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Author	PB
Agenda Item	Item TBD
Mandate(s)	C&D No 14 of CGAP 2020 C&D No 11 of CGAP 2021
Objective	To report on the findings of the HCCH-WIPO Questionnaire on Identifying Actual and Practical Issues of Private International Law in Cross-Border Intellectual Property Dealings
Action to be Taken	For Decision ☒ For Approval ☐ For Discussion ☐ For Action / Completion ☐ For Information ☐
Annexes	Annex I: Executive Summary Annex II: Summary of Responses (available on the Secure Portal only)
Related Documents	Prel. Doc. No 3 of December 2019, "Future work on the intersection between private international law and intellectual property" for the attention of CGAP 2020

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Private International Law and Intellectual Property

I. Introduction

1 This document reports on the findings of the joint HCCH-World Intellectual Property Organization (WIPO) Questionnaire (2021 Questionnaire) on the intersection between private international law (PIL) and intellectual property (IP).

2 With a view to assisting CGAP in deciding on the further steps of the project, this document contains three sections. A brief description of the background of the project is provided in Section II. Section III sets out several items that the PB has identified based on the findings in Annexes I (Executive Summary) and II (Summary of Responses). The PB then proposes several ways forward in Section IV, inviting CGAP to decide on future work, if any, to be carried out by the PB on the intersection between PIL and IP.

II. Background

3 The HCCH has dealt with the intersection of PIL and IP in several of its instruments and projects, such as the *Convention of 30 June 2005 on Choice of Court Agreements* (2005 Choice of Court Convention) and the *Principles on Choice of Law in International Commercial Contracts* (2015 Principles on Choice of Law). Furthermore, in 2019, the HCCH and WIPO Secretariats jointly published *When Private International Law Meets Intellectual Property Law – A Guide for Judges*, written by A. Bennett and S. Granata. The Guide, which aims to raise awareness of the interplay of PIL and IP, provides judges and practitioners with an overview on how PIL issues may be addressed in cross-border IP cases. The Guide is available in the six United Nations languages.[1]

4 In the negotiations leading up to the adoption of the *Convention of 2 July 2019 on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters* (2019 Judgments Convention), consensus was reached that the 2019 Judgments Convention would not apply to IP. It was also agreed that further explanation of the treatment of IP-related judgments would be provided in the Explanatory Report[2] to the Convention.

5 Given the extensive work done by the HCCH over the past years in this field, some delegations, including those which had not been in favour of inclusion or partial inclusion of IP-related judgments within the scope of the 2019 Judgments Convention, expressed interest or desire in leveraging such work, and to explore whether such judgments could be dealt with by other means in the future.[3]

6 In considering whether, and if so how, work on the intersection of PIL and IP should be further explored and developed by the HCCH, CGAP, at its 2020 meeting, "invited the Permanent Bureau to continue its close cooperation with the International Bureau of WIPO, including on the preparation of a questionnaire, with a view to identifying actual and practical issues of private international law faced by practitioners in cross-border intellectual property dealings".[4]

7 Against this background, the Permanent Bureau of the HCCH and the International Bureau of WIPO jointly prepared the 2021 Questionnaire, aimed at identifying actual and practical PIL

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1 Available on the HCCH website at www.hcch.net under "Publications" then "Joint publications HCCH-WIPO".

2 Paras 64-65 of the Explanatory Report. The Explanatory Report is available on the HCCH website at <www.hcch.net> under "Judgments".

3 Working Proposal No 1 REV from the Chair of Commission II on General Affairs and Policy. Minutes of the Twenty-Second Session on Recognition and Enforcement of Foreign Judgments (18 June – 2 July 2019), Minutes No 7 of Commission I on Judgments, para. 82 (available on the Secure Portal of the HCCH website < www.hcch.net >).

4 See "Conclusions and Decisions adopted by CGAP (3-6 March 2020)", C&D No 14, available on the HCCH website at <www.hcch.net> under "Governance" then "Council on General Affairs and Policy".

issues in IP disputes, namely on establishing court jurisdiction, determining and applying the applicable law, recognising or enforcing foreign IP-related judgments, and where relevant, administrative and judicial cooperation. During its preparation, both secretariats have, taking into account gender and generational balance, as well as geographical representation, identified and consulted 25 experts (including 12 judges from the WIPO Advisory Board of Judges) from Africa, North and South America, the Asia Pacific and Europe.[5] The Questionnaire was released via WIPO's online platform.

8 More than 300 responses to the Questionnaire were received,[6] from respondents with diverse backgrounds, including officers from National Organs and IP offices, members of the judiciary, representatives of IP associations, practitioners and academics in the field of IP. Out of a total number of 80 complete responses,[7] representing five continents, 71 responses were provided from authorities or experts within HCCH Members: 14 from National Organs, 11 from IP offices, 26 from the judiciary, six from other government officials and the remaining 14 from IP associations and private individuals, including academics and lawyers.

9 The responses varied greatly in the breadth and depth of information provided. Furthermore, while all geographical regions are covered in the responses, there were, for example, 13 responses from EU Member States, 10 from Morocco and six from Mexico. As a result, the information gleaned from the Questionnaire, and the resulting Summary of Responses, is concentrated on the intersection of IP and PIL as borne out in the smaller number of jurisdictions that provided fuller responses.

10 Despite these limitations, the information collected through the Questionnaire provides a solid snapshot of the actual and practical PIL issues that arise in cross-border IP dealings in the jurisdictions that responded.

