

Explanatory paper

2018

HCCH Judgments Project

- 1) 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**. The latest draft of the Convention currently available is dated 27 May 2018 (see <https://assets.hcch.net/docs/23b6dac3-7900-49f3-9a94-aa0ffbe0d0dd.pdf>) (**Draft Convention**).
- 2) An issue that has not yet been resolved is whether, and if so to what extent, intellectual property should be included within, or excluded from, the scope of the Convention. AIPPI is currently studying this, with the aim of adopting a Resolution at the AIPPI World Congress in Cancun in September 2018.
- 3) The purpose of this explanatory paper is not to take any positions, but rather to highlight and clarify some points which will arise in considering any position AIPPI might wish to take in the aforementioned Resolution.

General remarks

- 4) Concerns have been raised that the recognition of a judgment ruling on the validity or infringement of an intellectual property right by a court of a contracting state in which that intellectual property right is protected, may require the court of another contracting state to declare any corresponding intellectual property right protected in that other state invalid, or to find infringement thereof. By way of example, the concern is that:
 - a patent is granted in country A (**Patent A**);
 - a corresponding patent is granted in country B (**Patent B**);
 - a court in country A declares Patent A to be invalid;

- a court in country B considers that it must therefore declare Patent B to be invalid.
- 5) However, as intellectual property rights are territorial by nature, there may in fact be relatively little scope for the operation of the Convention.
 - 6) Further, on the present text of the Draft Convention, the consequences are limited to monetary remedies. The Draft Convention does not, for example, apply to injunctions or rulings concerning validity (see further below).

Definition intellectual property

- 7) When deciding whether, and if so to what extent, to include intellectual property within the scope of the Convention, it is important to consider what "intellectual property" may cover.
- 8) When defining intellectual property, the following should be taken into account when defining what to include or exclude:
 - the names for and definitions of intellectual property rights (such as trademarks, patents, supplementary protection certificates, model and design rights, topographies of semiconductor products, plant breeders' rights, copyrights, neighbouring rights, database rights, trade name rights and trade secrets) may differ between countries;
 - certain rights are regional rights (and thus cover more than one country);
 - depending on how it is defined, the term "intellectual property and analogous matters", as used in the Draft Convention, could extend not only to judgments ruling on entitlement, ownership, validity or infringement of intellectual property rights, but also to e.g. license disputes and unfair competition;
 - when defining any inclusion or exclusion, care is needed to avoid any unintentional limitation or breadth; while the TRIPS definition of "intellectual property" may be a logical starting point, it does not include certain rights that are considered intellectual property rights in some countries (such as trade names, supplementary protection certificates and database rights).

Judgments vs. decisions of IP offices

- 9) In many jurisdictions, intellectual property offices render decisions on (in)validity and/or other matters concerning intellectual property rights. They may even have exclusive jurisdiction over certain matters. Questions may arise in respect of the relationship between a recognised court judgment on infringement and (if excluded) an IP office decision on (in)validity.

What law, which court

- 10) While harmonised to a certain extent, there can be significant differences between the intellectual property laws of countries. The text of the current Draft Convention takes this into account by limiting recognition to judgments given by a court in the state covered by the intellectual property right in question. However, the Draft Convention does not expressly deal with jurisdiction as such.
- 11) The Draft Convention uses different wording for registered and unregistered intellectual property rights (see e.g. in Article 5(3) "*required to be granted or registered*" vs. "*for which protection was claimed*"). However, the latter wording can be used for both, simplifying the wording of the Draft Convention.

What remedies

- 12) In intellectual property proceedings, monetary relief may be secondary to a ruling on (in)validity, injunctive relief or information on the extent of the infringement. Generally, the main goal of intellectual property litigation for intellectual property right holders is to stop the infringement (to prevent further harm), and for defendants it is to obtain a finding of non-infringement and/or invalidation of the invoked intellectual property right.
- 13) The current wording of the Draft Convention only covers monetary remedies. There may be good reasons for this, but the result may be that the relevance of the Convention for intellectual property judgements is quite limited.

Res iudicata

- 13) Concerns have been raised that the recognition of a judgment ruling on the validity or infringement of an intellectual property right may require the court of another contracting state to declare an intellectual property right protected in that other state invalid, or to find infringement thereof.
- 14) It may be desirable to include an express rule to prevent the re-litigation of issues between the same parties which have already been finally determined by the court of a state with no possible appeals remaining. However, this concern seems largely addressed through the limitation of recognition to judgments given by a court in the state covered by the intellectual property right in question (see also above under 'General remarks').

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