

Infringement and Exclusive Jurisdiction in Intellectual Property:

a Comparison for the International Law Association

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Abstract: The following comparison was written for the first meeting of the International Law Association newly established (2010) Committee on Intellectual Property and Private International Law (Chair: Professor Toshiyuki Kono, Kyushu University; Co-Rapporteurs: Professors Pedro de Miguel Asensio, Madrid Complutense University, and Axel Metzger, Hannover University) (hereinafter: ILA Committee), which was hosted at the Faculty of Law of the University of Lisbon in March 16-17, 2012. The comparison

at stake concerns the rules on infringement and exclusive (subject-matter) jurisdiction posed (or rejected, in case of exclusive jurisdiction) by four sets of academic principles. Notwithstanding the fact that the rules in question present several differences, those differences in the majority of cases could be overcome by further studies and work of the ILA Committee, as the following comparison explains.

Keywords: Infringement, Jurisdiction, territoriality, ubiquity, intellectual property, Exclusive (subject-matter) Jurisdiction, validity, inter partes effects

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A. Introduction

1 The following pages compare the rules on infringement and exclusive (subject-matter) jurisdiction posed (or rejected) by four sets of academic principles, namely the ALI Principles Governing Jurisdiction, Choice of Law, and Judgments in Transnational Disputes, adopted on 14 May 2007 (will be referred to as the ALI Principles); the “Principles for Conflict of Laws in Intellectual Property, prepared by the European Max Planck Group on Conflict of Laws in Intellectual Property (CLIP)”, published on 31 August 2011 (will be referred to as the CLIP Principles); the “Transparency of Japanese Law Project, Transparency Proposal on Jurisdiction, Choice of Law, Recognition and Enforcement of Foreign Judgments in Intellectual Property” finalised in 2009 (will be referred to as the Transparency Proposal); the “Principles of Private International Law on Intellectual Property Rights, Joint Proposal Drafted by Members of the Private International Law Association of Korea and Japan (Joint University Global COE Project)”, of 14 October 2010 (will be referred to as the Joint Korean and Japanese Proposal). The comparison demonstrates a trend of all sets of principles to mitigate and even to overcome the territorial approach, in favour of the consolidation of claims in cross-border intellectual property rights disputes.

B. Infringement Jurisdiction in Intellectual Property

I. PIL method adopted

1. Differences

2 The Transparency Proposal adopts a unilateral PIL method which determines only when Japanese courts will have international jurisdiction to hear a claim, but does not determine which other State’s courts may also have jurisdiction for the same claim. The ALI Principles, the CLIP Principles and the Joint Korean and Japanese Proposal all adopt a multilateral method, which does address when national and foreign courts will have jurisdiction.

2. Rationale

3 The Transparency Proposal primarily aims at the reform of current Japanese law, particularly with respect to international jurisdiction,¹ while the other sets of Principles seek universal Principles on issues concerning international IPRs law. Thus, the former

adopts a unilateral method, while the latter adopts a multilateral approach.

3. International Context

4 The multilateral conventions on international jurisdiction typically seek universal Principles and therefore adopt a multilateral approach.

4. Discussion

5 The Transparency Proposal adopts a unilateral approach, which does not give an answer to the question of which court has international jurisdiction to address the case at stake when the forum state courts do not have such jurisdiction. While unilateralism is necessary for national rules on international jurisdiction, it is not suitable for international rules on the same topic.

6 By contrast, the ALI Principles, the CLIP Principles, and the Joint Korean and Japanese Proposal each adopt a multilateral approach for determining jurisdiction. Thus, each of these provide an answer for which other court(s) would have jurisdiction even if the forum state in question lacks jurisdiction. An international consensus is needed if the problems of cross-border litigation are going to be adequately addressed and these proposals, by taking a multilateral approach, are more likely to be helpful in finding a unified international solution. Also, the multilateral approach is supported by the 2001 Draft of the Hague Judgment Convention, in Article 10 on Torts, which clearly envisages international litigation and sets out guidelines for which courts will have jurisdiction.²

II. Notion of infringement

1. Differences

7 The CLIP Principles (in Article 2:202) and the Transparency Proposal (in Article 105) are explicit that jurisdiction extends not only to infringement, but also to *threatened infringements*. In contrast, the Joint Korean and Japanese Proposal, by referring to “infringement occurs”, in Article 203, does not make provision for cases of threatened infringements. The wording of the ALI Principles, in Section 204, does not make it clear whether a forum State could have jurisdiction over an infringement claim when the infringement is only threatened.

8 All sets of Principles do not characterise the notion of infringement on the basis of the magnitude of the harm caused or the degree of fault involved,

but instead insert escape clauses, which will be addressed in paragraph B.IV.

- 9 The 2001 Draft of the Hague Judgment Convention supports the approach taken by the CLIP Principles and the Transparency Proposal, as outlined in paragraphs B.II.3 and B.II.4 below.

2. Rationale

- 10 The CLIP Principles and the Transparency Proposal provide for jurisdiction in cases of infringement as well as in cases of threatened infringement. The Comments to the Transparency Proposal highlight that this rule is necessary since “if no preventive measure could be taken – for example, in cases where infringing actions via Internet or the flow of pirate products from an off-shore production site are surely foreseen – damages could be huge. The author is of the opinion that in such cases preventive measures should be taken. The Transparency Proposal therefore includes ‘the place where results of an intellectual property infringement are to occur’ and ‘an infringing act is to take place’.”³ It is reasonable to assume similar reasoning was behind the granting of jurisdiction over threatened infringements in the CLIP Principles.
- 11 In contrast, the Joint Korean and Japanese Proposal does not make provision for threatened infringements, and the wording of the ALI Principles is not clear on whether a forum State could have jurisdiction over a threatened infringement. The reason for this is not given.
- 12 As a matter of principle, the term “infringement” in all sets of Principles is not qualified either with respect to the magnitude of the harm caused or the degree of fault involved. This means that according to the basic rule in each of the sets of Principles (found in Article 2:202 of the CLIP Principles, Article 105 of the Transparency Proposal, Article 203 of the Joint Korean and Japanese Proposal and Section 204 of the ALI Principles), jurisdiction could in principle be established in countries where the infringement only occurs accidentally, and has only minimal effect. In order to avoid such results, which could be grossly disproportional to the infringing activity and/or harm caused, each set of Principles has an escape clause under which jurisdiction will be denied if certain requirements are met, and those requirements vary with respect to each set of Principles.

3. International Context

- 13 The 2001 Hague Draft Convention includes the notion of threatened infringements, in Article 10(4), where it says “[a] plaintiff may also bring an action

in accordance with paragraph 1 when the act or omission, or the injury may occur.” This approach is in line with the CLIP Principles and the Transparency Proposal, as mentioned above. Furthermore, the Hague Draft Convention supports all of the sets of Principles by not characterizing the notion of infringement in terms of harm caused or degree of fault involved either. However, the Convention does have an escape clause, in Article 10(3), which says that “where the defendant has taken reasonable steps to avoid acting in or directing activity into that State” then that State will not have jurisdiction.

4. Discussion

- 14 The CLIP Principles and the Transparency Proposal are explicit that jurisdiction extends not only to infringement, but also to *threatened infringements*. In contrast, the Joint Korean and Japanese Proposal, by referring to “infringement occurred,” does not make provision for jurisdiction in cases of threatened infringements. The wording of the ALI Principles does not make clear whether a forum State could have jurisdiction over an infringement claim when the infringement is only threatened. The approach of the first two proposals is preferable since the advantages typically connected with establishing jurisdiction in the country where the infringing activity already occurred are also pertinent in the case of threatened infringement. Even though the situation differs insofar as infringing items will not be found on the market, indicia for a threat being imminent will regularly be accessible at the place or the places where the relevant preparations are taken.⁴
- 15 The approach taken by the CLIP Principles and the Transparency Proposal of including threatened infringements is also supported by the 2001 Draft of the Hague Judgment Convention.⁵ Article 10(4) states that the plaintiff may also “bring an action [...] when the act or omission, or the injury may occur.”
- 16 In contrast, even though the term “infringement” in all sets of Principles is not qualified either with respect to the magnitude of the harm caused or the degree of fault involved, each set of Principles poses an escape clause under which jurisdiction will be denied if certain requirements are met, in order to avoid establishing jurisdiction in countries where the infringement only occurs accidentally, and has only minimal effect. The escape clauses will be discussed in paragraph B.IV.4.

III. Territoriality

1. Differences

- 17 All sets of Principles are grounded on the premise that IPRs infringements are torts.⁶ International jurisdiction in tort cases is usually grounded at the place of the *harmful act* as well as at the place of the produced *effect*. However, the CLIP Principles do not apply such a distinction in intellectual property matters due to the territorial structure of intellectual property rights, which does not allow for the establishment of jurisdiction in a State where the right is not protected. In fact, the CLIP Principles determine the place of the infringement activity as always coincident with the place of the infringement results, due to the territorial nature of IPRs (see Article 2:202, which says “[A] person may be sued in the courts of the State where the alleged infringement occurs or may occur...”). Yet, the CLIP Principles do mitigate the territorial approach by adopting a more “effects-oriented approach”. Under this approach, the infringing conduct that has taken place in a certain State (and so can base the infringement jurisdiction in that State) is also required to have been directed to that State.⁷
- 18 In contrast, all other sets of Principles adopt the jurisdiction criteria of general torts for IPRs infringements cases, namely by granting jurisdiction to the courts at the place of the infringement activity or at the place of the infringement results, the latter being hypothetically different from the former.
- 19 The 2001 Draft of the Hague Judgment Convention also supports the jurisdiction criteria of general torts, as is discussed below in paragraph B.III.4.

2. Rationale

- 20 All sets of Principles save the CLIP Principles allow for the establishment of jurisdiction at the place where the infringement activities took place as well as at the place where the infringing results occurred. Thus, even though the Comments to the Joint Korean and Japanese Proposal refer to the territoriality principle, the same Comments interpret the category of infringement in conformity with the ubiquity theory.
- 21 The territorial approach of the CLIP Principles is explained by the fact that an IPRs infringement differs than a traditional tort since any conduct can infringe an IPRs that does not actually exist where the conduct is perpetrated. So, for instance should the protection of an Italian IPR be invoked before a US court by reason of the fact that the uploading activity took place in the US, the US court should

consider that the right to be protected is an Italian right, that this right does not exist in the US, that it is not possible to infringe something that does not exist, that the activity at stake is therefore not an infringing activity, and that the US court cannot ground its jurisdiction on the Italian IPR infringement. In summary, the infringing activities can only be the first activities of the series of conducts that take place in the state where the IPR to be protected exists. As a consequence, the place where the injuries occur can only be coincident with the place where the activities initiating those injuries occur, and can be localized in the State where the IPR to be protected exists.⁸ The territoriality principle therefore highly influences the CLIP Principles infringement jurisdiction.

- 22 Yet, the influence of the territoriality principle on the CLIP Principles is mitigated in several ways. First, the territoriality principle is intended as an expression of the proximity principle, since under the CLIP Principles it is suitable to determine the best placed court to adjudicate the infringement in light of the fact that this court is the more proximal to the concrete case at stake.⁹ Second, the CLIP Principles are also influenced by “the act-based conception of intellectual property infringements”¹⁰ under which “whereas traditional tort distinguishes between act, causation and damage, the infringement of an IPR requires only that the defendant committed an act which falls in the scope of the absolute right of the right holder.”¹¹ Third, the CLIP Principles even adopt a more “effects-oriented approach”, under which the infringing conduct that can base the infringement jurisdiction includes the activity that takes place, which is directed to a certain State. As such the Principles implement the “directed to” test proper of German jurisprudence¹² and the “commercial effects” proposed by the WIPO Joint Recommendation Concerning the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet, adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the WIPO at the Thirty-Sixth Series of Meetings of the Assemblies of the Member States of WIPO 24 September to 3 October 2001.¹³

3. International Context

- 23 A tendency to overcome a strict territorial approach is reflected by the rules on jurisdiction that do not consider the place of result as being coincident with the place of the act in the name of the territoriality principle, but rather extend the ubiquity theory to IPRs. This theory is generally adopted with respect to other sorts of torts and leads to the vesting of international jurisdiction in the courts at the place of the act or alternatively in the courts at the place of the result. In the Brussels system for instance, Arti-

cle 5(3) of the Brussels I Regulation establishes that “a person domiciled in a Member State may, in another Member State, be sued: / [...] 3. in matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred or may occur” In relation to this rule and to its corresponding one of the Brussels Convention the ECJ has rendered many different interpretative judgments.

- 24 So, in the *Mines de potasse* case the ECJ posed the ubiquity theory by maintaining that “where the place of the happening of the event which may give rise to liability in tort, delict or quasidelict and the place where that event results in damage are not identical, the expression ‘place where the harmful event occurred’, in Article 5(3) of the Convention of 27 September 1968 on Jurisdiction and the Enforcement of Judgments in Civil and Commercial matters, must be understood as being intended to cover both the place where the damage occurred and the place of the event giving rise to it. The result is that the defendant may be sued, at the option of the plaintiff, either in the courts for the place where the damage occurred or in the courts for the place of the event which gives rise to and is at the origin of that damage.”¹⁴
- 25 With particular regard to the multi-state infringements, in the *Shevill* decision¹⁵ the ECJ maintained that the expression of Article 5(3) of the Brussels I Regulation “place where the harmful event occurred” shall be interpreted in the sense that “the victim of a libel by a newspaper article distributed in several Contracting States may bring an action for damages against the publisher either before the courts of the Contracting State of the place where the publisher of the defamatory publication is established, which have jurisdiction to award damages for all the harm caused by the defamation, or before the courts of each Contracting State in which the publication was distributed and where the victim claims to have suffered injury to his reputation, which have jurisdiction to rule solely in respect of the harm caused in the State of the court seised”.
- 26 In the case *Olivier Martinez, Robert Martinez v Société MGN Limited* the “Tribunal de Grande Instance de Paris” referred to the ECJ the following question “must Article 2 and Article 5(3) of Council Regulation (EC) No 44/2001 of 22 December 2000 on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial matters be interpreted to mean that a court or tribunal of a Member State has jurisdiction to hear an action brought in respect of an infringement of personal rights allegedly committed by the placing on-line of information and/or photographs on an Internet site published in another Member State by a company domiciled in that second State - or in a third Member State, but in any event in a State other than the first Member State - : On the sole condition that that Internet site can be accessed from the

first Member State, On the sole condition that there is between the harmful act and the territory of the first Member State a link which is sufficient, substantial or significant and, in that case, whether that link can be created by: - the number of hits on the page at issue made from the first Member State, as an absolute figure or as a proportion of all hits on that page, /- the residence, or nationality, of the person who complains of the infringement of his personal rights or more generally of the persons concerned, - the language in which the information at issue is broadcast or any other factor which may demonstrate the site publisher’s intention to address specifically the public of the first Member State, - the place where the events described occurred and/or where the photographic images put on-line were taken, - other criteria?”¹⁶ In other words, the ECJ was asked to determine a so called market impact rule.¹⁷ Unfortunately the ECJ did not answer to this question because it was not raised in a case pending before a court or tribunal of a Member State against whose decisions there is no judicial remedy under national law as required by Article 68(1) of the EC Treaty, but rather in a case where decisions on jurisdiction taken by the national court in the main proceedings were subject to appeal under national law.¹⁸ In the absence of an ECJ judgment on this problem, EU member states adopt different solutions in relation to the IPRs infringement on the Internet. At first, the EU member States’ national courts have interpreted broadly the notion of “place where the harmful event occurred”, which was intended to include the place where an Internet service could be downloaded. This interpretation however, has been superseded in more recent times, particularly in Germany, starting from the *Hotel Maritime* judgment of the German Supreme Court which required websites to be “intentionally directed” to German users in order to ascertain the German courts jurisdiction.¹⁹

- 27 In the very recent *eDate* case the ECJ maintained that Article 5(3) of the Brussels I Regulation “must be interpreted as meaning that, in the event of an alleged infringement of personality rights by means of content placed online on an internet website, the person who considers that his rights have been infringed has the option of bringing an action for liability, in respect of all the damage caused, either before the courts of the Member State in which the publisher of that content is established or before the courts of the Member State in which the centre of his interests is based. That person may also, instead of an action for liability in respect of all the damage caused, bring his action before the courts of each Member State in the territory of which content placed online is or has been accessible. Those courts have jurisdiction only in respect of the damage caused in the territory of the Member State of the court seised.”²⁰ In other words, the *eDate* jurisprudence then poses a *forum actoris*, allowing the plaintiff to sue the defendant at his place. As such this jurisprudence derogates to

the principle at the basis of the Brussels system according to which *actor sequitur forum rei*.

- 28 In sum, for torts in general Article 5(3) of the Brussels system as interpreted by the ECJ does not consider the place of the result as being coincident with the place of the act, in the name of the territoriality principle, but rather adopts the ubiquity theory leading to the vesting of international jurisdiction in the courts at the place of the act or alternatively in the courts at the place of the result. Yet, the ECJ for a long time did not specify if the judgments just recalled are extendable to IPRs infringement cases. Therefore, the issue was highly debated. According to an opinion the *Shevill* jurisprudence does not apply to IPRs cases by reason of their territorial nature: this opinion leads to a narrower scope of the court's authority than the one proper of the *Shevill* jurisprudence, since the extent of both the jurisdictions at the place of the activity and the jurisdictions at the place of the result (intended in any case as being identical) would be territorially limited to the damages localised in the forum state.²¹ Yet, another opinion adopts an opposite view and considers the *Shevill* jurisprudence extendable to IPRs cases despite their territorial nature.²² In any case both opinions deny the application to IPRs of the *eDate* jurisprudence on the *forum actoris*, sine contrary to the owner of sensible data, the IPR owner is the stronger party of the case rather than the weaker one: it does not seem correct, then, to allow the stronger party to sue the defendant at his place.
- 29 Finally, on April the 19th 2012 in the *Wintersteiger*²³ case the ECJ extended the judgments at stake to the IPRs cases, by stating that Art.5(3) of the Brussels I Regulation "must be interpreted as meaning that an action relating to infringement of a trade mark registered in a Member State because of the use, by an advertiser, of a keyword identical to that trade mark on a search engine website operating under a country-specific top-level domain of another Member State may be brought before either the courts of the Member State in which the trade mark is registered or the courts of the Member State of the place of establishment of the advertiser". In other words Art. 5.3 grants jurisdiction to the courts at the place of registration of a trademark, in their quality of being the courts of the harmful event, and at the same time to the courts of the place of establishment of the person who uploaded material on-line, in their quality of being the courts of the place of the action. Furthermore, the scope of the courts' authority at the place of the establishment of the person at stake is territorially unlimited, while the extension of the jurisdiction of the courts at the place of the registration of the trademark at stake is confined to the territory of the forum State. Finally, the Court explicitly denied the application of the *eDate* jurisprudence to the IPRs infringement cases:
- while the situation of a person who considers that there has been an infringement of his personality rights could involve more than one State, being these personality rights protectable in all Member States, a proprietor of an IPR cannot rely on the protection of this right outside the territory of its granting State, since the protection afforded by the registration of a national mark is, in principle, limited to the territory of the Member State in which it is registered²⁴.
- 30 Finally, it is worth noting that according to Article 98(2) of the Community Trade Mark Regulation, courts in the defendant's country of domicile, or one of the other courts listed in the "cascade" of fora in Article 97 (1)-(4), have competence to adjudicate the infringement of a Community Trade Mark in its entirety, but the courts in the countries where the infringement occurred only have jurisdiction with regard to their own territory.²⁵ A corresponding rule can also be found in Article 83(2) of the Community Design Regulation.
- 31 Outside the EU frame, specifically in Japan, according to the new Japanese Act on International Jurisdiction, an action related to a tort may be filed with the courts of Japan when "the tort occurred in Japan (except where the result of a harmful act committed abroad has occurred in Japan and the occurrence of that result in Japan would have been normally unforeseeable)" (Article 3-3 (viii) of Japan's Act on International Jurisdiction). According to the common understanding of this rule, "in the cases where the place of a harmful act and the place of the result of the act differ, it is sufficient if either the act or the result took place in Japan."²⁶ This rule applies also to IPRs, because of the absence of a specific provision on these kind of torts and the exclusion of IPRs infringements from the scope of exclusive jurisdiction rule.²⁷ Thus, the Japanese approach would then allow a Japanese court to adjudicate an infringement case under the infringement jurisdiction rule notwithstanding the fact that the claim relates to a foreign IPR and the defendant is not domiciled in Japan, if for instance, the results of the infringement are in Japan. This would not be possible according to the territorial approach.²⁸ This Japanese approach allows for centralised jurisdiction even with regard to the multi-state IPRs infringements, rendering it possible in cases of multi-state torts to claim damages for the tort in its entirety in Japan, even if it is not the place where the defendant is domiciled and it is not the place where the action causing the harm was committed.²⁹ Furthermore, in Japan, in determining the place of the result it is relevant to refer to the place of the effects that the alleged infringing act would have upon the forum, rather than to the physical territorial connection to the forum in line with the market impact approach.³⁰
- 32 Also, the ubiquity approach is adopted in China, where the Supreme Court's Interpretation of Seve-

ral Questions on the Application of Law in on-line Copyright Disputes Litigation of 2000 (amended in 2006) established that for the purposes of international jurisdiction “the place of infringement includes the place where the ISP, computer terminals which operate the alleged infringing activity are located. In the cases where the place of infringement [...] cannot be ascertained, the place where the computer terminal through which the plaintiff found infringing contents is located is deemed the place of infringement.”³¹

