



Summary Report

Standing Committee on Enforcement

2018 - HCCH Judgments Project

Introduction

An important current project of the Hague Conference on Private International Law (**HCCH**) is the development of a convention on the recognition and enforcement of foreign judgments (**Convention**). This project is referred to as the **Judgments Project**. See [here](#).

In October 2017, AIPPI circulated a first questionnaire (the **First Questionnaire**) based on the February 2017 text of the Draft Convention (the **February 2017 Draft Convention**), which can be found [here](#). The purpose of the First Questionnaire was to ascertain the view of AIPPI's National and Regional Groups (**Groups**) and Independent Members as to the overall relevance of the Judgments Project. It also aimed to enable AIPPI to take a general position during the Third Meeting on the Special Commission on the Judgments Project, held on November 13-17, 2017, which AIPPI attended as an invited observer.

The summary report of the First Questionnaire can be found [here](#). The Groups that replied to the First Questionnaire were more or less split on the key question asked whether or not intellectual property rights should be included within the scope of the Convention at all. By reason of the short timeframe in which the First Questionnaire was conducted, some Groups and IMs were unable to respond at all, and others were only able to respond on a preliminary basis.

A second questionnaire (the **Second Questionnaire**) was circulated in April 2018 in relation to the then most recent text of the draft Convention, being the November 2017 text (the **November 2017 Draft Convention**) which can be found [here](#). The aim of the Second Questionnaire was to study the Draft Convention in more detail and give Groups and IMs the opportunity to reply per se and express their views in greater detail, if they so desired. It was intended that (i) the information obtained from the Second Questionnaire will enable AIPPI to further develop a more detailed position in relation to the Judgments Project and (ii) AIPPI will be able to convey its findings at a Diplomatic Conference which is likely to be held in 2019.

Since the Second Questionnaire, the text of the draft Convention has been further updated. The current text is the May 2018 text (the **May 2018 Draft Convention**)

which can be found [here](#). The responses summarised below are on the basis of the text as it stood in the November 2017 Draft Convention.

The Reporter General has received replies from the following Groups: Australia, Belgium, Brazil, Bulgaria, Canada, Chile, China, Denmark, Ecuador, France, Indonesia, Israel, Japan, Mexico, the Netherlands, Norway, Spain, Sweden, Turkey, the United Kingdom (**UK**), the United States of America (**U.S.**) and Vietnam.

22 replies were received in total. The Reporter General thanks all contributors for their helpful and informative replies.

This Summary Report does not attempt to reproduce the detailed responses in any given reply. If any question arises as to the exact position in a particular jurisdiction, or for a detailed account of any particular answer, reference should be made to the original replies themselves.

In this Summary Report, where percentages of responses are given, they are to the nearest 5%.

Summary replies

1)a) Should any intellectual property rights be included in the scope of the Convention? Please explain why or why not

65% of the Groups considered that intellectual property rights should not be included in the scope of the draft Convention.

The reasons given for excluding IP rights included their territorial nature and that the differences in IP laws between nations can be significant. The UK, Dutch and Japanese Groups also all raised the concern that the draft Convention does not deal with jurisdiction issues.

Of the Groups that considered that IP rights should be included, the Australian Group noted that excluding IP rights would diminish their value, and the Mexican and Ecuadorian Groups noted that IP rights are of increasing importance and including them in the draft Convention would further strengthen IP protection.

The Groups that considered that IP rights should be included were generally in favour of at least some of the restrictions discussed later in this questionnaire, such as excluding judgments relating to infringement and/or validity that are not given by a court of a contracting state the law of which governs the right concerned.

All of the following questions were asked on the assumption that IP rights are included in the Convention. For all of these questions, this Summary Report

takes into account all of the responses from Groups who provided a substantive response to the question on the basis of this assumption. Responses that stated only that the Group's position was that IP rights should not be included in the Convention are not reflected in the summaries below.

- 1)b) Should intellectual property rights be included in the scope of the Convention, what should be included within the concept of "intellectual property"? For example, should the concept of "intellectual property" be limited to the "traditional" intellectual property rights, e.g. patents, designs, trademarks, copyright? Alternatively, should the concept of "intellectual property" also include related rights, such as rights relating to trade secrets, rights arising from licences, unfair competition, etc.? Please explain and specify why or why not certain types of "intellectual property" should be included or excluded**

70% of the Groups that answered this question considered that, if IP rights are included in the scope of the draft Convention, the definition of IP rights should not be restricted to "traditional" IP rights, with many of the Groups explaining that this would be consistent with definitions of "intellectual property" in other international legislation, such as the TRIPS Agreement.

Many Groups commented that it is important to have a clear definition of "intellectual property" in the Convention, such as adopting the definition in the TRIPS Agreement.

