

Recognition and enforcement of judgments in intellectual property matters

PERTEGAS-SENDER, M., *L'exécution des décisions de justice en matière de contrefaçon des droits de propriété intellectuelle in Caupain & De Leval, L'efficacité de la justice civile en Europe, Larcier, 2000 pp.207-218* ; LAYTON, A., MERCER, H., *European Civil Practice 2nd ed., London 2004, esp. Chapter 24*; PERTEGAS-SENDER, M. *Cross-border enforcement of patent rights Press 2002, esp. Chapter IV* ; BLUMER F. "Patent law and international private law on both sides of the Atlantic", report presented at the WIPO Forum on private international law and intellectual property, Geneva 30-31 January 2001, p. 17 ; FAWCETT, J. & TORREMANS, P., *Intellectual property and Private International law Oxford University Press, 1998, esp. Chapter 14*; WAULTET, P.: *Revue de droit commercial belge* 2000 p.454-455 ; GAUDEMET-TALLON, H. *Rev. Crit. DIP* 2000 p.504-513 ; VERON, Pierre "Trente ans d'application de la Convention de Bruxelles à l'action en contrefaçon de brevet d'invention" *J.D.I.* 2001.805-830 ; DONZALLAZ, Y. *Aktuelle juristische Praxis - AJP* 2001 p.160-179 ; HESS, B., *Praxis des internationalen Privat- und Verfahrensrechts* 2001 p.301-306 KLESTA DOSI, L., *La nuova giurisprudenza civile commentata* 2001 II p.211-212 ; NOURISSAT, C., *JCP éd. gén.* 2001 II 10607 ; HUET, A. *Clunet* 2001 p.697-701 ; VLAS, P., *Nederlandse jurisprudentie ; Uitspraken in burgerlijke en strafzaken* 2003 n° 627 ; WILDERSPIN, M., *Rev. européenne de droit de la consomm.* 2004 p.75-76 ; VERON, P. *Les euro-injonctions devant la justice française Rev. Dt. Propr. Intel.*1995.18 ; MOUSSERON, J.-M., RAYNARD, J., VERON, P., *Cross-border injunctions – a French perspective IIC* 1998.896.; TRITTON, C. & TRITTON, G., *The Brussels Convention and intellectual property EIPR* 1987.351.

1. It is proposed here to carry out a further study of the issue of the recognition and enforcement of judgments under the Brussels I Regulation in intellectual property matters. In the following lines we shall first present the principle of automatic recognition of foreign judgments and the arguments that can be raised in defence against such recognition in IP matter. In the second part we shall consider the rule of inapplicability of the Chapter III of the Brussels I Regulation/Convention to the *ex parte* orders, established by the Court of Justice in the *Denilauler*¹ judgment. It shall be submitted that the this rule need to be revisited due to the adoption of the Directive 2004/48/CE on the enforcement of intellectual property rights (hereinafter the Enforcement Directive).²

I. Automatic recognition and defence against recognition

2. One of the purposes of Brussels regime is to simplify the formalities governing the reciprocal recognition and enforcement of judgments.³ For this reason Chapter III of the Brussels Convention/Regulation contains far-reaching and compulsory rules that leave little scope for judgments given in one Member state to be refused recognition and enforcement in another Member States. This simplification is possible thanks to the introduction of unified direct rules of jurisdiction contained in Chapter II allowing for a due respect of the rights of the defence. As the Court of Justice observed in the *Denilauler* decision :

“All the provisions of the convention, both those contained in Chapter II on Jurisdiction and those contained in Chapter III on Recognition and Enforcement, express the intention to ensure that, within the scope of the objectives of the Convention, proceedings leading to the delivery of judicial decisions take place in such a way that the rights of the defence are observed. It is because of the guaranties given to the defendant in the original proceedings that the Convention, in Chapter III, is very liberal in regard to recognition and enforcement.”⁴

¹ Judgment of 21 May 1980 in case 125/79 *Denilauler v Couchet Freres* [1980] 1553.

