

Texas Intellectual Property Law Journal
Spring 2001

Articles

JURISDICTION AND RECOGNITION IN TRANSATLANTIC PATENT LITIGATION

Fritz Blumer¹

Copyright (c) 2001 State Bar of Texas, Intellectual Property Law Section; Fritz Blumer

Table of Contents

I.	Introduction	332
	A. Purpose of the Inquiry, Overview	332
	B. Grant, Invalidation, and Enforcement of Patents in the United States Purpose of the Inquiry, Overview	333
	C. Grant, Invalidation, and Enforcement of Patents in Europe	334
	D. International and National Law Governing Jurisdiction and Recognition in the United States	336
	E. International and National Law Governing Jurisdiction and Recognition in Europe	337
	F. Similarities and Dissimilarities between the Federal System in the United States and the “Semi-Unified” System in Europe	339
	G. Strict Territoriality for Invalidity Actions	340
II.	Jurisdiction for Infringement Claims brought before U.S. Courts	341
	A. Subject-matter Jurisdiction, Personal Jurisdiction, and Venue	341
	B. Subject-matter and Supplemental Jurisdiction of U.S. Courts	342
	1. Jurisdiction for Claims Based on U.S. Patents	342
	2. Jurisdiction for Claims Based on Foreign Patents	344
	C. Personal Jurisdiction of U.S. Courts	347
	1. Constitutional Boundaries for Personal Jurisdiction	347
	2. General Jurisdiction and Specific Jurisdiction	348
	3. Relationship Between Defendant and Forum	350

	4. Defendant’s Amenability to the Service of Summons	354
	5. Notice and Service of Summons under the Hague Service Convention	357
	D. The Doctrine of Forum Non Conveniens	358
	1. Application in Federal Courts	358
	2. Criteria for the Application of the Doctrine of Forum Non Conveniens	359
	3. Doctrine of Forum Non Conveniens in the Context of International Patent Litigation Cases	360
	E. Jurisdiction of the International Trade Commission	361
III.	Jurisdiction for Infringement Claims brought before European Courts	362
	A. Preliminary Remarks on the Conventions	362
	1. Subject-matter Applicability of the Conventions	362
	2. Criterion of Domicile in Contracting States	363
	3. General, Special, and Exclusive Jurisdiction	364
	4. Development of Cross-Border Injunctions	365
	B. Defendant is Domiciled in Europe and is Sued in his Country of Domicile	367
	1. National Law Governing Venue	367
	2. Jurisdiction for Claims based on Foreign European Patents	367
	3. Jurisdiction for Claims based on U.S. Patents	370
	4. Procedural Implications if a Lawsuit is Based on Foreign Patents	370
	C. Defendant is Domiciled in Europe but is Sued Outside his Country of Domicile	371
	1. Jurisdiction for Claims based on European Patents	371
	2. Jurisdiction for Claims based on U.S. Patents	376
	D. Defendant is Domiciled in the United States	377
	1. Jurisdiction for Claims Based on Domestic Patents	377
	2. Jurisdiction for Claims Based on U.S. Patents or on Foreign European Patents	378
IV.	Recognition of Foreign Infringement Judgments	379
	A. Recognition of European Judgments in Europe	379
	B. Recognition of European Judgments in the United States	380
	1. Principle of Comity under State Law	380

	2. Implementation of Standards Set Forth in <i>Hilton v. Guyot</i>	381
	3. Objections to the Fairness of Procedure	383
	C. Recognition of U.S. Judgments in Europe	383
	1. General Principles of National Law	383
	2. Awards of Non-compensatory Damages	385
V.	Draft Hague Convention on Jurisdiction and Foreign Judgments	386
	A. Types of Jurisdiction and Recognition Conventions	386
	B. From the U.S. Initiative in 1992 to the 1999 Draft Hague Convention	387
	C. Relevant Jurisdiction Provisions for Intellectual Property Litigation	389
	1. General Jurisdiction at the Defendant’s Habitual Residence	389
	2. Special Jurisdiction at the Situs of the Tort	389
	3. Jurisdiction for Multiple Defendants	390
	4. Exclusive Jurisdiction for Invalidation Proceedings	391
	5. Provision on Forum Non Conveniens	392
	D. Relevant Recognition Provisions for Intellectual Property Litigation	393
	1. Judgments to be Recognized and Enforced	393
	2. Limited Recognition for Damage Awards	394
VI.	Conclusions	395
	A. Desirable Features of an International System of Jurisdiction and Recognition	395
	1. Generally Applicable Rules of Jurisdiction	395
	2. Concentration of Infringement Proceedings	396
	3. Free Flow of Judgments	396
	B. Feasibility of a Solution Similar to the Proposed Convention	396
	1. Personal Jurisdiction over non-Residents	396
	2. Subject-matter Jurisdiction over Foreign Patents	397
	3. Recognition and Enforcement of Foreign Judgments	399
	4. The Danger of “Forum-Shopping” and Countermeasures	400

*332 I. Introduction

A. purpose of the Inquiry, Overview

Both American and European enterprises are uncomfortable being sued for patent infringement in a court located on the other side of the Atlantic. The reason for the unease is not only uncertainty about the outcome of the proceedings under the applicable law but also the uncertainty about jurisdiction and possible recognition of foreign judgments. In the American business world, stories are told about American companies that became defendants in Dutch proceedings even though they never did any business in Holland. In Europe, enterprises are often surprised when sued before a U.S. court in cases which are, in their view, purely “European.” This inquiry on transatlantic patent litigation attempts to present the legal situation and the underlying principles with respect to jurisdiction and recognition in a systematic way. Claims for declaratory judgment are only treated in connection with their impact on jurisdiction. No reference is made to arbitration proceedings and prorogation of jurisdiction.

