



The European Legal Forum

Forum iuris communis Europae

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international private law and procedural law**

The European Legal Forum (E) 5/6-2003, 277 - 286

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INTERNATIONAL AND EUROPEAN PROCEDURAL LAW

**Infringements of industrial property rights
in European international private law and procedural law**

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A. Scope of Article 5(3) of the Brussels I Regulation in relation to crossborder infringements of industrial property rights

I. Aim of the Regulation

There is a typical tort scenario in which a victim is unexpectedly injured by someone who may be far removed from the place where the harmful event occurs. Usually, it would be unreasonable to subject the injured party to the general jurisdiction of the defendant. The converse – in which torts would give rise to the plaintiff’s general jurisdiction – would be similarly inappropriate given the potential for grounds of justification or non-liability on the part of the tortfeasor. This necessary balancing test has led to the special jurisdiction in tort recognised in the legal systems of most EC Member States¹ and codified in Article 5(3) of the Brussels Convention of 1968.² The test requires a particular factual and evidentiary nexus. Council Regulation 44/2001 of 22 December 2000³ (“Brussels I”) adopted this jurisdictional rule with a slight modification, making courts for the place where the harmful event occurred or may occur competent to hear actions in tort. However, the question of how to determine the place where the tortious act is committed remains unclear in the case of an infringement of industrial property rights given the principle of territoriality applicable to such rights. The ECJ itself has offered no clarification on this matter.

II. Concept of tort

Just like the concept of “contract” in Article 5(1),⁴ the concepts of “tort”, “delict” and “quasi-delict” used in Article 5(3) must be autonomously determined.⁵ These concepts are not merely references to the domestic law of one of the states involved, along the lines of the *lex fori* or *lex causae*.⁶ The argument for autonomous interpretation is bolstered by the fact that it provides the only guarantee that the rights and duties of the individuals concerned are as congruent and uniform as possible in all Member States. The ECJ took the Convention’s goals and approach into account in defining the concept of “matters relating to tort” as “all actions which seek to establish the liability of a defendant and which are not related to a ‘contract’ within the meaning of Article 5(1)”.⁷

Thus, there is a general consensus that infringements of industrial property rights as well as other intangible property rights would also fall within the scope of Article 5(3).⁸ In this regard, jurisdiction in matters relating to tort covers not only claims for financial losses, but also abatements and injunctive relief.⁹ Because the injured party is not yet fully cognizant of the extent to which the defendant may have infringed upon an industrial property right at the time the lawsuit is commenced,

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** Lecture given at the Conference of the AEA – Association Européenne d’Avocats – on Intellectual Property and Accession Treaty in Warsaw, 3 – 4 October, 2003.

¹ See *Geimer*, Internationales Zivilprozessrecht, 4th ed., 2001, para. 1497 (preferring jurisdiction of the place where tortious act is committed to other possibilities).

² Brussels Convention of 27 September 1968 on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters, OJ 1972 L 299, at 32 = [1972] BGBl. II 773.

³ Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, (OJ 2001 L12, at 1).

⁴ On the autonomous interpretation of the concept of “contract” in Article 5(1) of the Brussels I Regulation, see ECJ 3 August 1988 – 9/87 – *Arcado v Havilland* [1988] ECR 1539, para. 10 et seq. = [1988] RIW 987 (with comment by *Schlosser*, [1989] RIW 139); ECJ 17 June 1992 – C-26/91 – *Handte v TMCS* [1992] ECR I-3990, para. 10 = [1995] JZ 90 (with comment by *Pfeiffer*); ECJ 27 October 1998 – C-51/97 – *Réunion européenne* [1998] ECR I-6511, para. 15 = [2000] IPRax 210 (with comment by *Koch*); ECJ 11 July 2002 – C-96/00 – *Gabriel* [2002] ECR I-6367 = [2002] EuLF (E) 308 = [2003] IPRax 50 (with comment by *Leible*).

⁵ ECJ 27 September 1988 – 189/87 – *Kalfelis v Schröder* [1988] ECR 5565, 15 et seq. = [1988] NJW 3088 (with comment by *Geimer*) = [1989] IPRax 288 (with comment by *Gottwald* at 272); *Kropholler*, Europäisches Zivilprozessrecht, 7th ed., 2002, Art. 5 para. 65; *Geimer/Schütze*, Europäisches Zivilverfahrensrecht, 1997, Art. 5 para. 146; *Gottwald*, MünchKomm-ZPO, 2nd ed., 2001, Art. 5 para. 36.

⁶ Such used to be the prevailing wisdom. See BGHZ 98, 263/274 = [1987] NJW 592; *Schlosser*, [1984] IPRax 60 et seq. (with additional references).

⁷ *Kalfelis* (*supra* note 5), para. 15 et seq.

⁸ *Stauder*, Die Anwendung des EWG-Gerichtsstands- und Vollstreckungsübereinkommens auf Klagen im gewerblichen Rechtsschutz und Urheberrecht, [1976] GRUR Int. 465, 473 et seq.; *Kropholler* (*supra* note 5), Art. 5 para. 66; *Geimer/Schütze* (*supra* note 5), Art. 5 para. 154; *Wieczorek/Schütze/Hausmann*, Kommentar zur ZPO, 3rd ed., 1994, Annex I to § 40 ZPO, Art. 5 para. 51.

⁹ *Geimer/Schütze* (*supra* note 5), Art. 5 para. 158.

the substantive law of most Member States will allow the injured parties to demand discovery or accounting. Such independent causes of action may also be properly raised before the courts laid out in Article 5(3).¹⁰

On the other hand, claims of unjust enrichment cannot generally be raised using Article 5(3) as a jurisdictional basis. The same applies to actions for the restitution of profits obtained through the use of a foreign industrial property right. Here, the injured party is in fact referred to the general jurisdictional rule of Article 2 of the Brussels I Regulation.¹¹ This holds true even where there is a close substantive nexus between the claimant's suit to disgorge the unjust enrichment since the court having tort jurisdiction should not rule on other matters not relating to tort (e.g. contracts, unjust enrichment) in the case of competing claims. The ECJ made this clear in 1988 through the autonomous interpretation of the Brussels Convention.¹² Although the Court of Justice recognises that one should avoid splitting up individual aspects of one and the same legal dispute between jurisdictions whenever possible, its reasoning made particular reference to the fact that the "special jurisdictions" enumerated in Article 5 are to be restrictively interpreted as exceptions to the principle of *forum domicilii*.¹³ The plaintiff always has the option of filing all claims in his suit before the courts with jurisdiction over the defendant's domicile. Moreover, Article 28 of the Regulation enables the court first seised to rule on the entire legal controversy under certain circumstances, provided there is a sufficiently close connection among the actions raised before the various courts.¹⁴

The wording of Article 5(3) of the Brussels Convention premises a tort or delict that has already taken place. Consequently, it would be partly inferred that preventive actions for injunctive relief – for example, to bar the sale of goods manufactured or sold in breach of industrial property rights – could not be sustained in the *forum delicti*.¹⁵ A contrary interpretation would fly in the face of the provision's object and purpose, opening the doors to claims being filed in the forum of

