

While an agreement between the parties can exclude jurisdiction of the courts, which seek to determine the suits finally and conclusively, courts' power to grant temporary relief is an inherent mandate which cannot be ousted by an agreement since, where granted, a temporary relief does not determine the matter finally and conclusively.<sup>744</sup>

However, Article 103(2) of the CTMR delimits the extent of the effects of the temporary reliefs that may be granted pursuant to Article 103(1) of the CTMR. Consequently, the decisive factor as to whether a court considering granting the provisional and/or protective measure has power to grant the corresponding relief with effects beyond the Member State in which the court has its seat, depends on whether the said court has jurisdiction to deal with the matter based on the establishment or domicile of the defendant or the plaintiff.<sup>745</sup> If the court's source of jurisdiction is other than the foregoing,<sup>746</sup> then the resulting order will have effects only to the scale of a single Member State where the court issuing such an order is situated.

### *III. Applicable law*

#### *1. Rome II Regulation*

The general choice of law rule in intellectual property infringement actions in Europe is contained in Article 8 of Regulation (EC) No 864/2007 of the European Parliament and of the Council of 11 July 2007 on the law applicable to non-contractual obligations (henceforth, Rome II).<sup>747</sup> According to the Article "the law applicable to a non-contractual obligation arising from an infringement of an intellectual property right shall be the law of the country for which protection is claimed".<sup>748</sup> The Article provides further that "in the case of a non-contractual obligation arising from an infringement of a unitary Community intellectual property right, the law applicable shall, for any question that is not

744 Cf. Case C-391/95 *van Uden Maritime* [1998] ECR I-07091, para. 48.

745 It must be recalled that constructive domicile or establishment of the parties can be inferred where the parties concerned enter into an agreement requiring them to submit their dispute to the courts of the country stipulated in the agreement, or where the defendant voluntarily submits himself before the courts of a Member State. See in this respect, section D (II) (2) (a) and (c) of this chapter.

746 Such as where the jurisdiction is based on Article 97(5) of the CTMR, i.e., the place where an act of infringement or an act of threatening infringement takes place.

747 According to its Article 32, Rome II entered into force on 11 January 2009 in respect of all provisions except Article 29, which entered into force on 11 July 2008.

748 Article 8(1) of Rome II.

governed by the relevant Community instrument, be the law of the country in which the act of infringement was committed”.<sup>749</sup>

Article 8(1) of Rome II, therefore, adapts the *lex loci protectionis* rule to the enforcement of national intellectual property rights. To put it in the context of national trademark rights, the Article implies that the law of the Member State where the relevant rights are protected will determine the conditions for trademark protection and the law to be applied to the trademark enforcement.<sup>750</sup> This conclusion enforces the principle of territoriality of intellectual property, trademark rights in particular, according to which, trademarks can only be valid in the territory of the state for which they are granted.<sup>751</sup>

In spite of its unitary character, it is tenable to submit that the CTM can also benefit from the *lex loci protectionis* rule.<sup>752</sup> It may certainly be argued that the CTM rights “are not infringed in the Community but rather in the Member States of the Community, and cannot be enforced in the Community but only in the Member States”.<sup>753</sup>

To the extent that Article 8(2) of Rome II recognises national law of the Member State as a substantive law applicable to enforcement of Community intellectual property rights, which are not governed by the relevant Community instruments, it supplements the enforcement provisions of the CTMR as the discussion below under section D(III)(2)(c) of this chapter depicts.

## 2. Community Trade Mark Regulation

### a) General applicable law

Article 14 of the CTMR entrusts regulation of the effects of CTM rights to the provisions of the CTMR alone. According to a declaration contained in the Article, CTM courts have to apply to CTMs procedural law and infringement law the same law that applies to national trademarks. Article 14 of the CTMR

749 Article 8(2) of Rome II.

750 Cf. ECJ, Case C-9/93 *IHT Internationale Heiztechnik GmbH v Ideal Standards GmbH* [1994] ECR I-02789, para. 2 of the summary of the judgment.

751 LUNDSTEDT, L., “Jurisdiction and the Principle of Territoriality in Intellectual Property Law: Has the pendulum swung too far in the other direction?”, 32(2) IIC 124 (2001).

752 Article 8(2) of Rome II confirms this conclusion.

753 Cf. KNAAK, R., “The legal enforcement of the Community trademark and prior national rights”, 29(7) IIC 754 (1998).

does not, however, give a clear picture as to whether it is the national law or the CTMR that has a primacy over the other.

Certainly, CTMR must be identified as the law applicable to the protection of the rights established under it. Article 101 of CTMR establishes a set of norms which are applicable to disputes concerning CTM rights. While the CTM courts are required to apply the provisions of CTMR as a primary law governing issues relating to CTMs, where CTMR is silent on certain aspects the courts are given mandate to apply not only the law of the country in which the court is established but also the private international law of this Member State.<sup>754</sup> Furthermore, in the event CTMR does not provide to the contrary, a CTM court is required to resort to the “rules of procedure governing the same type of action relating to a national trade mark in the Member State where it has its seat”.<sup>755</sup>

The fact that Article 101 of CTMR creates a pointer to the national laws of the Member States means that these laws are (in addition to the CTMR) the *lex loci protectionis*, which may be applied to determine a fate of CTM rights.<sup>756</sup> Article 101(2) of the CTMR does not identify one specific set of national laws, as it also makes reference to private international law of the country where the CTM court, before which infringement claim is instituted, is situated.

