

## International Private Law Issues regarding Trademark Protection and the Internet within the EU <sup>1</sup>

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**Abstract.** Given the global nature of the Internet, online trademark infringements always involve multiple territories. When any litigation is brought, it is necessary to determine the relevant jurisdiction and applicable law and then to resolve various issues in the recognition and enforcement of foreign judgments. In resolving these questions, courts will proceed according to their own international private law regulations, which may differ considerably from state to state. Internet-related cases always have the additional complication that it is extremely difficult to determine with reasonable certainty the court with jurisdiction and the applicable law. Over the years, the legal frameworks on civil court jurisdiction have been unified somewhat on a European scale. Courts in the EU must currently proceed according to Community law, particularly the Brussels I Regulation and, in the near future, the Rome II Regulation.

### 1. Introduction

This submission <sup>1</sup> deals with selected issues in international private law concerning trademark right protection and the Internet in the European Union. <sup>2</sup> The establishment of the Internet continues to generate major commercial opportunities in fields including advertising and product offers and services. These lucrative applications of the Internet have been accompanied by a number of intellectual property problems occurring not only in the area of trademark rights protection, but of intellectual property protection more generally. Various disputes have arisen regarding the use of trademarks on the Internet where different entities are the owners of identical or similar trademarks for identical or similar goods or services in different countries. Similarly, disputes have unfolded in cases where one entity's trademark conflicts with an existing domain name, commercial name, or other designation.

Like all intellectual property rights, trademark rights are based on the principle of territoriality. Trademarks are protected in individual states, or, as the case may be, on a regional basis (e.g. as Community trade marks), but never on a global scale. Territorial restrictions on intellectual property rights drove the development of international intellectual property law beginning at the end of the 19<sup>th</sup> century. These efforts sought to improve the international protection of intellectual property rights. Nevertheless, not even these steps have yet managed to alter the territorially limited nature of intellectual property.

At present, the main source of international law related to industrial property rights, including also trademark rights, is the Paris Convention for the Protection of Industrial Property (the "Paris Convention"). <sup>3</sup> According to the Paris Convention, each country of the Paris Convention must grant the nationals of other countries the same protection afforded to its own nationals, i.e. the protection of domestic law (the national legal system), provided that all conditions and formalities imposed upon its own nationals have been observed. <sup>4</sup> In addition, the Paris Convention prescribes that each country must grant the nationals of all other countries certain minimal rights, irrespective of its own national law, i.e. even where these rights are not extended to its own nationals (*iura ex conventionione*), for example, in the area of priority rights. <sup>5</sup> Other effective international treaties on trademarks include the Madrid Agreement Concerning the International Registration of Marks, and the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks or the Trademark Law Treaty. <sup>6</sup> Nevertheless, the fact remains that with the exception of certain direct rules on the *iura ex conventionione* principle and the status of other countries, no unified substantive law on national trademarks has yet been established among the countries of the above-mentioned international treaties. <sup>7</sup> This situation can be contrasted somewhat with the regulation of Community trade marks, where the substantive laws set out in Council Regulation (EC) No 40/94 of December 20, 1993 on the Community Trade Mark, are uniform and directly binding throughout the entire territory of the EU.

Where trademark infringement litigation involving the Internet concerns more than one state, then, as in any private legal relationship with an international element, it is necessary to resolve a number of key issues.

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These problems cover the determination of both jurisdiction, *i.e.* the state whose court is entitled to deliver a judgment on the merits and the applicable law as well as various issues in the recognition and enforcement of foreign judgments. International private law decides these matters in most cases on the basis of territorially connecting factors, such as the domicile of a person, the place of registration of an industrial property right, or the place of infringement. Nevertheless, due to the global nature of the Internet, it has become increasingly difficult to apply territorially connecting factors and to determine with reasonable certainty which court will have jurisdiction and which laws will apply.<sup>8</sup>

## **2. Jurisdiction**

Each state and its legal system is essentially responsible for determining the court with jurisdiction to decide on matters with an international element, even where these issues are also the subject of international treaties. When resolving this question, courts proceed according to their own international private law regulations, which may differ considerably from state to state.

On a European scale, the legal frameworks covering civil court jurisdiction have been unified to some extent over the years. This has occurred primarily through the conclusion of international treaties, including the Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters, adopted in Brussels on September 27, 1968 (the “Brussels Convention”) and the Lugano Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters, adopted in Lugano on September 16, 1988 (the “Lugano Convention”).

