice of court agreement designating another court may be compared to bringing proceedings in such a slow court on the alleged grounds of articles 5.3 or 6.1 in spite of the non application of these provisions. *De maiori ad minus*, if the choice of court rule has to give precedence to the *lis pendens* rule, this is all the more so with respect to the rules setting out general heads of jurisdiction which are ranked at the bottom of hierarchy of norms under the Brussels system.¹⁰² Of course, ultimately, the court where the action for non-infringement is brought will normally, under the national case law described above, decline its jurisdiction. But in the meantime, the *Gasser* ruling seems to suggest that there is nothing that can be done before the court seized of the action in infringement: this

⁹⁷ The title given to several commentaries are quite explicit: ‘Belgian torpedo’ op sterven na dood” (CATTOOR S., IR.DI 2001.181) ; The Belgian Torpedo : From Self-propelled Armament to Jaded Sandwich (DE JONG, P., EIPR 2005.75-81), Patent litigation in the post-torpedo era (CUONZO, G., MIP, 2005)

⁹⁸ Referred to above in note 24.

⁹⁹ Points 2 and 3 of the operative part and point 53 and subsequent of the Opinion.

¹⁰⁰ HARTLEY, T., The European Union and the systematic dismantling of the common law of Conflicts of Laws, Int’ and Comp. Law Quarterly, 2005.813, esp. 815.

¹⁰¹ VERON, P., ECJ restores the torpedo power, IIC 2004.638-643.

¹⁰² Comp. decision of Landesgericht Düsseldorf du December 19, 2002 where the German court – the second seized court - refused to stay proceedings relating to the infringement of a patent on grounds of article 21 of the Brussels Convention considering that the proceedings relating to the non-infringement were brought in a manifestly incompetent court. Decision quoted in GRABINSKI, K., Faut-il avoir peur de la raie torpille?, Propriétés intellectuelles, 2004.607-614, esp p.610.

court must stay its proceedings even if the duration of the proceedings in the other forum is, in general, excessively long.¹⁰³

38. While the Court of Justice may have restored the mechanism underpinning the torpedo, the intellectual property, and in particular, patent litigators have had little time to exploit its potential in practice. This is because two years and a half after *Gasser*, the Court of Justice has delivered the twin decisions of 13 July 2006 that totally alter the functioning of the intellectual property litigation machinery as it was working since it was turned on many years ago by the Dutch courts. The third stage of development of the case law has begun.

c. ... and how it got blocked again

39. The decisions of the Court of Justice in the *GAT* and *Roche* cases, in spite of their different factual and legal background, are tightly linked. Even though *Roche* is about the interpretation of the *forum connexitatis* rule and *GAT* about the exclusive jurisdiction rule, even though the first of them involves a European patent while the second a national patent, even though, finally, the first is concerned with the infringement of a patent and the second with a declaration of non-infringement, they are both pieces of the same jigsaw of international litigation over intellectual property rights under the Brussels I system. The Court of Justice recognized these similarities and decided to rule on both cases on the same day.

The *GAT* judgment contains a further interpretation of the exclusive jurisdiction rule and will be reviewed first (II.c.i). This is because the determination of the scope of article 22.4 of the Brussels Regulation (article 16. 4 of the Convention) is crucial for the assessment of whether there is a possibility of bringing a claim in infringement of a registered intellectual property right before courts other than the courts of the country where this right has been registered. Then one shall review the *Roche* judgment, where the Court of Justice gave an answer to the preliminary question raised by the Dutch Hoge Raad relating to the ‘spider in the web’ doctrine that it had itself created (II.c.ii).

i. Stumbling block: how to sever the validity from the infringement?

40. The *GAT* judgment relates to the issue which became a stumbling block for the litigation machinery described in the first part of this Section. This issue concerns the difficult interplay between the rules of the Brussels regime that allows actions relating to IP infringements to be brought before the court pursuant to the ordinary rules of jurisdiction (domicile of the defendant, tort, consolidation of proceedings) on the one hand, and the exclusive jurisdiction rule for proceedings relating to the validity or registration of registered IP rights, on the other hand.

The difficulty has surfaced in particular in view of the fact that as a matter of practice, defendants in infringement proceedings very often raise, through a counter-claim or an objection, the argument of invalidity or nullity of the patent. Therefore, the court which is initially seized to decide an infringement issue is confronted, in the course of proceedings, with the issue of the right’s validity or nullity, even though it is only an incidental question. By the same token, when it comes to a declaration of non-infringement, the prospective defendant may corroborate his request with a claim in nullity/invalidity of the right concerned.

¹⁰³ This conclusion may however be questioned as to its compatibility with the Community principle of abuse of right, under which domestic courts have the power to deny the benefit of a provision of Community law (here, the *lis pendens* rule) when the party relying on such provision is seeking to derive, to the detriment of the other party, an improper advantage that is manifestly contrary to the objective of the rule. See NUYTS A, “The Enforcement of Jurisdiction Agreements further to *Gasser* and the Community Principle of Abuse of Right”, in P. de Vareilles-Sommières (ed.), *Forum Shopping in the European Judicial Area* (Hart, forthcoming.)

In these situations, when the patent is registered in another Member State, article 25 of the Regulation (article 19 of the Convention) comes into play. This provision sets out the obligation for a court to decline jurisdiction whenever there is another court having exclusive jurisdiction for a specific matter of which the former is seized. Article 19 has been the subject of a semantic imbroglio, which is worth to be ranked amongst the classic hard cases of legal translation, and which finally ended up in the reference for a preliminary ruling in the *GAT* case.

In its English version, article 25 of the Regulation (reproducing identically article 19 of the Convention) reads as follows:

Art. 25 “Where a court of a Contracting State is seized of a claim which is principally concerned with a matter over which the courts of another Contracting State have exclusive jurisdiction by virtue of Article 16/22, it shall declare of its own motion that it has no jurisdiction.”

Following this wording, the English courts took the view that whenever the nullity/invalidity of right is raised as a defense by the alleged infringer, the proceedings in infringement are “principally concerned” with a matter for which the exclusive jurisdiction is reserved by article 16.4/22.4. This view is based on the conviction that invalidity is such a major feature of the litigation that it cannot be regarded as incidental, since it is impossible to violate a right which is invalid or null.¹⁰⁴

On the other hand, the French version of article 25 reads as follows:

Art. 25 “Le juge d’un État contractant, saisi à titre principal d’un litige pour lequel une juridiction d’un autre État contractant est exclusivement compétente en vertu de l’article 16, se déclare d’office incompétent. “

Such wording suggests a restrictive interpretation, according to which there is an obligation to decline jurisdiction only when the “principal claim” is concerned with the validity of the right. Therefore, the French text would seem to imply that the obligation to decline jurisdiction under article 25 does not depend on the substance or actual object of the proceedings, but rather on the procedural status of the question (principal v. incidental question).¹⁰⁵

The restrictive interpretation was suggested in the Jenard report, which states that:

“The words ‘principally concerned’ have effect that the court is not obliged to declare of its own motion that it has no jurisdiction if an issue which comes within the exclusive jurisdiction of another court is raised only as a preliminary or incidental matter.”¹⁰⁶

However, asked for the interpretation of the above-mentioned provisions in the reference for the preliminary ruling in the *GAT* case, the Court of Justice upheld the extensive interpretation of article 16.4.

41. The *GAT* case involved litigation between two German based companies (GAT and LuK) which had participated in the procurement proceedings to Ford-Werke-AG. As LuK accused GAT of having infringed the rights that it holds in patents registered in France, GAT brought a request for a declaration of non-infringement with respect to those patents in the Landesgericht of Düsseldorf. In support of its action, GAT invoked, *inter alia*, the argument of the nullity/invalidity of the patents. The Landesgericht asserted its jurisdiction both with respect to

¹⁰⁴ Comp. the Coin Controls decision (referred to in fnnt 46), point. 51.

