

## 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:           FRANCE**

Contributors name(s):

E-Mail contact:

### **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.

*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)*

The French group is of the opinion that there is no reason to adopt a general rule according to which IP should be excluded from the Convention, by way of principle.

The main goal of the Convention is to harmonize and simplify the conditions for recognition and enforcement of judgments in civil and commercial matters. Matters, excluded from the scope of the Convention, will not benefit from the harmonized and simplified regime. The question is thus whether IP fits in the goal of this Convention or not, and whether IP is specific enough to be excluded from the scope of the Convention.

IP's main specificity relates to the fact that registrations (of the IP rights) are made by a national public service. It is quite commonly considered that issues related to the functioning of this national public service, have to be litigated only before the courts of this national service state. It means that for issues related to validity or registration of IP rights, only the judge of the title may have jurisdiction. For all other issues, there is no specificity justifying the exclusion of the Convention.

As a consequence, it seems to us that IP should be included in the scope of the Convention. Nevertheless, issues related to the validity of the registered title require a specific treatment and a more territorial approach. The application of the Convention might not be a good option for this specific question. A finer solution would not mean excluding IP from the scope of the Convention, but excluding validity issues related to registered titles. The 2005 Hague Convention on choice of court agreement offers an interesting model. The article 2 (n) provides the exclusion of *‘the validity of intellectual property rights other than copyright and related rights’*.

- 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.

We have some concerns in understanding the point.

In case where IP would be included in the scope of the convention, the French Group does not see any serious reason for excluding certain types of IP rights. In particular, “related IP rights ” in the sense of the question above do not reflect specificities as such they should be excluded from the convention, contrary to the more traditional IP rights.

On the other hand, traditional IP rights have specificities (in particular the fact to be registered) which interfere on their treatment. As far as the regime would be concerned, it might be (by way of the definition of IP rights?) worthwhile distinguishing between traditional IP rights implying registration and other IP rights.

If the final solution were to exclude *‘intellectual property (and analogous matters)’*, the French position would be not to include non-‘traditional’ intellectual property into this exclusion. From a French perspective, trade secrets do not belong to intellectual property, since trade secrets do not create any exclusivity on the object protected. The recent EU Directive confirms this solution, excluding any IP characterization from a EU perspective. The fact trade secrets and unfair competition are regulated by International IP Conventions should not change the substantial analysis.

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

For the French perspective, the wording ‘analogous matters’ does not seem relevant. The French group is of the opinion that this wording is useless and could create unpredictability. Indeed, the real problem when it comes to IP is to ascertain the legal boundaries of IP. Does it include or not trade secrets? This wording will not help answering this question, since trade secrets are precisely not analogous to other traditional IP rights. On the other hand, this wording will not help define what are the core characteristics of IP, in order to determine if, as an example, trade secrets could be included in the IP field. Finally, when it comes to EU Law, the wording is

limited to IP rights (see article 8 of the Rome II Regulation). Our recommendation would be to keep the same wording if IP exclusion is chosen.

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

The French group is not in favour of the exclusion. If it were in favour of the exclusion, the correct wording would be the one related to the justification of the exclusion. If the exclusion is related to registered rights for any kind of question, then the exclusion should be limited to registered IP rights. As we have already explained, our position is that only validity issues of registered rights are problematic, that is why the French group recommends to limit the exclusion to this question.

- 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.

The only specificity of IP in this regard is linked to registration (see question 1). By consequence, when the considered issue concerns only infringement, there should be no specific requirement. To make it simple, the judge of the defendant’s domicile may have jurisdiction for an infringement committed abroad. We would like to point out that this option may be of the plaintiff’s interest when the latter wants to litigate against infringements committed by the same defendant within more than one country. Our position is that such a requirement - related to the judge of the title - should not be endorsed by the Convention when it (only) comes to infringement. As a consequence, decisions rendered by the judge of the infringement or by the judge of the defendant’s domicile, should be both eligible for recognition and enforcement under the Convention.

The French group being not in favour of the rule as previously explain, there is no need to answer the following sub question b an c.

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

Concerning copyright law, our position is that the absence of any formality should exclude any specific treatment concerning jurisdiction and recognition. As a result, there should be no specific requirement for this issue. Moreover, our position is that recognition should not be subordinated to the applicable law. Recognition might only be subordinated to the following: jurisdiction of the judge seized, the absence of fraud and the incompatibility with the public policy of the requested State. Finally, we do not really understand the rationality of this requirement when it comes to copyright. As we previously said, there is no registration for copyright, which means no specific requirement is needed.