² Directive 2004/48/CE of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights (OJ L 157, 30.4.2004, p.45)

³ “The purpose of the [Brussels] Convention is to facilitate, to the greatest possible extent, the free movement of judgments by providing for a simple and rapid enforcement procedure” see judgment of March 28, 2000 in case C-7/98 *Krombach* [2000] I-1935, para 19.

⁴ *Denilauler*, para.13

3. It was observed in the legal writings ⁵ that among of the very limited and exhaustive ⁶ number of grounds for refusal of the recognition determined in articles 34 and 35 of the Brussels I Regulations two may be of particular interest to intellectual property matters. First, recognition of a foreign judgment must be refused if contrary to the public policy of the recognizing court. Second, the recognition is denied if the originating court assumed jurisdiction in breach of the exclusive jurisdiction rule. Those two arguments shall be shortly presented in the following lines. It is suggested that in the further research other grounds for refusal contained in article 34 and 35 should also be investigated from the viewpoint of intellectual property matters.

(i) Public policy

4. The main defence against the recognition of a foreign judgment is the fact that such recognition would be contrary to public policy of the State in which the recognition is sought. It is generally accepted that this ground of refusal should be interpreted strictly. The narrow scope of interpretation of this provision was confirmed in *Krombach* and *Renault* ⁷ judgments of the Court of Justice and eventually validated during the transformation of the Brussels Convention into the Regulation. It is underlined, in article 34.1, that a judgment shall not be recognized (...) if such recognition is *manifestly* contrary to public policy of the recognizing Member State.⁸

It is interesting to recall that the Renault judgment ⁹ was given in an intellectual property case. The claimant (Renault) sought in Italy the enforcement of a decision of a French court that found the defendant guilty of forgery for having manufactured and marketed body parts for Renault cars. The Court of Justice held that a judgment of a court or tribunal of a Contracting [Member] State recognizing the existence of an intellectual property right in body parts for cars, and conferring on the holder of that rights protection by enabling him to prevent third party trading in another Contracting [Member] State from manufacturing and commercializing in that State such body parts cannot be considered to be contrary to public policy.

Strict interpretation of public policy does not allow of invoking it in order to thwart the enforcement of a cross-border judgment prohibiting the patent infringement, even when this judgment is given in the summary proceedings.¹⁰ Such conclusion is well illustrated by a French decision of January 28, 1994 in

⁵ PERTEGAS-SENDER, M., Cross-border enforcement of patent rights Oxford University Press 2002, p.197 4.157-4.196.

⁶ Judgment of June 2, 1994 in case C-414/92 Solo Kleinmotoren v Boch [1994] I-2237, para10.

⁷ Judgments of March 28, 2000 in case C-7/98 Krombach [2000] I-1935 and of May 11, 2000 in case C-38/98 Renault v Maxicar [2000] I-2973.

⁸ Comments to his modification : DROZ, G., and GAUDEMONT-TALLON, H., La transformation de la Convention de Bruxelles du 27.09.1968 en Règlement du Conseil concernant la compétence judiciaire, la reconnaissance et l'exécution des décisions en matière civile et commerciale Rev.Crit. DIP 2001.601-652, esp. p. 646.

⁹ See comment to this rulings : WAULTET, P.: Revue de droit commercial belge 2000 p.454-455 ; GAUDEMONT-TALLON, H. Rev. Crit. DIP 2000 p.504-513 ; DONZALLAZ, Y. Aktuelle juristische Praxis - AJP 2001 p.160-179 ; HESS, B., Praxis des internationalen Privat- und Verfahrensrechts 2001 p.301-306 KLESTA DOSI, L., La nuova giurisprudenza civile commentata 2001 II p.211-212 ; NOURISSAT, C., JCP éd. gén. 2001 II 10607 ; HUET, A. Clunet 2001 p.697-701 ; VLAS, P., Nederlandse jurisprudentie ; Uitspraken in burgerlijke en strafzaken 2003 n° 627 ; WILDERSPIN, M., Rev. européenne de droit de la consomm. 2004 p.75-76

