

Article: Muir Watt on Economics of Adjudication and Int'l Arbitration

In an article forthcoming in the French *Revue de l'arbitrage*, Horatia Muir Watt (Paris I University) explores further the economics of adjudication and wonders what the implications of the lead taken by international arbitration are for the governance of the global economy.

The article is in French. Its title is *Economie de la justice et arbitrage international (réflexions sur la gouvernance privée dans la globalisation)*. The English abstract reads:

Arbitration has conquered a dominant part of the global market for dispute resolution in the field of international commerce, where it is now widely held to be a preferable alternative to adjudication before State courts. Indeed, it may be observed that access to the latter is being privatized in international litigation through the generalisation of choice of forum clauses, while the commercial courts of the more competitive national systems tend in turn to behave like private umpires. This article looks at the consequences of this contractualisation of adjudication for the governance of the global economy. In the light of the distinction set out three decades ago by the first analyses of the economics of adjudication, between the regulatory function of the courts (whether through precedent or other modes of creating case-law), seen as a public good provided by the collectivity, and the mere adjustment of private interests, which might legitimately be financed by the parties to the dispute, the transfer of international commercial adjudication to the private sector is synonymous with private appropriation of the regulatory function of the courts, of which States are progressively divested. This transformation of international commercial adjudication into a private good, subject to a global market, is an invitation to think about normativity through the de-centered lens of legal pluralism, rather than from an exclusively State-centered perspective. On a more practical level, it should also lead to redesign the offer of private justice, so as to adapt its content to the regulatory function it is now called upon to perform

To my knowledge, articles of the *Revue de l'arbitrage* cannot be downloaded.

Hague Convention on Int'l Protection of Adults to Enter into Force

The Hague Conference on Private International Law reports that the Hague Convention of 13 January 2000 on the International Protection of Adults will enter into force on January 1st, 2009.

This is because a third country, France, has ratified the Convention on September 18th, 2008. There are thus three countries which ratified the Convention: France, Germany in 2007 and the U.K., but for Scotland only, in 2003. Pursuant to article 57 of the Convention, this is what was necessary to trigger the entry into force in those states on the first day of the third month after the third ratification.

On the same date, the Convention was also signed by five new states: Finland, Greece, Poland, Ireland and Luxembourg.

There are now ten signatories altogether. They may eventually all ratify the Convention. If they do not, will someone assess the efficiency of the whole enterprise? This is a lot of transaction costs for harmonizing the law of three states only.

UPDATE: for a discussion of whether the Convention applies in England and Wales irrespective of the fact that the UK only ratified the Convention for Scotland, see below the comments of Michelle S. de Bruin.

Eighteen Publications on South African Private International Law 2007-2008

- Sieg Eiselen “Goodbye arrest *ad fundandam*. Hello *forum non conveniens*?” 2008 *Tydskrif vir die Suid-Afrikaanse Reg / Journal of South African Law* 794
- Thalia Kruger *Civil Jurisdiction Rules of the EU and their Impact on Third States* Oxford University Press 2008
- Thalia Kruger “Regional organisations and their dispute settlement bodies” 2008 *De Jure* (to be published)
- Jan L Neels “Falconbridge in Africa. *Via media* classification (characterisation) and liberative (extinctive) prescription (limitation of actions) in private international law – a Canadian doctrine on safari in Southern Africa (*hic sunt leones!*); or: *simper aliquid novi Africam adferre*” (2008) 4 *Journal of Private International Law* 167
- Jan L Neels “Tweevoudige leemte: bevrydende verjaring en die internasionale privaatreë” 2007 *Tydskrif vir die Suid-Afrikaanse Reg / Journal of South African Law* 178
- Jan L Neels “Revocation of wills in South African private international law” (2007) 56 *International and Comparative Law Quarterly* 613
- Jan L Neels “The proprietary effect of reservation-of-title clauses in South African private international law” in *Prof Dr Ergon A Çetingil ve Prof Dr Rayegân Kender’e 50. Birlikte Çali?ma Yili Arma?ani* (2007) (Istanbul) 903 (originally published in 2006 *South African Mercantile Law Journal* 66)
- Jan L Neels and Eesa A Fredericks “The music performance contract in European and Southern African private international law” (part 1) (2008) 71 *Tydskrif vir die Hedendaagse Romeins-Hollandse Reg / Journal of Contemporary Roman-Dutch Law* 351
- Jan L Neels and Marlene Wethmar-Lemmer “Constitutional values and the proprietary consequences of marriage in private international law – introducing the *lex causae proprietatis matrimonii*” 2008 *Tydskrif vir die Suid-Afrikaanse Reg / Journal of South African Law*
- Richard Frimpong Oppong “A decade of private international law in