11 The PB has, therefore, summarised the responses (see Annex II, available on the Secure Portal only) and drawn up an Executive Summary (Annex I) based on the information contained in the responses received.[8] The PB has, to the fullest extent possible, aligned the information summarised in the Annexes and those set out in the responses, and to this effect, has quoted directly some of the responses where appropriate. The PB has not conducted any form of legal analysis of the individual responses, be it from the comparative law perspective or otherwise. Likewise, the PB is not responsible for the accuracy of the information produced in the responses.

12 The Summary of Responses is currently being reviewed and formatted by the HCCH and WIPO Secretariats for public release in due course.

13 The PB extends its gratitude to WIPO's International Bureau for its support and expertise in the preparation and organisation of the Questionnaire. The PB is also grateful to respondents for their participation and time and efforts dedicated to the Questionnaire.

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5 The 25 experts were from the following States (in alphabetical order): Australia, Brazil, Canada, the People's Republic of China, Germany, Italy, Japan, the Republic of Korea, Morocco, Peru, the Russian Federation, Singapore, South Africa, Switzerland, Thailand, the United Kingdom (UK), and the United States of America (US).

6 It is noted however that many of the responses received were incomplete or were not submitted in their final form.

7 These were from (in alphabetical order): Albania, Algeria, Argentina, Australia, Bahrain, Brazil, Canada, Chile, the People's Republic of China, Dominican Republic, the European Union (EU), France, Germany, Greece, India, Iran, Ireland, Israel, Italy, Japan, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Madagascar, Mauritania, Mexico, Montenegro, Morocco, Myanmar, Nicaragua, Paraguay, Portugal, the Republic of Moldova, the Russian Federation, Slovenia, South Africa, Spain, Sweden, Thailand, United Arab Emirates, the UK, the US, Uruguay, Uzbekistan, and Viet Nam.

8 Canada and the US replied to some, but not all, of the questions in the Questionnaire via channels other than the online platform. While their main concerns are well noted in this document, they are not included in the statistical calculation of responses under each of the questions in Annex II, which only covers responses received via the online platform.

III. Summary of Key Findings

14 From the responses received, two **general remarks** can be made based on the responses:

- In the majority of the reported jurisdictions, general PIL rules apply to cross-border IP disputes. Some jurisdictions have specific PIL rules for issues or claims that are particular to IP rights.
- Respondents acknowledged the strong territorial element to IP rights, as enshrined in some international or regional instruments, such as the HCCH 2005 Choice of Court Convention,[9] the Brussels I*a* Regulation,[10] the Lugano Convention,[11] and the Montevideo Convention.[12] It was also submitted that several EU regulations on unitary IP rights contain PIL rules, such as the EU Trade Mark Regulation,[13] the EU Community Designs Regulation,[14] the EU CPVR Regulation,[15] and the EU Protocol on Recognition.[16] Furthermore, it was noted that there are as well several guidelines prepared by groups of academics specifically dealing with the intersection of IP and PIL.[17]

15 The majority of respondents stated that there is no statistical information regarding IP disputes raising PIL issues in their jurisdiction. While less than a third of the respondents reported to have experienced PIL-related challenges in cross-border IP disputes, they indicated the following main difficulties and gaps:

- Application of general PIL rules to online cross-border IP disputes, *e.g.*, in identifying and serving (anonymous) defendants, identifying the place of infringement, determining the applicable law, and issuing and enforcing injunctions outside the forum (such as global take-down orders).[18]

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9 The *Convention of 30 June 2005 on Choice of Court Agreements*.

10 Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters.

11 *Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters of 2007*.

12 *Inter-American Convention on General Rules of Private International Law*, concluded on 8 May 1979.

13 Regulation (EU) No 1001/2017 of the European Parliament and of the Council of 14 June 2017 on the European Union trademark.

14 Council Regulation (EC) No 6/2002 of 12 December 2001 on Community Designs.

15 Council Regulation (EC) No 2100/94 of 27 July 1994 on Community Plant Variety Rights.

16 Protocol on Jurisdiction and the Recognition of Decisions in respect of the Right to the Grant of a European Patent of 5 October 1973.

17 *Guidelines on Intellectual Property and Private International Law* (Kyoto Guidelines), prepared by the International Law Association of 2020; *Principles on Conflict of Laws in Intellectual Property* prepared by the European Max Planck Group on Conflict of Laws in Intellectual Property (CLIP) of 2011; *Principles of Private International Law on Intellectual Property Rights*, prepared by the Private International Law Association of Korea and Japan of 2010; *Japanese Transparency Proposal on Jurisdiction, Choice of Law, Recognition and Enforcement of Foreign Judgments in Intellectual Property* prepared by the Japanese Transparency Working Group; *Joint Korean-Japanese Principles*; *Intellectual Property Principles Governing Jurisdiction, Choice of Law, and Judgments in Transnational Disputes,* prepared by the American Law Institute (ALI) of 2008.

18 The PB recalls that the HCCH *Convention of 15 November 1965 on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters* (1965 Service Convention) and the *Convention of 18 March 1970 on the Taking of Evidence Abroad in Civil or Commercial Matters* (1970 Evidence Convention) are generally relevant to both offline and online disputes. Particularly for online disputes, both Conventions may be of assistance in harnessing some of the challenges in serving defendants (areas in which information technology may be useful in the operation of the Service Convention include (a) transmission of documents internationally, (b) communication between the authorities of the requesting State and the authorities of the requested State, and (c) e-service), and taking evidence (the Special Commission recognised that the use of video-link and similar technologies in taking evidence from one State for use in proceedings in another is consistent with the framework of the 1970 Evidence Convention. In 2020, the PB published the *Guide to Good Practice on the Use of Video-Link under the 1970 Evidence* Convention, available on the HCCH website at <www.hcch.net> under "Evidence") by the use of information technology. The SC on the practical operation of, *inter alia*, the 1965 Service and 1970 Evidence Conventions confirmed that, "[a]lthough this evolution could not be foreseen at the time of the adoption of the [Service Convention and Evidence Convention], the SC underlines that modern technologies are an integral part of today's society and their usage is a matter of fact. In this respect, the SC reiterates that the spirit and letter of the Conventions do not constitute an obstacle to the usage of modern technology and their application and operation can be further improved by relying on such technology." (See "Conclusions and

