

## Questionnaire 2

### HCCH Judgments Project

#### Introduction

- 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**. See [here](#).
- 2) In this questionnaire:
  - a) **judgment** refers, in accordance with art. 3(1)(b) Draft Convention, to “*any decision on the merits given by a court, whatever that decision may be called, including a decree or order, and a determination of costs or expenses by the court (including an officer of the court), provided that the determination relates to a decision on the merits which may be recognised or enforced under this Convention. An interim measure of protection is not a judgment.*”
  - b) **inter partes judgment** refers to a binding judgment between two or more parties that only binds the parties to that judgment, and does not affect rights *in rem*;
  - c) **in rem judgment** refers to a judgment which affects rights *in rem*, being rights against all, such as patent rights; and
  - d) **res judicata** includes the doctrines of claim and issue preclusion, claim and issue estoppel and any other doctrine which limits the ability of a party to bring new legal proceedings or re-litigate an issue.
- 3) The most recent text of the draft Convention (the **Draft Convention**) is the November 2017 text (the **November 2017 Draft Convention**), which can be found [here](#). Important intellectual property related issues in relation to the November 2017 Draft Convention include whether the Convention should:
  - a) apply to judgments that include only *inter partes* rulings regarding the validity or infringement of intellectual property;
  - b) apply to *in rem* judgments concerning intellectual property, e.g. an order to revoke a patent or an order to limit the claims of a patent;

- c) apply to court decisions only, or also to decisions from other bodies, e.g. an Intellectual Property Office;
  - d) apply just in relation to unregistered intellectual property rights and not registered intellectual property rights;
  - e) inasfar as a judgment rules on infringement, only apply to the extent it concerns monetary remedies (and costs);
  - f) mandate *res judicata* laws, such that issues which have already been finally determined in one court between certain parties cannot be re-litigated between the same parties in another court in the same jurisdiction or a different jurisdiction.
- 4) It is also relevant to note that the Draft Convention includes several provisions with more general relevance that are also relevant for intellectual property decisions, such as those addressing the situation in which a judgment can still be appealed (Article 4(4) of the Draft Convention) and those concerning costs (Article 16 of the Draft Convention). Also, as is clear from the above, the Draft Convention applies to merits decisions only (and not to interim measures of protection). See also Article 5(1)(f).
- 5) 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 (**IMs**) 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.
- 6) 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.
- 7) This questionnaire concerns the November 2017 Draft Convention (the **Second Questionnaire**). It aims 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 desire.
- 8) This Second Questionnaire has a special focus on the inclusion/exclusion of intellectual property within the scope of the Convention, and also addresses the issue of *res judicata* and its implications.

- 9) The HCCH will hold a further Special Committee Meeting on 24-29 May 2018, which AIPPI will also attend as an invited observer. At this meeting, the intellectual property related discussion is currently envisaged to be limited to "*decisions of competent authorities in relation to the validity of intellectual property rights*" (see Article 8(3) of the Draft Convention). A Diplomatic Conference will likely be held in 2019, during which the remaining intellectual property issues are expected to be discussed as well.
- 10) It is 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 the Special Committee Meeting in May 2018 (at least in relation to the issue for discussion referred to at paragraph 9) above) and, in due course, at the Diplomatic Conference.
- 11) Further, it is intended that the Judgments Project will be the subject of a Resolution proposed for adoption at the 2018 AIPPI World Congress in Cancun (23-26 September 2018).
- 12) Articles 2(1)(m), 5(3)(a)-(c), 6(a), 7(1)(g), 8(3) and 11 of the November 2017 Draft Convention are particularly relevant to the issues in this Second Questionnaire.

