

A Comparative (US/EU) Approach to Transnational Intellectual Property Disputes

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International IP Treaties/Agreements

- **Paris Convention for the Protection of Industrial Property (1883; rev. Stockholm 1967)**
 - **Article 2: Nationals of any country of the Union shall, as regards the protection of industrial property, enjoy in all the other countries of the Union the advantages that their respective laws now grant, or may hereafter grant, to nationals; ... provided that the conditions and formalities imposed upon nationals are complied with.**
- **Berne Convention for the Protection of Literary and Artistic Works (1886; rev. Paris 1971)**
 - **Article 5(1): Authors shall enjoy ... in countries of the Union other than the country of origin, the rights which their respective laws do now or may hereafter grant to their nationals ...**

International IP Treaties/Agreements

- **Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS”) (1994)**
 - **Article 3: Each Member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection of intellectual property.**
 - **Article 4: With regard to ... intellectual property, any advantage, favour, privilege or immunity granted by a Member to the nationals of any other country shall be accorded immediately and unconditionally to the nationals of all other Members.**
 - **[Exceptions: International agreements of a general nature; exceptions in Berne and Rome Conventions; international IP agreements that entered into force before the WTO Agreement (Jan. 1, 1996).]**

Applicable Law

- **EU Regulation No. 1215/2012 on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters (aka the Brussels Regulation):**
 - Effective date: January 10, 2015
 - Replaces the Brussels Convention (1968) and the former EC Regulation No. 44/2001.
 - Similar rules apply between EU and EFTA nations (Switzerland, Liechtenstein, Norway, and Iceland) under the Lugano Convention (1988; revised 2007).
 - Special rules for IP rights with EU-wide or unitary effect: EU Trade Marks, Community Designs; and proposed European Patents with Unitary Effect (latter subject to proposed Unified Patent Court)

EU Regulation 1215/2012

- **General Jurisdiction:**
 - Article 4: Persons domiciled in a member state.
 - Article 6: Persons not domiciled in a member state.
- **Special Jurisdiction (choice permitted):**
 - Article 7(2): Actions for tort, delict, or quasi-delict
 - Article 8(2): Multiple defendants
 - Article 35: Provisional measures
- **Exclusive Jurisdiction (no choice permitted):**
 - Article 24(4): Registered rights
 - Article 25(1): Choice of forum agreements

EU Regulation 1215/2012

- **General Jurisdiction:**

- **Article 4(1): Subject to this Regulation, persons domiciled in a Member State shall, whatever their nationality, be sued in the courts of that Member State.**
- **Article 4(2): Persons who are not nationals of the Member State in which they are domiciled shall be governed by the rules of jurisdiction applicable to nationals of that Member State.**
- **(May be supplemented by Special Jurisdiction; or may be superseded by Exclusive Jurisdiction.)**

EU Regulation 1215/2012

● Forum Non Conveniens?

- In English law, doctrine of *forum non conveniens* allows a court to decline to exercise jurisdiction, if a court in another State, which also has jurisdiction, would objectively be a more appropriate forum.
- *Owusu v. Jackson*, Case C-281/02 (2005): Brussels Convention precludes a court from declining the jurisdiction conferred on it by Article 2 (now Article 4) on the ground of *forum non conveniens*.
- *Lucasfilm, Ltd. v. Ainsworth*, [2011] UKSC 39: A claim for infringement of a copyright owned by a U.S. corporation, allegedly committed in the United States by a British citizen, is justiciable in the U.K. (& might be required by Brussels Regulation?)

EU Regulation 1215/2012

- **General Jurisdiction:**

- **Article 6(1):** If the defendant is not domiciled in a Member State, the jurisdiction of the courts of each Member State shall ... be determined by the law of that Member State.
- **Exceptions:** Article 18(1) (consumer contracts); Article 21(2) (employees in another state); Article 24 (exclusive jurisdiction) and Article 25 (enforceable agreements concerning jurisdiction).

