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JURISDICTION FOR CROSS-BORDER INTELLECTUAL PROPERTY INFRINGEMENT CASES IN EUROPE

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Abstract.

Cross-border infringement of intellectual property rights raises a number of issues. The Internet means that such cases arise ever more frequently. It is against this backdrop that this contribution looks at how the territorial international intellectual property system copes, and how EU rules on private international law can assist in resolving these issues. The contribution looks merely at jurisdiction issues, but includes suggestions to improve the private international law rules in this area.

1. Introduction

This paper focuses on the existing EU private international law framework as it applies to intellectual property infringement cases. In doing so, the focus is on recent developments. Contractual disputes, such as those that arise in a licensing or assignment context, remain outside its scope, as does the choice of law aspect of the cases concerned.

We think of intellectual property as a global phenomenon. Right holders enjoy protection around the globe for their intellectual property. But even when right holders emphasize that their works are protected globally, e.g. by the often-used phrase that “this motion picture or piece of software is protected by the (copyright) laws of the United States and other countries”, which one finds on DVDs and sites from which one downloads software, one already gets an indication that the intellectual property reality across borders is a bit more complex. The EU is fully part of this international framework, which means it also forms the landscape in which EU private international rules operate when they deal with cross-border intellectual property disputes.

The honest answer is, though, that “international copyright, international patent law or international trademark law” do not exist, if one thinks of this as a single global and uniform regime or model law. Let us take copyright as an example. It suffices to read the emblematic Berne Convention 1886. Yes, there are grand principles, but key concepts such as literary and artistic works and originality are not defined. There is in other words no harmonized single criterion to decide which works could be copyright works and which originality criterion they need to meet to effectively qualify for such protection. In addition, there is by no means a standard and complete list of exceptions and limitation to the copyright of the right holders to guarantee the user’s interests, such as the right of access to information. One could develop the same argument for patents and trademarks along the lines of the Paris Convention 1883.

But let us not duplicate matters, but just continue with the copyright example. That very same Berne Convention does, on the positive side, contain the “principle of national treatment”. Its “international copyright” approach is based on the simple technique of giving foreign authors and creators access to the national copyright systems of the Member States of the Convention by treating them in each Member State as if they were a national of that Member State.¹ In an era where access to such legal protection was governed by the criterion of

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¹See e.g. Goldstein and Hugenholtz, *International Copyright: Principles, Law, and Practice*, 2nd ed. (OUP, 2010), pp. 91-115.

nationality² this was an important step and one that is almost baffling by its sheer simplicity. But national treatment enshrines also the underlying reality into the international copyright regime. That underlying reality is one of a patchwork of national copyright regimes based on the idea of one national copyright act per country, based on common ideas in the area and on the minimum standards that are found in the Convention (i.e. copyright covers literary and artistic works - whatever that means in detail -, protects the author, and has limitations and exceptions for the users). International copyright protection is, therefore, guaranteed on the basis of a patchwork of national copyright regimes and national copyright acts.

This may have worked well in an era where copyright works were exploited on a national basis, i.e. where authors of literary works had a different publisher in each country and where each publisher roughly covered only the national market.³ In such a model there is a parallelism between national exploitation of copyright works and national copyright regimes that govern the protection and the use and exploitation of such works. But that model no longer exists. In the online environment (and even in the decades that preceded it, but then on a smaller scale), copyright works are exploited globally. That cross-border exploitation operates on a global scale and the user does not even necessarily know from where in the world he or she downloads the copyright work. What has not changed is the territorial national character of copyright law. In other words, the parallelism between copyright law and copyright exploitation no longer exists. Instead one finds a major inconsistency and a massive source of potential conflict.

Leaving copyright to one side, one may be tempted to argue that the introduction (or future introduction) of single EU-wide intellectual property rights in the patent, trademark, and design field has fundamentally changed the picture in the EU. Surely, a single right can be helpful, but the legislature has simply added that single right on top of the 28 national rights (and the European patent) that remain in existence and operate in parallel. The loss of complexity is therefore barely perceivable. There is, therefore, plenty of scope for cross-border licensing and cross-border infringement cases in the EU. The EU private international law framework will then be called upon to decide which court will have jurisdiction.⁴ The remainder of this article will look at how well the framework copes with that challenge.

In such a highly segregated and territorial intellectual property environment, parties, and more specifically right holders, often have an interest in avoiding the country by country scenario in which a separate case needs to be brought in each Member State concerned. From an economic perspective there is one intellectual property right and therefore a single case is the most suitable scenario. Even if that is not achievable parties will look for the appropriate jurisdiction that can deal efficiently and adequately with what is often a complex infringement scenario.

Private international law, and in our case the rules on jurisdiction, will therefore be used as a tool to achieve the best possible practical solution. National procedural rules deal with matters at the domestic level, but one needs a rule to deal with cases that involve an international element and that could be brought in more than one jurisdiction. Each domestic system, then, has a set of rules to determine which cases with a cross-border element it will accept and deal with. These are what we call the rules on private international law. The aim of these is to find the appropriate or most suited court to deal with cases with a cross-border element. The standard rule uses the domicile/habitual residence of the defendant as a

²For a strong defence of an approach based on nationality, see e.g. Koumantos, "Sur le droit international privé du droit d'auteur" (1979) *Il Diritto di Autore*, 616 and id., "Private International law and the Berne Convention" 24 *Copyright* (1988) 415.

³See Fawcett and Torremans, *Intellectual Property and Private International Law*, 2nd ed. (OUP, 2011), Ch. 12.