The Brussels Convention was subsequently adapted for EC member states in the form 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<sup>9</sup> (the “Brussels I Regulation” or the “Regulation”).<sup>10</sup> The Lugano Convention, concluded among the member states of the EC and Iceland, Norway and Switzerland, effectively extended the application of the Brussels Convention to these EFTA members, which, as non-EC states, had not been party to the earlier treaty.

In recent years, it has proven necessary to adapt the rules under the Lugano Convention on jurisdiction and judgment recognition and enforcement in civil and commercial matters so that they correspond with the parallel regulation under the Brussels I Regulation. This harmonisation should ensure that court proceedings are handled and directed in the same manner by EC member states and the EFTA states.<sup>11</sup> A new Convention on the Recognition and Enforcement of Judgments in Civil and Commercial Matters<sup>12</sup> (the “Lugano Convention II”) has therefore been signed to replace the Lugano Convention. The application of the Brussels I Regulation will not be influenced by this treaty.<sup>13</sup>

The relationship between the Brussels I Regulation and the bilateral international conventions and treaty listed in its Article 69 has been resolved so that in any matters addressed by the Regulation, it supersedes these conventions and the treaty.<sup>14</sup> These conventions and treaty therefore continue to govern any issues not dealt with in the Regulation. The Regulation’s relationship with national law is set out in Article 249 paragraph 2 of the Treaty establishing the European Community,<sup>15</sup> which states that the Regulation shall have general force and will be binding in its entirety and directly applicable in all member states. Any national regulations that conflict with the Regulation are rendered ineffective as a result of its priority. Issues not contemplated by the Regulation are naturally to be assessed from the standpoint of national law.

The Brussels I Regulation unifies the international procedural law valid for EU member states. These rules take priority over the international private law regulations of individual states. Turning to the provisions on determining international jurisdiction, the Brussels I Regulation distinguishes general rules of jurisdiction and cases of exclusive jurisdiction, special jurisdiction, and jurisdiction based on the agreement of the parties.<sup>16</sup> According to the general rules, persons domiciled in a member state shall be sued in the courts of that member state, irrespective of their nationality.<sup>17</sup> For legal persons, the place of domicile is deemed to be the location of their statutory seat, central administration, or principal place of business.<sup>18</sup> Under the Regulation, persons residing in one member state may be sued in the courts of another member state only if the nature of the disputed matter or the agreement of the parties justifies this measure.<sup>19</sup> If the defendant is not domiciled in a member state, it is generally a matter of the law of each member state whether its courts have jurisdiction to hear a particular case.<sup>20</sup> According to the Brussels I Regulation, courts in the local jurisdiction shall be governed by the laws of their own member state, unless this local court has jurisdiction based on the special jurisdiction rules (see below).

The rules on exclusive jurisdiction in international cases do not apply to litigation on trademark infringement caused by use of the Internet.<sup>21</sup> Such Internet-related litigation may, however, be affected by the rules of special jurisdiction, which state that in matters of tort, delict or quasi-delict, persons residing in a member state must be sued in the courts of the place where the harmful event occurred or may occur (Art. 5 (3) of the Brussels I Regulation). According to this provision, these courts have special competence in cases of litigation arising from a tort, delict or quasi-delict. These special jurisdiction rules reflect the principle that persons harmed

by injurious conduct should not be forced to sue in the place of domicile of the defendant, which might be outside the state where the harmful event occurred.<sup>22</sup> This concept applies solely in these cases of tort, delict or quasi-delict resulting in a harmful event or at least in the possibility of such an event. For this reason, the relevant court jurisdiction is determined as the place of the harmful event. Nevertheless, the availability to the plaintiff of this or any other special jurisdiction rule does not exclude the option of applying the general rules on international jurisdiction, as described above. In these situations, it therefore always remains possible to sue a person in the place of its domicile, and selection of the competent court remains at the discretion of the plaintiff.

