



# WWW

**W**hen and **W**here do you sue, and **W**hy  
&  
EU-wide sanctions and ancillary claims

ECTA 32nd Annual Conference - Bucharest

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# The next 45 minutes

- Introduction
- Legal framework cross-border injunction
- Practical guide: 3 examples
- Ancillary claims

# Introduction

## ➤ Why cross-border measures?

- Proceedings take place in one country, but measures can have EU-wide effect.
- Wide range of ancillary claims that can also have EU-wide effect.
- Possibility of fast-track legal proceedings via summary proceedings (with provisional measures).

**Therefore:** effective, efficient *and* cost-saving.

➤ **But:** (until recently) litigation takes place in country of defendant (*actor sequitor forum rei*).

# Legal framework

## ➤ Relevant legislation

- Council Regulation (EC) No 207/2009 on the Community Trademark ("**CTMR**").
- Council Regulation (EC) No 44/2001 on jurisdiction and the recognition and enforcement of judgments ("**Brussels I Regulation**" or "**EEX Reg.**").
- Directive 2004/48/EC on the enforcement of intellectual property rights.
- Applicable national laws.

# Legal framework

## ➤ CTMR

- CTMR takes precedence over EEX Reg. (art. 67 EEX Reg.).
- CTMR stipulates that EEX Reg. is applicable to proceedings relating to Community trademarks (art. 94(1) CTMR).
- However: CTMR excludes a number of provisions of the EEX Reg. in relation to CTMR infringement actions, including articles 2, 4, 5(1)(3)(4)(5) and 31 EEX Reg. (art. 94(2) CTMR).

# Legal framework

## ➤ Principal rules

### art. 97 CTMR

(1) Proceedings in respect of the actions and claims referred to in article 96 (a.o. infringement claims) shall be brought in the courts of the Member State in which the defendant is domiciled or, if he is not domiciled in any of the Member States, in which he has an establishment.

➤ "Actor sequitor forum rei" → this is a basic principle in (international) procedural law, in order to protect the defendant (see also: art. 2(1) EEX Reg.).

# Legal framework

## ➤ Principal rules

### art. 98(1) / art. 103(2) CTMR

- A court that has jurisdiction on the basis of art. 97 (1 - 4) CTMR has jurisdiction regarding (threatened) infringement within the territory of all Member states.
  - This means that an injunction of such court may also extend to include the territory of all Member States (*i.e.* an EU-wide injunction).
  - In virtually all cases, this means that if a party aims to obtain an EU-wide injunction, it has to litigate in the country in which the defendant is domiciled (art. 97(1) CTMR).
- Infringement actions can also be brought before the court of the Member State in which the infringement has been committed or threatened, *forum delicti commissi* (art. 97(5) CMTR) **but**: the court will then have only jurisdiction with respect to that Member State.

# Legal framework

➤ **The only problem is**: litigating in the country where the defendant is domiciled, is not always the preferable route for your client.

## ➤ **Reasons to avoid (IP) litigation in a Member State**

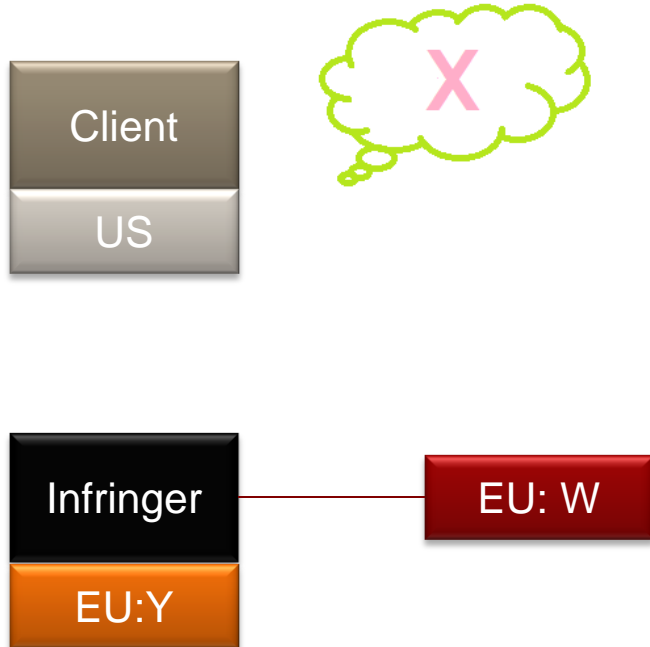
- i. No *home advantage*
- ii. Judges not specialised in IP law / unpredictable outcome
- iii. High costs of litigation
- iv. Lengthy proceedings
- v. Right holder unfriendly
- vi. Quick loss of urgent interest / right to initiate summary proceedings