⁴See *ibid.*, Ch. 5.

connecting factor between the case and the court.⁵ The underlying principle being that as the claimant chooses the course of action, the defendant can then “play at home” when obliged to defend the case, in order to restore the balance. In infringement/tort cases the place of the tort is an alternative connecting factor, as these facts and their consequences will be at the heart of the case.⁶ And there is a need for a single forum to deal with multiple defendant cases.⁷ Finally, there are scenarios where the national interest is such that one does not want the defendant to have a choice and where the national courts will be given exclusive jurisdiction.⁸ One should note that we are concerned here with the jurisdiction of a court. Once a court has jurisdiction, it will determine the applicable law under its own (private international) choice of law rules. This contribution merely deals with the jurisdiction side of private international law. The Internet has not changed these rules. There are merely more cases with a cross-border element and cases where a larger number of countries are involved.

2. A practical scenario

Let us, therefore, examine these jurisdiction rules in more detail. In the European context one is, therefore, looking at the application of the Brussels I Regulation⁹ to intellectual property cases, as they are after all civil and commercial cases and fall, therefore, within the scope of the Brussels I Regulation. Rather than to try to summarize all the aspects of the Brussels I Regulation that are relevant, let us look at a typical practical scenario that shows the often problematic link between the jurisdiction rules and intellectual property.

The contrast between national intellectual property rights, which are still granted on the basis of the territoriality principle, and which, as a consequence, logically produce, on the one hand, parallel rights in several countries and, on the other hand, the international exploitation of such rights, results in a scenario where similar violations, mostly performed by defendants with a mutual relationship between them, give rise to claims based on similar national provisions on intellectual property. In a copyright on the Internet context this could involve the unauthorized use of copyright material on websites operated by national subsidiaries of a multinational company. The ubiquitous nature of the Internet means that there is potentially infringement and damage on a global basis, as websites can be accessed from everywhere. Even a scenario in which a single party uploads copyright material in an unauthorized way gives rise to a global infringement issue. More territorial is the illegal downloading of films or music by an individual user in a certain country. There are, in other words, plenty of copyright infringement scenarios for which one needs to determine which court has jurisdiction and how far that jurisdiction goes.

3. Article 4

Article 4 (old Art. 2) of the Brussels I Regulation allows for the separate prosecution of every defendant in the country where he or she resides. There is no reason why this rule cannot be

⁵See Council Regulation (EC) 44/2001 of the European Parliament and of the Council of 22 Dec. 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (Brussels I Regulation), O.J. 2001, L 12/1, Art. 4.

⁶Ibid., Art. 7(2).

⁷Ibid., Art. 8(2).

⁸Ibid., Art. 24(4).

⁹Brussels I Regulation 44/2001, replaced as of 10 Jan. 2015 by the recast version Regulation (EU) 1215/2012 of the European Parliament and of the Council of 12 Dec. 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast), O.J. 2012, L 351/1.

used effectively in cross-border intellectual property cases. It may even be extremely effective if there is a single infringer. A single case in a single court can then deal with the EU-wide infringing activity of such a defendant. The approach may be less suitable if the defendant resides in a Member State that is far away from the Member State in which the right holder is based, if the alleged infringer does not carry out any allegedly infringing activity in the forum (the court will merely deal then with infringement in other countries and have to apply foreign laws: the link which Art. 4 presumes between the residence of the defendant and the infringing activity becomes very weak, making the connecting factor far less suitable) or if there are multiple defendants. In the latter scenario, Article 4 does not allow the whole matter to be brought before a single court and, instead, would split the case in as many cases as there are Member States in which a defendant is based. If one takes the factual example of the *Painer* case,¹⁰ one ends up with a scenario where the identical allegedly infringing use of the picture of Natasha Kampusch, taken by Ms Painer, by German and Austrian newspapers would result in two independent cases, i.e. Ms Painer would have to bring the case against the German newspapers in Germany and an identical case against the Austrian newspapers in Austria. This places a heavy (financial) burden on the right holder, especially as Internet cases may involve rather more than two jurisdictions.

4. Article 7(2)

Article 7(2) (old Art. 5(3)) provides for an alternative solution. Jurisdiction is also given to the courts of the place of the harmful event and to the courts of the place of the damage. In a copyright on the Internet situation, the easiest example of the place of the harmful event is the place where copyright material is uploaded to the Internet without the authorization of the right holder. Damage will occur wherever the material is downloaded or potentially even merely accessed. This rule has a lot of potential in the context of copyright infringement on the Internet. But it can also be applied in cross-border patent and trademark scenarios. The rule provides a good solution if an alleged infringer who resides elsewhere commits an allegedly infringing act in a Member State. The courts of that Member State are then well-placed to deal with the (whole) case, because there exists a strong link between the facts of the case and the jurisdiction.¹¹ Matters are less obvious when it comes to the place of the damage, as in many copyright cases the ubiquitous nature of the Internet means that there is potentially damage, and therefore jurisdiction, everywhere. That then means that the standard “damage” scenario involves a multitude of claims submitted country by country, apparently as a logical consequence of the territoriality principle.¹² Parallel registered rights such as patents and trademarks lead to the same outcome.

¹⁰Case C-145/10, *Eva-Maria Painer v. Standard Verlag GmbH*, EU:C:2011:798. The question arose in this case whether Art. 8(1) Brussels I Regulation could be applied to a case where German and Austrian newspapers independently published without permission pictures of Natasha Kampusch taken by Ms Painer, i.e. could the Austrian courts hear the whole case, rather than two independent cases being brought by Ms Painer in Austria and Germany respectively (Art. 4).