The case law of the European Court of Justice, including earlier decisions on the identical article of the earlier Brussels Convention,<sup>23</sup> provides useful guidance in the interpretation of the terms of Article 5 paragraph 3 of the Brussels I Regulation. Concerning the wording “matters related to tort, delict or quasi-delict”, the European Court of Justice ruled in its judgment C-189/87, *Athanasios Kalfelis v Bankhaus Schröder, Münchmeyer, Hengst and Co. and others*, dated September 27, 1988, that this expression must be regarded as an independent construction covering all legal actions seeking to establish the liability of a defendant that were not contractually related within the meaning of Article 5 paragraph 1 of the Regulation. The issue of the real or potential place of occurrence of a harmful event had previously been addressed in the European Court of Justice judgment C-21/76, *Handelswekerij G. J. Bier BV v Mines de Potasse d’Alsace SA* of November 30, 1976. The court found in that case that the expression “place where the harmful event occurred” must be understood as intended to cover both the place where the damage occurred and the place of the event triggering such damage. In consequence, the defendant could be sued, at the plaintiff’s discretion, either in the courts of the place where the damage had occurred or those of the place of the event which had triggered and been the source of the damage. The plaintiff should be permitted to choose the place of the suit, particularly since it had not caused the litigious event and so should be granted “an advantage” in bringing the litigation. In the judgment C-168/02, *Rudolf Kronhofer v Marianne Maier, Christian Möller, Wirich Horiuz, Zeki Karan*, dated June 10, 2004, the expression “place where the harmful event occurred” was held not to refer to the place where the claimant was domiciled or where “his assets are concentrated” by reason of the fact that he had only suffered financial damage in that place of domicile as a result of the loss of part of his assets which had arisen and been incurred in another “Contracting State”.

In proceedings involving Community trademark infringement through Internet usage, the rules of the Brussels I Regulation are applicable, unless Council Regulation (EC) No 40/94 of December 20, 1993 on Community Trade Marks (“CTMR”) stipulates otherwise. On this basis, various provisions including the general provisions (Art. 2) and rules on special jurisdiction (Art. 5 (3)) under the Brussels I Regulation do not apply in these situations.<sup>24</sup> In point of fact, the action of infringement should be heard by the European Court of Justice, however this court has no jurisdiction in civil disputes between private subjects. CTMR therefore delegates the enforcement of Community trademark rights to national courts. Each member state is obliged to designate as limited a number as possible of national courts and tribunals of first and second instance (‘Community trade mark courts’) in its territory which shall perform the role assigned to them under the CTMR.<sup>25</sup> These Community trade mark courts have exclusive jurisdiction for all actions concerning infringement or threatened infringement (if such threatened infringement actions are permitted under national law) that relate to Community trade marks.<sup>26</sup> In principle, the jurisdiction of the Community trade mark courts is based on the place of domicile of one of the parties.<sup>27</sup> If it is impossible to determine the jurisdiction in this manner, these proceedings must be brought in the courts of the member state where the Office for Harmonisation in the Internal Market has its registered office, *i.e.* in Spain.<sup>28</sup> The CTMR also allows for the parties’ own agreement on the applicable jurisdiction in their case, as well as the appearance of the defendant before a different Community trade mark court.<sup>29</sup> Finally, Community trade mark courts have jurisdiction concerning any acts of infringement carried out or threatened inside the territory of any member state.<sup>30</sup> The jurisdiction of these courts is, thus, extended to the entire territory of the EU.<sup>31</sup>

When an infringement of trademark rights occurs through the use of a trademark or other sign on the Internet, the principal question which arises is where the infringement has occurred, *i.e.* how to connect the Internet-related infringement with the jurisdiction of a particular court. It may be the case that for a single instance of trademark infringement over the Internet, the jurisdiction of more than one state applies. If the place of the infringement is not only the place of its occurrence, but also the place of the event, which gave rise to it, the plaintiff will be entitled to choose from several jurisdictions according to the one which seems most advantageous to its action. This practice of choosing between jurisdictions is commonly called court or forum shopping. Depending on the place where the litigation is heard, different conflict of laws rules will determine the governing law, and these rules may also treat the same legal relationship variously. In these circumstances, a wide range of substantive laws may be applied across the states, leading to very different litigation results.<sup>32</sup> If the plaintiff is allowed to bring multiple actions at one time (e.g. a claim based in trademark law as well as one for unfair competition), then individual claims may even be brought before different courts in this situation. A single infringement may, thus, become the object of several simultaneous proceedings in different states. The *lis pendens*

rules under Art. 27 of the Brussels I Regulation will not apply in this case since the plaintiff will argue that unrelated legal rights have been infringed.<sup>33</sup>

