



*International
Law Association*



HCCH and Intellectual Property

WIPO-ILA Seminar on Intellectual Property
and Private International Law

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Outline

- What is the HCCH?
- Is IP a part of the HCCH mandate?
- Relevance of ongoing work on IP and PIL for the HCCH

HCCH

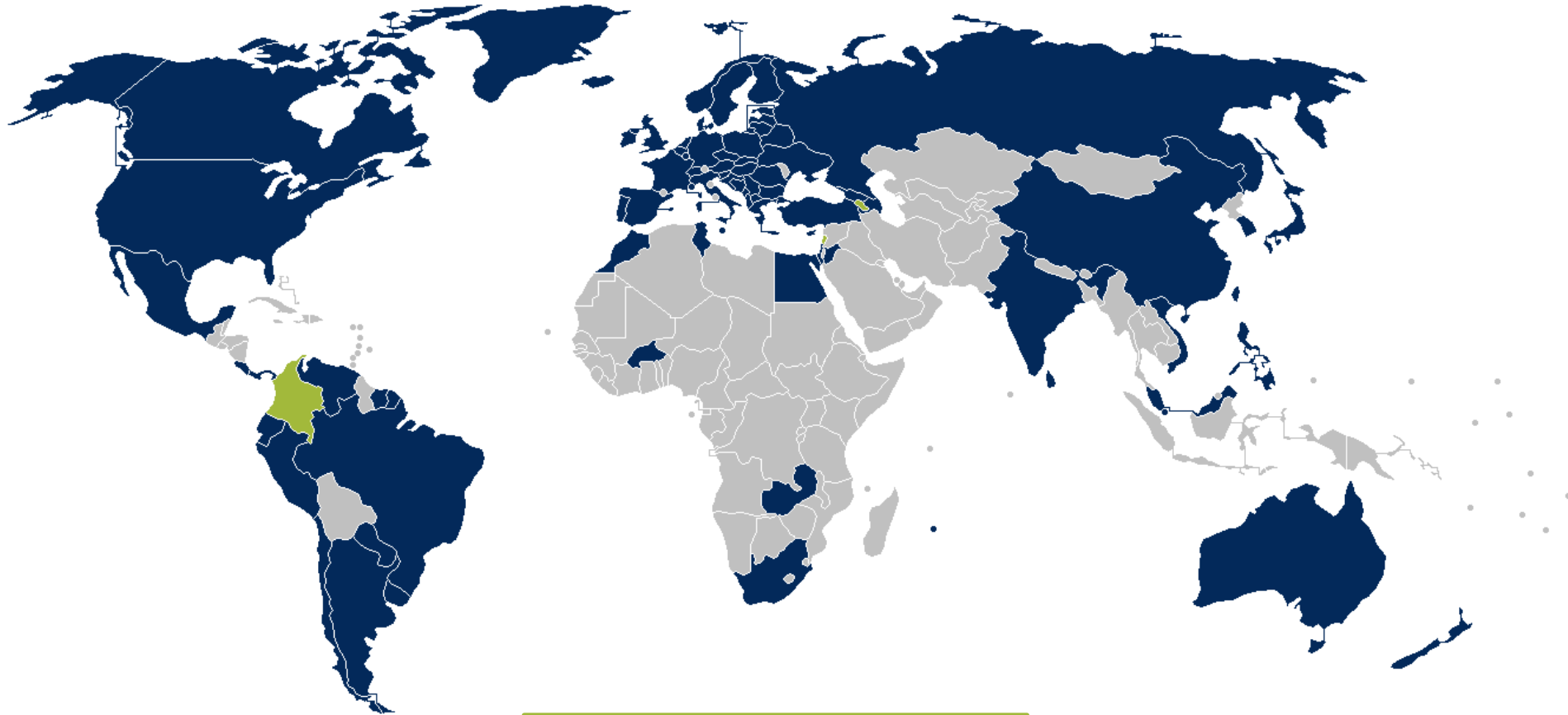


Hague Conference on Private International Law
Conférence de La Haye de droit international privé

- An intergovernmental organisation working towards the “*progressive unification of the rules of private international law*”
- Focusing on private international law
- Fulfilling its mandate by developing Conventions, to which any State may become a party, and assisting States with the implementation and application of such Conventions

78 Members

77 States + 1 Regional Economic Integration Organisation



■ Member State

■ Admitted State
Has applied for membership and has been admitted by affirmative vote, but must still accept Statute to become a Member State

■ Candidate State
Has applied for membership and has the six-month voting period running

Some HCCH work relating to IP ...

