Symposium: "International Litigation In Intellectual Property And Information Technology"

The symposium is organized by the *Unité de droit international privé* of the ULB (*Université Libre de Bruxelles*) in the framework of the project on **"Judicial Cooperation in Matters of Intellectual Property and Information Technology"**, co-financed by the European Commission, and will take place in **Brussels on Friday, March 2nd 2007**.

It is a follow-up to an earlier roundtable, held in Heidelberg in late 2006 (a background paper prepared for the Heidelberg meeting can be found here; other interesting preliminary documents dealing with specific topics are available here). As stated on the symposium programme, a number of key issues related to cross-border IP litigation will be addressed, in the light of recent case-law of the European Court of Justice (GAT and Roche judgments, on which a number of recent posts can be found on our website) and legislative proposals (Rome II Regulation):

> *How should the applicable procedural framework be organized to guarantee at the same time an effective protection of intellectual property rights and legal certainty? Which court has jurisdiction to entertain actions relating to foreign rights and/or relating to infringements perpetrated trough the internet? Is it still possible to consolidate proceedings relating to parallel IP rights after the decisions of the European Court of Justice in the GAT and Roche cases? What are the means to collect evidence located abroad in cross-border IP cases? What is the role and scope of preliminary and protective measures in IP international litigation?*

For the full programme, the complete list of speakers and further information (including registration, free for students), see the project website and the downloadable leaflet.

New website of the Unité de D.I.P. – Université Libre de Bruxelles

On February 1st, 2007, the new website (in French) of the *Unité de droit international privé* (*Centre de droit privé, Faculté de Droit*) *de l'Université Libre de Bruxelles*, directed by Prof. Nadine Watté, has been launched online.

The site provides a complete coverage of the different sectors of conflict of laws and jurisdictions, with useful references to legal texts, literature and cases. A special attention is obviously dedicated to Belgian PIL and the development of EC action in this field (including short summaries of ECJ case-law on Brussels Convention and Brussels I Regulation). An older version of the site, whose content has not yet been transferred in the new one, can be found here.

An English Case on CPR r.6.20(5) and "In Respect of a Contract"

NIGEL PETER ALBON (T/A N A CARRIAGE CO) v (1) NAZA MOTOR TRADING SDN BHD (A company incorporated with limited liability in Malaysia) (2) TAN SRI DATO NASIMUDDIN AMIN [2007] EWHC 9 (Ch)

Summary: the words "in respect of a contract" in the CPR r.6.20(5) did not require that the claim arose under a contract; they required only that the claim related to or was connected with the contract.

The applicants (N and X) applied for an order setting aside an order permitting the respondent (Y) to serve proceedings on them in Malaysia. Y had brought an action against N, a Malaysian company, and X, its main shareholder, arising from

three agreements. In respect of the first agreement (the UK agreement), Y sought the recovery of alleged overpayments that he claimed had been made under an oral agreement whereby he would sell cars exported from Malaysia by N and be paid a share of the profits. As to the second agreement (the South African agreement), Y asserted the existence of an oral agreement under which N had agreed to pay him commission on cars sourced by him from South Africa and supplied to N in Malaysia. As to the third agreement (the expenses agreement), Y alleged that he had paid personal expenses of X in London amounting to just less than £200,000. The master acceded to Y's application, made without notice, for an order permitting him to serve proceedings on N and X in Malaysia.

Lightman J. held that (1) The master had been justified in granting Y permission to serve outside the jurisdiction in respect of the UK agreement. Y's claim in restitution was a claim "in respect of a contract" for the purposes of the CPR r.6.20(5). Those words did not require that the claim arose under a contract; they required only that the claim related to or was connected with the contract. Lightman J. stated (para. 26),

