Jurisdiction in International IP Disputes and the Internet

Pedro A. De Miguel Asensio – UCM

XII EIPIN Congress Alicante 8-10 April 2011
Introduction

- Coordination of territorially limited IP rights with the ubiquitous reach of the Internet: challenges

- Implications of the trend to limit jurisdiction to disputes concerning forum IP rights (infringement claims): US - Jan K. Voda M.D. v. Cordis Corp; South Africa – Gallo (copyright); but also EU/UK - Lucasfilm Ltd. v. Andrew Ainsworth
Significance and Scope of Exclusive Jurisdiction

- Brussels I Regulation: exclusive jurisdiction restricted to registration or validity of industrial property rights subject to registration

- Broad interpretation of Article 22.4 Regulation: GAT/LuK and Lugano Convention ("irrespective of whether the issue is raised by way of an action or as a defence")

- Compare to Article 2:401 CLIP Principles (exclusivity does not apply where validity or registration arises in a context other than by principal claim or counterclaim)
The defendant’s domicile as general ground of jurisdiction

- Prorogation of Jurisdiction: practical implications
- Defendant’s domicile: Basic and general forum
- Extent of jurisdiction: unlimited / scope of injunctions
- Drawbacks for the IP rightholder?
- Possible defendants: direct infringers and intermediaries
- Multiple defendants
Special Jurisdiction for infringement actions: Foundations

- Article 5.3 Brussels I Regulation: “the place where the harmful event occurred or may occur” and the Internet
- Place where the damage occurred / place of the event that gives rise to it
- Territoriality of IP rights and place of infringement
Place where the damage occurred and Internet activities: location

- Mere accessibility or possible download (French case-law): criticism / place where the website is intentionally directed (BGH – Hotel Maritime / trademarks)

- Substantial impact (e.g. Article 2 WIPO Joint Recommendation: “Use of a sign on the Internet shall constitute use in a Member State for the purposes of these provisions, only if the use has a commercial effect in that Member State…”

- Article 2:202 CLIP Principles
  “In disputes concerned with infringement of an intellectual property right, a person may be sued in the courts of the State where the alleged infringement occurs or may occur, unless the alleged infringer has not acted in that State to initiate or further the infringement and her/his activity cannot reasonably be seen as having been directed to that State.”
Place of the damage: extent of jurisdiction

- Territoriality of IP rights and the Shevill doctrine: jurisdiction limited to the damages which occurred in the forum state

- Article 2:203 (1) CLIP Principles: The basic criterion in these situations is that “a court... shall have jurisdiction in respect of infringements that occur or may occur within the territory of the State in which that court is situated”.

- Excessive fragmentation and need for a special rule for Internet activities? (Reflections on the possible adaptation of the Shevill doctrine to the Internet: Opinion of the Advocate General of 29 March 2011 in C-509/09 and C-161/10 eDate Advertising and Martinez – “center of gravity of the conflict”)

Place of the event that gives rise to the damage

- Shevill Judgment para. 32: “...the plaintiff always has the option of bringing his entire claim before the courts either of the defendant's domicile or of the place where the publisher of the defamatory publication is established.

- Location: “the place where the publisher of the defamatory publication is established” and the Internet (control of the uploading?)

- Extent of Jurisdiction / Scope of injunctions related to territoriality of IP rights
Extent of jurisdiction: CLIP Approach

Article 2:203(2) CLIP Principles allows concentration in certain situations:

“In disputes concerned with infringement carried out through ubiquitous media such as the Internet, the court whose jurisdiction is based on Article 2:202 shall also have jurisdiction in respect of infringements that occur or may occur within the territory of any other State, provided that the activities giving rise to the infringement have no substantial effect in the State, or any of the States, where the infringer is habitually resident (Article 2:102) and (a) substantial activities in furtherance of the infringement in its entirety have been carried out within the territory of the country in which the court is situated, or (b) the harm caused by the infringement in the State where the court is situated is substantial in relation to the infringement in its entirety.”
§ 204. Infringement Activity by a Defendant Not Resident in the Forum

(1) A person may be sued in any State in which that person has substantially acted, or taken substantial preparatory acts, to initiate or to further an alleged infringement. The court’s jurisdiction extends to claims respecting all injuries arising out of the conduct within the State that initiates or furthers the alleged infringement, wherever the injuries occur.

(2) A person may be sued in any State in which that person’s activities give rise to an infringement claim, if that person directed those activities to that State. The court’s jurisdiction extends to claims respecting injuries occurring in that State.

(3) A person who cannot be sued in a World Trade Organization-member State with respect to the full territorial scope of the claim through the application of §§ 201-204(1) may be sued in any State in which that person’s activities give rise to an infringement claim if:

(a) that person directed those activities to that State, and

(b) that person solicits or maintains contacts, business, or an audience in that State on a regular basis, whether or not such activity initiates or furthers the infringing activity.

The court’s jurisdiction extends to claims respecting injuries arising out of conduct outside the State that relates to the alleged infringement in the State, wherever the injuries occur.
Provisional measures

- Significance in the Internet context and position of the intermediaries under Directives 2004/48 and 2001/29 (relevance in this context of the domicile of the intermediary and even of the place where the server is located)

- Availability of the courts having jurisdiction as to the merits

- Additional forum: country where the measure is to be enforced / Article 2:501(2) CLIP Principles - Limited territorial effects (Article 4:301 CLIP Principles)