### **Previous work of AIPPI**

- 13) Jurisdiction as such is not part of the Draft Convention. The Draft Convention therefore does not lay down rules for determining which court has jurisdiction. Instead, the Draft Convention proceeds generally on the basis that the court issuing a judgment had jurisdiction to determine the issues before it. However, some Articles (e.g. 6(a)) do restrict the enforcement of judgments to those issued by certain courts only, which implicitly sets out jurisdictional rules that must be complied with for judgments to be enforceable.
- 14) In 2001, AIPPI provided input in relation to the Judgments Project, which primarily focused on jurisdiction and whether courts have jurisdiction to try the relevant issue(s). See the report of Special Committee Q153, [here](#), and the Resolution on Q153 – "Hague Conference on Private International Law" (Melbourne, 2001) (**Resolution Q153**), [here](#).
- 15) In Resolution Q153, AIPPI (i) noted that it has been unable to formulate a Resolution on exclusive jurisdiction in respect of industrial property rights required to be deposited or registered, and therefore (ii) recommended to exclude intellectual property matters from the substantive scope of the envisaged Convention and (iii) called on the Hague Conference on Private International Law to develop a specific protocol on intellectual property to be added to the envisaged Convention at a later point in time. It was envisaged that at a later time, AIPPI would formulate a position on exclusive jurisdiction in respect of industrial property rights required to be deposited or registered.

- 16) The question of exclusive jurisdiction in respect of industrial property rights required to be deposited or registered is touched on in Article 6(a) of the November 2017 Draft Convention. The questions below relating to Article 6(a) allow a further opportunity to progress the work commenced in connection with Resolution Q153.
- 17) It is not proposed at this stage to suggest the addition of a more comprehensive protocol addressing exclusive and non-exclusive jurisdiction to the Draft Convention, since AIPPI is an observer at the Hague Conference, with the primary focus of providing its views on proposals made by participating States.

**National/Regional Group: DENMARK**

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### **Questions**

- 1) Relating to Article 2(1)(m) of the November 2017 Draft Convention:  
*“This Convention shall not apply to the following matters - ... [(m) intellectual property rights [and analogous matters].”*
- a) Should any intellectual property rights be included in the scope of the Convention? Please explain why or why not.

The Danish group refers to its answer to question 1(a) in the previous questionnaire (November 2017) where the following is stated:

"No.

As explanation, reference is made to below statements from the IP Federation's policy paper (PP 9/17) on the Hague Convention on the Recognition and Enforcement of Foreign Judgments to which the Danish group agrees:

“As a starting point, we note that the intellectual property field differs significantly from other areas where civil judgments can arise (e.g. breach of contract or tort claims). For example, whilst the vast majority of contract disputes will be governed by a single jurisdiction and governing law clause (meaning that it makes sense for a single judgment to be enforceable globally), the opposite is true for intellectual property matters. Instead, intellectual property rights are inherently a matter of national law

of national territorial scope, which are traditionally adjudicated on by the courts of the country concerned. Further, intellectual property law is only loosely harmonised, meaning that different courts must apply differing national laws, frequently arriving at different outcomes. We believe that, in general, this points to a regime of national recognition and enforcement only.

We also note that, in the vast majority of IP disputes, the primary remedy sought by the IP holder is that of an injunction. Whilst Article 12 of the draft would (quite rightly) mean that injunctions would not be enforceable internationally, the result is that only financial remedies (e.g. damages or an account of profits) would have the potential to be enforceable. Given that such financial remedies are usually only a secondary objective for IP owners, and that such remedies can usually be enforced in the country concerned in any event, the potential benefits of the convention are seemingly very limited."

Also, it is the Danish group's understanding that a similar view has been taken by the Confederation of Danish Industry and Business Europe."

The Danish group also stresses that the 2005 Hague Convention on Choice of Court Agreements excludes most questions concerning infringement and validity and infringement of intellectual property rights. It would seem inappropriate if the scope of the 2005 Choice of Court Convention was wider than the scope of the November 2017 Draft Convention ("the Convention").

The Danish group welcomes the more open wording of the provision included with the addition of "and analogous matters", however, see the answer to question 1(c) and (d) below.

*Please answer Questions 1)b)-d) even if you have answered NO to Question 1)a) (you may e.g. have views on the definition anyway, for the event intellectual property rights would be included)*

- 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.

No, the Danish group does not think that intellectual property rights should be included under the scope of the Convention, see the response to question 1(a) above. Nor should the related rights mentioned fall under the scope of the Convention.

However, if "intellectual property" should be included in the scope of the Convention, first of all the concept and the comprised rights should be clearly defined.

Secondly, if "trade secrets", "rights arising from licenses" and "rights arising from unfair completion" and similar rights should be comprised by the scope of the Convention, these rights should *not* be included within the definition of intellectual property rights, because this could lead to confusion of terms. For instance, rights arising from licenses will already be included under the scope of the Convention because it is a contractual matter (see the Background document of May 2018, Treatment of Intellectual Property-Related Judgments under the November 2017 Draft Convention ("the Background Document") at [12]).