EU Regulation 1215/2012

- **Special Jurisdiction:**

- **Article 7: A person domiciled in a Member State may be sued in another Member State:**
- **Article 7(1)(a): In matters relating to a contract, in the courts for the place of performance of the obligation in question. (Place of delivery for goods, where services are to be provided for services.)**
- **Article 7(2): In matters relating to tort, delict, or quasi-delict, in the courts for the place where the harmful event occurred or may occur.**

EU Regulation 1215/2012

- **Special Jurisdiction: Where does a tort occur?**
 - **Case No. 21/76 (1976):** Phrase “the place where the harmful event occurred” means both the place where the damage occurred and the place of the event giving rise to it. (plaintiff may choose)
 - **Shevill v. Presse Alliance, Case No. C-68/93 (1995):** Publisher may be sued in the place it is established for damages for all the harm caused; or in the place where the publication was distributed, for damages only for the harm caused in that State.
 - **eDate/Martinez, Cases C-509/09 & C-161/10 (2011):** For alleged infringement of personality rights, may sue for all damages in place where publisher is established or the person’s center of interests is based; or for local damages in any state where online content is or has been accessible.

EU Regulation 1215/2012

- **Special Jurisdiction: Where does a tort occur?**
 - **Wintersteiger AG v. Products 4U, Case No. C-523/10 (2012):** Austrian plaintiff owns mark “Wintersteiger” in Austria. Defendant used mark as a keyword (“Adword”) to trigger ads on google.de in Germany.
 - **HELD:** Action may be brought in state where mark is registered, or state where defendant is located.
 - **Pinckney v. Mediatech, Case No. C-170/12 (2011):** French plaintiff sued Austrian defendant in France for copyright infringement for reproducing musical works on CD in Austria, which were marketed in UK on websites also accessible in France.
 - **HELD:** French court has jurisdiction to determine damages only for copyright infringement that occurred in France.

EU Regulation 1215/2012

- **Special Jurisdiction:**

- **Article 8:** A person domiciled in a Member State may also be sued:
- **Art. 8(1):** where he is one of a number of defendants, in the courts for the place where any one of them is domiciled, provided the claims 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.

EU Regulation 1215/2012

- **Special Jurisdiction: How close a connection?**
 - **CJEU: A “risk of irreconcilable judgments” exists where claims against multiple defendants are based on the same factual and legal situation.**
 - **Roche Nederland BV v. Primus & Goldenberg, Case No. C-539/03 (2006): Because patent infringement is decided under national law, cases against Roche and 8 national subsidiaries did not present a risk of irreconcilable judgments (different legal situation).**
 - **Freeport PLC v. Arnoldsson, Case C-98/06 (2007): Fact that claims have a different legal basis (tort vs. contract) does not necessarily preclude jurisdiction. Plaintiff need not establish that it lacked purpose to oust jurisdiction from courts of Member State where non-resident defendant is domiciled.**

EU Regulation 1215/2012

- **Special Jurisdiction: How close a connection?**
 - **Painer v. Standard Verlags GmbH, Case No. C-145/10 (2011):** Austrian plaintiff sued publications based in Austria and Germany for copyright infringement in Austria and Germany, in an Austrian court.
 - **HELD:** National court may determine if substantially identical copyright infringements are closely connected, even if national legal grounds vary.
 - **Nintendo Co. v. Big Ben Interactive, No. C-24/16 (2017):** Japanese plaintiff sued French parent and German subsidiary in Germany, for goods made in France with allegedly infringing designs.
 - **HELD:** Under Community Design Regulation, German court has jurisdiction to determine action against French parent throughout the EU.