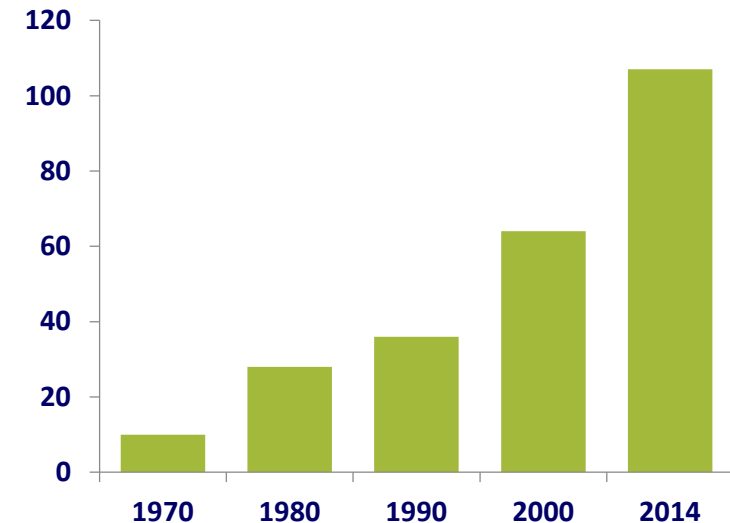
- Study on the subject of the law applicable to licensing agreements and know-how
- 1961 Hague Convention Abolishing the Requirement of Legalisation for Foreign Public Documents (***Apostille Convention***): Facilitation of the circulation of public documents (including IP related documents)
- 1970 Hague Convention on the Taking of Evidence Abroad in Civil or Commercial Matters (***Evidence Convention***): Co-operative regime for taking of evidence abroad (also in IP disputes)
- 2005 Hague Convention on Choice of Court Agreements (***Choice of Court Convention***): Jurisdiction and recognition and enforcement of certain IP-related disputes/judgments

Study on the law applicable to licensing agreements and know-how

- Included in the HCCH Agenda in 1976 (at the 13th Session);
- Focus on licensing of patents and other industrial property rights (except trademarks) and transfer of know-how;
- WIPO was an observer at the 15th Session;
- The then ongoing project of UNCTAD – *International Code of Conduct for the Transfer of Technology* containing choice of law rules ran in parallel;
- Removed from the HCCH Agenda in 1992 (at the 17th Session)

The Apostille Convention

- Concluded in 1961
- Facilitating the circulation of public documents
- The most widely ratified/acceded to of all the Hague Conventions (107 Contracting States)
- The most widely applied Hague Convention with millions of apostilles issued every year



Growth in the number of Contracting States

The Apostille Convention

Scope: covering only “public documents”, including

- Grants of patents or other IP rights,
- Extracts from IP registers,
- Grants of license

Excluding:

- Administrative documents dealing directly with commercial or customs operations
- Assignment contracts (documents created in a private capacity)

Patents/trademarks issued by EPO and OHIM cannot be apostilled because EPO and OHIM are international organisations, NOT national authorities

The Evidence Convention

- Concluded in 1970
- 58 Contracting States
 - 23 new Contracting States to the Convention since 2000
 - 55% of Letters of Request executed in under 4 months
- Purpose
 - To improve *the* existing systems of Letters of Request
 - To enlarge the methods for obtaining evidence abroad
 - To provide effective means to overcome differences between legal systems with respect to taking evidence - a “bridge” between various legal traditions

Obtaining discovery in China for U.S. case

Tiffany (NJ) LLC v. Qi Andrew and others (276 F.R.D. 143 (S.D.N.Y. 2011) (No 10 Civ. 9471))

- Online marketplaces selling counterfeit trademark goods from China
- Plaintiff attempted to obtain bank records in China

US: regarding relationship between the discovery rules under the Federal Rules of Civil Procedure and the Hague Evidence Convention

US Supreme Court ruled in the *Aérospatiale* case that the Evidence Convention is an option in order to facilitate the gathering of evidence abroad, but is of no mandatory application

China: made reservation under Article 23 and Chapter II (except Art. 15) of the Hague Convention