Instead, a specific provision with a definition for these matters should be drawn up.

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

No.

It is not clear whether, for instance, rights arising from unfair competition law would be included in the scope of the Convention. The phrase "and analogous matters" should be supplemented with a non-exhaustive list comprising (besides the rights mentioned in the Background Document at [11] and [16]) e.g. traditional knowledge, genetic resources, and traditional cultural expressions) *inter alia* the following rights:

- Utility models
- Supplementary protection certificates (for instance the EU rules concerning certificates for medicinal products and plant protection products).
- Data exclusivity (i.e. the right to prevent the use of pre-clinical tests and of clinical trials to be used for approval of generic products pursuant to Article 10 of EU Directive 2001/83/EC of the European Parliament and of the Council of 6 November 2001 on the Community code relating to medicinal products for human use).
- Market exclusivity for orphan drugs pursuant to EU Regulation (EC) No 141/2000 of the European Parliament and of the Council of 16 December 1999 on orphan medicinal products.
- Trade secrets as defined by EU Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure.
- Rights arising from unfair competition law/passing off laws.

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

Article 2(1)(m) could be drafted along the following lines:

"(m) intellectual property and analogous matters, including, but not limited to, the following rights:

- Utility models
- Supplementary protection certificates granted under EU Regulation (EC) No 469/2009 of the European Parliament and of the Council of 6 May 2009 concerning the supplementary protection certificate for medicinal products
- Supplementary protection certificates granted under EU Regulation (EC) No 1610/96 of the European Parliament and of the Council of 23 July 1996 concerning the creation of a supplementary protection certificate for plant protection products
- A right to prevent the use of pre-clinical tests and of clinical trials to be used for approval of generic products pursuant to Article 10 of EU Directive 2001/83/EC of the European Parliament and of the Council of 6 November 2001 on the Community code relating to medicinal products for human use
- Rights arising from the market exclusivity conferred upon orphan drugs pursuant to EU Regulation (EC) No 141/2000 of the European Parliament and of the Council of 16 December 1999 on orphan medicinal products
- Rights arising from trade secrets as defined by EU Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure
- Rights arising from a doctrine of breach of confidence or any similar doctrine
- Rights arising from unfair competition law as far as it relates to illegal imitation of products
- Rights arising from a doctrine of passing off or any similar doctrine
- Rights arising from traditional knowledge
- Rights arising from traditional cultural expressions
- Rights arising from genetic resources"

2) Relating to Article 5(3)(a) of the November 2017 Draft Convention:

*"Paragraph 1 does not apply to a judgment that ruled on an intellectual property right or an analogous right. Such a judgment is eligible for recognition and enforcement if one of the following requirements is met –*

- (a) *the judgment ruled on an infringement in the State of origin of an intellectual property right required to be granted or registered and it was given by a court in the State in which the grant or registration of the right concerned has taken place or, under the terms of an international or regional instrument, is deemed to have taken place[, unless the*

*defendant has not acted in that State to initiate or further the infringement, or their activity cannot reasonably be seen as having been targeted at that State;”*

- 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.

Yes, however, it is stressed that intellectual property rights should not fall under the scope of the Convention, see the answers to question 1 above.

However, if intellectual property rights were to be included within the scope of the November 2017 Draft Convention, the Danish group can support that judgments relating to intellectual property rights are excluded from Article 5(1) of the November 2017 Draft Convention and only recognisable under the conditions set out in Article 5(3).

The Danish group refers to the reasons given under question 1(a) above.

As stressed above under question 1(c) and (d), the term "intellectual property right or an analogous right" should be more clearly defined and exemplified by a non-exhaustive list.

- 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.

Yes.

The Danish group supports the inclusion of the phrase "unless the defendant has not acted in that State to initiate or further the infringement, or activity cannot reasonably be seen as having been targeted at that State". This seems to provide adequate protection against content available online being used as an excuse to obtain a judgment that could be subjected to recognition and/or enforcement under Article 5(3) of the Convention.

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

No.

Such an exclusion would probably render the general provision on recognition and/or enforcement in Article 5 applicable to most matters concerning infringement of intellectual property rights. In these cases, the defendant would also need the protection provided by Article 5(3).