¹⁰⁵ To complete this confusing picture, other linguistic version like German, Italian, Dutch or Polish one do not refer at all to a particular moment in the proceedings where the issue of invalidity must appear.

¹⁰⁶ O.J. 1979 C 59, p.39.

the issue of the non-infringement of the French patent as well as over the nullity/invalidity issue, and ruled that the French patent was valid.¹⁰⁷ GAT appealed this decision to the Oberlandesgericht, which made a reference for a preliminary ruling, asking in effect the Court of Justice to make a choice between the restrictive and extensive interpretation of article 16.4 of the Convention.

As it was already observed, the Court upheld the latter interpretation. The Court ruled that article 16.4 of the Convention “is to be interpreted as meaning that the rule of exclusive jurisdiction laid down therein concerns all proceedings relating to the registration or validity of a patent, irrespective of whether the issue is raised by way of an action or a plea in objection.” Therefore, the courts in the country where the intellectual property right is registered have always exclusive jurisdiction for the validity issues, including where the validity of the patent is questioned only incidentally in the infringement proceedings.

To reach this conclusion the Court focused on the objective of article 16.4 and its position in the scheme of Convention. The Court recalled that the main concern of article 16.4 is the sound administration of justice. Thus, the exclusive jurisdiction in proceedings concerned with the registration or validity of patents was conferred to courts of the Member State on whose territory the registers are kept, because those courts are better placed to rule, applying their own national law, on the validity and effects of the patents which have been issued in that State. This is the more so because the issue of patents necessitates the involvement of the national administrative authorities. Regarding the position of article 16.4 in the Convention’s scheme, the Court observed that this provision stands on the top of the hierarchy of norms established within this scheme. Parties may not derogate from it by an agreement conferring jurisdiction or by the defendant’s voluntary appearance. Where a court of a Contracting State is seised of a claim which is principally concerned with a matter over which the courts of another Contracting State have jurisdiction by virtue of Article 16, it must declare of its own motion that it has no jurisdiction, while a judgment given which falls foul of the provisions of Article 16 does not benefit from the system of recognition and enforcement under the Convention.

42. The decision is of substantial importance for the functioning of the litigation machinery described above. The restrictive interpretation would have permitted the court seized with claims relating to infringements of several rights registered abroad to maintain its jurisdiction over the infringement and validity issues, when the latter are raised as an incidental matter. To the contrary, the consequence of an extensive interpretation is a systematic split of proceedings centralised before one court between the national courts of countries where the respective rights have been registered. Hence, the paradoxical effect of such interpretation is that, while it seems to aim at all proceedings relating to a patent being decided before the same court, it leads to a split of proceedings as soon as the litigation comes to involve a web of IP rights formally registered in different Member States.

In addition, the *GAT* ruling leaves open questions as to its consequences. Only two of them will be mentioned at this stage. First, while the Court of Justice ruled that the domestic court seized of the infringement claim cannot hear the issue of validity, it did not indicate what the court should do with the infringement claim. The Advocate General Geelhoed suggested three possible ways to proceed:¹⁰⁸ the court seized of an infringement action may, when the issue of validity

¹⁰⁷ It is interesting to note that as far as patent registered in Germany are concerned the judiciary instances may only decide over the infringement of the right, while the nullity/validity issues lies within the competence of the Federal Patent Office. Unfortunately the circumstances of the proceeding before the national court have been presented in the AG’s opinion very briefly and several elements remain unclear.

¹⁰⁸ Opinion delivered on September 16, 2004, point 46. Available at www.curia.europa.eu

arises, (a) transfer the totality of the case,¹⁰⁹ (b) suspend the proceedings until the court competent under article 16.4 of the Brussels Convention decides over the validity issue, or (c) proceed to hear itself the whole case if it appears that the defendant acted in bad faith by raising the (in)validity issue.

While, or because, each of these approaches are themselves problematic and raise questions, the Court of Justice abstained from addressing this problem, limiting its answer to the statement that the issue of validity is subject to the exclusive jurisdiction of the court pursuant to article 16.4. Besides, the Court did not consider the issue as to the possibility to continue bringing an action outside of the court of exclusive jurisdiction on grounds of article 24 of the Brussels Convention/31 of the Brussels I Regulation. This issue is important in practice, as in some European countries it is possible to assess the infringement of a patent in summary proceedings, and in such cases the validity of a right is not discussed but accepted *prima facie*.¹¹⁰

Aside from the questions that remain open, the *GAT* ruling has been interpreted by the first commentators and practitioners as a firm and clear opposition to the cross-border enforcement of intellectual property rights.¹¹¹ Such understanding of this decision is seemingly reinforced by the hostility that the Court of Justice demonstrated toward the ‘spider in the web’ doctrine in its second decision of July 13, 2006 in the *Roche* case.

ii. Is there any web for the spider?

43. In the *Roche* litigation, two patent holders from the United States sued nine companies of the Roche group before the District Court of The Hague. The request was for a cross-border injunction enjoining defendants from infringement of the European patent for a medical device in all countries where the patent was used. The defendants challenged the jurisdiction of the Dutch courts. In the first instance, the district court asserted jurisdiction but rejected the claim in respect of the infringement of the patent. The decision was appealed before the Hague Court of Appeals, which largely reversed the decision of the lower court. Roche then turned to the Supreme Court which, in the context of the debate on the admissibility of the claims, referred a question to the Luxembourg court.¹¹²
44. The Court of Justice upheld the position of its Advocate General Ph. Léger, who delivered a thoroughly reasoned opinion in the case in December 2005. While the Advocate General recognized that cross-border patent infringements are particularly noxious for the market, he

¹⁰⁹The use of the verb “transfer” (fr. “transférer”, nl. “overdragen”) is quite surprising. Advocate General did not indicate to whom the case is to be transferred. Would it be a court of another Member State?

¹¹⁰ See, for example : Antwerp Court of Appeal of June 25, 1990, Brussels Court of First Instance of March 5, 1991 (“Le droit de contester un brevet européen n’enlève pas à celui-ci sa validité *prima facie*.”; see also VANDERMEULEN, B., The next generation of cross-border litigators, in *ManagingIP*, Benelux Focus, Supplement 2005, available at <http://www.managingip.com/?Page=17&ISS=14232&SID=495101>

¹¹¹ PERTEGAS-SENDER, M., GIELEN, Ch., Cross-border Patent Enforcement: Back to square one? *NautaDutilh Flash Info* of July 13, 2006; BARRACLOUGH, E., ECJ blocks cross-border patent litigation, *Managing IP* of July 17, 2006, available at: <http://www.managingip.com/default.asp?page=9&PubID=198&SID=641601&ISS=22150&LS=EMS100586>

¹¹² This question reads as follows: “A. Is there a connection, as required for the application of point 1 of Article 6 of the Brussels Convention, between a patent infringement action brought by a holder of a European patent against a defendant having its registered office in the State of the court in which the proceedings are brought, on the one hand, and against various defendants having their registered offices in Contracting States other than that of the State of the court in which the proceedings are brought, on the other hand, who, according to the patent holder, are infringing that patent in one or more other Contracting States?

B. If the answer to Question A is not or not unreservedly in the affirmative, in what circumstances is such a connection deemed to exist, and is it relevant in this context whether, for example, the defendants form part of one and the same group of companies? the defendants are acting together on the basis of a common policy, and if so is the place from which that policy originates relevant? the alleged infringing acts of the various defendants are the same or virtually the same.”

considered that at the current stage of development of the matter, there is no proper legal basis for a joinder of claims against multiple infringers of the divisional parts of a same European patent. Not only has he opposed to the 'spider in the web' concept, which in fact was already restrictive compared to the pre-*Expandable Grafts* case law discussed above, but he suggested that there is simply no web at all.