African courts 1997-2007" (part 1) (2007) 9 *Yearbook of Private International Law* 223

- Richard Frimpong Oppong "Roman-Dutch law meets the common law on jurisdiction in international matters" (2008) 4 *Journal of Private International Law* 311
- Elsabe Schoeman and Christa Roodt "South Africa" in B Verschraegen (ed) *Private International Law in R Blanpain International Encyclopaedia of Laws* Kluwer Law International 2007
- Christa Roodt "A wider vision in choice of prescription law" (2007) 9 *Yearbook of Private International Law* 357
- Christian Schulze "The 2005 Hague Convention on Choice of Court Agreements" (2007) 19 *South African Mercantile Law Journal* 140
- Christian Schulze "Should a peregrine plaintiff furnish security for costs for the counterclaim of an incola defendant?" (2007) 19 *South African Mercantile Law Journal* 393
- Christian Schulze "International jurisdiction in claims sounding in money: is *Richman v Ben-Tovim* the last word?" (2008) 20 *South African Mercantile Law Journal* 61
- Omphemetse Sibanda "Jurisdictional arrest of a foreign *peregrinus* now unconstitutional in South Africa" (2008) 4 *Journal of Private International Law* 167 329
- Marlene Wethmar-Lemmer "When could a South African court be expected to apply the United Nations Convention on Contracts for the International Sale of Goods (CISG)?" 2008 *De Jure* (to be published)

Forum Non Conveniens and Australian Family Law Cases

Frank Bates, Professor of Law at the University of Newcastle (New South Wales), has a short article entitled 'Stay Proceedings and *Forum Non Conveniens* in Recent Australian Family Law' at (2008) 57(3) *International and Comparative Law Quarterly* 649. The article discusses the decision of the Full Court of the Family

Court of Australia in *Kwon v Lee* [2006] FamCA 730; (2006) FLC 93-287, which considered the interaction between the Australian common law test for *forum non conveniens* applications (whether the forum is clearly inappropriate) and the legislative requirement that, in deciding whether to make a parenting order in relation to a child, the Family Court must regard the best interests of the child as the paramount consideration.

Article: How Modern Assisted Reproductive Technologies Challenge the Traditional Realm of Conflicts of Law

Sonya Bichkov Green (John Marshall Law School) has written an article on the conflict-of-laws issues arising out of Assisted Reproductive Technologies (ART), focusing on the current legal and judicial framework in the United States (see our previous posts by *Gilles Cuniberti* on a case of surrogate parenthood involving French authorities: 1, 2): **“Interstate Intercourse: How Modern Assisted Reproductive Technologies Challenge the Traditional Realm of Conflicts of Law”**. The paper is available for download in the Selected Works of Berkeley Electronic Press.

The abstract reads as follows:

New technologies have always posed challenges to established legal norms. Assisted Reproductive Technologies (ART) in particular pose legal and ethical challenges to the law, and create never before seen legal problems. Although the ABA House of Representatives recently approved the Model Act Governing Assisted Reproductive Technology, differences in laws and rules will continue to exist. The legal issues involved are wide-ranging, including: liability issues arising from the failure of ART technology, parentage issues, disposition of embryos, and many others. As ART becomes more widely used, it is also used

more in an interstate and international context. Thus, when a dispute arises, it often involves litigants from different states, and therefore creates the potential of conflicting laws.

This article discusses how many ART procedures can be done, and often times are done, across state lines, and between individuals from different states. This creates challenging legal situations for the courts, both in deciding what the law is, or should be, and second in deciding which state's law to apply. Recent scholarship has addressed the first question but this article focuses on the second. It proposes solutions to complicated – and current – ART choice of law conundrums.