- 3) Relating to Article 5(3)(b) of the November 2017 Draft Convention:



*“Paragraph 1 does not apply to a judgment that ruled on an intellectual property right or an analogous right. Such a judgment is eligible for recognition and enforcement if one of the following requirements is met –*

...

*(b) the judgment ruled on an infringement in the State of origin of a copyright or related right, an unregistered trademark or unregistered industrial design, and it was given by a court in the State for which protection was claimed [, unless the defendant has not acted in that State to initiate or further the infringement, or their activity cannot reasonably be seen as having been targeted at that State;”*

- 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.

Yes, see the answer to question 2(a) above.

The Danish group stresses that the protection offered by the suggested Article 5(3) is just as indicated in cases concerning unregistered rights. In such cases, a court other than the court of the State where protection is claimed would inevitably have to rule on the subsistence of said right. Such issues are closely related to national law and should be adjudicated by the court of the State where protection is claimed. The Danish group refers to the reasons set out in the answer to question 1(a) above.

- 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.

Yes, see the answer to question 2(a) above. The same concerns can arise in relation to unregistered rights.

- 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.<sup>1</sup>

Yes.

A requirement of double actionability would provide an adequate safeguard against unclear/vague unregistered rights being enforced in countries where

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<sup>1</sup> There has been a ‘double actionability’ requirement in the laws of some states. If, for example, the defendant commits acts in state A which amount to a tort in state A but is sued in state B for that tort, does the tort need to be an actionable tort in both states A and B or just in state A? This is especially relevant for territorial rights such as intellectual property rights. In relation to copyright infringement, this question arose in the UK case of *Pearce v Ove Arup Partnership Ltd* [2000] Ch 403, in which the Court of Appeal held that a claim in England for infringement of a Dutch copyright was permitted, and in New Zealand in *KK Sony Computer Entertainment v Van Veen* (2006) 71 IPR 179.

such rights are completely alien. Some countries do not have unregistered designs or unregistered trademarks or - as the case may be - the relevant defences may be completely different. For instance, some countries do not have a private copying exemption in relation to copyright. Furthermore, the term of the right in question may differ.

- 4) Relating to Article 5(3)(c) of the November 2017 Draft Convention:

*“Paragraph 1 does not apply to a judgment that ruled on an intellectual property right or an analogous right. Such a judgment is eligible for recognition and enforcement if one of the following requirements is met –*

...

*(c) the judgment ruled on the validity[, subsistence or ownership] in the State of origin of a copyright or related right, an unregistered trademark or unregistered industrial design, and it was given by a court in the State for which protection was claimed.”*

- 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.

Yes.

If intellectual property rights should be covered by the scope of the Convention, this would be an adequate restriction. In this respect, the Danish group also refers to the reasons under question 1(a) above.

The issues under 5(3)(c) are often very closely connected with national legislation.

- 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.

Yes.

The Danish group refers to the reasons given under question 3(a) above.

The Danish group takes the view that the proposed provision in Article 5(3)(c) should refer to both subsistence and ownership.

- 5) See Article 6(a) of the November 2017 Draft Convention; and also Article 8(3) of the November 2017 Draft Convention:

- 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.

Yes.

If intellectual property rights were to be included under the scope of the Convention, a limitation as the one included in the proposed Article 6(a) should be included.

The validity of intellectual property rights is closely connected with national law, and invalidating said rights would often require setting aside a decision made by national authorities. Hence, only decisions from courts in the state of the authorities having granted the relevant right in question should be recognised.

Also, the suggested Article 6(a) mirrors the position under the EU Brussels I Regulation Recast and the 2007 Lugano Convention. It would create awkward situations if the scope of recognition and enforcement under the Convention was wider than under the EU/EEA rules.

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

For Danish law, the relationship between registration and validity must be examined closely for the individual right in question.

It applies for all registered rights that registration is no guarantee that the right is valid. All rights can be revoked subsequently either by court decisions or by decisions made by the relevant authorities (typically the Danish Patent and Trademark Office).

The examinations carried out by the authorities differ. For patents, for instance, the Danish Patent and Trademark Office will examine whether an application fulfils the common criteria for patentability, i.e., 1) whether the invention is patentable, 2) novel, 3) not obvious to a person skilled in the art, and 4) industrially applicable. However, a patent may be revoked after grant for other reasons, for instance because it has been granted to the wrongful proprietor, see Section 52(4) of the Danish Patents Act.