The principal argument of the Advocate General, upheld by the Court, is based on the principle that for article 6.1 to apply, there must be a sufficient connection between the actions in question, i.e. following *Kalfelis* they have to be related so closely that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceeding. The connection between the actions must be assessed from the viewpoint of the proper administration of justice, not from the viewpoint of a right holder. Judgments are to be regarded as irreconcilable only when the proceedings leading to them arise out of the same legal and factual context. Following the Advocate General, the Court ruled that this is not the case when the actions relate to a bundle of national patents, even though they stem from one single European patent application. According to the Court, it cannot be considered that the factual situation is the same in the different actions, since the defendants are not the same and the infringements they are accused of, committed in different Member States, are different. This finding holds even if it is established that the defendant companies, which belong to the same group, have acted in an identical or a similar manner in accordance with a common policy elaborated by one of them. Therefore, any diverging decisions relating to separate national patents could not be treated as irreconcilable, so article 6.1 should not apply.

The Court also raised the risk of *forum shopping*, which would be encouraged by an extensive interpretation of article 6.1 and the fact that, in order to check whether a company plays actually the role of the 'spider in the web', the national court would have to adjudicate on the substance of the case before it establishes its jurisdiction.

The Court furthermore referred to the *GAT* ruling, discussed above, to observe that in any case, whatever the interpretation of article 6.1, it does not play the decisive role in the cross-border enforcement of intellectual property rights because the concentration of the proceedings before one court on grounds of this provision could in any event be easily frustrated if the defendants raise the argument of the nullity or invalidity of the patent.

45. As the first commentators to *Roche* and *GAT* have observed,¹¹³ the combined effect of those two cases is to severely limit the possibilities for cross-border intellectual property litigation under the Brussels regime. The rulings very clearly highlight the difficulty in reconciling the general jurisdictional setting with the particularities of patent infringement.

The difficulties in this matter are not however entirely specific to the Brussels jurisdictional system. The issue of consolidation of proceedings relating to patents registered abroad has arisen recently in other countries. At the time being an interesting case is pending before the U.S. Court of Appeal for the Federal Circuit, in *Voda v Cordis*.¹¹⁴ The case relates to a dispute between two American residents relating to the infringement of patents protecting the same invention and registered both in the United States and in several European countries. The issue is whether an American court has the authority to adjudicate over the infringement of a number of foreign patents, counterparts of a U.S. patent, on grounds of supplemental jurisdiction (28 U.S.C. 1637).

¹¹³ PERTEGAS-SENDER, M., GIELEN, Ch., Cross-border Patent Enforcement: Back to square one? NautaDutilh Flash Info of July 13, 2006; BARRACLOUGH, E., ECJ blocks cross-border patent litigation, Managing IP of July 17, 2006, available at: <http://www.managingip.com/default.asp?page=9&PubID=198&SID=641601&ISS=22150&LS=EMS100586>

¹¹⁴ Fed. Cir. App. No. 05-1238; For a further presentation of the case see: WEGNER, H.C. *Voda v. Cordis: Trans-Border Patent Enforcement* available at http://www.foley.com/files/tbl_s31Publications/FileUpload137/2989/Voda_Texas_Paper.pdf

Supplemental jurisdiction standards bear some resemblance with the rules of the Brussels regime governing the joinder of related claims. Under 28 U.S.C. 1637, in any civil action of which the American district courts have original jurisdiction, they shall have supplemental jurisdiction over all other claims that are so related to claims in the action within original jurisdiction that they form part of the same controversy. For the claims to be related, they have to share a “common nucleus of operative fact”, which means that “ordinarily they would be expected” to be tried “in one judicial proceeding”.¹¹⁵ In the first instance, the court has granted permission to consolidate the world-wide patent issues in a single case, allowing saving resources and obtaining a uniform judgment. The ruling is being challenged by the defendants on the ground that the supplemental jurisdiction should not apply to foreign patent claims. Several American law professors have filed an Amici Curiae Brief with the Court of Appeal¹¹⁶ arguing that the basic requirements of supplemental jurisdiction may be fulfilled in situation where, as in the *Voda v Cordis* case, the asserted claims, accused infringements and the nature of the infringing acts are sufficiently related. It remains to be seen whether the Court of Appeal for the Federal Circuit will endorse such view and allow cross-border patent enforcement.

46. Coming back to Europe, several writers have expressed the hope that the Court’s of Justice *GAT* and *Roche* decisions will boost work on alternative solutions. For M. Pertegas Sender and Ch. Gielen, the creation of a system allowing for the consolidation of proceedings is just a question of time. These authors observe that “(c)ross-border litigation in patent disputes may be ‘dead’ under the ‘Brussels’ regime, yet today’s judgments will hopefully accelerate the negotiation process towards a feasible alternative, either a Community patent or a European Patent Litigation Agreement (EPLA).”¹¹⁷ Similar opinions were expressed by other practitioners.¹¹⁸

d. Heading for the future: instead of fixing the machinery, setting up a new one?

47. The shortcomings of the Brussels regime in the intellectual property field have been recognized already a long time ago. As far as the patent litigation is concerned, the foregoing developments show how the current European litigation system is complex, confusing and incentive to forum shopping. Moreover, the system fails to ensure an effective enforcement of multiple parallel rights. For these reasons, it is not surprising that discussions have been started for the possible adoption of new supra-national instruments in this field, either at the European¹¹⁹ or international¹²⁰ level. Some proposals cover only the patent litigation, others deal more generally

¹¹⁵ See 28 U.S.Code, Section 1367 (a) and *United Mine Workers v Gibbs*, 383 U.S. 715 (1966).

¹¹⁶ *Brief for Amici Curiae Law Professors in Voda v. Cordis (in support of Appellee)* available in the Westlaw data basis.

¹¹⁷ PERTEGAS-SENDER, M., GIELEN, Ch., Cross-border Patent Enforcement: Back to square one? NautaDutilh Flash Info of July 13, 2006.

¹¹⁸ See opinions quoted in BARRACLOUGH, E., ECJ blocks cross-border patent litigation, *Managing IP* of July 17, 2006, available at: <http://www.managingip.com/default.asp?page=9&PubID=198&SID=641601&ISS=22150&LS=EMS100586>

¹¹⁹ These concern in particular patent matters : the European Patent Litigation Agreement and the Community Patent. A quite abundant literature relating to this issue has been elaborated. See, for example: TILMANN, W., Community Patent and European Litigation Agreement, *EIPR* 2005.65-67; WILLEMS, J., The EPLA Project and the Forthcoming Community Patent System – A Model for IP in General? in DREXL, J., KUR, A., (ed.) *Intellectual Property and Private International Law, IIC Studies Vol. 24*, Hart Publishing 2005, pp.87-100, JENKINS, N., Countdown to the Community Patent? In *Patent World*, June 2004; FREELAND, R., Litigation patents in Europe : the Proposed European Patent Litigation Protocol and the Proposed Community Patent, (January 2003) available at the website of the Oxford Intellectual Property Research Centre www.oiprc.ox.ac.uk ; VANDERMEULEN, B., PISOORT, V., La repartition problématique des compétences entre les juridictions nationales et communautaire(s) concernant le future brevet communautaire, *IR DI*. 2001.284-291; BARBOSA, C., R., From Brussels to the Hague – The Ongoing Process Towards Effective Multinational Patent Enforcement, *IIC*, 2001.729-761; ADDOR, F., LUNGIBUEHL, S., The First Step Towards an Optional Protocol Under the European Patent Convention on the Settlement of Litigation Concerning European Patents, *EIPR* 2000.S.1-S.12 ; BRAENDLI, P., The Future of the European Patent System, 1995.813-828.