¹⁰ LAYTON & MERCER p.855, point 24.022

Eurosensory v Teimann & Blind Equipment case.¹¹ In this case a Dutch court granted a cross-border injunction in summary proceedings that was to be enforced, among others, in France. In first instance, the President of the Court of First Instance of Paris had registered the Dutch judgment for enforcement. On appeal, the French company claimed that the recognition of an extraterritorial judgment was contrary to the public order in France because it would not be possible to obtain a similar provisional injunction in summary proceedings under the French law. The Court of Appeal rejected this argument and recognized the Dutch decision. This solution was welcomed in legal writings.¹²

It would seem, therefore, that public policy argument is not a very effective tool of blocking the recognition and execution of a decision of a foreign court. We shall then pass to other possible defenses.

(ii) Breach of the exclusive jurisdiction rule

5. One of the grounds for refusal of recognition which is of particular interest in intellectual property matters is the one relating to the violation of the exclusive jurisdiction rule. According to article 35 of the Brussels I Regulation, a judgment shall not be recognized if it conflicts with Section 6 of Chapter II, establishing the rules of exclusive jurisdiction. Such a solution reflects the position of the exclusive jurisdiction rules which are placed on the top of the hierarchy of norm of the Brussels Convention/Regulation system.
6. The application of article 35 of the Brussels I Regulation to disputes in IP matters may prove difficult, as those disputes are often concerned with both: infringement issues, which are not submitted to the exclusive jurisdiction rule, and validity issues, reserved to the exclusive jurisdiction of courts designated in article 22.4. The difficulty lies in the fact that the major question in most of the proceedings is the infringement question, while validity appears as an incidental question. For this reason, until very recently the doctrinal debate on the scope of the exclusive jurisdiction rule was concentrated on the interpretation of article 19 of the Brussels Convention (25 of the Brussels I Regulation), according to which:

“Where a court of a Member State is seized of a claim which is principally concerned with a matter over which the courts of another Member State have exclusive jurisdiction by virtue of article 22, it shall declare of its own motion that it has no jurisdiction”

The essential question was to define when the court is seized of a claim which is ‘principally concerned’ with a matter over which the courts of another Member State have exclusive jurisdiction: is it only when the validity is raised in a principal claim or is it also when the validity appears as a preliminary or incidental question i.e. as an objection.¹³ The case law across Europe¹⁴ as well as doctrinal views¹⁵ relating to this

¹¹ R.D.P.I.1995.18 with a comment of VERON, P. *Les euro-injonctions devant la justice française* *ibid.* p. 13. This author mentions also an earlier unreported decision of January 25, 1989 of the Court of Appeals of Versailles rejecting the appeal against a judgment granting the exequatur of a decision of a Haarlem court prohibiting the use of a trademark and ordering some other ancillary measures. VERON, Pierre “Trente ans d’application de la Convention de Bruxelles à l’action en contrefaçon de brevet d’invention” *J.D.I.* 2001.805-830, esp. 814.

¹² PERTEGAS-SENDER, M., *op. cit.* p. 200, point 4.169; FAWCETT&TORREMANS, *op. cit.* p.730.

¹³ See PERTEGAS-SENDER, M., *op. cit.* p. 201, point 4.173 and following.

¹⁴ In England when the infringement and validity are at stake the courts consider that both issues have to be determined in the court of the state where the right is registered : High Court of Justice of March 26, 1997 in case *Coin Controls v Suvo International* [1997] FSR 660, IIC 1998.804 and High Court of Justice of October 14, 1997 in case *Fort Dodge Animal Health v Akzo Nobel* [1998] FSR 222. Is it to note, however, that in a recent case *Canady v Erbe* of 25 July, 2005, [2006] FSR 10, the English Patents Court tried the issue of infringement separately from the issue of validity. The split of validity

issue differed in a significant manner. Only very recently the Court of Justice shed some light on the issue in its decision of July 13, 2006 in the *GAT* case.¹⁶

7. The Court considered that the interpretation of article 19 the Brussels Convention cannot be of any help in the interpretation of the exclusive jurisdiction rule.¹⁷ Further it considered that in case of proceedings relating to the registration or validity of a patent the exclusive jurisdiction rule must be observed irrespective of whether the issue of validity is raised by way of an action or a plea in objection. Such a large interpretation of article 16.4 [22.4] of the Brussels Convention [Regulation] means that almost all infringement claims would have to be brought before the court of the registration of the patent.¹⁸ Such a solution shed a new light on the scope of article 35 and the importance of the breach of the exclusive jurisdiction rule as a ground for a refusal of the recognition of a foreign judgment.

