

## **Advisory Committee on Enforcement**

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### **THE WORK OF THE HAGUE CONFERENCE ON PRIVATE INTERNATIONAL LAW IN RELATION TO THE CROSS-BORDER ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS**

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#### **ABSTRACT**

The Hague Conference on Private International Law (HCCH) is an intergovernmental organization working towards the unification of private international law (PIL). Its mandate extends to any aspect of PIL, including cross-border co-operation in a broad array of civil and commercial matters; against this background, the HCCH is also active in matters relating to cross-border enforcement of intellectual property (IP). The PIL Conventions and other instruments developed by the HCCH and the Organization's work towards the implementation and application of such instruments in as many jurisdictions as possible facilitate the cross-border enforcement of IP and therefore contribute to global IP protection.

This short overview illustrates how the HCCH may contribute to the goal of effectively addressing the intersection between PIL and IP law, in particular by advancing work with regard to the cross-border enforcement of IP rights.

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\* The views expressed in this document are those of the author and not necessarily those of the Secretariat or of the Member States of WIPO.

## **I. HCCH – A GLOBAL INTERGOVERNMENTAL ORGANIZATION**

1. With 82 Members (81 States and the European Union), and a further 69 non Member States connected to one or more of its Conventions, the Hague Conference on Private International Law (HCCH) is a global intergovernmental organization.

2. The mandate of the HCCH is to work for the progressive unification of the rules of private international law (PIL). It does so by setting up common international standards in relation to personal, family or commercial situations which are connected with more than one State. These PIL standards are embodied in conventions, national laws, model laws, legal guides, and other documents and instruments that regulate private relationships across national borders. Essentially, PIL deals with three main issues: the jurisdiction of a court to deal with a case (international jurisdiction), the law applicable to a case (applicable law) and the recognition and enforcement of foreign judgments. Administrative and judicial co-operation relating to the above-mentioned issues are also covered by PIL.

3. The HCCH held its first meeting in 1893, on the initiative of T.M.C. Asser (Nobel Peace Prize 1911). Since becoming a permanent inter-governmental organization in 1955, the HCCH has developed 38 Conventions and Protocols, and one set of Principles; these instruments deal with relevant PIL issues in the fields of protection of family and children, civil procedure, and commercial and finance law. These instruments help to build bridges between various legal systems while respecting their diversity.

4. The ultimate goal of the HCCH is to work for a world in which, despite the differences between legal systems, persons – individuals as well as companies – can enjoy a high degree of legal security.

## **II. HCCH – WORK ON THE ENFORCEMENT OF INTELLECTUAL PROPERTY**

5. The thriving economical processes of globalization and digitalization which promote cross-border intellectual property (IP) activity, lead to legal practitioners being confronted on a day-to-day basis with issues in which IP law meets PIL.

6. For example, when an IP holder wants to invoke an IP right which was granted abroad in order to conclude a license agreement, he might come across questions regarding the authentication of the IP grant document or the law applicable to the license agreement. Additionally, in case a litigation process arises, questions regarding service, jurisdiction, evidence or enforcement of a judgment rendered in another State might become relevant.

7. The intersection of PIL and IP law thus requires attention from the international legal community. The HCCH has a long history of developing PIL rules in IP related matters. A number of the HCCH Conventions and instruments contribute to a more predictable and reliable international framework for cross-border transactions and litigation, and as such have significant relevance to IP matters.

### **A. DESIGNATING THE APPLICABLE LAW**

8. The HCCH first included the topic of the applicable law to licensing and know-how agreements in its work agenda in the 1980s. This topic was picked up again in the context of the adoption of the Hague Principles on Choice of Law in International Commercial Contracts (the 2015 Hague Principles).

9. The 2015 Hague Principles provide a comprehensive blueprint to guide users in the creation, reform or interpretation of choice of law regimes at the national, regional or international level. They are relevant to international contracts concerning IP rights, such as IP licensing contracts and IP transfer contracts. The 2015 Hague Principles endorse party autonomy by giving practical effect to the choice made by parties to a commercial transaction as to the law governing their contractual relationships, thus confirming the relevance of the law chosen by the parties to govern any contractual issues arising out of the dispute.

## B. ABOLISHING THE LEGALIZATION OF PUBLIC DOCUMENTS

10. The Hague Convention of 5 October 1961 Abolishing the Requirement of Legalization for Foreign Public Documents (the 1961 Apostille Convention)<sup>1</sup> facilitates the circulation of public documents executed in one Contracting Party to the Convention and to be produced in another Contracting Party to the Convention. It does so by replacing the cumbersome and often costly formalities of a full legalization process (chain certification) with the mere issuance of an Apostille.

11. The Convention applies only to public documents, including “administrative documents” within the meaning of Article 1(2)(b) of the Convention, such as the grant of patents or other IP rights.

12. The Convention does not directly address documents executed by intergovernmental and supranational organizations, e.g., the grant of patents by the European Patent Office, because they are international organizations and not national authorities. Since there appears to be no international solution for the authentication of these documents, the Council on General Affairs and Policy of the Hague Conference decided in 2017 to set up a Working Group to study the process of authenticating documents generated by supranational and intergovernmental organizations.

## C. COLLECTING EVIDENCE ABROAD

13. Evidence is crucial to success in any civil or commercial disputes, including those relating to IP rights. The Hague Convention of 18 March 1970 on the Taking of Evidence Abroad in Civil or Commercial Matters (the 1970 Evidence Convention)<sup>2</sup> was concluded to establish methods of co-operation for the taking of evidence abroad in civil or commercial matters. Conscious of the varying law systems with respect to the taking of evidence around the world, the Convention provides effective means to facilitate the cross-border transmission of requests. Although considered non-mandatory in certain common law countries, the Convention greatly streamlines the procedures for taking evidence abroad, and significantly reduces the time taken to obtain evidence abroad.