- Acute PIL issues arising in relation to Standard Essential Patent (SEP) FRAND[19] disputes in certain jurisdictions, including whether a court of a specific country may grant remedies effective outside the forum (*e.g.*, worldwide license rates), or global injunctions, or grant anti-suit or anti enforcement injunctions to address overlapping jurisdictions.[20]

16 According to the responses submitted, the most common practices in establishing jurisdiction in cross-border IP disputes are:

- (habitual) residence / domicile, branch, agency or other establishment of the defendant as **principal factor**;
- **exclusive jurisdiction rules** for proceedings relating to the registration or validity of patents, trademarks, designs or other similar rights that are deposited or registered in their jurisdictions;
- **in relation to exclusive jurisdiction rules,** there is no difference if the IP issue is raised by way of an action, defence or counterclaim;
- **parties' choice of forum** may be denied in claims concerning validity, grant or registration, entitlement to or ownership of an IP right, or for certain IP matters fall under exclusive jurisdiction of a State;
- courts are competent to decide or grant **interim measures** in relation to an IP right subsisting or registered in another jurisdiction;
- courts can **consolidate proceedings** so as to sue all the defendants in cases where there are multiple defendants located in different States;
- courts **may stay the proceedings or decline to hear a dispute** over which it has jurisdiction, in view of proceedings brought elsewhere.

17 According to the responses submitted, the most common practices in identifying the applicable law in cross-border IP disputes are:

- the law of the State in which a registered IP right is granted or registered would be **exclusively** applicable in a validity, grant or registration dispute;
- the law of the place of infringement would be applicable to an ***offline*** **infringement dispute** – there are, however, diverse views on what constitutes "the place of infringement";
- **the parties' chosen law would be respected** in a contractual dispute relating to an IP right;
- **in the absence of a (valid) parties' choice of law**, the law governing the contract would be applicable to a **contractual dispute relating to an IP right**;
- the application of *lex loci protectionis* to disputes concerning **initial title or ownership**, and to IP disputes concerning **transferability**.

18 The responses to the invitation to share any observations or suggestions one may have on possible future activities by HCCH and WIPO in relation to the PIL and IP interface, such as greater awareness raising and educational initiatives, enhanced judicial cooperation or coordination, or

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Recommendations adopted by the Special Commission on the Practical Operation of the Hague Apostille, Evidence and Service Conventions (28 October – 4 November 2003)", C&R No 4, and "Conclusions and Recommendations of the Special Commission on the Practical Operation of the Hague Apostille, Service, Taking of Evidence and Access to Justice Conventions (2 to 12 February 2009)", C&R No 3, both available on the HCCH website at www.hcch.net under "Service" then "Special Commissions".) The PB wishes to add that WIPO has carried out work in the area of online IP infringement, with, for example, the report: *Private International Law Issues in Online Intellectual Property Infringement Disputes with Cross-Border Elements An Analysis of National Approaches*, prepared by Professor Andrew F. Christie (Australia).

19 FRAND stands for *fair, reasonable and non-discriminatory* terms in a voluntary licensing commitment.

20 The WIPO Arbitration and Mediation Center aims to facilitate the resolution of IP and related disputes through ADR. In 2021, this Center developed Guidance on WIPO FRAND Alternative Dispute Resolution (ADR), which is available at <Guidance on WIPO FRAND Alternative Dispute Resolution (ADR)>. In light of this, it is acknowledged that while there may be gaps to be filled in the context of court proceedings, there may also be incentives and considerations to address these gaps via cost-and time-effective ADR. The WIPO Center receives regularly requests for WIPO Mediation relating to FRAND disputes.

continued discussion within the HCCH Jurisdiction Project,[21] may be summarised in two main categories:

- The majority of respondents mentioned the following activities:
  - *Greater awareness building*: There was general support in favour of future activities in relation to the interface between PIL and IP. In particular, the vast majority of respondents supported the organisation of training courses, conferences, academic seminars, thematic studies, comparative studies or roadshows on deepening the understanding of the interface between PIL and IP. Some suggested organising activities, at regional or international levels, jointly with other institutions such as WIPO, law schools, and other key regional IP institutions. A number of respondents encouraged the engagement of, and knowledge exchange among, IP holders, practitioners, agencies and judges in these activities.
  - *Judicial training*: A number of respondents highlighted the importance of judicial cooperation and training for judges. The WIPO IP Judges Forum was cited as an example where judges can have dialogues and exchange knowledge with one another. It was suggested that national IP rulings should be disseminated more widely, [22] and that topics, such as technology and online hearings on IP issues, may be worth consideration for trainings.
  - A few respondents suggested *developing practical guides on best practices* in resolving disputes relevant to the interface between PIL and IP.

- Certain Members mentioned that cross-border IP dealings do *not* raise actual and practical issues of PIL that warrant further work by the HCCH or by WIPO. Particularly, one Member considered that, given the dearth of any such issues, any efforts to harmonise any actual or perceived differences in legal approaches to cross-border IP dealings are similarly not warranted.

IV. Proposal for CGAP

19 The PB proposes for CGAP's consideration the following options which the HCCH may undertake on the interaction between PIL and IP.