¹²⁰ Namely the Draft Convention on Jurisdiction and Recognition of Judgments in Intellectual Property Matters presented by Professors Rochelle C. Dreyfuss and Jane C. Ginsburg at WIPO forum on private international law and intellectual property,

with industrial property rights or, in contrast, are designed for the specific needs of international copyright litigation. A thorough presentation of those projects goes beyond the scope of the present paper. However, considering the effect of the *GAT* and *Roche* rulings, two proposals relating to the patent litigation should be briefly mentioned here. As a matter of fact, the Advocate General in the *Roche* case referred himself to both of these proposals in his Opinion, suggesting that any attempt to improve the current system of distribution of jurisdiction in patent cases should be undertaken within the framework set out by these proposals.¹²¹

48. The first proposal is the European Patent Litigation Agreement (EPLA), formally known as the Draft Agreement on the establishment of a European patent litigation system.¹²² This is an agreement proposed by the European Patent Office aimed at creating an optional protocol to the European Patent Convention of 1973 which would commit its signatory states to an integrated judicial system, including uniform rules of procedure and a common appeal court. This system would build on an existing legal regime and would therefore be applicable in the Contracting States of the European Patent Convention (i.e. almost all Member States of the European Union, together with, among others, Switzerland, Turkey and certain Balkan states). The EPLA would not create a new international patent right, but would only establish a uniform litigation system. It provides for the creation of a new legal entity called the European Patent Judiciary, composed of an Administrative Committee and a European Patent Court. The latter would consist in a Court of First Instance, a Court of Second Instance and a Registry. What is important is that the Court of First Instance would consist of a number of Regional Divisions created for one or more Contracting States. It is currently envisaged that the allocation of cases to the Regional Divisions of the Court of First Instance would be governed by the rules of the Brussels Convention and Regulation and that the European Patent Court would be designated by the Contracting States as a national court within the meaning of those instruments.¹²³ With this respect and considering the recent decisions of the Court of Justice, one may wonder whether instead of resolving the problem of the international jurisdiction in matters of patent litigation, the EPLA merely replaces it and integrates into the new litigation system. Moreover, the EPLA is an optional agreement, which means the Contracting States of the European Patent Convention can choose freely whether they want to participate in the new integrated judicial system. The question arises then as to which system shall remain applicable in the States which will decide not to adhere to the agreement.
49. The work on the EPLA has made good progress in the last few years, and it was envisaged that the project could be completed successfully. However, doubts have arisen as to the legal basis of the proposed instrument further to the integration of civil judicial cooperation into the first pillar of the European Union. Those doubts have been confirmed in February 2006 when the Court of Justice (Full Court) delivered the Opinion relating to the negotiations of the new Lugano Convention.¹²⁴ The Court decided in this Opinion that the conclusion of international agreements with third states in the domain of the civil judicial cooperation such as the Lugano Convention (which mirrors the Brussels Convention) falls within the sphere of exclusive competence of the European Community. Even though some Contracting States to the

Geneva 30-31 January 2001, available at <http://lawreview.kentlaw.edu/articles/77-3/Dreyfuss-Ginsburg%20Final1.pdf>. A similar project has been elaborated within the Max Planck Institute in Munich by Professors J. Drexler and A. Kur, see: HELLSTADIUS, A., MEIER-EWERT, W., Jurisdiction and Choice of Law in Intellectual Property Matters – Perspectives for the Future (EU and World-Wide), IIC, 2005.313-335.

¹²¹ Point 140-144 of the opinion.

¹²² Available at http://www.european-patent-office.org/epo/epla/pdf/agreement_draft.pdf.

¹²³ Articles 38, 39 and 41 of the Draft Agreement of 20.2.2004.

¹²⁴ Opinion 1/03 of February 7, 2006 relating to the Competence of the Community to conclude the new Lugano Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, available at www.curia.europa.eu.

European Patent Convention are not members of the European Union, it would seem that any action within this field is now reserved to the European Union institutions.

50. The second proposal is the Community Patent System, which provides for a new unitary Community IP right and a special jurisdictional system. This legal regime would be adopted through an EC instrument¹²⁵ applicable in all EU Member States, but only in those States. Disputes would be submitted to a specialized patent tribunal created within, or subjected to, the Court of First Instance. The work on such a project has however proved difficult, one of the major stumbling blocks being the issue of cost (including translation costs) associated with the registration of a Community patent. Besides, the creation of a Community Patent does not resolve the issue of litigation of European patents, as the existing European patent system shall remain applicable. As it was observed above, the basis for the creation of the European patent is an international agreement binding the European Union Member States and the third states, while the Community Patent System shall be of application only in the EU. Finally, the centralization of the litigation through a Community Patent Court having a single seat in Luxembourg has been criticized, as it would create a judiciary too distant from the IP rights holders.¹²⁶
51. Finally, it should be observed that both the registration and eventual litigation of the Community Patent, like the litigation of the European patents under the EPLA, is likely to prove more expensive¹²⁷ than litigation under the Brussels jurisdictional system, which might be problematic with respect to patents of SME's. For all these reasons, it is likely that irrespective of the new specific instruments that might be adopted in this field, the interpretation of the Brussels regime in matters of intellectual property will remain an issue of actuality.

III. Copyright litigation under the Brussels regime

52. There used to be some debate as to whether copyright litigation was exempted from the scope of the Brussels Convention, by virtue of then-Article 57, given the "special" provisions of Article 5.2 of the Berne Convention for the Protection of Literary and Artistic Works.¹²⁸ The matter was laid to rest.¹²⁹ Article 5.2 in fact only establishes a national-treatment standard,¹³⁰ allowing the country where protection is claimed to set the degree of protection. The provision definitely does not provide for explicit rules of jurisdiction regarding copyright infringement. Moreover, the

¹²⁵ See proposal for Council Regulation of 1.8.2000 on the Community patent (COM(2000) 412 final) and the proposal for Council Decision of 23.12.2003 establishing the Community Patent Court and concerning appeals before the Court of First Instance (COM (2003) 828 final).

¹²⁶ WILLEMS, J, op. cit. p. 90

¹²⁷ It follows from the documents diffused on the EPO website, that while the cost of the proceedings before the European Patent Court shall be lower than the cost of proceedings before a UK court, they will be significantly higher than the costs of proceedings before German, Dutch and French courts : Document of February 2006 "Assessment of the impact of the EPLA on litigation of European Patents" available at http://www.european-patent-office.org/epo/epla/pdf/impact_assessment_2006_02_v1.pdf#search=%22rules%20of%20procedure%20european%20patent%20litigation%20agreement%22

¹²⁸ According to this provision: „The enjoyment and exercise of these rights shall not be subject to any formality; such enjoyment and such exercise shall be independent of the existence of protection in the country of origin of the work. Consequently, apart from the provisions of this Convention, the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where the protection is claimed.”

¹²⁹ See : Court of Appeal of January 21, 1999 in case Pearce v Ove Arup, [2000] 3 W.L.R. 332, p. 442. See also RICKETSON, S. & GINSBURG, J.C., *International Copyright and Neighbouring Rights*, Oxford University Press, 2006, point 20.02-20.03, p. 1293. Similar argument has been put forward in the context of patent litigation, with reference to articles 2 and 64 of the European Patent Convention. See Court of Appeal (Civ. Div.) of November 18, 1997 in case Boston Scientific v Cordis (unreported) transcript no. 1838 of 1997, referred to the ECJ (O.J. C 233 of 12.8.2000, p. 15, removed from the register on 9.11.2000). See with this respect, GRZEGORCZYK, P., op.cit. p.1096.

¹³⁰ See article 5(3) of the Convention.

Convention's aim is to facilitate the cross-border protection of literary and artistic works, without preempting more positive treatment by subsequent law or treaty.