II. Ex-parte measures in intellectual property matters and Chapter III of the Brussels I

Regulation

8. In the abovementioned *Denilauler*¹⁹ ruling the Court of Justice decided that the respect of the rights of defence dictates that the measures ordered on claimant's unilateral application, without a notice to the defendant, cannot benefit from the automatic recognition provided for in Title III of the Brussels I Regulation. According to the Court:

“the conditions imposed by the Chapter III of the Brussels Convention (...) are not fulfilled in the case of provisional or protective measures which are ordered or authorized by a court without the party against whom they are directed having been summoned to appear and which are intended to be enforced without prior service on that party”.²⁰

The preliminary injunctions are very popular in intellectual property proceedings. Generally, injunctions intended to prevent the infringement are not *ex parte*, it may happen however that they are ordered without giving a notice to the defendant.²¹ On the other hand, most orders granted by the courts to authorize the searching for evidence of the alleged infringement are the *ex parte* measures.²² It was

and infringements issues is common in German and Dutch courts. For examples of Dutch case law see: PERTEGAS-SENDER, M., op. cit. p.202, point 4.175 and following.

¹⁵ See authors cited by in point 4.38 of PERTEGAS-SENDER, M., op. cit

¹⁶ Case C-4/03, unpublished, available at www.curia.europa.eu.

¹⁷ See point 19 of the judgment.

¹⁸ See the stand of German government, opinion a AG Geelhoed, para 16 and PITZ, J., An end to cross-border litigation? in Patent World, December 2004; available at

<http://www.ipworldonline.com/ipwo/home.jsp?pagetype=content&whereami=home&id=20000075002#headline>

¹⁹ See footnote 1 and the following comments: MAURO, J. Gaz. Pal. 1980 I Jur. p.659-660, VANDENCASTEELE, A., J.T. 1980 p.737-739, HUET, A., Clunet 1980 p.939-948, MEZGER, E. Rev. Crit. DIP. 1980 p.801-804, HARTLEY, T., European Law Review 1981 p.59-61, AUDIT, B., Rec.Dalloz 1981 Som. p.158-159, SCHULTSZ, J.C., Nederlandse jurisprudentie; Uitspraken in burgerlijke en strafzaken 1981 n° 184, VERHEUL, H. Netherlands Int'l Law Review 1981 p.84.

²⁰ Para 17.

²¹ In Belgium, France and the Netherlands orders prohibiting the infringement are granted in proceedings carried out according to the *principe de contradictoire*. On the other hand, *ex parte* injunction enjoining alleged infringements are granted, for instance, in Germany. In EMI Records/Modern Music [1992] QB 115, an English court refused to register for enforcement an *ex parte* German order restraining EMI Records from acts allegedly infringing Modern's Music copyright. The defendant had not been summoned to appear nor served with notice of the proceedings in the Berlin court.

²² See Chapter relating to the evidence taking in IP matters.

therefore observed in the legal writings that in general the orders given in intellectual property cases do not fall under the scope of Chapter III of the Brussels Convention/Regulation.²³