¹¹It may however also be noted that the possibility to apply for declarations of non-infringement can lead to bizarre outcomes and so-called “torpedo effects”, see e.g. *General Hospital Corp v. Asclepion Laser Technologies GmbH*, Italian Supreme Court, 10 Jun. 2013, [2014] IIC 822. In these, Art. 7(2) and the link with the place where the acts that the court is asked to declare “non-infringing” are used by the defendant in a potential infringement action to stop the claimant/right holder from starting an infringement action, as the infringement question is then already before a court (*lis pendens*). Typically, the potential defendant launches such an action in a court where proceedings take a long time, e.g. Italy, (thus, they are also sometimes called “Italian torpedoes”) hence the idea of a torpedo effect that effectively sinks the option to sue for infringement for a long time. Art. 33(2) of the Brussels I Regulation now tries to offer the second court some flexibility to avoid the torpedo effect.

¹²See Fawcett and Torremans op. cit. *supra* note 4, Ch. 5.

4.1. The beginnings

It would go too far to go back to the very first cases on Article 7(2), but it is worth looking back at the *Shevill* case¹³ before turning to the very recent case law of the Court of Justice. *Shevill* was not an intellectual property case, but a defamation case. Leaving that aspect aside for the time being, two elements are to be retained from it. Looking at the place of the damage, the Court rather clearly restricted the jurisdiction of the court of the place where the (direct) damage arises to the damage that arises in that jurisdiction. The court cannot hear the whole case if damage allegedly arises in more than one jurisdiction, as the specific link between the court and the facts that make the court a suitable forum to hear the case is, in the cases of damage, only in existence when it comes to the local damage in the jurisdiction.¹⁴ National supreme courts rather quickly applied that rule to intellectual property infringement cases and restricted their jurisdiction also in those cases to the aspects of the cases that arise in the jurisdiction, i.e. “local damage”.¹⁵ As will be seen shortly, the ECJ has now also put this restriction to “local damage” at the heart of its recent case law dealing with intellectual property infringement cases.

A second element that is to be retained is the suggestion that, when it comes to the act that gives rise to the damage, jurisdiction can be granted to the court of the place of establishment of the defendant.¹⁶ Could that rule also apply in intellectual property infringement cases? National supreme courts have declined to consider such an extension of the scope of this aspect of the *Shevill* decision. They focused on the location of the act of infringement, rather than on the place of establishment of the alleged infringer.¹⁷ A typical example is found in a case where a swimming pool offered by the defendant allegedly infringed French intellectual property rights. The court focused on the fact that the pool had been displayed and offered for sale in France, as acts of infringement under the applicable law, rather than on the place of establishment of the alleged infringer.¹⁸ This aspect again resurfaces in the recent ECJ case law dealing with intellectual property infringement cases. However, it is interesting to note that right from the beginning courts were, as it were, applying a modified *Shevill* approach to intellectual property cases.¹⁹

One should also keep in mind that intellectual property cases do not fit quite the same mould as the typical tort case for which Article 7(2) was designed. Most torts include in their definition both the act and the damage resulting from it, and without damage there is no actionable tort. One can see that reflected in the two limbs of Article 7(2), which arise from the early cases and are also found in *Shevill*. Yes, there are two limbs in Article 7(2) and jurisdiction can arise in different locations, but it will in any case only do so when there is both evidence of an act and damage. Only then is there a tort, and can there be jurisdiction under Article 7(2). Intellectual property infringement is different. If we take the act of reproduction in copyright as an example, it is very clear that the exclusive right will be infringed as soon as the copyright

¹³Case C-68/93, *Shevill and others v. Presse Alliance SA*, EU:C:1995:61. The ECJ found in a case of defamation by means of a newspaper article distributed in several Member States, Art. 7(2) (then Art. 5(3)) must be interpreted as giving the victim a choice between fora.

¹⁴Fawcett and Torremans op. cit. *supra* note 3, pp. 170-171.

¹⁵*Castellblanch SA v. Champagne Louis Roederer SA* [2004] IL Pr 41 (France). See also *Wegmann* [1999] IL Pr 379 (France).

¹⁶One locates the “defamer”, as it is nowadays always easy to be sure where the defamatory comment was made.

¹⁷Arguably, there is far less difficulty in locating the act in IP infringement cases than in defamation cases.

¹⁸*GRE Manufacturas and another v. Agrissilos* [2006] IL Pr 27, [2007] IIC 723 (France). See also *Castellblanch SA v. Champagne Louis Roederer SA* [2004] IL Pr 41 (France).

¹⁹See Fawcett and Torremans op. cit. *supra* note 3, p. 168 for a detailed analysis. Suffice it here to say that the *Shevill* approach was applied to IP cases, but without the reference to the place of establishment of the alleged infringer.

work is reproduced without authorization. There is no need to show that damage results from the unauthorized act of reproduction. Damage, then, becomes in these cases a separate factor that can give rise to jurisdiction. Further dealings with the infringing copy will give rise to separate infringing acts that can give courts jurisdiction in their own right. All this opens up access to many more potential fora in application of Article 7(2).²⁰

The ECJ returned to defamation and personality rights in the Joined cases *eDate* and *Martinez*.²¹ The Court held that damage could arise in every territory where the disputed content that was posted online could be accessed. That neatly links in with the point just made (i.e. posting as an act that makes access possible is sufficient for there to be tortious activity and no further proof of damage is required), but these cases also opened up the potential of a *forum actoris*. The Court argued that the personality right centres around the person of the claimant, and that the claimant can therefore bring the (whole) case in his or her home court (effectively adding this as a new additional connecting factor). The question arose whether that new approach could also be applied to intellectual property cases. Copyright, with its moral rights aspect which links in strongly with the person and personality of the author, seemed a case in point. The ECJ itself, however, closed off that avenue in the *Wintersteiner*²² case by refusing to apply the approach in a trademark case where an advertiser had used a keyword identical to the trademark on a search engine website.²³