The first section describes Assisted Reproductive Technologies, so that the reader understands the background to the potential problems that may arise. The second section discusses possible problems with ART and lawsuits that have arisen, some, within the last year. The third section describes current choice of law options, and how these might be applied, and have been applied, to ART lawsuits. The last section proposes solutions for resolving multi-state ART lawsuits, including the best choice of law approach for this area of the law, and how parties can protect themselves through more proactive choices of law in contract formation.

As an appendix, readers will also find three pieces of poetry on the complexity of conflict of laws, written by *Thurman Arnold*, *James A. McLaughlin* and the author herself:

The field of Conflicts of Law inspired two great legal thinkers – separately – to write poetry about its complexity. To their efforts, this author adds her addition to the poem, considering the particular problems created by ART.

Article: Liberating the Individual from Battles Between States - Justifying Party Autonomy in Conflict of Laws

Matthias Lehmann has written an article that, while trying to give a theoretical justification for the principle of party autonomy, attacks the dominant conception of conflict of laws. It has been published in vol. 41 of the *Vanderbilt Journal of Transnational Law*, pp. 381-434 (2008).

Here is the abstract:

Current theories of conflict of laws have one common feature: they all consider the question of the applicable law in terms of a conflict between states. Legal systems are seen as fighting with each other over the application of law to a certain case. From this perspective, the goal of conflicts methods is to assign factual situations to the competent rule maker for resolution. Party autonomy presents a problem for this view: if individuals are allowed to choose which law will be applied to their dispute, it seems as if private persons could determine the outcome of the battle between states—but how is this possible? This Article tries to give a theoretical solution to this puzzle. The underlying idea is that conflicts theory has to be recalibrated. Its goal should not be to solve conflicts between states, but to serve the individual, its needs and wants. Through this shift of focus, it becomes not only possible to justify party autonomy, but also to answer a number of practical questions raised by it. Furthermore, this Article will propose a new normative category, “relatively mandatory rules” and discuss some important implications that the new approach may have for conflict of laws generally.

AG Opinion in Case “Ilsinger”

On 11 September 2008, Advocate General Trstenjak’s opinion in case C-180/06 (*Renate Ilsinger v. Martin Dreschers (administrator in the insolvency of Schlank & Schick GmbH)*) has been published.

The case basically concerns the question whether international jurisdiction for consumer claims against undertakings for prizes ostensibly won can be established under Art. 15 No. 1 (c) Brussels I Regulation (Regulation (EC) No. 44/2001). The problem in this case is whether it concerns a consumer contract in terms of Art. 15 Brussels I Regulation since the claiming of the prize was not made conditional upon actually ordering goods.

When faced with a comparable case under the Brussels *Convention*, the ECJ had decided that Art. 13 Brussels Convention was not applicable in a situation where a professional vendor made contact with a consumer by sending a personalised letter containing a prize notification where the vendor’s initiative was not followed by the conclusion of a contract between the consumer and the vendor since the action brought by the consumer for the payment of the prize could not be regarded as being contractual in nature for the purposes of Art. 13 Brussels Convention (C-27/02 – Engler). However, the ECJ had not to decide on this issue under the Brussels *Regulation* so far.

Thus, the *Oberlandesgericht Wien* referred the **following questions** to the ECJ for a preliminary ruling:

Does the provision in Paragraph 5j of the Konsumentenschutzgesetz (Law on consumer protection; KSchG), BGBl 1979/140, in the version of Art I, para. 2 of the Fernabsatz-Gesetz (Law on distance selling), BGBl I 1999/185, which entitles certain consumers to claim from undertakings in the courts prizes ostensibly won by them where the undertakings send (or have sent) them prize notifications or other similar communications worded so as to give the impression that they have won a particular prize, constitute, in circumstances where the claiming of that prize was not made conditional upon actually ordering goods or placing a trial order and where no goods were actually ordered but the recipient of the communication is nevertheless seeking to claim the prize, for the purposes of Council Regulation (EC) No 44/2001 of 22

December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters ('the regulation'): a contractual, or equivalent, claim under Article 15(1)(c) of the regulation?