4. Discussion

- 33 The tendency to overcome a strict territorial approach with respect to IPRs infringement cases is evident in the four sets of Principles. In fact, all of the sets of Principles, except the CLIP Principles, adopt the ubiquity theory with respect to IPRs infringements and therefore neglect the territorial approach, allowing for jurisdiction at the place where the infringement activities took place or will take place as well as at the place where the infringing results occurred or might occur.³²
- 34 This approach is supported by the 2001 Draft of the Hague Judgment Convention, which outlines in Article 10(1) that the plaintiff may bring an action either at the place of the action, or at the place of the injury.³³ The Nygh/Pocar Report to the Hague Judgment Convention talks about this approach both ensuring that the best placed court in each case is chosen, and allowing the victim to have the benefit of choosing the court in light of which law will be applied.³⁴ Also, even the CLIP Principles limit the influence of the territoriality principle on their infringement jurisdiction rule.³⁵ In fact, the CLIP Principles do not refuse to apply the ubiquity theory in IPRs cases by reason of the territoriality principle being an expression of a particular nature of those rights. Rather the refusal to apply the ubiquity theory to IPRs cases originates in their understanding of the territoriality principle as an expression of the proximity principle, under which the most proximal and best placed court to adjudicate the case should always be the court of the country of protection of the IPR involved.³⁶ The refusal to apply the ubiquity theory to IPRs cases by the CLIP Principles derives also from the act-based conception of IPRs infringement. The same refusal is also grounded in the criticism of the place of the action as an adequate jurisdiction criterion, particularly in Internet cases.³⁷ In any case, the CLIP Principles still adopt a tempered territoriality approach in relation to the infringement jurisdiction because they follow an effects-oriented approach.
- 35 Finally, all the Principles in question allow (under different requirements) a centralised jurisdiction to adjudicate on the entire infringement without territorial limitations, and heavily rely on the market impact rule, as will be recalled at paragraph B.IV.4 below.
- 36 The “territorial approach” with respect to infringement jurisdiction of the CLIP Principles has been criticised by Professor Yuko Nishitani because it does not allow for the capturing of preparatory acts directly in the place where these acts are being perpetrated, when the IPR infringed by these preparatory acts is a foreign IPR. On this, see the example given *supra* in footnote 26.³⁸
- 37 Professor Basedow’s comments on the issue are also relevant, but it is unclear whether these comments are limited to ubiquitous infringements or can be applied more generally to the territorial approach of the CLIP Principles. In his comments, Professor Basedow raises the questions of whether there can be maintained in cases of worldwide dissemination of data the view that the only relevant state is the one where the IPR exists (in fact, if somebody uploads something in one country that infringes rights in other countries it would be reasonable to qualify the act of uploading as irrelevant); and the view that there is unlikely to be relevant evidence in the state where the preparatory acts take place (in fact, “in the state where the material is uploaded, there could, for instance, be witnesses who could testify that certain material was uploaded at a certain point in time.”)³⁹
- 38 However, Doctor Heinze offers an argument in favour of the territorial confinement of jurisdiction, explaining that there are several objections against a rule that gives jurisdiction to a State in which the right does not even exist. One, from a dogmatic point of view it is odd to grant jurisdiction over an intellectual property infringement to a state in which the right does not even exist. Second, since the purpose of the infringement jurisdiction rule is to grant jurisdiction to a court that has proximity to the evidence to be presented in the case, it is assumed that the relevant evidence relating to the IPR infringement can be found in the State where the infringement occurred and thus in the State where the IPR that was allegedly infringed exists. Finally, as for the enforcement concerns and the need to obtain redress quickly, plaintiffs can seek provisional measures in the State where the activities took place by relying on the special jurisdiction rules for provisional measures.⁴⁰
- 39 Finally, it seems that the stance to be welcomed is the one that favours the application of the jurisdiction rule on tort to claims on the infringement of IPRs i.e. the approach that is followed by the ALI Principles, the Joint Korean and Japanese Proposal and the Transparency Proposal.⁴¹ This position

is also in line with the 2001 Draft of the Hague Judgment Convention approach, as is clear by the wording of Article 10, splitting the issues of jurisdiction into the places where the act or omission “that caused injury” occurred, and the place where the “injury arose.”⁴²

IV. Jurisdiction criteria, scope of court’s authority and escape clause

1. Differences

- 40** The ALI Principles, the Transparency Proposal and the Joint Korean and Japanese Proposal all adopt the so called ubiquity theory,⁴³ which provides for jurisdiction at the place of the action, and at the place of the result of the infringement.
- 41** With respect to the court at the place of the action, this court’s authority is unlimited in scope under the ALI Principles, but is limited under the Transparency and Joint Korean and Japanese Proposals. The place of the action does not provide a sufficient forum to exercise jurisdiction in cases of ubiquitous infringements under the Transparency Proposal, unless the results are maximized in Japan, and under the Joint Korean and Japanese Proposal, the place of the action does not provide a sufficient forum to exercise jurisdiction in cases of multistate infringements, unless the major part of the alleged infringer’s activities occurred in the forum state.
- 42** To be more precise, the ALI Principles establish that where the court is situated in the place where the defendant has substantially acted, or taken substantial preparatory acts, to initiate or to further an alleged infringement, the court has jurisdiction and its jurisdiction extends to claims respecting all injuries arising out of the conduct, wherever the injuries occur. Thus, the ALI Principles provide for a centralised jurisdiction in favour of the courts at the place of action, independent of the means utilised to perpetrate the infringement, and therefore not only in cases of “ubiquitous infringements”, (this wording is not adopted by the ALI Principles). This solution allows for consolidation of jurisdiction at the place from which the infringement in its entirety has started, such as in the country where the infringing content was first published or uploaded or where the infringing goods were fabricated.
- 43** The Japanese Transparency Proposal establishes in Article 105 that Japanese courts shall have jurisdiction over an infringement claim if the infringing act took place or is likely to take place in Japan. The extent of jurisdiction of the court at the place where the infringing act took place or is to take place is established by the first part of Article 105, which states that infringement jurisdiction should only extend to the territory of the State which has grounds for infringement jurisdiction. However, the Japanese Transparency Proposal poses an exception to the general rule, which can be recalled as an “escape clause”, because under the second part of Article 105, Japanese courts shall decline jurisdiction in cases of “ubiquitous infringement” claims. Therefore the defendant can escape the Japanese jurisdiction.
- 44** The Joint Korean and Japanese Proposal poses the principle that infringement jurisdiction shall vest in the courts in all countries where the alleged infringement occurs, stating that “A person may be sued in the courts of any state where the alleged infringement occurs” (Article 203 (the 1st sentence of paragraph (1)). The so-called “[S]tate in which the major part of his or her activities that initiate infringement” (it is worth noting here that this second sentence in Article 203(1) is missing the word “occur” at the end) means not only the State in which those allegedly infringing activities were initiated, but also the State in which the injuries arising out of those activities occur. The Joint Korean and Japanese Proposal limits the scope of jurisdiction of the courts of the State where the activities occurred to the injuries occurring in that State, as this is the country to which the activities of the defendant were “directed” (under Article 203(2)). However, Article 203 (the 2nd sentence of paragraph (1)) poses an escape clause according to which when the injuries occur in multiple States, regardless of the sequence of those injuries, the person whose infringement activities give rise to those injuries may be sued in the courts of the State in which the major part of his or her activities that initiated the alleged infringement occurred. So, if the defendant did not perpetrate the major part of his/her activities in the forum state, then he/she cannot be sued there. Finally, the Comments to Article 203 (specifically, to the 2nd sentence of paragraph (1)) clarify that the “state in which the major part of his or her activities ... [occur]” means the State in which the essential and substantial part of those activities occur. International jurisdiction with regard to infringements occurring in multiple states is then granted to the courts in the country where the “major part” of the activities initiating the infringement took place. This court can deal with all the claims arising out of that infringement irrespective of the fact that they are located outside the forum state.
- 45** The 2001 Draft of the Hague Judgment Convention seems to support the limited approach taken by the Transparency Proposal and the Joint Korean and Japanese Proposal. Article 10(1)(a) states that a plaintiff may bring an action “in the courts of the State – in which the act or omission that caused the injury occurred.” This is then limited by the require-

ment in (2); namely that the “activity” complained of must have been directed to that State by the defendant, or have been engaged in by the defendant frequently or significantly in that State, *and* that the claim arises out of that activity, *and* the overall connection of the defendant to that particular State means it is reasonable for the defendant to be sued in that State. Furthermore, Article 10(3) provides an escape rule, in that the defendant cannot be sued in the place of action “where the defendant has taken reasonable steps to avoid acting in or directing activity into that State.”

- 46** With respect to the court at the place of the result, the ALI Principles, the Transparency Proposal, and the Joint Korean and Japanese Proposal establish jurisdiction at the place of the result of the infringement, but provide for a territorially limited scope of the corresponding courts’ authority. In addition, these sets of Principles provide escape clauses, allowing the court at the place of the result to dismiss the case when the activities are not directed to the forum state (ALI Principles), in cases of ubiquitous infringements (Transparency Proposal), and in relation to multistate infringements (Joint Korean and Japanese Proposal). However, the court at the place of the result shall not dismiss the case and therefore shall exercise jurisdiction without any territorial limitation on all of the infringement claims (centralized jurisdiction) in the case of ubiquitous infringements, whenever the results are maximised or are to be maximised in Japan, under the Transparency Proposal; and in the case of multistate infringements when the major part of the activities that initiated the alleged infringement occurred in the forum state, under the Joint Korean and Japanese Proposal.
- 47** To be more precise, the ALI Principles state that the plaintiff may also sue before the court of any State in which the defendant’s activities give rise to an infringement claim. The extent of the jurisdiction of the court of the state where the infringement occurred is limited to injuries suffered in that forum state. As for the escape clause of the ALI Principles, according to the second sentence of Section 204(2), the jurisdiction of the courts at the place of infringement can be denied if the defendant did not direct his/her activities to that state.⁴⁴
- 48** The Japanese Transparency Proposal establishes in Article 105 that Japanese courts shall have jurisdiction over infringement if the results of an IPR infringement occurred or are to occur in Japan. The extent of jurisdiction of the court at the place where the results of the infringement occurred or are to occur is established by the first part of Article 105, which sets forth the general principle that infringement jurisdiction should only extend to the territory of the State where the ground for attributing such jurisdiction exists. However, the Japanese Transparency Proposal also poses an escape clause. Hence, according to the second part of Article 105, Japanese courts shall decline jurisdiction over “ubiquitous infringement” claims. However, there is an exception to the escape clause, thus allowing the court seized to exercise jurisdiction whenever the results of the ubiquitous infringements are maximised or are to be maximised in Japan. In this case the court can exercise jurisdiction over the entire infringement, regardless of where the injuries occur. Thus, if the infringements at stake are perpetrated throughout an ubiquitous medium (e.g., the Internet) and the State of the forum is also the state where the results of the infringement are maximized, Article 105 confers centralized jurisdiction on the courts of the forum State to adjudicate the entire infringement claims wherever the injuries occur.
- 49** The Joint Korean and Japanese Proposal establishes the principle that infringement jurisdiction shall be vested in the courts in all countries where an infringement occurs, stating that “A person may be sued in the courts of any state where the alleged infringement occurs” (the 1st sentence of paragraph (1)). The so-called “[S]tate in which the major part of his or her activities to initiate an alleged infringement [occur]” means not only the State in which those activities that initiate the alleged infringement occur but also the State in which the injuries arising out of those activities occur. This is made clear by the Comments to the Joint Korean and Japanese Proposal, which first reintroduce the category of activities, not present in the text of the Proposal, and characterize this category as encompassing both activities and results. The Joint Korean and Japanese Proposal limits the extent of jurisdiction of the courts of the State in which the injuries arising out of those activities occur to the injuries occurring in that State, as this is where the activities of the defendant were “directed”. However, Article 203 (the 2nd sentence of paragraph (1)) poses an escape clause. According to this Article, when the injuries occur in multiple states, the person whose infringement activities give rise to those injuries may be sued in the courts of the State in which the major part of his or her activities that initiated the alleged infringement occurred, regardless of the sequence of those injuries. Thus, an injury suffered in a State is not sufficient for jurisdiction; only a State where the defendant perpetrated a major part of his or her allegedly infringing activities will have jurisdiction under this Article (see *supra* B.IV.1).
- 50** The 2001 Draft to the Hague Judgment Convention takes a similar approach to the other three sets of Principles discussed. Article 10(1)(b) makes it clear that the plaintiff can bring a claim in the State in which the injury arose. However the same section poses an escape clause, in that if the defendant establishes that the person purported to be responsible could not reasonably foresee that the act or

omission could result in an injury in that State, the plaintiff will not be able to bring their action there.

- 51 Article 10(5) establishes the extent of the jurisdiction of courts in the State where the result has occurred. It states that those courts will have jurisdiction “only in respect of the injury that occurred or may occur in that State, unless the injured person has his or her habitual residence in that State.”
- 52 The jurisdiction at the place of the infringement means the jurisdiction at the place of both the infringement activity and the infringement results under the CLIP Principles. This is due to the notion that activity and results cannot be split up due to the territorial nature of IPRs. Yet, Article 2:202 requires that the infringing conduct that can base the infringement jurisdiction occurs in a certain State, and is directed to that certain State.⁴⁵
- 53 In addition, the CLIP Principles establish a territorially limited scope of the court’s authority under 2:203(1) i.e., the court can only adjudicate on the infringements that occurred inside its State. Although there is a territorial limitation of the jurisdiction to the place of the infringement under the CLIP Principles, it was considered necessary to allow the court at the place of the infringement to have centralized jurisdiction over the entire infringement, with no territorial confinement, in one exceptional case; when the infringement is perpetrated through ubiquitous media. Ubiquitous infringement “means concurrent multi-territorial infringements evoked by a single act of operation”⁴⁶ – with the main example of ubiquitous media being the Internet. In these cases, the CLIP Principles provide that the court shall exercise jurisdiction with respect to the entire infringement, namely the infringement that occurs or may occur within the territory of the forum State as well as in any other States, when a number of qualifications are met (set out under Article 2:203(2)). First, the allegedly infringing activity must be carried out through ubiquitous media. Second, such activity must have no substantial effect in the State or States where the alleged infringer is habitually resident. Third, even if an alternative forum can be established in principle, the venue chosen by the plaintiff must conform to a positive requirement in order to ensure that it is not chosen arbitrarily. Namely, it must be established that either substantial activities in furtherance of the infringement have been carried out in the forum State, or that the harm occurring in that State is substantial in relation to the infringement in its entirety.⁴⁷
- 54 In contrast, as outlined above, the court at the place of the infringement does not have jurisdiction at all when the defendant did not act in the forum state in furtherance or initiation of the infringement, and if the activities causing the infringement cannot reasonably be seen as having been directed to that State (under Article 2:202). This clause is also called an escape clause because it allows the defendant the possibility of escaping the infringement court’s jurisdiction.⁴⁸ The elements in the escape clause are meant to apply cumulatively, signified by the use of “and”. If one is lacking, infringement jurisdiction will still be found.
- 55 With respect to the escape clauses, the Japanese Transparency Proposal applies its escape clause in a stricter way than the ALI Principles, the CLIP Principles and the Joint Korean and Japanese Proposal. Thus, the Japanese Transparency Proposal allows for a broader exercise of jurisdiction by forum State courts, allowing Japanese courts to exercise jurisdiction when the result of the infringement is maximised in Japan. Indeed, the category of “results of the infringement” is very broad and poses problems with respect to its characterisation. Moreover, the Japanese Transparency Proposal does not pose any further conditions other than the results being maximised in Japan, such as the activities being directed to Japan or the defendant acting in Japan.
- 56 In contrast, these conditions are posed by the other sets of Principles. Hence, the CLIP Principles allow for the exercise of jurisdiction by forum State courts only if the alleged infringement occurred or will occur in that State, and the defendant either acted in the forum state to initiate or further the infringement or directed his/her activity to the same state, or both.
- 57 The ALI Principles allow the forum state court to exercise jurisdiction only when the defendant directed his/her activities to the forum state, independently of his/her acting also in that state.
- 58 The Joint Korean and Japanese Proposal conditions the exercise of jurisdiction to the case of multistate infringements where the major part of the defendant’s activities that initiate the alleged multistate infringement occurred in the forum state (according to the Comments to the Joint Korean and Japanese Proposal, this means the state in which the essential and substantial part of those activities occur). So, while the notions of activity directed to or defendant acting in the forum state can be assessed by taking into account all of the relevant circumstances, including the language, content, and other aspects from which the territorial scope of the targeted area may be inferred, it is not clear what kind of assessments characterise the notion of “results maximised in Japan”, and it seems it would be possible to ascertain jurisdiction under this requirement where the merely economic results of the infringement are suffered in Japan.
- 59 However, the Japanese Proposal only allows for the application of the escape clause to cases when the allegedly infringing activity is spread through ubiqui-

tous media. In contrast, the Joint Korean and Japanese Proposal allows for the application of the escape clause to multistate infringements cases that are not necessarily perpetrated throughout the Internet or another form of ubiquitous media. Also, the CLIP Principles and the ALI Principles do not condition the application of their escape clauses to the nature of the means through which the infringement is perpetrated, or to the number of countries involved in the infringement.

