



A I P P I

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POUR LA PROTECTION DE LA PROPRIETE INTELLECTUELLE**

**INTERNATIONAL ASSOCIATION
FOR THE PROTECTION OF INTELLECTUAL PROPERTY**

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**Hague Conference on Private International Law
Conférence de La Haye de droit international privé
Haager Konferenz betreffend internationale
Privatrecht**



Report Q153

The Hague Conference on Private International Law

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- 1) The Hague Conference on Private International Law abandoned for the moment the ambition to produce a wide-ranging convention on jurisdiction, recognition and enforcement of foreign judgments in civil and commercial matters. It now examines the possibilities to draft a convention with a more limited scope, beginning with choice of court agreements for commercial transactions ("B2B"). If this succeeds, other themes could be added later as 'building blocks'. This approach is -as far as intellectual property is concerned- in conformity with the AIPPI Resolution Q153 of 30 March 2001 (Melbourne).
- 2) The envisaged convention, dealing only choice of court agreements for commercial transactions, may also have an impact on intellectual property issues, e.g. license agreements, assignments of rights. It seems that the inclusion of intellectual property for the purposes of choice of court agreements is not too controversial within the intellectual property community. However, opinions may differ when the validity of rights comes up. For example, in proceedings on the royalties the licensee may challenge the validity of the patents of the licensor. Is the validity issue covered by the choice of court agreement, is it an 'incidental question' or does it fall within the realm of the exclusive jurisdiction of the *forum registrations*?
- 3) In March 2003 a Working Group of the Hague Conference finalised a Draft Text on Choice of Court Agreements (Preliminary Document No. 8). Article 1 defined the scope of the envisaged convention. Its paragraphs 3k and 4 read as follows:

3. This Convention shall not apply to proceedings relating to –

...

k) validity of patents, trademarks and [other intellectual property rights - to be defined].

[4. Proceedings are not excluded from the scope of the Convention if a matter referred to in paragraph 3 arises merely as an incidental question. However, a judgment resulting from such proceedings shall have effect under this Convention only as between the parties.]

The texts between square brackets were under discussion during the meeting of the Special Commission on the question of international jurisdiction, and recognition and enforcement of foreign judgments in civil and commercial matters in The Hague from 1 until 9 December 2003. The Chairman of Committee Q153 attended this meeting as Observer for AIPPI.

- 4) Afterwards the Co-reporters Masato Dogauchi and Trevor C. Hartley drew up Preliminary Document No. 25 entitled "Preliminary draft Convention on Exclusive Choice of Court Agreements - Draft Report". Its paragraphs 3k, 3l and 4 read as follows:

3. The Convention shall not apply to proceedings that have as their object any of the following matters:

...

k) the validity of patents, trademarks, protected industrial signs, and layout-designs of integrated circuits;

l) [the validity of other intellectual property rights the validity of which depends on, or arises from, their registration, except copyright]; or

...

4. Proceedings are not excluded from the scope of the Convention if a matter referred to in paragraph 3 arises merely as an incidental question.

The Co-reporters provided the following explanation:

- 29) Intellectual property. Sub-paragraphs (k) and (l) deal with intellectual property. They do not exclude intellectual property as such, but only proceedings that have the validity of certain intellectual property rights as their object. The reason for the exclusion is similar to that applicable with regard to immovable property and legal persons. The creation of intellectual property rights could be regarded as an exercise of the sovereign power of the State; so the validity of these rights should be decided solely by the courts of the State in which they were registered or under the law of which they arose.
- 30) The rights in question fall into two classes. The first class consists of those covered in sub-paragraphs (k): the validity of patents, trademarks, protected industrial designs, and layout-designs of integrated circuits - rights listed in the TRIPS Agreement. These rights are excluded from the scope of the Convention irrespective of whether or not they are registered. Thus, proceedings having the validity of an unregistered trademark as their object are outside the scope of the Convention. The second class consists of the rights listed in sub-paragraph (l): the validity of other intellectual property rights the validity of which depends on, or arises from, their registration, except copyright. Thus, proceedings concerning the validity of utility model rights under Japanese law, which are registered without examination as to their substance, are excluded by virtue of paragraph (l). Copyright can be, or even has to be, registered in some countries; nevertheless, it is not excluded from the scope of the Convention even if it is. The reference to copyright does not, however, include neighbouring rights. Consequently, proceedings that have the validity of neighbouring rights as their object are excluded from the scope of the Convention if they are subject to registration. [If this was not what was intended, the words "or neighbouring rights" should be inserted after "copyright".] [It is not yet settled whether sub-paragraph (l) will be part of the Convention and, if so, what intellectual property rights it will cover.]
- 5) This texts were discussed during the meeting of the Special Commission in The Hague from 21 to 27 April 2004. The Chairman of Committee Q153 attended the meeting as Observer for AIPPI.

The discussions have resulted in a new draft for paragraphs 2k and 3 of Article 2, replacing the text quoted above under 4:

2. The Convention shall not apply to the following matters:

...

k. [intellectual property rights other than copyright or related rights, except in proceedings pursuant to a contract which licenses or assigns such intellectual property rights [including proceedings for infringement of the right to which the contract relates]]¹, or

...

3. Notwithstanding paragraph 2, proceedings are not excluded from the scope of the Convention where a matter referred to in that paragraph arises merely as an incidental question and not as an object of the proceedings.

- 6) A Diplomatic Session on the Judgments Project is scheduled to be held from 31 January to 16 February 2005.

¹ According to this draft, validity as a principal issue is excluded from the scope of the Convention.