If the answer to question 1 is in the negative:

Does a claim falling under Article 15(1)(c) of the regulation arise if the claim for payment of the prize was not made conditional upon ordering goods but the recipient of the communication has actually placed an order for goods?

The Advocate General points out in her **opinion** that the reference raises the question of continuity of interpretation between the Brussels Convention and the Regulation, i.e. whether Art. 15 No. 1 (c) Brussels I Regulation has to be interpreted in the same way as Art. 13 Brussels Convention. In general it should be adhered to a continuous interpretation which is also shown by recital No. 19 Brussels Regulation (para. 37). Thus, the question in the present case is as to whether there are – in particular in view of the differing wording of Art. 13 Brussels Convention and Art. 15 Brussels Regulation as well as the necessity to ensure a high standard of consumer protection – good reasons to interpret Art. 15 Brussels I Regulation in a different way the ECJ has done with regard to Art. 13 Brussels Convention in “Engler”. To answer this question, the Advocate General refers to arguments based on a literal, historical, systematical and teleological interpretation:

While agreeing with Advocate General Tizzano’s assessment in “Kapferer” that the modifications with regard to Art. 15 Brussels I Regulation in comparison to Art. 13 Brussels Convention do not question the requirement of the conclusion of a contract (para. 42), she argues that the Community legislature did not intend to limit Art. 15 No. 1 (c) Brussels I Regulation to synallagmatic contracts by modifying the wording of Art. 15 Brussels I Regulation (para. 40 et seq.).

On the basis that the application of Art. 15 Brussels I Regulation requires a contract, she examines the general requirements for the conclusion of contracts within the framework of Community law by referring to the Court’s case law, several directives and – and this might be particularly emphasised – to the Draft Common Frame of Reference (DCFR) and the Principles of European Contract Law (PECL). She concludes that one of the basic prerequisites for the conclusion of a contract was that the parties agree on the conclusion of a contract by means

of “offer” and “acceptance” (para. 44 et seq.).

She argues that – also in view of the necessity to ensure a high standard of consumer protection (para. 64) – that prize notifications can, in principle, lead to the conclusion of a contract. However, whether this was the case in the main proceedings, had to be answered by the national court by examining whether the prize notification can be regarded as an offer in the specific case and whether the consumer has accepted this offer (para. 59 et seq.).

Concluding, the **Advocate General suggests to answer the referred questions** as follows (para. 81):

Art. 15 No. 1 (c) Brussels I Regulation has to be interpreted as meaning that a right which entitles consumers under the law of the Member State where they are domiciled to claim from undertakings domiciled in another Member State prizes ostensibly won by them where the undertakings send them prize notifications and give – by means of the design of the communications – the impression that they have won a particular prize without making claiming of that prize conditional upon actually ordering goods or placing a trial order and where no goods were actually ordered but the recipient of the communication is nevertheless seeking to claim the prize, can constitute a claim arising from a contract in terms of Art. 15 Brussels I Regulation if a consumer contract in terms of this provision has actually been concluded. The question whether a consumer contract in terms of Art. 15 Brussels I Regulation has actually been concluded in the main proceedings has to be examined by the national court.

The right entitling the consumer to claim the prize ostensibly won from the undertaking, constitutes a claim arising from a contract in terms of Art. 15 No. 1 (c) Brussels I Regulation if the claiming of the prize was not made conditional upon actually ordering goods, but when the consumer has ordered goods nevertheless.

(Approximate translation from the German version of the opinion.)

The full opinion can be found (in French, German, Italian, Slovene and Finnish) at the ECJ's website.

Papers Published from the Duke Symposium on the European Choice of Law Revolution

The papers presented at the Duke University School of Law Symposium on  'The New European Choice of Law Revolution: Lessons for the United States?' have now been published in the *Tulane Law Review* (Vol. 82, No. 5, May 2008). Here's the table of contents:

