Cross-border jurisdiction in IP cases

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Once upon a time…

Modern times…

...call for a cross-border approach!
Rather extensive and unforgiving topic... especially after lunch
How to assess jurisdiction?

Capita Selecta “Brussels I regulation” in IP cases


Sidesteps to CTMR and CDR jurisdiction provisions


Not: Unified Patent Court Agreement (however interesting)

Not: conflict of laws
Jurisdiction =/= assessment on substance

National court has to assess jurisdiction on the basis of the assertions of the claimant (ECJ 3 April 2014, C-387/12 (Hi Hotel), see also ECJ 4 March 1982, C-38/81 (Effer/Kantner));

however:

CJEU 28 January 2015, C-375/13 (Barclays/Kolassa): national court should be able to examine its international jurisdiction “in the light of all the information available to it, including, where appropriate, the defendant’s allegations” -> but no extensive (evidence) assessment.
CROSS-BORDER JURISDICTION

- General jurisdiction → the main rule
- Exclusive jurisdiction → the exceptions
- Alternative jurisdiction → choice
- Special jurisdiction → tailor-made provisions in specific (IP) laws, can be exclusive or alternative
GENERAL JURISDICTION

- Member State of domicile (art. 4 Brussels I, former art. 2):

  “Subject to this Regulation, persons domiciled in a Member State shall, whatever their nationality, be sued in the courts of that Member State”

- For example: Dutch company can be sued in the Netherlands for trademark infringement in France.
Consequence of cross-border jurisdiction: national court may have to rule on foreign laws and facts → controversial in some countries.

In the Technip case (Court of Appeal of The Hague 28 September 2010), the Dutch courts had to assess copyright infringements by the Dutch defendant in more than 50 different countries...
Art. 24(4) (former 22(4)) Brussels I: exclusive jurisdiction for registration and validity registered IP rights.

For example: the invalidity of an Italian patent has to be claimed in Italy, regardless of domicile patent holder.

Complications galore...
ECJ 13 July 2006, C-4/03 (GaT/LuK): German company LuK accused German company GaT of infringement on French patents. GaT started a declaratory action for non-infringement in Germany.

Did the German court have jurisdiction to rule over the (non-)infringement as well as the validity of the French patents?

ECJ: **No.** the validity of the French patents falls under the exclusive jurisdiction of art. 16(4) of the Brussels Convention (now 24(4) Brussels I), irrespective of whether the issue is raised by way of an action or a plea in objection.
ECJ did not give a solution for catch-22: how to deal with an infringement claim on a foreign patent if the court may not assess the defense that this patent is invalid?

In practice infringement proceedings in Member State A stayed pending the invalidity proceedings in Member State B.

But...
... what about provisional measures? Can the defendant simply block such measures by raising the validity of the invoked foreign patent as a defense?

Or:

- Can the judge decide on provisional injunctions, which also requires a preliminary assessment on the validity of the foreign patent?

- See ECJ 12 July 2012, C-616/10 (Solvay Honeywell).
In Solvay/Honeywell, the ECJ reiterates GaT/LuK, but clarifies that:

- art. 22(4) (now 24(4)) concerns exclusive jurisdiction to rule on the substance of specific matters;

- art. 31 (now 35) provides that a court may grant provisional measures available under national law, **even if the courts of another Member State have jurisdiction as to the substance of the matter**;

- Art. 22(4) (now 24(4)) therefore **does not preclude provisional measures** which do not in any way prejudice the decision on the substance by the court having exclusive jurisdiction on the validity.
Will the Unified Patent Court render this discussion moot (cross-border jurisdiction for infringement and invalidity)?

In any case (still) relevant for European Patent opt-outs, trade mark and design cases.
Art. 8 (former 6) Brussels I:

“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 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.”

For example: Dutch court will have (cross-border) jurisdiction if Dutch and German defendants jointly infringe on the same Benelux and French trade marks.

Controversial; developed in ECJ case law.
Risk of irreconcilable judgments?

- ECJ 13 July 2006, C-39/03 (Roche/Primus): Different Dutch and foreign companies accused of infringing patent in different countries
- Does the Dutch court have cross-border jurisdiction against foreign defendants? ECJ: no.
ECJ in Roche/Primus: risk diverging decisions not sufficient, must arise in the context of the same situation of law and fact.

ECJ: different defendants infringing on different national parts of European Patent =/= same situation of law and fact.

Not relevant that defendants acted in accordance with a common policy (spider-in-the-web theory)

Heavily criticized: end of cross-border practice?
ALTERNATIVE JURISDICTION: JOINT DEFENDANTS

From Roche to Solvay

- ECJ 11 October 2007, C-98/06 (Freeport): not required that claims against different defendants have the same legal basis, but jurisdiction has to be “forseeable”.

- ECJ 1 December 2011, C-145/10 (Painer): jurisdiction “forseeable” if national laws are substantially identical: harmonized copyright law in different EU countries.
From Roche to Solvay

- ECJ 12 July 2012, C-616 (Solvay/Honeywell): different Dutch and foreign companies accused of infringing European patent in the same foreign countries with the same product.

- ECJ: same factual and legal situation, might lead to irreconcilable judgments

- Although ECJ does not openly take distance from Primus/Roche... new chapter cross-border injunctions?
SPECIAL JURISDICTION: JOINT DEFENDANTS

Primus/Roche situation

Solvay/Honeywell situation
Solvay/Honeywell not only relevant for patent cases.