A. Option I: Excluding the intersection of PIL and IP from the Work Programme of the HCCH

1. Jurisdiction, and recognition and enforcement

20 The 2005 Choice of Court Convention aims to ensure the effectiveness of choice of court agreements between parties to international commercial transactions as well as the enforceability of judgments resulting from such agreements. It provides a sophisticated IP regime, applying equally to online and offline disputes. The Convention distinguishes between copyright and related rights on the one hand and other IP rights on the other, and deals with them differently.[23]

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21 "In inviting WIPO to cooperate with HCCH on this questionnaire, the governing body of the HCCH recognized the need for further work on the intersection of private international law and IP (Conclusions and Decisions of HCCH Council on General Affairs and Policy 2020). Please share any observations or suggestions that you may have on possible future activities by HCCH and WIPO in relation to the PIL and IP interface, such as greater awareness raising and educational initiatives, enhanced judicial cooperation or coordination, or continued discussion within the HCCH Jurisdiction Project."

22 For information, please refer to the Judgments Collection in WIPO Lex at https://wipolex.wipo.int/en/main/judgments.

23 "Copyright and related rights are fully within the scope of the Convention, even when the validity of such rights is challenged. It should however be noted that a judgment on this issue has only effect *inter partes*. On the other hand,

21 In relation to disputes arising from FRAND licensing, if a court considers that the patent holder's agreement to adhere by the patent policy developed by Standard-Setting Organisations (SSOs) creates a legally binding contract, then the 2005 Choice of Court Convention may become relevant if there is an exclusive choice of court clause.

2. Applicable law

22 The 2015 Principles on Choice of Law endorse party autonomy by giving practical effect to the choice made by parties to a commercial transaction as to the law governing their contractual relationships. The Principles are relevant to international contracts concerning IP rights, such as IP licensing contracts and IP transfer contracts, which often contain the parties' choice of applicable law.

23 In relation to disputes arising from FRAND licensing, if a court considers that the patent holder's agreement to adhere by the patent policy developed by SSOs creates a legally binding contract, then the Principles may serve as a useful guidance when the parties (*e.g.*, the patent holders and the SSOs) have agreed on the law governing their contractual relationships.

3. Option I: Proposal for CGAP

24 Based on the Summary of Findings, CGAP may not find it necessary or desirable for the PB to conduct work aimed at harmonising the law and practice in the field of PIL in cross-border IP disputes, for the reason that current HCCH instruments sufficiently deal with the intersection of PIL and IP (as explained in paras 20 to 23, *supra*). In this context, CGAP may decide that no further work, including monitoring developments in this field, needs to be undertaken.

25 Should CGAP decide on Option I, and based on the foregoing, the PB proposes the following conclusions and decisions:

"CGAP welcomed the work carried out on the intersection of IP and PIL. CGAP expressed its gratitude to the International Bureau of WIPO for the fruitful cooperation, and to the experts for having provided comments on the Questionnaire in identifying actual and practical issues of private international law in cross-border intellectual property dealings.

CGAP mandated the PB to continue the promotion of the 2005 Choice of Court Convention and the Principles on Choice of Law, with further emphasis on cross-border IP disputes."

B. Option II: Adding the intersection of PIL and IP into the Work Programme for normative work of the HCCH

26 Based on the Summary of Findings, and subject to additional research, several topics may be susceptible of normative work aimed at harmonising the law and practice in the field of PIL in cross-border IP disputes. CGAP may wish to choose one or more of the following topics as a basis for future work.

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the validity and infringement of IP rights other than copyright and related rights are matters excluded from the scope of the Convention, if raised as an object of proceedings. This exclusion is subject to one important exception: when infringement proceedings are brought or could have been brought for breach of contract between the parties, the proceedings are covered by the Convention. This is so even where an infringement is brought in tort rather than in contract. Furthermore, the Convention does not apply to proceedings for revocation or for a declaration of invalidity of IP rights that require registration. When the validity of such a right is raised as a preliminary question, for example as a defense in proceedings for the payment of royalties, the Convention continues to apply to the main claim (payment of royalties). However, the preliminary ruling on validity will not be recognised or enforced under the Convention, and if the preliminary ruling on validity is inconsistent with a judgment or a decision of a competent authority on the validity of the right concerned given in the State under whose law the IP right arose, the judgment on the main claim (which relied on the preliminary ruling on validity) may be refused for the purposes of enforcement." See A. Bennett and S. Granata, *When Private International Law Meets Intellectual Property Law – A Guide for Judges*, pp 36-37.

1. Jurisdiction, and recognition and enforcement

- establishing jurisdiction in online IP disputes, including ubiquitous infringement, and the possibility of consolidating proceedings
- establishing jurisdiction in dealing with disputes arising from FRAND licensing
- recognition and enforcement of interim injunctions and / or global injunctions.

2. Applicable law

- applicable law in cross-border IP disputes, including contracts, IP infringement, as well as IP validity and subsistence issues (based on para. 17, *supra*)
- applicable law in online IP infringement
- applicable law in disputes arising from FRAND licensing.

27 If CGAP considers it necessary to conduct new normative work in one or more of the above matters, it would need to task the PB to conduct, or to make arrangements for, additional research aimed at identifying the particular area(s) of law that would benefit from unification of PIL rules.

28 The PB, in conducting such additional research, would continue to cooperate with WIPO's International Bureau, with a view to securing expert technical support. For example, in pursuing the identification of the area(s) for harmonisation, a joint HCCH-WIPO Experts' Group could be established to assess the feasibility, necessity and desirability of carrying out a specific project. Such assessment could likewise be conducted by an external expert(s).