- *Ralf Michaels*, Introduction - The New European Choice-of-Law Revolution (available on SSRN);
- *Patrick J. Borchers*, Categorical Exceptions to Party Autonomy in Private International Law (available on SSRN);
- *Jan von Hein*, Something Old and Something Borrowed, but Nothing New? Rome II and the European Choice-Of-Law Evolution;
- *Dennis Solomon*, The Private International Law Of Contracts In Europe: Advances And Retreats;
- *Symeon C. Symeonides*, The American Revolution and the European Evolution in Choice of Law: Reciprocal Lessons (available on SSRN: see our dedicated post here);
- *Larry Catá Backer*, The Private Law of Public Law: Public Authorities as Shareholders, Golden Shares, Sovereign Wealth Funds, and the Public Law Element in Private Choice of Law (available on SSRN);
- *Jens Dammann*, Adjudicative Jurisdiction and the Market for Corporate Charters;
- *Onnig H. Dombalagian*, Choice Of Law and Capital Markets Regulation (available on SSRN);
- *Katharina Boele-Woelki*, The Legal Recognition of Same-Sex Relationships within the European Union;
- *Horatia Muir Watt*, European Federalism and the "New Unilateralism";
- *Linda J. Silberman*, Rethinking Rules of Conflict of Laws in Marriage and Divorce in the United States: What Can We Learn from Europe?;

- *Richard Fentiman*, Choice of Law in Europe: Uniformity and Integration;
- *William A. Reppy, Jr.*, Eclecticism in Methods for Resolving Tort and Contract Conflict Of Laws: the United States and the European Union;
- *Jürgen Basedow*, Federal Choice of Law in Europe and the United States – A Comparative Account of Interstate Conflicts;
- *Erin Ann O’Hara – Larry E. Ribstein*, Rules and Institutions in Developing a Law Market: Views from the United States and Europe (available on SSRN);
- *William M. Richman*, A New Breed of Smart Empirically Derived Conflicts Rules: Better Law Than “Better Law” in the Post-Tort Reform Era: Reviewing Symeon C. Symeonides, *The American Choice-Of-Law Revolution: Past, Present And Future* (2006).

Information on subscribing to the *Tulane Law Review* can be found [here](#).

For those who could not attend the event, **the webcast of the conference is available for viewing on the Duke University’s website**, in five parts (RealMedia format):

1. **Welcome and Opening Remarks** (*Dean David F. Levi, Ralf Michaels, and Haller Jackson*) and **Panel 1: Contract and Tort Law**. Moderated by *Paul Haagen*. Panelists include *Jan von Hein, Symeon Symeonides, Dennis Solomon, and Patrick Borchers*.
2. **Panel 2: Corporate Law**. Moderated by *Jim Cox*. Panelists include *Larry Cata Backer, Jens Dammann, and Onnig Dombalagian*.
3. **Panel 3: Family Law**. Moderated by *Kathy Bradley*. Panelists include *Marta Pertegas, Katharina Boele-Woelki, and Linda Silberman*.
4. **Panel 4: Methods and Approaches**. Panelists include *Richard Fentiman, Ralf Michaels, and William Reppy, Jr.*
5. **Panel 5: Internal and External Conflicts, Federalism, and Market Regulation**. Panelists include *Jürgen Basedow, Mathias W. Reimann, Erin O’Hara, and Larry Ribstein*.

(Many thanks to Martin George.)

Latest Issue of “Praxis des Internationalen Privat- und Verfahrensrechts” (5/2008)

Recently, the September/October issue of the German legal journal “Praxis des Internationalen Privat- und Verfahrensrechts” (**IPRax**) was released.

It contains the following **articles/case notes (including the reviewed decisions)**:

- **Rolf Wagner**: “Der Grundsatz der Rechtswahl und das mangels Rechtswahl anwendbare Recht (Rom I-Verordnung) – Ein Bericht über die Entstehungsgeschichte und den Inhalt der Artikel 3 und 4 Rom I-Verordnung” – the English abstract reads as follows:

In the second half of 2007 the Portuguese EU-Presidency has achieved a political agreement in the negotiations on the regulation of the European Parliament and the Council on the law applicable to contractual obligations. The work on this so-called Rome I Regulation was then finalized under the Slovenian EU-Presidency in the first half of 2008. It will become applicable in the EU member states (without Denmark) as from 17 December 2009. The following remarks provide an overview on the history and content of two key provisions of the Regulation. These are, more specifically, the provision on choice of law (Article 3 Rome I Regulation) and the general provision on the law applicable in absence of a choice of law (Article 4 Rome I Regulation).