With respect to Danish utility models, the Danish Patent and Trademark Office will not examine whether the utility in question is new in relation to the state of the art and whether the utility differs distinctly therefrom. This will only be done if the applicant specifically requests this and pays a fee.

With respect to registered trademarks, the Danish Patent and Trademark Office will not examine the relative grounds for refusal. Similar rules apply in relation to registered designs.

- 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.

No.

The protection in the suggested Article 6(a) is also needed in *inter partes* proceedings. Also in such cases, the courts of the country of registration should have exclusive competence in questions of invalidity.

Moreover, under Danish law, *inter partes* invalidity is not allowed with respect to patents, see Section 61 of the Danish Patents act. The Section stipulates that invalidity of a patent can only be alleged in the form of a request to have the patent revoked completely and *erga omnes*.

- 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.

No, as regards the proposed Articles 5(3) and 6(a).

Yes, as regards Article 8(3) if this provision should be included in the Convention. The wording of Article 8(3) should be slightly amended.

It is not clear whether granting administrative bodies the same status as courts would require adequate safeguards for the right holder, since it is not certain that all administrative bodies would apply appropriate procedural safeguards before making a decision; for instance the right to be heard.

The term "judgment" as defined in Article 3(1)(b) limits this to court decisions. Although the various judicial systems may differ, *all other things equal* the term "court" provides some security that the decision is made by a body applying adequate procedural safeguards. In court proceedings, the parties will typically be able to influence the proceedings and to make procedural agreements. This is not necessarily the case in administrative proceedings.

Hence, only court decisions regarding invalidity should enjoy the possibility of recognition and/or enforcement under Articles 5(3) and 6(a) of the Convention.

With respect to Article 8(3), the Danish group takes the view that it would be better and simpler if decisions based on a ruling on a matter referred to in Articles 6(a) or 5(3) should not be recognised at all. Accordingly, the position under 8(2) should apply also to intellectual property rights and Article 8(3) should be omitted.

If, however, Article 8(3) should be included in the Convention, it would make sense to grant administrative bodies the same status as courts, since Article 8(3) is aimed at decisions from courts and/or administrative bodies in the country having granted the right in question. This proposed provision will give the country having granted the right improved possibilities of refusing to indirectly recognise decisions ruling on the validity of rights created under its national legislation.

However, it is not clear from Article 8(3) when decisions are inconsistent and whether this will also apply to the decision to grant a right, and not just to decisions in subsequent revocation proceedings. If, for instance, a national patent office decides to grant a patent after the examination procedure, and there have been no subsequent revocation proceedings in said state, would a foreign decision ruling on the validity as a preliminary question be inconsistent with the decision to grant the patent? Or is the provision in Article 8(3) only aimed at judgments inconsistent with decisions in subsequent revocation proceedings after grant? From the example at [86] in the Background Document it seems that the former understanding is the correct one, although it is not certain.

Accordingly, a new sub-paragraph could be inserted at the end of Article 8(3). This could have *inter alia* the following wording:

"For the purpose of sub-paragraph (a), a decision of a competent authority to grant a right referred to in Article 6, paragraph (a), is considered a ruling on the validity of the right [to the extent that the competent authority has examined the requirements of the validity of the right]."

7) Relating to Article 8(3) of the November 2017 Draft Convention:

*"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, or refused under the preceding paragraph, only where –*

*(a) that ruling is 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); 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."*

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.

No.

The term "competent authority" seems sufficiently broad to cover any national authorities that would have the power to invalidate intellectual property rights, but see the suggestion below in b).

As explained under question 6 above, decisions from administrative bodies should have the same status as court decisions with respect to Article 8(3). However, the provision should be adjusted to accommodate for the status of decisions to grant a right.

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

It should be considered supplementing Article 8(3)(b) with a phrase reflecting that proceedings can also be pending before a competent authority. E.g. by adding "...before a court or another competent authority..." before "that State".

- 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.

*(see Article 7(1)(g) of the November 2017 Draft Convention)*

Yes.

It is essential that intellectual property rights are subjected to the principle of territoriality. They arise out of national legislation, not - for instance - out of a contract or similar. Accordingly, it is important that the correct legislation is applied. Hence, the option of refusal of recognition/enforcement should be possible.