The case of *SG 2 v. Brokat informationssysteme GmbH*<sup>34</sup> clearly illustrates the wide range of interpretations of the term “the place where the harmful event occurred” that have been applied by European courts. This case concerned a German company which owned the registered trademark “payline” in Germany for the “Brokat-payline” Internet payment system used on its website: [www.brokat.de](http://www.brokat.de). A French company was the owner of a prior “payline” trademark issued in France and covering identical services. This French plaintiff sought an injunction against the allegedly infringing use of its registered French trademark on the German website. The defendant had never sold its products in France and used the trademark solely on the German site. The defendant contested the French court’s international jurisdiction with respect to the requested global prohibition on use of the trademark, arguing that such a prohibition might only, and at very best, be issued by a German court. In its judgment, the French court declared its jurisdiction over the German defendant under Article 5 (3) of the Brussels Convention. The court held, in particular, that the defendant’s website was globally accessible, and, thus, the place where the harmful event occurred included French territory. On this basis, an injunction was issued against Internet use of the trademark obliging the defendant to cease using the “payline” trademark in France in any manner, and hence also, and in particular, on the Internet.

Given the Internet context of the infringement, the injunction in the *Brokat* case was territorially unlimited since otherwise the French trademark owner’s rights would be infringed continually. This finding has since been queried by legal theorists who argue that applying this expansive interpretation is not an appropriate way of resolving trademark disputes involving the Internet.<sup>35</sup> If the place where the harmful event occurs is viewed as the territory of any state where the data can be downloaded to a computer and subsequently displayed, then, these theorists contend, this location will potentially include every country in the world. In such case, a large number of companies will no longer be able to use the Internet for commercial purposes.

The case of *SG 2 v. Brokat informationssysteme GmbH* may be seen as a rather extreme instance. Nevertheless, it points to the absence at present – and most likely in the foreseeable future – of any universal system for determining the place of a harmful event in these situations. If trademark rights are infringed through Internet usage, then even a relatively simple harmful event may lead to very complex legal problems concerning the establishment of jurisdiction and consequently of applicable law.

### 3. Applicable law

The conferment of jurisdiction, i.e. the determination of the court competent to decide the case on the merits, represents only the initial barrier in handling any litigation on online trademark infringement which has an international element. A secondary, but also troublesome issue concerns the applicable law, i.e. the binding substantive regulations, which should be applied in these situations. The choice of this law is a matter for the court delivering the judgment on the merits. In determining the governing regulations, this court will proceed according to the international private law of its legal system. In the case of trademark infringement through Internet use, the applicable law must be set on the basis of the territorially connecting factors under the conflict of law rules governing the obligations arising from such delict.

As discussed in the previous section, the jurisdiction and governing law issues remain to some degree connected in many situations of this type. In particular, if litigation in two or more jurisdictions is possible because an online trademark infringement has occurred in several states, the plaintiff will choose to file in whichever jurisdiction offers the most advantageous conditions for its suit. When selecting the state in which to launch the action, it will, thus, look to the particular conflict of laws rules of that state, i.e. the rules that determine the governing law. Depending on the state selected, such rules may also classify the plaintiff’s relationship with the defendant in diverse and even opposed ways.

A further development at a Community level has seen the recent adoption of regulations concerning the governing law for non-contractual obligations. This Regulation (EC) No 864/2007 on Laws Applicable to Non-contractual Obligations (Rome II) dated July 11, 2007 (the “Rome II Regulation”)<sup>36</sup> will take effect from January 11, 2009.<sup>37</sup> It applies specifically to non-contractual obligations in civil and commercial situations involving conflicts of laws. Any rule specified in the Rome II Regulation will need to be applied by member states, irrespective of whether it corresponds with their state laws. Significantly, the new law includes express and binding provisions on non-contractual obligations arising from the infringement of intellectual property rights.<sup>38</sup> The infringement of an intellectual property right, including a trademark right, shall be governed by the law of the country in which protection is claimed (*lex loci protectionis*). Where trademark rights are infringed, any resulting issue not regulated by the CTMR will be governed by the law of the country where the violation took place. The parties may not deviate from this applicable law based on a separate agreement on the choice of law.