- 60 The 2001 Draft of the Hague Judgment Convention is similar to the CLIP Principles in that its escape clause is based on the activities of the defendant, rather than on the type of media involved or whether the infringement is multistate. This is discussed below in paragraph B.IV.4.
- 61 With particular regard to centralised jurisdiction, the following can be said. The ALI Principles, the CLIP Principles, the Transparency Proposal and the Joint Korean and Japanese Proposal allow for the adjudication of the infringement in its entirety in certain circumstances. Under the CLIP Principles, it is only when the infringements are committed through a form of ubiquitous media, whereas the ALI Principles, the Joint Korean and Japanese Proposal, and the Japanese Transparency Proposal also allow for the consolidation of claims with respect to infringements carried out in other ways. In contrast to the CLIP Principles, the Transparency Proposal impedes the centralization of jurisdiction with respect to infringements carried out throughout ubiquitous media, save when the results are maximized in Japan.
- 62 In this respect the CLIP Principles are much stricter than the other Principles and Proposals in allowing centralized jurisdiction. In fact, while the Transparency Proposal has a similar rule with respect to ubiquitous infringement, the CLIP Principle's rule is still stricter. Hence, the relevant Transparency Proposal rule operates independently from the fact that the activities allegedly causing the infringement have substantial effect in the State or States where the alleged infringer is habitually resident, whereas the CLIP Principles rule requires that the activities allegedly causing the ubiquitous infringement have no substantial effect in the State or States where the alleged infringer is habitually resident. However, the CLIP Principles, like the Transparency Proposal, allow for centralized jurisdiction over infringement claims before the forum state courts even though not all of the activities in furtherance of the infringement have been carried out within the territory of the forum state, when the harm caused by the infringement in the forum state is substantial (CLIP Principles) and when the results of an "ubiquitous infringement" are maximized or are to be maximized in Japan (Transparency), respectively.
- 63 Furthermore, the CLIP Principles establish certain requirements that must be met before extending the scope of the jurisdiction to the entire infringement (set out under Article 2:203(2)(a) and (b)). These requirements are much stricter than the ones posed by the corresponding rules of the ALI Principles, the Joint Korean and Japanese Proposal⁴⁹ and the Transparency Proposal with regard to infringements spread through non-ubiquitous forms of media (these are outlined below). However, the Transparency Proposal does have a rule on infringements carried out through ubiquitous media that seems to pose requirements similar to the CLIP Principles' corresponding provisions, namely that the results of the "ubiquitous infringement" are to be maximized in Japan.
- 64 Specifically, the CLIP Principles require that the activities allegedly causing the ubiquitous infringement have no substantial effect in the State or States where the alleged infringer is habitually resident, and that the activities in furtherance of the infringement in its entirety have been carried out within the territory of the forum state or the harm caused by the infringement in the forum state is substantial. In contrast, the ALI Principles establish that the court situated in the place where the defendant has substantially acted, or taken substantial preparatory acts, to initiate or further an alleged infringement has jurisdiction extending to claims respecting all injuries arising out of the conduct, wherever the injuries occur. This result is the same with regard to the corresponding Transparency Proposal rule related to infringements carried out through non-ubiquitous forms of media (it must be that the infringing act took place or is to take place in Japan), and with regard to the Joint Korean and Japanese Proposal's corresponding provision on multistate infringements (the forum state must be the state in which the major part of the activities occur).
- 65 Finally, the ALI Principles also provide for an alternative forum when a person cannot be sued in a Member State of the WTO with respect to the full territorial scope of the infringement. In this case, Section 204(3) of the ALI Principles provides that a person may be sued before the courts of any State where his/her activities give rise to infringement claims, if the activities were directed to that State, or where the person solicits or maintains regular business contacts, whether or not that activity is connected with the infringement. The provision only applies in the rather rare case that a person is habitually resident in a non-WTO State. Such a person would then be amenable to court, without territorial restrictions, in any country to which his or her activities are directed, or with which substantial contacts of any kind are maintained. The extent of jurisdiction of the court seized on the basis of Section 204.3 concerns the entire infringement and thus covers

all injuries that relate to the alleged infringement in the State, regardless of where the injuries occurred.

- 66 The 2001 Draft of the Hague Judgment Convention also seems to allow the adjudication of the entire infringement in one centralised jurisdiction in certain cases, as is discussed below in paragraph B.IV.4.

2. Rationale

- 67 With regard to the jurisdiction at the place of the action, the ALI Principles, the Transparency Proposal and the Joint Korean and Japanese Proposal grant Jurisdiction at the place of the action. The extent of this jurisdiction, however, varies among those sets of Principles.

- 68 The ALI Principles establish that a court situated in the place where the defendant has substantially acted, or taken substantial preparatory acts, to initiate or to further an alleged infringement has jurisdiction and its jurisdiction extends to claims respecting all injuries arising out of the conduct, wherever the injuries occur. Thus, the ALI Principles provide for a centralised jurisdiction in favour of the courts at the place of action independent from the means utilised to perpetrate the infringement. According to the Comments to this rule “examples of substantial activity, in addition to those discussed in Comment a, include maintaining a manufacturing or distribution center for patent-infringing components, or a factory that silkscreens infringing trademarks onto T-shirts.”⁵⁰ This solution allows consolidation of judgments at the place from which the infringement in its entirety has emanated, such as in the country where the infringing goods were fabricated, or where the infringing content was first published. The provision may also be said to implement the approach of the ECJ *Shevill* decision.⁵¹

- 69 The Japanese Transparency Proposal establishes in Article 105 that Japanese courts shall have jurisdiction over infringement if the infringing act took place or is to take place in Japan. This rule adopts the same notion of “infringing act” as has been adopted by the new Japanese Act on International Jurisdiction. This Act establishes that an action related to a tort may be filed in the courts of Japan when “the tort occurred in Japan (except where the result of a harmful act committed abroad has occurred in Japan and the occurrence of that result in Japan would have been normally unforeseeable).”⁵² According to the Annotation which accompanies this Act, “in the cases where the place of a harmful act and the place of the result of the act differ, it is sufficient if either the act or the result took place in Japan except in the case mentioned in the bracket” (i.e., except where the harm would have normally been unforeseeable).⁵³ This rule is applicable to IPRs, because of

the absence of a specific provision on these torts and the exclusion of IPRs infringements from the scope of exclusive jurisdiction rule.⁵⁴ Article 105 also establishes the scope of jurisdiction granted to the court at the place where the infringing act took place or is to take place, by adopting the general principle that infringement jurisdiction should only extend to the territory of the State where the ground for attributing such jurisdiction exists.

- 70 The Japanese Transparency Proposal also poses both a general escape clause and an exception to the escape clause, as discussed above. In this case, the court has jurisdiction to adjudicate the entire infringement, wherever the injuries occur. The exceptional character of the escape clause in Article 105 of the Transparency Proposal is marked by the grammatical structure of the provision. It follows from the wording (“except the case where ...”) that the burden for establishing that the jurisdiction does not exist lies with the defendant contesting jurisdiction.

- 71 This rule partially reflects Japanese law. The new Japanese Act on International Jurisdiction establishes that an action related to a tort may be filed with the courts of Japan when “the tort occurred in Japan (except where the result of a harmful act committed abroad has occurred in Japan and the occurrence of that result in Japan would have been normally unforeseeable).”⁵⁵ The rule offers a valid basis to deny the jurisdiction of the Japanese courts in cases where the contacts between the forum and the tortfeasor are very weak, including cases where the infringing content is merely accessible from Japan, but has not been directed there and does not have a substantial effect on the market.⁵⁶ Similarly, the Transparency Proposal uses the escape clause to deny international jurisdiction to the courts in Japan in cases where the infringement is spread through ubiquitous media, except in cases where the results of the ubiquitous infringement are maximised in Japan. This reflects the approach adopted by the Japanese Act on International Jurisdiction, since in most cases of ubiquitous infringement, it is highly probable that the occurrence of the harmful effect in Japan was unforeseeable. Additionally, while the exception to the escape clause is grounded without any reference to the foreseeability requirement, in the case that the results were maximised or are to be maximised in Japan, that result would be “usually foreseeable.”⁵⁷ Furthermore, the Japanese Transparency Proposal rule denies jurisdiction only where the results of the harmful effects that are unforeseeable are spread through ubiquitous media, whereas the new Japanese Act on International Jurisdiction denies the Japanese jurisdiction independently from the way in which the tort was committed. Finally, the Transparency Proposal conditions the exercise of jurisdiction in its entirety over ubiquitous infringement claims by Japanese courts to the fact that the results of the in-

fringement are maximised in Japan without adopting the connecting factor of infringing activities. This is because “in the era of cloud computing, a server as the central point of infringement is no longer identifiable. It means that identifying an infringing “act” does not make much sense, and the factor of an act is losing its significance as [a] jurisdictional ground in the context of [the] Internet.”⁵⁸ Another Japanese scholar has stated similarly that “[a]fter all, it seems appropriate to accept the assertion that, in regards to IP infringement on the Internet, identifying an infringing “act” does not make much sense, and the factor of an “act” is losing its significance as a jurisdictional ground. Therefore, the place of the result should be the jurisdictional ground in the context of the Internet.”⁵⁹

- 72 In a recent case concerning the infringement of patents on the Internet, the IP High Court in Japan addressed whether the principle of territoriality has anything to do with international jurisdiction. The plaintiff, a Japanese company, sought an injunction and damages against a Korean company, whose website contained information about products allegedly infringing the plaintiff’s patents. The plaintiff argued that the website constitutes an “offering for assignment,” which constituted an infringement of the plaintiff’s Japanese patents. The Court first declared “that it is appropriate to determine a Japanese courts’ international jurisdiction over the case according to whether the transmitting act of the offering or the reception of the offering as the result occurred in Japan or not.”⁶⁰ The Court went on to analyze the specific circumstances of the case with respect to the website, such as the introduction of the allegedly infringing product, providing the addresses and telephone number of the defendant’s sales headquarters in Japan, and the possibility of sales inquiries for similar products through the defendant’s webpage.⁶¹ However, after analyzing these specific circumstances, the Court affirmed its international jurisdiction without making clear whether the infringing act or the result arising out of it had occurred in Japan.⁶²
- 73 The Joint Korean and Japanese Proposal poses the principle that infringement jurisdiction shall be vested in the courts in all countries where an infringement occurs, stating that “[a] person may be sued in any state in which infringement activities occur (the 1st sentence of paragraph (1), Article 203). However, the Comments to the Proposal make clear that “the so-called “state in which the major part of his or her activities that initiate the alleged infringement [occur]” means not only the state in which those activities to initiate that infringement occur but also the state in which the injuries arising out of those activities occur”. The Comments then go further and maintain at footnote 9 that “[t]he same provision” on jurisdiction with respect to infringement s also
- found in the Transparency Proposal (Article 105). However, an infringement of intellectual property rights differs from a traditional tort. Any conduct infringing the absolute intellectual property right is enough to constitute an infringement. In summary, it seems that the Joint Korean and Japanese Proposal grants jurisdiction to the court of the State where the activity to initiate an infringement occurred, even though the Comments suggest taking the territoriality principle into account. The Joint Korean and Japanese Proposal limits the extent of jurisdiction of the courts of the State where the activities occurred to the injuries occurring in that State, as that State is where the activities of the defendant were “directed”. In this regard, the Comments to this rule recall the ECJ *Shevill* jurisprudence⁶³ and emphasize that jurisdiction should be limited to those claims respecting the injuries occurring within that state.
- 74 However, Article 203 (the 2nd sentence of paragraph (1)) poses an escape clause which posits that when the injuries from an infringement occur in multiple states, the person whose infringement activities give rise to those injuries may be sued in the courts of the State where the major part of his or her activities initiating the alleged infringement were taken, regardless of the sequence of those injuries. Thus, if the defendant did not perpetrate the major part of his/her activities in the forum state then he/she cannot be sued there. Yet, according to the Comments to Article 203 (the 2nd sentence of paragraph (1)) the “state in which the major part of those activities occur” means the “state in which the essential and substantial part of those activities occur.” In respect to international jurisdiction with regard to infringements occurring in multiple states, the Joint Korean and Japanese Proposal grants jurisdiction to the courts in the country where the “major part” of the activities initiating the infringement took place, without any relevance given to the media through which the infringement is perpetrated. This court can deal with all the claims arising out of that infringement irrespective of their location outside the forum state. However, the same Comments to this Article maintain that “there is much difficulty in definitely specifying the circumstances under which this Article applies and it may be unduly applied” grounding an unduly centralized jurisdiction. Thus, the Comments refer to Article 211 which requires some special considerations to be taken into account by the court which has international jurisdiction in deciding whether to exercise that jurisdiction (“the court when it finds that there are special circumstances that will be harmful to fairness between the parties and prevent due process or prompt trial, considering the nature of the action, convenience for the defendant to enter an appearance, domiciles of the parties and witnesses to be examined, the location of material evidence to be collected and any other circumstances, may dismiss

an action partly or wholly”). Furthermore, the Comments to Article 203 maintain that it is necessary to “prevent the excessive application of this Article”.

- 75 The 2001 Draft of the Hague Judgment Convention also allows for centralization of jurisdiction at the place of the action, as is discussed below in paragraph B.IV.4.
- 76 With respect to the jurisdiction at the place of the infringement/results, in all the Proposals the extent of jurisdiction at the place of the infringement/results is restricted to infringements that occurred in that country, following the “mosaic approach”. However, under certain conditions, consolidation of claims is allowed.
- 77 The ALI Principles state that the plaintiff might utilise the court of any State in which the defendant’s activities give rise to an infringement claim. The extent of the jurisdiction of the court of the State where the infringement occurred is limited to activities occurring in that forum state. This provision is consistent with the approach taken in the ECJ *Shevill Case*.⁶⁴
- 78 Yet, the ALI Principles pose an escape clause: the second sentence of Section 204(2) provides that the jurisdiction of the courts at the place of infringement can be denied if the defendant did not direct⁶⁵ his or her activities to that state. This reflects the desire to avoid granting jurisdiction in cases of infringement that occurred accidentally. Furthermore, in those cases the infringements generally have *minimal effects* (see above). The notion of “directing activities” was adopted so as to express a standard which is less strict than “targeting”, while retaining an element of intentionality.⁶⁶ The escape clause is drafted for application in all types of cases. Yet, it is reasonable to assume that it will be applied especially in Internet cases. This assumption derives from i.a. the ALI Principles’ Reporters Notes that concentrate on Internet cases.⁶⁷ The escape clause allows, then, for restriction of jurisdiction in certain cases of “overspill”. Such restrictions may be called for when a potential infringer has limited or no control over the territorial impact of the allegedly harmful action, because the effects of the initiating act are “dispersed” over different territories. Most typically, this occurs when infringing content is distributed through mass media. All of the circumstances of a given case must be taken into account when assessing whether activities were “directed” to the forum State. For example, if the infringing material is dispersed through a website, a court should consider factors such as the languages used on the site; types of currency accepted; references to localities; and, when appropriate, disclaimers.⁶⁸
- 79 The Japanese Transparency Proposal establishes in Article 105 that Japanese courts shall have jurisdiction over infringement if the results of an IPR infringement occurred or are to occur in Japan. This rule adopts the notion of results of the infringement which is also proper under the new Japanese Act on International Jurisdiction, as already mentioned.⁶⁹ The results criterion is particularly important for the Transparency Proposal as will be highlighted when the ubiquitous infringements centralised jurisdiction of this Proposal will be addressed.⁷⁰
- 80 The 2001 Draft of the Hague Judgment Convention also allows for consolidation of claims in the place of the result under one condition, which is discussed below in paragraph B.IV.4.
- 81 According to Article 2:202 of the CLIP Principles, in disputes concerned with infringement of an IPR, a person may be sued in the courts of the State where the alleged infringement occurs or may occur. As previously mentioned, the Comments make clear that the notion of infringement adopted by this proposal is comprehensive of both activity and results and cannot be split up due to the territorial nature of IPRs.
- 82 Paragraph 1 of Article 2:203 sets forth the general principle that infringement jurisdiction should only extend to the territory of the State where the ground for attributing such jurisdiction exists, i.e. the State where the infringement occurred or may occur. Although this Article establishes a general jurisdiction rule that is territorially restrictive, the drafters did consider it necessary to allow for centralized jurisdiction in one specific case, namely when the infringements are perpetrated through ubiquitous media. In these cases, paragraph 2 of Article 2:203 establishes an alternative forum in favour of the court that has jurisdiction according to Article 2:202. This court shall exercise jurisdiction with respect to the entire infringement, namely the infringement that occurs or may occur within the territory of the forum State as well as within any other States, provided that a number of qualifications are met. First, the infringing activity must be carried out through an ubiquitous medium. Second, the allegedly infringing activity must have no substantial effect in the State or States where the alleged infringer is habitually resident. This clause is intended to protect against abuse of the system: if the alleged infringer does not direct her/his business to the market in the State where she/he has taken residence, there is no demonstrable reason for choosing that location to reside in other than to evade an efficient pursuit of justice. Third, even if an alternative forum can be established in principle, the venue chosen by the plaintiff must conform to a positive requirement in order to ensure that it is not chosen arbitrarily: it must be established that either substantial activities

in furtherance of the infringement have been carried out in the forum State, or that the harm accruing in that State is substantial in relation to the infringement in its entirety. The rationale of the CLIP Principles ubiquitous infringement rule is that when the infringement is committed through ubiquitous media, such as the Internet, the risk for wide-spread infringement is extremely high and the ability to effectively and efficiently enforce one's claims may be seriously hampered.⁷¹ For example, the infringer may not have any production sites or a sizeable business establishment of some permanence, where his habitual residence can be located. The problem is further enhanced by the fact that whatever is needed for carrying out the infringement – in particular the location of the server – can be swiftly moved, and can be set up without much difficulty in states which either do not provide an adequate level of legal protection, or where the law remains on paper only and is not enforced in practice (“information havens”).⁷² In such cases of *abusive conduct*, when the alleged infringer seeks to evade an efficient pursuit of justice, the plaintiff would be unfairly disadvantaged if the possibility were denied to establish infringement jurisdiction extending over national borders in an alternative forum, independent of the state of the defendant's habitual residence.

- 83 As for the escape clause of the CLIP Principles, which is provided for in the second part Article 2:202, as already recalled, an activity cannot ground infringement jurisdiction “unless the alleged infringer has not acted in that State to initiate or further the infringement and his/her activity cannot reasonably be seen as having been directed to that State”. In other words if the defendant can demonstrate that he/she did not act or direct his/her activities to the forum state, the courts of this state shall decline jurisdiction even though these activities are located in the country that granted the right and therefore should be considered as the *forum delicti*. As already seen the requirements of the acting in that State and directing the activity in that same State are meant to implement the “directed to” test and the “commercial effects” qualification.⁷³ Yet, the new version of the CLIP Principles modified the wording of the rule, dropping the requirement of substantiality which was posed by the previous version of the rule and shifting the burden of proof to challenge infringement jurisdiction to the alleged infringer. These variations were made in response to criticisms addressed to the previous version of the correspondent rule. Those criticisms highlighted that if infringement jurisdiction could only be established by proving substantial activities or substantial harm within the territory of the forum state this could have been too burdensome for the claimant, usually the IPR owner. In fact, IPRs owners generally only find a single infringing item on the relevant market, and as a consequence seize the court of the state of the
- market in question to obtain information and typically an injunction stopping further infringement. In those cases, therefore, it would be difficult for the IPR owner to demonstrate the substantial activity or harm in the relevant market, having as mentioned only single items as relevant proofs.⁷⁴
- 84 With particular regard to centralized jurisdiction the following can be said. All sets of Principles allow for centralized jurisdiction when certain requirements are met.
- 85 The CLIP Principles pose 4 requirements. First, centralized jurisdiction can be established only with respect to Internet or other ubiquitous media cases. Second, the Principles require that the activities allegedly causing the ubiquitous infringement have no substantial effect in the State or States where the alleged infringer is habitually resident, since otherwise the court would lack jurisdiction.⁷⁵ Third, the activities in furtherance of the infringement have been carried out within the territory of the forum state in its entirety. Fourth, as an alternate requirement with respect to the third one, the harm caused by the infringement in the forum state is substantial. The fourth requirement was posed as an alternative requirement to the third one in a later version of the Principles. In fact, the rule in the previous version allowed centralized jurisdiction to be grounded only in cases “such as, e.g., a website provided by a natural person domiciled at Caribbean Island who operates the services mainly from the US without being domiciled there. In this case the rule would grant unlimited jurisdiction in the US for infringement claims.”⁷⁶ Yet, this rule was considered to be too strict, and therefore the new version of the CLIP Principles and their final draft included the alternative requirement number four just mentioned, to capture also other cases. So, for instance if the defendant operates his website from its domicile in the Caribbean and targets US markets with his website US courts should have unlimited jurisdiction “if the highest share of the claimed damages or threatened damages relates to the infringement in the US irrespective of whether substantial activities have taken place in the US or not.”⁷⁷
- 86 In contrast, the ALI Principles establish that where the court is situated in the place where the defendant has substantially acted, or taken substantial preparatory acts, to initiate or to further an alleged infringement, the court's jurisdiction extends to claims respecting all injuries arising out of the conduct, wherever the injuries occur.
- 87 Furthermore, the ALI Principles grant unlimited jurisdiction to certain courts in cases where the defendant is resident in a non-WTO member State. The aim of this rule as adopted by the ALI Principles is to prevent a situation where a plaintiff's claims cannot

efficiently be enforced in the defendant's forum due to the fact that she/he "hides" in a State where legal standards are low and pursuit of justice will be difficult. Using lack of WTO-membership as an element to identify such non-amenable fora has the advantage of offering an objective and plausible criterion for the distinction: if a State is bound to WTO/TRIPS, it is presumed that its court system lives up to the standards prescribed in TRIPS with regard to substantive law as well as to the enforcement mechanisms available.