EU Regulation 1215/2012

● Exclusive Jurisdiction:

- Article 24: The following courts of a Member State shall have exclusive jurisdiction, regardless of the domicile of the parties:
- Article 24(4): In proceedings concerned with the registration or validity of patents, trade marks, designs, or other similar rights required to be deposited or registered, irrespective of whether the issue is raised by way of an action or as a defence, the courts of the Member State in which the deposit or registration has been applied for, has taken place or is ... deemed to have taken place.
- [Under EPC,] the courts of each Member State shall have exclusive jurisdiction in proceedings concerned with the registration or validity of any European patent granted for that Member State

EU Regulation 1215/2012

● Exclusive Jurisdiction:

- **Gesellschaft für Antriebstechnik mbH v. Lamellen und Kupplungsbau Beteiligungs (aka GAT v. LuK), Case No. C-4/03 (2006):** GAT filed an action in Germany, seeking a declaratory judgment of invalidity and non-infringement of French patents.
- **HELD:** Exclusive jurisdiction 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 defense.
- **Clause in Art. 24(4) was added to codify this case:** “irrespective of whether the issue is raised by way of an action or as a defence”

EU Regulation 1215/2012

● Exclusive Jurisdiction:

- Eurojobs Personaldienstleistungen S.A. v. Eurojob A.G. (Swiss Federal Court, 4 April 2007): If the defendant raises invalidity as a defense, proper procedure is to stay the infringement action for a period of time to give defendant an opportunity to file an invalidity action in the country of registration.
- If defendant fails to bring an invalidity action within specified period of time, invalidity defense should be deemed to have been waived.
- <http://www.decisions.ch/entscheide/id/168>

EU Regulation 1215/2012

● Exclusive Jurisdiction:

- Article 25(1): If the parties, regardless of their domicile, have agreed that a court or the courts of a Member State are to have jurisdiction to settle any disputes which have arisen or which may arise in connection with a particular legal relationship, that court or those courts shall have jurisdiction, unless the agreement is null and void as to its substantive validity under the law of that Member State.
- Such jurisdiction shall be exclusive unless the parties have agreed otherwise.
- [Agreement conferring jurisdiction must be in writing or evidenced in writing.]

EU Regulation 1215/2012

- **Lis Pendens and the “Italian Torpedo”:**
 - **Article 29(1):** [W]here 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 court first seised shall ... stay its proceedings until such time as the jurisdiction of the court first seised is established.
 - **Art. 30(1):** Where related actions are pending in the courts of different Member States, any court other than the court first seised may stay its proceedings.
 - **Art. 30(3):** For the purposes of this Article, actions are deemed to be related where they 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

EU Regulation 1215/2012

- **Lis Pendens and the “Italian Torpedo”:**
 - An alleged infringer files an action for declaration of non-infringement in a nation with courts that are known for moving slowly (e.g., Italy).
 - If the IP owner then files an action for infringement in another nation (e.g., Germany), the court of the second action must stay that action until the court of the first action decides whether it has jurisdiction (which may take several years).
 - **General Hospital Corp. v. Asclepion Laser Techs. GmbH (Italian Court of Cassation, May 23, 2013):** Italian courts have jurisdiction to determine non-infringement of a European patent (both the Italian part and the German part).

EU Regulation 1215/2012

● Provisional Measures:

- Article 35: Application may be made to the courts of a Member State for [provisional or protective measures], even if the courts of another Member State have jurisdiction as to the substance ...
- Van Uden Maritime BV v. Deco-Line, No. C-391/95 (1998): HELD: Must be a “real connecting link” between the subject matter and the Member State
- Solvay S.A. v. Honeywell, Case No. C-616/10 (2012): Patent owner sued in Netherlands for provisional measures for infringement of 10 national parts of a European Patent. HELD: National court may decide that there is a risk of irreconcilable judgments.
- HELD: Article [24(4)] does not preclude the application of Article [35].

Applicable Law

- **EU Regulation No. 2017/1001 on the European Union Trade Mark:**
 - Effective date: October 1, 2017
 - Replaces former EC Regulation No. 207/2009.
 - Text has EEA Relevance.
- **Article 123: Member States shall designate in their territories as limited a number as possible of national courts ... of first and second instance, which shall perform the functions assigned to them by this Regulation**

EU Regulation 2017/1001

● Exclusive Jurisdiction:

- Article 124: The EU trade mark courts shall have exclusive jurisdiction:
- (a): for all infringement actions and ... actions in respect of threatened infringement relating to EU trade marks;
- (b): for actions for declaration of non-infringement ...
- (c): for actions under Art. 11(2) [compensation for acts after publication of application that would be infringing after publication of registration];
- (d): for counterclaims for revocation or for a declaration of invalidity of the EU trade mark.

