

The proposed draft text of the Hague Convention on the recognition and enforcement of foreign judgments

On 17 March 2016, the Council on General Affairs and Policy of the Hague Conference on Private International Law [decided](#) to set up a Special Commission to prepare a draft Convention on the recognition and enforcement of foreign judgments (the Hague Judgments Convention), while endorsing the recommendation of the Working Group on the Judgments Project that matters relating to direct jurisdiction should be put for consideration to the Experts' Group of the Judgments Project soon after the Special Commission has drawn up a draft Convention.

The Special Commission will meet in the Hague between 1 and 9 June 2016 to discuss the proposed draft text drawn up by the Working Group. The text may be found [here](#), accompanied by an [explanatory note](#) prepared by the Permanent Bureau.

As stated in Article 1 of the proposed draft text, the Convention is meant to apply to the recognition and enforcement of judgments “relating to civil and commercial matters”, at the exclusion of matters in the field of family law, the law of persons and successions. Insolvency, the carriage of passengers and goods, marine pollution, liability for nuclear damage and defamation are equally featured in the list of excluded matters.

Article 4(1) provides that a judgment given by a court of a Contracting State must be recognised and enforced in another Contracting State in accordance with the Convention.

Recognition and enforcement may be refused only on the grounds specified in the Convention itself.

As a rule, a judgment is eligible for recognition and enforcement if one of the bases listed in Article 5 of the proposed draft text is met, ie, if jurisdiction was asserted in the country of origin in conformity with one of the grounds of jurisdiction contemplated by the Convention.

Suitable grounds include the habitual residence of the defendant (to be understood as meaning, pursuant to Article 3(2), the place where the defendant has its statutory seat, or under whose law it was incorporated, or where it has its central administration or principal place of business), and the defendant's consent to the jurisdiction of the seised court as expressed in the course of the proceedings.

According to the proposed draft text, a judgment is also eligible for recognition, *inter alia*: if it ruled on a *contractual obligation* "and was given in the State in which performance of that obligation took place or should take place under the parties' agreement or under the law applicable to the contract, unless the defendant's activities in relation to the transaction clearly did not constitute a purposeful and substantial connection to that State"; if it ruled on a *non-contractual obligation* arising from personal injury or damage to tangible property, "and the act or omission directly causing such harm occurred in the State of origin, irrespective of where that harm occurred"; if the judgment ruled on an *infringement of a patent, trademark, design or other IP right* required to be deposited or registered, "and it was given by a court in the State in which the deposit or registration of the right concerned has taken place"; if the judgment ruled on the *validity or infringement of copyright or related rights* "and the right arose under the law of the State of origin".

By derogation from Article 5, the proposed draft text sets

forth in Article 6 some exclusive bases for recognition and enforcement. In particular, a judgment that ruled on the *registration or validity of patents, trademarks, designs, or other similar rights required to be deposited or registered* “shall be recognised and enforced if and only if the State of origin is the State in which deposit or registration has been applied for, has taken place, or is deemed to have been applied for or to have taken place under the terms of an international or regional instrument”, while a judgment that ruled on *rights in rem in immovable property or tenancies of immovable property* for a period of more than six months “shall be recognised and enforced if and only if the property is situated in the State of origin”.

The grounds on which a judgment eligible for recognition and enforcement may nevertheless be denied recognition or enforcement in a Contracting State are enumerated in Article 7.

Specifically, recognition and enforcement may be denied if the document which instituted the proceedings was not notified to the defendant in sufficient time and in such a way as to enable him to arrange for his defence or “was notified to the defendant in the requested State in a manner that is incompatible with fundamental principles of the requested State concerning service of documents”; if the judgment “was obtained by fraud in connection with a matter of procedure”; if recognition or enforcement would be manifestly incompatible with the public policy of the requested State”; if the judgment is inconsistent with a judgment given in the requested State in a dispute between the same parties with an earlier judgment given in another State between the same parties on the same cause of action, provided that the earlier judgment fulfills the conditions necessary for its recognition in the requested State.

Pursuant to Article 9 of the proposed draft text, recognition or enforcement may also be refused “if, and to the extent

that, the judgment awards damages, including exemplary or punitive damages, that do not compensate a party for actual loss or harm suffered”.

Article 11 lays down the list of documents to be produced by the party seeking recognition or applying for enforcement of a foreign judgment under the Convention, while Article 12 clarifies that the procedure for recognition, declaration of enforceability or registration for enforcement, and the enforcement of the judgment, are governed by the law of the requested State unless the Convention provides otherwise.