Article 5(3) to prevent a harmful event that may occur.¹⁶ However, it was this view that prevailed in the course of converting the Brussels Convention into Regulation 44/2001; Brussels I thus expressly confers jurisdiction over matters relating to tort or delict to the place in which the harmful event "may occur".¹⁷

III. Determining the place where the infringement occurs

In *Mines de potasse*,¹⁸ the ECJ understood the "place where the harmful event occurred" in the case of crossborder acts to comprise both the place of the event giving rise to the damage as well as the place where such damage actually occurs. The plaintiff therefore has a choice of suing in the courts of the place where his legal interests were adversely affected or in the courts of the place from which the defendant operated. The ECJ considers each of these courts an appropriate forum for hearing evidence or conducting proceedings. The ECJ does not consider it desirable to choose one connecting factor to the exclusion of other possible connecting factors as required for conflict-of-laws purposes, particularly since Article 5(3) covers extremely diverse kinds of tortious conduct.¹⁹

Obviously, the ECJ's judgment in *Mines de potasse* did not directly relate to industrial property rights. The case dealt with an instance of water pollution that resulted in a cross-border damage to the plaintiff's business. The extent to which the ECJ's enunciated principle of alternative jurisdiction of courts at each of the two places – the place of the event giving rise to the damage and the place where such damage actually occurs – can be extended to territorially linked industrial property rights remains open to debate. It is therefore important to distinguish properly between these two places.

1. The place of the event giving rise to the damage

In accordance with the territoriality principle generally recognised in industrial property law, the injury to the protective right can only occur at the place where such a right exists.²⁰ Put more precisely, jurisdiction will not be conferred upon courts in those places where only indirect financial losses are sustained or where there are remote damages of an infringement whose direct (primary) damages occur somewhere else. If a German subsidiary of a French firm suffers *direct* losses due to another German company's infringement of a protective right, the French parent company that suffers *indirect* los-

¹⁰ LG Düsseldorf (D) 25 August 1999 – *Schlussfadengreifer* – [1999] GRUR Int. 455, 457; *Grabinski*, Zur Bedeutung des Europäischen Gerichtsstands- und Vollstreckungsübereinkommens (Brüsseler Übereinkommens) und des Lugano-Übereinkommens in Rechtsstreitigkeiten über Patentverletzungen, [2001] GRUR Int. 199, 203; *Brinkhof*, Geht das grenzüberschreitende Verletzungsrecht im niederländischen einstweiligen Verfügungsverfahren zu weit?, [1997] GRUR Int. 489, 490; *Wieczorek/Schütze/Hausmann* (*supra* note 8), Art. 5 para. 51.

¹¹ *Kropholler* (*supra* note 5), Art. 5 para. 67; *Geimer/Schütze* (*supra* note 5), Art. 5 para. 165; *Wieczorek/Schütze/Hausmann* (*supra* note 8), Art. 5 para. 53. In contrast, actions for the payment of an appropriate licence fee or for recovery of lost profits as an abstract form of compensation would fall under Article 5(3). See *Gottwald* (*supra* note 5), Art. 5 para. 37.

¹² *Kalfelis* (*supra* note 5), para. 16 et seq.

¹³ See also ECJ 22 March 1983 – 34/82 – *Peters* [1983] ECR 987, para. 17 = [1984] IPRax 85 (with comment by *Schlosser* at 65); cf. House of Lords (UK) [1998] International Litigation Practice 850.

¹⁴ Critical, see *Geimer*, [1988] NJW 3090; *Gottwald*, [1989] IPRax 272 et seq. Regarding the competence of the *forum rei gestæ* to decide on competing (contractual or non-contractual) claims, see especially *Geimer*, [1986] IPRax 80 et seq.; *Geimer/Schütze* (*supra* note 5) Art. 5 para. 163; *Mansel*, [1987] 86 ZvgRWiss 1, 22.

¹⁵ See, e.g., OLG Bremen (D) 17 October 1991 – [1992] RIW 231, 233; Cass. (I) 8 August 1989, n. 3657, Riv. dir. int. priv. proc. 1990, 685.

¹⁶ See LG Düsseldorf (D) 25 March 1999 – [1999] GRUR Int. 775, 777 et seq.; *Schlosser* Report No. 134; *Behr*, [1992] GRUR Int. 607; *Wieczorek/Schütze/Hausmann* (*supra* note 8), Art. 5 para. 54; *Gottwald* (*supra* note 5), Art. 5 para. 40.

¹⁷ See *Hausmann*, The Revision of the Brussels Convention, [2000/01] EuLF (E) 40, 49.

¹⁸ ECJ 30 November 1976 – 21/76 – *Mines de potasse* [1976] ECR 1735.

¹⁹ This is the prevailing opinion. But see *Kropholler* (*supra* note 5), Art. 5 para. 73; *Geimer/Schütze* (*supra* note 5), Art. 5 para. 179 et seq.

²⁰ *Pansch*, The Proper Forum for Illicit Acts in Cases of Cross-Border Infringement of Proprietary Commercial Rights, [2000/01] EuLF (E) 353, 362.

ses in its books cannot bring suit at its own place of business in France by arguing that the pecuniary loss was actually felt there, where the parent company's assets were located.²¹ In fact, the place where the damage occurs is determined only in relation to the subsidiary, which experienced the primary injury; the subsidiary's place of business is then available to the indirectly affected parent company as the forum for a tort claim.²²

Moreover, the "place where the harmful event occurs" is also distinct from the place where the injured party experiences an (additional) pecuniary loss as a result of a primary damage suffered in another Member State.²³ Otherwise the principle of *actor sequitur forum rei* under Article 2 of Brussels I would be eroded and Article 5(3) would approximate the jurisdiction of the plaintiff. As the ECJ has emphasised,²⁴ the determination of the "place where the harmful event occurs" also happens independently from the system of civil liability applicable to the case. The place where only secondary effects occur therefore does not give rise to international jurisdiction pursuant to Article 5(3) if the applicable (national) tort law – unlike § 823(1) of the German civil code – awards damages irrespective of a concrete violation of an object of legal protection (such as Article 1382 of the French civil code or Article 2043 of the Italian civil code). In cases involving the infringement of industrial property rights, this means that the "place where the harmful event occurs" in the meaning of Article 5(3) of Brussels I can only be in the respective country of protection. Losses sustained outside the country of protection cannot legitimate a jurisdiction over the tortfeasor at the place where the respective damage occurred.²⁵

2. The place where the damage occurs

Prevailing opinion – long unchallenged – held that the place of the event giving rise to the damage must perforce coincide with the place where the damage itself occurred in the case of an infringement of industrial property rights and that this place must always lie within the territory of the protecting state. The ECJ thus held that the choice between these two places contained in Article 5(3) did not apply to infringements of industrial property rights.²⁶ Only recently has there been an in-

creasing trend towards recognising the "place of the event giving rise to the damage" as possibly being outside of the respective country of protection.²⁷ This move should be welcomed in light of the increasing globalisation of economic relations in international competition.