29 It should be mentioned that pursuing Option II would require additional resources for the Transnational Litigation Team, which is also in charge of the Jurisdiction Project as well as all civil or commercial litigation Conventions.

3. Option II: Proposal for CGAP

30 Should CGAP decide on Option II, and based on the foregoing, the PB proposes the following conclusions and decisions:

"CGAP welcomed the work carried out on the intersection of IP and PIL. CGAP expressed its gratitude to the International Bureau of the World Intellectual Property Organization for the fruitful cooperation, and to the experts for having provided comments on the Questionnaire in identifying actual and practical issues of private international law in cross-border intellectual property dealings.

CGAP mandated the PB, in close cooperation with WIPO's International Bureau,

- to identify expert(s) [or to establish an Experts' Group] with a view to assessing the feasibility, necessity and desirability of carrying out a specific project; and / or
- to develop a comprehensive guide dealing with FRAND-related disputes in court proceedings; and / or
- in the area of jurisdiction, to conduct work within the mandates of the Working Group on matters related to jurisdiction in transnational civil or commercial litigation; and / or
- in the area of jurisdiction, to carry out work clarifying the role of the 2005 Choice of Court Convention in disputes arising from FRAND licensing; and / or
- in the area of applicable law, to conduct preliminary work developing a future instrument on the applicable law in cross-border IP disputes; and / or
- in the area of recognition and enforcement of foreign judgments, to carry out preliminary research on the circulation of interim injunctions and / or global injunctions."

C. Option III: Not adding the intersection of PIL and IP into the Work Programme for normative work of the HCCH but continuing to monitor related developments and to raise awareness on the topic

31 Based on the Summary of Findings, CGAP may prefer that the PB does not for the time being conduct any normative work on the intersection of PIL and IP, but that it continues to monitor related developments and raise awareness on the topic.

Should CGAP decide on Option III, and based on the foregoing, the PB proposes the following conclusions and decisions:

"CGAP welcomed the work carried out on the intersection of IP and PIL. CGAP expressed its gratitude to the International Bureau of the World Intellectual Property Organization for the fruitful cooperation, and to the experts for having provided comments on the Questionnaire in identifying actual and practical issues of private international law in cross-border intellectual property dealings.

CGAP mandated the PB, in close cooperation with WIPO's International Bureau, to:

- continue monitoring developments on the intersection of PIL and IP; and / or
- raise awareness and organise educational initiatives on the topic with different stakeholders; and / or
- enhance judicial cooperation by jointly organising regular judicial roundtables on the topic; and / or
- develop a global case law database on IP and PIL; and / or
- continue the promotion of the 2005 Choice of Court Convention and the Principles on Choice of Law, with further emphasis on cross-border IP disputes."

Annexes

Annex I - Executive Summary

The Questionnaire on the intersection between private international law (PIL) and intellectual property (IP), jointly prepared by the Secretariats of WIPO and the HCCH, was released on 21 May 2021 via WIPO's platform, with a deadline of replying by 30 June 2021. More than 300 responses to the Questionnaire were received,[1] and the respondents had diverse backgrounds, including officers from National Organs and IP offices, members of the judiciary, representatives of IP associations, practitioners and academics in the field of IP. Out of a total number of 80 complete responses,[2] representing five continents, 71 responses were provided from authorities or experts within HCCH Members: 14 from National Organs, 11 from IP offices, 26 from the judiciary, six from other government officials and the remaining 14 from IP associations and private individuals, including academics and lawyers.

A. General

1. In the majority of the reported jurisdictions, general PIL rules apply to cross-border IP disputes. Some jurisdictions have specific PIL rules for issues or claims that are particular to IP rights.[3]

2. Respondents acknowledged the strong territorial element to IP rights, as enshrined in some international or regional instruments, such as the HCCH 2005 Choice of Court Convention, the Brussels I*a* Regulation, the Lugano Convention and the Montevideo Convention. It was also submitted that several EU regulations on unitary IP rights contain PIL rules, such as the EU Trade Mark Regulation, the EU Community Designs Regulation, the EU CPVR Regulation, and the EU Protocol on Recognition. Furthermore, it was noted that there are also several guidelines prepared by groups of academics specifically dealing with the intersection of IP and PIL.[4]

3. For those respondents who answered "uncertain" in some of the questions in the Questionnaire, a vast number of them explained that the uncertainties were due to the fact that (i) case laws or legislation are sparse on the issues concerned, (ii) there are no clear jurisdictional rules enshrined in the legislation, and / or (c) the outcome of the court's decision would be uncertain, given that the court has adjudicatory discretion in deciding on how general PIL rules apply to the specific IP dispute at hand, taking into account the specific facts and the circumstances of the case.

4. The majority of respondents stated that there is no statistical information regarding IP disputes with PIL issues in their jurisdiction.

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1 It is noted however that many of the responses received were incomplete or were not submitted in their final form.

2 They were from (in alphabetical order): Albania, Algeria, Argentina, Australia, Bahrain, Brazil, Canada, Chile, the People's Republic of China, Dominican Republic, the European Union (EU), France, Germany, Greece, India, Iran, Ireland, Israel, Italy, Japan, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Madagascar, Mauritania, Mexico, Montenegro, Morocco, Myanmar, Nicaragua, Paraguay, Portugal, the Republic of Moldova, the Russian Federation, Slovenia, South Africa, Spain, Sweden, Thailand, United Arab Emirates, the UK, the US, Uruguay, Uzbekistan, and Viet Nam. It should be noted that Canada and the US replied to some, but not all, of the questions in the Questionnaire via channels other than the WIPO's online platform. While their main concerns are well noted in this document, they are not included in the statistical calculation of responses under each of the question in Annex II, which only covers responses received via the online platform.