For a better understanding of the similarities and differences between American and European patent litigation, it may be useful in a first approach to think of the European system as a variant of a federal system.¹ Even though the unification process in Europe is far from merging states into a single federal nation, economic necessities have pushed for the harmonization and unification of national commercial laws, including intellectual property laws. As far as jurisdiction and recognition of foreign judgments are concerned, the Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters² has removed many barriers between national jurisdictions of the European Union (EU) Member States.³

The rules for jurisdiction and recognition depend on the place where relief is sought (European or American courts), the role distribution (plaintiff, defendant) and the basis of the claim (European or U.S. patent). The first criterion, the court involved, defines the set of procedural rules (including provisions on jurisdiction) to be applied for any lawsuit. In the description of the rules on jurisdiction and recognition for infringement proceedings, the main distinction is made according to *333 the jurisdiction.⁴ As the risks and the outcome of a lawsuit can differ significantly depending on the court dealing with the case, the parties often engage in hefty battles on jurisdiction. Invalidity actions differ from infringement actions insofar as the principle of territoriality is a greater factor in invalidity actions.⁵ If national courts adjudicate the validity of foreign patents at all, they do it in infringement proceedings, issuing inter partes judgments or addressing validity questions as incidental questions. For this reason, the main emphasis of the jurisdiction and recognition inquiry is on infringement proceedings. At the end of the study, the significance of the draft Hague Convention on Jurisdiction and Recognition on transatlantic patent litigation shall be summarized.⁶ The conclusions concentrate on the desirability and feasibility of common rules on jurisdiction and recognition.⁷

B. Grant, Invalidation, and Enforcement of Patents in the United States Purpose of the Inquiry, Overview

In the United States, the grant of patents has been a federal issue from the very beginning.⁸ The grant of patents, their invalidation, and the protection conferred by a patent is governed by the federal Patent Act.⁹ Its provisions on the protection conferred cover issues such as patent term, extent or scope of protection, and rights conferred by the patent uniformly for the patent territory.

Whereas the Patent and Trademark Office grants U.S. patents, infringement and invalidity suits have to be brought before the federal district courts.¹⁰ Until 1982, appeals against federal district court decisions could be filed with the federal court of appeals of the circuit embracing the district in which the decision was rendered.¹¹ Since the Supreme Court only takes a small number of cases every year, using its discretion to review cases decided by the courts of appeals,¹² under this system large disparities developed among the regional circuits with respect to *334 the treatment of patents.¹³ Some circuits were known as patent-friendly, others were notorious for holding most patents invalid.

The different treatment of patents, which could not be sufficiently corrected by the Supreme Court, not only led to forum shopping but also weakened the patent system.¹⁴ As a response, the United States Court of Appeals for the Federal Circuit (hereinafter Federal Circuit) was created in 1982 as a unified forum for patent appeals. The Federal Circuit has exclusive jurisdiction over appeals from a final decision of a district court, if the jurisdiction of this court was based on claims arising under the U.S. Patent Act.¹⁵ The Federal Circuit improved the situation significantly. It brought the geographically inconsistent legal situation to an end, and it altered corporate America’s view of patents.¹⁶ Since the Federal Circuit came into

being, the grant of patents is under the control of one single authority, and the invalidation and enforcement proceedings are governed by uniformly applied law.

C. Grant, Invalidation, and Enforcement of Patents in Europe

In Europe, patent legislation was an entirely national issue until after the Second World War. Since the nineteen-fifties different attempts have been made to create a centralized European patent system that would allow applicants to get one patent for all of Europe. Centralization was partially achieved when the European Patent Convention¹⁷ (EPC) entered into force in 1978, providing for centralized application, research, examination, and opposition proceedings before the European Patent Office. Currently, the EPC is in force for nineteen contracting states, including all fifteen members of the European Union. Under the EPC, the applicant may designate at his or her discretion the contracting states in which the European patent shall be valid. After publication and examination of the application, the patent is either granted or the application is rejected with effect for all designated contracting states. Within nine months after the patent issues, any third person can initiate opposition proceedings against the patent. The Opposition Division of the European Patent Office then either revokes or maintains (in part or as granted) the European patent.¹⁸ After being granted, the European patent enters the “national phase” and exists as a bundle of national patents. In the national *335 phase, the patent can be revoked or transferred for every designated state independently. Each of these “bundle patents” can also be thought of as a independent fraction of the same European patent. The national patent systems and the national patents still exist in all contracting states to the European Patent Convention. However, the relevance of the national patent systems is declining, particularly in smaller states.

Under the “bundle patent” concept installed by the European Patent Convention, the European patent in each of the Contracting States for which it is granted has the effect of a national patent granted by that State.¹⁹ To reduce the inconsistencies caused by different national patent laws, an effort was made to harmonize the national patent system in Europe²⁰ and provisions were included in the EPC that procured homogeneity for patent terms and for the extent of protection.²¹ Despite the EPC provision on the scope of protection, which binds all courts in Europe interpreting a European patent, there are still national differences in the interpretation of European patents. In the various *Epilady* cases, where the same device was accused of infringing the European patent in several different states, some national courts found infringement whereas others did not.²² No supranational appellate court can establish a uniform interpretation of the EPC as the European Court of Justice (E.C.J.) has no jurisdiction to interpret conventions outside the framework of the European Union that have not been explicitly made subject to the jurisdiction of the E.C.J.