Obtaining discovery in China for U.S. case (cont'd)

Magistrate Judge Henry B. Pitman:

- Conducted a seven-factor comity analysis (including evaluating the viability of the Hague Evidence Convention)
- Determined to proceed with discovery under the Hague Evidence Convention

Result:

- Plaintiff received part of the documents it requested nine months later;
- Judge Pitman considered that the Chinese MOJ had been responsive and had unquestionably produced documents that were relevant

Obtaining discovery in France for U.S. case

In France: The Hague Evidence Convention is the only means by which US parties may obtain discovery in France in civil and commercial matters

The Paris Court of Appeals decision of 18 September 2003 (“*Executive Life*”):

- Ruled that discovery can be obtained for specific categories of documents
- Established that
 - foreign litigants **have to** use the Hague Evidence Convention
 - for foreign litigants who complied with the rules and procedures via the Hague Evidence Convention, broad discovery would be available in France

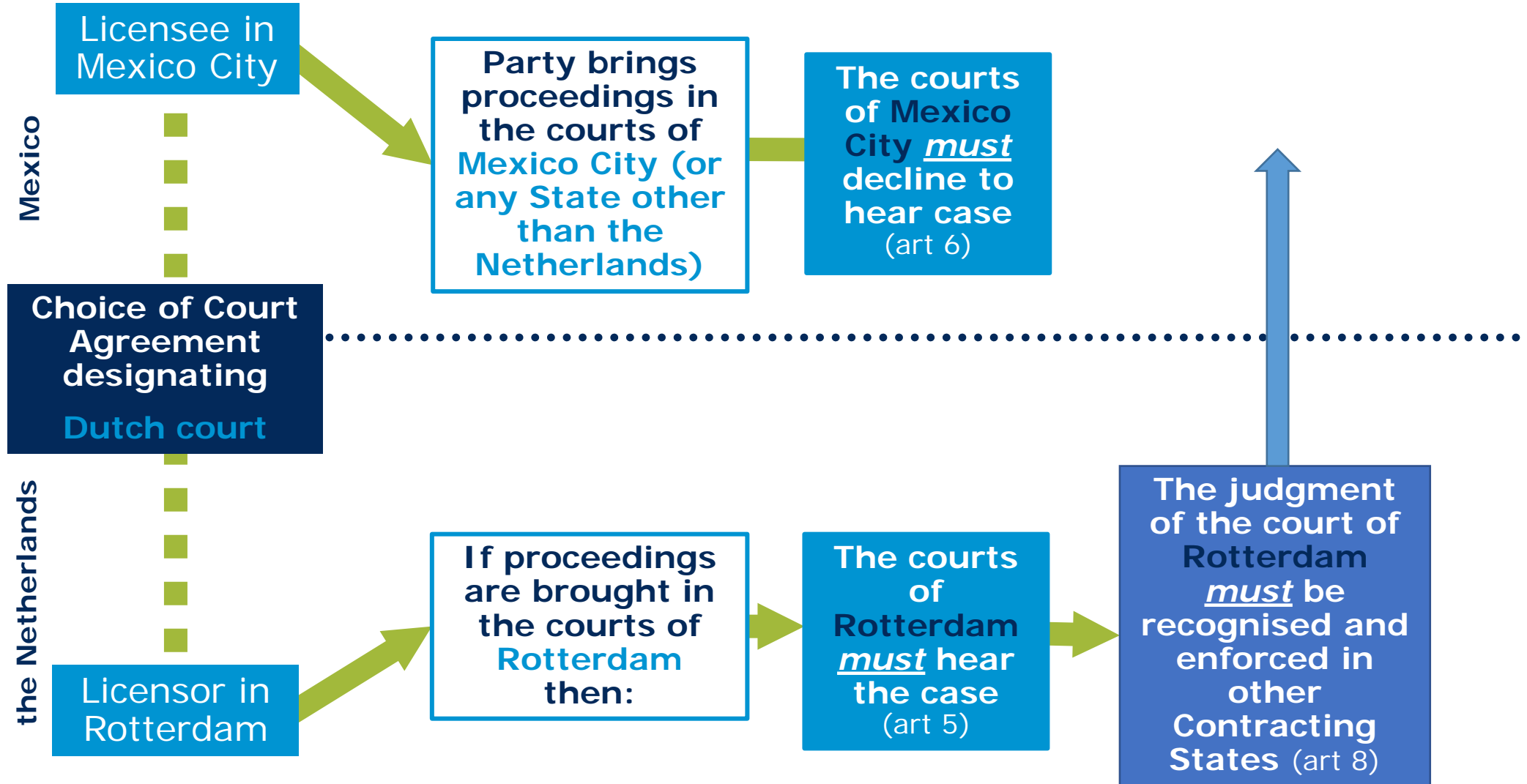
In practice:

Many US courts have used the Hague Evidence Convention (Chapter I - Letters of Request) or under Chapter II (via an appointed commissioner).