Giving Member State courts international jurisdiction for causes of action relating to the violation of a foreign protective right does not imply an interference with a foreign territorial jurisdiction since this would not bestow any domestic effect upon the right. The right would rather be examined in light of its infringement abroad – the only place where the protection applies – and only in accordance with the foreign *lex loci protectionis*. Up to now, this has merely been assumed where the action is brought against the tortfeasor under Article 2(1) of the Brussels I Regulation in a *forum domicilii* different from the place of protection. For this reason, however, recourse to international jurisdiction at a place where the event giving rise to the harm occurred which differs from the place where the harm itself occurred cannot be perceived of as an encroachment on sovereign powers, all the more so as the recognition of the judgment issued by courts at the place where the effects are experienced in the country of protection are subject to the controls contained in Article 33 et seq. of the Brussels I Regulation.²⁸

The demand to identify a forum outside the country of protection as the "place of the event giving rise to the damage" with appropriate jurisdiction is not a just a purely theoretical problem. This is clear in the common fact pattern in which a French company having its place of business in France manufactures a product there that enjoys patent protection in Germany. Under the traditional viewpoint, the importation of the product made in France into Germany would constitute the act of infringement.²⁹ Consequently, only German courts would have international jurisdiction over an infringement action. This mainly becomes a problem when the product made in France is only marketable in Germany due to certain rules – in other words, when it can be demonstrated that the product is made solely for the purpose of export to the country of protection. In such a case, should the place of the event giving rise to the damage be construed only as being in Germany and

²¹ ECJ 11 January 1990 – 220/88 – *Dumez France v Hessische Landesbank* [1990] ECR I-49, para. 22 = [1991] NJW 631.

²² *Kropholler* (*supra* note 5) Art. 5 para. 80; *Wieczorek/Schütze/Hausmann* (*supra* note 8) Art. 5 para. 60.

²³ See ECJ 19 September 1995 – C-364/93 – *Marinari v Lloyd's Bank* [1995] ECR I-2719, para. 16 et seq. = [1995] JZ 1107 (with comment by Geimer) = [1997] IPRax 331 (with comment by Hobloch at 312).

²⁴ See *Marinari* (*supra* note 23), para. 22 et seq.

²⁵ OLG Dusseldorf (D) 22 July 1999 – [2001] IPRax 336; **different point of view:** *Otte*, Internationale Zuständigkeit und Territorialitätsprinzip – Wo liegen die Grenzen der Deliktzuständigkeit bei Verletzung eines europäischen Patents?, [2001] IPRax 315 et seq.

²⁶ See mainly *Stauder* (*supra* note 8), at 474; *Tetzner*, Die Verfolgung der Verletzung ausländischer Patente vor deutschen Gerichten unter Berücksichtigung des EWG-Gerichtsstands- und Vollstreckungsabkommens, [1976] GRUR 669 (with additional references). For recent scholarship, see *Meibom/Pitz*, Grenzüberschreitende Verfügungen im internationalen Patentverfahren, [1996] Mitt. 181, 182; *Brinkhof* (*supra* note 10), at 491; *Grabinski* (*supra* Fn. 10), at 204 et seq.; *Kieninger*, Internationale Zuständigkeit bei der Verletzung ausländischer Immaterialgüterrechte, Common Law auf dem Prüfstand des EuGVÜ, [1998]

GRUR Int. 280, 282; *Bettinger/Thum*, Territoriales Markenrecht im Global Village, [1999] GRUR Int. 659, 663; *Otte* (*supra* note 25), at 316; *Schricker/Kastenberger*, Urheberrecht, 2nd ed., 1999, Before §§ 120 et seq., para. 130; *Hulmann/Götting*, Gewerblicher Rechtsschutz, 6th ed., 1998, § 7 II 3; *Baumbach/Hefermehl*, Wettbewerbsrecht, 23rd ed., 2003, Introduction to UWG para. 192 b. For concurring case law, see LG Dusseldorf (D) 25 August 1998, [1999] GRUR Int. 455 ff., affirmed by OLG Dusseldorf 22 July 1999 (*supra* note 25); see *Meier-Beck*, [1999] GRUR 381 und [2000] GRUR 355.

²⁷ *Lange*, Der internationale Gerichtsstand der unerlaubten Handlung nach dem EuGVÜ bei Verletzung nationaler Kennzeichen, [2000] WRP 940, 945; *Pansch* (*supra* note 20), 354 et seq.; in agreement, see *Nagel/Gottwald*, Internationales Zivilprozessrecht, 5th ed., 2002, at 107. As well in favour for the connection to the status of immaterial goods *Staudinger/Fezer*, Internationales Wirtschaftsrecht (2000) para. 718 et seq.; *Staudinger/Fezer*, Markenrecht, 3rd ed., intro. para. 186 et seq., 227 (arguing the same for connection of the law applicable to intangible property). See expatiated by *Laubinger*, Internationale Zuständigkeit für Patentstreitigkeiten (Diss. Konstanz 2004, not yet published).

²⁸ See *Pansch* (*supra* note 20), at 355.

²⁹ See reference *supra* in note 26.

therefore the possibility of a claim against the manufacturer in France be entirely ruled out when a third party, rather than the manufacturer himself, imported the product into Germany? While the infringement could only take place once the German border was crossed, it is dubious whether Germany could be considered the *forum res gestae* in a case where the manufacturer never did business there. Rejecting the jurisdiction of French courts is unpersuasive if important information must be obtained from the French manufacturer's place of business in order to prove the patent infringement. In such a case, the importation of the product that has infringed a patent is less important than the foreign manufacture itself for the commencement of proceedings and the hearing of evidence.³⁰

The issue is even more obvious in the case of internet sales of products that infringe on industrial property rights.³¹ Here it is rather unlikely that potential buyer will be on notice as to the act of infringement when he calls up the website. For crossborder torts on the Internet that result in the infringement of national trademark rights or copyrights, the *forum res gestae* is therefore largely viewed at the present time as the place at which the contents are put onto the Net – which as a rule means the domicile of the seller.³²

Even when the concept of the “place of the event giving rise to the damage” is expanded in the way suggested here, manufacture in the non-protecting country is still not prohibited; the earliest point at which the infringement takes place is with the importation into the country of protection. This means that sales can only constitute an actual infringement in a non-protecting country only under certain conditions. By applying analogous principles established in case law concerning invasions of personal privacy by the media,³³ one must also presume that the act of infringement is directed at the country of protection.³⁴ In the same vein, the new rules also provide for international jurisdiction in consumer matters in Article 15(1)(c) of the Regulation, which is only established when the contract has been concluded with a person whose commercial or professional activity – particularly his internet advertising – is directed to the Member State of the consumer's domicile.³⁵

One should note that the interpretation of the “place of the event giving rise to the damage” within the meaning of Article 5(3) has nothing to do with specifying the place where the industrial property right was infringed. In the case law of the