> *...in my judgment claims under Gateway 6.20(5) are not confined to claims arising under a contract. It extends to claims made "in respect of a contract" and the formula "in respect of" (tested by reference to English law) is wider than "under a contract": see e.g. Tatum v. Reeve [1893] 1 QB 44. The provision in the CPR is in this regard deliberately wider than the provision in its predecessor RSC Order XI. In this regard, unlike Mr Nathan (counsel for the Defendants) I do not think that any assistance is obtained from the decision in Kleinwort Benson v. Glasgow City Council [1991] 1 AC 153 at 162 and 167. In that case the House of Lords was concerned with section 16 and 17 of the Civil Jurisdiction and Judgments Act 1982 which (subject to certain modifications) incorporated the Brussels Convention into the law of the United Kingdom. One modification effected to Title 11 of the Convention was to the following effect:*
>
> *"5. A person domiciled in a part of the United Kingdom may, in another part of the United Kingdom, be sued: (1) in matters relating to a contract, in the courts for the place of performance of the obligation in question; ..."*
>
> *In the context of the formula of words there used, and in particular the reference to the place of performance of the obligation in question, there is postulated the existence of a contract giving rise to an obligation of*

performance in the country whose courts are to have jurisdiction.

Accordingly the formula of words in CPR 6.20(5) "in respect of a contract" does not require that the claim arises under a contract: it requires only that the claim relates to or is connected with the contract. That is the clear and unambiguous meaning of the words used. No reference is necessary for this purpose to authority and none were cited beyond Tatum v. Reeve supra. If such reference were needed, I would find support in a passage which I found after I had reserved judgment in the judgment of Mann CJ in Trustees Executors and Agency Co Ltd v Reilly [1941] VLR 110 at 111:

Further, there could be no doubt that English law was the law with which the UK agreement was most closely connected. England was Y's habitual residence when he entered into the agreement, and the characteristic performance of the agreement was the provision of his agency services in England in return for which he was to be remunerated. Moreover, there was a serious issue to be tried, and the appropriate forum for the resolution of the disputes relating to the agreement was plainly England. Although there had been a number of defaults in disclosure by Y on the application for permission, that did not justify the setting aside of the master's order. To take that course would be disproportionate and contrary to the overriding objective of dealing with the case justly. Y should, however, face a sanction in costs for the breaches of his disclosure obligations. (2) On the available evidence, it was clear that South African law was the proper law of the South African agreement.

Further, South Africa was the suitable forum for the resolution of the disputes between the parties. It would therefore be appropriate to set aside the master's order insofar as it related to that agreement. (3) As to the expenses agreement, although the requirements of each of the gateways in the CPR r.6.20 on which Y had relied were satisfied, he had been guilty of non-disclosures that went to the heart of the application, and the master had been sorely misled as to the merits in respect of two critical facts. It would therefore be appropriate to set aside the grant of permission to pursue any claims under the expenses agreement.

See the HMCS website for the full judgment.

Source: Lawtel.

Choice of Law in American Courts in 2006: Twentieth Annual Survey

Dean Symeon Symeonides has just released his latest annual salvo into surveying the vast array of choice of law cases in American federal and state courts. Of the 2,598 conflicts cases referencing such matters this past year, the Survey focuses on those cases that may add something new to the development or understanding of choice of law issues. The Survey is intended as a service to fellow teachers and students of conflicts law, both within and outside the United States. Its central purpose is to inform rather than to advocate.

This year's Survey covers the following topics and sub-topics:

I. Methodology (1. Torts; 2. Contracts; 3. The Methodological Count);

II. Torts in General (1. Car-Lessor's Liability; 2. "No play, No pay" Rules; 3. Other Traffic Accident Cases; 4. "Border-Line" Cases (Literally); 5. Cross-Border Pollution 6. Cross-Border Medical Malpractice; 7. Consumer Fraud; 8. Premises Liability; 9. Sexual Assault);

III. Products Liability (1. Inverse Conflicts; 2. Direct or True Conflicts);

IV. Contracts (1. Contracts with Choice-of-Law Clauses; a. Employment Contracts; b. What Law Governs Choice-of-Forum Clauses; c. Choice-of-Law and Arbitration Clauses; 2. Contracts without Choice-of-Law Clauses; a. Attorney Fees; b. CISG);

V. Insurance Conflicts (1. Automobile Insurance; 2. Other Insurance Conflicts);

VI. Statutes of Limitation;

VII. Privileges and Immunities;

IX. Defense of Marriage Act; and

X. International Cases (1. Hypothetical Jurisdiction and Forum Non Conveniens

;2. Alien Torts Claims Act; 3. Extraordinary Rendition and TVPA; 4. Suits Against Foreign Governments; 5. Yahoo! and Foreign Judgments; 6. Extraterritorial Reach of Federal Statutes; a. Sarbanes-Oxley; b. Civil Rights Act of 1871; c. Criminal Statutes; d. Patents and Trademarks).