A number of Groups commented that contractual rights relating to IP should be treated in the same way under the Convention as other contractual rights.

- 1)c) Do you think the wording "... and analogous matters" is clear enough? Please explain why or why not**

85% of the Groups that answered this question considered that the wording "... and analogous matters" is not clear enough, with many Groups commenting that such wording is likely to be interpreted differently by different states.

- 1)d) Please provide any proposals regarding the refinement of the wording of Article 2(1)(m) of the Draft Convention**

A number of Groups were in favour of providing further clarity as to IP rights that are, and/or are not, included in the Convention, including by way of non-exhaustive lists. A number of Groups sought further clarity in relation to trade secrets, contractual rights relating to IP, unfair competition and confidential information.

- 2)a) Should a judgment that ruled on the infringement of an intellectual property right required to be granted or registered only be eligible for recognition and enforcement if given by a court of the contracting state in which the intellectual property right in question was granted or is registered? Please explain why or why not**

90% of Groups that answered this question considered that (if IP rights are included in the scope of the draft Convention) a judgment that ruled on the infringement of an IP right required to be granted or registered should only be eligible for recognition and enforcement if given by a court of the contracting state in which the IP right in question was granted or is registered.

- 2)b) Should there be an exclusion in the case where the defendant has not acted in that State or their activity cannot reasonably be seen as having been targeted at that State? Please explain why or why not**

55% of the Groups that answered this question were in favour of such an exclusion.

Of the Groups that were not in favour of the exclusion, some commented that this was a matter that should be assessed by the Court in the State of origin, or that this was a matter of substantive law that was undesirable to include in the Convention. The UK Group commented that, although an exclusion would in principle be beneficial to protect against a case of over-reaching by long-arm infringement laws, the inclusion of such a provision would be likely to give rise to satellite litigation in enforcement, which would undermines the purpose of the draft Convention.

Some Groups questioned what was meant by “having been targeted at that State”.

- 2)c) Should there be an exclusion in the case of purely inter partes judgments? Please explain why or why not**

90% of the Groups that answered this question considered that there should not be an exclusion in the case of purely inter partes judgments.

- 3)a) Should a judgment that ruled on the infringement of a copyright or related rights, an unregistered trademark or unregistered industrial design, only be eligible for recognition and enforcement if given by a court in the State for which protection is claimed? Please explain why or why not**

70% of the Groups that answered this question considered that a judgment that ruled on the infringement of a copyright or related rights, an unregistered trademark or unregistered industrial design, should only be eligible for

recognition and enforcement if given by a court in the State for which protection is claimed.

In addition, a further 10% of Groups (Indonesia and Turkey) agreed with this position except in relation to copyright.

- 3)b) Should there be an exclusion in the case where the defendant has not acted in that State or their activity cannot reasonably be seen as having been targeted at that State? Please explain why or why not**

65% of the Groups that answered this question were in favour of the exclusion, for similar reasons as to 2) b) above.

- 3)c) Should there be a requirement that the infringement in question is actionable in both the State in which the judgment was issued, and in the State in which the judgment is sought to be enforced? Please explain why or why not**

The Groups that answered this question were more or less split on the issue, with 55% of the Groups being in favour of such a requirement.

- 4)a) Should a judgment that ruled on the validity, subsistence or ownership of a copyright or related right, an unregistered trademark or unregistered industrial design only be eligible for recognition and enforcement if given by a court in the State for which protection is claimed? Please explain why or why not**

80% of the Groups that answered this question considered that a judgment that ruled on the validity, subsistence or ownership of a copyright or related right, an unregistered trademark or unregistered industrial design should only be eligible for recognition and enforcement if given by a court in the State for which protection is claimed.

- 4)b) Should there be a requirement that the validity, subsistence or ownership referred to in Article 5(3)(c) is actionable in both the State in which the judgment was issued, and in the State in which the judgment is sought to be enforced? Please explain why or why not**

65% of the Groups that answered this question were not in favour of such a requirement.

- 5)a) Should a judgment that ruled on the validity of an intellectual property right only be eligible for recognition and enforcement if given by a court of a contracting State in which grant or registration has taken place? Please explain why or why not.**

95% of the Groups answered YES to this question – i.e. they considered that a judgment that ruled on the validity of an intellectual property right should

only be eligible for recognition and enforcement if given by a court of a contracting State in which grant or registration has taken place.

5)b) In your jurisdiction, does the word “validity” subsume “registration”? If not, are they related, and if so, how?

There appeared to be confusion as to what was being asked by this question.

For IP rights that require registration, many Groups (such as the Australian, Danish and Dutch Groups) commented that registration is a pre-requisite to enforcement, but that registration is no guarantee of validity. Some other Groups (such as the Ecuadorian Group) stated that if a right is registered then it will be considered to be valid.