ECJ, the *forum res gestae* instead constitutes the “place of the event which gives rise to and is at the origin of [the] damage”³⁶ and is to be distinguished from the place where the protective right is infringed. Mere preparatory acts are insufficient for an infringement and therefore for providing a jurisdictional basis in the place where the damage occurs within the meaning of Article 5(3).³⁷ However, such acts can indeed be used as a jurisdictional basis in the place of the event giving rise to the damage in the sense of the same article since the plaintiff's right to choose between the jurisdictions of courts in the two places should advance the interest of justice by leading to the place where the evidence to prove the infringement is most accessible. The preservation of evidence is an issue of considerable practical importance precisely in disputes over patent infringement.³⁸

Special significance is accorded to tort jurisdiction outside the country of protection above all in the area of temporary or preventive relief. In the case described earlier of products protected by German patents that are made in France for export to Germany, the holder of the German patent has the possibility of bringing an action by means of temporary relief or of a preventive injunction against the imminent patent infringement in France, where the damage occurs.

As a result, one should reject the obligatory connection in the case of infringement of industrial property rights of the place where the damage occurred with the place of the event giving rise to that damage; it cannot be derived in particular from the principle of territoriality.³⁹ The injured party instead has the choice of suing in either place. Should he opt for a *forum res gestae* outside the country of protection, the question of the law to be applied by the court is not implicated. The law of the country of protection is determinative under the nexus requirements of all EC Member States.

IV. Territorial scope of judgments

For want of clarification by the ECJ, divergent views remain as to the territorial scope of both provisional orders and final judgments that are issued in infringement proceedings involving industrial property rights and that rely on Article 5(3) as their jurisdictional basis. Owners of parallel national “bundled rights” often have an interest that the infringement be simultaneously barred in as many countries of protection as possible in order to avoid a multiplicity of parallel proceedings that would entail not only a substantial financial burden but also the potential for irreconcilable decisions.

³⁰ See also *Pansch* (*supra* note 20), at 355 (reaching similar conclusion).

³¹ The question has real-world importance for software patents in particular. See BPatG (D) 9 January 1997 – [1997] CR 532 et seq.; BPatG (D) 22 January 1998 – [1998] GRUR 656.

³² *Sack*, Das internationale Wettbewerbs- und Immaterialgüterrecht nach der EGBGB-Novelle, [2000] WRP 269, 277; *Mankowski*, Das Internet im internationalen Vertrags- und Deliktsrecht, [1999] 63 RabelsZ 203, 257 et seq.; *Koch*, Internationale Gerichtszuständigkeit und Internet, [1999] CR 121, 123.

³³ See BGH (D) 23 October 1970 – [1971] GRUR 154; *Wieczorek/Schütze/Hausmann* (*supra* note 8), Art. 5 para. 59 at the end.

³⁴ In this sense, see also *Koch* (*supra* note 32), at 129; *Pansch* (*supra* note 20), at 355 et seq.

³⁵ See *Hausmann* (*supra* note 17), at 45; see also *Teuber*, Die internationale Zuständigkeit in Verbraucherstreitigkeiten (2003), at 101 et seq.; *Kropholler* (*supra* note 5), Art. 15 para. 23 et seq.

³⁶ See *Mines de potasse* (*supra* note 18).

³⁷ *Geimer/Schütze* (*supra* note 5), Art. 5 Rn 187; *Lange* (*supra* note 27), at 941.

³⁸ The basic principle already accepted within the domestic autonomous German law, according to which the realization of one part of the infringement within one country – ie transit of goods for illegal sale in a foreign country – is already sufficient to establish the international jurisdiction according to § 32 ZPO, (See BGH 24 July 1957 – [1958] GRUR 189, 197 (with an approvingly comment by *Hefermehl* at 198); *Geimer* (*supra* note 1), at para. 1500.), should be taken over into the European Legislation of Civil Procedure.

³⁹ See also *Staudinger/Fezer* (*supra* note 27), para. 778 (reaching same conclusion on other grounds).

1. Traditional view

Until a recent decision of an appeals court in The Hague,⁴⁰ it was mainly Netherlands courts that tended to issue provisional orders with extraterritorial effects in the jurisdiction of the tortious act.⁴¹ The view of most Member State courts⁴² as well as of the literature⁴³ has been against such an expansion of the effect of judgments. Thus, claims can only be raised in the *forum delictii* to the extent to which they can be supported by the infringement of an industrial property right conferred by the state in which the court is situated.⁴⁴ Only for this part of the dispute is the court before which the suit is brought in the best position to rule upon the existence of an infringement and the extent of damages. In contrast, the court lacks the international jurisdiction to decide on the infringement of parallel protective rights in other states for want of a sufficient connection to the subject matter of the dispute – which moreover is to be determined in accordance with the foreign *lex loci protectionis*. The plaintiff's obvious interest in being able to prosecute all the parallel infringements of industrial property rights before a single court will be sufficiently accommodated by the possibility of bringing an action under the general jurisdiction of the defendant's courts pursuant to Article 2. Only a judgment issued there could have an extraterritorial reach.

2. Significance of the ECJ's *Shevill* decision for international jurisdiction in the field of industrial property rights

In its landmark decision in *Shevill*,⁴⁵ the ECJ limited the jurisdiction of the courts at the place where the harmful event occurred to ruling upon damages that resulted in the state in which those courts are situated. Courts located in the place of the event which gave rise to the damages were given the power to decide on compensation for all of the (global) damages caused by the tort. Applying the traditional view in which both places are to be understood as the country of protection in the case of the infringement of industrial property rights, one could conceive of permitting courts to possess an extraterritorial decision-making power for judgments relating to the infringement of such rights. In this regard, it should be noted that *Shevill* addressed only defamation by publication in the media. Unlike an industrial property right, a person's reputation enjoys comprehensive protections not just in certain

states, but indeed without territorial restriction. The principles of this decision cannot be simply expanded to the infringement of industrial property rights without further comment, given that the place where the damage occurs in this case does not always or necessarily coincide with the place of the event which gave rise to the damages.

Pansch has recommended extending the principle embodied in *Shevill* with regard to the invasion of personal privacy (which was not territorially limited) to apply to crossborder infringements of industrial property rights.⁴⁶ Accordingly, the court with jurisdiction over the place where the damage occurs should limit its ruling to the damages occurring in the forum state. This applies to damages arising in the forum state as a result of the infringement a protective right of the forum state as well as to consequential losses incurred in the forum state as a result of the infringement of a parallel protective right of another state. There would be no jurisdiction, however, to rule on damages that occur in other states as a result of the infringement of a protective right of the forum state. A limitation on the power of courts of the place where the damage occurs to issue rulings is justified by the fact that these courts have a sufficiently close connection to the facts only with respect to those losses that were suffered within their territory. Such a connection is lacking with respect to rulings on the tortious conduct in the state of the event which gave rise to the damages or damages that arose in other states.⁴⁷

An appropriate application of the *Shevill* principles to the infringement of industrial property rights would presume that a harmful event occurs nowhere other than in the forum state and that there was no trade at the time in this state. This is only possible were one to recognise the "place where the damage occurs" within the meaning of Article 5(3) as merely the place where loss was suffered – that means the place outside of the country of protection in which serious consequential damages were sustained.⁴⁸ In contrast, by limiting the concept of the "place where the damage occurs" to the place where the protective right is violated, the two places relevant for jurisdictional analysis necessarily coalesce, since there can be no infringement of a protective right in the country of protection if no conduct was engaged in there.