The AALS Section on Conflict of Laws has characterized these surveys as "enormously informative and influential" and "extraordinarily helpful to the members of the Section, other academics, the Bench and the practicing bar." Dean Symeonides' latest survey is available on the SSRN, and will be published in an upcoming volume of the American Journal of Comparative Law. The 2006 edition will also be forthcoming on the American Society of Comparative Law website.

Article 15 of the Civil Code is No Longer a Bar to the Recognition of Foreign Judgments in France

On May 23rd, 2006, The French supreme court for civil, commercial and criminal matters (*Cour de cassation*) held in the *Prieur* decision that article 15 of the Civil Code is no bar any more to the recognition or enforcement of foreign judgments in France and overruled an 80 year old interpretation of this provision.

Article 15 of the Civil Code provides that French citizens may be sued before French courts. This provision obviously gives jurisdiction to French Courts over French defendants. But the provision was also construed by the *Cour de cassation* as a defence against the recognition of foreign judgments delivered against French defendants. From the French perspective, the jurisdiction of French Courts over French defendants was thus exclusive. This priviledge could be waived by the French defendant, for instance by agreeing to a jurisdiction clause, or by defending on the merits before the foreign court without challenging its jurisdiction. But when it had not been waived, it was a fortress that could not be

defeated. It applied in all almost fields (contract, torts, family law, etc…), except in immovable or enforcement matters. But its scope was shrinking as European conventions and many bilateral treaties excluded its application.

In *Prieur*, the *Cour de cassation* held that article 15 could not be used any more to determine whether the foreign court lacked jurisdiction from the French perspective and thus made its judgment unenforceable in France. In that case, a French citizen born and living in Switzerland had married in Switzerland a woman who was also born and lived there. In 1996, a Swiss court annulled the marriage, and the wife then sought a declaration of enforceability of the judgment in France. The husband challenged the jurisdiction of the Swiss court in the French enforcement proceedings on the sole ground of his citizenship. The court held that it was irrelevant, and that the foreign court having a significant link with the dispute, it had jurisdiction from the French perspective. The Swiss judgment was found enforceable in France.

It is no mystery in French circles that this change is due to a modification of the composition of the court. Several influential French writers have already written that they fully support the change (Bernard Audit in *Recueil Dalloz* 2006, p. 1846, Helene Gaudemet-Tallon in *Revue Critique de Droit International Privé* 2006, p. 871. Professor Courbe, however, wrote a critical commentary in *Les Petites Affiches*, 22 Sept. 2006, p. 10). It is good news for plaintiffs suing French nationals in jurisdictions which have not concluded treaties with France such as, for instance, the United States. The debate in France is now whether the remaining conditions for the recognition of foreign judgments are sufficient to prevent the recognition of judgments that should not be recognised. The answer is probably yes, but one can wonder which condition could be an efficient bar to judgments made by foreign corrupt judiciaries. None of those remaining in France, it is submitted.

Substantive Law, Technology and Intellectual Property in the Conflict of Laws

Kimberlee G. Weatherall (*University of Queensland – T.C. Beirne School of Law*) has posted "**Can Substantive Law Harmonisation and Technology Provide Genuine Alternatives to Conflicts Rules in Intellectual Property?**" on SSRN (also to be found in *Media & Arts Law Review, Vol. 11, No. 4, p. 393, 2006*). The abstract reads:

> *This article investigates whether there could be practical alternatives to relying on private international law to solve legal boundary issues in cross-border communications contexts, especially those involving IP rights. It points out that certain developments would seem to be tending in this direction — first, with significant moves to remove the legal boundaries (or make them undetectable) through harmonisation of IP law; second, with advancements in technology that seek to 'reimpose' geographic borders. Developments in both fields proceed apace, and it is worthwhile to explore what difference, if any, they will make. The conclusion is that, although both contribute at some level, perhaps unsurprisingly, neither provides a complete response.*

You can download the article, for free as usual, from here.