- **Alexander H. Stopp**: “Die Nichtübertragbarkeit der Lizenz beim Unternehmenskauf: Anwendbares Recht bei fremdem Lizenzstatut im Lichte des § 34 UrhG – Zur Sonderanknüpfung des § 34 Abs. 5 S. 2 UrhG” – the English abstract reads as follows:

The author deals with the application of the German Copyright Act in cases of mergers and acquisitions with regard to international software licensing contracts. The German Copyright Act provides for automatic transfer of the usage rights to the buyer in a merger situation. Contractual non-transferability

clauses in international licensing contracts will step in to stop automatic transfer to the buyer. Under German domestic law, non-transfer provisions are, however, in principle admitted by the consent exception in the German Copyright Act (Section 34 Subsection 5 of the German Copyright Act). German rules on standard terms will often void such provisions in licensing terms for being overly broad or unspecific, if they are not specifically designed to address the merger situation. As a general rule, the law of the country in which legal protection is sought for the transfer should apply to the transfer as opposed to the country of the author's citizenship or the law chosen in the licensing agreement. However, the author suggests that the consent provision of the German Copyright Act (Section 34 Subsection 5 of the German Copyright Act) allows for the application of the law of the contract, which will in the cases discussed often be foreign law.

- **Dorothee M. Kaulen:** "Zur Bestimmung des Anknüpfungsmoments unter der Gründungstheorie - Unter besonderer Berücksichtigung des deutsch-US-amerikanischen Freundschaftsvertrags" - the English abstract reads as follows:

According to the prevailing opinion, article XXV para. 5, s. 2 of the Treaty of Friendship, Commerce and Navigation between the United States of America and the Federal Republic of Germany from 1954 represents a rule of conflict of laws. Applying this interpretation, in German-US-American corporate conflict of laws the law of legal persons is determined by the incorporation principle . Furthermore, it can be expected that the German corporate conflict of laws will soon give up the idea of the seat principle and adopt the incorporation principle completely. However, under the incorporation principle, the question of how the place of incorporation should be determined remains. Different ideas have been discussed like the place of the process of incorporation, the place of the registered office, the place of registration by the secretary of state, the place free chosen, the place of the law under which the corporation is organised, or the place where the law gave the corporation legal personality. This paper investigates all these possible concretizations of the incorporation principle and concludes that under the incorporation principle a corporation is determined by the law of the place of its registration, or failing that, by the law of the place where it is organised, or failing that, by the law of the place that has the closest connection to the corporation.

- **Alice Halsdorfer:** “Der Beitritt Deutschlands zum UNESCO-Kulturgutübereinkommen und die kollisionsrechtlichen Auswirkungen des neuen KultGüRückG” – the English abstract reads as follows:

*In connection with Germany’s ratification of the UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property 1970, a new version of the Law on the Return of Cultural Objects (KultGüRückG) entered into force. The most fundamental improvements are return claims for cultural objects which have been unlawfully removed from the territory of contracting states according to s 6 (2) KultGüRückG and import restrictions for cultural objects listed in the List of Important Cultural Property of the Contracting States according to s 14 (1) KultGüRückG. Regarding the conflict of laws, the traditional *lex rei sitae* will be replaced after the return of a cultural object by the *lex originis* of the contracting state from which the object has been unlawfully removed according to ss 5 (1), 9 KultGüRückG. As a result, the *lex originis* functions as a control mechanism which might correct the validity of intermediary acquisitions of property with retroactive effect. In addition, the new import restrictions have to be considered German mandatory rules which may affect the validity of contractual obligations irrespective of the applicable law according to art. 34 EGBGB. However, certain gaps remain due to the fact that the *lex originis* has not been fully and unconditionally embodied and that the import restrictions as mandatory rules do not refer to the foreign laws on cultural objects themselves. Despite of these gaps, the ratification of the convention and the new legislation are important steps towards a better protection of cultural property under German law.*

