Introduction

- Intellectual property rights are territorial by their nature. Infringements are often not restricted to a specific country.
- Websites are accessible from all over the world.
  - “Geoblocking” is possible to prevent access from a specific country.
  - However, circumvention is possible (e.g., by a Virtual Private Network).
- In cross-border disputes, the venue of the proceedings is besides the question of the applicable law – of special importance.
  - Problem of forum shopping
- Plaintiffs have a preference for the courts of their own country (or courts that rule favorable to right holders).
  - Similar problems arise with problems on a national level.
Overview: The Brussels Regulation

  - Replaced the Brussels Convention on 1st March 2002.
- The regulation governs the rules of international jurisdiction of the EU member states if the defendant is domiciled within the EU.
- If the defendant is domiciled outside the area of the EU then the national rules on jurisdiction apply (including “exorbitant jurisdiction”).

Jurisdiction under the Brussels Regulation

- Persons domiciled in a Member State shall, whatever their nationality, be sued in the courts of that Member State (Article 2).
  - General jurisdiction – Defendants “play at home”
  - Example: an Austrian may be sued in Austrian courts even if the copyright infringement occurs in France.
- Persons domiciled in a Member State may only be sued in the courts of another Member State by virtue of the rules set out in Brussels Regulation.
  - National rules providing for “exorbitant jurisdiction” are not applicable.
- Special Jurisdiction under the Brussels Regulation:
  - Article 5 (1): contracts
  - Article 5 (3): tort, delict or quasi-delict
  - Article 6: Jurisdiction over joint defendants
Exorbitant Jurisdiction (Example)

- Article 99 of the Austrian Court Jurisdiction Act (Jurisdiktionsnorm)

§ 99 (1) Persons who are not subject to general domestic jurisdiction can be sued in property matters at any court if the property of this person or the object of the claim are located within its district. The value of the domestic property should not be disproportionately less than the amount in dispute.

- Intellectual property rights can be considered as „domestic property“
  – Austrian Supreme Court, 8.7.2003, 4 Ob 128/03g in regard to an international trademark application under the Madrid System.

Special Jurisdiction

**Article 5**

A person domiciled in a Member State may, in another Member State, be sued: …

1. (a) in matters relating to a contract, in the courts for the place of performance of the obligation in question ….

3. in matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred or may occur;

- Tort and delict include copyright infringement
- Exemption in Article 22 (4) for registered rights
  – Does not apply to copyright (creation of the work is sufficient)
  – Broad interpretation („irrespective of whether the issue is raised by way of an action or as a defence“)
The Shevill doctrine

- The Shevill doctrine restricts an action filed with courts competent on the basis of Article 5 No. 3 of the Brussels Regulation to the damage suffered solely in the state of the court seised.
  - ECJ, Case C-68/98 – Fiona Shevill v. Presse Alliance SA
- Also applies to injunctive relief
  - ECJ, C-167/00 - Henkel.
  - Injunctive relief in does not require the presence of local damages.
  - Problem: Ubiquity of the Internet / potential for forum shopping
- AG Villalón, 29th March 2011, Cases C-509/09 and C-161/10
  - Suggests „Center of the conflict“ as additional criterion
    - Example: A report in an Austrian newspaper about a crime committed in Germany by a German national living in Germany.

Scope of Article 5 of the Brussels Convention

- Collecting societies can levy charges for blank sound storage mediums (§ 42b (1) Austrian Copyright Act).
- Blank storage mediums where imported to Austria.
- Austrian courts are not competent to hear the case of a collecting society. Such a claim is neither based on a contractual obligation nor on a delict within the meaning of Article 5.
- Sale of blank storage mediums is not an unlawful act. The claim concerns unjust enrichment neither connected to contract nor to tort.
  - Austrian Supreme Court, 4 Ob 174/06a.
Jurisdiction over Joint Defendants

Article 6
A person domiciled in a Member State may also be sued:

1. where he is one of a number of defendants, in the courts for the place where any one of them is domiciled, provided the claims are so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings;

- If there are multiple defendants in an action there should be one trial in one court, rather than a multitude of different trials in different courts. The rule especially deals with joint tortfeasors.

Jurisdiction over Joint Defendants (2)

- There must be a “connection” between the different claims, "of such a kind that it is expedient to determine the actions together in order to avoid the risk of irreconcilable judgments resulting from separate proceedings".
- Article 6(1) of the [Brussels Convention] must be interpreted as meaning that it does not apply in European patent infringement proceedings involving a number of companies established in various Contracting States in respect of acts committed in one or more of those States even where those companies, which belong to the same group, may have acted in an identical or similar manner in accordance with a common policy elaborated by one of them (ECJ C-539/03, Primus v. Roche).
  - Possible divergences between decisions given by the courts concerned would not arise in the context of the same factual situation.
Gareth Pearce v. Ove Arup Partnership Ltd
[1999] EWCA Civ 625

• The plaintiff produced detailed plans for a town hall for the Docklands Development in London.
• It was alleged that the second and third defendant copied the plans and used them to construct a building in Rotterdam. The forth defendant was the owner of the building situated in the Netherlands.
• At least the first defendants (civil engineers for the construction of the building) were domiciled in the UK.