# How do cross-border injunctions work in practice?



# Situation 1



- Client, domiciled in US, owns the well-known CTM "X".
- Infringer, domiciled in Member State Y, is selling infringing goods in Member State W.
- Client wants to obtain an EU-wide injunction against Infringer.
- What to do?

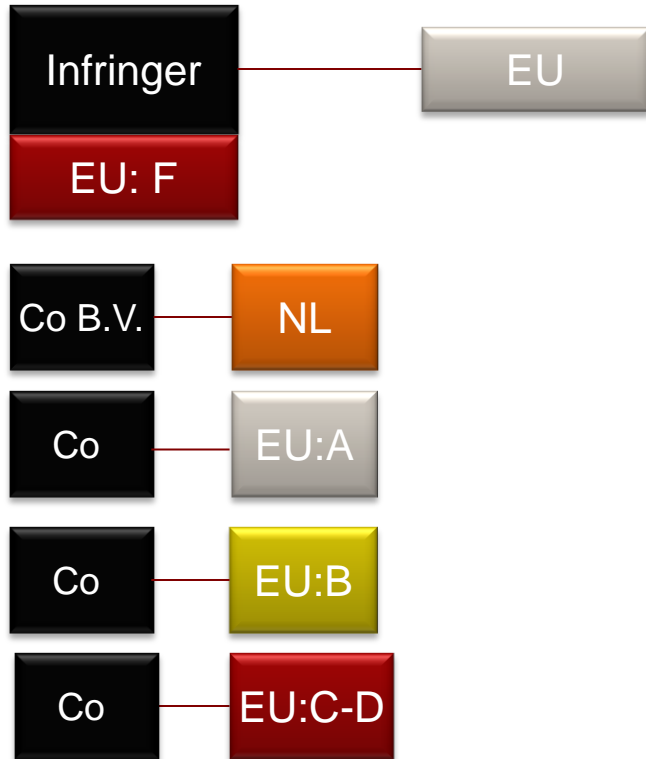
# Situation 1

## ➤ Principal rule:

- *Actor sequitor forum rei*: the court of the Member State in which the defendant is domiciled (art. 97(1) CTMR).
- The designated Court of Member State Y has jurisdiction in respect of acts of infringement committed in any Member State, so: EU-wide injunction (art. 98(1) / 103(2) CTMR).
- Limitation to part of the territory of the EU or to a single Member State is in exceptional cases possible, if use of sign does not affect the functions of the CTM (*DHL v Chronopost*).

➤ Second option: Infringement occurs in Member State W → on the basis art. 97(5) CTMR in conjunction with art. 98(2) CTMR the designated Court of Member State W has jurisdiction in respect of acts committed in the territory of the Member State in which that court is situated (injunction is limited to only Member State W).

## Situation 2



- Client, domiciled in the US, owns the well-known CTM "X".
- Infringer, domiciled in Member State F, is infringing on CTM "X".
- Various group companies of Infringer are also infringing on CTM "X", but in separate Member States.
- Client wants to obtain an EU-wide injunction against Infringer.
- Client does not want to litigate in Member State F, as the courts in Member State F are infamous for being rightholder *unfriendly*.

## Situation 2

- **If litigating in EU Member State F is no option, what are the possibilities of obtaining an EU-wide injunction against Infringer?**
- **First step**: establish jurisdiction in the country where you want to litigate by identifying a group company of infringer (or a company that can be considered an extension / branch of the infringer).
  - In this case: company Co B.V. that is selling the same infringing goods in the Netherlands.
  - Principal rule: court of the Member State where the defendant is domiciled.
    - The District Court of The Hague has jurisdiction to grant an EU-wide injunction (art. 95, art. 96(a), art. 97(1), art. 98(1) and art. 103(2) CTMR).
  - But: Co B.V. is only infringing in NL. Client's primary goal is to obtain an EU-wide injunction against the (parent company of the) Infringer that is infringing throughout the EU.

