

# Praxis des Internationalen Privat- und Verfahrensrechts (IPRax)

## 5/2015: Abstracts

The latest issue of the "*Praxis des Internationalen Privat- und Verfahrensrechts (IPRax)*" features the following articles:

*Christoph Benicke*, **Die Anknüpfung der Adoption durch Lebenspartner in Art. 22 Abs. 1 S. 3 EGBGB**

In Germany, step child adoption by the partner of a same sex civil union (registered partnership) has been legal since 2004, but was restricted to the other partner's biological child. 2014, following a landmark ruling by the German Constitutional Court the German Parliament has enacted legislation that rescinded this restriction and allowed thereby partners of registered same-sex couples to legally adopt the other partner's adoptive child. Not mandated by the Constitutional Court's ruling the legislator stopped short of totally putting same sex registered partnerships on equal footing with traditional marriages. The joint adoption by both partners is still reserved to the spouses of a heterosexual marriage.

On the occasion of this new legislation, a special choice of law rule for the adoption by same sex partners has been enacted. The general choice of law rule (Art. 22 par. 1 s. 2 EGBGB) calls for the national law of the adoptive parent. In the case of the adoption by one or both spouses of a heterosexual marriage the law applicable to the general effects of the marriage (Art. 14 EGBGB) is to be applied. This holds true for the joint adoption by both spouses or for the single (step parent) adoption by only one spouse. The new rule for same sex partners (Art. 22 par. 1 s. 3 EGBGB) follows the example of the rule for married couples, in that it calls for the application of the law that governs the general effects of the registered partnership, i.e. the law of the registering state (Art. 17b par. 1 EGBGB). However, the new rule for same sex partners limits itself to the case of the adoption by only one partner, leaving unregulated the choice of law question of a joint adoption by both partners. The single and only reason for this limitation is the ban on joint adoption by same sex partners in German internal adoption law, not taking into account, that the laws of other countries allow the joint adoption by same sex partners. As there is no valid reason for this limitation in

regard to the choice of law question this same rule must be extended to cover the joint application for the adoption by both partners. The general choice of law rule would lead to a quite preposterous result as it would call for the joint application of the national laws of both partners, whereas in the case of the adoption by only one partner the law that governs the effects the same sex partnership would apply.

The new legislation also casts new light on the discussion of the ramifications of Art. 17b par. 4 EGBGB. This rule limits the effects of a same sex partnership that was registered in another country and therefore is governed by this other country's laws. The legal effects cannot exceed the effects of a registered same sex partnership under German internal law. Under the previous law the majority opinion was that Art. 17b par. 4 EGBGB bans same sex partners from adopting jointly in Germany even if the joint adoption was legal under the applicable foreign adoption law. In granting the unrestricted step child adoption German law effectively allows partners to adopt a child jointly, just in two immediately consecutive proceedings. Therefore, there are no real differences left in regard to the legal effects of a registered partnership under a foreign law that allows the simultaneous joint adoption by same sex partners in one and only proceeding.

*Christoph Thole*, **The differentiation between Brussels I and EIR in annex proceedings and the relation to art. 31 CMR**

On the occasion of the ECJ ruling (4.9.2014 - C-157/13), the author discusses the precedence of special conventions (CMR) according to art. 71 (1) Brussels I-reg. and the question of the criteria necessary for the application of art. 3 EIR. With respect to art. 3 EIR, the ECJ rightly concludes that an action for the payment of a debt based on the provision of carriage services taken by the insolvency administrator of an insolvent undertaking in the course of insolvency proceedings is covered not by the EIR, but is a civil matter within the Brussels I-reg. However, once again, the Court has failed to further elaborate on the criteria necessary for the classification of an action as an insolvency-related action within the meaning of art. 3 EIR and art. 1 para. 2 lit. b Brussels I-reg.

With respect to art. 71 Brussels I-reg., it is a step forward that, in contrast to earlier verdicts, the ECJ itself decided upon the compatibility of the convention with the principles of EU law, instead of referring the matter to state courts. It would have been even more conclusive to rely on the wording of Art. 71 (1) Brussels I-reg. and omit the unwritten necessity of compatibility with EU Law entirely.

*Burkhard Hess/Katharina Raffelsieper*, **Debtor protection within Regulation 1896/2006: Current gaps in European procedural law**

Regulation 1896/2006 does not provide for effective debtor protection in cases when a European Order for Payment was not properly served on the debtor. As a result of the unilateral nature of the procedure for issuing the order, the order will be declared enforceable if the defendant does not challenge it within a period of 30 days. However, the service of the payment order shall safeguard the right to a defense. When the defendant has never been informed about the ongoing procedure, he should be able to easily contest the Order for Payment even after it has been declared enforceable. Yet, the text of the Regulation does not provide for a remedy in this situation. In a reference for a preliminary ruling, the Local Court Berlin-Wedding asked the European Court of Justice which remedy should apply. The referring court suggested an application by analogy of the review proceedings provided for in Article 20 of Regulation 1896/2006 in order to ensure an effective right to a defense. Regrettably, the CJEU did not endorse this solution. It declared national procedural law applicable in accordance with Article 26 of the Regulation. As a consequence, parties are sent to the fragmented remedies of national procedural laws. As the efficiency and uniform application of Regulation 1896/2006 is no longer guaranteed, the European lawmaker is called to remedy the insufficient situation. This article addresses the final decision of the Local Court which implemented the CJEU's judgment.