- 88 The centralized jurisdiction at the place of the action irrespective of the means adopted to perpetrate the infringement is established by the Joint Korean and Japanese Proposal on multistate infringements, which is therefore in line with the ALI Principles corresponding rule. However, the Comments to the Joint Korean and Japanese Proposal relevant rule highlight that "there is much difficulty in definitely specifying the circumstances under which this Article [on centralized jurisdiction] applies and it may be unduly applied", thereby unduly grounding centralized jurisdiction. Thus, it is necessary to "prevent the excessive application of this Article". The Comments refer to Article 211, which requires some special considerations to be taken into account by the court with international judicial jurisdiction in determining whether to exercise jurisdiction ("the court when it finds that there are special circumstances that will be harmful to fairness between the parties and prevent due process or prompt trial, considering the nature of the action, convenience for the defendant to enter an appearance, domiciles of the parties and witnesses to be examined, the location of material evidence to be collected and any other circumstances, may dismiss an action partly or wholly").
- 89 The Transparency Proposal allows centralized jurisdiction in cases of ubiquitous infringements but only when the result of the infringement is localized in Japan. The reason for this rule is that "in the era of cloud computing, a server as the central point of infringement is no longer identifiable. It means that identifying an infringing "act" does not make much sense, and the fact of an "act" is losing its significance as jurisdictional ground in the context of the Internet."⁷⁸ Yet the place of the occurrence of the result is further specified by the Transparency Proposal. In fact, since this place can be largely expanded in a potentially unlimited number of states when the infringement occurs through the Internet the Transparency Proposal focuses on the country where the results are to be maximized. According to the annotation to this rule "such a country is usually foreseeable to persons who allegedly infringe or have infringed the intellectual property in question."⁷⁹ This explains also the reason why the Transparency Proposal does not contain any exceptions to this rule

that allows alleged infringers to escape jurisdiction in cases where the place of the result was unforeseeable, like the relevant Japanese civil procedure national rule does.⁸⁰ The place where the results are to be maximized should be determined by taking into account all relevant factors, such as the language of the website that typically indicates its targets (a website written exclusively in Japanese will target only Japanese consumers).⁸¹

3. International Context

- 90 During the negotiations of the Hague Draft Convention on International Jurisdiction and Recognition of Foreign Judgments (hereafter Draft Convention), there was no consensus on whether to include IPRs infringement proceedings in the exclusive jurisdiction rule, which would limit jurisdiction over infringement claims to the courts of the State that recognized or granted the IPR.⁸² In fact, assuming IPRs should have fallen within the scope of the Hague Convention, two alternative provisions were proposed, of which Alternative A granted exclusive jurisdiction for pure infringement proceedings to the State of registration and Alternative B excluded IPRs infringement claims from the scope of the exclusive jurisdiction rule. Despite the limited scope of the exclusive jurisdiction rules at least under Alternative B, the issue of exclusive jurisdiction was extensively debated during the Hague Draft Convention negotiations.⁸³ During the special meeting of experts from different negotiating countries in February 2001, many differences between the approaches adopted in separate legal systems were examined. Particularly, the US delegation opposed the need for an exclusive jurisdiction rule in general, pointing out the "almost uniform opposition in the private sector to the current text as it applies to intellectual property rights; and [the] great difficulty in understanding the structure of the draft convention text."⁸⁴ More specifically, "the US could not accept (*in personam*) jurisdiction in infringement on IP rights cases over a defendant who had no relation with the jurisdiction",⁸⁵ and also "raised questions about the need for exclusivity" highlighting that "some of the US private sector comments clearly oppose exclusive jurisdiction."⁸⁶ The delegations of UK, Australia and China supported the view that exclusive jurisdiction should apply to the infringement of the patent. A number of other delegations, including Switzerland, Finland and Sweden, supported a more flexible view, according to which first, "insofar as patent [infringement] disputes [are] arbitrable, it seem[s] inconsistent to confer exclusive jurisdiction for such disputes upon State courts"; second, "co-ordination between the proceedings on validity and on infringement could be ensured by other ways than by providing that the court of the place of re-

gistration of the IP right has exclusive jurisdiction to hear all matters related to this right (validity issues as well as infringement issues), for instance, by a suspension of proceedings by the court seized with the infringement claim, pending a decision on the validity by the court of the place of registration of the IP right.⁸⁷ However, the German and UK delegations pointed out that proceeding in this way could lead to a multiplication of litigation, especially when the patent at stake was a European patent and thus the national bundle of rights would require the parties to bring validity proceedings in each of the countries concerned.⁸⁸ Finally, the Chair noted that there seemed to be no consensus on the question of whether infringement claims should be included in the scope of any exclusive jurisdiction rule.

- 91 So, should infringement claims not come under the exclusive jurisdiction rule, their relevant jurisdiction was to be found under The Hague Draft Jurisdiction in the rule applicable to all sorts of infringements, namely in Article 10 according to which “a plaintiff may bring an action in tort [or delict] in the courts of the State – (a) in which the act or omission that caused the injury occurred, or (b) in which the injury arose, unless the defendant establishes that the person claimed to be responsible could not reasonably foresee that the act or omission could result in an injury of the same nature in that State.”⁸⁹ It is therefore apparent that the Hague Draft Convention adopted the ubiquity theory for IPRs infringement claims, allowing the plaintiff to seize at the place of the action or at the place of the event, under certain requirements and providing also for an escape clause.⁹⁰
- 92 Finally, it is to be noted that the Hague Preliminary Draft Convention of 1999, in Article 10(4), granted unlimited jurisdiction to the court at the place of the plaintiff’s domicile, intended as a *forum delicti*. This approach was criticized as will be highlighted in paragraph B.V.4.
- 93 With regard to pure infringement claims outside the scope of exclusive jurisdiction rules, notwithstanding the fact that in the EU and EFTA legal systems there is no rule establishing exclusive jurisdiction rules for registered IPRs pure infringement issues, since the exclusive jurisdiction rules of the Brussels system do not cover those claims,⁹¹ certain EU/EFTA Member States adopted the view that pure infringement claims fall under the exclusive jurisdiction rule of Article 22(4) rather than under the infringement jurisdiction rule of Article 5(3) of the Brussels System.⁹² This approach was adopted in two Italian lower Courts’ decisions which extended the exclusive jurisdiction rules of the Brussels system to pure infringement proceedings, maintaining that “even in the absence of a validity issue, a proceeding on the infringement as well as on the non-infringement of an IPR always requires, as an essential and implicit assumption, a preliminary evaluation of the scope of the patent. It follows, then, the exclusive jurisdiction *ex* Article 22(4) of the (EC) Regulation 44/2001 of the court of the State that granted the patent (or the portion of the European patent).”⁹³ The same approach was followed by the UK Court of Appeal in *Lucasfilm*, according to which Article 22(4) Brussels I Regulation applies to copyright infringement proceedings and thereby precludes the application of Article 5(3) and Article 2 of the same Regulation.⁹⁴
- 94 Yet, the UK Court of Appeal’s *Lucasfilm* ruling was reversed by the Supreme Court’s 27 July 2011 ruling, which instead confirmed the *Pearce* judgment⁹⁵ and maintained that Article 22(4) of the Brussels I Regulation “only assigns exclusive jurisdiction to the country where the right originates in cases which are concerned with registration or validity of rights which are ‘required to be deposited or registered’ and does not apply to infringement actions in which there is no issue as to validity.”⁹⁶
- 95 With respect to positive infringement claims, many reasons militate against the few decisions that extend the exclusive jurisdiction rules of the Brussels system to pure infringement proceedings. Firstly, the literal interpretation of the exclusive jurisdiction rules of the Brussels system emphasises that those rules do not refer to infringement claims and thus do not apply to them. Secondly, this result is confirmed by the Jenard Report to the Brussels Convention, as well as by the Pocar Report to the Lugano Convention, according to which infringement claims do not enter into the exclusive jurisdiction rules of the Brussels system.⁹⁷ Thirdly, the same result is confirmed by a systematic interpretation of the EU Brussels I Regulation and the Rome II Regulation,⁹⁸ since Article 8 of the latter on “infringement of intellectual property rights”⁹⁹ determines the possibility of applying a foreign law to IPRs infringement claims, namely the *lex loci protectionis*, and as such “plainly envisages the litigation of foreign intellectual property rights” infringements.¹⁰⁰ Fourthly, it is widely acknowledged that the extension of exclusive jurisdiction rules to IPRs pure infringement claims is “doubtless wrong.”¹⁰¹ Fifthly, this result is confirmed also under the CLIP Principles referring to the non-extension of the Brussels system exclusive jurisdiction rules to IPRs infringement claims.¹⁰²
- 96 In the EU frame, with regard to claims related to infringement actions or actions for declaration of non-infringement of the Community trademarks,¹⁰³ Articles 92–94 of the Community Trademark Regulation pose “exclusive jurisdiction” rules.¹⁰⁴ However, those norms do not ground the international ju-

jurisdiction of a single exclusively competent court, but rather establish a plurality of equally competent tribunals, namely: the (trademark) courts of the EU Member State chosen by the parties according to the Brussels Convention (now Brussels I Regulation); the EU Member State where the defendant is domiciled or has an establishment; the EU Member State where the plaintiff is domiciled or has an establishment; the seat of the Office of Harmonization for the Internal Market (OHIM); or the State where the infringement has been committed or threatened (with the exception of actions for a declaration of non-infringement of a Community trade mark).¹⁰⁵ Thus, as between the courts of EU Member States, the so-called “exclusive jurisdiction” rules established by the CTM Regulation are not actually exclusive at all. However, Articles 92–94 of the Community Trademark Regulation do aim to limit jurisdiction to only the exclusively competent EU tribunals. Thus, for those seeking to sue outside of the EU, these Articles do effectively establish exclusive jurisdiction rules, albeit in favor of more than one EU court. The conclusions just reached with respect to the Community trademarks also apply in relation to other European and Community IP rights, such as plant variety rights¹⁰⁶ and design.¹⁰⁷

- 97 As for the national statutes and case law, since Article 22(4) of the Brussels system does not extend its exclusive jurisdiction rule to registered IPRs infringement claims, EU/EFTA Member States are not required by the Brussels Regulation to apply exclusive jurisdiction rules with respect to those claims. This conclusion is most recently reflected in the UK Supreme Court’s *Lucasfilm* judgment.
- 98 EU/EFTA Member States do not generally include registered IPRs pure infringement claims under their exclusive jurisdiction rules even outside the Brussels system.¹⁰⁸
- 99 Furthermore, the same result is achieved by other European continental countries that are not members of the EU/EFTA. Thus, for example, Croatian courts would have jurisdiction over claims involving foreign registered IPRs pure infringement issues, however raised.¹⁰⁹
- 100 As for the common law countries, including the UK, outside of the scope of the Brussels I Regulation the following can be said. In the UK, courts have generally refused to adjudicate foreign registered IPRs infringement claims. Yet, the ruling of the UK Supreme Court in *Lucasfilm*, which adopted the opposite view with respect to copyright claims, can be reasonably extended to registered IPRs infringement claims.¹¹⁰ Furthermore, even if exclusive jurisdiction rules were still applicable with respect to those claims, their adoption should be limited to cases that do not fall under the Brussels system, in order for the

exclusion of the exclusive jurisdiction rule rendered by this Regulation to prevail.

- 101 In Australia, as already recalled, the *Moçambique* rule related to local land actions has been extended to actions for infringement of patents, excluding the jurisdiction of Australian Courts over foreign registered IPRs infringement claims.¹¹¹ Yet, as already discussed,¹¹² recent Australian case law has “eroded the basis” for the *Moçambique* rule “to the point where it now seems possible that Australian courts could decide actions involving the infringement of foreign registered intellectual property rights.”¹¹³ At any rate, the Australian state of New South Wales has repealed the application of the *Moçambique* rule.¹¹⁴
- 102 Asian States, including China, Taiwan, Korea and Japan, do not establish any exclusive jurisdiction rules with respect to registered IPRs pure infringement claims. In China, as already recalled, no exclusive jurisdiction rule is provided for with regard to IPRs claims in general, or specifically with regard to foreign registered IPRs disputes of any nature.¹¹⁵ Thus, in 2001, the Chinese Supreme Court published the “Interpretation of Several Rules on the Legal Issues arising from Patent Disputes Litigation”, which established that “the plaintiff [in a patent infringement dispute] may sue at the place where the infringement occurs or where the defendant domiciles. The place of infringement includes: the place where the alleged patented invention utility model products are manufactured, used, offered for sale, sold, imported; the place where the act of using patented process is committed, where the acts of using, promising to sell, selling, importing products that are directly obtained according to the patented process are committed; where the acts of manufacturing, selling, importing of patented designs products are committed. It includes also the place where the result of the above infringing activities occurred.”¹¹⁶
- 103 In Japan, exclusive jurisdiction rules exist only with respect to principally raised validity issues of registered IPRs, but not with regard to pure infringement claims.¹¹⁷ This result was confirmed by the Tokyo District Court in the “*Coral Sand* judgment.”¹¹⁸

4. Discussion

- 104 With particular regard to the escape clauses the following can be said. While each of the proposals includes an escape clause to limit jurisdiction, the scope of these provisions and the circumstances under which they apply vary.
- 105 The escape clause of the Transparency Proposal is too lenient in allowing forum State courts to adjudicate cases. First the escape clause applies only to

ubiquitous infringements. Second, the escape clause does not apply, and courts can therefore exercise jurisdiction, when the results of the infringements are “maximized” in Japan, with no relevance being given to whether the defendant is habitually resident in Japan or whether the defendant acted or directed his activities to Japan. It is not clear what kind of assessments would characterise the notion of “results maximised in Japan” and it seems possible to ascertain jurisdiction where the merely economic results of the infringement are suffered in Japan. Indeed, the notion of result of the infringement under the Transparency Proposal is highly questionable (see paragraph B.IV.1) when compared to the other three sets of principles, which require that action be taken or directed toward a State for its courts to exercise jurisdiction over an infringement claim.

- 106** Section 204(2) of the ALI Principles and Article 203(2) of the Joint Korean and Japanese Proposal establish escape clauses that allow for escape jurisdiction when it is possible to demonstrate that the defendant did not direct his activities to the state of infringement of the IPR. Indeed, this escape clause is not literally structured as an escape clause, but rather as a rule on the extent of jurisdiction. Thus, according to these clauses the courts at the place of the infringement can adjudicate claims related to the injuries occurring in that state where the infringement was directed against that state. So, it seems that if the infringement was not directed to that state the court can not exercise jurisdiction. Thus, these rules pose escape clauses to the jurisdiction at the place of the infringement. However, the structure of the rules does not make it so clear to establish who has the burden for proving that the activities were directed (or not directed) to a particular state. But it seems to follow from the sense of the rule that the burden for establishing that the jurisdiction does not exist lies on the defendant contesting jurisdiction.
- 107** The scope of the provision under the Joint Korean and Japanese Proposal is somewhat obscure. Hence, the first sentence of Article 203(1) starts by granting jurisdiction to the courts of the state of the infringement i.e. the place of the results. Then the second sentence of Article 203(1) grants jurisdiction at the place of the action for multistate infringements. Finally, Article 203(2) comes back to the jurisdiction at the place of the infringement but specifies that where the activities are directed there the scope of jurisdiction is the injuries that occurred in that state. Thus, it is not so clear what the scope of jurisdiction is at the place of the infringement (first sentence of Article 203(1)) when the activities are not directed there (Article 203(2) is inapplicable) and the infringement is not a multistate infringement (the second sentence of Article 203(1) is inapplicable). It seems then possible to rely on the Comments to the Joint Korean and Japanese Proposal to interpret the first sentence of Article 203(1) as an Article on jurisdiction at the place of the action, so that Article 203(2) could be adopted as a rule related to jurisdiction at the place of the infringement. However, even so it is not clear which is the scope of jurisdiction at the place of the action.
- 108** Finally, the 2001 Draft of the Hague Judgment Convention is similar to the corresponding rules of the ALI Principles, the Joint Korean and Japanese Proposal, and the CLIP Principles, as the Nygh/Pocar Report emphasises. This is because the plaintiff will only be able to bring the action at the place of the result when the person “alleged to be responsible could reasonably have foreseen injurious consequences from his act or omission in that place”.¹¹⁹ This escape clause renders it very clear that the defendant bears the burden for establishing that the injury was not reasonably foreseeable.
- 109** With particular regard to centralised jurisdiction, the following can be said. All sets of Principles allow for centralized jurisdiction under certain requirements. Their approach is very much to be welcomed. In fact, centralized jurisdiction is completely in line with the need to overcome fragmentation of jurisdiction which leads to extremely costly and inefficient results. The centralization of jurisdiction is also in line with the Hague Draft Convention approach. Firstly, it allows for centralised jurisdiction in the State where the result occurs or may occur, under Article 10(5), if the injured party has “his or her habitual residence” in that same state. This is further discussed below in this paragraph, including important criticisms of this approach.
- 110** Furthermore, it seems that the 2001 Draft of the Hague Judgment Convention allows for the centralised jurisdiction of the entire infringement at the place of the action, under Article 10(2). This is because, firstly, centralized jurisdiction is explicitly ruled out for the State where the result occurs (apart from when there is the above exception regarding the plaintiff’s domicile), and it is not explicitly ruled out for the State where the action occurs. Secondly, the limitations imposed in Article 10(2) can be interpreted so that as long as the claim relates to an infringement arising from an activity that has occurred in that State, *and* the defendant has engaged in significant or frequent activity in that State, *or* has directed such activity to that State, *and* the overall connection of the defendant to that State makes it reasonable for the defendant to be sued there, then the court in that State can have jurisdiction over all the resulting injuries from that activity, no matter where they occur.
- 111** As mentioned above, the Hague Preliminary Draft Convention of 1999 granted unlimited jurisdiction to the court at the place of the plaintiff’s domicile in Article 10(4), the precursor to the 2001 Draft’s Ar-

ticle 10(5), intended as a *forum delicti*. All states party to the Convention would need to recognize the judgment given at the place where the plaintiff has his or her “habitual residence.”¹²⁰ This approach was criticized, since in internet cases particularly, it would have allowed the plaintiff, typically the right owner, to start infringement proceedings with centralized jurisdiction before the courts of his home state, establishing as such a probably exorbitant *forum actoris*.¹²¹ Indeed, the ECJ in the *eDate* case followed exactly the same approach, even though the extension of this judgment to IPRs cases is debated.¹²² In any case, it is laudable the approach of all of the sets of Principles here examined, in that they avoid granting centralized jurisdiction at the *forum actoris*.¹²³ Finally, it is important to remember that centralized jurisdiction can also be established at the place of the defendant’s domicile by virtue of the general jurisdiction criterion or before the court chosen by the parties.¹²⁴ Where centralized jurisdiction cannot be grounded, the alternative is the “reasonable application of the mosaic approach”,¹²⁵ namely claiming for damages or asking for territorially restricted injunctions in the most relevant jurisdiction to stop the defendant’s infringing activities. In fact, territorially limited injunctions can be granted even in Internet cases,¹²⁶ as it is stated explicitly by the CLIP Principles in Art.2:604.¹²⁷

- 112** In this framework, the following remarks will therefore highlight certain criticisms of single aspects of each relevant rule, with the sole aim of trying to reach a common understanding of how and where centralized jurisdiction should be established in the future.
- 113** The ALI Principles, the CLIP Principles, the Japanese Transparency Proposal and the Joint Korean and Japanese Proposal set forth the general principle that infringement jurisdiction should only extend to the territory of the State where the ground for attributing such jurisdiction exists. However, all four of the Principles allow for the adjudication of the infringement in its entirety in certain cases. The ALI Principles and the Joint Korean and Japanese Proposal allow for the consolidation of claims of infringements when specified circumstances are met, however the infringement is perpetrated, while the CLIP Principles and the Japanese Transparency Proposal only allow for consolidation with respect to infringements spread through ubiquitous media.
- 114** Yet, the ubiquitous infringement rule of the CLIP Principles is somewhat stricter than the corresponding rule of the Transparency Proposal. The relevant rule of the Transparency Proposal operates independently from the fact that the activities allegedly causing the infringement have substantial effect in the State or States where the alleged infringer is habitu-

ally resident, whereas the CLIP Principles rule requires that the activities allegedly causing the ubiquitous infringement have no substantial effect in the State or States where the alleged infringer is habitually resident. However, like the Transparency Proposal, the CLIP Principles allow for centralized jurisdiction over infringement claims before the forum State courts even though the activities in furtherance of the infringement have not been carried out within the territory of the forum state in its entirety, so long as the harm caused by the infringement in the forum state is substantial (CLIP Principles) or when the results of an “ubiquitous infringement” are maximized or are to be maximized in Japan (Transparency).