53. The jurisdictional system set out by the Brussels Convention and Regulation system is mandatory for the courts, in the sense that it overrides the internal rules whose effect would be to impede the operation of the provisions of the Convention/Regulation. A good example of such impact on national law is the erosion of the English so-called *Moçambique* rule¹³¹ and the rule of double actionability.¹³² According to the former, the courts in England have no jurisdiction to entertain an action for (1) the determination of the title to, or the right to possession of, any immovable situated out of England; or (2) the recovery of damages for trespass to such immovable. Because analogies were drawn between intellectual property and immovable, the *Moçambique* rule used to be considered as a basis for a refusal to entertain an action relating to a foreign IP right. According to the double actionability rule, (repealed with effect as of May 1 1996), an act done in a foreign country is a tort and actionable as such in England, only if it is both (a) actionable as a tort in England and (b) actionable according to the law of the foreign country where it is localized. While this rule is not jurisdictional in nature, it was still regarded as barring the possibility for English courts to decide over a foreign copyright infringement because, due to the territoriality of IP right, acts committed outside England could not amount to an infringement of United Kingdom copyright.
54. It has been confirmed in 1997 in the *Pearce v Ove Arup*¹³³ decision that the English courts are not able to refuse to adjudicate an action relating to a foreign copyright on the ground of the *Moçambique* rule or of the double actionability, even though the justiciability or actionability of acts are notions different from the notion of jurisdiction. It was observed that these rules, to the extent that they would preclude English court from hearing an action in infringement of a foreign intellectual property right, would impair the effectiveness of the Brussels Convention, namely by frustrating the operation of the basic rule of article 2, in case the defendant is domiciled in the United Kingdom. Reference was made to the Courts of Justice's *Hagen* ruling¹³⁴ and to the Schlosser report, where it is remarked that under the Convention the Contracting States are not only entitled to exercise jurisdiction in accordance with the uniform provisions; they are also obliged to do so. As a consequence, the court concluded that the Brussels Convention overrides the national rules, to the extent that they would preclude the court from hearing the action relating to a foreign copyright infringement. A similar conclusion has been reached with respect to the power of the judge to hear a claim relating to the ownership of a foreign copyright.¹³⁵
55. Within the Brussels system, a defendant is amenable to suit in the Member State of its residence (art. 2), and in the Member State "where the harmful event [i.e. the infringement] occurred".(art. 5(3) This event may take place in either, or both, the country where the harm originated, or the Member States where it impacted.¹³⁶ The practical significance of such rule has been recognized in particular within the context of transborder communications, for example by cable, satellite or the Internet.¹³⁷ However, it should be kept in mind that according to the *Shevill* ruling,¹³⁸ the jurisdiction of the court of the place where the event results in damage is limited to the damages

¹³¹ Derived from *British South Africa Co. v Companhia de Moçambique* [1893] AC 602, see also *Def Lepp Music v Stuart-Brown* [1986] RPC 273.

¹³² This is a rule derived from *Philips v Eyre*, L.R.6 Q.B. 1 and *Boys v Chaplin* [1971] A.C. 356.

¹³³ High Court of Justice of March 7, 1997 in case *Pearce v Ove Arup Limited and Others*, 1997 WLR 779, IIC 1998.833-841 (summary). On the appeal : Court of Appeal January 21, 1999 [2000] 3 W.R.L. 332.

¹³⁴ ECJ of May 15, 1990 in case C-365/88 *Kongress Agentur Hagen v Zeehaghe BV*, point 20.

¹³⁵ *Griggs Group Ltd v. Ross Evans, Raben Footwear Pty Ltd, Ronny Leopold Lewy, Garry Lewy*, [2004] EWCH 1088 (Ch).

¹³⁶ ECJ of November 30, 1976, in case 21/76 *Handelskwekerij G. J. Bier BV contre Mines de potasse d'Alsace SA*, [1076] 1735

¹³⁷ RICKETSON, S. & GINSBURG, J.C, op. cit. point 20.04, p. 1294.

¹³⁸ Referred to in fnnt 35.

occurred in the forum.¹³⁹ In consequence, if a Dutch defendant is alleged to have distributed copies of an infringing work in the UK, Germany and France, the French courts may adjudicate those infringement claims arising out of the distribution of copies in France, but not in UK and Germany. If, however, the defendant published the copies in Belgium, from which it then sent them to the UK, Germany and France, then the court of Belgium, as the place of the origination of the harm, may be competent to hear claims arising out of the original publication, including claims relating to foreign territories to which copies were sent.¹⁴⁰ Moreover, the courts of the Netherlands, as the courts of the domicile, will also have competence to adjudicate over the infringements committed in all countries concerned.¹⁴¹

56. What is the impact, if any, of the recent twin decisions *GAT-Roche* on international/European litigation over copyright cases? As far as *GAT* is concerned, its bearing on the domain at hand would seem to be rather limited. In fact, as it was stressed in several decisions,¹⁴² the exclusive jurisdiction of article 16.4/22.4 of the Brussels Convention/Regulation is not relevant in the domain of copyright. This solution has been confirmed recently in a case where the main point of dispute was whether an English court had jurisdiction to issue orders affecting ownership of intellectual property in foreign countries.¹⁴³ The court pointed out the narrowness of article 16.4, which governs the jurisdiction only with regard to certain aspects of registered and deposited rights, to conclude that courts must entertain proceedings not only with respect to the infringement of a foreign copyright but also when it comes to adjudicate upon a case concerning their ownership. However, the judge seemed to cast a slight doubt as to this position by observing that the analysis of the issue of jurisdiction was made “questions of comity apart”. With reference to patents, he observed that to challenge the validity of a foreign patent may well be a breach of comity, as evidenced by the wording of article 16.4 of the Brussels Convention. Then he turned to the copyright and kept the suspense with these words: “Happily, I do not have to decide whether it would be a breach of comity to call in question the existence of [foreign intellectual property] right in a non-registration case”.
57. When it comes to assess the impact of the *Roche* decision, one should first consider the analogy existing between the litigation of copyright infringement and the litigation of a “pure” patent infringement case where there is no controversy as to the validity of the patent. Where the application of article 16.4/22.4 does not come into play, litigation of intellectual property rights follows the same rules, whether these rights are required to be registered/deposited or not. As a consequence, the *Roche* ruling may well have a significant impact in the copyright international litigation.
58. It is easy to imagine a cross-border copyright infringement case involving multiple defendants. Let us take again the example of a Dutch company alleged to have distributed copies of an infringing work in the UK, Germany and France through the net of its distributors in those countries. Would it be possible for a court in, say, the Netherlands to accept jurisdiction over the UK, German and French defendants accused of infringement of the UK, German and French copyright respectively? It would seem to follow from *Roche* that this question is to be answered in the negative. However, one may wonder what would be, in this respect, the impact of substantive supranational minimum rules of protection established in the Berne Convention. Would the

¹³⁹ For an application of the Shevill rule in the context of copyright infringement see French Cour de Cassation of July 16, 1997, in case *Epoux Wegmann v Elsevier Science Ltd.* JCP 1997 ed. G. IV, 1993, *Dalloz* 1997, inf. rap.p.179, *JDI*.1998.136-138.

¹⁴⁰ RICKETSON, S. & GINSBURG, J.C, *ibid.*

¹⁴¹ What law shall apply, is a different question.

¹⁴² *Fort Dodge Animal Health* quoted above in fnnt 14, p.228.

¹⁴³ High Court of Justice Ch. Div. of May 12, 2004 in case *Griggs Group Ltd v. Ross Evans, Raben Footwear Pty Ltd, Ronny Leopold Lewy, Garry Lewy*, [2004] EWCH 1088 (Ch).