4.2. Recent case law

This modified *Shevill* approach has been re-enforced and built upon by recent decisions²⁴ from the ECJ that stress the factual nature of the examination under Article 7(2) (old Art. 5(3)) of the Brussels I Regulation. The chain of recent decisions starts with the *Melzer* case.²⁵ This case did not involve intellectual property at all, but in relation to the first limb of Article 7(2) the ECJ set out the principle that the jurisdiction analysis should be based on a factual examination and should not involve elements of substantive law. In this case, the question was where did the defendant *de facto* act and invest Mr Melzer's money badly, as opposed to where does the German substantive rule that can impute activity on another party locate things. That sounded logical, i.e. one does not want a "mini trial" of substantive law issues at jurisdiction stage, only to re-open that debate once jurisdiction has been established. When the ECJ was given an opportunity to rule on the second limb of Article 7(2) a bit later in the *Pinckney* case,²⁶ one should then not be surprised that the Court applied the same approach to that second limb. *Pinckney* was a copyright case, but not really an Internet case. In essence it is about hard copies of CDs delivered by mail order, even if the order could be placed over the Internet. No royalties were paid for these CDs, and therefore the Court came to the factual conclusion that since they could be delivered in each Member State, there was at least allegedly damage in each Member State and that damage could then form the basis of jurisdiction in each Member State. The ECJ did however restrict that jurisdiction to the local damage in the Member State concerned.²⁷

²⁰European Max Planck Group on Conflict of Laws in Intellectual Property, *Conflict of Laws in Intellectual Property: The CLIP Principles and Commentary* (OUP, 2013), p. 67; op. cit. *supra* note 3, p. 174.

²¹Joined Cases C-509/09 & C-161/10, *eDate Advertising v. X & Martinez v. MGN*, EU:C:2011:685.

²²Case C-523/10, *Wintersteiner v. Products4U*, EU:C:2012:220. See von Hein, "Protecting victims of cross-border torts under Article 7(2) Brussels I bis: Towards a more differentiated and balanced approach", in Bonomi and Romano (Eds.), *Yearbook of Private International Law*, Vol. 16 (SELP, 2016), p. 271.

²³European Max Planck Group on Conflict of Laws in Intellectual Property, op. cit. *supra* note 20, pp. 81-82.

²⁴See Case C-228/11 *Melzer v. MF Global UK Ltd*, EU:C:2013:305, Case C-170/12, *Pinckney v. Mediatech*, EU:C:2013:635 and Case C-360/12, *Coty Germany v. First Note Perfumes NV*, EU:C:2014:1318.

²⁵Case C-228/11, *Melzer v. MF Global UK Ltd*.

²⁶Case C-170/12, *Pinckney v. Mediatech*.

²⁷The basis found in the *Shevill* approach is clearly visible here and it is applied explicitly to intellectual property

That brings us back to a purely territorial approach. The problem that arises here is broader than that though. A purely factual approach is unable to take into account that, from a copyright perspective, this was a weird case, as the defendant was not the party selling and delivering the CDs, but the party who had manufactured the CDs on behalf of the absent distributor. The manufacturer had not acted in the jurisdiction, where the case was brought and its copyright liability is dubious under any applicable law. But all such details could only be dealt with in the substantive cases under the ECJ's approach; they stay outside its reach when the jurisdiction of the court is examined. And the ECJ's approach seems now very much written in stone, as the Court declined the suggestion of its Advocate General to reconsider it when shortly afterwards a trademark case arose.²⁸ The Advocate General had raised the issue that jurisdiction would be given over a defendant who had not acted in the jurisdiction and that this would happen on the basis of acts of yet another party who was not involved in the case, hence weakening the link between the party and the jurisdiction substantially. But the ECJ stuck to the simple factual connecting factor that damage arose in the jurisdiction.

Whilst it is positive to avoid dealing already with substantive law matters at the jurisdiction stage, as this could give rise to a second “mini trial” of the same issues, the reality is that the mere factual potential presence of an act leading to damage or damage in the jurisdiction is very easy to demonstrate in IP cases, if one disregards the question whether or not the claimant even has a reasonable chance of winning the case on substance (e.g. is it at least arguable that the factual act or damage amounts to an infringing act in the jurisdiction in the light of substantive IP law and its territorial nature). Even hopeless cases will therefore pass the jurisdiction stage, and this opens the door to harassment of a defendant by suing in multiple Member States, knowing that the defendant may not be able to afford defending all these cases to the end of all the substantive trials. It is positive, though, that the ECJ limits these cases to local damage in each jurisdiction. Despite that, copyright infringement cases will necessarily be showing damage in every single Member State if one takes a purely factual approach.²⁹ Each national court will, therefore, have jurisdiction for the local damage. That may be suitable in certain cases where the infringement is obvious and it could allow the rights holder to sue in his own court if there is also damage there, avoiding a potentially unaffordable case in a faraway Member State in which the defendant resides. But in cases of less straightforward infringement, one could easily harass a potentially weaker defendant and push it into a disadvantageous settlement by bringing cases in multiple jurisdictions. The *Hejduk* case³⁰ presented such an Internet-based scenario, and despite the fact that the Advocate General had suggested that the second part of the provision, i.e. the (local) damage based provision, should not apply to cases of ubiquitous infringement, the ECJ stuck to its approach. According to the Court:

“Article 5(3) of [the Brussels I Regulation] must be interpreted as meaning that, in the event of an allegation of infringement of copyright and rights related to copyright guaranteed by the Member State of the court seized, that court has jurisdiction, on the basis of the place where the damage occurred, to hear an action for damages in respect of an infringement of those rights resulting from the placing of protected photographs online on a website accessible in its territorial jurisdiction. That court has jurisdiction

related facts.