With respect to the rights conferred by a European patent, EPC article 64 explicitly refers to the rights conferred by a national patent granted in that state. The harmonization that could not be achieved by the EPC was partly installed by article 28 of the TRIPS Agreement.²³ Under this provision, the patentee shall be entitled to exclude third parties from certain patent-related activities such as use, offering for sale, or import of patented goods.

*336 The next step towards a unified European Patent System, which has been discussed for decades now, is the Community Patent Convention,²⁴ which should provide for the issue of patents that cover the territory of the entire European Union. The community patent would be as indivisible as a U.S. patent covering the territory of the United States. Neither the 1975 Community Patent Convention nor the amended Convention of 1989 ever came into force. Ongoing discussions show that the Community Patent Convention is unlikely to be effective in the foreseeable future. The main obstacle to the community patent is the language problem. Several member states of the European Union insist for political reasons that patents shall be translated into all national languages within the territory. Maintaining this translation requirement after the recent expansion of the EU would result in translation costs which could be prohibitive in many cases.

D. International and National Law Governing Jurisdiction and Recognition in the United States

The United States is neither party to any international convention on jurisdiction (except for specialized treaties governing particular industries) nor party to any agreement regarding the mutual recognition of judgments. There is a persisting reluctance in the United States against depending on foreign states' courts decisions.²⁵

Within the federal system in the United States, federal law governs most jurisdiction issues in international patent litigation.²⁶ Under Article III of the United States Constitution, Congress may give the federal district courts subject-matter jurisdiction over “all Cases, in Law and Equity, arising under this Constitution, the Laws of the United States, and Treaties made, or

which shall be made, under their Authority.”²²⁷ In the Judicial Code, Congress granted the district courts “original jurisdiction of all civil actions arising under the Constitution, laws or treaties of the United States” (federal question jurisdiction) and, in particular, the district courts are granted “original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trade-marks.”²²⁸ The Judicial Code’s provisions on venue determine the federal district court(s) competent for federal civil actions.²⁹ Questions on both substantive patent law and on jurisdiction and venue for patent cases can be subject to appeal proceedings before the U.S. Court of Appeals for the Federal Circuit. As far as actions “arising under” federal patent law are concerned, the appeal structure *337 within the federal jurisdiction system is designed to provide for uniform law not only in the field of substantive patent law but also in the area of jurisdiction.³⁰ However, the federal question jurisdiction for patent matters is not applicable for claims based on other patents than U.S. patents. In these cases, federal jurisdiction can be based on other provisions.³¹

Within the federal court system in the United States, judgments issued by one federal court are recognized and enforced nationwide.³² As far as judgments issued by the state courts are concerned, the U.S. Constitution provides for recognition and enforcement of “sister state judgments” under the “full faith and credit clause.”³³ The exceptions from the principle that states have to recognize and enforce judgments originating from other state jurisdictions are very narrow; enforcement of a sister state judgment is required even where the underlying claim is contrary to the public policy of the state where enforcement is sought.³⁴

There is no federal standard governing the enforcement of foreign judgments in the United States. Even though it has been proposed repeatedly that federal standards should be applied, most authorities still assume that the recognition and enforcement of foreign judgments is governed by state law.³⁵ Federal courts apply the law of the state where the court is located.³⁶ However, the differences between the applicable state laws are small and similar standards for recognition and enforcement of foreign judgments have been adopted in many states.³⁷

E. International and National Law Governing Jurisdiction and Recognition in Europe

Under the Brussels Convention, a comprehensive system of jurisdiction has been established for litigation in civil and commercial matters, including intellectual property matters. Persons domiciled in a contracting state may be sued in the courts of another contracting state only under the rules set forth in the Convention, and no national jurisdiction rules providing for additional bases of jurisdiction (exorbitant bases of jurisdiction) can be applied against them.³⁸ A court competent under the provisions of the Brussels Convention may not deny *338 competence under the doctrine of forum non conveniens.³⁹ The contracting states to the Brussels Convention agreed on two particular points in the so-called “Interpretation Protocol” or “Luxembourg Protocol” of June 3, 1971. First, the comprehensive and exclusively applicable set of rules of the Brussels Convention should be applied by the national courts uniformly to ensure the uniformity of judgments. Second, the supreme courts of the contracting states can submit questions of interpretation to the E.C.J. for preliminary rulings.⁴⁰

As the Brussels Convention is only accessible to member states of the European Union, the member states of the EFTA (European Free Trade Association) were excluded from the uniform system of jurisdiction and recognition even though the EFTA membership allowed them almost unrestricted access to the EU market. In order to allow the EFTA Member States to be a part of the system set up by the rules of the Brussels Convention, the Lugano Convention⁴¹ was negotiated between the Member States of the EU on the one hand and those of the EFTA on the other hand. The Lugano Convention contains the same rules on jurisdiction and recognition as the Brussels Convention.⁴² It is applicable if a defendant is domiciled not in the EU but in a member state of the EFTA.⁴³ For the sake of simplicity, the combined “parallel conventions” (Brussels and Lugano Conventions) shall be referred to in this inquiry as the “Conventions” or the “European Conventions.”