Conversely, this author is persuaded that the *Shevill* principle does not apply to a "place of the event giving rise to the damage" lying outside the country of protection – aside from the place where the event occurred (in the country of protection) – if conduct appears in excess of "mere preparatory acts" towards the infringement of a protective right planned in another state. In accordance with the principles laid out in the ECJ's *Shevill* decision,⁴⁹ courts of other "places of the event giving rise to the damage" that are not in the protecting state are thereby justified in awarding compensation for any of the resultant damages – even those not sustained not in the forum

⁴⁰ Gerechthof Den Haag (NL) 23 April 1998 – [1998] EIPR, Nr. 132 = [1998] GRUR Int. 737 (on Article 6(1) of the Brussels Convention).

⁴¹ For detailed references, see *Bertrams*, Das grenzüberschreitende Verletzungsverbot im niederländischen Patentrecht, [1995] GRUR Int. 193, 200; *Brinkhof* (*supra* note 10), at 489 et seq.; *Pansch* (*supra* note 20), at 353 et seq. See also *Pansch*, Die einstweilige Verfügung zum Schutze des geistigen Eigentums im grenzüberschreitenden Verkehr (2003), at 50 et seq. (with additional references).

⁴² See LG Dusseldorf 25 March 1999 (*supra* note 16), at 777; on foreign case law, see *Meibom/Pitz*, Die europäische „Transboarderrechtsprechung“ stößt an ihre Grenzen, [1998] GRUR Int. 765 et seq.; *Tilman/Falcke*, EU-Patentrechtsharmonisierung II: Forum Shopping und Torpedo, [2000] GRUR 579 et seq.

⁴³ *Bertrams* (*supra* note 41), at 197 et seq.; *Brinkhof* (*supra* note 10), at 491; *Pansch* (*supra* note 20), at 356 et seq. (with detailed references).

⁴⁴ OLG Dusseldorf 22 July 1999 (*supra* note 25), at 337 et seq.

⁴⁵ ECJ 7 March 1995 – C-68/93 – *Shevill* [1995] ECR I-415.

⁴⁶ *Pansch* (*supra* note 20), at 361.

⁴⁷ *Pansch* (*supra* note 20), at 361.

⁴⁸ Vgl. idS. *Otte* (Fn 26), IPRax 2001, 315 ff.

⁴⁹ *Shevill* (*supra* note 45).

state, but rather in another state.⁵⁰ The judgment awarding damages will not thereby be accorded extraterritorial effect since this is connected to the violative conduct in the forum state, but only to the extent to which damages of this conduct are first experienced in other states (including the country of protection). There is no jurisdiction over similar conduct in other states and over the actions for damages based upon such conduct.⁵¹

The aforementioned principles relevant to the issue of international jurisdiction over actions for damages arising from the infringement of industrial property rights hold equally true for applications for prohibitive injunctions,⁵² but only to a limited extent for negative actions for declaratory judgment.⁵³

B. Collision rules of the proposed regulation on the law applicable to non-contractual obligations ("Rome II") of 22 July 2003 with respect to infringements of intellectual property rights

I. Introduction

Although the law governing industrial property rights has seen more extensive harmonisation within the European Union when compared to other areas of the law, the *acquis communautaire* does not extend to the legal consequences of an infringement of industrial property rights. This holds true for both Community trade marks and designs since the respective regulations refer to the national law of the Member States – including their own private international law – with regard to the enforcement of damage claims.⁵⁴

The importance of Member State law – and thereby the importance of national conflict-of-laws rules – is unlikely to diminish once the EC directive concerning measures and procedures to ensure the enforcement of intellectual property that the Commission proposed on 30 January 2003 is implemented.⁵⁵ Although this proposal will harmonise certain key issues concerning copyright and industrial property law (e.g. setting damages under Article 17), noticeable difference will persist between the laws of Member States since Member States have a certain latitude in transposing new directives. Moreover, there are numerous questions on the subject of non-contractual liability that are not even addressed by the di-

rective, but which will instead continue to be left to national Member State laws on liability.

The law applicable to contractual obligations within the European Union was harmonised through the Rome Convention of 19 June 1980.⁵⁶ However, the Commission made little progress when it launched its efforts to introduce a parallel harmonisation of the law applicable to non-contractual obligations in the late 1960s. Work towards a convention concerning the law applicable to non-contractual obligations was taken up again only in 1998, after the entry into force of the Treaty of Maastricht, which had deemed judicial cooperation in civil matters as a matter of common interest for the Member States of the European Union in Article K.1(6). This led to a first draft legal instrument presented by the European Private International Law Group. With the Treaty of Amsterdam of 2 October 1997⁵⁷ (which took effect on 1 May 1999), competence in the field of judicial cooperation in civil matters was transferred to the Community. In an action plan of the Council and the Commission on how best to implement the provisions of the Treaty of Amsterdam on an area of freedom, security and justice⁵⁸ it was recalled that legal certainty and equal access to justice imply a "clear designation of the applicable law." For these reasons, a legal instrument was to be created within two years of the treaty's entry into force to deal with the law applicable to non-contractual obligations ("Rome II"), along with other measures.

On 3 May 2002, the Commission initiated a consultation with all interested parties concerning a preliminary draft for a "Rome II" regulation worked out by the Directorate-General Justice and Home Affairs. This consultation was quite successful, attracting some 80 written comments, which were sent to the Commission by the Member States and universities, as well as business and consumer groups. On 7 July 2003, the consultations were concluded with a hearing in Brussels (B). On 22 July 2003, the Commission submitted its proposal for a regulation on the law applicable to non-contractual obligations, having taken due note of the comments submitted.

II. Scope of the proposed regulation

1. Material scope

Article 1(1) provides that the proposed regulation shall apply to non-contractual obligations in civil and commercial matters in situations where the laws of different states are implicated.

"Non-contractual obligations" fall into two major categories: those that arise out of a tort or delict and those that do not. This latter category comprises obligations relating to what is termed in some jurisdictions "quasi-delict" or "quasi-contract," including in particular unjust enrichment and agen-

⁵⁰ *Pansch* (*supra* note 20), at 358.

⁵¹ For a more detailed discussion, see *Pansch* (*supra* note 20), at 360 et seq. *Pansch* also supports the international jurisdiction of the "Handlungsort" (the place of the event giving rise to the damage) to decide on damages arising from the infringement of parallel (bundled) protective rights in other states as a result of similar actions in those states.

