French Judgment on Article 5(1) of the Brussels I Regulation, Part IV

On March 5, 2008, the French supreme court for private matters (*Cour de cassation*) confirmed its previous case law characterizing exclusive distribution agreements as contracts which are neither sales nor provisions of services for the purposes of article 5(1) of the Brussels I Regulation.

In this case, German company Wolman had awarded French company Cecil the exclusive distribution of its products (wood) in France. After Wolman terminated the contract in 2002, Cecil sued before a French commercial court in Isère.

The Court of Appeal of Grenoble ruled in a judgment of November 16, 2006 that French courts had jurisdiction over the dispute, as the distribution contract ought to be characterized as a provision of service, which had taken place in France.

The *Cour de cassation* reversed. It held that it was no provision of service for the purpose of article 5, and that the lower courts ought to have identified the obligation in question and found where it was meant to be performed according to the law governing the contract.

As usual, no reasons are given by the *Cour de cassation* in support of its solution.

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