*Peter Huber*, **Investor Protection: Lugano Convention and questions of international insolvency law**

The article discusses a recent decision of the German Bundesgerichtshof which primarily deals with matters of international jurisdiction in tort claims under Article 5 No. 3 of the Lugano Convention. In doing so, the author also analyses to what extent the decision is in line with the more recent judgment of the ECJ in *Kolassa v Barclays Bank*. A second issue of the decision is how provisions of foreign insolvency law which modify a creditor's claim against a (not insolvent) co-debtor of the insolvent party should be characterised under domestic German private international law.

*Christoph Thole*, **Porsche versus Hedgefonds: The requirements for *lis pendens* under Art. 32 reg. 1215/2012 (Art. 30 reg. 44/2001)**

Porsche SE, which is currently trying to fend off several actions for damages connected to the failed takeover of Volkswagen, has reached a partial success

before the OLG Stuttgart. The OLG has ruled that the negative declaratory action against an institutional investor in Germany takes precedence over the action for performance filed in London. The proceedings clearly demonstrate how fiercely disputes concerning the place of jurisdiction in capital market law are fought. Specifically, the court needed to judge upon the necessary requirements for lodging the claim with the court under Art. 30 of the Brussels I-reg. (Art. 32 Reg. No. 1215/2012). The decision as well as most of the reasoning is convincing.

*Peter Mankowski*, **Lack of reciprocity for the recognition and enforcement of judgments between Liechtenstein and Germany**

Liechtenstein fashions a system of recognition and enforcement of foreign judgments with a strict and formal requirement of reciprocity in the Austrian tradition. In particular, judgments from Germany are not recognised in Liechtenstein. The retaliative price Liechtenstein has to pay is that judgments from Liechtenstein are not recognised in Germany, either, for lack of reciprocity. Methodologically, German courts are idealiter required to research whether reciprocity is guaranteed in a foreign country in relation to Germany. The popular lists in the leading German commentaries should only serve as a starting point.

*Lars Klöhn/Philip Schwarz*, **The residual company's applicable law**

The “theory of the residual company (Restgesellschaft)” deals with legal problems that may arise in the context of winding-up companies doing business in at least two countries. In Germany, the theory applies in particular to English private companies limited by shares (“Limited”) with assets in Germany. If a Limited is dissolved in its home country, the residual company will come into existence and be considered as the owner of the company’s “German” assets. The discussion in the literature as well as recent case law by Higher Regional Courts (Oberlandesgerichte) has focused on the question which law applies to the residual company. This paper analyzes the newest judgement on this issue by the Higher Regional Court of Hamm, which states that German law applies. The authors agree with this result while pointing out that this conclusion will be reached regardless of whether one follows the theory of domicile (Sitztheorie) or the theory of establishment (Gründungstheorie). Furthermore, German law applies irrespective of whether the company is still doing business or has already entered into liquidation.

*Piotr Machnikowski/Martin Margonski*, **Anerkennung von punitive damages- und actual damages-Urteilen in Polen**

The case note concerns the judgment of the Polish Supreme Court of October 11, 2013 on the enforceability of US-American punitive damages and judgments on actual damages in Poland. The enforceability has been rejected in case of punitive damages which, as a rule, are contrary to Polish public policy as such. Polish civil law is governed by the principles of compensation and restitution of the damage. The damage should be repaired to the condition that would have existed had the wrong not occurred. The injured party may not be enriched as a result of the damages awarded. The compensation law in Poland does recognize some exceptions to that rule which allow to grant compensation not closely based on the value of the restored damage. Such exceptions are, however, justified under the constitutional proportionality principle. Punitive damages do not meet such requirements to the extent they peruse penal objectives. They are permissible only to the extent they perform a compensatory function and are linked to the damage suffered. In case of actual damages, such conflict with the Polish public order does not occur by nature of the legal instrument. Yet, the said proportionality principle may lead to only a partial enforceability of a US-American actual damages judgment. The crucial factor here is how closely the factual setting of the case is connected to Poland. The judgment in question addresses the general problem of partial enforceability of foreign judgments, which has been found possible in case of divisible obligations. Despite some critique on detailed aspects of the findings, the case note positively appraises the judgment.

*Bernhard König*, **Austrian money judgments which do not finally determine the amount of payment**

Judgments given in a Member State which are enforceable in that State are enforceable in other Member States. Difficulties could arise if a money judgment was given in a Member State which does not require a final determination of the amount of the payment in the judgment itself and has to be enforced in a Member State which national law requires the final determination of the amount of payment already in the judgment. This paper offers a glimpse to the question if and to what extent other Member States will have to deal with Austrian judgments which have not finally determined the amount of the payment.

*Miguel Gómez Jene/Chris Thomale*, **Arbitrator liability in International Arbitration**

Recent decisions by Spanish courts raise questions upon the conditions as well as

the extent of arbitrator liability. Authors suggest a distinction between qualified adjudicative and simple managerial tasks: It is only when acting as a quasi-adjudicative agent that arbitrators should be essentially exempt from personal liability. Conversely, as far as an arbitrator's conduct of an arbitration procedure is concerned, he should assume general tort liability for negligence.

*Jürgen Samtleben*, **The New Panamanian Code of Private International Law - A Kaleidoscope of Conflict of Laws**

Panama is known as an important banking center and as the registered office of many internationally active corporations. Therefore, international relations between private subjects need specific regulation. Up to now, the private international law of Panama found its basis in individual provisions of the Civil Code, the Family Code and some special laws. These provisions were replaced by Law 7 of 2014, which contains in 184 articles a comprehensive regulation of nearly all conflict-of-law topics. The following article gives an overview of the new Law. As a result, it must be stated that the Law contains many flaws, due to insufficient coordination between the different parts and a lack of careful editing of the individual articles. In Panama, as well, the law has been criticized and there is a call for its thorough reform.