

Justice and Home Affairs Council Session in Luxembourg (19-20 April 2007)

On 19 and 20 April the JHA Council will hold its 2794th session in Luxembourg, under the German Presidency. On the agenda for the “Justice” issues, scheduled for Thursday 19th, there are a number of points dealing with cooperation in civil law matters, both under the “A” items (on which the Council decides without discussion, since an agreement has previously been found in the Committee of Permanent Representatives – COREPER) and under the “B” items (that are actively debated in the Council: see the agenda for the meeting).

As regards the “A” points, two important deliberations will take place on private international law issues (see the list of public deliberations released by the Press Office of the Council):

- Amended proposal for a Regulation of the European Parliament and of the Council on the **service** in the Member States **of judicial and extrajudicial documents** in civil or commercial matters, amending Council Regulation (EC) No 1348/2000: the amended proposal adapts the original Commission proposal to the general agreement of the Council and to the opinion of the European Parliament in a codified version;
- Proposal for a Regulation of the European Parliament and the Council on the law applicable to non-contractual obligations (**Rome II**): **Non-approval of the European Parliament’s amendment** (see the related section of our site).

As regards the “B” items, the first three points deal with cooperation in civil matters (Rome I, Rome III and the Regulation on maintenance obligations); in addition, as a last point the Council will discuss further proceedings of the works on a Common Frame of Reference for European contract law.

Here’s an excerpt of the Background Note prepared by the Press Service of the Council: for each draft instrument we have added the latest available Council public document.

Rome III (Jurisdiction and applicable law in matrimonial matters: see the related section of our site)

At the informal meeting in January 2007 in Dresden, ministers underlined the importance of family law issues for the creation of a true area of justice, as there are more and more families where the spouses come from different countries.

Some progress has been achieved since then on this proposal in the sense that a common understanding on a number of important questions is emerging among a majority of Member States. Some delegations have doubts about the added value of this proposal, but the Presidency believes that it is important to continue the discussions in order to find a solution acceptable to all delegations.

The Council will discuss a number of issues with a view to clarifying certain elements of this file and to finding a solution acceptable to all delegations. In particular, the Council will discuss the question of the choice of court by the parties and the choice of applicable law.

Latest available document of the Council: doc. n. 5274/07 of 12 January 2007 (text of the Regulation as drafted by the Presidency on the basis of the meetings of the Committee on Civil Law Matters (Rome III) and the comments made by Member States delegations).

Jurisdiction, applicable law, recognition and enforcement of decisions and cooperation in matters relating to maintenance obligations (see our related posts [here](#) and [here](#))

*The Council is expected to agree on some political guidelines on issues of particular importance for the continuation of the work on this draft regulation.
[...]*

[T]he shared will to move forward in such an important area as maintenance obligations was highlighted at the informal meeting of Justice and Home Affairs Ministers in Dresden on 15 and 16 January 2007.

The Council should focus its discussion on:

- *the abolition of the exequatur procedure for all maintenance obligation decisions covered by the Regulation, which would reduce the costs involved in enforcement of maintenance decisions and improve the position of creditors by speeding up enforcement of decisions and making them more easily portable within the European Union;*
- *the introduction of a system of cooperation between central authorities in order to facilitate application of the Regulation;*
- *making it clear in a recital that the Regulation applies only in situations having cross-border implications and hence an international aspect, and*
- *the conditions on which Member State may retain or conclude agreements with third countries in this particular area.*

Latest available document of the Council: doc. n. 16830/06 of 20 December 2006 (available in German: text of the Regulation as drafted by the Finnish and German Presidency on the basis of the meetings of the Committee on Civil Law Matters (Maintenance Obligations) and the comments made by Member States delegations).

Rome I (see the related section of our site)

[...] Although most of the text is agreed by all delegations, there are some elements on which there is still not yet unanimity. With this aim, the Council is expected to examine a compromise package submitted by the Presidency.