“legal context” of the proceedings against each of the defendants be similar enough to admit that there is a risk of irreconcilable judgments if these proceedings are carried out separately? What about the condition of “same factual context”? And how to interpret the relevant provisions in the context of proceedings concerning the matters which were left outside the scope of the substantive rules of the Berne Convention, such as ownership? In this respect, it should be pointed out that the system in place in the countries influenced by French law is fundamentally different from the scheme applicable in the UK or other common law countries. In the former, the general position (subject to certain exceptions) is that the person responsible for the intellectual input into the work enjoys the copyright, while in the latter the owner of the copyright is normally the person who financially backed the work. It is interesting to note in this respect that this divergence in approaches as to the ownership was taken into account by an English court when it refused to stay proceedings on grounds of article 22 of the Brussels Convention (28 of the Brussels I Regulation), despite the fact that there were parallel related proceedings pending in France between, partially, the same parties.¹⁴⁴

IV. Impact of information technology on the litigation of IP rights under the Brussels Convention/Regulation

59. The most recurrent issue arising in practice in this context is the jurisdiction of national courts under the Brussels regime in proceedings concerned with trademark infringement on the Internet. Since the Court of Justice has not yet ruled on this issue, it is worth to examine the evolution of national case law, so as to identify and appreciate the main jurisdictional trends.
60. While intellectual property rights are in principle territorially limited, internet is not. A trademark is in principle enforceable only within the territory of the country where it is registered, but a web page is accessible wherever a computer connected to the Internet can be found. Thus, from the early days of the Internet, the question has arisen: what should be done if a company in one Member State uses on its website a sign (a trademark) which creates the likelihood of confusion with a trademark registered in another Member State for similar goods or services, or reproduces such trademark? There is a tort liability for a trademark infringement to be claimed, but where the action should be brought? In other words, what is the court that has jurisdiction to entertain such claim? Surely, a claim could be brought in the court of the defendant’s domicile (art. 2), but this can be far away from the claimant’s forum. A claim could also be initiated in the court of the defendant’s establishment in another Member State, when the conditions of article 5.5 of the Brussels Convention/Regulation are fulfilled, but that is quite rare in practice. Another alternative forum is, again, article 5.3, which sets forth the rules governing the jurisdiction in proceedings relating to tort, *delict* or *quasi-delict*.

This provision has been for a number of years at the centre of the debate regarding the intellectual property rights infringements committed through the Internet. It reads as follow:

Art.5. “A person domiciled in a Member State may, in another Member State, be sued:
(...)
3. in matters relating to tort, *delict* or *quasi-delict*, in the court of the place where the harmful event occurred or may occur.”

The place where the harmful event occurred or may occur is defined in the light of the twofold definition given in the *Bier* ruling.¹⁴⁵ This means that the defendant may be sued in the place where the harm originated or in the place where it occurred.

¹⁴⁴ High Court of Justice (Ch.Div.) of February 21, 2002 in case *Abkco Music & Records v Jodorowski*.

¹⁴⁵ Referred to above, fnt 136.

61. Unfortunately, as far as the application of article 5.3 in the IT context is concerned, domestic courts in Europe are currently left without guidance from the European legislator. With respect to consumer contracts, advantage was taken of the transformation of the Convention into a Regulation to adapt the provisions relating to consumers contracts to the context of the Internet.¹⁴⁶ Nothing has been done in that respect for the provisions governing jurisdiction in proceedings relating to tort. Therefore, national courts have to rely on the case law of the Court of Justice so as to answer the question: *where* does the harm occur when the tort is committed through the use of the Internet?

The first responses of European courts could be summed up in one word: everywhere. However, as time went by this view changed and left the room for more sophisticated solutions. The case law reflects a significant evolution of the attitude of courts and their endeavor to elaborate appropriate criteria for the assessment of international jurisdiction in situations involving the Internet.

The following lines give a brief outline of this evolution, which may be divided into three periods. The first one, characterized by a distrustful approach to the new phenomena, was followed by a period of a deepened reflection on the issue. The third generation of the case law is underpinned by the idea which is a fruit of this reflection, namely that the Internet activity of the defendant may justify the tort jurisdiction over him only in specifically determined situations.

62. In the first decisions, dating back from the late 1990s, some courts have asserted jurisdiction over foreign defendants by relying merely on a bailiff's report stating that the site containing the sign in question was accessible in the court's jurisdiction.¹⁴⁷ In other words, the existence of the defendant's internet website was a sufficient ground for establishing special jurisdiction under article 5.3 over a trademark infringement claim. Deciding otherwise, for the courts, would imply that the protection of the trademark within the territory for which it is registered be denied.

There have been several such rulings, including from highest domestic courts.¹⁴⁸ Some legal writers have welcomed the solution, claiming that it allows for the protection of intellectual property in the "anarchy" of the Internet. It was observed that the infringement [the harm] is a result of the simple communication of the website to the public in the forum, and therefore even if the defendant did not intentionally focus on the public in a particular Member State, he could be sued before the courts of that State.¹⁴⁹ Furthermore, it was stressed that the jurisdiction would be limited, as established in the *Shevill*¹⁵⁰ decision of the European Court of Justice: thus, the proceedings before the court of the place where the harm occurred could cover only the damage suffered in the forum.

But this initial approach has also been the subject of severe criticism. It has been pointed out, in particular, that by undertaking jurisdiction on the basis of the simple fact that the website is

¹⁴⁶ See, namely article 15 (c) added to the provisions governing jurisdiction over consumer contracts, according to which specific protective provisions apply "15.(...) if (...) (c) in all other cases, the contract has been concluded with a person who pursues commercial or professional activities in the Member State of the consumer's domicile or, by any means, directs such activities to that Member State or to several States including that Member State, and the contract falls within the scope of such activities". [emphasis added].

¹⁴⁷ Court of First Instance of Nanterre of September 17, 1997 in case PayLine. See also Court of First Instance of Paris March 1, 2000, D. 2000, no.20, Ann.J. 252.

¹⁴⁸ French Cour de Cassation of December 9, 2003 in case Castellblanch v Roederer, no. 1637, RTD.Comm. 2004.281-284, JCP G 2004.II.10055, Court of First Instance of Paris of February 11, 2003 in case Intermind v Infratrust Burke e.a., available at www.legalis.net;

¹⁴⁹ POLLAUD-DULIAN, F. comment to abovementioned decision Castellblanch v Roederer, RTD.Comm. 2004.283-284.

¹⁵⁰ Referred to in fnnt. 35.

accessible in the forum, courts violate the principle of fair trial (*procès équitable*) enshrined in article 6 of the ECHR, as well as the fundamental principle of private international law which imposes the existence of a “significant” or “substantial” connection between the proceedings and the forum.¹⁵¹ Others have observed that such a kind of worldwide or Europe-wide jurisdiction offers to the trademark owners a “manifestly excessive” protection.¹⁵²

63. The “second wave” of case law covers roughly the period from 2001 to 2005. During these years, the courts, even though still very protective of trademark owners, have started to pay more attention in their assessment of jurisdiction to things beyond the mere existence of a website. The courts have searched for an operative criterion which could be used in order to decide whether the existence of the website reproducing the sign in question may become the basis for jurisdiction.

To this end, the courts turned initially solely to the language of the site. While this criterion is particularly relevant in Europe, as the multiplicity of languages spoken there reinforces their distinctive character, the criterion was quickly overused by the courts. In a number of decisions, the language was the only element that was taken into consideration to assess the issue of jurisdiction. Thus, in a 2003 decision of the Court of First Instance of Paris, jurisdiction was entertained on the sole argument that the German website was directed in particular to the French public, because it was designed, among others, in French. While this may be considered the fruit of a rather simplistic approach,¹⁵³ the attentive reader of the decision will have noticed one important word that appeared in that ruling, which is the word “*directed*”.