#### b) The law applicable to sanctions

The practical application of Article 101 of CTMR described above can be demonstrated by a discourse on Article 102 of CTMR which identifies the law applicable to sanctions. Article 102(1) alone may suffice to indicate how CTMR and the national law may be applied simultaneously. The provision allows a CTM court to issue a perpetual injunction based on CTMR, with a possibility of resorting to the rules of national law if that would be an efficient way of making the injunction enforceable in the country where the CTM court is situated. Indeed, CTM courts are obliged to grant injunctive relief “unless there are circumstances specific to the case which would allow a conclusion that further infringements will not occur”.<sup>757</sup> Civil imprisonment or a penalty may be regarded as some of the measures the CTM court may undertake pursuant to the

754 Article 101(1) & (2) of the CTMR.

755 Cf. Article 101(3) of the CTMR.

756 Cf. See section D (III) (1) of this chapter for the justification of the application of *lex loci protectionis* rule to the CTM enforcement.

757 Cf. MÜHLEND AHL, A., “Enforcement of Intellectual Property Rights – Is Injunctive Relief Mandatory?” 38(4) IIC 377, 380 (2007).

law of a Member State concerned.<sup>758</sup> Any measures which the CTM court opts for, must ensure that the injunction is complied with “even if the national law includes a general prohibition of infringement of Community trade marks and provides for the possibility of penalising further infringement or threatened infringement, whether intentional or due to gross negligence”.<sup>759</sup> It follows therefore that, the measures to be taken by the CTM courts within the meaning of Article 102(1) of CTMR, should ensure compliance with the injunction even where the said measures could not, pursuant to the national law, be taken “in the case of corresponding infringement of a national trade mark”.<sup>760</sup>

The foregoing conclusion is in line with the provisions of the enforcement directive,<sup>761</sup> which harmonises the means of enforcing intellectual property rights, such as “the arrangements for applying provisional measures, which are used to preserve evidence, the calculation of damages, or the arrangements for applying injunctions”.<sup>762</sup> Article 3 of the directive provides that:

Member States shall provide for the measures, procedures and remedies necessary to ensure the enforcement of the intellectual property rights... Those measures, procedures and remedies shall be fair and equitable and shall not be unnecessarily complicated or costly, or entail unnecessary time-limits or unwarranted delays.<sup>763</sup>

On its part, Article 102(2) tries to capture all conceivable aspects of enforcement other than by way of permanent injunctions. The Article identifies the law applicable to infringement aspects or aspects of threat of infringement to be the law of the country where the “acts of infringement or threatened infringement were committed, including the private international law”.

### c) Efficacy of *lex loci delicti* rule

To a passive observer, the legislative techniques employed under Article 102 would seem a perfect solution to the CTM enforcement since infringements are likely to be perpetuated in some demarcated, territorial precincts where the *lex*

758 KOOIJ, P.A.C.E. van der, “The Community Trade Mark Regulation: An Article by Article Guide” 166 (Sweet & Maxwell, London 2000).

759 ECJ, Case C-316/05, *Nokia Corp. v Joacim Wärdell* [2006] ECR I-12083, para. 3 of the operative part.

760 ECJ, Case C-316/05, *Nokia Corp. v Joacim Wärdell* [2006] ECR I-12083, para. 4 of the operative part.

761 Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights, contained in *OJ L 195, 2.6.2004, p. 16–25*.

762 Cf. Paragraph 7 of the preamble to the enforcement directive.

763 Article 3(1) of the enforcement directive.

*loci protectionis* sufficiently provides a remedy. And, indeed, the rule laid down in Article 8(2) of Rome II does not conflict with Article 102(2) of CTMR, since the former Article confirms, more precisely, what is already contained in the latter. While Article 102(2) refers to the law of the Member State where infringing act takes place including the private international law of this State, Article 8(2) of Rome II refers only to the general law of the Member State where incidence of infringement takes place. This reference in Rome II implicitly extends to private international law of the Member State concerned, for it is a national law which determines a country's private international law. However, a critical, legal analyst cannot take it for granted that the rules laid down in the above Articles do not lead to any irreconcilable legal implications.

The fact that the law of the Member State is applicable to a CTM if the act infringing the CTM concerned is carried out in this Member State, means that the law of this particular Member State becomes *lex loci protectionis*. Thus, all CTM courts in the EU will be forced to apply this *lex loci protectionis*. This cannot pose any legal problem if the infringement takes place only in one country. However, neither CTMR nor Rome II has provided a proper solution in case several infringing acts are traced in different Member States. In the latter scenario, a CTM court will find itself obliged to apply laws of different Member States to a single infringement suit.

#### IV. Recognition and enforcement of Judgments

There is no provision in CTMR dealing with the recognition and enforcement of judgments issued by the courts with competence to deal with disputes arising out of exploitation of a CTM. However, the Brussels Regulation is applicable based on the general reference in Article 94 of CTMR. Article 33(1) of the Brussels Regulation directs the EU Member States to acknowledge and enforce judgments issued in any Member State.<sup>764</sup>

In some instances, however, a judgment for the enforcement of a CTM issued by a court in one Member state may not be recognised in other Member States. This would be the case, for example, if by recognising such a judgment the institutions concerned would be in breach of the *ordre public*, which must be observed in the Member State concerned.<sup>765</sup> More the same, an *ex-parte* judgment issued against a defendant who can justify his non-appearance, before

764 Cf. WURTENBERGER, G., "Enforcement of Community Trade Mark Rights", 4 I.P.Q. 402, 412 (2002).

765 Cf. Article 34 of the Brussels Regulation.