The following questions will be particularly examined: the principle of choice of law by the parties to the contact, the law applicable in the absence of choice and individual employment contracts.

Latest available document of the Council: doc. n. 6935/07 of 2 March 2007 (French or German text of the Regulation as drafted by the Presidency on the basis of the meetings of the Committee on Civil Law Matters (Rome I) and the comments made by Member States delegations).

European Contract Law

The Council is invited to decide that a Council position on a common frame of reference for European contract law, in particular as regards its purpose, content and scope, is developed and defined. [...]

In 2006 the European Parliament expressed its views in two Resolutions. The Commission has announced that it will submit a second Progress Report on European Contract Law and the Acquis Review. The Research Network will produce a draft by the end of 2007. In view of the importance of the project the Presidency considers that it would be appropriate for the Council to develop and define its own position. In this context, the Presidency suggests that the Council identifies the issues that require careful examination and proposes a method of work within the Council preparatory bodies.

(Many thanks to Martin George, for his collaboration in hunting down some of the documents referred to above)

German Casenote on ECJ Lechouritou Judgment

A very interesting article commenting the recent ECJ *Lechouritou* case (C-292/05, judgment of 15 February 2007) has been published in the latest issue of the German Law Journal, an online review in English devoted to developments in German, European and international jurisprudence.

The casenote has been written by *Veronika Gaertner* (University of Heidelberg), editor of conflictoflaws.net for Germany, who has extensively reported on the case for our site (see her posts on the opinion of AG Ruiz-Jarabo Colomer and on the judgment of the Court).

An abstract of the article ("**The Brussels Convention and Reparations - Remarks on the Judgment of the European Court of Justice in *Lechouritou and others v. the State of the Federal Republic of Germany***") has been kindly provided by the author:

*The article analyses the judgment of the European Court of Justice in the case *Lechouritou and others v. the State of the Federal Republic of Germany*. In this judgment the Court had held that an action aimed at the payment of*

compensation for acts perpetrated by armed forces in the course of warfare does not constitute a civil matter in terms of the Brussels Convention.

The case note first classifies the judgment in the previous case law of the Court on the concept of civil matters in terms of the Brussels Regime. Hereby, the relevant rulings are examined in view of the criteria developed by the Court for defining the term of “civil and commercial matters” – in particular in distinction to public matters. In this regard, it is argued that the Court followed its previous rulings by basing its argumentation on the question whether the acts constituting the origin of the action for damages result from the exercise of public powers.

*In the second part the case note addresses – in reference to objections raised by the plaintiffs – the question whether the qualification of the acts perpetrated by German armed forces as *acta iure imperii* excluded from the scope of the Brussels Convention can be agreed with. Here, the focus is on the question whether the term of *act iure imperii* could be regarded as limited to lawful acts, as partly argued with regard to the law of State immunity. This restriction of *acta iure imperii* to lawful acts is, however, rejected and consequently the assessment of the Court to regard the action of the plaintiffs as excluded from the scope of the Convention is agreed with.*

In addition to a thorough analysis of previous ECJ rulings on the matter, the article contains numerous references to national and international Courts' case law regarding the classification of military acts as the emanation of State authority and the restriction of State immunity in relation to wrongful acts, even if the author points out the different rationales underlying these restrictions in the field of State immunity (with the goal of an improved protection of human rights) and the exclusion of *acta iure imperii* from the scope of the European procedural law instruments.

The distinction between the two levels (public international law on one side, European uniform rules on jurisdiction on the other) is clearly underlined in the final remarks of the casenote:

[A]s the Court of Justice has explained in its ruling, the Brussels Convention, as a measure facilitating the internal market by the mutual recognition and enforcement of judgments in civil and commercial matters, is not the right

instrument for the assertion of compensation claims based on acts perpetrated by armed forces in the course of warfare. The consequences of war and occupation can [...] only be dealt with at a public law level.

The article is available here (also in downloadable .pdf version). Highly recommended.