- 115** In any case, the rules of the CLIP Principles and of the Transparency Proposal on ubiquitous infringements might have a tendency to privilege plaintiffs who are resident in large and economically strong States. In fact, such plaintiffs will frequently be in a position to show that substantial harm or that the result of the infringement, respectively, was caused and occurred in the domestic market, thus giving them an advantage over plaintiffs residing in countries where the dimension of market, and accordingly the harm done, is regularly smaller.
- 116** Additionally, under the CLIP Principles, the clause that the activities allegedly causing the infringement do not have substantial effects in the State or States where the alleged infringer is habitually resident seems to be too strict.
- 117** Furthermore, it is not clear enough if the notion of place of the results also includes the place where the economic damages are suffered. This is particularly true for the Transparency Proposal, since the territoriality understanding of IPRs infringement of the CLIP Principles should avoid this outcome.
- 118** Finally, it may be criticized the limitation of centralized jurisdiction to ubiquitous infringements, since it seems that even multi-territorial infringements related to traditional communication means, non ubiquitous, deserve consolidation of proceedings. It seems therefore appropriate to propose rules relevant both in the real world and on the Internet.
- 119** In fact, the ubiquitous nature of the Internet does not change the problems posed by a country by country approach, but rather only offers cases that are truly global in nature, providing for a much wider number¹²⁸ of potentially exclusive competent fora (and applicable laws), thereby increasing the cost and inefficiency of enforcing one’s IPRs.¹²⁹ In fact, it is evident that the Internet is by definition borderless and, as such, it clashes with the territorial approach that is proper in the IP field.¹³⁰

120 Yet, most of the difficulties posed by Internet “are of a substantial law nature”,¹³¹ rather than of a PIL character, and are similar to those that arose with respect to satellite broadcasting: “Where is the copy made? How relevant are the various stages of the pulling, sending and downloading of information? Where does in essence the infringement take place if what the statute describes as one act of copying or communication to the public falls apart in several activities taking place in different jurisdictions? Copyright [substantive] law needs to define what exactly is the act of copying or communication to the public in the technological context of [the] [I]nternet.”¹³²

121 Additionally, the assumption that the Internet is not bound by territorial limitations has been countered by the efforts of governments, supported by private parties, which have attempted to make the territorial scope of regulation and enforcement on the Internet mirror the geographical limits of the physical world i.a through the adoption of “geolocation tools”.¹³³ It is evident that the practice of a user viewing the Internet as if he/she is located in a country other than the one where he/she is physically present, so called “cybertravel”, frustrates all those efforts as well as the effectiveness of geolocation tools.¹³⁴ Yet, the legal status of cybertravel is highly unclear as of yet, since neither national or international legislatures have drafted laws governing cybertravel, nor have courts been presented with cybertravel cases. On one hand, it is possible to purport that “cybertravel should be analogized to physical travel, and that the benefits that society enjoys through physical travel correspond in large measure to the benefits provided for by cybertravel. Therefore cybertravel should enjoy the constitutionally protected right to travel, and should be subject to reasonable governmental regulation, as in any other international travel.”¹³⁵ However, with respect to IPRs, it seems plausible that cybertravel disputes will define the next generation of transborder cases where IPRs holders will claim it is illegal to make content available to an audience that was not intended to have access to it.¹³⁶

122 In this light, the aim of the rules of the Joint Korean and Japanese Proposal and of the ALI Principles to propose solutions relevant both in the real world and on the Internet is to be approved.

123 With respect to the ALI Principles the forum at the place of the activity is understood as “mostly coincide[nt] with one of the defendant’s domicile.”¹³⁷ In addition, this forum is criticised for Internet infringements, since the place of the server can be manipulated too easily; webspace and other host services are typically offered by third parties that are acting in a state other than the one of the person that uploads the infringing material; and it is usually

difficult to prove where this uploading took place.¹³⁸ Those critics believe that the place of the result, rather than of the act, should be the jurisdictional ground in the context of the internet.¹³⁹ In addition, the result should be intended according to the market impact rule as being the place of the effects that the alleged infringing act would have upon the forum, rather than the physical territorial connection to the forum.¹⁴⁰ The same can be said with respect to the corresponding rule of the Joint Korean and Japanese Proposal (Article 203), as is established also by the Comments to this same rule. It is therefore also in light of these criticisms that the Transparency Proposal and the CLIP Principles corresponding rules adopt the place of the result as a jurisdiction criterion (the CLIP Principles, however, as an alternative one to the place of the activity).

124 Also the other jurisdiction criterion that determines a centralised jurisdiction is criticised, namely the ALI Principles additional forum in the court of a state in which the defendant is neither domiciled nor acted substantially if he has directed his activity to that state, is doing business in that state and cannot be sued in a WTO-member-state under any of the infringement jurisdiction relevant rules (defendant’s domicile, prorogation of jurisdiction and the place of activity rule). In fact, first the assumption on which the rules is based that the claimant’s interests are better protected in a WTO-member-state does not convince since “even a quick reading of the current list of WTO-member-states casts serious doubt on this presumption.”¹⁴¹ Second, in any case it is said to be inconceivable that the defendant domiciled in a non WTO-member-state directs his activities to another country where he does not do business.¹⁴² In other words, this criterion of territorially unlimited jurisdiction merely grounds the jurisdiction of the court of the state to which the services were directed and only if the alleged infringer was domiciled and acted only in non-WTO-member states.¹⁴³

V. Declaratory actions

1. Differences

125 Declaratory actions are filed usually by the plaintiff seeking to establish first that the defendant owes him damages for a tort committed, without specifying the amount due, since the computation may take place in subsequent proceedings between the same parties or in an out-of-court agreement. Also in a contractual relationship, the plaintiff may seek a declaration that the defendant is bound by the agreement. In addition, a plaintiff can seek a declaration that she or he has no contractual obligation or is not perpetrating any infringement.

126 Section 213 of the ALI Principles and Article 2:602 of the CLIP Principles stipulate that declaratory actions in relation to non-infringements of IPRs may be brought on the same terms as actions seeking substantive relief. The other sets of Principles do not explicitly address declaratory actions, nor does the 2001 Draft of the Hague Judgment Convention.

2. Rationale

127 Section 213 of the ALI Principles and Article 2:602 of the CLIP Principles stipulate that declaratory actions may be brought on the same terms as actions seeking substantive relief, and the other sets of Principles do not expressly address declaratory actions. The most appropriate forum for dealing with declaratory actions is the same forum that would have been competent for hearing a corresponding claim for positive remedies. Yet, if the object of the claim is to establish that an infringement has neither occurred nor is threatened, a literal understanding of the sections of the sets of Principles that do not deal with declaratory actions but rather regulate only positive infringement claims might lead to the result that courts would not have jurisdiction over negative declaratory actions, since the plaintiff is requesting the court to establish that the allegedly infringing activity is not occurring.

3. International Context

128 Notwithstanding the fact that in the EU and EFTA legal systems there is no rule establishing exclusive jurisdiction rules for registered IPRs pure infringement issues, certain EU/EFTA Member States adopted the view that negative declarations of non-infringement fall under the exclusive jurisdiction rule of Article 22(4) rather than under the infringement jurisdiction rule of Article 5(3) of the Brussels System.¹⁴⁴ This approach was adopted by the Italian Supreme Court in *BL Macchine Automatiche* in 2003;¹⁴⁵ the Brussels Court of Appeal in 2000;¹⁴⁶ and by the Swedish Supreme Court in a Lugano Convention context in *Flotek AB case* in 2000.¹⁴⁷ In this regard, the German Bundesgerichtshof recently requested the ECJ to give a preliminary ruling on the issue of declaratory actions of non-infringement with regards to an antitrust case¹⁴⁸. These decisions, particularly those coming from the Italian Supreme Court, establish that declaratory actions of non-infringement do not fall under Article 5(3) of the Brussels system not because these actions fall under the exclusive jurisdiction rules, but rather because the object of these actions would be different from those for infringement with respect to jurisdiction.¹⁴⁹ This approach can be explained by EU-specific litigation strategies based on forum

shopping that were developed and abused by alleged infringers of registered IPRs in the last decade of the twentieth century. These alleged infringers would launch proceedings seeking declarations of non-infringement in courts known for lengthy proceedings (e.g., Italian courts) or courts willing to hear claims involving enforcement of foreign IPRs (e.g., Belgian courts). By doing so, these alleged infringers took advantage of the *lis pendens* rule established by Article 27 of the Brussels I Regulation, which requires all later seized courts to stay proceedings if the same case between the parties was pending in a court in another country and ultimately decline jurisdiction if the first seized court asserted jurisdiction over the dispute. In practice, this prevented the rights holder, i.e. the defendant in the declaratory action, from enforcing his IPRs until the first court finished its proceeding. Thus, to reduce the effectiveness of those so-called “torpedoes”¹⁵⁰ a number of measures have been adopted, including the approach followed by the Italian Supreme Court in the *BL Macchine Automatiche*,¹⁵¹ which regarded the object of proceedings for a negative declaration of non-infringement as being different from those for infringement. This meant that an Italian court would not consider itself as blocked by the *lis pendens* provisions in the Brussels system from adjudicating an infringement claim in Italy due to their being an earlier legal action for non-infringement brought in another member State.¹⁵² In any case, this approach was extensively criticised in literature for the same reasons that suggest not extending the exclusive jurisdiction to pure infringement proceedings of a positive nature.¹⁵³ The same approach is to be criticised also because to disallow claims for negative declaratory actions being brought at the place where the harmful event occurs is inconsistent with the fact that corresponding actions can be brought under Article 5(1) of the Brussels I Regulation. Thus, the ECJ in the recent Fischer case (C-133/11) concluded that Art. 5(3) of Regulation No 44/2001 must be interpreted as meaning that an action for a negative declaration seeking to establish the absence of liability in tort, delict, or quasi-delict falls within the scope of that provision. Finally, even though Article 97(5) of the Community Trade Mark Regulation does not allow claims to be brought for declaration of non-infringement at the place where the infringement occurs or is threatened to occur, no corresponding restriction applies to Community Designs.

129 In the US a US court must have both subject matter jurisdiction and personal jurisdiction over the defendant(s) to properly hear a claim. With respect to subject matter jurisdiction, an action for a declaratory judgment of non-infringement can be based on the same ground of jurisdiction as a corresponding action seeking substantive relief. As recently affirmed by a Federal Circuit court in a case involving IPRs, subject matter jurisdiction over

a declaratory action is determined based on whether a court would have subject matter jurisdiction over the hypothetical claim of the Declaratory Judgment defendant.¹⁵⁴ Because a court would have subject matter jurisdiction over the defendant's hypothetical infringement claim, it would also have subject matter jurisdiction over the plaintiff's declaratory action. However, because the claim is of *non* infringement in the US and the defendant is *not* domiciled in the US, it is necessary to demonstrate that other connecting factors exist between the defendant and the US territory to ground the personal jurisdiction over the defendant, like an active enforcement by the defendant (the IPR owner) of the IPR in question in the US.¹⁵⁵ In this context, because of the fear that foreign patent owners could not be sued in the US by plaintiffs filing against them declaratory non infringement actions, Congress passed 35 U.S.C. 293, which insures that non-US patent owners are always subject to personal jurisdiction in Washington DC where they filed the US patent.

4. Discussion

130 Only the ALI Principles and the CLIP Principles expressly stipulate that declaratory actions in relation to infringements or non-infringements may be brought on the same terms as actions seeking substantive relief. Thus, rather than leaving the availability of such actions open to question, these two proposals are very clear with respect to the rule governing such actions. The Transparency Proposal and the Joint Korean and Japanese Proposal, however, do not expressly address declaratory actions apart from actions by which the validity of a registered intellectual property right is challenged or sought to be established. However, this does not necessarily mean that different results would be reached on the basis of the respective proposals.

VI. Civil claims arising out of criminal proceedings

1. Differences

131 Only the CLIP Principles explicitly address the issue of civil claims arising out of criminal proceedings. The other sets of Principles do not deal with this issue, nor does the 2001 Draft of the Hague Judgment Convention.

2. Rationale

132 Article 2:204 of the CLIP Principles clarifies that with regard to civil claims for remedies for infringements

which gave rise to criminal proceedings, a court seized with the criminal proceedings may also have jurisdiction over the corresponding civil claims if such jurisdiction is possible according to the forum State's national law. However, this rule must be applied in conjunction with Article 2:203; no derogation is granted from the rule limiting the extent of civil jurisdiction to the domestic territory of the forum state. Furthermore, in order to claim competence based on Article 2:204, criminal proceedings must already be pending as the provision only applies if a court is already "seized with" criminal proceedings. Thus the mere possibility of a court entertaining criminal proceedings does not provide a sufficient basis for assuming jurisdiction over civil claims in intellectual property matters.

3. International Context

133 Article 5(4) Brussels I Regulation stipulates that civil claims for damages or restitution based on an act giving rise to criminal proceedings may be brought in the court seized with those proceedings, if it is allowed under the forum State's procedural law. This Article has not been applied directly to IPRs cases as of yet. However, two recent cases related to the civil claims arising out of criminal proceedings pose interesting international jurisdiction issues. The first case is a Swedish case: *Pirate Bay*, ruled by the Swedish Court of Appeal on November 26, 2010. The court established their international jurisdiction by reason of the fact that the applicable law to the primary crimes was the Swedish law.¹⁵⁶ In fact, according to the court the crimes had been committed in Sweden by virtue of the uploading of the infringing files onto the Pirate Bay database which was located in Sweden. In this case, all defendants were domiciled in Sweden and the courts awarded the damages for the entire infringement without any territorial limitation.¹⁵⁷ In another recent case (29.11.2011) the French Supreme Court ruled that French courts have jurisdiction to adjudicate criminal proceedings related to copyrights infringement only where French law applies to the crime in question, and "under the Berne Convention (Article 5(2)) the protection afforded an author is determined by the law of the state where such protection is sought, which means the law of the State on whose territory the infringing acts took place and not that of the state where the harm was suffered. [...] In that case the Court found that given that the infringement occurred outside of France the Court of Appeal had misapplied the aforementioned principle."¹⁵⁸

4. Discussion

134 Only the CLIP Principles explicitly addresses the issue of jurisdiction over corresponding civil claims

in a criminal suit, at Article 2:204. However, this does not necessarily mean that different results would be reached on the basis of the other Principles. Although it may not be necessary for such jurisdiction to be exercised, Article 2:204 of CLIP does serve clarifying purposes, in particular insofar as it leaves no doubt that irrespective of the breadth of competence assumed with regard to the assessment of the criminal act, the confinements applying under the pertinent articles remain with regard to the civil claims.

C. Exclusive Jurisdiction in Intellectual Property

I. PIL method adopted

1. Differences

135 The Transparency Proposal adopts a unilateral PIL method, as it determines only when Japanese courts have international jurisdiction to hear a claim, but does not address when courts in other States would also have jurisdiction over such claims. The other sets of Principles adopt a multilateral method, which does address when national or foreign courts will have jurisdiction. The 2001 Draft of the Hague Judgment Convention also adopts a multilateral method, which is outlined in paragraph C.I.4 below.

2. Rationale

136 The Transparency Proposal primarily aims at the reform of current Japanese law, particularly with respect to international jurisdiction to adjudicate, while the other sets of Principles seek universal Principles on issues concerning international IPR law. Thus, this is why the former adopts a unilateral method, while the latter adopts a multilateral approach.¹⁵⁹

3. International Context

137 The international conventions on international jurisdiction typically seek universal Principles and therefore adopt a multilateral approach.

4. Discussion

138 The Transparency Proposal adopts a unilateral approach, which does not give an answer to the question of which court has international

jurisdiction to address the case at stake when the forum state courts do not have such jurisdiction. While unilateralism is necessary for national rules on international jurisdiction, it is not suitable for international rules on the same topic.

139 By contrast, the ALI Principles, the CLIP Principles, and the Joint Korean and Japanese Proposal adopt a multilateral approach for determining jurisdiction. Thus, each of these provides an answer for which other court(s) would have jurisdiction even if the forum state in question lacks jurisdiction. An international consensus is needed if the problems of cross-border litigation are going to be adequately addressed and these proposals, by taking a multilateral approach, are more likely to be helpful in finding a unified international solution. This multilateral approach is supported by the 2001 Draft of the Hague Judgment Convention.¹⁶⁰

II. Territoriality. Rejection of exclusive jurisdiction

1. Differences

140 All four sets of Principles reject exclusive jurisdiction rules for claims of infringement with respect to both registered and unregistered IPRs.

141 As for validity, this issue can be raised in many different ways. In practice, the issue of validity is often raised as a *plea in objection* in an infringement action. It can also be invoked in support of a declaratory action seeking to establish that there has been no infringement, as a means to establish that no enforceable right exists upon which the defendant can rely. Of course validity can also be raised principally by means of a claim or a counterclaim. The four sets of Principles reject any exclusive jurisdiction rules in relation to unregistered IPRs' validity issues, principally or incidentally arising. Also, the four sets of Principles reject any exclusive jurisdiction rules with regard to validity issues of registered IPRs incidentally raised. Yet, only the ALI Principles and the Transparency Proposal reject any exclusive jurisdiction rules in relation to registered IPRs validity issues principally raised (the ALI Principles under stricter conditions, namely the defendant's residence in the forum state and the multistate registration of the IPR involved, whereas no such conditions are imposed by the Transparency Proposal). For both the ALI Principles and the Transparency Proposal, however, only a decision in the country of registration will have *erga omnes* effect. The CLIP Principles and the Joint Korean and Japanese Proposal, in contrast, confirm the exclusive jurisdiction of the state of registration with regard to registered IPRs validity claims principally raised.

142 In other words, with respect to validity claims the clear implication of the approach followed by the four sets of Principles is that only a decision in the country of registration will have *erga omnes* effect, but that courts in other countries are not deprived of all forms of jurisdiction in this area. *Inter partes* decisions clearly are acceptable. However, the CLIP Principles and the Joint Korean and Japanese Proposal do not allow the courts in countries other than the State of registration to examine the validity of registered rights whenever that question is principally raised. In contrast, this is possible under the Transparency Proposal, which establishes that the Japanese courts can adjudicate the validity of a registered IPR, even when principally raised, provided that there is another basis upon which to ground jurisdiction in the Japanese courts. The same result is provided for by the ALI Principles but under stricter conditions, namely that the defendant is resident in the forum state and that the invalidity of the registration of the right is raised for multiple States.¹⁶¹

143 The comment to the relevant rule in the Transparency Proposal, Article 103, written by r Chaen, Kono and Yokomizo, warrants full quotation: “it is generally thought, in Japan as well as in foreign countries, that the courts of the country of registration have exclusive jurisdiction over actions concerning the registration or validity of IP rights that arise from registration, such as patent rights. However, the Transparency Proposal does not adopt this thinking, and recognizes that there are cases in which the jurisdiction of Japanese courts should be affirmed even where the IP right was granted under foreign law. However, a judgment invalidating an IP right granted under foreign law should not be effective against third parties, but only effective between the parties to the action.”¹⁶²

144 The 2001 Draft of the Hague Judgment Convention seems to have influenced the approach adopted by all sets of Principles as far as the rejection of exclusive jurisdiction rules for validity issues incidentally raised is concerned, whereas with respect to validity issues principally raised the 2001 Draft of the Hague Judgment Convention seems to have influenced the approach adopted by the CLIP Principles and the Joint Korean and Japanese Proposal, as is discussed below in paragraph C.II.4. The same can be said for the 2005 Convention on Choice of Court Agreements, as is discussed below in paragraph C.II.4.