## Situation 2

### ➤ Art. 6(1) EEX Reg.

- **Next step**: involve the Infringer in the proceedings as a second defendant on the basis of art. 6(1) EEX Reg.

*"A person domiciled in a Member State may also be sued:*

- 1. where he is one of a number of defendants, in the courts for the place where any one of them is domiciled, provided that the claims are so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings."*
- Art. 6(1) EEX Reg. is not excluded in art. 94(2) CTMR!
  - Art. 6(1) EEX Reg. can provide for cross-border jurisdiction (Solvay v Honeywell).

## Situation 2

### ➤ Solvay v Honeywell

*"that Article 6(1) of EEX Reg. must be interpreted as meaning that a situation:*

- *where two or more companies from different Member States*
- *in proceedings pending before a court of one of those Member States*
- *are each separately accused of committing an infringement of the same national part of a European patent which is in force in yet another Member State by virtue of their performance of reserved actions with regard to the same product*
- *is capable of leading to 'irreconcilable judgments' resulting from separate proceedings as referred to in that provision.*
- *It is for the referring court to assess whether such a risk exists."*
- *Roche v Primus: risk of irreconcilable judgments if same situation of fact and law.*

## Situation 2

- **Ergo, the Dutch court has jurisdiction to grant an EU-wide injunction against:**
1. the Dutch company Co B.V. (domiciled in the Netherlands), *and*
  2. the main infringer (domiciled in Member State F)



## Situation 2

### ➤ Two Dutch decisions before *Solvay v Honeywell*

- The IPL aspects of *Solvay v Honeywell* and *Roche v Primus*, both patent-related cases, also apply to other IP rights – at least in the Netherlands where this general rule had already been accepted **before** the final decision in *Solvay v Honeywell* in two separate cases (*BP v Shell* and *Ten Cate v Fieldturf*). The District Court of The Hague ruled in both cases that it had jurisdiction to hear the claims against the foreign defendants by virtue of art. 6(1) EEX Reg. There was also a same situation of fact and of law:
  - Same situation of law: infringement of the same CTM (governed by the same law: CTMR).
  - Same situation of fact: companies committing the same infringing acts (in the *BP v Shell* case, this concerned the use of BP's CTM "Designer Water" by various Shell companies).

## Situation 2

### ➤ There is more:

- In *B&O v Loewe*, the District Court of The Hague ruled that it had cross-border jurisdiction for infringement on community design rights and even on copyrights on the basis of art. 6 EEX Reg. (with reference to ECJ *Painer v Standard*).

**In conclusion:** Find an affiliated party to Infringer (preferably a company in the same group of Infringer) that commits the same infringement *in* the Member State where your client wants to litigate.