• English courts had jurisdiction to hear the action against the first defendant. By the operation of Article 6 (1) [of the Brussels Convention], the English courts had also jurisdiction to hear the claims against the other defendants.

„Torpedo“ Problem

• Defendants can commence proceedings for a declaration of non infringement before the court of a Member State with a long duration of proceedings.
• Where proceedings involve the same parties and the same cause of action are brought before the courts of different Member States, any court other than the court first seised must stay proceedings until the court first seised has declined jurisdiction. (Article 27)
  – Even determining the jurisdiction of the court first seised can take months in some jurisdictions
• No exemption from this rule: Brussels Regulation is based on mutual trust as regards each Member State’s judicial institutions
  – ECJ C-116/02 – Gasser/MISAT
• Prevention of the “torpedo” effect: transfer of the right/grant of an exclusive license.
• Provisional measures exempted (Article 31)
Enforcement

- Judgments in civil and commercial matters rendered by a court in one Member State are enforceable across the EU.
- However, a judgment in one Member State does not automatically take effect in another. It first has to be validated and declared enforceable by a court in the Member State of enforcement (“exequatur” procedure).
- Enforcement of judgments for injunctive an be problematic
  - For example Austrian judgments for injunctive relief do not contain provisions for a penalty payment in case of non-compliance with the imposed injunction.
  - See also ECJ, 12th April 2011 C-235/09 – DHL Express (France)

Outlook / Reform Proposals

- Mere accessibility vs. target of the website
- Should the scope of Article 5 (3) of the Brussels Regulation be reduced?
- Example: Jurisdiction over consumer contracts (Articles 15-16)
- A consumer buying from a trader whose activities are directed at the consumer's home state can be sued only in the courts of the Member State in which the consumer is domiciled.
- ECJ 7th December 2010, C-144/09 – Hotel Alpenhof v. Heller
  - After finding out about the hotel from its website, the defendant reserved a number of rooms.
  - The question which arose in this cases was the extent to which a website operated by a trader was directed at the consumers home state.
Hotel Alpenhof v. Heller

• General requirement for determining the target of a website:
  – whether…. it is apparent from the website and the trader’s overall activity that the trader was envisaging doing business with the consumers domiciled in one or more member states… in the sense that it was minded to contract with them.

• The following factors might indicate that the activity is directed to the Member State of the consumer’s domicile:
  – The international nature of the activity.
  – Mention of itineraries from other Member States for going to the place where the trader is established.
  – Use of a language or a currency other than the language or currency generally used in the Member State in which the trader is established
  – Mention of telephone numbers with an international code.
  – Use of a top-level domain name other than that of the Member State in which the trader is established.
  – Mention of an international clientele composed of customers domiciled in various Member States.

Hotel Alpenhof v. Heller (2)

• On the other hand, the mere accessibility of the trader’s or the intermediary’s website in the Member State in which the consumer is domiciled is insufficient.

• The same is true of mention of an email address and of other contact details, or of use of a language or a currency which are the language and/or currency generally used in the Member State in which the trader is established.
Preliminary ruling from the Austrian Supreme Court lodged on 10th November 2010, C-523/10 – Wintersteiger

- The plaintiff is owner of the Austrian trademark „Wintersteiger” (registered for ski service machines)
- On google.de the defendant booked the term “Wintersteiger” as a keyword and displayed advertisements (which did not contain the trademark).
- The defendants have not published any advertisements on the website google.at.

Case C-523/10 – Wintersteiger

In the case of an alleged infringement by a person established in another Member State of a trade mark granted in the State of the court seised through the use of a keyword (AdWord) … is the phrase “place where the harmful event occurred or may occur” … to be interpreted as meaning that:

1.1. jurisdiction is established only if the keyword is used on the search engine website the top-level domain of which is that of the State of the court seised;
1.2. jurisdiction is established only if the search engine website on which the keyword is used can be accessed in the State of the court seised;
1.3. jurisdiction is dependent on the satisfaction of other requirements additional to the accessibility of the website?
Outlook / Reform Proposals (2)

Article 2:202: Infringement
In disputes concerned with infringement of an intellectual property right, a person may be sued in the courts of the State where the alleged infringement occurs or may occur, unless the alleged infringer has not acted in that State to initiate or further the infringement and her/his activity cannot reasonably be seen as having been directed to that State.


CLIP Principles: Extent of jurisdiction

- Concentration in certain situations:
  
  Article 2:203(2):
  In disputes concerned with infringement carried out through ubiquitous media such as the Internet, the court whose jurisdiction is based on Article 2:202 shall also have jurisdiction in respect of infringements that occur or may occur within the territory of any other State, provided that the activities giving rise to the infringement have no substantial effect in the State, or any of the States, where the infringer is habitually resident (Article 2:102) and (a) substantial activities in furtherance of the infringement in its entirety have been carried out within the territory of the country in which the court is situated, or (b) the harm caused by the infringement in the State where the court is situated is substantial in relation to the infringement in its entirety.