At an EU level, the various claims, mechanisms, and remedies available to parties have their basis in European Parliament and Council Directive 2004/48/EC on the Enforcement of Intellectual Property Rights dated

April 29, 2004<sup>39</sup> (the “Directive”). The Directive sets out measures, procedures, and remedies for the due enforcement of intellectual property rights among the member states of the EU.<sup>40</sup> Member states shall construe their own laws in accordance with this Community instrument and its established interpretation. Under the Directive, member states must maintain a competent court (the “Court”) that will: (i) take prompt and effective provisional steps to preserve all relevant evidence, (ii) issue interlocutory injunctions against imminent infringements of intellectual property rights, and (iii) prevent the continuation of any alleged infringements of these rights.<sup>41</sup> This Court may order that an infringing party and/or any other person furnish information about the source and distribution networks of any goods or services infringing intellectual property rights.<sup>42</sup>

In addition, the Directive sets out specific prohibitive actions which the Court may implement according to its decision on the merits, i.e. corrective orders, injunctions, and alternative measures. In enforcing corrective orders, the Court may demand, at the request of the plaintiff that appropriate steps are taken to dispose of the goods, tools, and materials used principally for the creation or manufacture of goods infringing intellectual property rights.<sup>43</sup> Such measures include the recall of these items from the channels of commerce, their definite removal from these channels, and their destruction, all to be accomplished principally at the expense of the infringer. If the Court holds that an intellectual property right has been violated, it may impose an injunction on the infringing party prohibiting the continuation of the infringement.<sup>44</sup> Furthermore, the Court may be authorised by the member state to order alternative measures in appropriate cases at the request of the infringing party. In these cases, the Court may order the infringing party to pay financial compensation to the injured party in lieu of the various corrective orders and injunctions described in this paragraph.

In addition to these measures, the Directive states that member states must ensure that, if so requested by the injury party, the Court can instruct the infringing party to pay this person damages appropriate to the actual harm he/it suffered as a result of the infringement.<sup>45</sup> In the alternative, these damages may be set as a lump sum based on factors including at least the amount of royalties or fees applicable. The member state must also ensure that, if the injured party so requests, the Court is able to order appropriate measures to disseminate information concerning the decision, (including the display and publication of the decision), which should be financed by the infringing party.<sup>46</sup>

The Directive stipulates expressly that its aim is not to establish harmonised rules on judicial cooperation, jurisdiction, or the recognition and enforcement of decisions in civil and commercial matters. Furthermore, it is not intended to deal with the matter of applicable law.<sup>47</sup>

#### 4. Judgment Recognition and Enforcement

Generally, the recognition and enforcement of judgments by the courts of different states depends largely on the participation in a special international treaty of both the state where the judgement was issued and the state where it shall be recognised and enforced. In addition, the reciprocity principle must be observed wherever the recognition and enforcement of a foreign court judgment is concerned.

From a global standpoint, the most general international treaty in the area of civil procedural law is the Convention on Civil Procedure, which was concluded on 1 March 1, 1954 at the Hague (the “Convention”). This instrument regulates, *inter alia*, fundamental issues in the co-operation of the various courts of its member states. With respect to the EU member states, it is worth noting that the Convention remains unaffected by the Community law. According to Article 71 paragraph 1 of the Brussels I Regulation, the Convention is rather an instrument to which these member states are parties and which also governs certain matters related to governing jurisdiction and judgment recognition and enforcement. For this reason, all EU member states remain subject to the Convention even where decisions thereunder relate to a subject matter, time limit, and local jurisdiction also covered by Community law. At the same time, the Convention does not exert exclusive force on its participants. As a result, all entitled persons may choose instead to rely on Article 38 and subsequent provisions of the Brussels I Regulation when seeking to recognise and enforce judgments inside the EU.

The Brussels I Regulation includes provisions on the free movement of judgments in civil matters, which especially relate to the recognition and enforcement of these judgments across the European judicial arena.<sup>48</sup> The Regulation applies solely to judgments in civil or commercial matters. Only judgments issued by an EU state court shall be recognised and enforced in this manner; judgments of other states are exempted from these provisions, and the Brussels I Regulation does not apply to judgments issued in such states.<sup>49</sup> In this connection, the sole consideration should be whether the particular judgment was issued by a court of another EU member state, even in cases where the place of the defendant’s domicile lies outside the EU. In other words, the domicile of the parties is in no way relevant to the application of the Brussels I Regulation.