The uniform European jurisdiction rules established by the Conventions are not applied to all lawsuits, however. As a matter of principle, the Conventions are only applicable if the defendant is domiciled in a contracting state.⁴⁴ In all other cases, the national law of the state where relief is sought governs jurisdiction.⁴⁵ The applicable rules on jurisdiction may differ significantly from state to state. *339 Consequently, the defendant not domiciled in a contracting state does not encounter anything like a “European System of Jurisdiction.”

As far as the recognition and the enforcement of judgments originating from the same system of jurisdiction is concerned, the legal situation in Europe is similar to the law in the United States even though in Europe there is not yet a uniform “federal” jurisdiction system that provides for automatic recognition and enforcement of judgments originating from within the federal

system. The Conventions set forth that any judgment from other contracting states is recognized and enforced with some narrow exceptions from this principle.⁴⁶ Recognition may be refused if it is contrary to public policy in the state in which recognition is sought, but a foreign judgment may not be reviewed as to its substance under the Convention.⁴⁷

F. Similarities and Dissimilarities between the Federal System in the United States and the “Semi-Unified” System in Europe

The preliminary description of the distribution of powers between the state or national level on the one hand and the federal or the European level on the other hand shows that in the field of patent law jurisdiction and recognition the situation in Europe can be compared to the situation in the United States, even though the European integration process is still far from establishing anything like the United States of Europe.

As in the United States, patents can be granted by one central authority in Europe (even though the applicant can still apply for national patents in Europe). In both Europe and the United States, patents can only be challenged in civil proceedings after issue and possible two-party nullity proceedings.⁴⁸ The courts in the civil proceedings are not bound by the patent issue and they are, in most jurisdictions, also competent for infringement proceedings. As the civil courts dealing with invalidity and infringement proceedings are necessarily national courts and there is no appellate jurisdiction on a European level, there is no institutional way of establishing uniform application of European patent law.

Whereas the uniform system of jurisdiction established under U.S. federal law is applicable for any actions arising under U.S. patent law, the European system of jurisdiction established by the Conventions is only applicable if the defendant is domiciled in Europe. Once a judgment is rendered within the European jurisdiction system, it is recognized in all of the Conventions’ contracting states. The European situation is similar to the situation in the state jurisdiction system in the United States, where the “full faith and credit clause” requires recognition and enforcement of “sister state judgments” in all states, even though the full faith and ***340** credit clause allows other exceptions to the general principle of recognition and enforcement.

If the judgment for which recognition or enforcement is sought originates from outside the system of jurisdiction, the situation is similar in Europe and the United States. In the United States, state law governs the recognition and enforcement of foreign judgments.⁴⁹ The provisions on recognition and enforcement in the European Conventions are only valid for judgments rendered in contracting states.⁵⁰ For other foreign judgments, national law or other international agreements govern recognition and enforcement.

G. Strict Territoriality for Invalidity Actions

Both in the United States and in Europe, there is an unquestioned understanding that the validity of registered intellectual property rights can only be challenged in the state for which the right is registered. The act-of-state doctrine⁵¹ would most likely prevent U.S. courts from exercising jurisdiction over the validity of foreign patents.⁵² For the Conventions’ contracting states, the same result is achieved under the Conventions. For invalidity cases, article 16(4) of the Conventions provides for exclusive jurisdiction of the court in the contracting state for which the patent is registered.⁵³ The applicability of article 16(4) does not turn on the domicile of the defendant, it even applies if none of the parties is domiciled in a contracting state.⁵⁴ Judgments on patent validity issued in violation of article 16(4) will not be recognized in another contracting state.⁵⁵ Technically, article 16(4) is not applicable if intellectual property rights registered in non-contracting states such as U.S. patents are challenged.⁵⁶ However, European courts would deny jurisdiction for invalidity suits on U.S. patents based on analogous application of article 16(4)⁵⁷ or based on national principles of international private law.⁵⁸

The problematic issues in the review of foreign patents are about the invalidity defense in infringement cases. At least in Europe, it is well established ***341** that the courts can hear infringement claims based on foreign patents, but whether such jurisdiction contradicts article 16(4) of the Conventions in cases in which the defendant raises the validity issue is the subject of a pending case before the European Court of Justice.⁵⁹ A provision equivalent to article 16(4) is part of the draft Hague Convention on Jurisdiction and Recognition. After the United States proposed a clarification, provisions were adopted in the Draft Hague Convention that allow courts not having exclusive invalidity jurisdiction to hear invalidity defenses in infringement cases.⁶⁰

II. Jurisdiction for Infringement Claims brought before U.S. Courts

A. Subject-matter Jurisdiction, Personal Jurisdiction, and Venue

The question of whether U.S. courts have jurisdiction over a specific dispute mainly turns on two issues: subject-matter jurisdiction and personal jurisdiction. Unless both are established, no valid judgment can be rendered by any U.S. court. Subject-matter jurisdiction depends on the class of cases to which a particular case belongs, irrespective of the parties involved. The issue of subject-matter is of particular relevance to the distinction between state and federal jurisdiction; federal statutes enumerate classes of cases that are subject to federal jurisdiction--all other cases are subject to state jurisdiction. Personal jurisdiction refers to the question of whether a court has jurisdiction over a certain person (individual or corporation).⁶¹ For the establishment of personal jurisdiction, two requirements have to be met: (i) a basis requirement (jurisdictional basis) that establishes some connection of the person with the court's district and (ii) a process requirement such as amenability to the service of summons.⁶²