Choice of Law, Jurisdiction and Foreign Judgment Enforcement in

IP Disputes

Richard Garnett (*University of Melbourne – Faculty of Law*) has posted "**An Overview of Choice of Law, Jurisdiction And Foreign Judgment Enforcement in IP Disputes**" on SSRN (also in *Media & Arts Law Review, Vol. 11, No. 4, p. 341, 2006*). Here's the abstract:

> *Historically, the bodies of legal doctrine known as private international law and intellectual property have inhabited largely separate spheres. Recent technological developments have, however, made possible the communication and infringement of IP rights on a global scale. This article examines the current relationship between private international law and intellectual property as well as a recent reform proposal by the American Law Institute.*

Available from here.

Arbitration and the Brussels Convention

Legal Department du Ministère de la Justice de la République d'Irak c./ Stés Fincantieri, Finmeccanica et Armamenti E Aerospazio is the first French case to address the issue of whether the 1968 Brussels Convention applies to the enforcement of a foreign judgement declaring an arbitration clause void. The judgement was rendered by the Paris Court of Appeal on June 15th, 2006, and I understand that an appeal is now pending before the French Supreme court for civil, commercial and criminal matters (*Cour de cassation*). The dispute had arisen between the State of Iraq and three Italian companies. Of course, as any proper French judgement, not much is said on the facts. It is only stated that Iraq concluded a contract with each of the companies, and that each contract contained an ICC arbitration clause. At the beginning of the 1990s, arbitration proceedings were initiated pursuant to the clauses, while the Italian companies

initiated proceedings in Italy to have the arbitration clauses declared void. In 1994, the Genoa Court of Appeal did declare the clause void as being contrary to the embargo established by the U.N. 661 Resolution of 1990, but did not go on to rule on the merits. For the following decade, the arbitration went on. In 2004, the Italian companies sought a declaration of enforceability of the 1994 Genoa judgement in France. The Paris Court of appeal noticed in its judgement that, interestingly enough, that was precisely at the time when the arbitral tribunal was getting close to make its award. The case before the Paris Court of appeal was whether the Italian judgement could be declared enforceable in France. The Court held that it could not. The first reason was that the Brussels Convention did not apply, because the case fell within the exclusion of article 1, d) of the Convention. One could maybe have expected the Court to rule that the Italian judgement was clearly dealing with an issue of arbitration, as it had only held that the arbitration clauses were void, and had not ruled on the merits. Instead, the Court held that the rationale behind the exclusion was to allow the contracting states to comply freely with their international undertakings under the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, and that one of such undertaking was the obligation for courts of Contracting states to decline jurisdiction in presence of an arbitration clause, pursuant to article II of the New York Convention. The Court then went on to examine whether the 1930 Franco-Italian Convention applied, and found that it did not either. Finally, and most interestingly, the Court held that the Genoa Court did not have jurisdiction from the French perspective. The reason why it lacked jurisdiction was that it had accepted to examine whether the arbitration clause was valid and applicable when, under French law, courts do not have such power unless the clause can be found prima facie void or inapplicable.

In order to fully appreciate the meaning of this judgement, it is important to appreciate how French law of arbitration differs from the law of arbitration of most jurisdictions. Under French law, arbitrators have a priority to rule on their own jurisdiction. The competence-competence principle entails not only that arbitrators may rule on their own jurisdiction, but also that they have a priority to do so over national (French) courts, and that such courts ought to decline jurisdiction to do so unless they find that the clause is prima facie void or inapplicable (“*manifestement nulle ou inapplicable*”). The French judgement projects this peculiar perception of the strength of the jurisdiction of arbitrators internationally. The Italian Court is found as lacking jurisdiction because it

declared the arbitration clause void without finding that it was prima facie so, although Italian law may well have provided that (Italian) Courts do have the power to examine whether arbitration clauses are valid and applicable before declining jurisdiction.