## D. SERVING JUDICIAL OR EXTRAJUDICIAL DOCUMENTS ABROAD

14. Service of judicial and extrajudicial documents on parties located abroad is another important element in cross-border civil or commercial litigation, including litigation on IP rights. It is in fact an essential component of the right of defendants to receive actual and timely notice of suit. The Hague Convention of 15 November 1965 on the Service Abroad of Judicial and

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<sup>1</sup> At the time of writing, there were 111 Contracting Parties to the Convention.

<sup>2</sup> At the time of writing, there were 61 Contracting States to the Convention.

Extrajudicial Documents in Civil or Commercial Matters (the 1965 Service Convention)<sup>3</sup> was concluded to simplify and expedite the procedure for judicial or extrajudicial documents to be served abroad. In practice, the Convention greatly facilitates and streamlines the transmission of documents for service abroad, and significantly reduces the time to complete service of process abroad.

## E. ALLOCATING JURISDICTION AND RECOGNITION AND ENFORCEMENT OF FOREIGN JUDGMENTS

15. When an IP litigation commences, parties often encounter difficulties in allocating international jurisdiction and in recognition or enforcement of foreign judgments. The HCCH's normative work in these two areas (commonly referred to as "the Judgments Project") aims at providing a higher degree of legal certainty and predictability for such intended litigation.

### a) The 2005 Choice of Court Convention

16. The Hague Convention of 30 June 2005 on Choice of Court Agreements (the 2005 Choice of Court Convention)<sup>4</sup>, which entered into force on October 1, 2015, applies to exclusive choice of court agreements concluded in civil or commercial matters.

17. The Convention provides three key obligations: 1) the chosen court must hear the dispute; 2) any non-chosen court must suspend or dismiss proceedings to which an exclusive choice of court agreement applies; and 3) a judgment given by the chosen court must be recognized and enforced in other Contracting States. In such a way, the Convention ensures greater legal certainty to businesses engaging in cross-border activities and facilitates international trade and investment.

18. Specifically in IP cases, the Convention distinguishes between copyright and related rights on the one hand and other IP rights on the other, and deals with them differently. Copyright and related rights are completely covered by the Convention, even if the validity of such rights is challenged.

19. On the other hand, validity and infringement of IP rights other than copyright and related rights are excluded from the Convention, if raised as an object of proceedings. As to the validity of an IP right, the Convention does not apply to proceedings for revocation or for a declaration of invalidity of IP rights that require registration. Additionally, when the validity of IP rights that require registration is raised as a preliminary question, e.g., as an invalidity defense in proceedings for the payment of royalties, the Convention continues to apply to the main claim (payment of royalties). However, the preliminary ruling on validity will not be recognized or enforced under the Convention, and if the preliminary ruling on validity is inconsistent with a judgment on the validity of the right concerned given by the appropriate court in the State under the law of which the IP right arose, the judgment on the main claim (which relied on the preliminary ruling on validity) may be refused for the purpose of enforcement.

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<sup>3</sup> At the time of writing, there were 72 Contracting States to the Convention.

<sup>4</sup> At the time of writing, the Convention was binding on 30 Members (Mexico, the EU, all EU Member States (except Denmark) and Singapore).

20. As to proceedings concerning infringement of IP rights other than copyright and related rights, these are excluded unless the infringement proceedings are brought or could have been brought for breach of a contract between the parties. This situation falls under the Convention even if the infringement is brought in tort, rather than in contract.

b) Ongoing normative work

21. The HCCH is currently working on a Convention on the Recognition and Enforcement of Judgments in Civil or Commercial Matters, as a complementary Convention to the 2005 Choice of Court Convention. The Experts' Group on the Judgments Project will consider at a later stage whether further normative work relating to international jurisdiction is feasible.

22. The current draft, the 2017 February draft Convention, provides for recognition and enforcement of judgments from other Contracting States that meet one (or more) of the bases for recognition and enforcement (Art. 5) and sets out the only grounds on which recognition and enforcement of such judgments may be refused. Furthermore, in order to recognize and enforce as many judgments as possible, the 2017 February draft Convention does not prevent recognition and enforcement of judgments in a Contracting State under national law or under other treaties, subject to one provision relating to exclusive bases for recognition and enforcement (Art. 6).

23. The treatment of IP judgments is one of the controversial topics at the ongoing negotiations. While a majority of delegations is in favor of the inclusion of IP judgments, certain delegations would prefer to exclude patent judgments from the Convention's scope of application or only cover judgments relating to IP contracts.

24. It is expected that further intersessional work on IP shall approximate the positions on IP judgments prior to the next Special Commission meeting in November 2017.

### III. CONCLUDING REMARKS

25. As the leading international organization for PIL, the HCCH works on providing clearer PIL rules and innovative legal, administrative and judicial solutions to problems commonly encountered in cross-border trade, commerce, investment or people movement. Its work also contributes to the enforcement of IP by providing acceptable PIL solutions to the international legal framework which builds respect for IP worldwide. To this aim, the HCCH works in close co-operation with WIPO and other IP stakeholders. It also welcomes joint initiatives for the benefit of better IP enforcement. A current joint WIPO-HCCH project in developing a Resource Tool addressing the intersection between PIL and IP law<sup>5</sup>, is an excellent example of such joint initiatives.

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<sup>5</sup> WIPO/ACE/12/7.