## Situation 2

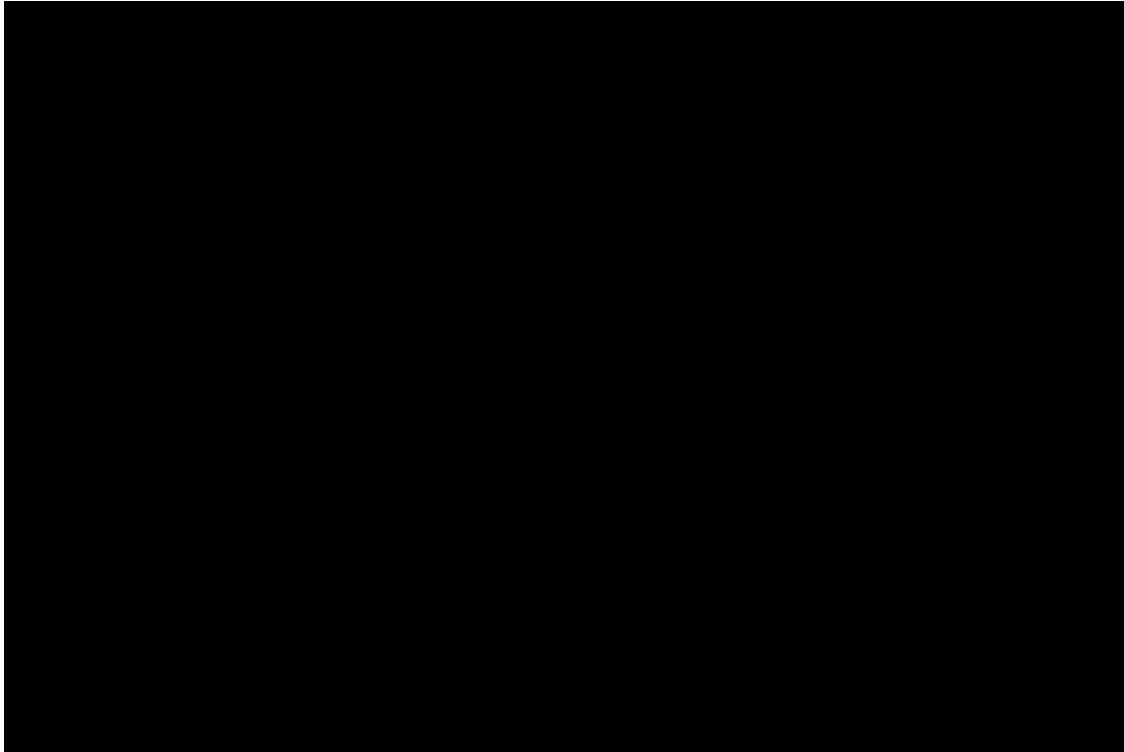
- **Is it *that easy*?** No: *Roche v Primus* and *Solvay v Honeywell*: there must be a risk of irreconcilable judgments (so: same situation of fact and same situation of law).
- Same situation of law is a relatively low threshold as (the laws governing the) infringement of a CTM are the same everywhere in the EU.
- Same situation of fact can be a burden:
  - I. The (first) defendant cannot be a "puppet company".
  - II. The defendants must commit the same infringing acts.



# A recent matter

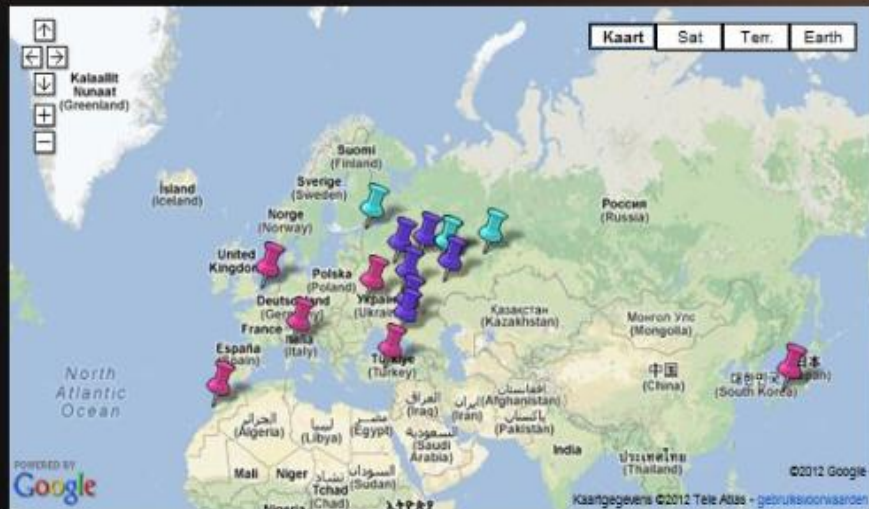
The screenshot displays the 'SERIES MAIN' section of the Gillette website. At the top, there is a navigation bar with five colored tabs: 'ABOUT COMPANY' (purple), 'ABOUT GILLETTE' (yellow), 'SERIES MAIN' (orange), 'SERIES PREMIUM' (blue), and 'SERIES RECHARGE' (green). The 'Gillette THE ART OF POWER' logo is positioned on the right side of the navigation bar. Below the navigation bar, the text 'SERIES MAIN' is centered. A descriptive paragraph states: 'Gillette MAIN series batteries are a reliable power source for many devices. Wide range of sizes and a variety of packing quantities will satisfy constant customer demand.' The main content area features five product cards, each showing a battery pack and its specifications:

- Batteries Crona 9V/6LR61** (blister 1 pcs): Alkaline battery, Nominal voltage 9V, Size 26.5x17.5x48.5 mm, Weight 45 g.
- Batteries LR14/C** (blister 2 pcs): Alkaline battery, Nominal voltage 1.5V, Weight 140 g.
- Batteries LR20/D** (blister 2 pcs): Alkaline battery, Nominal voltage 1.5V, Weight 70 g.
- Batteries LR03/AAA** (blister 24 pcs): Alkaline battery, Nominal voltage 1.5V, Diameter 10.1-10.4 mm, Weight 43.9-44.3 g.
- Batteries LR6/AA** (blister 24 pcs): Alkaline battery, Nominal voltage 1.5V, Diameter 13.9-14.3 mm, Weight 49.4-50.4 g.