64. This word introduces the second criterion which was originally elaborated for the purpose of a different matter, namely competition law.¹⁵⁴ This criterion, based on the content and the dynamic of the website, permits to distinguish between “passive” and “active” websites. The concept of passive and active websites is based on the idea that the construction of the website permits to identify the public which is targeted by the content of the website following, for instance, elements such as the domain name, the domain extension, the language of the site, the accessibility of the products (goods, services or software) advertised on the website for the public in other Member States or the existence of the routing system leading to the website in question. The degree of “interactivity” of the site is also taken into consideration. It permits to distinguish between “active” commercial web-sites of on-line retailers, on the one hand, from purely “passive” sites aimed at diffusing information, on the other hand.

¹⁵¹ DE HAAS, Ch, L’omnipotence du juge français de la propriété intellectuelle face à l’internet ou l’histoire d’une incompétence largement ignorée, *Petites Affiches*, Nov. 13.2001, p. 5-15, esp. 8.

¹⁵² PASSA, J., Territorialité de la marque et protection contre un singe exploité sur un site internet étranger, available at www.juriscom.net of March 14, 2005.

¹⁵³ Court of First Instance of Paris of February 11, 2003 in case *Intermind v Infratest Burke e.a.*, available at www.legalis.net.

¹⁵⁴ In the European Commission Guidelines on Vertical Restraints (OJ 2000 C 291) the Commission distinguished between the “passive” and “active” sales and defined them in the following manner:

- “Active” sales mean actively approaching individual customers inside another distributor's exclusive territory or exclusive customer group by for instance direct mail or visits; or actively approaching a specific customer group or customers in a specific territory allocated exclusively to another distributor through advertisement in media or other promotions specifically targeted at that customer group or targeted at customers in that territory; or establishing a warehouse or distribution outlet in another distributor's exclusive territory.

- “Passive” sales mean responding to unsolicited requests from individual customers including delivery of goods or services to such customers. General advertising or promotion in media or on the Internet that reaches customers in other distributors' exclusive territories or customer groups but which is a reasonable way to reach customers outside those territories or customer groups, for instance to reach customers in non-exclusive territories or in one's own territory, are passive sales.

It has been already observed in the legal writings the concept of passive and active sale, and the concept of passive and active websites could be used in the assessment of the consumer's behaviour for purposes of the definition of the competent jurisdiction and applicable law. See : FALLON, & M. MEEUSEN, J., “Le commerce électronique, la directive 2000/31/CE et le droit international privé, *Rev ? Crit. DIP*, 2002. 435-490, esp. 447.

Based on this distinction, some defendants, sued before the courts of a given Member State for a trademark infringement committed through the Internet, challenged the jurisdiction of these courts, as they considered their site as passive and not directed to the public of the forum. Such arguments, though accepted in several countries,¹⁵⁵ had a very frosty welcome in others. For instance, the French Cour de Cassation, in a decision of December 9, 2003, ruled that the Court of Appeal legally justified under law its decision by ruling that:

« (la décision entreprise) a admis la compétence des juridictions françaises pour connaître de la prévention et de la réparation de dommages subis en France du fait de l'exploitation d'un site internet en Espagne, après avoir constaté que ce site, fût-il passif, était accessible sur le territoire français »¹⁵⁶

Although the decision was given on the grounds of the Brussels Convention, the Cour de Cassation referred to the preventive character of the action of the claimant in order to corroborate the refusal of arguments based on the passive character of the website. It has been observed in legal writings that such a reference was recommended by the new wording of article 5.3 of the Brussels I Regulation allowing, in tort matters, for the jurisdiction of the courts of the place where the harm *may* occur.¹⁵⁷ Hence, it has been argued that “the intervention preventing the harm is always more useful than the one avenging it”. One may wonder, however, whether given the factual circumstances of the case,¹⁵⁸ such an understanding of the new wording of article 5.3 does not go too far. Accepting the jurisdiction over a foreign defendant, just because his passive website may one day become active is tantamount to accepting the jurisdiction over proceedings relating to a tort which not only has not been yet committed but whose imminent character has not been demonstrated. This may be regarded as inconsistent with the Court of Justice’s case law, in particular the *Henkel* case in which it was ruled that the aim of the extensive interpretation of article 5.3 is to “prevent the imminent commission of a tort (or delict)”.¹⁵⁹

65. Finally, in Belgium, courts have used another criterion that is related more to the nature of the right in question than to the character or the content of the website. The Brussels Court of Appeal¹⁶⁰ ruled that the mere accessibility of the site in the Belgian territory could not be considered as a basis for the jurisdiction under article 5.3 of the Lugano Convention,¹⁶¹ because it was only a fortuitous consequence of the global character of the Internet. Then the court relied on the territorial character of the trademark and upheld its jurisdiction over the defendant domiciled in Switzerland, even though the circumstances of the case showed that the defendant did not target the Belgian territory, nor had clients in Belgium.¹⁶² For this reason the solution upheld is somehow disappointing: while the ruling starts with a courageous step aiming at evading the ubiquity of the Internet, the decision to rely ultimately on the territoriality of right is tantamount to going back to square one. Indeed, if the basis of the jurisdiction is the fact that the right is territorially protected, the defendant who uses a sign on his website may be sued before the courts of each country where a sign similar to the one used on the website is registered as a

¹⁵⁵ See decisions of Circuit Court of Brema of February 17, 2000, of the German Bundesgerichtshof of December 12, 2000 referred to by DE HAAS, op.cit., p. 8.

¹⁵⁶ Castellblanch v Roederer, referred to above in the fnnt 148.

¹⁵⁷ CHABERT, C., comment to Castellblanch v Roederer in JCP G 2004 II 10056.

¹⁵⁸ In this case a Spanish company manufacturing and marketing in Spain the sparkling wine for which it has a registered trademark “Cristal” was accused of the trademark infringement by a French company Roederer, manufacturing a champagne for which a trademark “Cristal” was registered in France. The website of the Spanish company, accessible under a domain name “castellblanch.com” was a passive site designed in Spanish, Catalan and English.

¹⁵⁹ Henkel, referred to in the fnnt 22, point 47.

¹⁶⁰ Decision of December 2, 2004 in case “liberty-voyages.com”, Ing.-Conseil.2004.537-548.

¹⁶¹ The defendant in this case was domiciled in Switzerland.

¹⁶² In the commented case the defendant company not only did not exercise any activity in the Belgian market and did not take any steps to conquer it, but its services (travel services) were clearly directed to Swiss clients: the prices were given in Swiss francs and all the flights were scheduled from the Swiss airports.

trademark for similar goods or services. What is more, he may still be sued in these countries even though he does not focus his activity on the market of the forum state at all.

66. The most recent developments of the case law suggest, however, a change of attitude of the courts in the assessment of the infringement of the trademark perpetrated through the Internet.

This “third generation” of the case law has developed at first at the level of substantive law. In an important decision of January 11, 2005 from the French court of cassation,¹⁶³ it was ruled that the imitation of the trademark on the website does not amount to the infringement of the trademark when it follows from the circumstances that the site did not target the customers in the forum State. The court pointed out that the site was designed in several languages and that the goods advertised were not available in the forum State. Doing so, the court introduced the criterion of the *public targeted by the website* into the appraisal of the infringement of a trademark.

In another decision, dated of April 26, 2006¹⁶⁴ the criterion of the target of the website was used in order to assess the *jurisdiction* of the French court over a claim brought against a Lebanese defendant accused of a trademark infringement perpetrated through a website hosted on a Lebanese server. As the Belgian courts had done before, the Paris Court of Appeal ruled that the accessibility of the website all over the world lies in the very nature of the Internet and that this criterion alone cannot be determinative for the assessment of the competence, otherwise jurisdiction would be systematically conferred to the French courts. Therefore, in the court’s opinion, it is necessary to find and identify in every case a “sufficient link, substantial or significant, between the [wrongful] fact or acts and the alleged damage”.¹⁶⁵ In this particular case, such link could not be established as the website, which was designed in English, did not offer any product to French customers and there was no evidence that the products advertised on the website in question were on sale in France.