In relation to IP rights that do not need to be registered, some Groups (such as the Brazilian Group) commented that such IP rights can be considered to be valid without being registered, whereas other Groups (such as the Canadian Group) stated that the term “enforceability” is used for such rights rather than “validity”.

The Bulgarian Group stated that the term “validity” is not used in Bulgarian IP laws.

5)c) Should there be an exception in the case of purely inter partes validity judgments? For example, if validity is subsidiary to infringement and a finding regarding validity is only effective as between the parties in the infringement case, or if the validity judgment only acquires in rem effect once it has been fully appealed and becomes final. Please explain why or why not

75% of the Groups that answered this question considered that there should not be such an exception.

6) Should a decision from a body other than a court, such as a branch of government or an Intellectual Property Office, in relation to an intellectual property right required to be granted or registered have the same status under Articles 5(3), 6(a) and 8(3) of the Draft Convention as decisions of a court (particularly in view of the fact that it is not just courts that can revoke intellectual property rights, but e.g. also national and regional offices)? Please explain why or why not

60% of the Groups that answered this question considered that a decision from a body other than a court, such as a branch of government or an Intellectual Property Office, in relation to an intellectual property right required to be granted or registered should not have the same status under Articles 5(3), 6(a) and 8(3) of the Draft Convention as decisions of a court.

The Mexican Group stated that the Mexican Patent and Trademark Office (IMPI), in addition to granting rights, is in charge of the first instance litigation actions and deals with infringement and revocation actions.

The Canadian Group considered that judgments rendered by bodies other than a court should not be recognized and enforced unless those decisions are final, binding, and subject to all rights of due process that would otherwise have been extended to the parties in a court.

The UK Group noted that the status of a court judgment or of a patent office decision may be different in practice in their home country and it would not make sense therefore for the decisions to be afforded equal treatment abroad by the draft Convention.

7)a) Should the wording of Article 8(3) of the Draft Convention be adjusted, particularly in view of the fact that in intellectual property matters, it is not just courts that can e.g. revoke intellectual property rights (see also above)? Please explain why or why not

70% of the Groups that answered this question considered that the wording of Article 8(3) does not need to be adjusted, mainly on the basis that the term “competent authority” was broad enough to cover decisions of national authorities with the power to invalidate IP rights.

The Brazilian Group considered that Article 8(3) should be completely deleted.

7)b) Please provide any proposals regarding the refinement of the wording of Article 8(3) of the Draft Convention

A number of Groups suggested adding a reference to “a decision of a competent authority” after the first reference to “judgment” in Article 8(3).

The Mexican Group suggested clarifying that “State” in paragraph (a) is the State of origin, and “State” in paragraph (b) is the requested State.

The Dutch Group suggested the following:

“However, in the case of a ruling on the validity of a right referred to in Article 6, paragraph (a), recognition or enforcement of a judgment may be postponed, withdrawn or refused under the preceding paragraph, only where –

(a) that ruling is or has become inconsistent with a judgment or a decision of a competent authority on that matter that is not subject of an appeal and/or in respect of which the appeal term has passed given in the State referred to in Article 6, paragraph (a); or

(b) proceedings concerning the validity of that right are pending in that State.

A refusal under sub-paragraph (b) does not prevent a subsequent application for recognition or enforcement of the judgment."

The Norwegian Group suggested the following:

"However, in the case of a ruling on the validity of a right referred to in Article 6, paragraph (a), recognition or enforcement of a judgment or a decision by a competent authority may be postponed, or refused under the preceding paragraph, only where –

(a) that ruling is not final and further judicial or administrative appeals are still available against it; inconsistent with a judgment or a decision of a competent authority on that matter given in the State referred to in Article 6, paragraph (a) and

(b) no proceedings concerning the validity of that right are pending in that State.

A refusal under ~~sub-paragraph (b)~~ as mentioned does not prevent a subsequent application for recognition or enforcement of the judgment."

The Spanish Group recommend defining "preliminary question", "ruling" and "decision of a competent authority".

- 8) Should the application of a law other than the internal law of the State of origin of a judgment ruled on an infringement of an intellectual property right be a ground for refusal for recognition or enforcement? Please explain why or why not**

70% of the Groups that answered this question considered that the application of a law other than the internal law of the State of origin of a judgment ruled on an infringement of an intellectual property right should be a ground for refusal for recognition or enforcement.

- 9)a) Should the Convention only cover judgments ruling on an infringement to the extent that they rule on a monetary remedy in relation to harm suffered in the State of origin (in addition to the enforceability of a cost award, see Article 15 of the Draft Convention)? Please explain why or why not**

65% of the Groups that answered this question considered that the Convention should only cover judgments ruling on an infringement to the extent that they rule on a monetary remedy in relation to harm suffered in the State of origin.