EU Regulation 2017/1001

- **Article 125(1):** Proceedings shall be brought in the Member State in which the defendant is domiciled, or (if not domiciled) where he has an establishment.
- **Article 125(2):** If defendant is not domiciled in a Member State ..., proceedings shall be brought in the Member State in which plaintiff is domiciled
- **Article 125(3):** If neither is domiciled nor has an establishment, in the Member State of Office (Spain)
- **Article 125(4):** Notwithstanding paras. 1,2,3, Art. 25 of Brussels Regulation shall apply if the parties agree; Art. 26 shall apply if defendant consents.
- **Article 125(5):** Except for declarations of non-infringement, actions may also be brought in the Member State in which the act of infringement has been committed or threatened.

EU Regulation 2017/1001

- **Article 125(5):** Except for declarations of non-infringement, actions may also be brought in the Member State in which the act of infringement has been committed or threatened.
- **Coty Germany GmbH v. First Note Perfumes, NV, Case No. C-360/12 (2014):** German mark owner sued Belgian company in Germany, for making and selling allegedly infringing goods (design) in Belgium, which were then resold by the buyer in Germany.
- **HELD:** “Act of infringement” does not include alleged contribution to infringement; defendant who did not act in Germany cannot be sued there.
- For act of unfair competition, under Art. [7(2)] of Brussels Regulation, event giving rise to alleged infringement did not occur in Germany, but may sue in Germany for damages caused in Germany.

EU Regulation 2017/1001

- **Article 125(5):** Except for declarations of non-infringement, actions may also be brought in the Member State in which the act of infringement has been committed or threatened.
- **“Perfume Marks” (Parfummarken), Case No. I ZR 164/16 (2017), English translation, 49 IIC 485 (2018):** Plaintiff holds trademarks in EU and Germany. Defendant in Italy advertises on website in both Italian and German. Defendant exchanged emails with and sold perfumes to a German buyer.
- **HELD:** Place where the event giving rise to damage occurs is NOT the place where the Internet website can be accessed, but the place at which publication of the offer has been set in motion by the operator.
- **[Similar question pending in CJEU in C-172/18]**

EU Regulation 2017/1001

- **Counterclaims for revocation or invalidity:**
 - **Article 128(2):** Counterclaim shall be dismissed if EUIPO has already rendered a final decision on same cause of action between the same parties.
 - **Article 128(4):** If application for revocation or invalidity is already pending in the EUIPO, court must stay its proceedings until action is final or is withdrawn.
 - **Article 128(7):** After hearing the parties, court may stay its proceedings and request that defendant bring an application for revocation or invalidity in the EUIPO within a specified time. If action is not brought within the specified time, counterclaim shall be deemed withdrawn.