Although Article 5(3) provides adequate protection against recognition/enforcement of decisions not rendered by the courts of the country where the registration has taken place/the country where protection is claimed, the proposed provision in Article 7(1)(g) would still be relevant, if the court of origin for some reason fails to apply said country's own legislation to this country's intellectual property rights.

- 9) See Article 11 of the November 2017 Draft Convention:

- 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.

The Danish group refers to its answer to question 2(a) and (b) in the previous questionnaire (November 2017) where the following is stated:

"Yes.

Since the Danish group generally is against the inclusion of IP rights under the Convention, we would recommend, in case IP rights are included, that the Convention's scope of application is not extended to areas of primary objective to IP owners such as injunctions.

(...)

The Convention should in these cases only cover the remedies in a judgment granting monetary damages, cf. our response to question 2 a)."

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

*(see also Article 12 of the February 2017 Draft Convention)*

Yes, in general, but a few adjustments would be optimal.

It should explicitly follow from the provision whether fines or other monetary remedies for non-compliance with a remedy (e.g. an injunction) should be considered monetary remedies under the proposed Article 11. The Danish group takes the view that this should *not* be the case.

Such fines and monetary claims will not necessarily be considered matters not relating to "civil or commercial matters". The similar scope of application of the EU Brussels I Regulation Recast does not exclude a decision from a court that "contains an order to pay a fine in order to ensure compliance with a judgment given in a civil and commercial matter". See CJEU 2011 C-406/09 (Realchemie Nederland). In the case, the fine was "to be paid to the cashier of that court for breach of the prohibition imposed". A similar approach could be taken in relation to the Convention, because it will have to be interpreted to be compatible with other treaties in force, see the proposed Article 25(1).

More generally, it would be optimal to make it clear from the definition of "judgment" in Article 3(1)(b) that such matters are not decisions on the merits.

Moreover, it can be considered if the provision also covers or should cover the situation where non-monetary remedies are converted into monetary remedies at the enforcement stage. This is possible under Section 533 of the Danish Procedural Code.

The Danish group takes the view that such a conversion should not be equal to an ordinary monetary remedy.

- 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.

N/A

- 10) 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.

No.

Issues of *res judicata* are complex and the applicable law may differ significantly under the various legal systems. Hence it should be up to the relevant national legislation of the individual country to decide when a matter cannot be litigated because of a previous decision given by a court in another country.

The proposed provision in Article 7(1)(f) in the Convention provides adequate protection against a matter being litigated twice in different jurisdictions resulting in inconsistent judgments.

Accordingly, the Danish group supports that both "recognition" and "enforcement" are included in the wording of the proposed Article 11. This will prevent a non-monetary decision from having *res judicata* effect regardless of whether it cannot be enforced.

- a) 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?

N/A

- 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?

N/A

- 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.

Yes.

#### Preliminary questions

As touched upon briefly under the answer to question 6 above, it creates uncertainty if intellectual property rights can come under the scope of the Convention by way of preliminary rulings under Article 2(2). Even in contractual disputes regarding license agreements, the question of validity of the right in question will often be the main issue of the case, even though the case was initiated as a simple case of payment of royalty.



Accordingly, it should be considered to rephrase the proposed Article 2(2) and/or Article 8(2), so that intellectual property matters arising as preliminary questions will only be considered preliminary questions if they are - for instance - minor or non-essential to the main dispute.

In any event, Article 8(3) should be omitted, so that decisions deciding upon the validity of intellectual property rights should never be subjected to recognition/enforcement.

### Entitlement

Unlike Article 5(3)(c), Article 6(a) does not explicitly seem to govern whether the provision also covers the question of ownership. This should be included in the provisions. These questions will be closely related to the national legislation that created the right in question.

The term "registration" in Article 6(a) does not necessarily cover ownership. For instance, the provision in Article 24(4) of the EU Brussels I Regulation Recast, which corresponds to the proposed Article 6(a) in the Convention, does probably not cover questions of entitlement; see case CJEU 1983 288-82 (Duijnstee).

### Monetary payments for non-compliance with a judgment

As explained under the answer to question 9(b) above, it should be considered more generally to explicitly state in the definition of "judgment" in the proposed Article 3(1)(b) of the Convention that monetary payments, fines, and the like, imposed upon a party for non-compliance with a judgment, do not constitute a "judgment" that can be subjected to enforcement and/or recognition.

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

No.

April 17, 2018