⁵² On the extraterritorial effect of injunctive relief in the area of industrial property rights, see *Pansch* (*supra* note 20), at 358 et seq., 361 et seq.

⁵³ For a recent decision, see *Rechtsbank van eerste aanleg te Brussel* (B) 12 May 2000 – [2001] GRUR Int. 170, 172; different point of view: *Grabinski* (*supra* note 10), at 203.

⁵⁴ See Article 98(1) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, at 1) and Article 89(1) of the Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs (OJ 2002 L 3, at 1).

⁵⁵ COM (2003) 46 final.

⁵⁶ 1980 Rome Convention on the law applicable to contractual obligations (consolidated version), reprinted at OJ 1998 C 27, at 34.

⁵⁷ OJ 1997 C 340 = [1998] BGBl. II, 386.

⁵⁸ OJ 1999 C 19, at 1.

cy without authority. The line of demarcation between contractual obligations and obligations based on tort or delict is not identical in all the Member States, and there may in fact be doubts as to which instrument – the Rome Convention or the proposed regulation – should govern in a given dispute. The explanatory memorandum accompanying the proposal suggests *culpa in contrahendo* or the so-called *action paulienne* of French law as two examples. To resolve difficult questions of classification in the liminal area between contract and tort law, one should turn to the ECJ's approach towards the delimitation between Article 5(1) and Article 5(3) of the Brussels Convention. The concept of tort therefore encompasses only those actions for damages that do not have a connection to a contractual obligation.⁵⁹ To this extent, the ECJ clearly starts from a narrow understanding of "contracts", which comprise only responsibilities and which debtors enter into of their own free will.⁶⁰

As with the Brussels Convention and Brussels I Regulation, the material scope of the proposed Rome II regulation is limited to civil and commercial obligations. To this extent, the proposal also ties up with the ECJ's interpretation of the autonomous concept of "civil and commercial matters" in Article 1(1) of the Brussels Convention.⁶¹ This reference makes it clear that Brussels I, the Rome Convention and the proposed Rome II regulation constitute a coherent set of instruments covering the general field of private international law in matters of civil and commercial obligations.⁶²

Article 1(2) removes certain categories of non-contractual obligations from the regulation's scope. This catalogue of exclusions, modeled on Article 1(2) of the Rome Convention, covers in particular non-contractual obligations arising out of family relationships (including maintenance obligations) or matrimonial property regimes and successions. Similarly, the proposed regulation does not apply to non-contractual obligations in the area of securities law, the liability of officers and members for company debts, or the liability of accountants. On the other hand, actions for damages or unjust enrichment that arise from infringements of industrial property rights (e.g. a patent, trade mark or copyright) fall squarely within the purview of the proposed regulation.

2. Universal application

Under Article 2 of the proposal, the applicable law as designated by the regulation applies even when it is not the law of an EU Member State. The universal character of the regulation is thus not limited to the sense that its conflict rules displace the private international law of Member States to the extent

they refer to the law of a Member State. Rather, they come even more into play when the law of a third country is applicable so that there is no room left for national choice-of-law rules within the regulation's material scope. Once the proposed regulation takes effect, the conflict rules only just inserted into the German EGBGB (Articles 38 to 42) on 21 May 1999⁶³ will become obsolete. Given the complementarity between "Brussels I" and the proposed regulation, the Commission considers the universal nature of Rome II as necessary for the proper functioning of the internal market in order to avoid a distortion of competition.⁶⁴ Although Articles 2 and 4 of Brussels I distinguish between situations in which the defendant is habitually resident in the territory of a Member State and those in which he is habitually resident in a third country, this principle is nevertheless open work in many respects in the field of international jurisdiction.⁶⁵ The provisions of Brussels I concerning the simplified recognition and enforcement scheme apply regardless of whether the law under which the judgment was given was the law of a Member State or of a third country. As Brussels I is by no means limited to "intra-Community" situations, the proposed regulation also seeks harmonisation of collision rules in cases where the connections are to a third country, and not to another Member State.

In this context, the Commission notes that private international law is perceived as highly complex in practice – by lawyers as well as by judges. This complexity would be even greater were the proposed regulation to implement new conflict rules only for "intra-Community" situations that would apply alongside national conflict rules still in effect for "extra-Community" situations. The universal nature of the proposed conflict rules thereby share the regulation's concern: to enhance legal certainty and transparency within the European Union.

III. General rules

Article 3 lays down general rules for determining the law applicable to non-contractual obligations arising out of a tort or delict; the provision covers all obligations for which Articles 4 through 8 create no special rule. The Commission's objectives in confirming the *lex loci delicti commissi* rule are to guarantee certainty in the law and to seek to strike a reasonable balance between the person claimed to be liable and the person sustaining the damage.

1. Lex loci delicti commissi

Article 3(1) takes as the basic rule the law of the place "where the direct damage arises or is likely to arise". This applies "irrespective of the country in which the event giving rise to the damage occurred and irrespective of the country or countries in which the indirect consequences of that event arise". European lawmakers have thus expressed a preference for the

⁵⁹ ECJ 22 March 1983 – 34/82 – *Peters* [1983] ECR I-987.

⁶⁰ On product liability, see ECJ 17 June 1992 – C-26/91 – *Handte* [1992] ECR I-3697; on *culpa in contrahendo*, see ECJ 17 September 2002 – C-334/00 – *Tacconi* = [2002] EuLF (E) 306 et seq. 2002 = [2003] IPRax 143 (with comment by *Mankowski* at 127).

⁶¹ See ECJ 14 October 1970 – 29/79 – *LTU v Eurocontrol* [1976] ECR 1541, para. 3 = [1971] NJW 489 (with comment by *Geimer*); ECJ 21 April 1993 – C-172/91 – *Sonntag Weidmann* [1993] ECR I-1963 = [1994] IPRax 37 (with comment by *Heß* at 10).

⁶² See recital 50 of the proposed regulation.

⁶³ BGBl. I at 1026.

⁶⁴ See recital 6 of the proposed regulation.

⁶⁵ See Articles 22 to 24 of the Brussels I Regulation.

law of England, France, the Netherlands and Switzerland – a preference over the law of Germany as it stands today⁶⁶ – in siding for a connection to the law of the place where the damage was sustained and against one to the law of the place of the event giving rise to the damage in the case of distance torts. An alternative connecting factor looking to the place where the damage occurred, as well as the place of the event giving rise to the damage – as the ECJ has advocated for Article 5(3) of Brussels I⁶⁷ – will pass muster in terms of international jurisdiction. However, it does not permit the parties to determine *ex ante* with sufficient clarity the law applicable to a tort and therefore fails as a solution for the appropriate connecting factor.

The rule of Article 3(1) also reflects the need to strike a reasonable balance between the various interests at stake. The approach in German law – allowing the victim to choose between the law of the place where the damage or the event giving rise to the damage occurred – was discarded for this reason.⁶⁸ According to the Commission, such a solution would go beyond the victim's legitimate expectations and introduce an element of uncertainty in the law. The solution in Article 3 is therefore a compromise between applying the law of the place where the event giving rise to the damage occurs and granting the victim a unilateral right to choose the law.