- **Burkhard Hess** on the ECJ’s judgment in case C-14/07 (*Weiss und Partner*): “Übersetzungserfordernisse im europäischen Zivilverfahrensrecht”
- **Stephan Gregor** on a decision of the Local Court Berlin-Lichtenberg dealing with the question of the determination of the place of performance with regard to contracts on air transport: “Der Gerichtsstand des Erfüllungsorts beim Luftbeförderungsvertrag”
- **Astrid Stadler** on a decision of the Federal Constitutional Court dealing with the question of whether a state is allowed to refuse the fulfilment of private individuals’ payment claims in case of a national state of

emergency caused by a financial crisis: “Pacta sunt servanda – auch im Falle argentinischer Staatsanleihen”

- **Boris Schinkels** on a decision of the Higher Regional Court Stuttgart dealing inter alia with the question of international jurisdiction for actions against the controlling and the controlled stock corporation of a European cross-border de facto group regarding injunctions prohibiting measures to the detriment of the controlled corporation: “Ansprüche auf Unterlassung nachteiliger Maßnahmen gegen beherrschende und beherrschte Aktiengesellschaft im europäisch-grenzüberschreitenden faktischen AG-Konzern”
- **Harald Koch** on a judgment of the Higher Regional Court dealing with a creditor’s action to set aside in case of the donation of property allocated abroad: “Gläubigeranfechtung der Schenkung eines ausländischen Grundstücks”
- **David Bittmann**: “Die Voraussetzungen der Zwangsvollstreckung eines Europäischen Vollstreckungstitels” – the English abstract reads as follows:

The decision of the Austrian Supreme Court (OGH) is one of the first published decisions concerning Regulation (EC) No. 805/2004 creating a European Enforcement Order for uncontested claims, which is in force since October 2005. The OGH had to deal with two main problems regarding the enforcement of a European Enforcement Order (EEO) in the state of execution (here Austria): The first question was, whether the service of the debtor with the EEO is a condition for the enforcement of the foreign decision. Here the OGH stated that this is not the case. The second question was, whether and when the EEO has to be translated. As to this point, the OGH held that a translation was only necessary in case that the certification of the judgment as an EEO, which is made by using a standard form, contains written additions which go beyond the mere ticking of the respective points of the standard form. This article outlines the conditions for the enforcement of an EEO in the state of execution by critically considering the decision of the OGH. Thus the focus will be first on the question whether the debtor has to be served with the EEO before examining possible consequences if this is not the case. Finally the article goes into the matter under which circumstances the EEO has to be translated.

- **Ben Steinbrück**: “US-amerikanische Beweisrechtshilfe für ausländische

private Schiedsverfahren” – the English abstract reads as follows:

For many years U.S. courts have ruled out state-court support in the taking of evidence for foreign private arbitration according to 28 U.S.C. § 1782. In 2004, however, the U.S. Supreme Court ruled that section 1782 applies to all foreign and international tribunals if they act as adjudicatory bodies. In the wake of this decision district courts have started to grant discovery orders in aid of foreign arbitration proceedings. Despite some occasional concerns in the United States that the application of section 1782 to foreign private arbitration would lead to procedural disadvantages to US-parties, these decisions may turn the tide in favour of a more arbitration-friendly case law. A flexible and well-balanced application of section 1782 to private international arbitration is not only perfectly in line with the U.S. Supreme Court’s interpretation of this provision. Also strong policy considerations militate in favour of granting parties to foreign private arbitrations access to evidence located in the United States.

- **Dominique Jakob/Danielle Gauthey Ladner:** “Die Implementierung des Haager Trust-Übereinkommens in der Schweiz” – the English abstract reads as follows:

On 1st July 2007 the Hague Convention on the Law Applicable to Trusts and on their Recognition of 1 July 1985 (HTC) entered into force in Switzerland. The authors present the new implementing Chapter 9a of the Swiss Private International Law Statute (PILS; art. 149a-149e) as well as two new articles of the Swiss Insolvency Law Statute (ILS; art. 284a, 284b). The new provisions facilitate the recognition of trusts in Switzerland and aim to avoid contradictions between the PILS and the HTC. Swiss substantive law has not been modified. Chapter 9a PILS expressly refers to the HTC regarding the definition of a trust and the applicable law (art. 149a and c). Yet it is broader, since it contains provisions on jurisdiction (art. 149b) as well as provisions on the recognition and enforcement of decisions in matters concerning trust law (art. 149e). The new chapter further applies to trusts which are not evidenced in writing (art. 149a). Of particular interest is the fact that the Swiss legislator expressly recognises internal trusts (art. 149c § 2 and art. 13 HTC), thus arousing anew the question of the compatibility of family trusts with Swiss public policy, since entailed estates (fideicommiss) are prohibited under Swiss