3 Often when answering the questions, respondents referred to general PIL rules. For the brevity of the Executive Summary, the PB highlights only those rules that are relevant to cross-border IP disputes.

4 *Guidelines on Intellectual Property and Private International Law* (Kyoto Guidelines), prepared by the International Law Association of 2020; *Principles on Conflict of Laws in Intellectual Property* prepared by the European Max Planck Group on Conflict of Laws in Intellectual Property (CLIP) of 2011; *Principles of Private International Law on Intellectual Property Rights*, prepared by the Private International Law Association of Korea and Japan of 2010; *Japanese Transparency Proposal on Jurisdiction, Choice of Law, Recognition and Enforcement of Foreign Judgments in Intellectual Property* prepared by the Japanese Transparency Working Group; *Joint Korean-Japanese Principles*; *Intellectual Property Principles Governing Jurisdiction, Choice of Law, and Judgments in Transnational Disputes,* prepared by the American Law Institute (ALI) of 2008.

B. Jurisdiction

5. Certain **practical** considerations specific to IP disputes were mentioned **in relation to selecting / establishing / challenging jurisdiction**, such as market size, availability of a specialised IP court, availability of injunctions, availability of measures against injunctions, impact on other infringers, the possibility of enforcing additional patents, and the possibility of obtaining a cross-license agreement. Several **legal** considerations specific to IP disputes were also stated, *e.g.*, application of the principle of independence of IP rights, importance of the place of registration and registration authority of registered IP rights, as well as public policy considerations and potential issues of State sovereignty.

6. As most of the respondents mentioned, general jurisdiction rules will be applied to IP disputes, such as:

- **(habitual) residence / domicile, branch, agency or other establishment of the defendant** is the **principal factor** determining jurisdiction in cross-border IP disputes. Some respondents stated that this factor is one of the possible factors in determining jurisdiction.
- jurisdiction rules over general contractual obligations are applied to **contractual issues in IP disputes**, including the parties' choice of court clause (save for the public policy consideration), the place of performance of the contract, the place of performance of the obligation in question, and the "real and substantial connection test".
- **infringement of IP rights** is generally treated as a tort action, in particular for unregistered IP rights, thus applying a general jurisdiction rule on torts.
- when an IP dispute concerns **multiple claims**, jurisdictional consideration is the same as for individual claims. Accordingly, the court must have jurisdiction for each of the individual claims. In certain jurisdictions, the existence of various claims would be taken into account in deciding whether the court was *forum (non) conveniens*. More than half of the respondents confirmed the possibility of consolidating proceedings to sue **multiple defendants**. Where under national law it is possible to sue several defendants or to consolidate multiple claims before one court, certain conditions need to be met, such as connected claims and the risk of irreconcilable judgments. Several respondents stated that consolidation could pose coordination and organisational difficulties.

7. Some respondents stated that there is no specific set of jurisdictional rules governing cross-border IP disputes concerning **entitlement to or ownership of an IP right** in their State. As such, the principal rule for jurisdiction would apply, such as domicile of the defendant, and if entitlement to or ownership of an IP right is based on a contract, the jurisdiction rules for contractual disputes would apply. Some respondents clarified that the exclusive jurisdiction rules provided for issues of IP validity and registration do not apply to questions of entitlement or ownership.

8. More than half of the respondents stated that **validity, grant or registration of patents, trade marks, designs or other similar rights that are deposited or registered** fall within the exclusive jurisdiction of the court of the State where registration has taken place or is sought, reflecting the principle of territoriality in IP rights. In some jurisdictions, such issues are exclusively dealt with by administrative authorities, and courts of those jurisdictions exclusively hear appeals made against the administrative decisions in relation to the registration, nullity, validity of IP rights.

9. While nearly half of the respondents did not have different considerations on jurisdictional rules when **concerning an IP right subsisting or registered in another jurisdiction,** it is explained that the fact that an IP right subsists or is registered in another jurisdiction is not relevant *per se* for the purposes of determining jurisdiction. This is, however, subject to the applicable rules for exclusive jurisdiction, which may confer jurisdiction to their courts irrespective of the domicile of the

defendant. Some respondents stated that their courts typically have not assumed jurisdiction to adjudicate foreign registered IP rights, such as trade marks or patents, while one respondent noted that their courts may deal with foreign IP rights.

10. As to the question regarding whether **exclusive jurisdiction** rules / considerations are different **between registered and unregistered rights,** affirmative and negative responses were almost equally divided. The affirmative responses indicated that exclusive jurisdiction concerns only registered IP rights in proceedings regarding the registration or validity of patents, trade marks, designs or other similar rights required to be deposited or registered.

11. The majority of respondents did not consider **exclusive jurisdiction rules / considerations to be different if the IP issue is raised by way of an action, defence or counterclaim.** In some jurisdictions, there are law and practice confirming that courts in the country of registration have exclusive jurisdiction even when validity of a registered or deposited IP right only arises as an incidental matter, *i.e.,* as a defence or a counterclaim. In certain jurisdictions, a counterclaim would constitute an acceptance of the court's jurisdiction to decide the issue and so preclude any argument that the court lacks personal jurisdiction to adjudicate the claim. If, however, it lacks subject matter jurisdiction, the lack of jurisdiction is not cured by the issue being raised by way of a counterclaim.

12. Certain respondents mentioned that in their jurisdictions, questions relating to validity of registered IP rights are dealt with exclusively by administrative authorities, and courts have no authority to hear those questions. When validity questions are raised as a defence or counterclaim and treated as incidental issues of the main issue concerning IP rights (ownership, contract, infringement), the ongoing court procedure over the main issue may be suspended. However, the rule on jurisdiction of the main issue will not be affected.