The place or places where only indirect damage was sustained are not relevant for determining the law applicable to the tort. In this regard, the proposed regulation makes an explicit connection with the ECJ's case law concerning the interpretation of Article 5(3) of Brussels I.⁶⁹ The fact that the victim experienced collateral or indirect damages in one state as a result of primary damages that occurred in another has as little bearing on international jurisdiction as it does on the designation of the law of the tort.

Article 3(1) requires an objective link between the damage and the applicable law. The provision thereby reflects the modern concept of the law of civil liability which no is longer – as it was in the first half of the twentieth century – oriented towards punishing fault-based conduct. It now encompasses no-fault strict liability. Applying this basic principle is clearly inappropriate where the facts of the case have only a remote connection to the country in which the damage occurs. For this reason, the subsequent paragraphs of the provision lay out special connecting factors.

2. Law of the common place of residence

Where the person claimed to be liable and the person sustaining an injury are habitually resident in the same country at the time the damage is sustained, the non-contractual obligation is subject to the law of that country pursuant to Article 3(2) of the proposed regulation. This is the solution recog-

nised in the laws of most other Member States – including Germany⁷⁰ – either by means of a special rule or by the rule concerning connecting factors applied in the courts. Generally, it reflects the legitimate expectations of the two parties.

3. General exception and secondary connection

Like Article 4(5) of the Rome Convention, paragraph 3 is a general exception clause, enabling the court to adapt the rigid rules of paragraphs 1 and 2 to an individual case so as to apply the law that reflects the totality of the circumstances in clear-cut cases where the non-contractual obligation is more closely connected to another country. This provision has its counterpart in current German private international law concerning non-contractual obligations.⁷¹

Since this clause generates a degree of unforeseeability as to the law that will be applicable, it must remain exceptional. Experience with the Rome Convention has shown that the courts in some Member States quickly dispense with the presumptions contained in Article 4(2) through (4),⁷² choosing instead as a routine matter (rather than the exception) to seek the law that best meets the proximity criterion of Article 4(5). For this reason, the Commission opted not to draft paragraphs 1 and 2 of Article 3 in the form of mere presumptions. The “exceptional” nature of the exception clause in Article 3(3) is also emphasised by the fact that the paragraph applies only to those cases where the obligation is “manifestly more closely connected” with another country.

Article 3(3) suggests a pre-existing legal relationship between the parties for which a different rule applies than Article 3(1) or (2) as a typical example of this sort of “manifestly closer connection” of the non-contractual obligation with another state. A secondary connection of the law of the tort on the pre-existing relationship between the person claimed to be liable and the person sustaining the damage is not automatic; indeed, it presupposes that the court determine in the particular case that the two legal issues have a sufficiently close relationship.

Article 3(3) makes express mention of a contract that is closely connected with the non-contractual obligation in question as the most important instance of a legal relationship of this sort. The connection of a tort to contractual obligations takes on a special meaning for those legal systems that – like Germany's – allow for a cumulation of contractual and non-contractual liability. But the text is flexible enough to allow consideration of a contractual relationship that is still only contemplated, as in the case of the breakdown of negotiations or of annulment of a contract, or of a family relationship. The use of the secondary connection mechanism will overcome the difficulties that might flow from the application of two separate instruments.

⁶⁶ See Article 40(1) of the EGBGB.

⁶⁷ *Mines de potasse* (*supra* note 18); for details, see *supra* part A III.

⁶⁸ See the second clause of Article 40(1) of the EGBGB.

⁶⁹ See *Marinari* (*supra* note 23); for details, see *supra* part A III 1.

⁷⁰ See Article 40(2) of the EGBGB.

⁷¹ See Article 41(1) of the EGBGB.

⁷² In German law, see Article 28(2)-(4) of the GBGB.

IV. Special rules relating to infringements of intellectual property rights

1. *Lex loci protectionis*

Articles 4 to 7 of the proposed regulation contain special choice-of-law rules for non-contractual obligations concerning product liability, unfair competition, violations of privacy and rights relating to the personality and violations to the environment. Moreover, Article 8 lays out a special conflict rule for infringements of intellectual property rights – a feature absent from the preliminary draft. The term “intellectual property rights” means copyright, related rights, *sui generis* right for protection of databases and industrial property rights.⁷³

The treatment of intellectual property was one of the questions that was extensively discussed during the Commission’s consultations. Many contributions suggested the universal principle of the *lex loci protectionis* as a well known conflicts rule in this area. The connection of infringements of intellectual property rights to the law of the country in which protection is claimed forms the basis of 1886 Berne Convention for the Protection of Literary and Artistic Works as well as the 1883 Paris Convention for the Protection of Industrial Property, among others. Under this rule – closely connected with the territoriality principle prevailing in intellectual property rights – the infringement of an industrial property right is subject to the law of the state in which the corresponding right exists (i.e. where the patent was issued or where the trade mark or design were registered). In copyright cases, the applicable law is that of the country where the violation was committed. This solution confirms that the rights held in each country are independent.

The primary connection of torts to the place where the damage or the event giving rise to the damage occurred in Article 3(1) of the proposed regulation falls short of the special issues when it comes to infringements of intellectual property rights. Two different solutions were discussed to deal with these emerging tensions during preparatory work on the proposal. One possibility would have been to exclude the infringement of intellectual property rights from the scope of the regulation altogether, either explicitly or via Article 25, whereby the rules laid down in existing international conventions would continue to apply. The Commission ultimately chose a second route, introducing a special conflict rule for infringements of intellectual property rights in Article 8.

Article 8(1) thus enshrines the *lex loci protectionis* principle for infringements of intellectual property rights. In accordance with existing international conventions, the law applicable to obligations flowing from infringements of intellectual property rights is that of the state in which the protection is claimed.

⁷³ See recital 14 of the proposed regulation.

2. Infringement of Community protective rights

Article 8(2) of the proposed regulation creates a special rule applicable to infringements of industrial property rights that are granted uniformly for the entire territory of the European Community, such as Community trade marks, Community designs or the future Community patent.⁷⁴ Non-contractual obligations flowing from infringements of such unitary industrial property rights are governed directly by the relevant Community law. In the absence of a Community law rule, Article 8(2) provides that applicable law is that of the Member State in which an act infringing the Community right has been committed.

3. Bar on choice of law

Under Article 10(1) of the proposed regulation, the parties are able to choose the applicable law after the dispute has arisen that gives rise to the non-contractual obligation between them. As in international contract law (Article 3(1) of the Rome Convention), the choice must either be explicit or emerge clearly from the circumstances of the case and may not implicate the rights of third parties. By recognising an *ex post* choice, the proposed regulation follows recent developments in the national private international law of Member States, which likewise tend to encourage greater freedom of will, even for non-contractual obligations.⁷⁵

There is no room for freedom of will in the area of intellectual property. As a result, Article 10(1) expressly excludes the possibility of a choice of law in the case of non-contractual obligations governed by Article 8. This bar to a choice of law in the area of intellectual property rights is a necessary consequence of the territoriality principle; the parties cannot be permitted to elect as the applicable law the law of a country in which the injured right enjoys no protection.