The Regulation sets out extensive procedural and substantive law rules governing the recognition and enforcement of judgments among the EU states. In particular, it stipulates that once a judgment has been issued in an EU member state and becomes enforceable there, it may only be enforced in another member state when, upon the application of an interested party, the decision is declared enforceable in that other member state.<sup>50</sup> The



procedure for lodging recognition and enforcement applications is governed by the law of the member state where the judgment shall be enforced.<sup>51</sup> The EU member state court wishing to recognise the judgment shall not be bound by the opinion of the EU member state court issuing that judgment whether the matter is civil or commercial.<sup>52</sup> The substantive content of a foreign judgment may not be reviewed under any circumstances.<sup>53</sup> In judgment enforcement proceedings, exclusive jurisdiction under the Brussels I. Regulation is conferred on the courts of the EU member state in which the judgment has been or will be enforced.<sup>54</sup>

There can be no doubt that the Courts within the Union benefit from their inter-connection through delimitation and transfer rules when it comes to the recognition and enforcement of judgments. Nevertheless, even these measures fail to counter the specific difficulties discussed in this submission in connection with efforts to redress trademark violations on the Internet. These problems, resulting particularly from the expansive, and even limitless, nature of the potential jurisdiction in these cases, are perhaps best highlighted by the judgment in *SG 2 v. Brokat*. In this case, the plaintiff sought, and the court granted, an order to remove violating data from a globally accessible server. As noted above, the enforcement of such a judgment raises serious practical, commercial, and economic risks which remain unacceptable within the European context.

## 5. Conclusion

There is, at present, very limited certainty or clarity among the legal community about how to respond to the alleged infringement of trademarks - or indeed of any intellectual property rights - based on the use of the Internet. Given the global and unpredictable nature of online activities, it is extremely difficult to predict how the jurisdiction of a single national court might be fixed, or an applicable law might be chosen in these cases. In fact, all the traditional and familiar criteria - i.e. territorially connecting factors such as the physical location of individual objects and the places of parties' domicile - that have been used to resolve these problems now look hopelessly anachronistic. From this point onwards, when considering intellectual property law rights and obligations, the key location will be every territory where data can be downloaded; it will be any country in which the Internet may be accessed, or, in effect, the entire world.

In cases of trademark - or any IP right - infringement involving the Internet, major legal problems may, thus, be expected in determining the applicable law and, in particular, the court with jurisdiction to hear the complaint, (or even the criteria for establishing this jurisdiction).

In response to these complex and pressing issues, this submission has sought to clarify the mechanisms by which EU courts may now approach and resolve cases in this area.

In this regard, it is clear that the unification of principles and policies at a Community level is crucial for the development of predictable and workable solutions. Encouragingly, the last few years have seen remarkable achievements in judicial cooperation in civil and commercial matters across the EU. The EU courts must now proceed in accordance with Community law, including the highly influential provisions of the Brussels I Regulation and very soon also the Rome II Regulation. The delayed adoption of the Directive on Certain Aspects of Mediation in Civil and Commercial Matters due to ongoing discussions of European parliament represents a setback in this regard.<sup>55</sup> Nevertheless, increased unification in the area of judgment enforcement may be expected in the future. Green Papers were presented on the effective enforcement of judicial decisions on October 24, 2006.<sup>56</sup>

It seems that currently the only global, i.e. not EU-limited, solution to Internet-related IP problems lies in the gradual harmonisation of positions on jurisdiction, applicable law, and foreign judgment enforcement and recognition under directly applicable multilateral international conventions. Various associations and organisations, including WIPO, and the Hague Conference on Private International Law (the "Hague Conference"), have focused extensively on these problems as part of their own research and development programmes.

WIPO has dealt with many of these issues under the auspices of the WIPO Forum on Private International Law and Intellectual Property. This forum represents an initial step in the long-term process of identifying possible issues for international cooperation. It has provided WIPO member states and the international intellectual property community with an opportunity to exchange views on this area of growing concern.<sup>57</sup>

The objective of the Hague Conference, whose member states include the EU,<sup>58</sup> is to work towards the progressive unification of international private law rules, *inter alia*, through the development of judicial cooperation in civil matters and support of the full completion of the mutual judgment recognition programmes. The Hague Conference has prepared a Preliminary Draft Convention on Jurisdiction and Foreign Judgments in Civil and Commercial Matters,<sup>59</sup> which contains provisions on intellectual property disputes. This draft has been praised by some legal commentators as a promising contribution to the jurisprudence in this area.<sup>60</sup> However, the progress of this draft has been intercepted.

<sup>1</sup> This submission has been developed under the auspices of the research programme MSM 21620804.

<sup>2</sup> For a discussion of substantive legal issues in trademark right protection, please see Slováková, Z. 'Protection of Trademarks and the Internet with respect to the Czech Law', in Complex 4/06, Legal, Privacy, and Security Issues in Information Technology, Vol. 2. or Journal of International Commercial Law and Technology, Vol. 1., No. 2 (2006), pp 72-79.

