

QUESTION 174

Jurisdiction and applicable law in the case of cross-border infringement (infringing acts) of intellectual property rights

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Q174

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Resolution

AIPPI

Recitals:

- a) In a world where business is global, infringement may need to be looked at on a global basis and enforcement should be enhanced to become global or at least regional.
- b) To achieve this goal, it should be possible in certain cases for courts of a country different from the country where the infringements or the acts leading to infringement ('infringing acts') take place ('affected country') to rule over the infringement. However, to avoid abuse of forum shopping, there should be some nexus (based on serious and objective criteria) between the forum chosen and the infringing acts.
- c) The extent to which the courts of a given country can make a ruling over infringing acts in other countries or enforcement of foreign judgments can be enhanced by the existence of international agreements, bilateral, multilateral or regional, which harmonize intellectual property law and/or procedural law between the countries which are parties to these agreements.
- d) The public order exception may vary according to the existence and scope of international agreements, bilateral, multilateral or regional, which harmonize intellectual property law and/or procedural law between the country parties to these agreements.
- e) It may also vary according to the nature of the intellectual property right involved.
- f) As a consequence of the principle of national sovereignty, many countries consider that only their courts or legal authorities may rule over the validity of an intellectual property right granted for this country and reserve exclusive jurisdiction to determine validity of an intellectual property right granted for that country.

- g) Some countries consider the issue of jurisdiction in infringement matters to be dependent on whether a validity issue is raised. This resolution is not intended to decide whether validity issues should influence jurisdiction regarding infringement.
- h) Although harmonization of substantive law is an important objective, this resolution is not intended to deal with such matters.
- i) This resolution is intended to deal with intellectual property issues only and is not intended to influence tort law beyond that scope.
- j) This resolution has to be regarded in its entirety. The provisions on enforcement cannot be seen separately from the provisions on jurisdiction.

Resolution:

Article 1 *Jurisdiction*

- [§ 1] The courts of a given country should be allowed to make a ruling over infringing acts regarding certain intellectual property rights which have taken place in any other country, subject to the conditions mentioned in points 2 to 5.
- [§ 2] This is not necessarily true for all kind of intellectual property rights as a decision on some of these rights may have a particular impact on public interest matters in the affected country.
- [§ 3] The possibility given to a national court to rule over infringing acts committed outside its territorial jurisdiction should be linked to sufficient objective connection with the territory of this court.
- [§ 4] The principal circumstance in which such objective connection exists is where the defendant is domiciled in the territory of the court.
- [§ 5] Countries should harmonize their rules of conflict of jurisdiction, notably through regional agreements.

Article 2 *Conflict of laws*

- [§1] A clear distinction should be drawn between the conflict of jurisdictions and the conflict of laws.
- [§2] The law applicable to the substance of the case, including any available remedies, should be, except in special circumstances, the law of the place for which protection is sought (*lex loci protectionis*).
- [§3] The law of the court seized (*lex fori*) should govern the conduct of the proceedings.

Article 3 *Cross border effect of the remedies*

- [§1] The court making a judgment should determine which of the available remedies are to be applied.
- [§2] However, any enforcement of a judgment in another country shall be subject to the law of that country, including any applicable ordre public considerations, and may require approval by the courts of that country.

[§3] The mere fact that it is a foreign court that has ruled on an infringement which has taken place in the affected country should not be a ground for refusing enforcement.

Article 4 *Coordination of proceedings pending in various countries*

[§1] When there are substantive actions having the same cause of action and between the same parties in more than one jurisdiction, the courts other than the court first seized should consider staying proceedings.

Article 5 *Miscellaneous*

[§1] The studies on jurisdiction and applicable law should be continued, particularly in the context of validity of intellectual property law rights.