²⁸Case C-360/12, *Coty Germany v. First Note Perfumes NV*.

²⁹Registration is not required, and the right will automatically exist everywhere. Any activity will then potentially create damage if one relies solely on the fact, without requiring proof that damage arises under the substantive copyright rule (or at least arises arguably).

³⁰Case C-441/13, *Pez Hejduk v. EnergieAgentur*, EU:C:2015:28.

only to rule on the damage caused in the Member State within which the court is situated.”³¹

The accessibility of a website (based on a server elsewhere) in a Member State containing unauthorized copyright protected photographs was sufficient as a basis for jurisdiction. Mere access in a Member State will therefore be sufficient. It will need to be seen as factually enough to demonstrate damage in the Member State concerned. This amounts to an incredibly low threshold, which leaves matters wide open to abuse.

Let us now put the law as it stands aside for a moment. The *Pinckney-Hejduk* approach in combination with the ubiquitous nature of the Internet and the automatic protection granted by copyright may entail the option to sue an alleged defendant in places where success in the substantive case is unlikely.³² This is undesirable and the CLIP group, of which this author is a member, therefore proposed to add a proviso to the jurisdiction rule:

“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.”³³

At least this gives the uploader the option to clearly restrict its material to a certain number of countries through the use of a certain language or through the use of material that is clearly only of interest to certain communities. One cannot be sued in places where one did not act and to which one’s activity was not directed. That provides legal certainty for the potential defendant and it is highly unlikely that the right holder will effectively suffer damage there. There is, however, a delicate balance to be struck and a merely territorial approach is often undesirable in an Internet context, as it may effectively make the right unenforceable if the right holder has to sue on a country by country basis. The right holder is not always the one who wants to sue in inappropriate places. The right holder may also be confronted with worldwide infringement over the Internet and the need, but also the practical impossibility, to sue in each and every jurisdiction (if one applies the territorial approach). Article 4 may sometimes provide the solution, but this is, for instance, not the case if the infringement has no link with the place of residence of the alleged infringer.³⁴ The CLIP group therefore proposes the following solution to deal with ubiquitous infringement cases in an effective way:

“Article 2:203: Extent of jurisdiction over infringement claims

(1) Subject to paragraph 2, a court whose jurisdiction is based on Article 2:202 shall have jurisdiction in respect of infringements that occur or may occur within the territory of the State in which that court is situated.

(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

³¹Ibid., para 39.

³²See von Hein, op. cit. *supra* note 22, pp. 268-273.

³³European Max Planck Group on Conflict of Laws in Intellectual Property, op. cit. *supra* note 20, p. 69.

³⁴The connecting factor is then irrelevant and a defendant could hide in far-away places with weak intellectual property protection.

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 and

- (a) substantial activities in furtherance of the infringement in its entirety have been carried out within the territory of the State 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.”³⁵

This rule counterbalances the proviso added to the main jurisdiction rule³⁶ in this area.

5. Article 8(1)

Returning to the approach *de lege lata*, intellectual property has been the object of considerable harmonization over the years, on the basis of both international treaties and European Union law. Without going too much into details, it is obvious that the combination of territorial (national) intellectual property rights and their exploitation beyond national boundaries raises questions related to the possible application of Article 8(1) (old Art. 6(1)) of the Brussels I Regulation, to closely connected claims. A *forum connexitatis* offers, in fact, the possibility to pursue the infringement of what, from a commercial point of view, is often considered as a single right, rather than a bundle of parallel national intellectual property rights. Thus, the copyright infringement performed in a uniform manner, for example by the commercialization of a copy of the copyright protected poster by related defendants, is pursued as a single case before a single court. Article 8(1) offers, therefore, an interesting opportunity in a number of intellectual property cases. However, Article 8(1) is principally targeted at defendants residing in different Member States, acting with a common agenda,³⁷ and this is in contrast with the most common scenario of intellectual property rights infringement, which involves both parallel rights and defendants that act (individually) in a parallel fashion, whether or not they act within a group of companies.

One could therefore expect anything but a straightforward case when the Court looked for the first time at the potential application of Article 8(1) of the Brussels I Regulation in a case concerning intellectual property rights, in *Roche Nederland*.³⁸ At the very least, one can state that this judgment is controversial.³⁹ In short, Mr Primus and Mr Goldenberg had filed an application for a European patent; and they had obtained a patent, according to the European Patent Convention, as a bundle of national patents. They claimed that the Roche group had infringed their European patent. In practice, the infringement was performed in each country, every time by the local branch of the Roche group, but the case was handled and coordinated by the group's central unit. Therefore, it would have been useful for Primus and Goldenberg to have the whole case treated by a single court. This was also possible because Dutch courts had developed for the purposes of Article 8(1) the so-called “spider in the web” doctrine.⁴⁰ The *Roche* case seemed to be a typical case. The spider’s web of patent infringement had been

³⁵European Max Planck Group on Conflict of Laws in Intellectual Property, op. cit. *supra* note 20, p. 85.

³⁶As found in the first sentence of Art. 2:202 and in Art. 7(2) Brussels I Regulation.

³⁷E.g. *Pearce v. Ove Arup Partnership Ltd* [2000] Ch 403 and *Chiron Corp. v. Evans Medical Ltd and Others* [1996] FSR 863 (UK).

³⁸Case C-539/03, *Roche Nederland BV et al. v. Frederick Primus and Milton Goldenberg*, EU:C:2006:458.