The Choice of Court Convention

- Concluded in 2005
- Promoting **party autonomy** in the area of international trade, including:
 - the ability of parties to choose the court (forum) to resolve disputes in international cases, and
 - for that choice to be respected by law.
- Basic objectives:
 - providing **legal certainty** and **predictability** with respect to choice of court agreements
 - becoming the litigation equivalent of the **1958 New York Convention**

The Choice of Court Convention - operation



The Choice of Court Convention - current status

Timeline for the Convention's entry into force (EIF):

- Mexico: acceded on 26 September 2007
- USA: signed on 19 January 2009
- EU: signed on 1 April 2009 and adopted the decision of approval on 4 December 2014:
 - The deposit of the instrument of approval is expected in June/July 2015

The EIF of the Convention will be on the first day of the month following the expiration of three months after the deposit of the EU approval (Art. 31):

- The EIF is expected in September/October 2015

IP rights under the Choice of Court Convention

The Convention distinguishes between:

Copyright and related rights(*)

- ✓ are **completely covered** by the Convention – this applies even to questions of validity, but only as between the parties, not *in rem*
(because the judgment is enforceable under the Convention only as against persons bound by choice of court agreement)

[(*) this includes “neighbouring rights”, such as rights of performers (e.g., actors and musicians) in their performances, rights of producers of sound recordings in their recordings]

Other IP rights (patents, trademarks and designs)

- ✓ validity:
 - if raised as an object of proceedings, **excluded** (because generally the State under the law of which the right was created claims exclusive jurisdiction, and party autonomy is not admitted)
 - if raised as a preliminary question, **included** (the preliminary ruling on validity of patents, however, will not be given any effect under the Convention in other Contracting States)
- ✓ infringement: **excluded** (except when they are brought (or could have been brought) pursuant to a contract (scope of license/payment of royalties))

Choice of court in favour of a Korean court

LG v. Obayashi Co. and Tanaka (Seoul High Court of Appeal (No 2007NA96470))

- contract for the transfer of several patent rights;
- containing choice of court (Seoul District Court) and applicable law clauses;

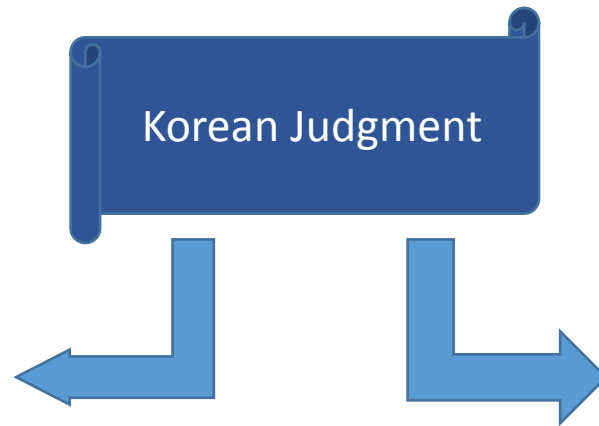
Judgments:

- Seoul District Court: dismissed the case (exclusive jurisdiction of the country of registration) – **1999 Draft Hague Convention** was referred to (Art. 12(4) – exclusive jurisdiction for registered IP rights)
- Seoul High Court of Appeal: reversed the District Court decision (respecting the parties' choice of court because the *subject matter* of the dispute is about validity and interpretation of the transfer contract) – **Choice of Court Convention** was referred to (Art. 2 (o))
- Supreme Court of Korea: supported the High Court decision

Choice of court in favour of Korean court (cont'd)

LG's enforcement of the judgment

Yes, based on the doctrine of comity (recognizing jurisdiction of Korean court)