Questions of jurisdiction are interconnected with the constitutional guarantee of Due Process.⁶³ Judgments of courts lacking jurisdiction violate the Due Process Clause and are void.⁶⁴ The Due Process Clause sets limitations on the interpretation of any statutes on jurisdiction and shields a defendant from unfair or unreasonable exercise of jurisdiction. Notwithstanding the full faith and credit clause, lack of jurisdiction is a valid ground for a state court or federal court to refuse the enforcement of another state court's judgment.⁶⁵

*342 Venue, a designation of the particular county or city in which a court "with jurisdiction" may hear a case, does not refer to jurisdiction.⁶⁶ Determination of venue as a choice among the courts having jurisdiction has become less important since the appellate jurisdiction of the Court of Appeals for the Federal Circuit largely eliminated the lack of geographical uniformity in patent law which had previously induced forum-shopping in many cases.⁶⁷

The law on jurisdiction in the United States does not generally provide for separate rules in cases with international contexts. For purposes of civil proceedings, the position of a non-resident of the United States is basically the same as the position of a person domiciled in a state within the United States other than the forum state. However, there are special statutory rules on venue if one of the parties is a "nonresident" or an "alien." If foreign patents are involved in a lawsuit, subject-matter jurisdiction of the federal courts can become a critical issue.⁶⁸ The doctrine of forum non conveniens plays a different role if the competing forum is foreign. For the determination of personal jurisdiction, the place where a defendant is domiciled, as well as his contacts with the forum, can be critical for the analysis under the applicable constitutional and statutory provisions.

B. Subject-matter and Supplemental Jurisdiction of U.S. Courts

1. Jurisdiction for Claims Based on U.S. Patents

a. "Arising Under" Jurisdiction of Federal District Courts

The federal district courts have original jurisdiction "of all civil actions arising under the Constitution, laws, or treaties of the United States."⁶⁹ More specifically, the federal district courts have "original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trade-marks."⁷⁰ The wording of the provision clearly does not refer to foreign patents ("Acts of Congress relating to patents") but otherwise the provision was interpreted broadly, particularly in the first years of the Federal Circuit.⁷¹ The Supreme Court held in *Christianson v. Colt* that jurisdiction under 28 U.S.C. Section 1338 extends to all cases in which a "well-pleaded complaint" establishes either that federal patent law creates the cause of action or that the plaintiff's right to relief necessarily depends on resolution of a substantial question of federal patent law, in that patent law is a necessary element of one of the well- *343 pleaded claims.⁷² If an action for declaratory judgment is brought under the Declaratory Judgment Act,⁷³ the criterion of "well-pleaded complaint" is applied in a modified way: The court would ask whether, absent the availability of declaratory relief, the case could have been brought before a federal court. The well-pleaded complaint rule is applied to that hypothetical suit.⁷⁴ Suit for infringement of a U.S. patent as well as declaratory action seeking a declaration of non-infringement arises under the federal patent laws and is properly brought in federal court.⁷⁵

b. Jurisdiction of the Court of Appeals for the Federal Circuit

The fact that an action “arises under” the Patent Act not only invokes federal jurisdiction, it also means that appellate jurisdiction is with the Court of Appeals of the Federal Circuit (Federal Circuit). The Federal Circuit has appellate jurisdiction for final decisions of a district court “if the jurisdiction of that court was based, in whole or in part, on section 1338 of this title.”⁷⁶ Cases involving copyright, exclusive rights in mask works, or trademark claims are excepted, but not patent claims.⁷⁷ If the Federal Circuit has appellate jurisdiction in a patent case under 28 U.S.C. Section 1295 (a)(1), such jurisdiction is not limited to the merits of the case. The Federal Circuit also has jurisdiction to decide whether the district court had jurisdiction under section 1338.⁷⁸ The Federal Circuit is applying its own law (rather than the law of the regional circuit in which the case arose) with respect to personal jurisdiction over out-of-state infringers and out-of-state patentees, as it does with respect to substantive patent law.⁷⁹

If the jurisdiction of the federal court is not based on the “arising under” jurisdiction of 28 U.S.C. Section 1338 but on diversity jurisdiction,⁸⁰ the courts of appeals of the regional circuits have appellate jurisdiction instead of the Federal Circuit.⁸¹ Attempts have been made by litigants in patent cases to evade Federal Circuit jurisdiction by basing federal jurisdiction in patent infringement cases not on the “arising under” jurisdiction but only on diversity jurisdiction. The Federal Circuit disapproved of such manipulation of its jurisdiction and held that “**344** substance, not form, would control the evaluation of pleadings to determine the jurisdictional basis for a suit.”⁸²

2. Jurisdiction for Claims Based on Foreign Patents

a. Supplemental Jurisdiction under 28 U.S.C. § 1367

Under the title “Supplemental Jurisdiction”, 28 U.S.C. Section 1367 provides that “in any civil action of which the district courts have original jurisdiction, the district courts shall have supplemental jurisdiction over all other claims that are so related to claims in the action within such original jurisdiction that they form part of the same case or controversy under Article III of the United States Constitution.”⁸³ In this provision, the case law doctrine of pendent jurisdiction was codified in 1990. Under the former doctrine of pendent jurisdiction and the new statutory provision on supplemental jurisdiction, a federal court can hear a state claim of which it would otherwise have no jurisdiction when it is related to a claim based on federal law.⁸⁴