³⁹Fawcett and Torremans op. cit. *supra* note 3, para 11.05 et seq.; Kur, “A farewell to crossborder injunctions? The ECJ decisions *GAT v. LuK* and *Roche Nederland v. Primus and Goldenberg*”, 37 *International Review of Intellectual Property and Competition Law* (2006), 844–855.

⁴⁰Court of Appeal of The Hague, *Expandable Grafts Partnership v. Boston Scientific BV* [1999] FSR 352 (the Netherlands).

weaved, or at least conceived, by the central unit of the group; the local branches merely carried out this strategy. Why not to entrust the coordinated infringement of the European patent to a single court, the court of the spider, whose competence was recognized by Article 8(1)?

Yet, was the existence of a spider at the centre of the web of patent infringement the right starting point? According to the text of Article 8(1), the presence of a spider implies a link between the claims, doubtless a close link. However, this is not what Article 8(1) requires. Article 8(1) requires that the cases 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”. A risk of *irreconcilable* judgments is the *conditio sine qua non* to apply Article 8(1) which constitutes a derogation to Article 4 (old Art. 2) and takes away one or more defendants from the *forum* of their domicile. Different judges can rule differently on a particular case, even if their decision is grounded on the same facts and on the same law. But Article 8(1) does not have the purpose to prevent such divergence. The only risk that needs to be averted is that of contradictory judgments that are incompatible between them. This risk exists only if two judges of two countries decide, on each side, on the same factual and legal situation.⁴¹ If we take an example from the field of intellectual property rights, this risk exists if a defendant A, domiciled in X, together with a defendant B, domiciled in Y, manufactures in Z reproductions of an artwork by an author, without the author's authorization, and puts them on the market. If a judge in country X exerts her jurisdiction on the basis of Article 4 of the Brussels I Regulation over defendant A, and another judge in the country Y does the same in relation to defendant B, the two judges would both decide the same dispute. In this case there is the risk that the same activity, performed together in the country Z by the two parties (and to which the law of Z is probably applicable), is considered by one of the judges as an infringement and by the other judge as a perfectly lawful activity. These decisions would therefore be incompatible between themselves.⁴²

The ECJ ruled, in *Roche Nederland*, that the condition of the same factual situation was not met.⁴³ According to the Court, each branch operated in a separate country and the details of the patent infringement were different in each country. The infringing activity was also performed in different countries by each defendant. In other words, there was no joint activity in a particular country, and there were no overlapping infringing activities or defendants. There were purely parallel factual situations, territorial and national. In addition, the Court argued that this case was not even subject to the same law, because the European patent consists of a number of national patents and is granted as such. Each of these patents is subject to national patent law and these patents are independent from each other. This is certainly the case when patent infringement is expressly covered by national law.⁴⁴

If we are ready to follow the analysis of the Court on this point, there is no question of irreconcilable judgments. Every defendant must answer for her deeds in a specific factual and legal situation. There is no factual situation involving several defendants jointly, and every form of overlapping is avoided. The need for claims “closely connected” cannot be

⁴¹Case C-539/03, *Roche Nederland v. Primus and Goldenberg*, para 26.

⁴²See de Jong, Vrins and Ronse, “Evoluties in het octrooirecht”, *Revue de Droit Commercial Belge – Tijdschrift voor Belgisch Handelsrecht* (2011), 11; Tang, “Multiple defendants in the European Jurisdiction Regulation”, 34 *EL Rev.* (2009), 80.

⁴³Case C-539/03, *Roche Nederland v. Primus and Goldenberg*, para 27. See Szychowska, “Quelques observations sous les arrêts de la Cour de justice dans les affaires C-4/03 *GAT* et C-539/03 *Roche*”, 5 *Revue de Droit Commercial Belge – Tijdschrift voor Belgisch Handelsrecht* (2007), 498-506.

⁴⁴Case C-539/03, *Roche Nederland v. Primus and Goldenberg*, paras. 29-31.

demonstrated despite the similarities among national cases, and Article 8(1) is not applicable because the conditions required by the text of this Article are not met.⁴⁵

The “spider in the web” doctrine argues that there is a supplementary factor to be considered, in addition to the web of coordinated activities: the planning by the spider. The *forum connexitatis*, therefore, is identified with the location where the spider is based. Given this additional factor, it is desirable to bring the cases before an individual court because of the close link resulting from the coordination by the spider. However, in the analysis of the ECJ, there is no room for this supplementary step. The Court is not able to go this far and it does not apply the “spider in the web” doctrine because the requirements of the wording of Article 8(1) are not met.⁴⁶

It is fair to say that there have been cases since *Roche Nederland* that indicate that this rather inflexible approach may not be the final word on the matter. First of all, there was the *Freeport* case.⁴⁷ No intellectual property rights were involved, but the Court reconsidered its requirement that there had to be a single legal situation. In this case, the matter against one defendant was approached from a tort perspective and against the other it was approached from a breach of contract perspective. That did not seem objectionable to the Court. Irreconcilable judgments remain the key point, but it is left to the national court to evaluate all factors.

Copyright entered this debate in the *Painer* case. The least you can say is that the ECJ performs a peculiar analysis in the *Painer* case.⁴⁸ Here the *Freeport* doctrine is applied to a case concerning intellectual property rights, but this is not in itself very interesting. More interesting, on the contrary, is what is missing from the analysis of the Court in this case.

The factual situation in *Painer* is relatively simple. Ms Painer is a photographer and she takes pictures of children in schools. She keeps her copyright on the images that she sells. In this capacity, she took a picture of Natascha Kampusch before her kidnapping. After the kidnapping, the Austrian police used the picture of Natascha Kampusch in their search and, therefore, diffused the picture, which allowed a press photo agency to offer this picture to some newspapers after Natascha Kampusch’s escape, at a time when new pictures were not yet available.