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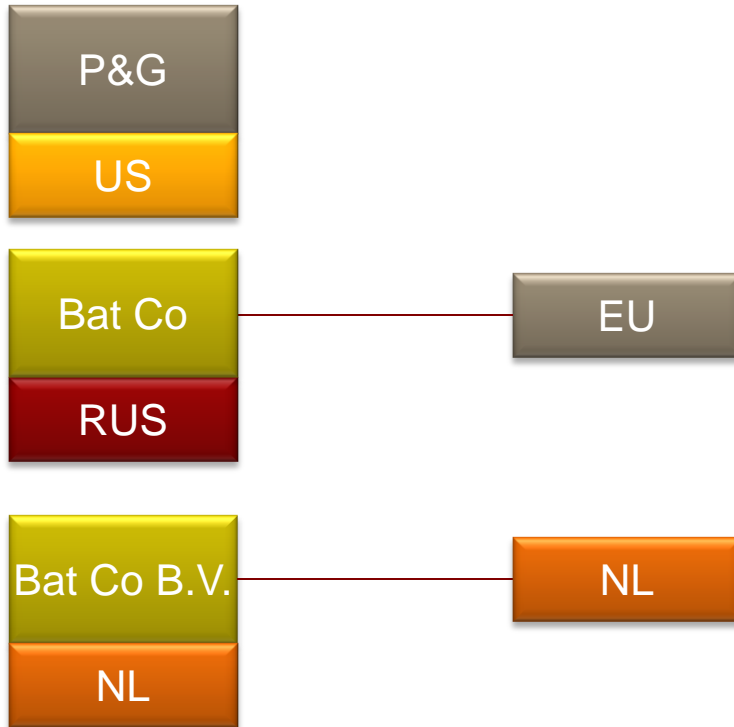
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# P&G v Gillette Bat Co



- P&G, domiciled in the US, owns a.o. the CTM "GILLETTE".
- Bat Co, domiciled in Russia, is selling GILLETTE batteries in EU.
- Local Dutch entity Bat Co B.V. has **no corporate relationship** with Bat Co, but is selling GILLETTE batteries in NL and is mentioned on the website of Bat Co.
- P&G wants to obtain an EU-wide injunction against Bat Co and Bat Co B.V.

# P&G v Gillette Bat Co

- District Court of The Hague: jurisdiction for Bat Co (RUS) if local entity (Bat Co B.V.) is considered an establishment of Bat Co (RUS) → art. 97(1) CTMR.
  - Even if Bat Co B.V. does not form part of the same group of companies as Bat Co. The relevant factor is that the companies have created the appearance that Bat Co B.V. is an *extension* of Bat Co (in this case: via brochures and the website).
  - Analogous interpretation establishment Art. 5(5) EEX Reg. → ECJ *Schotte-Rothschild*.
- District Court of The Hague has jurisdiction to award an EU-wide injunction against the Russian Bat Co (art. 98(1) / art. 103(2) CTMR).



## Ancillary claims



# Ancillary Claims in EU

➤ **In addition to an (EU-wide) injunction and claims for damages, there is a wide range of ancillary claims available in most Member States:**

- Declaratory relief
- Destruction
- Rectification
- Alteration of infringing goods
- Publication of judgment
- Order for inspection
- Order to provide information
- Reasonable royalty
- Compensation of legal fees (not all Member States)
- Corrective advertisement (not all Member States)

# Wrap-up



# Conclusion

- Since *Solvay v Honeywell*, obtaining an EU-wide injunction against a foreign company is within reach, provided that it can be established that another company related to the (main) infringer, is committing the same infringing acts as the (main) infringer, in the Member State where the claimant wants to litigate.



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