However, it is not necessary to eliminate freedom of will entirely in the case of violations of Community rights, since there will be compliance with the territoriality principle in that the law of only one Member State will come into play. If this can be guaranteed, there is no need for a more comprehensive restriction on the freedom of the parties to determine the law applicable to their relationship. If, for example, a textile manufacturer infringes a Community trade mark by producing and marketing brand name jeans in several Member States, there is no rational basis to prohibit the parties from choosing the law of one of these Member States for a universal judgment as to the damages arising from the infringement.

4. „Multi state“-Infringements

In the long run it is worth pondering whether Article 8(3) should not be supplemented by a conflict rule for “multi-state” infringements of Community protective rights. Follow-

⁷⁴ See Commission’s proposed regulation of 1 August 2000, (OJ 2000 C 337, at 278).

⁷⁵ See Article 6 of the Netherlands law of 11 April 2001 and Article 42 of the EGBGB.

ing the basic principle of the ECJ's *Shevill* decision,⁷⁶ the claimant should have the possibility of turning to at least one court within the Community to resolve all of his claims under one law. The law of the defendant's habitual place of residence presents itself as a natural connecting factor; this approach

would harmonise with the jurisdictional rule contained in Article 2 of the Brussels I Regulation.

⁷⁶ *Shevill* (*supra* note 45); see *supra* A IV 2.

Cross-border infringements in the field of European Patents

Prof. Dr. Dieter Stauder * **

According to the traditional view, the courts of the country granting the patent enjoyed exclusive jurisdiction for infringements of the patent as a matter of principle. The infringement of the European patent in two or more Contracting States as a rule obliged the patent holder to conduct separate infringement litigation in the Contracting States. Since the beginning of the 1990s, practice and teaching in the Netherlands have led the way towards a new development based on EC law. The point at issue is when a court is competent to decide on patent infringements perpetrated abroad.

The jurisdiction of infringement actions in the EU is determined by EC Regulation No. 44/2001,¹ which entered into force on 1 March 2002 and replaced the Brussels Convention. The Lugano Convention of 16 September 1988 (OJ EC L 319/1988, 9) is continuously in force and has new member states. The Regulation has for the most part confirmed the substantive rules contained in the said Conventions. Accordingly, an action for patent infringement can be filed at the plaintiff's choice at the forum of the state of the defendant's domicile (Article 2, Article 67 of the Regulation and Article 2, Article 53 of the Brussels Convention) or of the forum delicti commissi (the place of the patent infringement, Article 5 no. 3 of the Regulation or the Brussels Convention). In addition, Article 6 no. 1 of the Regulation, as amended, or the Brussels Convention allows the plaintiff to file an action against defendants with place of residence or registered office in more than one Contracting States before a single forum.²

Today, it is beyond doubt that if a defendant infringes a European bundle patent by means of infringements in more than one Contracting State, the court of the defendant's place of residence or registered office can also impose penalties against actions perpetrated abroad, and in particular impose a

prohibition on acts abroad. It is also permissible to impose interlocutory measures with effect within the sovereign territory of another state.³

The courts of 1st and 2nd instance in The Hague, which have exclusive jurisdiction for patent cases in the Netherlands, have for years upheld their jurisdiction for other Contracting States in cases involving the infringement of European patents, also in summary proceedings (*kort geding*).⁴

According to Article 5 no. 3 of the Convention which corresponds to Article 5(3) of the Regulation, the forum delicti commissi cannot claim this cross-border jurisdiction. The ECJ has restricted the competence of the forum actus to the country of the court.⁵ For the future Community Patent, the jurisdiction of the forum delicti commissi has also been restricted to infringements within the country of the court.⁶

At least in cases of cross-border patent infringements based on a single act,⁷ the jurisdiction of the court at the place of the causal act should extend beyond the borders of the country of the court to cover the entire infringement (as with the business establishment of the publisher of an allegedly slanderous press publication).⁸

Also of limited application is the joinder of defendants from a number of Contracting States before the court of the majority of the defendants pursuant to Article 6 no. 1 of the Regula-

³ For the Community Patent see also Article 36(2) of the Protocol of Litigation (ProLit).

⁴ See *Brinkhof*, GRUR Int. 1993, 387; EIPR 1994, 360; with reservations against this case law, *Bertrams*, GRUR Int. 1995, 193; assessment and summary, *Brinkhof*, GRUR Int. 1997, 489; BIE 1996, 258; an interim summary setting out the literature and case law: *Stauder*, Grenzüberschreitender Rechtsschutz für europäische Patente, GRUR Int. 1997, 859; on German case law, see *v. Rospat* under the same title, GRUR Int. 1997, 861 et seq.; both articles in English: Cross-Border Protection of European Patents, IIC 1998, 497). Further new literature: *Haas*, Extra-Territorial Jurisdiction in Patent Infringement Cases, (2001) I.P.Q. 187; *Karet*, Intellectual Property Litigation – Jurisdiction in Europe, (1998) I.P.Q. 317 et seq.; *Bragiel*, "A Funny Thing Happened on the Way to the Forum" – Actionability in the United Kingdom of Infringements of Intellectual Property Rights Committed Abroad, (1999) I.P.Q. 135 et seq.; *Blumer*, Jurisdiction and Recognition in Transatlantic Patent Litigation, Texas Intellectual Property Law Journal, Vol. 9, No. 3/Spring 2001, 329-402.

⁵ ECJ 7 March 1995 – *Fiona Shevill v. Presse Alliance* – [1995] ECR I-415.

⁶ Art. 17(2) ProLit.

⁷ Multi-state patent infringement, see *Stauder*, GRUR Int. 1983, 586, 588 ff.

⁸ See ECJ of 7 March 1995 – *Fiona Shevill v. Presse Alliance* (*supra* note 5).

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** Lecture given at the Conference of the AEA – Association Européenne d'Avocats – on Intellectual Property and Accession Treaty in Warsaw, 3 – 4 October, 2003. The published text is from *Detlef Schennen* and *Dieter Stauder* and taken from the Commentary *Singer/Stauder: European Patent Convention*, 3rd ed. 2003, copyright with the Carl Heymanns Verlag, Köln.

¹ EC Regulation No. 44/2001 of 22 December 2000 (OJEC L 12/2001, 1).

² On the application of the Brussels Convention generally, see *Stauder*, Die Anwendung des EWG-Gerichtsstands- und Vollstreckungsübergangs auf Klagen im gewerblichen Rechtsschutz und Urheberrecht, GRUR Int. 1976, 465 ff. and 510 ff.; for references in recent literature and case law, see *Stauder*, IIC 1998, 497; also IPRax 1998, 317.