New Conditions for Recognition of Judgements in France

On February 20, 2007, the French supreme court for private matters (*Cour de cassation*) held in *Avianca* that foreign judgements which had applied another law than the one that a French court would have applied could be recognised or enforced in France.

The case overrules a forty year old precedent, the famous *Munzer* decision, which had laid down the modern conditions for the enforcement and the recognition of judgements in France. In *Munzer* (1964), the *Cour de cassation* had ruled that five conditions, which were soon to be reduced to four (in the *Bachir* case in 1967), had to be fulfilled. First, the foreign court had to have jurisdiction from the French perspective. Second, the foreign court had to have applied the law that the French choice of law rule designated. Third, the foreign judgement should not be contrary to public policy. Fourth, the foreign judgement should not have been obtained for the sole purpose of avoiding the application of the applicable law (*Fraude à la loi*).

In *Avianca*, the *Cour de cassation* holds that there are now three conditions only for the recognition of foreign judgements, and that the application of the law designated by the French choice of law rule is not one anymore. The three conditions which remain unchanged are the jurisdiction of the foreign court, the compatibility with French public policy, and the absence of *fraude à la loi*.

The *Cour de cassation* does not give much details on the facts of case. I understand, and am happy to be corrected, that American companies (North American Air Service and Avianca) and Columbian companies (Avianca, Helicopteros Nacionales de Columbia and Aeronautico de Medellin Consolida) had sued a former director of one of the Columbian companies before a federal court in Washington D.C. On August 27, 1993, the U.S. Court ordered the former director to pay 3.9 millions dollars, plus interest. The former director moved to France, where the plaintiffs sought to enforce the judgement. The director argued against the enforcement because the U.S. Court had applied U.S. law to the issue of the liability of a director, when the French choice of law rule provides that the law of the company governs. The *Cour de cassation* rules that the law applied by the foreign court is irrelevant.

Avianca makes it clear that the new conditions are only relevant absent any treaty regulating the recognition of foreign judgements. European regulations and conventions are obviously such treaties.

The evolution had long been advocated by the majority of French writers. To many, it seemed weird to accept in principle the recognition of foreign judgements while making it a condition that they would have ruled exactly like a French court. Also, it seemed that the main purpose of the condition was to avoid *fraude à la loi*, which has always been a separate and autonomous condition.

First Issue 2007 of “Rivista di Diritto Internazionale Privato e Processuale”

The first issue for 2007 of *Rivista di Diritto internazionale privato e processuale* (RDIPP, published by CEDAM, Padova), one of Italy's leading journals in private international law, has been recently released. It provides quarterly a complete coverage of the different sectors of conflict of laws and

jurisdictions, with articles, comments, legal texts and cases by Italian, foreign and EC Courts. All the articles in this issue are in Italian, and unfortunately just an English translation of the titles is available, but no abstract. Here's the list:

ARTICLES

- *F. Mosconi* (University of Pavia), The protection of the Internal Order of the Forum: Balancing Italian Law, International Conventions and EC Regulations (La difesa dell'armonia interna dell'ordinamento del foro tra legge italiana, convenzioni internazionali e regolamenti comunitari);
- *S.M. Carbone* (University of Genoa), Lex mercatus and lex societatis vis-à-vis Principles of Private International Law and Financial Markets Rules (Lex mercatus e lex societatis tra principi di diritto internazionale privato e disciplina dei mercati finanziari);
- *F. Salerno* (University of Ferrara), EC Jurisdiction Criteria in Matrimonial Matters (I criteri di giurisdizione comunitari in materia matrimoniale).

COMMENTS

- *C. Amalfitano* (University of Milan), The European Arrest Warrant, the Italian Corte di Cassazione and the Protection of Fundamental Human Rights (Mandato d'arresto europeo, Corte di Cassazione e tutela dei diritti fondamentali dell'individuo);
- *A. Atteritano*, The Jurisdiction of National Courts to Enforce Foreign Arbitration Awards under the 1958 New York Convention (La «jurisdiction» del giudice statale nei procedimenti di «enforcement» dei lodi arbitrali stranieri disciplinati dalla Convenzione di New York del 1958).