Ms Painer claimed that the publication in the German and Austrian newspapers infringed her copyright. She sued both German and Austrian newspaper publishers before an Austrian court, on the basis of Article 8(1) Brussels I Regulation. It needs to be noted that some German publishers were not active in the Austrian market, despite the fact that all publishers performed the same activity in relation to the picture, that is the publication of the picture obtained by the agency (retouched with the ageing software of the police).

In its judgment, the Court strongly emphasizes that copyright law, which protects the picture at hand, has been harmonized by different European Directives. It is as if the Court seeks to explain that the requirement of the same legal situation of *Roche Nederland* is almost met. However, immediately afterwards, the Court cites *Freeport*, with the purpose of dismissing⁴⁹ some minor divergences between national copyright laws (of Germany and Austria), because an identical legal basis is no longer necessary.⁵⁰

⁴⁵Ibid., para 33. See J. Brinkhof, “HvJEG beperkt mogelijkheden van grensoverschrijdende verboden”, *Bijblad Industriële Eigendom* (2006), 319-322.

⁴⁶Case C-539/03, *Roche Nederland v. Primus and Goldenberg*, paras. 34-35.

⁴⁷Case C-98/06, *Freeport plc v. Olle Arnoldsson*, EU:C:2007:595.

⁴⁸Case C-145/10, *Eva-Maria Painer*.

⁴⁹And since the difference is so negligible, this cannot become an important factor when the judge takes into consideration all factors.

⁵⁰Case C-145/10, *Eva-Maria Painer*, paras. 72-82.

At first the Court has ruled on the basis that these are identical cases of copyright infringement. However, the national judge had indicated a potential problem in the different national legal bases:

“72. By its first question, the referring court asks, in essence, whether Article 6(1) of Regulation No 44/2001 must be interpreted as precluding its application if actions against several defendants for substantially identical copyright infringements are brought on national legal grounds which vary according to the Member States concerned.”⁵¹

This problem is dismissed by the ECJ with a strong reference to *Freeport*:

“79. In that regard, the Court has stated that, in order for judgments to be regarded as irreconcilable within the meaning of Article 6(1) of Regulation No 44/2001, it is not sufficient that there be a divergence in the outcome of the dispute, but that divergence must also arise in the same situation of fact and law (see *Freeport*, paragraph 40).

80. However, in assessing whether there is a connection between different claims, that is to say a risk of irreconcilable judgments if those claims were determined separately, the identical legal bases of the actions brought is only one relevant factor among others. It is not an indispensable requirement for the application of Article 6(1) of Regulation No 44/2001 (see, to that effect, *Freeport*, paragraph 41).

81. Thus, a difference in legal basis between the actions brought against the various defendants, does not, in itself, preclude the application of Article 6(1) of Regulation No 44/2001, provided however that it was foreseeable by the defendants that they might be sued in the Member State where at least one of them is domiciled (see, to that effect, *Freeport*, paragraph 47).”⁵²

The predictability for the defendant of the venue of the prospective litigation is one of the foundations of the Brussels I Regulation, and it is therefore always present. But it is nonetheless interesting to note that the Court links this aspect specifically to a discretionary appreciation of the legal situation and to the absence of the requirement of an identical legal basis. This discretionary appreciation is somehow dependant on the predictability of the competent court by the defendant. This last aspect is almost a *conditio sine qua non* for the discretionary application of Article 8(1).

The reduced importance of the requirement of the same legal basis is, according to the Court, the result of the strong harmonization of national legislation:

“82. That reasoning is stronger if, as in the main proceedings, the national laws on which the actions against the various defendants are based are, in the referring court’s view, substantially identical.”⁵³

The more the national law is harmonized, the stronger are the arguments in favour of the application of Article 8(1) Brussels I Regulation. It is striking that the Court refrains from making any reference to *Roche Nederland* on this point. The analysis of *Roche* is not openly abandoned, but neither is it used to support the analysis in *Painer*. However, in consideration of the importance that the Court places on the harmonization of national legislation in a

⁵¹Ibid., para 72.

⁵²Ibid., paras. 79-81.

⁵³Ibid., para 82.

scenario where a unique legal basis is no longer an obligation, it is no longer possible to accept the argument in *Roche Nederland* that, despite a strong harmonization, the infringement of a European patent is based on independent national laws, and that for this only reason irreconcilable judgments are impossible.

The Court further goes back to the fundamental requirement of the close connection between cases and to the risk of irreconcilable judgments:

“83. It is, in addition, for the referring court to assess, in the light of all the aspects of the case, whether there is a connection between the different claims brought before it, that is to say a risk of irreconcilable judgments if those claims were determined separately. For that purpose, the fact that defendants against whom a copyright holder alleges substantially identical infringements of his copyright did or did not act independently may be relevant.”⁵⁴

At this point, there is a notable addition. In *Painer*, the question why it was necessary to examine the claims jointly if the defendants did not act in mutual agreement cannot be avoided. According to the narrative of the facts in the judgment, the publishers of different newspapers have decided in full independence to purchase the contentious pictures and to publish them without the authorization of Ms Painer. This might suggest that the absence of every form of agreement or coordination, without mentioning the presence of a spider, is in itself sufficient to reject the application of Article 8(1), unless there is a common form of action. But not so in the analysis of the Court. The fact that the defendants have acted in an independent fashion is not decisive. The Court is satisfied with adding this argument, of a certain importance, to the list of the aspects that national courts have to consider to determine whether there is a risk of irreconcilable judgments.⁵⁵

One thing is clear. After *Painer*, neither the first nor the second condition established in *Roche Nederland* remains intact. If *Freeport* softened the second condition, *Painer* does the same thing to the first condition. Rather than two absolute requirements, all now seems to come down to a single balancing act in which all factors can be taken into account. What remains the case is that mere divergence will not be sufficient and that the risk of irreconcilable judgments needs to be established.⁵⁶ But the high level of harmonization of copyright law in the EU opens up perspectives for the use of Article 8(1) in copyright cases in an Internet context where there are several defendants.