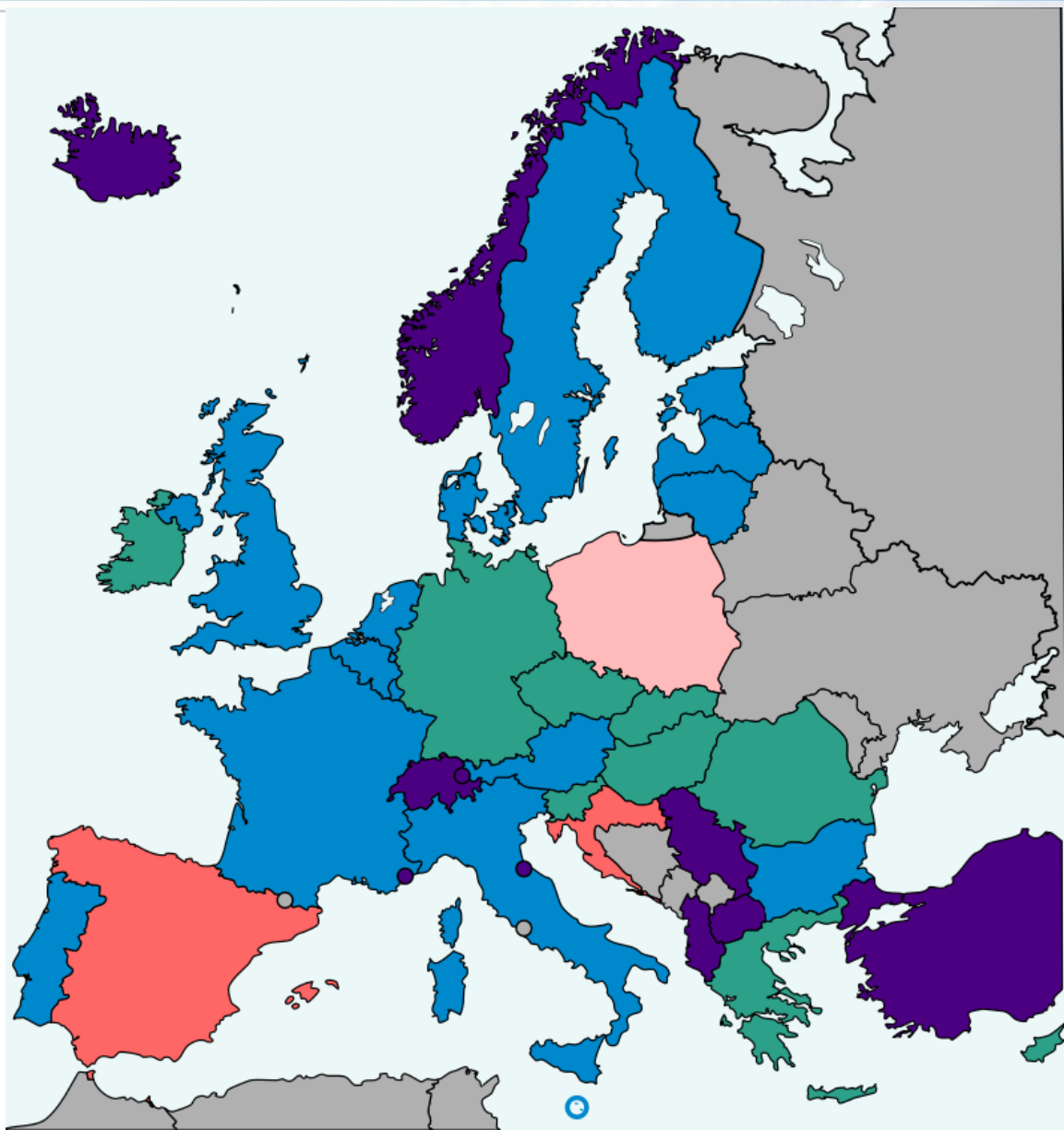
Agreement on Unified Patent Court

- **EU Regulation No. 1257/2012 on creation of unitary patent protection**
- **EU Regulation No. 1260/2012 on applicable translation arrangements for unitary patent**
- **Agreement on a Unified Patent Court**
 - Regulations are contingent on Agreement entering into force
 - Agreement is ratified by 16 nations, including Italy
 - Agreement enters into force on first day of fourth month after conditions met, including ratification by 3 states with most European patents in force in 2012 (currently France, Germany, and U.K.)

Agreement on Unified Patent Court

- **Proposed court concerning infringement and invalidity of unitary patents.**
 - Court of First Instance, Central Division in Paris
 - Court of First Instance, Central Division Section in London for chemistry cases, incl. pharmaceuticals and human necessities;
 - Court of First Instance, Central Division Section in Munich for mechanical engineering cases.
 - Each country may have a local division, and may have up to four if number of patent infringement cases warrants. 2+ may have a regional division.
- **Court of Appeal to be located in Luxembourg**
 - Legal questions may be submitted to European Court of Justice

Agreement on Unified Patent Court



Trasnational IP Disputes

- Questions?

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