67. There is an interesting parallel to be drawn between these decisions and the decisions of American courts which, on the basis of the theory of minimum contacts,¹⁶⁶ have developed two main tests in the context of the Internet. The first one, the so-called *Calder “effect” test*, echoes the decisions in which the courts relied on the concept of the public targeted by the website. It was enunciated by the US Supreme Court in *Calder v Jones*¹⁶⁷ and is most widely used for determining personal jurisdiction, in particular for Internet defamation. The language of the *Calder* ruling, which was given in a classic defamation case, has been reformulated for the Internet context in *Young v New Heaven Advocate*¹⁶⁸ by the Fourth Circuit Court of Appeal. The court ruled in *Young* that, in order to determine whether jurisdiction can be asserted over the out of state defendants based on the Internet publication of an article downloadable in the forum, it was important to look at whether the defendant expressly aimed or directed his activity towards the forum state or, in other words, whether he manifested any intent to target and focus the forum readers.

¹⁶³ French Cour de Cassation in case Hogo Boss, D.2005.428 with a comment of C. Manara, available also at www.juriscom.net with comment of J.Passa.

¹⁶⁴ Paris Court of Appeal in case Fernand S., Normalu v Acet available at http://www.legalis.net/jurisprudence-decision.php3?id_article=1653

¹⁶⁵ « il convient de rechercher et de caractériser, dans chaque cas particulier, un lien suffisant, substantiel ou significatif, entre ces faits ou actes et le dommage allégué »

¹⁶⁶ US Supreme Court *International Shoe Co. v Washington*, December 3, 1945; 326 US 310 (1945). See: BORCHERS, P.J., Tort and Contract Jurisdiction via the Internet: the ‘Minimum Contacts’ test and the Brussels Regulation Compared; *Netherlands International Law Review*, 2003.401-418.

¹⁶⁷ 465 U.S. 787 (1984)

¹⁶⁸ 315 F. 3d 256 (4th Cir. 2002), *certiorari denied*, 538 U.S. 1035 (2004).

68. The second test, dubbed into the “*a sliding scale of activity*” test or *Zippo test* has been formulated in a trademark litigation context.¹⁶⁹ In the simplest terms, this test implies the assessment of the nature and quality of the defendant’s Internet activity (passive, active website), as well as other contacts of the defendant with the forum. Thus, at one end of the scale are situations where a defendant clearly does business over the internet. At the opposite end of the spectrum are so called “passive” websites where a defendant merely posts information on a website viewable in a foreign jurisdiction. In the middle ground are websites where the consumer can exchange information with a website; the exercise of jurisdiction in these circumstances is determined by the nature of the contacts and the commercial nature of the exchange of information. In conclusion, for the courts to exercise the personal jurisdiction, it is essential that the defendant undertakes some deliberate action within the forum state, for example consummates some transactions there or establishes deliberate and repeated contacts through the web.
69. One may also find in the case law some examples of a *Calder/Zippo* hybrid test, which reveals limits of the *Zippo* sliding scale of activity approach. In fact it may happen that a passive website or a website situated in the “middle ground” (i.e. websites where the consumer can exchange information with the site) focuses/targets the public in the forum state. In such cases, the courts after having determined the level of the interactivity of the website, engaged in a *Calder* analysis to determine the nature and quality of a defendant’s contacts with the forum.¹⁷⁰
70. Finally, another parallel that can be drawn is between the above-mentioned decisions of the Brussels and Paris Court, on the one hand, and the Court of Justice’s decision in the *Besix* case,¹⁷¹ on the other hand. In the later decision, the Court of Justice ruled, for the purpose of the application of the *forum contractus* rule (art. 5(1) of the Brussels Convention) that:
- “the special jurisdictional rule in matters relating to a contract laid down in article 5.1 of the Brussels Convention is not applicable where the place of performance of the obligation in question cannot be determined (...) and is therefore characterised by a multiplicity of places for its performance. In such a case, jurisdiction can be determined only by application of the general criterion laid down in the first paragraph of Article 2 of the Convention.”

In the above-mentioned decisions from the Brussels/Paris courts, it was ruled that the mere accessibility of the website in the forum is not a sufficient justification to establish jurisdiction because of the worldwide, ubiquitous nature of the Internet. It follows from the ubiquitous character of the web that the effects of an infringement committed with the use of the Internet occur in an unidentified number of places.

As a consequence, in view of the *Besix* ruling, one may wonder whether in a case where a trademark infringement claim is based only on infringement committed via internet, the international jurisdiction of courts under the Brussels Convention/Regulation system should not be determined only by application of article 2 (i.e. domicile of the defendant), to the exclusion of the special jurisdiction of article 5(3).

71. As the foregoing suggests, the determination of tort jurisdiction which arises as a result of internet contacts with the forum is by no means a settled issue in Europe. The interpretation of the conditions of applicability of article 5.3 in the context of the Internet is therefore worth a deepened comparative analysis.

¹⁶⁹ *Zippo Manufacturing Co. v Zippo Dot Com, Inc.* U.S. District Court of Pennsylvania January 16, 1997, 952 F. Supp 119; *Music Millenium v Millenium Music*

¹⁷⁰ See, for instance, *Revell v Lydov*, 317 F.3d 467 (5th Cir. 2002).

¹⁷¹ ECJ of February 19, 2002 in case C-256/00 *Besix SA v. WABAG e.a.*, [2002], I-1699.

Concluding remarks

72. This paper is but a preliminary exposé of some of the basic issues to be discussed in the course of our project. The next step is the identification, and allocation, of the issues to be dealt with in the Experts' Papers, and in the concluding report [a tentative list is appended to this paper]. We shall aim at the Analysis, and subsequent Synthesis, of both general and specific themes.

Our starting point is the evolving European private law. The EC/EU legislative initiatives are bringing forth new challenges, and opportunities. National and European case law is an important part of this process: machinery is invented, systems are conceived, doctrines synthesized. Technological change and the forces of an ever-more-global market serve as a mighty factor for change. Torpedoes call for countermeasures, which in their turn inspire counter-countermeasures. The quest of market actors for tactical advantage, and of legal actors for equitable solutions, can sabotage the best doctrinal system. At the same time, a global market calls for consolidation – and the principle of economy in the judicial process is a longstanding one.

73. The concept of intellectual property encompasses an ever increasing variety of forms for capturing the works of human intellect (and even this term is being put into question, with the growth of artificial intelligence and the economic recognition of cultural heritage). How different should the treatment of different IP forms be, at least from a private international law perspective? How different should the treatment of IP litigation be from other transnational private activity? How do the answers to these questions relate to methodological shifts within the discipline of private international law itself? How should the doctrinal solutions we give integrate “substantive” values [namely the balancing of substantive-law interests, the implementation of the economic constitution (such as the EC basic freedoms), or new ideas about the meaning of property over intellectual works]? From a more “technical” point of view, what should the relationship be between the rules on jurisdiction and the rules on applicable law? What is the role of the other parts of the litigation process – taking of evidence, communication between adjudicator and parties – which were until recently regarded as being at the periphery of private international law? Last but not least, how global or how distinct do we want the European legal regime in this area to be? What should be the coordination and/or allocation of competences between the different international institutions, just as well as between the different instruments?
74. On the whole, our project is pluralist in its methodology and its ambition. It aims at articulating questions and offering answers; helping establish a common frame of reference among intellectual property lawyers and private international lawyers, across the EU and on a global (or at least transatlantic) scale; providing food for thought for the ongoing, as well as subsequent, legislative projects; reviewing and renewing notions and doctrines in private international law and the (transnational) legal treatment on intellectual property; and affirming a long-term dialogue on these important and fascinating matters.

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