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**NOTE FROM THE INTERNATIONAL LAW ASSOCIATION (ILA)
ON THE 2016 PRELIMINARY DRAFT CONVENTION**

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**NOTE DE L'ASSOCIATION DE DROIT INTERNATIONAL
SUR L'AVANT PROJET DE CONVENTION DE 2016**

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of February 2017 on the Recognition and Enforcement of Foreign Judgments*

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Note on the 2016 Preliminary Draft Convention

(February 10, 2017)

I

Art.5 (1)(k) of the Draft Convention states “the judgment ruled on an infringement” of a “patent, trademark, design, [plant breeder’s right] or other similar right required to be [deposited or] registered” is eligible for recognition and enforcement, if it was given “by a court in the State in which the [deposit or] registration of the right concerned has taken place, or is deemed to have taken place under the terms of an international or regional instrument“.

According to this language, a judgment rendered by the courts of the place from which the infringement activities caused the infringement of above-listed rights in several States would not be recognised under the Draft Convention.

However, jurisdiction provisions such as Article 7.2 of Regulation (EU) 1215/2012 that refer to the courts of the ‘place where the harmful event occurred or may occur’ are considered to grant jurisdiction to the courts of the place of the event giving rise to the damage (as opposed to the the place where the damage occurred) to award damages for all of the harm caused (not limited to the forum). These provisions would be significant in terms of IP infringement as well.

(1) In fact, the place where the alleged infringer acted will coincide in many cases with the habitual residence of the alleged infringer. However, in some situations a distinction may be established between the defendant’s habitual residence and the place of substantial infringing acts. For example, that may be the case where an infringement is caused by a single person who is temporarily "working" in a country where he/she does not reside. Such a division between defendant’s habitual residence and the place of substantial infringing acts may occur also due to various circumstances, such as international outsourcing of services or cross-border commuting. When the alleged infringer's habitual residence is in a so-called IP haven, the restriction of jurisdiction of the infringement court may turn out to be a serious hurdle for the enforcement of IP.

(2) Restricting the infringement court's jurisdiction to the harm caused in the forum state is a principle repeatedly emphasized by the CJEU since Case C-68/93 Shevill and others vs Presse Alliance [1995]. However, the court in Shevill (and afterwards) did not restrict the court's jurisdiction in the state where the event giving rise to the damage occurred.

(3) The recent scholarly discussions almost unanimously acknowledge the possibility to give jurisdiction to the courts of the state where the alleged infringer has substantially acted, see § 204(1) ALI-Principles and Art. 2:203(2)(a) CLIP-Principles. Also the Guidelines of the ILA Committee on IP and PIL in their current draft have taken up this approach in Guideline 5(a).

Hence, we are of the view that a restrictive approach implied in Art. 5 (1) (k) of the Draft Convention would be detrimental for the enforcement of IP rights.

II

Art.5 (1)(l) of the Draft Convention which states that “the judgment ruled on the validity, [ownership, subsistence] or infringement of copyright or related rights [or other intellectual property rights not required to be [deposited or] registered] and the right arose under the law of the State of origin” is eligible for recognition and enforcement.

It is not clear what the language “the right arose under the law of the State of origin” means. If it concerns jurisdiction or applicable law or something else is not clear.

If this language means that a judgment can be recognized and enforced, only when the rendering court applied the law of the State of origin, this provision fails to see the link between infringement of copyright and tort. In addition, this provision seem to cope with issues on ownership and those on infringement in the same manner, but these issues have different natures.

Furthermore, the concern raised previously with respect to the restrictive approach of Art. 5 (1) (k) is also applicable to Art.5 (1)(l) of the Draft Convention to the extent that it does not envisage in the area of copyright the possibility to recognize a judgment rendered by the courts of the place where the infringement activities originate concerning the infringement of copyright in several States. This issue is of particular significance with respect to the infringement of IP rights in the Internet context. It seems worth considering if current policy of the Draft Convention is appropriate in order to deal with copyright infringement in digital environment.

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