2. Rationale

145 A typical justification for exclusive jurisdiction rules in the context of IPRs litigation is the territorial nature of IPRs.¹⁶³ Thus, the rejection of such rules by the four sets of Principles under comparison,

even if just in part, constitutes a departure from the understanding of the territoriality principle as an international procedural rule. This departure is more radical with regard to the ALI Principles and the Transparency Proposal, since they reject exclusive jurisdiction rules almost entirely. The same departure is softer in relation to the CLIP Principles and the Joint Korean and Japanese Proposal, since they adopt limited exclusive jurisdiction rules in relation to registered IPRs validity issues principally raised. The Comments to the Joint Korean and Japanese Proposal do not mention the territoriality principle as a justification for exclusive jurisdiction rules. Also, the CLIP Principles try to promote cross border litigation by limiting exclusive jurisdiction to those situations where the public law interest of the country of protection is truly concerned.¹⁶⁴ All sets of Principles explain their (total or partial) abandoning of exclusive jurisdiction rules in terms of efficiency gains. Furthermore, the ALI Principles ground their approach related to the overcoming of exclusive jurisdiction rules with respect to validity issues principally raised (under certain requirements) as a compromise between the reluctance to examine the acts of foreign public authorities and efficiency gains.¹⁶⁵ The Transparency Proposal also bases the rejection of exclusive jurisdiction rules on the need for adequate dispute resolution. Furthermore, the Commentaries to the Transparency Proposal determine the basis for the existing exclusive jurisdiction rules as the avoidance of causing interference with the national sovereignty of foreign countries, and as the courts at the place of registration of the IPR involved being the best placed courts to examine its validity. Yet, according to those commentaries “the base for recognising the exclusive jurisdiction of the country of registration over actions concerning the validity of a right are not necessarily firm” and in any case “alone cannot justify exclusive jurisdiction that would, for example, preclude the international jurisdiction of the court of the country where the defendant is domiciled.”¹⁶⁶ Thus, the Transparency Proposal and the ALI Principles are in agreement with the departure from the exclusive jurisdiction rule even with respect to validity issues principally raised.

146 However, the ALI Principles set forth the prerequisites of the multiplicity of the rights and of the suit in the defendant’s country of residence, whereas the Transparency Proposal does not impose such requirements. The reason for this difference between the two sets of Principles is explained by the commentary on the Transparency Proposal according to which the prerequisites imposed by the ALI Principles to overcome the exclusive jurisdiction “are not relevant to the question of whether such an action may be filed in a country other than the

country of registration”¹⁶⁷ and therefore are not imposed by the Transparency Proposal.

3. International Context

147 For a comparative analysis of States’ practices related to exclusive jurisdiction rules, the author refers to her book on “exclusive jurisdiction in intellectual property”.¹⁶⁸ Particularly, Chapter II of this book highlights: the almost universal absence of exclusive jurisdiction rules for unregistered IPRs claims of whatever nature in international instruments, as well as in EU/EFTA norms and in national statutory or case-law rules; the almost universal absence of exclusive jurisdiction rules in international instruments, as well as in EU/EFTA norms and in national statutory or case-law rules for registered IPRs infringement claims however raised; the prevailing absence of exclusive jurisdiction rules in international instruments and in national statutory or case-law rules, as well as the mitigation of the scope of the exclusive jurisdiction rules of the EU/EFTA Brussels system for registered IPRs validity claims incidentally raised; and the emerging rejection of exclusive jurisdiction rules for registered IPRs validity issues principally raised.

148 In addition, Chapter II of the book demonstrates that neither the exclusive jurisdiction rules related to unregistered IPRs pure infringement claims and validity claims however raised, as well as registered IPRs pure infringement claims and validity claims incidentally raised, nor the exclusive jurisdiction rules related to registered IPRs validity issues principally raised are expression of a customary international law rule imposing States to adopt them.

149 Finally, the book purports and develops a thesis already maintained in literature as well as in case-law according to which exclusive jurisdiction rule are not only insufficiently supported by any of the arguments usually invoked in their favor, but actually are also contrary to the public international law rules on the avoidance of a denial of justice and on the fundamental human right of access to a court, and therefore should be abandoned with respect to infringement and validity claims involving either registered or unregistered IPRs. This abandonment would be in line with the clear already existing trend in this respect and would prevent economic inequalities in cross-border IP litigation, without however leading to abusive forum shopping.

4. Discussion

150 The rejection of exclusive jurisdiction rules for validity issues incidentally raised, proper of all sets of principles involved, was influenced by the 2001 Draft of the Hague Judgment Convention, providing that judgments over issues such as the grant, registration, validity, abandonment or revocation of foreign patents or marks should only have *inter partes* effects, whether the issue was principally or incidentally raised, in Article 12(6).¹⁶⁹ The Nygh/Pocar Report on the Hague Judgment Convention states that since the incidentally raised issue would have no effect *erga omnes*, it would be “seriously doubted whether it is desirable to confer exclusive jurisdiction” in this situation.¹⁷⁰ The 2005 Convention on Choice of Court Agreement supports this approach in Article 10, by saying that only a decision on validity of registered IPRs in the country of registration will have effect *erga omnes*.

151 The commentaries on the Transparency Proposal and the ALI Principles recall that “this method of handling the registered- rights problem was suggested by Curtis Bradley, writing at the behest of the United States State Department negotiators of the Hague Judgments Draft.”¹⁷¹ He distinguished between rights among individuals and rights against the world. Under his proposal to the Hague drafters, parties would be allowed to litigate their entire case in any court that has jurisdiction under the general terms of these Principles. However, if the case were litigated outside the State where the right was deposited or registered, the ‘status or validity of the deposit or registration of . . . rights [would have] effect as between the parties only.’”¹⁷²

152 Based on the above arguments against territoriality interpreted as an international jurisdiction criterion, the approach of all sets of Principles rejecting the notion of territoriality as the basis for exclusive jurisdiction rules is to be welcomed. Similarly, the approach of the sets of Principles that grounds the rejection of exclusive jurisdiction rules on efficiency gains is a good one, since as already argued, exclusive jurisdiction rules lead to an unreasonable and inefficient duplication of proceedings. Having said that, the ALI Principles and the Transparency Proposal appear to follow the preferable approach, since they abandon exclusive jurisdiction rules also with regard to validity issues principally raised. Thus, a plaintiff domiciled in Japan could raise principally before a Japanese court a validity issue related to a foreign patent of a competitor domiciled in Japan, for instance. In this case the competent Japanese court could establish the validity or invalidity of the patent at stake irrespective of its being of a foreign nature. In this regard, then, the parties could have

their dispute settled at home, even though the effects of the judgment will be of a limited nature with respect to third parties and even to the same parties in the future, if the Japanese court declares the foreign patent invalid.

III. Notion of exclusive (or subject matter) jurisdiction rules

1. Differences

153 The ALI Principles adopt the notion of subject-matter jurisdiction, whereas the CLIP Principles and the Joint Korean and Japanese Proposal refer to exclusive jurisdiction. The Transparency Proposal refers simply to international jurisdiction, since it does not pose any exclusive jurisdiction rule. These differences reflect the fact that each set of Principles is rooted in a different legal system. Yet, these differences are more of a terminology nature rather than one of content, and in fact the different systems involved lead to similar results in this respect. For a detailed examination of the systems adopting the notions of exclusive or respectively subject-matter jurisdiction and on the similar results reached by both of them, the author refers to paragraph two of her book and the literature and case-law recalled thereby.¹⁷³

154 The 2001 Draft of the Hague Judgment Convention and the 2005 Convention on Choice of Court Agreements take the same approach as the CLIP Principles and the Joint Korean and Japanese Proposal, as is discussed in paragraph C.III.4 below.

2. Rationale

155 The different sets of Principles do not clarify why they refer to the notion of exclusive jurisdiction or to the one of subject matter jurisdiction. The different approaches adopted by the four sets of Principles in this respect clearly derive from their being rooted in different legal systems.¹⁷⁴

3. International Context

156 See para 2 of the author's book referred to supra at C.III.1.

4. Discussion

157 Based on the above arguments against exclusive jurisdiction, the approach of the ALI Principles and the Transparency Proposal is preferable, as they do

not refer to the notion of an exclusive jurisdiction rule.

158 By referring to “the courts of the Contracting State of grant or registration” having “exclusive jurisdiction”, Alternative A of the 2001 Draft of the Hague Judgment Convention¹⁷⁵ adopts the notion of exclusive jurisdiction. The 2005 Convention on Choice of Court Agreements also acknowledges the notion of exclusive jurisdiction, in Article 3.

IV. Notion of registered rights

1. Differences

159 The CLIP Principles ground the exclusive jurisdiction in the courts of the State where the right has been registered *or is deemed to have been registered* under the terms of an international convention (Art.2:401.1). The Japanese Transparency Proposal refers to “rights prescribed under Japanese law (including intellectual property rights that are *deemed to be granted under Japanese law* pursuant to the provisions of an international treaty)” (103.1) (emphasis added). By contrast, the ALI Principles (Section 213.2) and the Joint Korean and Japanese Proposal (Art.209.1) refer only to the “State of registration”, but provide no further specification.

160 The 2001 Draft of the Hague Judgment Convention is similar to the ALI Principles and the Joint Korean and Japanese Proposal in this respect, and is discussed further in paragraph C.IV.4 below.

2. Rationale

161 The different sets of Principles do not clarify why they do or do not refer to IPRs deemed to have been registered in the forum state by virtue of the rules of an international treaty.

3. International Context

162 See para 2 of the author's book referred to supra at para C.III.1.

4. Discussion

163 For the sake of clarity, the Principles that explicitly include rights that are deemed to have been registered under the terms of an international convention within their definition of registered rights, namely the CLIP Principles and the Transparency Proposal, are preferable.

164 The 2001 Draft of the Hague Judgment Convention¹⁷⁶ refers only to “the Contracting State of grant or registration” in Alternative A. However, the Nygh/Pocar Report to the Hague Judgment Convention states that the Convention includes the notion of “courts of the Contracting State in which according to an international Convention the deposit or registration is deemed to have taken place”.¹⁷⁷ This refers to the earlier 1999 version of the Draft Convention, and this reference was removed in the 2001 version.

V. Matters included in the rules governing exclusive jurisdiction

1. Differences

165 Each of the following Principles establish different matters that fall under their respective subject matter jurisdiction rules. The ALI Principles talk about “a proceeding brought to obtain a declaration of invalidity” being subject to exclusive jurisdiction, in Article 213(2). Article 2:401 of the CLIP Principles adopts a more explicit approach, and stipulates that exclusive jurisdiction applies to “disputes having as their object a judgment on the grant, registration, validity, abandonment or revocation of a patent, a mark, an industrial design or any other intellectual property right”. Article 209 of the Joint Korean and Japanese Proposal establishes exclusive jurisdiction over “any dispute arising out of acquiring, registering, disclaiming or revoking and validity of intellectual property rights”. Article 103 (1) of the Transparency Proposal applies to “actions concerning the existence, registration, validity or ownership of intellectual property rights”, but rejects exclusive jurisdiction rules for any of these issues.

166 The 2001 Draft of the Hague Judgment Convention supports the approach taken by the CLIP Principles and the Joint Korean and Japanese Proposal in this respect, and is discussed in paragraph C.V.4 below.

167 The notion of exclusive jurisdiction adopted by all three sets of Principles (excluding the Transparency Proposal) only covers the aspects of foreign IPRs litigation¹⁷⁸ namely the IPR subsistence, scope, validity and registration.¹⁷⁹ It excludes disputes that can affect some of those issues but where the real object of the litigation¹⁸⁰ is different. This is notwithstanding the fact that they may result in decisions that can be the basis for changes in the records of the registries of a State,¹⁸¹ namely *inter alia* IPRs first ownership and entitlement issues,¹⁸² as well as transferability and assignability matters and the contractual transfer of ownership.¹⁸³ In fact, it is true that the Transparency Proposal mentions those last issues to-

gether with the validity matters. As for the subsistence, scope, validity and registration notions included in exclusive jurisdiction rules, they relate *inter alia* to the definition of the various categories of protected works, the originality, novelty and legal requirements, the granting, the fixation, the registration (including its abandonment or revocation) and the scope of protection, namely the various exclusive rights and the way in which they are defined and limited as well as the term of the right in question.¹⁸⁴

168 For present purposes the notions of subsistence, validity, registration and scope of an IPR will be recalled together under the category of “validity”, for simplicity reasons, unless specified differently.

2. Rationale

169 The different terminology adopted to designate the matters governed by the subject-matter jurisdiction rules reflects the many basic elements that relate to the existence and validity of an IPR and which can each serve as a basis for challenging whether all the criteria were met for establishing the right, in particular the registration and whether the right was validly granted.¹⁸⁵

170 Indeed, the CLIP Principles avoid the vague wording “validity” and designate explicitly the matters falling under exclusive jurisdiction rules as it shows clearly the limited number of scenarios that may give rise to exclusive jurisdiction. Furthermore, according to the Comments to the Joint Korean and Japanese Proposal, the terminology adopted by the Proposal to determine the claims falling under their exclusive jurisdiction rule (“any dispute arising out of acquiring, registering, disclaiming or revoking and validity of intellectual property rights”) reflects the aim of “drawing upon a comprehensive review of similar concerned provisions” of the other four sets of Principles’ corresponding rules.

3. International Context

171 See para 2 of the authors book referred to supra at para C.III.1.

4. Discussion

172 Even though the CLIP Principles and the Joint Korean and Japanese Proposal adopt exclusive jurisdiction rules, they try to limit those rules in an applaudable way, as both avoid the vague wording of “validity” and instead explicitly designate the matters falling under the rules on exclusive jurisdiction, as well as the rules on the limited effects of the judgments on foreign IPRs “validity” matters. Thus, by being more

precise, the CLIP Principles and the Joint Korean and Japanese Proposal clearly and narrowly circumscribe exclusive jurisdiction rules or rules on limited effects of the judgments to be rendered. Furthermore, those Principles are in line with the 2001 Draft of the Hague Judgment Convention, Alternative A, which refers to the notions of judgment “on the grant, registration, validity, abandonment, revocation [...] of a patent or a mark.”¹⁸⁶

VI. Legal actions included in the exclusive jurisdiction rules

1. Differences

173 As well as determining the matters which fall within their subject matter jurisdiction, which were discussed above in paragraph C.I.5, each set of Principles also determines different procedural actions that fall under their exclusive jurisdiction rules. Section 213(1) of the ALI Principles refers to “a declaratory judgment [...] to declare a registered right invalid”, and Section 213(2) refers to “a proceeding brought to obtain a declaration of the invalidity” of a registered IPR. Article 2:401 of the CLIP Principles stipulates that exclusive jurisdiction applies to “disputes having as their object a judgment on the grant, registration, validity, abandonment or revocation of a patent, a mark, an industrial design or any other intellectual property right protected on the basis of registration” when raised as a principal claim or counterclaim. Article 209 of the Joint Korean and Japanese Proposal states that exclusive jurisdiction applies to “[a]ny dispute arising out of acquiring, registering, disclaiming or revoking and validity of intellectual property rights,” except when such questions arise in a context other than “in a context of a preliminary or incidental question”. By contrast, as previously discussed, the Transparency Proposal governs “actions concerning the existence, registration, validity or ownership of intellectual property rights” (Article 103), but does not establish any exclusive jurisdiction rules for these actions regardless of how they are raised.

174 The 2001 Draft of the Hague Judgment Convention supports the specific approach taken by the CLIP Principles, as is discussed below in paragraph C.VI.4. However, the 2005 Convention on Choice of Court Agreements, adopts a much less specific term for judgments on intellectual property rights, and refers only to them as “a ruling on the validity of an intellectual property right.”

175 For the present purposes for simplicity, the following remarks will adopt the terms “validity claims” or “validity proceedings”, “*inter partes* effects” and “va-

lidity issues incidentally raised”, which are intended to be comprehensive, unless specified differently.

2. Rationale

176 Even though the CLIP Principles adopt an exclusive jurisdiction rule, they try to limit those rules in an applaudable way, by avoiding the vague wording of “actions concerned with” and “proceedings related to,” and instead designating explicitly the actions falling under the rules on exclusive jurisdiction and the rules on the limited effects of the judgments on foreign IPRs “validity” matters with the stipulation that these actions shall “have as their object” the interested claims. Thus, by being more precise, the CLIP Principles clearly and narrowly circumscribe exclusive jurisdiction rules and rules on limited effects of the judgments to be rendered.

3. International Context

177 See para 2 of the author’s book referred to supra at C.III.1.

4. Discussion

178 The differences in the language of the ALI, CLIP and Joint Principles leads to the question of how closely the procedural action must be connected to the question of validity or registration before the exclusive jurisdiction clause applies. Hence, “proceedings brought to obtain a declaration” under the ALI Principles; claims “having as their object a judgment” under the CLIP Principles; and “disputes arising out of” under the Joint Korean and Japanese Proposal may each be interpreted to govern different legal actions, leading to different results.

179 Indeed, the CLIP Principles adopt the terminology “having as their object”, which could make the limitation clear and exclude cases where the issues of validity and registration are only slightly related to the real purpose of litigation. This approach is also supported by the 2001 Draft of the Hague Judgment Convention,¹⁸⁷ Alternative A, which provides for exclusive jurisdiction “in which the relief sought is a judgment on the grant, registration, validity, abandonment, revocation [...] of a patent or a mark.”¹⁸⁸

VII. Effects of the judgments adopted on foreign IPRs validity issues

1. Differences

- 180** Each set of Principles determines differently the effects of the judgments which concern the validity of foreign registered IPRs. According to paragraph 211(2) of the ALI Principles, “the adjudication of the validity of registered rights granted under the laws of another State is effective only to resolve the dispute among the parties of the action”. Article 2:401(2) of the CLIP Principles stipulates that “the decisions resulting from [...] disputes” on validity or registration of registered IPRs that arose in a context other than by principal claim or counterclaim “do not affect the validity or registration of those rights as against third parties.” This rule shall be coordinated with Article 4:202 of the same Principles on “validity and registration”, according to which “recognition and enforcement of a foreign judgment may not be refused on the ground that in the proceedings before the court of origin the validity or registration of an intellectual property right registered in a State other than the State of origin was challenged, provided that the recognition and enforcement produces effects concerning validity or registration only with regard to the dispute between the parties”. Article 103(3) of the Transparency Proposal stipulates that “judgments invalidating intellectual property rights prescribed under foreign law shall only be effective as between the parties to the action”. Article 209(2) of the Joint Korean and Japanese Proposal states that “the decisions resulting from those disputes” which arose in “the context of preliminary or incidental questions” “do not affect later claims”. The comments to the Joint Korean and Japanese Proposal clarify that “even for the parties in such dispute, the decision rendered by the court that has exclusive jurisdiction derived from these Principles ought to prevail over that rendered by any other court, and the decisions in preliminary questions do not affect the subsequent proceedings.”¹⁸⁹
- 181** The limitation of the effect of the judgment to the parties of the proceeding with respect to the action at stake is similar to the one adopted by the 2001 Draft of the Hague Judgment Convention, which is discussed below in paragraph C.VII.4.
- 182** The four sets of Principles do not explicitly specify the scope of the judgments rendered by the courts of the State of registration on validity issues principally raised. Yet, this scope can be established by referring to the rules of each set of Principles which limit judgments concerning the validity of IPRs granted under the laws of other States to be effective only *inter par-*

tes, with some variation in the extent of this limitation. Thus, a logical interpretation of these rules determines that the decisions rendered by the courts of the State of registration affect the validity of the IPRs at stake not only between the parties of the proceedings, but also as against third parties, and therefore have an *erga omnes* effect.

- 183** In addition to the State of registration, the ALI Principles provide that a plaintiff may also principally challenge the validity of IPRs arising in multiple countries in the State where the defendant is resident. The Transparency Proposal stipulates that Japanese courts have international jurisdiction over validity claims principally raised concerning IPRs granted under foreign law, provided that there is another basis for jurisdiction in the Japanese courts, such as (but not only) the defendant being domiciled in Japan. Both the ALI Principles and the Transparency Proposal limit the scope of judgments concerning validity when rendered by the courts of the State other than the one which granted the IPR to the parties of the action.
- 184** The four sets of Principles provide for jurisdiction over issues concerning the validity of registered rights that are incidentally raised in the courts competent to address the related principal claims, e.g., infringement proceedings or contractual actions. Once again, each of the Principles limits the scope of the judgments rendered by these courts, stipulating that the effects of the judgments on rights registered in States other than the forum will be limited to the parties of the action (with slight differences).
- 185** Article 2:402 of the CLIP Principles establishes that when a court is seized of a claim which is subject to the exclusive jurisdiction of another court in a different state, by virtue of Article 2:401, the first court mentioned shall declare of its own motion that it has no jurisdiction. While the other sets of Principles do not deal with this procedural matter explicitly, they would presumably reach the same result.