<sup>3</sup> Paris Convention for the Protection of Industrial Property of March 20, 1883, as revised in Brussels on December 14, 1900, in Washington on June 2, 1911, at The Hague on November 6, 1925, in London on June 2, 1934, in Lisbon on October 31, 1958, and in Stockholm on July 14, 1967, and as amended on September 28, 1979

<sup>4</sup> Art. 2 (1) of the Paris Convention.

<sup>5</sup> Art. 4 of the Paris Convention.

<sup>6</sup> Madrid Agreement Concerning the International Registration of Marks of April 14, 1891, as revised in Brussels on December 14, 1900, in Washington on June 2, 1911, at The Hague on November 6, 1925, in London on June 2, 1934, in Nice on June 15, 1957, and in Stockholm on July 14, 1967, and as amended on September 28, 1979; Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, adopted in Madrid on June 27, 1989 and amended on October 3, 2006; Trademark Law Treaty adopted in Geneva on October 27, 1994.

<sup>7</sup> For a Czech commentary, please see Kučera, Z., *Mezinárodní právo soukromé*, 6. opravené a doplněné vydání, Doplněk, Brno, pp. 283-284.

<sup>8</sup> See "WIPO Forum on Private International Law and Intellectual Property", Geneva, January 30 and 31, 2001, Background Paper Prepared by the International Bureau, WIPO/PIL/01/9, January 29, 2001. Available at [http://www.wipo.int/edocs/mdocs/en/wipo\\_pil\\_01/wipo\\_pil\\_01\\_9.doc](http://www.wipo.int/edocs/mdocs/en/wipo_pil_01/wipo_pil_01_9.doc)

<sup>9</sup> Official Journal of the European Communities, January 16, 2001, L 12/1.

<sup>10</sup> According to its Art. 68 (1), this Regulation supersedes the Brussels Convention among the member states.

<sup>11</sup> Art. 4 of the Council Decision on Signature on behalf of the European Union of Convention on the Recognition and Enforcement of Judgments in Civil and Commercial Matters.

<sup>12</sup> The Lugano Convention II was endorsed in Brussels on March 28, 2007 and signed on behalf of the EU on October 30, 2007. Its parties are the EC member states, Iceland, Norway, Switzerland and also Denmark, which shall be bound to the extent that the rules of this convention relate to it.

<sup>13</sup> Art. 64 (1) of the Lugano Convention II.

<sup>14</sup> Art. 70 (1) of the Brussels I Regulation.

<sup>15</sup> <http://eur-lex.europa.eu/LexUriServ/site/cs/oj/2006/ce321/ce32120061229cs00010331.pdf>

<sup>16</sup> Chapter II (Art. 2-31) of the Brussels I Regulation.

<sup>17</sup> Art. 2 (1) of the Brussels I Regulation.

<sup>18</sup> Art. 60 (1) of the Brussels I Regulation .

<sup>19</sup> Secs. 2-7 Chapter II of the Brussels I Regulation.

<sup>20</sup> Art. 4 of the Brussels I Regulation.

<sup>21</sup> These rules set out cases where the relevant jurisdiction is strictly prescribed, irrespective of the place of domicile of the defendant. In intellectual property matters, such exclusive jurisdiction applies to proceedings on the registration or validity of patents, trademarks, designs, or other similar rights required to be deposited or registered. The relevant jurisdiction is the courts of the member state in which the deposit or registration has been applied for, has taken place or is under the terms of a Community instrument or an international convention deemed to have taken place.

<sup>22</sup> For a discussion of this principle, please see Rauscher, T.: *Europaisches Zivilprozessrecht*, Mnichov, 2004, str. 121-122; for a Czech commentary, see Brodec J., 'Alternativní soudní příslušnost dle nařízení' Brusel I. Jurisprudence 3/2007, p. 56.

<sup>23</sup> Preamble (19) to the Brussels I Regulation stipulates the need for continuity which should also be observed by the ECJ in its interpretation of the Brussels Convention.

<sup>24</sup> Arts. 90 (1) and (2 (a)) of the CTMR.

<sup>25</sup> Art. 91 (1) of the CTMR.

<sup>26</sup> Art. 92 (a) of the CTMR.

<sup>27</sup> Art. 93 of the CTMR states that proceedings on the actions and claims mentioned in Art. 92 shall be brought in the courts of the member state in which the defendant has domicile or, if the defendant lacks domicile in any member states, in which he/it has an establishment. If it is impossible to determine the jurisdiction in this manner, such proceedings shall be brought in the courts of the member state in which the plaintiff has domicile or, if the plaintiff lacks domicile in any member states, in which he/it has an establishment.