13. More than half of the respondents confirmed that the **party's choice of forum may be denied** in claims concerning validity, grant or registration, entitlement to or ownership of an IP right, or for certain IP matters fall under exclusive jurisdiction of a State.

14. Slightly less than half of the respondents answered that courts of their respective jurisdictions would not **deal differently with a matter that falls under the exclusive jurisdiction of a court of another State if the matter is raised as a preliminary question or as the main subject matter of the dispute.** It is worth mentioning that in some jurisdictions, as a matter of judicial practice, cases involving IP rights registered in other jurisdictions appear most often as facts of the case and rarely as the main subject matter of the dispute.

15. More than half of the respondents replied that there are no **specific rules or considerations in determining / establishing / challenging jurisdiction with regard to ubiquitous infringement**. Several respondents stated that their respective jurisdictions provide for jurisdiction rules for online infringement cases. Their rules and considerations are related to, *e.g.*:
    - the extent of the "contact" to the website, such as "mere access by the customer", "website targeting the customers", and different criteria for different types of IP rights,
    - court jurisdiction in issuing injunctions or global take-down orders,
    - the request for geo-blocking by intermediaries,
    - identifying the place of infringement in online cases.

16. The majority of respondents confirmed that courts in their respective jurisdictions are competent to **decide or grant interim measures in relation to an IP right subsisting or registered in another jurisdiction**.

17. Half of the respondents stated that courts in their respective jurisdictions may **stay the proceedings or decline to hear a dispute over which they have jurisdiction in view of proceedings**

brought elsewhere. Generally, respondents with a common law background referred to the *forum non conveniens* doctrine, whereas those with a civil law background referred to *lis pendens*.

18. In response to the question "**[a]re there circumstances where a remedy granted by a court in your jurisdiction may have extraterritorial legal effect, such as an award of damages incurred in a foreign country or an injunction outside the forum?**", more or less the same number of respondents answered in the affirmative, negative or with "uncertain". For those who replied in the negative or expressed uncertainty, they highlighted the territoriality principle in relation to IP rights, and the general principle that judgments are valid only within the territory of that jurisdiction.

C. Applicable Law

19. According to the responses submitted, the most common practices in identifying the applicable law in cross-border IP disputes are:

- the law of the State in which a registered IP right is granted or registered would be **exclusively** applicable in a validity, grant or registration dispute,
- the law of the place of infringement would be applicable to an **offline infringement** dispute; - there are, however, diverse views on what constitutes "the place of infringement",
- the parties' chosen law would be respected in **a contractual dispute** relating to an IP right,
- in the **absence of a (valid) parties' choice of law**, the law governing the contract would be applicable to a contractual dispute relating to an IP right,
- the application of *lex loci protectionis* to disputes concerning **initial title or ownership**, and to IP disputes concerning **transferability**.

20. Almost half of the respondents chose "uncertain" in response to the question about whether the law of the place of uploading should be applicable to an **online IP infringement** dispute. Of the remaining respondents, an equal number answered in the affirmative and the negative. Different approaches were mentioned in the responses.

21. Half of the respondents chose "uncertain" in response to the question about whether the law of the State where the grantor has his/her domicile or (habitual) residence at the time of the creation of the security right is applicable to a dispute concerning **security rights in IP**. Some respondents mentioned that their jurisdictions do not specify any rule dealing with the applicable law on such rights in IP.

22. A small number of respondents provided examples of other difficulties encountered in applicable law issues, *e.g.*, disputes relating to the performance of international artists, the use of phonograms abroad; disputes involving the rights of broadcasting companies and collecting societies; questions of patentability in particular in relation to novelty and disclosure in a different country; FRAND defence; and unfair competition.

23. Almost half of the respondents indicated that courts in their respective jurisdictions would not **apply different laws to different claims in the same suit in relation to the same rights**.

24. Half of the respondents confirmed that **a foreign law chosen by the parties can be set aside by a court of their jurisdiction in cross-border IP cases**. In addition to those grounds that are applied to general civil or commercial matters, the one specific to IP cases relates to the infringement of IP rights - certain jurisdictions do not allow parties to choose the applicable law, due to the territoriality principle. As such, a foreign law chosen by the parties would be set aside.

D. Recognition and Enforcement

25. Only a small number of respondents indicated that they have experienced difficulties in having **an IP-related judgment recognised and / or enforced outside the State where it was given**. A few respondents did, however, state the complexity and difficulty, in particular in patent disputes, of injunctions being increasingly issued in practice.

26. Almost half of the respondents replied that there are no **specific grounds to refuse recognition and / or enforcement of a foreign IP judgment.** Several respondents, however, stressed that exclusive competence of the court of origin for certain IP rights is an important ground for refusal.

27. Respondents were almost equally divided with regard to the question concerning recognition and enforcement of **provisional measures or interim decisions**. Certain respondents raised one specific element that is relevant to IP cases: interim measures may not be recognised or enforced given that granted IP rights exist in the jurisdiction in which precautionary measures are sought to be recognised or enforced.

28. Almost half of the respondents answered "uncertain" to the question whether courts in their respective jurisdiction would recognise and / or enforce **non-monetary judgments**, while more than one third answered in the affirmative.

29. One response noted the relevance of the HCCH 2005 Choice of Court Convention in the recognition and enforcement of foreign judgments, albeit with limited application to certain aspects of copyright and related rights only.

