

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: Spain

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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.

In our opinion, intellectual property rights should not be included in the scope of the Convention.

First, because like in year 2001, there does not seem to be sufficient international consensus for its inclusion.

Second, and perhaps more importantly, the same rationale that militates in favour of excluding other matters such as the validity of entries in public registers, defamation, privacy and antitrust, also applies to intellectual property. Taking into account that the scope of intellectual property rights is limited to the country of registration, in the case of this type of rights the exclusion appears to be even more justified.

Although the position of the Spanish Group is that intellectual property rights should be excluded from the scope of the Convention, we will answer to the remaining questions for completeness and from a theoretical standpoint.

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.

In our opinion, for consistency reasons, it would not be advisable to "cherry-pick" intellectual property rights which should / should not be included in the scope of the Convention.

All the rights covered by the Unions under the WIPO umbrella and TRIPS should be included or not included.

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

In our opinion, the expression "analogous matters" lends itself to different interpretations, particularly taking into account the heterogeneity of the legal systems represented in the HCCH.

For the sake of clarification, perhaps the following text could be added after that expression: e.g., all the intangible rights entitling their holders to exclude others from doing certain acts and, in particular, all the rights covered by the Unions under the WIPO umbrella and TRIPS, and any extensions of the same and/or other rights derived from the same).

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

The following wording could be used: "(m) intellectual property and analogous matters, e.g., all the intangible rights entitling their holders to exclude others from doing certain acts and, in particular, all the rights covered by the Unions under the WIPO umbrella and TRIPS, and any extensions of the same and/or other rights derived from the same."

- 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, as in some jurisdictions (such as the European Union) only the Courts of the country where the intellectual property right to be granted or registered would have jurisdiction to make a decision on the validity of such rights, and in many jurisdictions validity is virtually always contested in the framework of infringement proceedings.

- 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.

In our opinion, this should be a ground for the Court to decline territorial jurisdiction and / or reject infringement in the first place. If a Court had accepted jurisdiction, it is doubtful whether the Court of the State where the recognition of the judgment is requested should accept such recognition if it would not have had territorial jurisdiction to judge those type of acts and / or such acts would not have been actionable in that State.

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

We do not see any reason why purely inter partes judgments should be excluded from the general rule. Judgments to be handed down regarding infringement of intellectual property rights will be inter partes.

- 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.

For reasons of consistency with the answer to question 2 a), the answer should be yes.

- b) Should there be an exclusion in the case were 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.

For reasons of consistency with the answer to question 2 b), the answer should be 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.¹

Yes, as this type of requirement would be consistent with the actual State practice in relation to other type of treaties (for example, extradition treaties).

- 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.”*

¹ 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.

- 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.

For reasons of consistency with the intellectual property rights required to be granted or registered, the answer should be yes.

It must be borne in mind that the scope of "a copyright or related right, an unregistered trademark or unregistered industrial design" is normally limited at a territorial level, and that in many jurisdictions such unregistered intellectual property rights are also eligible for a non-constitutive registration (as a mere matter of evidence).

Otherwise, a situation in which any court could give a judgement on the validity, subsistence or ownership of an unregistered intellectual property right may lead to forum shopping.

- 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.

The term "actionable" can be subject to different interpretations, being, therefore, also different the answer to be given to this question:

If "actionable" means that the validity, subsistence or ownership could also be challenged in the State in which the judgement is sought to be enforced, then the answer is no. Considering that in some jurisdictions only the Courts of the country where intellectual property rights protection is claimed have jurisdiction to decide on their validity, such requirement should not be demandable.

If "actionable" means that these type of unregistered intellectual property rights should be foreseen in the requested State and, therefore, their validity, subsistence or ownership could be challenged in such State, then the answer could be yes considering that this type of requirement would be consistent with the actual State practice in relation to other type of treaties (for example, extradition treaties).

- 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, as in regions such as the European Union only the courts of the State in which grant or registration has taken place would have jurisdiction to rule on the validity of such intellectual property right in the first place.

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

Although in Spain the word "validity" is normally associated with "registration", it may also be used loosely to make reference to situations where the conditions for acquiring a non-registered intellectual property right (for example, a copyright) are not fulfilled.

Also, according to some laws (for example, the Patents Act) a license agreement which is not in writing is not "valid". In other words, the written form is a requirement for the validity of a license agreement. In contrast, the registration of such license agreement is not a requirement for the "validity" of such license. However, registration is a requirement for the purpose of enforcing that license agreement against third parties.

- 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.

In our opinion, for reasons of consistency the legal regime should be the same in all cases.

- 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.

In our opinion, the answer should depend on whether or not that decision falls within the definition of "judgment" of article 3 of the Draft Convention. Nevertheless, in principle we are talking about administrative decisions, which as such should not have the same status as court decisions.

- 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.

We understand that the current wording of Article 8(3) already covers this possibility, as:

- Paragraph (a) expressly refers to "*a decision of a competent authority*", and
- Paragraph (b) generally refers to "*proceedings*", which include both judicial and administrative proceedings.

Having said that, in our opinion, and in order to facilitate a better understanding of the text and to avoid misinterpretations, we would recommend defining the following concepts:

- "*Preliminary question*": clarify whether it refers to an *obiter dicta* decision, to a preliminary ruling or similar included in a judgement.
- "*Ruling*": we understand that it refers to a statement made in a judgment.
- "*Decision of a competent authority*": clarify whether it shall be final or whether it can be further subject of appeal or revision by a superior authority or court.

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

N/A, although we 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.

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

In our opinion, this should be a ground for refusal if the judgment had applied the internal law of the State of recognition in a way that the Court before

which recognition is requested considers to be contrary to the case law of that State.

- 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.

In our opinion, the legal regime should be the same than in other type of cases (i.e. non intellectual property cases) where both monetary and non-monetary remedies may be at stake.

There is no reason for monetary / non-monetary remedies to follow a different path only because the rights asserted were intellectual property rights.

- 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)

We do not see the reasons for limiting the recognition of judgments to those that rule on a monetary remedy in relation to harm suffered in the State of origin.

For example, if the court of the State of origin had accepted jurisdiction to also rule on harm suffered in third countries, we cannot see any reason to reject the recognition of the judgment in relation to the harm suffered in such countries.

- 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.
- 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.

In principle yes, provided that the court that made the first judgment had jurisdiction both under the laws of that State and under the laws of the State where the intellectual property right was registered.

- 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?

Yes, subject to the caveat made in the answer to question 10 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?

In our opinion, it should apply to all type of judgments.

Allowing a party to re-litigate a case already decided would be contrary to the principle of legal certainty, which is a general principle of law of all the countries represented in HCCH.

- 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.

N/A

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

As mentioned at the beginning, intellectual property should remain within the exclusions enshrined in Article 2.

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