As it has been previously explained, the judge of the defendant’s domicile may have jurisdiction for an infringement committed abroad. This option may be of the plaintiff’s interest when the latter wants to litigate against infringements committed by the same defendant within more than one country. Our position is that such a requirement - related to the judge of the title - should not be endorsed by the Convention when it comes to infringement. As a consequence, decisions rendered by the judge of the infringement or by the judge of the defendant’s domicile, should be both eligible for recognition and enforcement under the Convention.

The French group being not in favour of the rule as previously explain, there is no need to answer the following sub question b and c.

- 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.
- 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>
- 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.

As the French group has previously explained, there is no need and no rationality for any specific treatment for non-registered rights.

- 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.
- 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.

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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.



This is clearly the most tricky issue. It is clear to us that a judgment on infringement rendered by the judge of the defendant's domicile should be recognized under the Convention. On the other hand, when validity is litigated by way of action, only decisions rendered by the judge of the title should benefit from the Convention. Between these two easy case scenarios, there is uncertain room as to determine the best solution when the validity is raised by way of defense.

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

From a EU perspective, the word "validity" does not subsume "registration". Indeed, article 24 of the Regulation 1215/2012 distinguishes the two concepts. Our recommendation would be to follow the EU wording mentioning "registration or validity".

- 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.

From a French perspective and in order to help answering this question, we would tend to refer to the EU regulation 1215/2012 : the exclusivity of the jurisdiction of the judge of the title covers also validity issues raised by way of defense (see article 24). On the other hand it is noteworthy that an arbitral award deciding on the validity of an IP title by way of defense may be recognized. The effect of the award is thus limited *inter partes*. Such a solution seems to the French group a balanced/satisfactory solution for an infringement case, even if it acknowledges that arbitration requires consent of both parties. Such consent does not exist for an infringement case.

As we have previously explained, a good solution would be to offer to the plaintiff a choice between the judge of the defendant's domicile and the judge(s) of the infringement(s). If the plaintiff wants to consolidate its action, the mere fact that the defendant raises by way of defense the validity of the title(s) should not change anything. Moreover, there is no theoretical rationality, if the effect of the decision concerning the validity is limited *inter partes*. Nevertheless, there is a risk that the judge of the defendant's domicile rendered a different decision than the judge of the title. But, the risk diminishes if the effect of the decision is limited *inter partes*. Moreover, if the judge of the title has rendered a decision or will render a decision, priority should be given to this decision. Taken into account this limitation, the judge of the defendant's domicile may decide the validity of a foreign title in order to decide on the infringement and its decision should benefit from the Convention. Such a solution would be online with the CLIP Principles prepared by the European Max Planck Group (article 2:401).

- 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.

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

Indeed, the expression “competent authority” clearly includes IP offices. It is interesting to mention that the Convention of 30 June 2005 on Choice of Courts Agreements uses the same expression of “competent authority”. From the explanatory report written by T. Hartley and M. Dogauchi, it is obvious that this expression includes IP offices. One could quote “a decision of a competent authority, such as a patent office” (n° 199 of the explanatory report) or “this includes the decision of a patent offices or other competent authority” (footnote n° 62).

By mentioning “the decision of a competent authority”, the project clearly includes the fact that an IP right might be revoked not only by a court, but also by an office. More precisely, the expression is large enough to include national offices, but also regional offices. As a consequence, there is no need to adjust the expression, which is clearly relevant for an IP context.

- 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)*

The French group is not in favor of this exclusion. Judgements deciding on IP issues falling within the scope of the Convention may apply the internal law of the State where the IP right is in force to assess infringement. Excluding recognition and enforcement in such case would not meet the goal of the Convention to harmonize and simplify the conditions of recognition and enforcement of such judgments.

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 French group is not in favor of this limitation. If the judgement is issued by a court of the domicile of the defendant, it may be considered as having jurisdiction to decide over the harm suffered by the claimant in other States than the State of origin, e.g. because of the infringement of an IP right enforceable in those other States. Excluding recognition and enforcement of the judgement in such case would not meet the goal of the Convention to harmonize and simplify the conditions of recognition and enforcement of such judgments.

- 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)*

This reformulation is not satisfactory for the reasons mentioned in reply 9 a).

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

There is no need to treat judgement deciding on IP issues differently. Those judgement should be subject to the provisions of Article 10. Article 11 is unnecessary.

- 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.

*Res judicata* should be provided in the Convention to prevent the re-litigation of issues which have already been determined by the Court of a State, but it should only apply between the same parties and in relation to the same legal issues, when the first decision is final (i.e. no longer subject to possible appeal).

- 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?

These conditions should apply, as mentioned above.

- 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?

Res judicata should apply in the case of in rem judgements. If new facts come into play, a case may be submitted to the courts of the same or another State. This may be the case if a new prior art is asserted to challenge the validity of the patent or if new infringement acts are committed.

- 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.

Res judicata should apply to judgements deciding on IP to meet the goals of the Convention.

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

April 17, 2018