2. Rationale

- 186** The sets of principles at stake confine the legal effects of the decision on validity of foreign registered IPRs to the parties to the proceeding. The ALI Principles are generally interpreted as intending to confine the legal effects of the decisions over validity of foreign IPRs to the parties of the proceedings as necessary to maintain the balance between the interests of various stakeholders (right-holders, other parties to the proceedings and states) while making sure that the sovereign interests of the granting State are not undermined.¹⁹⁰ Sovereignty considerations are invoked also by the Commentary on the Transparency Proposal according to which “a judgment invalidating a foreign IP right that is

effective against third parties would likely be considered interference with the national sovereignty of this foreign country.”¹⁹¹ Regarding the CLIP Principles, confining legal effects of the decisions over validity of foreign IPRs to the parties of the proceedings is necessary to avoid amendment of registers based on a ruling by a foreign court that has *erga omnes* effect. Thus, in other words, according to this argument, proceedings having as their object the validity or legality of entries in these public registers cannot be recognised in the country where the register is kept.¹⁹²

3. International Context

187 See chapters II and V of the authors book referred to supra at C.III.1.

4. Discussion

188 As already seen, the ALI Principles, the CLIP Principles and the Joint Korean and Japanese Proposal confine the legal effects of the decision on validity of foreign registered IPRs to the parties to the proceeding. The Transparency Proposal has adopted the preferable approach, by limiting the effects of the judgments only when they invalidate foreign IPRs but not limiting those effects when they declare the foreign IPRs valid. The 2001 Draft of the Hague Judgment Convention provides that decisions related to the validity of foreign IPRs incidentally raised would have no binding effect in subsequent proceedings, even if they are between the same parties, according to Article 12(6), Alternatives A and B.¹⁹³ Article 10 of the Hague Convention on Choice of Court Agreement of 2005 confirms this approach.¹⁹⁴ The 2005 Convention does not deprive courts in countries other than the country of registration of all forms of jurisdiction in this area, and particularly allows courts to exercise jurisdiction with *inter partes* decisions on foreign registered IPRs validity claims incidentally raised. However, under this Convention, a validity decision concerning a registered IPR only has *erga omnes* effect if rendered in the country of registration. Therefore the Hague Draft Convention and the Hague Convention of 2005 are in agreement with the approach taken by all sets of principles with respect to validity issues incidentally raised.

189 With respect to the rejection of exclusive jurisdiction rules for validity issues principally raised and the *inter partes* effect of the relevant judgments, evident in the ALI Principles and the Transparency Proposal only, it is relevant to recall a criticism addressed to the Transparency Proposal, but that could be extended, *mutatis mutandis*, to the same rejection of the ALI Principles. According to this criticism the rejection of exclusive jurisdiction in validity issues prin-

cipally raised would be useless¹⁹⁵ and would not fulfil the requirement posed i.a. by Japanese law of the procedural interests of the parties. The criticism at stake does not render immediately clear why it reaches those conclusions, but it seems reasonable to understand it as being based on the limited effects of the judgment on the validity of a foreign IPR principally raised. In other words, since the judgment on validity does not bind either third parties or the same parties with respect to their future actions, the judgment would be completely ineffective.

190 Yet, this criticism does not convince. In fact, even if the judgment of the court binds only to the parties and does not prevent their future legal actions, it seems that this judgment will still become *res judicata* for the parties with respect to its object. In other words, should one of the parties want to raise the validity issue related to the foreign IPR involved once again, the claimant should challenge said validity on the basis of reasons and arguments different than the ones that constituted the object of the judgment which became *res judicata*. Furthermore, according to the Transparency Proposal the limitation of effects of the judgment at stake involves only the judgment on invalidity, but does not concern the judgments on validity, rendering it clear that those will bind (at least) the parties on future claims. Also, according to the commentary on the ALI Principles the limitation of the effects of judgments on foreign IPRs validity issues to the parties of the dispute “may not result in as much duplicative litigation as might appear at first blush, for once the court of one commercially significant jurisdiction declares a foreign patent invalid, the patentee cannot easily enforce the right, or counterpart rights, against any other party.”¹⁹⁶ Finally, it is perfectly conceivable that the parties will comply voluntarily with a judgment on validity of a foreign IPR, being for instance just in need of legal certainty and aiming at avoiding further litigation between themselves, especially when the IPRs at stake are registered in many different jurisdictions. In fact, their voluntary compliance would prevent them from raising the validity issue of the IPR at stake in various different legal systems, with the risk of initiating inefficient proceedings, which are usually extremely costly and lead to divergent outcomes.¹⁹⁷ So, the limitation of effects of the judgments on foreign registered IPRs validity issues principally raised adopted by the ALI Principles and by the Transparency Proposal is not sufficient enough to indicate that their rejection of exclusive jurisdiction rules is useless.

191 On the contrary, the same limitation of effects seems to be criticisable for the same reasons that the exclusive jurisdiction rules are criticised. In fact, the said limitation of effects is probably grounded on sovereignty reasons by the Commentary on the ALI Principles and by the Transparency Proposal, whereas it

is based on the need to avoid the amendment of foreign registers in the case of the CLIP Principles.¹⁹⁸ However, as already mentioned, sovereignty reasons and arguments related to the amendment of foreign registers are not very convincing with respect to international jurisdiction issues related to IPRs. In summary, the effects of foreign judgments on the updating of national registers should be determined not by limiting *ex ante* the effects of the judgments of foreign courts on matters inscribed in these registers, but rather according to the usual PIL-relevant methods related to the recognition and enforcement of foreign judgments, i.a. the public policy reasons. So, national courts should be allowed to refuse to recognise a foreign judgment on the validity of a national IPR whenever this judgment is against public policy. However, it is likely that the public policy exception will be adopted in a restrictive way with regard to IP transnational litigation.¹⁹⁹

192 Interestingly enough this approach seems to be confirmed also by the Commentaries to the Transparency Proposal and to the ALI Principles. In fact, according to the commentaries to the Transparency Proposal, their rejection of exclusive jurisdiction for foreign registered IPRs validity issues principally raised might lead to “cases where a foreign court has international jurisdiction over actions concerning the validity of Japanese IP rights and invalidates those rights. But the Transparency Proposal provides, as a requirement for the recognition and enforcement of foreign judgment, that ‘the content of the judgment and the courts proceedings are not contrary to the public policy in Japan’ in Article 402(3), and it is understood that non-application of the absolutely mandatory statutes, the inconsistency of the rights situation with the country of registration, or the non-guaranteeing of an opportunity to pursue a claim about the validity and scope of rights may be contrary to public policy.”²⁰⁰

193 The possible overcoming of the limitation of the effects of judgments on foreign IPRs validity issues seems to be purported also by the ALI Principles commentaries. In fact, interestingly enough those commentaries establish that “a mechanism for public notification of *inter se* invalidity determinations would be a useful complement to the Principles as it would contribute to maintaining the public domain.”²⁰¹ In other words, according to these commentaries, even though the decision on foreign registered IPRs validity issues should have only *inter partes* effects, they could be notified to the entire world so that they could produce some sort of effect outside their limited scope. This approach is to be applauded.

D. Conclusions

194 The comparison just exposed demonstrates that a trend exists in all sets of principles examined to mitigate and even to overcome the territorial approach in cross-border IPRs litigation, allowing for the consolidation of claims even before courts other than the ones of the IPR granting State and even when the IPR validity issue is raised as a defense in an infringement proceeding. Furthermore, the comparison highlights that another trend exists in two of the four sets of principles at stake (the ALI Principles and the Transparency Proposal) to reject exclusive jurisdiction rules, allowing the consolidation of claims before courts other than the ones of the IPRs granting States even when the IPR validity issue is raised as a principal claim. Thus, the comparison explains that despite existing certain differences among the rules on infringement and exclusive jurisdiction posed (or rejected) by the four sets of academic principles, in the majority of cases further studies and work of the ILA Committee could help overcoming these differences, achieving common results, that could eventually be codified in a future ILA Resolution.

- 1 Jurčys, Nishitani and Vande Walle, ‘Summary of Comments and Discussion on International Jurisdiction’ in Basedow, Kono and Metzger, (eds), *Intellectual Property in the Global Arena* (Tübingen, Mohr Siebeck 2010) p. 146.
- 2 See Hague Conference on Private International Law, “Commission II: Jurisdiction and Foreign Judgments in Civil and Commercial Matters: Summary of the Outcome of the Discussion in Commission II of the First Part of the Diplomatic Conference 6 – 20 June 2001, Interim Text”, available at: [www.http://www.hcch.net/upload/wop/jdgm2001draft_e.pdf](http://www.hcch.net/upload/wop/jdgm2001draft_e.pdf), p. 11.
- 3 Chaen, Kono and Yokomizo, ‘Jurisdiction in Intellectual Property Rights Cases’ in Basedow, Kono and Metzger (eds), *Intellectual Property in the Global Arena* (Tübingen, Mohr Siebeck 2010) p. 98.
- 4 In addition to that, of course, the advantage remains that courts at the place where the infringement is threatening to occur are in a position to apply municipal law.
- 5 See Hague Conference on Private International Law, (n 2) p. 11.
- 6 Jurčys, Nishitani and Vande Walle, (n 1) p. 148.
- 7 Metzger, ‘Jurisdiction in Cases Concerning Intellectual Property Infringements on the Internet – Brussels I Regulation, ALI Principles and Max-Planck Proposals’, in Ohly and Leible (eds), *Intellectual Property and Private International Law* (2009), p. 258; Heinze, *Jurisdiction – A Framework for International Enforcement of Territorial Rights: The CLIP Principles*, in Basedow, Kono and Metzger, (n 1) p. 67.
- 8 Metzger, (n 7) p. 258; Heinze, (n 7) p. 63.
- 9 Heinze, (n 7) p. 66.
- 10 *Ibid.*, p. 64.
- 11 *Ibid.*, p. 63.
- 12 See *infra* para B.III.3.
- 13 On this Joint Recommendation see Metzger, ‘Applicable Law Under The CLIP-Principles: A Pragmatic Reevaluation Of Territoriality’, in Basedow, Kono and Metzger (eds), (n 1) pp. 172-173. See also, the application of the Joint Recommendation by the German Federal Court of Justice in *Hotel Maritime* (Case IZ R 163/02, 13 October 2004).

- 14 Case C-21/76 *Handelskwekerij G. J. Bier BV v Mines de potasse d'Alsace SA* [1976] ECR 1735, conclusions.
- 15 Case C-68/93 *Shevill v Presse Alliance SA* [1995] ECR I-415. On the *Shevill* decision see for all Anna Gardella, 'Diffamazione a mezzo stampa e Convenzione di Bruxelles del 27 settembre 1968' [1997] RDIPP 657.
- 16 See Reference for a preliminary ruling from the Tribunal de Grande Instance, Paris (France) lodged on 16 July 2009 – Case C-278/09 *Olivier Martinez, Robert Martinez v Société MGN Limited* [2009] OJ C220/56. On this case see Boschiero and B. Ubertazzi, Italy [a report prepared for the International Congress on Comparative Law, Washington, 2010], in Kono (ed.), *Intellectual Property and Private International Law*, Hart Publisher, The Hague, 2012, pp. 707– 762.
- 17 Boschiero and Ubertazzi, (n 16).
- 18 See Reference for a preliminary ruling from the Tribunal de Grande Instance, Paris (France) lodged on 16 July 2009 – Case C-278/09 *Olivier Martinez, Robert Martinez v Société MGN Limited* [2009] OJ C220/56.
- 19 See the references to the relevant German, French and Austrian case-law in Metzger, (n 7) pp. 255-257; Heinze, (n 7) p. 67.
- 20 Joined Cases C-509/09 and C-161/10 *eDate Advertising GmbH v X and Olivier Martinez, Robert Martinez v MGN Limited* [2011] OJ C370/9, conclusions.
- 21 Boschiero, 'Il principio di territorialità in materia di proprietà intellettuale: conflitti di leggi e giurisdizione' [2007] AIDA 81; Metzger, 'Transfer of Rights, License Agreements, and Conflict of Laws: Remarks on the Rome Convention of 1980 and the Current ALI Draft' in Basedow, Drexl, Kur and Metzger (eds), *Intellectual Property in the Conflict of Laws* (Tübingen, Mohr Siebeck 2005) p. 258; Heinze, (n 7) p. 63. See also On this case see van Engelen, 'Jurisdiction and Applicable Law in Matters of Intellectual Property' (2010) 14(3) *EJCL* 6, who highlights that Dutch Courts appear to have taken a restrictive view of *Shevill*, repeatedly denying the case's applicability to cross-border intellectual property infringements when jurisdiction is based on Article 5(3) of the Brussels I Regulation. See also further references in Metzger, 'Jurisdiction in Cases' (n 7) p. 261.
- 22 The French *Cour de Cassation* has applied the *Shevill* judgment in a variety of cases concerning intellectual property infringement. For references see de Miguel Asensio, 'Cross-border Adjudication of Intellectual Property Rights and Competition between Jurisdictions' (2007) 41 *AIDA* 117; Nuyts, *Suing at the Place of Infringement: the Application of Article 5(3) of Regulation 44/2001 to IP Matters and Internet Disputes*, in Arnaud Nuyts (ed.), *International Litigation in Intellectual Property and Information Technology* (Kluwer 2008) p. 116; Metzger, (n 7).
- 23 Case C-523/10 *Wintersteiger AG v Products 4U Sondermaschinenbau GmbH* [2012].
- 24 *Ibid.*, para 25.
- 25 See de Miguel Asensio, (n 22) p. 123; Metzger, (n 7) p. 260.
- 26 See Koji Takahashi, *Japan's new act on international jurisdiction*, available at <http://www1.doshisha.ac.jp/~tradelaw/UnpublishedWorks/JapaneseNewActInternationalJurisdiction.pdf>, 6. See also Yokomizo, 'Intellectual Property Infringement on the Internet and Conflict of Laws' (May 2011) *AIPPI Journal*, 105 and the opinion of Professor Nishitani reported in Jurčys, Nishitani and Vande Walle (n 1) 149. See Japan's new act on international jurisdiction, "Act for the Partial Amendment of the Code of Civil Procedure and the Civil Interim Relief Act", adopted on 28 April 2011 and promulgated on 2 May 2011. This act will enter into force one year after the promulgation
- 27 See Article 3-5(3) of Japan's New Act (n 24) on exclusive jurisdiction, on which see the exclusive jurisdiction comparative file. See the annotation to Article 3-5(3) according to which "this paragraph does not cover an action for damages for infringement of an intellectual property", see Takahashi (n 26) p. 9. See also Chaen, Kono and Yokomizo, (n 3) p. 98.
- 28 So, as an example Professor Nishitani recalled the following: "suppose a Japanese company operates BlackBerry devices by sending signals from Canada to the US. Then a US company claims that these activities infringe its US patents. If the Japanese company does not have any branch office in Canada, there is no jurisdiction" according to the territorial approach to infringement jurisdiction, proper also of the "CLIP Principles" (see the following remarks). However, for the sake of effective remedies, especially injunctions, it makes sense to grant jurisdiction to the Canadian courts, as the Japanese system allows and the "ALI Principles and the Transparency Proposal suggest. Otherwise the US company would have to obtain a judgment in the US or Japan and have it enforced in Canada, even if provisional measures are available under the CLIP Principles" (see the remarks made by Nishitani recalled by Jurčys, Nishitani and Vande Walle (n 1) p. 149).
- 29 Chaen, Kono and Yokomizo, (n 3) p. 110, with reference to the Japanese Supreme Court decision of 8 June 2001 – *Tsuburaya Production*, *Minshu Vol. 55*(4) p. 227.
- 30 Yokomizo, 'Intellectual Property Infringement' (n 26) p. 106.
- 31 The translation into English was kindly provided for me by Dr. Ning Zhao. See the interpretation at stake at <<http://www.chinaipmagazine.com/law-show.asp?id=439>>.
- 32 See Heinze, (n 7) p. 65; Chaen, Kono and Yokomizo, (n 3) p. 77.
- 33 See Hague Conference on Private International Law, (n 2) p. 11..
- 34 Preliminary Draft Convention on Jurisdiction and the Effects of Judgments in Civil and Commercial Matters (DHJC), June 18, 1999, with an explanatory report by Peter Nygh & Fausto Pocar, (HC) Prel. Doc. No. 11, available at (Pocar and Honorati eds., 2005) *The Hague Preliminary Draft Convention on Jurisdiction and Judgments: Proceedings of the Round Table held at Milan University on 15 November 2003*, Milan, Cedam, 2005 (Nygh/Pocar Report), p. 251.
- 35 Metzger, (n 7) p. 259; Heinze, (n 7) p. 65.
- 36 On the territoriality principle as an expression of the proximity principle see Ubertazzi B., *Exclusive Jurisdiction in Intellectual Property*, Mohr Siebeck, 2012, chapter IV.
- 37 See *infra* para B.IV.
- 38 See the remarks made by Nishitani referred to by Jurčys, Nishitani and Vande Walle, (n 1) p. 149.
- 39 *Ibid.*, p. 150.
- 40 *Ibid.*, p. 151
- 41 See Ancel M.E., *Le contentieux international de la concurrence déloyale dans la jurisprudence récente*, in *JurisClasseur* 2006, p. 14; Ancel M.E., *Concurrence déloyale sur Internet: la compétence juridictionnelle française perd pied*, Note a Cass. Com., 20 mars 2007, in *La Semaine Juridique* 2007, p. 29; Ancel M.E., *L'arrêt GAT: une occasion manquée pour la défense de la propriété industrielle en Europe*, in *ERA Forum* 2007, p. 27; Nuyts, (n 22) p. 116; Chaen, Kono, Yokomizo, (n 3) p. 98; Yokomizo, (n 26) p. 106.
- 42 See *supra*, para B.III.1.
- 43 See *supra*, para B.III.1.
- 44 On this requirement see B.IV.2.
- 45 See para B.III.
- 46 Chaen, Kono and Yokomizo, (n 3) p. 98.
- 47 See Drexl and Kur, *Intellectual Property and Private International Law* (2005), 329; Metzger, (n 7) pp. 259-260.
- 48 See paragraphs B.IV.2, B.IV.3, and B.IV.4.
- 49 See *infra*, para B.IV.2.
- 50 See *The American Law Institute* (Philadelphia 2007), p. 94.