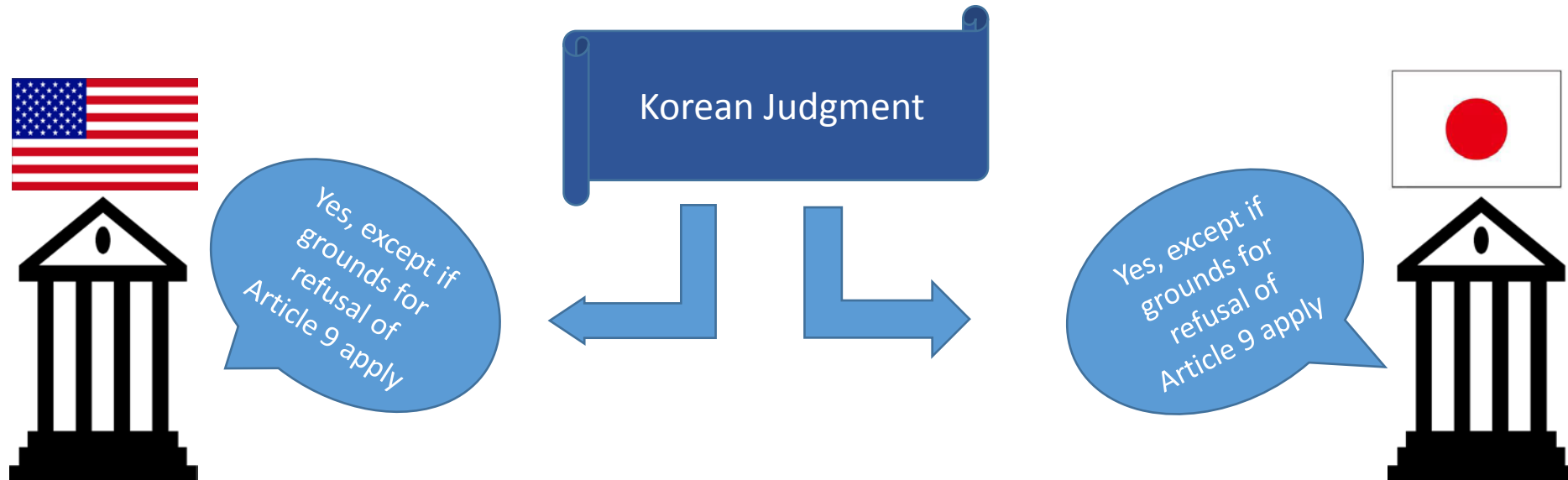


No, concerning patents registered in Japan, Japanese courts have exclusive jurisdiction

LG appealed both Japanese district court decisions, no decision is published yet

Choice of court in favour of a Korean court (cont'd)

What would happen if the USA, Japan and Korea become Contracting States to the Choice of Court Convention?



Relevance of ongoing work on IP & PIL for the HCCH

- The Hague Principles on Choice of Law in International Commercial Contracts (Hague Principles)
- The Judgments Project

The Hague Principles and IP proposals

Proposals	Accepting choice of law agreement in contracts
ALI Principles	§ 302. Agreements Pertaining to Choice of Law § 315. Transfers of Title and Grants of Licenses
CLIP Principles	Article 3:501: Freedom of choice for contracts
Japan-Korea Principles Project	Article 302: Agreement on applicable law
Transparency Project	Art. 306 Governing Law of Contracts for the Transfer or Licensing of Intellectual Property Rights

Article 2 of the Draft Hague Principles also applies to IP-related contracts

Unlike other proposals, the Draft Hague Principles do not provide applicable law rules in the absence of a choice

The Judgments Project

- Since 1993, the HCCH has been working towards a global instrument on foreign judgments in civil and commercial matters, known as the 'Judgments Project'

The Choice of Court Convention is one of the fruitful outcomes of this Project

- In 2011, the HCCH governing Council gave a mandate about the opportunity of resuming the Judgments Project
 - A Working Group (WG) has met three times so far (February 2013, February and October 2014)
 - In 2014, Council invited the WG to continue its work towards the preparation of draft provisions for inclusion in a future instrument
 - At its October 2014 meeting, the WG made substantial progress by discussing possible approaches to the criteria for recognition and enforcement of judgments under the Convention
 - The fourth WG meeting will take place from 3 to 6 February 2015 in The Hague.

Still early stages ... What would IP stakeholders prefer?



Thank you for your attention

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