E. Other issues raised

30. As discerned from the responses, the following practical issues were raised from **judges and practitioners** concerning jurisdiction, applicable law and / or recognition and enforcement:

- **FRAND disputes and injunctions**: in certain jurisdictions, there are acute PIL issues arising in relation to SEP FRAND disputes, including whether a court of a specific country may grant remedies effective outside the forum (*e.g.*, worldwide license rates), or global injunctions, or grant anti-suit or anti enforcement injunctions to address overlapping jurisdictions.
- **Online IP infringement** (in areas of identifying defendants, serving (anonymous) defendants, admission of evidence, issuing and enforcing injunctions):
  - the difficulties in identifying and locating IP infringers (and hence the proper defendant) in the context of IP disputes in an internet environment, especially where a "John Doe action"[5] is not permitted in certain jurisdictions,
  - the difficulties in managing cases effectively given that the defendant may have no presence in the forum State, and in serving foreign litigants not resident (and without legal representation) in the forum State,
  - the potential (in)admissibility of "information collected from public internet sources (*e.g.*, information on WHOIS websites) as evidence in civil proceedings", and difficulties in receiving evidence by foreign expert witnesses in patent trials.

[5] For information purposes, a John Doe defendant is an anonymous defendant labeled "John Doe" because the plaintiff does not, at the time of filing suit, know the person's name. John Doe defendants are common in several situations, as in some copyright-infringement lawsuits where defendants are identified only by Internet addresses (John Doe defendant definition, *Black's Law Dictionary* (11th ed. 2019)).

31. Reponses from the EU highlighted the following practical issues, mainly regarding the interpretation and application of certain instruments dealing with IP rights, such as:

- the interpretation of "civil and commercial matters" in Article 1 of the Brussels I*a* Regulation in the context of an application for recognition and enforcement court orders in IP infringement cases,
- the relationship between the Brussels I Regulation and the Benelux Convention on Intellectual Property (Trade Marks and Designs) for the purposes of establishing jurisdiction,
- "under the Community Design[s] Regulation for the purposes of establishing the applicable law in an intellectual property dispute related to designs, the act giving rise to the alleged infringement is the act of manufacturing the infringing goods",
- "the extent of the right of redress for an infringement or alleged infringement of a Community design right is governed by the applicable national law of the Member State in which the acts of infringement or threatened infringement have been committed, including its private international law".

32. The Questionnaire invited respondents to raise any additional issues that were not mentioned in the questions. Some responses mentioned:

- Open Source License Disputes
  (a) Global enforcement of open source license terms, including in jurisdictions which do not have full understanding of the foreign law upon which the terms were drafted;
  (b) Ownership and the right to bring an action cannot be attributed to one or a small number of authors; or the number of authors is so big that challenges arise in the application of the regular procedural rules on ownership or right of action
- Applicable law in disputes involving collecting societies
- Jurisdiction, applicable law and recognition and enforcement in FRAND disputes, including the setting of a global license rate by one court
- Relationship between choice of law rules on IP and regional integration instruments (*e.g.*, EU unitary rights)
- Law applicable to violation of trade secrets
- Other technical and practical problems, such as techniques of forum shopping, [in]accessibility of remote jurisdictions, lack of regulatory unification, effects of artificial intelligence to the IP and particularly to the IP-PIL sector
- Ubiquitous cases, including questions on applying a single law, overcoming denial of justice despite the clash with territoriality, and establishing a *de minimis* rule for jurisdiction and choice of law level to avoid improper cases being brought and having to be fought in online cases.[6]

F. Future Work

33. The responses to the invitation to share any observations or suggestions one may have on possible future activities by HCCH and WIPO in relation to the PIL and IP interface, such as greater awareness raising and educational initiatives, enhanced judicial cooperation or coordination, or continued discussion within the HCCH Jurisdiction Project,[7] may be summarised in two main categories:

6 Details and examples of *de minimis* rules can be found in the CLIP Principles.

7 "In inviting WIPO to cooperate with HCCH on this questionnaire, the governing body of the HCCH recognized the need for further work on the intersection of private international law and IP (Conclusions and Decisions of HCCH Council on

- The majority of the respondents mentioned the following activities:

  - *Greater awareness building*: There was general support in favour of future activities in relation to the interface between PIL and IP. In particular, the vast majority of respondents supported the organisation of training courses, conferences, academic seminars, thematic studies, comparative studies or roadshows on deepening the understanding of the interface between PIL and IP. Some suggested organising activities, at regional or international levels, jointly with other institutions such as WIPO, law schools, and other key regional IP institutions. A number of respondents encouraged the engagement of, and knowledge exchange among, IP holders, practitioners, agencies and judges in these activities.

  - *Judicial training*: A number of respondents highlighted the importance of judicial cooperation and training for judges. The WIPO IP Judges Forum was cited as an example where judges can have dialogues and exchange knowledge with one another. It was suggested that national IP rulings should be disseminated more widely,[8] and that topics, such as technology and online hearings on IP issues, may be worth consideration for trainings.

  - A few respondents suggested *developing practical guides on best practices* in resolving disputes relevant to the interface between PIL and IP.

- Certain Members mentioned that cross-border IP dealings do not raise actual and practical issues of PIL that warrant further work by the HCCH or by WIPO. Particularly, one Member considered that, given the dearth of any such issues, any efforts to harmonise any actual or perceived differences in legal approaches to cross-border IP dealings are similarly not warranted.

General Affairs and Policy 2020). Please share any observations or suggestions that you may have on possible future activities by HCCH and WIPO in relation to the PIL and IP interface, such as greater awareness raising and educational initiatives, enhanced judicial cooperation or coordination, or continued discussion within the HCCH Jurisdiction Project."

8 For information, please refer to the Judgments Collection in WIPO Lex at https://wipolex.wipo.int/en/main/judgments.