The *RDIPP* is not available online (for subscription information, refer to the publisher's website, CEDAM).

An archive of the TOCs since 1998 is available on the ESSPER website (an online project for indexing articles of Italian journals and working papers in law and other social sciences, headed by the library of LIUC University of Castellanza).

Vol. 3, Issue 1, Journal of Private International Law

✘ The new issue of the **Journal of Private International Law, Volume 3, Issue 1 (April 2007)**, will be published shortly. The contents are (*click on the links below to view the abstract*):

Canada and the US Contemplate Changes to Foreign-Judgment Enforcement by *Vaughan Black (Professor, Dalhousie Law School, Halifax)*

The Rome I Proposal by *Ole Lando & Peter Arnt Nielson (Copenhagen Business School)*

Third-Country Mandatory Rules in the Law Applicable to Contractual Obligations: So Long, Farewell, Auf Wiedersehen, Adieu? by *Andrew Dickinson (Consultant, Clifford Chance LLP; Visiting Fellow in Private International Law, BIICL)*

Choice-of-Law Rules for Electronic Consumer Contracts: Replacement of The Rome Convention by the Rome I Regulation by *Lorna Gillies (Lecturer in Law, University of Leicester)*

Parties' Choice of Law in E-Consumer Contracts by *Zheng Tang (Lecturer in Law, University of Aberdeen)*

Choice of Law in Maritime Torts by *Martin P. George (PhD Candidate & Postgraduate Teaching Assistant, University of Birmingham)*

The European Convention on Human Rights and English Private International Law by *Ben Juratowitch (DPhil candidate, University of Oxford)*

Child Abduction: Convention "Rights of Custody" - Who Decides? An Anglo-Spanish Perspective by *Kisch Beevers (University of Sheffield) & Javier Pérez Milla (University of Zaragoza)*

Book Review: J. Meeusen, M. Pertegàs and G. Straetmans (eds) Enforcement of International Contracts in the European Union: Convergence and Divergence between Brussels I and Rome I by *Lorna*

Gillies (Lecturer in Law, University of Leicester)

For those who haven't yet subscribed to the **Journal of Private International Law**, subscription information can be found **here**. In addition to the Journal itself, you will also receive online access to all of the articles (current subscribers will be able to download the articles linked to above straight away).

E-Business Group Website and the Cost of Rome I


The E-Business Regulatory Alliance has set up a Rome I E-business Group website to examine the e-business legal issues associated with the current EU proposal on a regulation on the law applicable to contractual obligations (Rome I). [See our posts on Rome I here.] William Roebuck, Legal Policy Director at the E-RA, states:

The Federation of Small Businesses has undertaken research work concerning the costs of the proposal, covering legal fees, translation fees and implementation fees. The total cost of entry per member state is 15,052.59 euros (excluding VAT) for a business to comply with its commitments under Rome I. This amounts to 242,756.00 euros (excluding VAT) for entry to the single market. These figures, together with staff costs will put a significant brake on cross border e-commerce, to the detriment of businesses and consumers.

We are urging MEPs, the European Council and Member States to rethink this proposal in line with the Commission's better regulation and i2010 strategies.

Their excellent website can be found *here*. *Many thanks to Will Roebuck for the info.*

Lecture on European Private Law at Southampton

On Tuesday 24 April 2007, the *Annual Bond Pearce Lecture in European Law* at the University of Southampton, School of Law, will be delivered by **Alexander Layton QC**, 20 Essex Street. Its title is: 

The Growth of European Private Law: Some Reflections on the 50th Anniversary of the Treaty of Rome.