The necessary relationship between the claims is established if the federal claim derives from a “a common nucleus of operative facts” with the state claim to be heard under supplemental jurisdiction (so-called Gibbs standard).⁸⁵ Before exercising supplemental jurisdiction over state law claims, the court can take into account factors of judicial economy, convenience, fairness, and comity in order to determine whether the claims form part of the same case or controversy.⁸⁶

Even though supplemental jurisdiction under 28 U.S.C. Section 1367 is mandatory (“district courts shall have original jurisdiction . . .”), the court has discretionary power to decline the exercise of supplemental jurisdiction under circumstances specified in subdivision (c). In particular, the district court may decline supplemental jurisdiction if the state claim “substantially predominates over the claim or claims over which the district court has original jurisdiction”⁸⁷ and if “the district court has dismissed all claims over which it has original jurisdiction.”⁸⁸

Supplemental jurisdiction can be invoked in cases in which claims are based both on the infringement of U.S. and foreign law.⁸⁹ Before 28 U.S.C. Section 1367 was enacted in 1990, the Seventh Circuit in *Ortman v. Stanray* confirmed that a “**345** complaint containing four separate causes of action for alleged infringement of U.S., Canadian, Brazilian, and Mexican patents could be brought before the federal court.”⁹⁰ The district court, applying the criterion of Gibbs, came to the conclusion that the charges arising from the sale and manufacture of the same instrumentality in various countries arose from the same nucleus of operative fact.⁹¹

In *Mars Inc. v. Kabushiki-Kaisha Nippon Conlux*, the district court relied on *Ortman* and assumed that it had the authority to hear a claim based on the infringement of a Japanese patent under 28 U.S.C. Section 1367(a).⁹² The Federal Circuit, referring to the specific facts, held that the two claims (based on a U.S. patent and on a Japanese patent) did not derive from a common nucleus of operative fact.⁹³ The U.S. patent contained only method claims whereas the only claim in the Japanese patent was

an apparatus claim. Moreover, the accused devices were not the same in the U.S. and in Japan and the alleged infringing acts were different.⁹⁴

Even though the Federal Circuit finally refused to accept supplemental jurisdiction for claims based on a Japanese patent, the reasons given for this refusal may not apply in other cases, and the court did not question *Ortman v. Stanray*.⁹⁵ In cases where the patents are similar and the allegedly infringing goods are identical, the courts may well accept supplemental jurisdiction for claims based on foreign patents.

b. Pendent Jurisdiction under 28 U.S.C. § 1338(b)

Under 28 U.S.C. Section 1338(b), federal courts “have original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent, plant variety protection or trade-mark laws.”⁹⁶ The provision was enacted to authorize a federal court to assume jurisdiction over a non-federal unfair competition claim joined in the same case with a federal cause of action based on intellectual property rights, in an effort to avoid “piecemeal litigation.”⁹⁷ The jurisdiction for unfair competition claims *346 under 28 U.S.C. Section 1338(b) is closely related to supplemental jurisdiction and it is also referred to as “pendent jurisdiction.”⁹⁸

In *Mars v. Kabushiki-Kaisha Nippon Conlux*, the plaintiff invoked unfair competition jurisdiction under 28 U.S.C. Section 1338(b), claiming that the infringement of a foreign patent constituted unfair competition under U.S. law. The Federal Circuit rejected this contention, explaining that an asserted claim of unfair competition must find a substantive basis in a source of law independent of the jurisdictional provision of 28 U.S.C. Section 1338(b). In the court’s view, the term “unfair competition” did not encompass patent infringement because of the different backgrounds of patent and unfair competition law and because statutes conferring federal subject matter jurisdiction must be narrowly construed.⁹⁹

c. Diversity Jurisdiction under 28 U.S.C. § 1332

Under 28 U.S.C. Section 1332(a), federal district courts have original jurisdiction of all civil actions where the matter in controversy exceeds the sum or value of \$ 75,000 . . . and is between

- (1) citizens of different States;
- (2) citizens of a State and citizens or subjects of a foreign state;
- (3) citizens of different States and in which citizens or subjects of a foreign state are additional parties.¹⁰⁰

As far as the controversy between citizens of different States, this diversity jurisdiction of federal courts has been based partly on the assumption that courts in a particular state are more likely than federal courts to treat out-of-staters unfairly.¹⁰¹ The federal judicial power based on foreign citizenship of a party has often been referred to as alienage jurisdiction even though it is nothing else than one component of diversity jurisdiction.¹⁰² Alienage jurisdiction gives the federal courts protective jurisdiction over matters that include international relations.¹⁰³ It does not extend to suits of one alien against another alien.¹⁰⁴

Diversity jurisdiction is seen in many cases involving interstate or international trade and it is very often invoked as a “last resort” to obtain federal jurisdiction. If the amount in controversy exceeds \$75,000 and if personal jurisdiction can be established, diversity jurisdiction for claims based on foreign *347 patents can be established in many cases involving parties from both the United States and Europe. The Federal Circuit has no appellate jurisdiction in cases of diversity jurisdiction.¹⁰⁵