Law (art. 335 of the Swiss Civil Code). For the authors family trusts do not contravene against Swiss public policy as long as their duration is limited in time. The two new articles in the ILS stipulate the segregation of the trust assets in insolvency proceedings concerning the trustee or the trust itself, thus resolving this question once and for all.

- **Arkadiusz Wowerka** on the law applicable to factoring according to Polish choice of law rules: “Das auf das Factoring anwendbare Recht nach polnischem Kollisionsrecht”

As well as the following **information**:

- **Frank Beckstein** on the international conference “Intellectual Property and Private International Law”: “Tagungsbericht zur Internationalen Konferenz ‘Intellectual Property and Private International Law’”
- **Martin Winkler** on a conference on patent law which has taken place in Düsseldorf: “Internationalverfahrensrechtliche Probleme der Patentstreitigkeiten – Düsseldorfer Patentrechtstage 2008”
- **Wolfram Prusko** on the conference “The Future of Secured Credit in Europe”: “‘The Future of Secured Credit in Europe’ – Ein Konferenzbericht”

Garsec Pty Ltd v His Majesty The Sultan of Brunei

The New South Wales Court of Appeal recently handed down its decision in the interesting *forum non conveniens* case of *Garsec Pty Ltd v His Majesty The Sultan of Brunei* [2008] NSWCA 211.

The case arose out of an alleged contract for the sale of an old, rare and beautiful manuscript copy of the Koran by Garsec to the Sultan for USD 8 million. Garsec alleged that the Sultan had failed to perform the contract and took action in the Supreme Court of New South Wales against the Sultan for specific performance. The contract was allegedly negotiated with, among others, representatives of the Sultan's Private and Confidential Secretary. As an alternative to the claim against the Sultan, Garsec claimed against the Secretary on the footing that he had represented he had authority to negotiate the contract from the Sultan and, in the event that he did not have that authority, he was liable for breach of warranty and the tort of negligent misstatement. The Sultan and the Secretary applied to have the matter stayed on the basis that New South Wales was *forum non conveniens*. It was accepted on appeal that the *lex causae* for each of the claims was the law of Brunei.

The New South Wales Court of Appeal unanimously dismissed an appeal from the primary judge's decision staying the proceeding. In brief, the Court reached the following conclusions.

1. An immunity from suit conferred on the Sultan by the Constitution of Brunei was substantive not procedural, as that distinction is drawn by Australian common law rules of private international law, and would therefore be applied by the Supreme Court of New South Wales as part of the *lex causae*. (Australian common law adopts a very narrow definition of procedure, essentially limited to rules directed to governing the conduct of court proceedings; matters affecting the existence, extent or enforceability of rights or duties are substantive.)
2. It is irrelevant to the procedure/substance characterisation as to whether the immunity would be characterised as substantive or procedural under Brunei law, as the characterisation is to be done according to the law of the forum, ie the common law of Australia.
3. Accordingly, Garsec would not obtain any advantage as to the immunity by suing in New South Wales, rather than Brunei, and no question arose in this case as to the weight to be given to such an advantage in determining whether New South Wales is *forum non conveniens*.
4. In any event, the fact that the case would involve interpretation of a foreign country's constitution is a powerful factor in favour of a stay: an Australian court should only interpret a foreign country's constitution if

this cannot be avoided.

However, there was disagreement among the judges of the Court as to whether, if the immunity had been procedural such that it would have been applied in Brunei but not in New South Wales, this would have tended against a conclusion that New South Wales was *forum non conveniens*. This raises the broader issue of the weight to be given to the unavailability of an alternative forum and the correctness of the view that, ordinarily, an applicant for a stay on *forum non conveniens* grounds must identify an available alternative forum in order to obtain a stay.