6. Article 24(4)

From a historical perspective, intellectual property rights that require registration, such as patents and trademarks, have a strong link with the intellectual property office as a “State organ” that grants these intellectual property rights and, therefore, also indirectly with the State concerned. This link becomes particularly dominant in a validity context where, broadly speaking, the argument is raised that a mistake was made when the intellectual property right was granted by the intellectual property office. Issues of registration and validity have therefore historically been subjected to the exclusive jurisdiction of the courts of the State, or in an EU context of the Member State, where registration has been applied for or has taken place. For all

⁵⁴Ibid., para 83.

⁵⁵Ibid.

⁵⁶For a more detailed analysis see Torremans, “Intellectual property puts Art. 6(1) Brussels I Regulation to the test”, (2014) *Intellectual Property Quarterly*, 1.

clarity, copyright as an unregistered right is not affected by this rule, whereas patents and trademarks are.

An action alleging the invalidity of the right (or the application for such a right) will, therefore, have to be brought on a country-by-country basis when parallel rights in various Member States are involved. Arguably, this is a logical consequence of the territorial approach and of the fact that an intellectual property office has a strong link to the State, a link that is so strong that it is inconceivable that foreign courts can be called upon to verify and judge the acts of such an intellectual property office. The application of the rule is on the other hand far less clear and obvious if the validity issue is merely raised as a defence in an infringement case. One could argue that the case is classified on the basis of its main point, i.e. infringement, and that one should then not allow the defendant to take away the jurisdiction of the court, often in an Article 4 or 7(2) scenario a single court dealing with a cross-border scenario, by merely raising the validity point and then obliging the claimant to bring a separate case in each country where the intellectual property right concerned has been registered. There is a risk of abuse here, especially if one adds that raising validity is almost a standard defence in patent infringement cases. Nevertheless, this was the approach taken by the ECJ in the *Gat v. LuK* case.⁵⁷ The Court argued that there was nothing in the Brussels I Regulation that allowed it to distinguish between the claim/counterclaim scenario on the one hand and the defence scenario on the other hand. Despite heavy criticism,⁵⁸ the legislature has now enshrined the *Gat v. LuK* approach in the Brussels I recast where Article 24(4) now reads as follows:

“The following courts of a Member State shall have exclusive jurisdiction, regardless of the domicile of the parties:

...

(4) in proceedings concerned with the registration or validity of patents, trademarks, designs, or other similar rights required to be deposited or registered, irrespective of whether the issue is raised by way of an action or as a defence, the courts of the Member State in which the deposit or registration has been applied for, has taken place or is under the terms of an instrument of the Union or an international convention deemed to have taken place. ...”

It should therefore not come as a surprise that the CLIP group proposed an alternative approach, allowing the infringement court to continue to hear the case:

“Article 2:401: Registration and invalidity

(1) In disputes having as their object a judgment on the grant, registration, validity, abandonment or revocation of a patent, a mark, an industrial design or any other intellectual property right protected on the basis of registration, the courts in the State where the right has been registered or is deemed to have been registered under the terms of an international Convention shall have exclusive jurisdiction.

(2) Paragraph 1 does not apply where validity or registration arises in a context other than by principal claim or counterclaim. The decisions resulting from such disputes do not affect the validity or registration of those rights as against third parties.”⁵⁹

From that perspective, it is encouraging to see that such an approach will be taken in the context of the unitary patent; *de facto* the *Gat v. LuK* approach will not be followed. Inside the common

⁵⁷Case C-4/03, *GAT v. LuK*, EU:C:2006:457.

⁵⁸Fawcett and Torremans, *op. cit. supra* note 3, Ch. 7.

⁵⁹European Max Planck Group on Conflict of Laws in Intellectual Property, *op. cit. supra* note 20, pp. 138-152.

Unitary Patent Court, the division before which the validity is raised during infringement proceedings will have the option to continue with the infringement case and rule on validity too.⁶⁰ The question does, then, need to be raised whether it makes sense to keep the strict Article 24(4) rule for national patents and other registered intellectual property rights.⁶¹

7. Conclusion

Cross-border intellectual property infringement litigation poses a particular challenge to the EU private international law framework. That framework contains suitable starting points, but as interpreted by the ECJ, it does not manage to deal adequately with the more complex aspects of intellectual property litigation. The CLIP principles contain a coherent set of proposals that could improve matters *de lege ferenda*. These improvements are particularly urgent in the new online environment as the current rules render the intellectual property rights concerned *de facto* partially unenforceable, as many cases will need to be brought. On the other hand, there is a risk of harassment, with weak infringement cases being brought in multiple jurisdictions. The defendant may then not be able to defend all cases and could be pushed into an unfavourable settlement. Such an outcome is entirely unacceptable. The use of a general, non-intellectual property specific instrument such as the Brussels I Regulation shows its limitations here, and tailor-made and more detailed legislation that deals with the specificities of intellectual property may be required.

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⁶⁰UPC Agreement, Art. 33(3), see www.unified-patent-court.org/sites/default/files/upc-agreement.pdf.

⁶¹See Torremans, “An international perspective II: A view from Private International Law”, in Pila and Wadlow (Eds.), *The Unitary EU Patent System* (Hart Publishing, 2015), p. 171.