C. Personal Jurisdiction of U.S. Courts

1. Constitutional Boundaries for Personal Jurisdiction

The Due Process Clause of the U.S. Constitution provides safeguards guaranteeing a minimal standard of procedural fairness in civil and criminal proceedings. Under the Fifth Amendment, which was introduced with the Bill of Rights as an instrument binding the federal authorities, “No person shall be . . . deprived of life, liberty, or property, without due process of law.”¹⁰⁶ The Fourteenth Amendment, introduced after the Civil War, conferred the same limits upon the sovereignty of the individual states.¹⁰⁷ For jurisdiction questions in federal courts, technically both Due Process Clauses (of the Fifth and the Fourteenth Amendment) can be applicable, depending on the basis for federal jurisdiction. If federal jurisdiction is based on diversity of citizenship, the Fourteenth Amendment is applicable, whereas, the Fifth Amendment is applicable in cases involving the “arising under” jurisdiction of 28 U.S.C. Section 1338. However, the Federal Circuit also applies the standards developed under the Fourteenth Amendment to questions of personal jurisdiction in federal question cases, such as cases arising under patent law.¹⁰⁸ The adjudicatory jurisdiction, as well as the recognition and enforcement of judgments in the United States federal system, has been defined by the Supreme Court’s interpretation of the U.S. Constitution.¹⁰⁹

With respect to personal jurisdiction, the Due Process Clause requires that there must be a sufficient relationship between the defendant and the forum¹¹⁰ and that there has to be a basis for the defendant’s amenability to the service of summons.¹¹¹ As a third requirement for the exercise of personal jurisdiction over a defendant, there has to be proper notice, informing the defendants of the pendency of an action and enabling them to present their objections.¹¹²

***348** Unless there are specific federal statutes, the criteria for establishing jurisdiction and for the amenability to the service of summons are governed by state law--as is the recognition and enforcement of foreign judgments. Since the Erie decision, there is no federal common law in the field of civil proceedings.¹¹³ The Due Process Clause sets boundaries for the state law on civil proceedings. However, if the applicable state law allows anything that is not unconstitutional, the focus is shifted to the constitutional analysis.¹¹⁴

It is generally accepted that the Due Process Clause is also applicable to assertions of jurisdiction over foreigners.¹¹⁵ In cases with foreign defendants, however, the due process criterion of “minimum contacts”¹¹⁶ in the forum is often replaced by the criterion of “aggregate contacts” or “national contacts” in the United States as a whole.¹¹⁷

2. General Jurisdiction and Specific Jurisdiction

The U.S. Supreme Court distinguishes two types of personal jurisdiction: “general” jurisdiction and “specific” or “limited” jurisdiction. General jurisdiction permits a court to adjudicate any claim against a defendant, including claims that are not related in any way with the forum state.¹¹⁸ Specific jurisdiction stems from the defendant having certain minimum contacts with the forum state. A court having specific jurisdiction may only hear cases whose issues arise from those minimum contacts. Substantially fewer contacts are required to establish specific jurisdiction than those required for general jurisdiction.¹¹⁹

a. Bases for General Jurisdiction

With respect to international litigation, Section 421 of the Restatement (Third) of Foreign Relations Law of the United States provides that a state may exercise jurisdiction with respect to a person if the relationship between the state and the person is “such as to make the exercise of jurisdiction reasonable.” The provision also lists what kinds of relationships generally make the exercise of jurisdiction reasonable. The extensive list includes presence in the territory of the state (other than transitory), domicile, residence, nationality, the organization of a company pursuant to the law of the state, and the regular carrying on of business in the state.¹²⁰

***349** The standards of “presence” or “regularly doing business” are more vague than the other standards mentioned. The assertion of general jurisdiction requires showing that the defendant is “engaged in such a continuous and systematic course of ‘doing business’” in the forum state as to warrant a finding of its “presence” in this jurisdiction.¹²¹ Defining what sorts of activities will satisfy the “continuous and systematic” business contacts or “presence” test has proven difficult. However, this test requires much more intense contacts than the test for specific jurisdiction.¹²² The factors considered in connection with the “continuous and systematic” contacts test include the solicitation of business in the forum, the holding of bank accounts, the shipment or purchase of products, the ownership of property in the forum, the entering into contracts with forum residents, and the running of unincorporated branch offices.¹²³

Most states require foreign corporations to appoint a registered agent as a condition of “transacting business” or “doing business” in the state (the criterion being understood as substantial, ongoing business relations with the state).¹²⁴ It is disputed whether such appointment of an agent is sufficient to establish general jurisdiction over the principal.¹²⁵

b. Jurisdiction Based on Corporate Affiliation and Agency

Large, multinational, publicly held corporations usually control their activities in each country through fully owned, separately-incorporated corporate affiliates. The type of arrangements that are made within such multinational organizations determines to a significant extent whether a U.S. court can establish jurisdiction over the foreign parent company of a U.S. subsidiary.¹²⁶

The mere existence of a parent-subsidary relationship is not sufficient to warrant jurisdiction over the foreign parent.¹²⁷ On the other hand, a close relationship between a parent and its subsidiary may justify a finding that the parent did business in a jurisdiction through the acts of its subsidiary. Patent infringement cases involving the parent’s product clearly implicate the parent corporation.¹²⁸