Time and Venue: 5.45 pm; Main Lecture Theatre, Room 1027, Nightingale Building, Highfield Campus, Southampton (UK).

Please visit this Website for more details, or contact: Sotirios Santatzoglou, School of Law, Southampton University, Tel. 023 8059 5333.

Mixed Contracts, the Vienna Sales Convention and the Brussels Convention

Ulrich G Schroeter (University of Freiberg - Faculty of Law) has posted "**Vienna Sales Convention: Applicability to 'Mixed Contracts' and Interaction With the 1968 Brussels Convention**" on SSRN; it originally appeared in the *Vindobona Journal of International Commercial Law and Arbitration*, Vol. 5, pp. 74-86, 2001. The abstract reads:

The present article discussed various questions pertaining to the interpretation

of Article 3(1) and (2) of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG), the provisions which deal with so-called 'mixed contracts', i.e. contracts that involve elements of a 'sale' proper alongside obligations to manufacture or produce goods or to supply labour or other services.

In its second part, the paper elaborates on the interaction between the CISG's provisions defining the place of performance (Articles 31 and 57 CISG) on one hand and Article 5(1) of the Brussels Convention of 27 September 1968 on Jurisdiction and the Recognition and Enforcement of Judgements in Civil and Commercial Matters and its successor, Article 5(1) of the EC Council Regulation 44/2001 of 22 December 2000 on the Recognition and Enforcement of Judgements in Civil and Commercial Matters on the other hand.

You can download the paper from **here**.

Conflict of Laws in Mexico

Jorge A. Vargas (*University of San Diego - School of Law*) has posted "**Conflict of Laws in Mexico as Governed By the Rules of the Federal Code of Civil Procedure.**" Here's the abstract:

Since NAFTA entered into force in 1994, international litigation between the United States and Mexico has grown- and continues to grow-exponentially. In recent years, the application of foreign law in California and Texas has become equivalent to Mexican law, and soon other states will follow suit, including Arizona, New Mexico, Florida and Illinois.

Prior to 1988, the Mexican legal system was not legally equipped to consider the application of foreign law in that country. In other words, until that year, only Mexican law was applied by Mexican judges in Mexican courts. At the same time, Mexico's legal system virtually lacked legal provision in its codes and statutes that allowed for the conduct of certain procedural acts requested

by foreign judges (i.e., American judges) such as serving summons, taking evidence, recording depositions and enforcing judgments in that country. However, all of this changed in 1988 when President Miguel de la Madrid made the necessary legislative amendments both to the Federal Civil Code and to the Federal Code of Civil Procedure with the addition of Book Four titled: International Procedural Cooperation.

This article discusses in detail the principles and rules governing the conduct of International Judicial Cooperation between Mexico and other countries, notably the United States, involving service of summons, taking of evidence, and enforcement of foreign judgments and arbitral awards by means of letters rogatory with the assistance of Mexico's Central Authority (i.e., Secretaría de Relaciones Exteriores (SRE) or Secretariat of Foreign Affairs) or that of the members of Mexico's consular service. These principles and rules are found in Articles 543-577 of Mexico's Federal Code of Civil Procedure.

Download the article from **here**.

Exclusive Jurisdiction, Cross-Border IP Infringement and the Brussels I Regulation

Paul Torremans (Nottingham University) has published "**Exclusive jurisdiction and cross-border IP (patent) infringement: suggestions for amendment of the Brussels I Regulation**" in the *European Intellectual Property Review* (E.I.P.R. 2007, 29(5), 195-203). Here's the abstract:

Calls for amendments to Council Regulation 44/2001 (the Brussels I Regulation) concerning cross-border patent infringement claims, in the light of European Court of Justice rulings on claims of invalidity raised in infringement proceedings, and the consolidation of claims against related defendants in more

than one Member State. Suggests reform proposals to facilitate the effective enforcement of patents.

The ECJ ruling in question is, of course, *Gat v Luk*. The article is available to those with a subscription to the EIPR.