9. Certain authors present more liberal approach to the rule established in *Denilauler* judgment. A. Layton observes that in a situation where an order which is made *ex parte*, it may become enforceable once the defendant has had notice of the order and has had a sufficient opportunity to apply to the court for it to be set aside, irrespective of whether he has actually made such an application. This conclusion goes slightly further than the *Denilauler* judgment, but is the logical consequence of the *principe du contradictoire* which seems to have formed the basis of the Court's of Justice decision.²⁴
10. Such a liberal approach to *Denilauler* principle is put in a new light following the adoption of the Enforcement Directive.²⁵ On one hand, this instrument highlights the need of an effective protection of intellectual property rights and strengthens the position of the IP rights owners. On the other hand, it organizes in details the ordering of provisional measures with a due respect of the rights of the defendant. In consequence, even if the Directive does not aim to establish harmonized rules for the recognition and enforcement of decisions in intellectual property matters,²⁶ it may have an important impact on the enforcement practice.
11. According to its article 1, Enforcement Directive applies to any infringement of intellectual property rights as provided for by Community law and/or the national law of the Member State concerned. Moreover, Member States are free to extend for internal purposes, the provisions of the Directive to include acts involving unfair competition, including parasitic copies, or similar activities.²⁷ Chapter II of this instrument contains specific provisions governing measures, procedures and remedies. A general obligation is imposed on the Member States to provide for measures, procedures and remedies which are "effective" and "dissuasive, but also " fair and equitable". In this Chapter are inserted articles 7 and 9 that provide for, respectively, measures for preserving evidence and provisional and precautionary measures intended to prevent imminent infringement or the continuation of infringement. All those measures²⁸ may be applied without other party having been heard, in particular where any delay would cause irreparable harm to the rightholder.

Are those measures enforceable under Chapter III of the Brussels I regulation in cases where they have a cross-border effect? The *Denilauler* rule suggests that this question should be answered by a negative. However, it should not be forgotten that in cases where measures are applied *ex parte*, the Directive sets forth the right for a review, including a right to be heard.²⁹ Moreover, provisional character of those measures is emphasized, as they shall be revoked or otherwise cease to have effect, upon the request of the defendant, if the applicant does not institute proceedings leading to a decision on the merits within a

²³ PERTEGAS-SENDER, M., op. cit. p. 197, point 4.156; FAWCETT&TORREMANS, op. cit. p.727.

²⁴ LAYTON & MERCER p. 833 para 23.023.

²⁵ For more information about the Directive see, for instance: MASSA, C.-H. & STROWEL, A.. The Scope of the Proposed IP Enforcement Directive : Torn between the Desire to Harmonise Remedies and the Need to Combat Piracy EIPR 2004.244-253, HUNIAR, K., The Enforcement Directive : Its Effects on UK Law, EIPR 2006.92-99.

²⁶ See Recital 11 of the Directive.

²⁷ See Recital 13 of the Directive.

²⁸ Articles 7.1 in fine and article 9.4.

²⁹ Ibidem.

determined period of time. ³⁰ Finally, all such measures may be subject to lodging by the applicant of adequate security or an equivalent assurance intended to ensure compensation for any prejudice suffered by the defendant. ³¹

It should be also highlighted that the Enforcement Directive has been adopted in order to serve the objective of an effective protection of intellectual property so as to enhance investments in innovation. As recalled in the third recital of the Directive, the means of enforcing intellectual property rights are of paramount importance for the success of the Internal Market. Taking into consideration the ever increasing intra-Community exchanges, it is natural that effective enforcement of rights must be understood as covering the effective cross-border enforcement of right, which involves the recognition and execution of decisions of foreign courts.

12. All those arguments plead for a more liberal approach to application of Chapter III of the Brussels I Regulation to *ex parte* orders than the one established in the *Denilauler* ruling. The market landscape have changed since, twenty six years ago, this judgment has been given. Perhaps the time is ripe for *Denilaluer* to be revisited?

II. Concluding remarks

13. Recent developments in legislation and in case law make a further study on enforcement of judgments rendered in intellectual property matters particularly interesting. Research shall focus on the impact of the Enforcement Directive on the well established rule of the *Denilauler* judgment. The influence of the *GAT* judgment should also be taken into consideration. The scope of application of the Enforcement Directive dictates that this research covers not only the patent litigation but also copyright and other rights, as may be defined by the Community or national laws.

³⁰ Articles 7.4 and 9.5.

³¹ Articles 7.2 and 9.6.