<sup>28</sup> Art. 93 (3) of the CTMR.

<sup>29</sup> Art. 93 (4) of the CTMR.

<sup>30</sup> Art. 94 of the CTMR.

<sup>31</sup> See Gastinel, E., Milford, M., *The Legal Aspects of the Community Trade Mark*, 2001 Kluwer Law International, p. 182-183.

<sup>32</sup> For a Czech commentary, please see Kučera, Z., Pauknerová, M., Růžicka, K., Zunt, V., *Úvod do práva mezinárodního obchodu*, 1. vydání, Aleš Čeněk, 2003, p. 279.

<sup>33</sup> See Bohdan, M. 'Internet and Private International Law' in Polčák R. a kol. *Introduction to ICT Law (selected issues)*. Brno: Masarykova univerzita, 2007, p. 22 ff; for a Czech commentary, see also Polčák, R. *K otázce působnosti práva na internetu*, *Jurisprudence* 3/2007, p. 11.

<sup>34</sup> SG 2 v. Brokat Informationssysteme GmbH, Nanterre Court of Appeals, October 13, 1996, discussed in Torsten Bettinger and Dorothee Thum, "Territorial Trademark Rights in the Global Village – International Jurisdiction, Choice of Law, and Substantive Law for Trademark Disputes on the Internet (Part one)", *International Review of Industrial Property and Copyright Law*, IIC Vol 31, No 3/2000, pp. 166-167.

<sup>35</sup> *Ibid* 33.

<sup>36</sup> Official Journal of the EU, 11 June 2007, L 199/40

<sup>37</sup> Art. 32 of the Rome II Regulation

<sup>38</sup> Art. 8 of the Rome II Regulation

<sup>39</sup> Official Journal of the European Communities, June 2, 2004, L 195/16.

<sup>40</sup> Preamble (28), Art. (1) of the Directive.

<sup>41</sup> Arts. 7 and 9 of the Directive.

<sup>42</sup> Art. 8 of the Directive

<sup>43</sup> Art. 10 of the Directive.

<sup>44</sup> Art. 11 of the Directive.

<sup>45</sup> Art. 13 of the Directive.

<sup>46</sup> Art. 15 of the Directive.

<sup>47</sup> Preamble (11) of the Directive.

<sup>48</sup> The rules on judgment recognition and enforcement are contained in Chapter III (Arts. 32-56) of the Regulation.

<sup>49</sup> Art. 32 of the Brussels I Regulation.

<sup>50</sup> Art. 38 (1) of the Brussels I Regulation.

<sup>51</sup> Art. 40 (1) of the Brussels I Regulation.

<sup>52</sup> For a Czech commentary, see Vaške, V. *Uznání a výkon cizích rozhodnutí v České republice*, 1. vydání. Praha: C.H.Beck, 2007.

<sup>53</sup> Art. 36 of the Brussels I Regulation.

<sup>54</sup> Art. 22 (5) of the Brussels I Regulation.

<sup>55</sup> Communication from the Commission to the Council and the European Parliament, Report on the implementation of The Hague programme for 2006, COM (2007) 373 final, Brussels, 3.7.2007.

<sup>56</sup> *Ibid* 49.

<sup>57</sup> WIPO Forum on Private International and Intellectual Property, Geneva, January 30 and 31, 2001, Background Paper prepared by the International Bureau, WIPO/PIL/01/9.

<sup>58</sup> On October 5, 2006, the Council adopted a decision on the accession of the Community to the Hague Conference on Private Law (Official Journal of the European Communities, October 26, 2006, L 297/1). The EU acceded to the Hague Conference on Private International Law on April 3, 2007.

<sup>59</sup> Preliminary Draft Convention on Jurisdiction and Foreign Judgements in Civil and Commercial Matters adopted by the Special Commission on 30 October 1999. Available at

<http://www.hcch.net/upload/wop/jdgmpl11.pdf>

<sup>60</sup> Dinwoodie, Graeme B., "Private International [Law?] Issues in Trademark Protection", pp. 12, 57, ff. Available at [http://works.bepress.com/cgi/viewcontent.cgi?article=1037&context=graeme\\_dinwoodie](http://works.bepress.com/cgi/viewcontent.cgi?article=1037&context=graeme_dinwoodie).