- 51 See *supra*, para B.III.3.
- 52 Article 3-3 (viii) of the Japanese Act on International Jurisdiction. See Japan's new act on international jurisdiction, (n 26). On this act see Koji Takahashi, (n 26); Masato Dogauchi, *Forthcoming Rules on International Jurisdiction*, 12 (2010) *Japanese Yearbook of Private International Law*, pp. 212-241. On the previous draft see Nishitani, 'Intellectual Property in Japanese Private International Law', (2005) 48 *The Japanese Annual of International Law* 87, at p. 94 adding the reservation that tort jurisdiction could be contested if the connection between the forum and the tortuous act is very weak, such as in case of Internet communication which is not directed to, and has no substantial effect on, the market.
- 53 See Takahashi, (n 26) p. 6.
- 54 See Article 3-5(3) of Japan's New Act on International Jurisdiction, on exclusive jurisdiction. See the annotation to Article 3-5(3) according to which "this paragraph does not cover an action for damages for infringement of an intellectual property". see Koji Takahashi, (n 26), p. 9. See also Chaen, Kono and Yokomizo, (n 3) p. 98.
- 55 Article 3-3 (viii) of the Japanese Act on International Jurisdiction; see Koji Takahashi, (n 26), p. 6.
- 56 See Nishitani, (n 52) p. 94 with further references.
- 57 Chaen, Kono and Yokomizo, (n 3) p. 99.
- 58 *Ibid.*, p. 98.
- 59 Yokomizo, (n 26) p. 106
- 60 Yokomizo, (n 26) pp. 105-106.
- 61 *Ibid.*, p. 107.
- 62 *Ibid.*, p. 106.
- 63 Metzger, (n 7) p. 262.
- 64 See *supra* para B.III.3.
- 65 Dreyfuss, 'Resolution Through Conflict of Laws: The ALI Principles on Transnational Intellectual Property Disputes: Why Invite Conflicts?' (2005) 30 *Brook. J. Int'l L.* p. 831.
- 66 See The American Law Institute, (n 50) p. 95 See also Dreyfuss, (n 65) p. 831.
- 67 Metzger, (n 7) p. 257
- 68 *Ibid.*
- 69 See *supra* para B.IV.2.
- 70 See *supra*, para B.III.3.
- 71 Metzger, (n 7) p. 260; Heinze, (n 7) pp. 68-69.
- 72 Metzger, (n 7) p. 260; Heinze, (n 7) p. 69 fn. 78.
- 73 See *supra* para B.III.2.
- 74 Metzger, (n 7) p. 260; Heinze, (n 7) p. 67.
- 75 Metzger, (n 7) p. 264.
- 76 *Ibid.*
- 77 *Ibid.*
- 78 Chaen, Kono and Yokomizo, (n 3) p. 98; Yokomizo, 'Intellectual Property Infringement' (n 26) p. 106.
- 79 Chaen, Kono and Yokomizo, (n 3) p. 98.
- 80 *Ibid.*
- 81 *Ibid.*
- 82 Nygh & Pocar, (n 34) p. 209. The text of the DHJC is available *ibid.* For the history of the draft convention and the ensuing developments, see *id.* and also Schulz, *The Hague Conference Project for a Global Convention on Jurisdiction, Recognition and Enforcement in Civil and Commercial Matters: An Update*, in, *INTELLECTUAL PROPERTY AND PRIVATE INTERNATIONAL LAW: HEADING FOR THE FUTURE* 5 (Josef Drexel & Annette Kur eds., 2005). With respect to IPRs see Kur, *International Hague Convention on Jurisdiction and Foreign Judgments: A Way Forward for IP?* E.I.P.R. 175 (2002); Svetozara, *The Potential Impact of the Draft Hague Convention on International Jurisdiction and Foreign Judgments in Civil and Commercial Matters on Internet-related Disputes with Particular Reference to Copyright*, 2 *INTELL. PROP. Q.* 173 (2004).
- 83 See Permanent Bureau, 'Report of the experts meeting in the intellectual property aspects of the future Convention on jurisdiction and foreign judgments in civil and commercial matters' Preliminary Document No. 13 (1 February 2001), page 7, available at <<http://www.hcch.net/upload/wop/jdgmpp13.pdf>>.
- 84 *Ibid.*, p. 3.
- 85 *Ibid.*, p. 4.
- 86 *Ibid.*
- 87 *Ibid.*
- 88 *Ibid.*
- 89 This provision will have to be excluded from the exceptions stated in Article 17.
- 90 On the ubiquity theory, see *supra*, para B.III.
- 91 See part C of this article.
- 92 Article 5(3) establishes that "A person domiciled in a Member State may, in another Member State, be sued 3. in matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred or may occur".
- 93 Trib. Venezia 16.04.2011, unpublished; See also Trib. Milano 60696/07 29.11.2007, unpublished. On these cases see Boschiero and Ubertazzi, (n 16).
- 94 Article 2 of the Brussels I Regulation establishes that subject to this Regulation, persons domiciled in a Member State shall, whatever their nationality, be sued in the courts of that Member State.
- 95 *Pearce v Ove Arup Partnership Ltd* [2000] Ch 403. See the comment to this case in *International Review of Intellectual Property and Competition Law* (1999) 30(7) 825-840. See also Austin, 'The Concept of "Justiciability" in Foreign Copyright Infringement Cases' (2009) 40 *IIC* 399.
- 96 *Lucasfilm Ltd. & Ors v Ainsworth & Anor* [2011] UKSC 39 (27 July 2011) <http://www.supremecourt.gov.uk/decided-cases/docs/UKSC_2010_0015_Judgment.pdf>, 109.
- 97 See Paul Jenard, 'Report on the Convention on jurisdiction and the enforcement of judgments in civil and commercial matters' [1979] OJ C59/36; Explanatory Report by Professor Fausto Pocar (*Chair of International Law at the University of Milan*) [2009] OJ C 319/26.
- 98 See for instance the (EC) Regulation No 864/2007 of the European Parliament and of the Council of 11 July 2007 on the law applicable to non-contractual obligations [2007] OJ L199/40 on 31 July 2007 (Rome II Regulation).
- 99 According to which "1. The law applicable to a non-contractual obligation arising from an infringement of an intellectual property right shall be the law of the country for which protection is claimed. 2. In the case of a non-contractual obligation arising from an infringement of a unitary Community intellectual property right, the law applicable shall, for any question that is not governed by the relevant Community instrument, be the law of the country in which the act of infringement was committed".
- 100 *Lucasfilm Ltd. & Ors v Ainsworth & Anor* [2011] UKSC 39 (27 July 2011) <http://www.supremecourt.gov.uk/decided-cases/docs/UKSC_2010_0015_Judgment.pdf>.

- 101 Fawcett and Torremans, *Intellectual Property and Private International Law* (2nd edn, OUP 2011) 211.
- 102 de Miguel Asensio, 'Recognition and Enforcement of Judgments in Intellectual Property Litigation: The CLIP Principles' in Basedow, Kono and Metzger, (n 1) p. 276.
- 103 Council Regulation (EC) 40/94 of 20 December 1993 on the Community trade mark [1994] OJ L011 (see amending acts at <http://europa.eu/legislation_summaries/other/l26022a_en.htm#AMENDINGACT>).
- 104 *Ibid.*, at Articles 92–94.
- 105 *Ibid.*, at Articles 92–94.
- 106 Note, these issues are usually addressed by regional international rules. For instance, in Europe, the Convention on the Grant of European Patents (adopted 5 October 1973, entered into force 7 October 1977) 1065 UNTS 199 (European Patent Convention), on which see *infra* paragraph B.IV., includes the Protocol on Jurisdiction and the Recognition of Decisions in respect of the Right to the Grant of a European Patent (Protocol on Recognition). The text is available at <<http://www.epo.org/law-practice/legal-texts/html/epc/2010/e/ma4.html>>. Council Regulation (EC) 40/94 of 20 December 1993 on the Community trade mark [1994] OJ L011 (see amending acts at <http://europa.eu/legislation_summaries/other/l26022a_en.htm#AMENDINGACT>) includes Title X on Jurisdiction and Procedure in Legal Actions Relating to Community Trade Marks. Council Regulation (EC) 6/2002 of 12 December 2001 on Community designs [2002] OJ L3/1 includes Title IX on Jurisdiction and Procedure in Legal Actions Relating to Community Designs. Council Regulation (EC) 2100/94 of 27 July 1994 on Community plant variety rights [1994] OJ L227/1 includes Part Six on Civil Law Claims, Infringements, Jurisdiction.
- 107 Council Regulation (EC) 6/2002 of 12 December 2001 on Community designs [2002] OJ L3/1 includes Title IX on Jurisdiction and Procedure in Legal Actions Relating to Community Designs. Council Regulation (EC) 2100/94 of 27 July 1994 on Community plant variety rights [1994] OJ L227/1 includes Part Six on Civil Law Claims, Infringements, Jurisdiction.
- 108 See *supra*, para B.IV.3.
- 109 Kunda, in Kono (ed.), (n 16).
- 110 With regard to similar reasoning invoking the extension by way of interpretation of the *Lucasfilm* UK Supreme Court ruling from unregistered IPRs infringement issues to unregistered IPRs validity issues incidentally raised, see Ubertazzi, (n 36) para 16.
- 111 See Ubertazzi, (n 36) para 65.
- 112 See Baddeley, 'Out of Africa: The Moçambique Rule and Obstacles to Suits for Enforcement of Foreign Registered Intellectual Property Rights in Australia' (June 2007) *The Intellectual Property Forum* (Journal of the Intellectual Property Society of Australia and New Zealand) 45.
- 113 *Ibid.*
- 114 See Ubertazzi, (n 36), para 16.
- 115 See Mo Zhang, 'International Civil Litigation in China: A Practical Analysis of the Chinese Judicial System' (2002) 25 *B.C. Int'l & Comp. L. Rev.* 59, 71, available at <http://www.bc.edu/bc_org/avp/law/lwsch/journals/bciclr/25_1/25_1_toc.htm>.
- 116 Article 5 of the said Interpretation. The translation of this text into English was kindly provided for me by Dr. Ning Zhao. See the Chinese text at <<http://www.chinaipmagazine.com/law-show.asp?id=311>>.
- 117 See Article 3-5(3) of Japan's New Act (n 375) on exclusive jurisdiction, on which see Takahashi (n 24) 9, available at <<http://www1.doshisha.ac.jp/~tradelaw/UnpublishedWorks/JapaneseNewActInternationalJurisdiction.pdf>>. See also Chaen, Kono and Yokomizo, (n 3) p. 98. Finally see the literature quoted with respect to the Japanese system at Ubertazzi, (n 36) para 16.
- 118 See Ubertazzi, (n 36), para 16.
- 119 Nygh and Pocar, (n 34) p. 251.
- 120 See Schulz, *The Hague Conference Project for a Global Convention on Jurisdiction, Recognition and Enforcement in Civil and Commercial Matters – An Update*, in Basedow, Drexl, Kur and Metzger (eds), *Intellectual Property in the Conflict of Laws* (Tübingen, Mohr Siebeck 2005), 9 for discussion on the impact this Article would have.
- 121 See Kur, *Jurisdiction and Enforcement of Foreign Judgements – The General Structure of the MPI Proposal*, in Basedow, Drexl, Kur and Metzger (eds), (n 120) p. 28; Metzger, 'Jurisdiction in Cases', (n 7) p. 265.
- 122 See *supra*, para B.IV.3.
- 123 Metzger, 'Jurisdiction in Cases', (n 7) p. 265.
- 124 Metzger, 'Jurisdiction in Cases', (n 7) pp. 265–266.
- 125 Metzger, 'Jurisdiction in Cases', (n 7) p. 265.
- 126 *Ibid.*
- 127 See also Ubertazzi, 'Recognition and Enforcement of Foreign Judgments in Intellectual Property: a Comparison for the International Law Association', in this journal issue.
- 128 See de Miguel Asensio, 'Cross-border' (n 22) 106; Fawcett and Torremans (n 101) p. 911.
- 129 See Ubertazzi, (n 36) chapters IV and VI.
- 130 See de Miguel Asensio, *Derecho Privado de Internet* (4th edn, Civitas 2011) 432. See Benedetta Ubertazzi, 'Territorial and Universal Protection of Intangible Cultural Heritage from Misappropriation' (2010) 8 *New Zealand Yearbook of Int. Law* 69.
- 131 Fawcett and Torremans (n 101) pp. 911–912.
- 132 *Ibid.*
- 133 Trimble, 'The Future of Cybertravel: Legal Implications of the Evasion of Geolocation' (2012) 22 *Ford. Intell. Prop. Media & Ent. L.J.*. See also Cogo, *I contratti di diritto d'autore nell'era digitale* (Turin, Giappichelli 2010) pp. 65–66; Katzenberger, 'Zwangsdigitalisierung urheberrechtlich geschützter Werke in den USA und in Deutschland: das Project Google Book Search und §1371 UrhG' [2010] *GRUR Int* 563.
- 134 See Goldman, 'Geolocation and A Bordered Cyberspace' (13 November 2007) available at <http://blog.ericgoldman.org/archives/2007/11/geolocation_and.htm>; Trimble, (n 133).
- 135 Trimble, (n 133) conclusions.
- 136 *Ibid.*
- 137 Metzger, 'Jurisdiction in Cases' (n 7) p. 263.
- 138 *Ibid.* Yokomizo, 'Intellectual Property Infringement' (n 26) 107, according to whom "it seems appropriate to accept the assertion that, in regards to IP infringements on the Internet, identifying an infringing 'act' does not make much sense, and the factor of an 'act' is losing its significance as jurisdictional ground.
- 139 Chaen, Kono, Yokomizo, (n 3) p. 98; Yokomizo, 'Intellectual Property Infringement' (n 26) p. 106.
- 140 Yokomizo, 'Intellectual Property Infringement' (n 26) p. 106.
- 141 Metzger, 'Jurisdiction in Cases' (n 7) p. 263.
- 142 *Ibid.*
- 143 *Ibid.*
- 144 Article 5(3) establishes that "A person domiciled in a Member State may, in another Member State, be sued 3. in matters re-

- lating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred or may occur”.
- 145 Cass. 19.12.2003 n. 19550, *BL Macchine Automatiche ApA v Windmoller & Holscher KG* in [2005] GRUR Int 264, annotated by Wolfgang Wurmnest. See also Cass. s.u. 3657/89, in Foro it. [1990], I, 117, Corte di Appello di Milano 02.03.2004, in GADI [2004] n. 4719 p. 837; Trib. Milano 10.01.2009, in GADI [2009] n. 5395 p. 637. See Trib. Milano 06.08.2008, in Diritto d'autore [2009] n. 2 p. 332; Trib. Milano 29.03.2005, in AIDA [2005] 640; Trib. Roma ordinanza 01.02.2000, in AIDA [2000] p. 870; Trib. Brescia 11.11.1999, in GADI [2000] n. 4107 p. 505. On those cases see Boschiero and Ubertazzi (n 16). See also Fawcett and Torremans, (n 101) p. 211.
- 146 Court of Appeal of Brussels 20.02.2000; Trib. Brussels 12.05.2000; Trib. Brussels 08.06.2000. See Fawcett and Torremans, (n 101) p. 211.
- 147 Swedish Supreme Court, *Flotek AB case*, 14.06.2000, in [2001] GRUR Int 178. See case comment by Lydia Lundstedt in [2001] GRUR Int 103. See also Fawcett and Torremans, (n 101) p. 211.
- 148 C-133/11, Reference for a preliminary ruling from the Bundesgerichtshof (Germany) lodged on 18 March 2011 - *Folien Fischer AG and Fofitec AG v RITRAMA SpA*.
- 149 Boschiero and Ubertazzi, (n 16). See also Fawcett and Torremans, (n 101) p. 211.
- 150 Franzosi, 'World-Wide Patent Litigation and the Italian Torpedoes' (1997) 19 EIPR 382; Franzosi, 'Torpedoes are Here to Stay' (2002) 31 IIC 156; Fawcett and Torremans, (n 101) p. 211.
- 151 *BL Macchine Automatiche* (n 145).
- 152 Fawcett and Torremans, (n 101) p. 211.
- 153 See supra paras B.V.2 and B.V.3.
- 154 See *ABB Inc. v. Cooper Industries*, [2010] Federal Circuit available at <http://www.patentlyo.com/files/10-1227.pdf>
- 155 See *Avocent Huntsville Corp. v. Aten Int'l Co. Ltd* [2008] Federal Circuit 552 F.3d 1324, pp. 1331-1332.
- 156 See *Pirate Bay Founders Loose Appeal*, posted on 26 November 2010 in BBC News, accessible at <http://www.bbc.co.uk/news/technology-11847200>. See the Supreme Court decision in the *Pirate Bay* case February 2012 partially translated into English in <http://www.wrongplanet.net/postt188742.html>.
- 157 See the case in <http://sverigesradio.se/Diverse/AppData/Isidor/files/83/6277.pdf>
- 158 See Jurisdiction in France over acts committed in Italy: Cour d'Appel fights Cour de Cassation, Posted by FrenchKat to The 1709 Blog on 1/18/2012.
- 159 Jurčys, Nishitani and Vande Walle, (n 1) p. 146.
- 160 160 See Hague Conference on Private International Law, (n 2), Article 12(6), Alternatives A and B, available at: www.cptech.org/ecom/jurisdiction/hague.html
- 161 161 Chaen, Kono and Yokomizo, (n 3) p. 88, according to whom “the ALI Principles and the Transparency Proposal are in agreement on this point of departure from the rule of exclusive jurisdiction of the country of registration”.
- 162 162 See Chaen, Kono and Yokomizo, (n 3) p. 79.
- 163 163 See Ubertazzi, (n 36), section III of chapter IV.
- 164 164 Heinze, (n 7) p. 57
- 165 165 See Chaen, Kono and Yokomizo, (n 3) pp. 87-88.
- 166 166 Ibid., p. 89.
- 167 167 Ibid., p. 90.
- 168 168 Ubertazzi, (n 36).
- 169 169 See Hague Conference on Private International Law, (n 2) p. 13: Article 12(6), Alternatives A and B.
- 170 The Hague Preliminary Draft Convention on Jurisdiction and the Effects of Judgments in Civil and Commercial Matters (adopted on 30 October 1999), with an explanatory report by Peter Nygh and Fausto Pocar, 'Preliminary Document No. 11' in Fausto Pocar and Costanza Honorati (eds), *The Hague Preliminary Draft Convention* (n 34) p. 262.
- 171 See Special Commission on International Jurisdiction and the Effect of Foreign Judgments in Civil and Commercial Matters, Hague Conference on Private International Law, Work Doc. No. 97E, 39, 122 (Nov. 10-20, 1998).
- 172 See The American Law Institute, (n 50) p. 135.
- 173 Ubertazzi, (n 36).
- 174 See supra para C.III.1
- 175 See Hague Conference on Private International Law, (n 2) p. 13: Article 12(4).
- 176 See Hague Conference on Private International Law, (n 2) p. 13: Article 12(4).
- 177 Nygh and Pocar, (n 34) p. 263.
- 178 On those notions in general terms see Bariatti, 'La giurisdizione e l'esecuzione delle sentenze in materia di brevetti di invenzione nell'ambito della C.E.E.' [1982] *Rivista di diritto internazionale privato e processuale* 511; Torremans, 'The Sense or Nonsense of Subject Matter Jurisdiction over Foreign Copyright' (2011) 33(6) EIPR 349-356.
- 179 See Bariatti, 'La giurisdizione' (n 178) p. 516; Torremans, 'The Sense or Nonsense' (n 178) p. 349.
- 180 See infra, para C.VI
- 181 See Bariatti, 'La giurisdizione' (n 178) p. 516; Torremans, 'The Sense or Nonsense' (n 178) p. 349.
- 182 See Case 288/82 *Duijnste v Goderbauer* [1983] ECR 3663, with regard to disputes concerning the right to a patent when what is involved is an invention of an employee. Yet “doubtless, the same will be true even if it is not an invention of an employee”, as such Fawcett and Torremans, (n 101) p. 20. For further references to case-law see *ibid.*, pp. 20 et seq.. Finally see Chaen, Kono and Yokomizo, (n 3) p. 90 according to whom “there is no reason to require that the country of registration that grants the right has exclusive jurisdiction over actions concerning the ownership of an IP right”.
- 183 The inclusion of the transferability matter in exclusive jurisdiction rules remains unclear. Yet, according to prevailing opinion, issues that arise by virtue of the transfer of a right by contract are not covered, even though changes in the registries entries related to the right might be necessary. See Fawcett and Torremans, (n 101) p. 20 for relevant references to case-law.
- 184 See Torremans, 'The Sense or Nonsense' (n 178) p. 351, criticising however the exclusion from this notion *inter alia* of the transferability and first ownership matters.
- 185 Fawcett and Torremans, (n 101), p. 7.
- 186 See Hague Conference on Private International Law, (n 2) p. 13: Article 12(4).
- 187 See Hague Conference on Private International Law, (n 2) p. 13: Article 12(4).
- 188 *Ibid.*
- 189 See the comment to Article 209.
- 190 See Chaen, Kono and Yokomizo, (n 3) p. 89.
- 191 *Ibid.*

- 192 See Asensio, 'Recognition and Enforcement of Judgments in Intellectual Property Litigation: The CLIP Principles' in Basedow, Kono and Metzger (eds), (n 102) p. 278.
- 193 See Hague Conference on Private International Law, (n 2) p. 13: Article 12(6).
- 194 See *supra*, para C.II.
- 195 Jurčys, Nishitani and Vande Walle, (n 1) p. 146.
- 196 See American Law Institute, (n 50) p. 135.
- 197 See Chaen, Kono and Yokomizo, (n 3) p. 88 according to whom "even if a judgment by a court of a country other than the country of registration is not recognised in other countries, it is possible that the parties will voluntarily comply with the judgment, particularly in the case of jurisdiction by a choice-of-court agreement or agreed arbitration".
- 198 See de Miguel Asensio, (n 102) p. 278.
- 199 See Ubertazzi, (n 127).
- 200 See Chaen, Kono and Yokomizo, (n 3) p. 89. Note that the commentaries at stake use the word "may" and therefore the contrary to the registration state public policy of said judgments shall be demonstrated on a case-by-case basis, always interpreting the public policy exception restrictively.
- 201 See American Law Institute, (n 50) p. 136.