See for example District Court 14 May 2014 (FKP/Spirits):

Russian company FKP sued Dutch and Cypriot companies in the Netherlands for infringing on the same national trademarks in 13 foreign countries. The Dutch court accepted cross-border jurisdiction also against the Cypriot defendant on the basis of article 6(1) (now 8) Brussels I.

What about Community trade marks and designs?
Community trade marks & designs

- Brussels I provisions apply to Community trade marks and designs, “unless otherwise specified” (art. 94 CTMR, 79 CDR).

- Various special jurisdiction provisions in CTMR and CDR, for example art. 97(3) CTMR: if defendant is not located in the EU, claimant can address CTM court in own member state (forum actoris!).

- Art. 8 Brussels I applicable?

- Yes: no specific provision for joint defendants in CTMR and CDR.
Community trade marks & designs

- Art. 98 CTMR, art. 83 CDR: scope of jurisdiction
  - EU-wide in Member State where defendant is domiciled.
  - National against foreign defendant in Member State where infringement takes place.

- Does not preclude (EU-wide) jurisdiction against both national and foreign defendant on the basis of article 8 Brussels I.

- Unitary trademark, so same factual and legal situation → risk irreconcilable judgments.
Community trade marks & designs

- Dutch courts granted EU-wide injunctions for CTMR’s and CDR’s against Dutch and foreign defendants on the basis of art. 6(1) (now 8) Brussels I.
  - F.e. Court of Appeal The Hague 5 June 2012 (G-Star/H&M) and District Court The Hague 9 October 2013 (Ten Cate/Fieldturf))
- But: not yet decided by Supreme Court or ECJ.
- To be continued...
Art. 7(2) (former art. 5(3)) Brussels I:

“a person domiciled in a Member State may be sued in another Member State (...)

(2) in matters relating to tort, in the courts for the place where the harmful event occurred or may occur”

For example: Romanian court has jurisdiction for copyright infringement by Greek defendant in Romania.
Where did the harmful event occur?

- Extensive case law, very factual.

- ECJ 30 November 1976, C-21/76 (Mines de Potasse): not only the “Handlungsort”, but also the “Erfolgsort”.

- But strict interpretation: there has to be “a particular close connecting factor” (ECJ 25 October 2011, C-509/09 and C-161/10 (eDate))

- In classic **IP infringement** cases, the Handlungsort and Erfolgsort are often the same.

- But what about online IP infringements?
Austrian company Wintersteiger sues German company Products4U in Austria for infringements on its Austrian trademark by means of the use of the keyword “Wintersteiger” on German google page.

Does Austrian court have jurisdiction on the basis of art. 5(3) (now 7(2)) Brussels I?
ECJ 19 April 2012, C-523/10 (Wintersteiger)

- ECJ: action may be brought:
  - In the member state where the advertiser Product4U is established, qualifying as the Handlungsort (in this case Germany); OR
  - In the member state where the infringed upon trade mark is registered, qualifying as the Erfolgsort (in this case Austria);
  - But **not** in the member state where the claimant has its “centre of interest” (see eDate).
There’s
Nothing New
Under the Sun
Or is there?
ALTERNATIVE JURISDICTION: IP INFRINGEMENT

CJEU 3 October 2013, C-170/12 (Pinckney)

- Austrian company Mediatech reproduces songs of French songwriter Pickney on cd’s in Austria;
- These cd’s are offered for sale online by UK companies, amongst others in France;
- Pinckney sues Mediatech for copyright infringement damages in France.
- French court jurisdiction on the basis of art. 5(3) (now 7(2) Brussels I)
No jurisdiction on basis of “Handlungsort”, because actions Mediatech occurred in Austria, not France;

but

Jurisdiction on basis of “Erfolgsort”, if copyright protection in France and if actions Mediatech could have led to damage in France.

Not necessary that activity Mediatech is “aimed” at France.

Different treatment (registered) trademarks and copyrights?
Other copyright cases in which defendant acting in Member State A is sued for damages in Member State B:

- CJEU 3 April 2014, C-387/12 (Hi Hotel/Spoering)
- CJEU 22 January 2015, C-441/13 (Hejduk/EnergieAgentur):

Also worth noting:

- CJEU 6 February 2014, C-98/13 (Blomqvist/Rolex): international sale counterfeit to private persons (art. 5(3) (now 7(2) Brussels I)
What about Community trade marks and designs?

- ECJ 5 June 2014, C-360/12 (Coty/First Note)
- Belgian company First Note sold counterfeit Cool Water perfume to German reseller in Belgium.
- Reseller sold in Germany.
- Coty sued only First Note in Germany.
- Does German court have jurisdiction:
  - For Community trade mark infringement claim?
  - For unfair competition/advertising claim?
ECJ 5 June 2014, C-360/12 (Coty/First Note)

- ECJ: “Member state in which act of infringement has been committed” (art. 97(5) CTMR) \(\neq\) “place where the harmful event occurred” (art. 7(2) Brussels I)

- Art. 95(5) CTMR is lex specialis. Requires active conduct of the infringer, so only Handlungsort and not Erfolgsort

- In practice: German court has no jurisdiction against Belgian company First Note for Community trade mark infringement because First Note did not act in Germany.

- But...
ECJ 5 June 2014, C-360/12 (Coty/First Note)

- German court may have jurisdiction for unfair competition/advertising on the basis of art. 5(3) Brussels I;

- National court has to assess whether sale by First Note in Belgium caused or may cause damage in Germany (“Erfolgsort”).

- So broader jurisdiction for unfair competition than for CTM infringement?
Thank you!

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