Conference 2007 – Programme and Booking

We are delighted to announce that the **Programme** for the ***Journal of Private International Law Conference 2007***, to be held at the University of Birmingham on 26 – 27 June, is now available. Please see the Conference Homepage for more details. Here are all the relevant links:

- The Conference Homepage on the University of Birmingham website
- The Programme (you can also view it on this site – see the Conference 2007 page)
- Information on the Conference Fees, and Booking (you can register online or via the downloadable word document)
- Information on the state-of-the-art venue
- Contact details, if you have any questions or queries

There are a limited number of places available at the conference, so we do advise you to book as early as possible.

We very much hope to see you at the conference in June.

"Rome II" and the Choice of Law for Defamation Claims

There is a substantial note (some 41 pages) in the new issue of the *Brooklyn Journal of International Law* by Aaron Warshaw (Brooklyn Law School) entitled, "**Uncertainty from Abroad: Rome II and the Choice of Law for Defamation Claims**". The article can be downloaded **for free** from the Journal homepage. Here's some of the introduction:

> *Like many other areas of law, commentators have repeatedly noted that the Internet has wreaked havoc on the jurisdictional and choice-of-law aspects of international defamation claims. Much of this difficulty stems from substantive differences in national approaches to defamation law and the ease with which plaintiffs can bring their claims in foreign jurisdictions. Central to these differences is the fact that, compared to the United States, many countries "place much greater importance on the protection of personal reputation, dignity, and honor than they do on protecting the freedom of speech." While U.S. defamation law reflects the constitutional guarantees of freedom of speech and press under New York Times v. Sullivan and its progeny, Sullivan's impact abroad has been mixed. Instead, every country possesses a different legal standard for resolving defamation claims based on their particular histories, values, and political systems. For instance, while the United States and the United Kingdom share the same tradition of common-law defamation, both countries have developed divergent approaches to balancing free speech and reputation interests. This conflict-of-laws problem is exacerbated by the fact that foreign courts appear keen to adjudicate claims against U.S. publishers without regard for the free-press protections under U.S. law. As a result, publishers are now subject to new and unforeseen liabilities and are likely to begin constructing "virtual borders" around their Internet presence to avoid exposure to restrictive foreign defamation laws.*
>
> *In assessing the current situation, one British government commentator noted that any substantive solution to the difficulty of international defamation law would come in the realm of international treaty accompanied by greater harmonization of substantive national laws. One such pending treaty that will perhaps encompass the problematic arena of international defamation law is*

"The law applicable to non-contractual obligations," known commonly as "Rome II." This agreement among the European Union's Member States will determine the choice of law for cross-border defamation claims as well as a variety of other crossborder claims based in non-contractual relationships. Rome II will determine which law is applicable to all defamation claims brought within a Member State's forum, although jurisdiction will continue to be available in any nation where a publication is read. As such, Rome II presents an opportunity for an international body of lawmakers to adopt a clearer and fairer standard of how to settle defamation claims against foreign publishers in the Internet age.

Yet, despite the possibility of creating a clearer choice-of-law standard, Rome II's defamation provision proved to be extremely difficult to resolve. In 2006, after over three years of work, the European Union found itself no closer to creating a rule that all members could agree upon. The European Commission eventually excised the defamation provision from Rome II, effectively forestalling a new framework for the choice of law for defamation claims within the European Union's Member States. Despite this setback, much can still be learned from Rome II, both in terms of its potential application as well as the issues raised and debated during the drafting process—issues that are emblematic of the broader complexities of defamation law in the Internet age. This Note will argue that the European Commission's parliamentary maneuver is by no means the end of the story, but rather it is one chapter in a slow, difficult struggle to achieve a workable solution that satisfies publishers, national courts, and defamation plaintiffs. Part II of this Note examines the existing choice-of-law and jurisdictional rules for resolving defamation claims in Europe, the United States, and in other nations. Part III traces Rome II's legislative history, focusing on the opposing place-of-harm and place-of-publication approaches to defamation claims. Part IV examines Rome II through the lens of the modern American approach to conflicts of law. This Note concludes that while the drafters of Rome II attempted to create a rule to protect publishers, their inability to successfully adopt such a provision reflects the intractability of balancing publishing and reputational interests. This Note will argue that American conflicts law provides key insights into both the policy behind protecting press interests and also how to create a more workable choice-of-law framework.

Highly recommended. Download it from here.