A number of Groups (including the Australian, Japanese, Dutch and Norwegian Groups) considered that all remedies should be enforceable, including injunctions, orders to provide information and to destroy infringing products etc.

The UK Group (whose primary position was that IP should not be included in the scope of the Convention), considered that only remedies comprising monetary damages for infringement of IP rights in judgments relating to IP rights should be enforceable. However, it noted that very complex issues arise with potential issue estoppel / res judicata if judgments are required to be recognised or enforced only for certain purposes. This would lead to judgments that are partly enforceable and partly not, and render some parts of the judgment recognised but not enforceable, which would be likely to create complex additional satellite litigation.

9)b) Do you agree with the reformulation of Article 11 (previously 12)? Please explain why or why not

60% of the Groups that answered this question agreed with the reformulation, mainly because the new wording makes it possible to enforce a decision to the extent that it deals with monetary remedy even if the decision itself deals with other remedies.

Most of the Groups that did not agree with the reformulation did not agree with restricting enforcement to monetary remedies in the first place.

9)c) If you have answered NO to Question 9)b), how could the wording of Article 11 be refined? Please explain why or why not

The Belgian Group suggested: "*In intellectual property matters, a judgment ruling on an infringement shall be enforced only to the extent that it orders measures that are only complementary to the prohibition of the infringement in the State of origin and/or to the extent that it rules on a monetary remedy in relation to harm suffered as a consequence of the infringement.*"

The Ecuadorian Group suggested adding the following paragraph: "*If the remedy mentioned in paragraph 1 is not feasible and this has been declared so by the competent authority of the State of origin, other kind of measures must be issued in order to restore harm suffered*".

The Norwegian Group suggested: "*In intellectual property matters, a judgment ruling on an infringement shall be recognised and enforced only to the extent that it rules on a monetary remedy.*"

10)a)i) Should there be a rule, such as res judicata, to prevent the re-litigation of issues which have already been determined by the court of a State? Please explain why or why not

60% of the Groups that answered this question considered that there should be a rule, such as res judicata, to prevent the re-litigation of issues which have already been determined by the court of a State.

The Belgian Group suggested specifying the rules regarding such prohibition of re-litigation for the entire scope of the Convention and not specifically for IP.

In relation to the Groups that were against such a provision, the Canadian Group stated that it considered that it could lead to forum shopping, the Danish Group noted that issues of res judicata are complex and the applicable law may differ significantly under the various legal systems and the Swedish Group stated that the issue of res judicata should be left to the national law of the requested State.

10a)ii) If YES, should the rule only apply between the same parties, and in relation to issues that have been finally determined with no possible appeals remaining?

85% of the Groups that answered this question considered that the rule should only apply between the same parties, and in relation to issues that have been finally determined with no possible appeals remaining.

The UK Group considered that the scope of res judicata should be left as a matter for national courts in their own circumstances.

10)b) If YES, should res judicata only apply in the case of in rem judgments, or also in the case of inter partes judgments? In particular, should a prior inter partes determination of validity prevent the later re-litigation of validity, e.g. if new prior art is found which is said to invalidate a patent?

Most Groups that answered this question considered that res judicata should apply in case of both in rem judgments and also in the case of inter partes judgments.

However, where an invalidity action has been unsuccessful, most Groups considered that it should be possible, in certain and limited circumstances, for the unsuccessful party to bring new invalidity proceedings based on new prior art (with many Groups noting that this does not fall strictly under the principle of res judicata).

11) To the extent not yet mentioned above (e.g. in your reply to question 1) above) do you have concerns in relation to res judicata rules possibly being applicable (e.g. through national laws) should intellectual property be included within the scope of the Draft Convention? Please explain your concerns and potential ways to address those

The general theme of many of the responses was that if enforcement under the Convention is limited to decisions of IP rights given by a court of a contracting state the law of which governs the right concerned, then res judicata issues should not arise. If, however, such safeguards are not included, then res judicate issues could arise and be problematic.

The UK Group noted that it would be particularly concerning if the application of res judicata rules prevented a court in the state of origin from ruling where a judgment in another state had misapplied the law or failed to give effect to procedural or substantive protections that in the state of origin were considered of significant or constitutional importance.

The French Group stated that it was important for res judicata rules to apply to meet the goals of the Convention.

The Japanese Group noted that res judicata rules are complex and each country could have different rules although they use similar language, and it would be an extremely difficult task to set res judicata rules for harmonisation.

12) Do you have any other comments (including wording suggestions) in relation to the intellectual property related aspects of the Draft Convention?

The Belgian Group raised some uncertainties and issues arising from Article 21, which is of particular importance to Belgium because of the Benelux Court of Justice for trademark and design litigation as well as the UPC.

The UK Group also raised issues relating to Article 21 in the context of the UPC.

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