The main instruments on which the personal jurisdiction over foreign parent companies can be based are the alter ego theory and the jurisdiction based on *350 agency relationship. In *Hargrave v. Fibreboard Corp.*, the Court of Appeals for the Fifth Circuit described the alter ego test as follows:

Generally, our cases demand proof of control by the parent over the internal business operations and affairs of the subsidiary in order to fuse the two for jurisdictional purposes. The degree of control exercised by the parent must be greater than that normally associated with common ownership and directorship. All the relevant facts and circumstances that surround the operations of the parent and subsidiary must be examined to determine whether two separate and distinct corporate entities exist.¹²⁹

Depending on the applicable state law, the application of the alter ego doctrine can be restricted to cases in which fraud, inequity, or injustice in the use of the corporate form can be established.¹³⁰ Establishment of personal jurisdiction over a foreign parent company under the alter ego theory does not necessarily mean that this parent is also liable for its subsidiary’s actions. Alter ego liability tends to be more restricted than alter ego jurisdiction.¹³¹

The agency theory differs from the alter ego theory in that it attributes specific acts to the parent because of the parent’s authorization of these acts, but does not treat the parent and the subsidiary as one entity. When applying the agency theory, the court focuses its inquiry (under Delaware law) on the extent of overlap of officers and directors, the methods of financing, the division of responsibility for day-to-day management, and the process by which each corporation obtains its business.¹³²

3. Relationship Between Defendant and Forum

a. The “Minimum Contacts” Doctrine for the Establishment of Jurisdictional Basis

The Supreme Court summarized the requirement of “minimum contacts” and its rationale in a 1985 decision as follows:

The Due Process Clause protects an individual’s liberty interest in not being subject to the binding judgments of a forum with which he has established no meaningful contacts, ties or relations. By requiring that individuals have fair warning that a particular activity may subject them to the jurisdiction of a foreign sovereign, the Due Process Clause gives a degree of predictability to the legal system that allows potential defendants to structure their primary conduct with some minimum assurance as to where that conduct will and will not render them liable to suit.¹³³

The “minimum contacts” doctrine stems from the *International Shoe Co. v. Washington* decision that lifted territorial limits on judicial jurisdiction *351 substantially.¹³⁴ In *International Shoe*, the Supreme Court held that due process requires only that, in order to establish personal jurisdiction over a defendant not present within the territory of the forum, the defendant has certain minimum contacts with this territory “such that the maintenance of the suit does not offend ‘traditional notions of fair play and substantial justice.’”¹³⁵ In *World-Wide Volkswagen Corp. v. Woodson*, the Oklahoma courts accepted

jurisdiction over product liability claims stemming from an accident in Oklahoma against a car dealership.¹³⁶ The injured plaintiff in the product liability claim was moving from New York to Arizona, passing through Oklahoma with no intent to stay there; the defendant was incorporated in New York and did no business in Oklahoma. The Supreme Court acknowledged that the limits imposed on state jurisdiction by the Due Process Clause “have been substantially relaxed over the years”¹³⁷ but it held that in such cases where there was no contact between the defendant and the forum state except for the automobile that was brought there by the defendant’s customer, the state of Oklahoma could not establish personal jurisdiction.¹³⁸ The mere fact that it was foreseeable that the purchasers of the automobiles brought them to Oklahoma established no sufficient contact. The court in *World-Wide Volkswagen* asked for “reasonableness” on the one hand and questioned whether the defendant “purposefully avails itself of the privilege of conducting activities within the forum State” on the other hand.¹³⁹

When applying the “reasonableness” prong of the test applied in *World-Wide Volkswagen*, the court asks whether the defendant’s contacts with the forum are such that the suit in the forum does not offend “traditional notions of fair play and substantial justice.”¹⁴⁰ It takes into account not only the burden on the defendant but also the state’s interest in adjudicating the dispute, the plaintiff’s interest in obtaining convenient and effective relief, the interstate judicial system’s interest in obtaining the most efficient resolution of controversies, and the shared interest of the several states in furthering substantive social policies.¹⁴¹

The criterion of “purposeful availment” can be circular if the court simply asks whether the defendant has purposefully availed himself of the forum’s protection in a manner such that he should reasonably anticipate being sued there. However, it is clear that the “purposeful availment” does not require physical *352 presence in the forum’s territory and that acts outside the forum can have effects within the forum that justify personal jurisdiction.¹⁴² The “stream of commerce” doctrine is a specific application of the “purposeful availment” test.¹⁴³

b. Minimal Contacts Doctrine Applied to Patent Infringement

In *Akro Corp. v. Ken Luker*,¹⁴⁴ the Federal Circuit used a three-prong test for the due process inquiry for personal jurisdiction that later has been referred to as “Akro test.” In *Akro*, the court required the following conditions for the establishment of personal jurisdiction:

1. Purposefully directed activities (directed at the forum state);
2. Relationship of these activities to the cause of action; and
3. Constitutional reasonableness of jurisdiction.¹⁴⁵

One year before *Akro*, in the first case in which the Federal Circuit addressed personal jurisdiction in patent infringement suits, the court held that specific personal jurisdiction existed when a defendant “purposefully shipped the accused [product] into [the state] through an established distribution channel.”¹⁴⁶ The first prong of the *Akro* test can be viewed as a generalization of this requirement. In *Akro*, a case in which the alleged infringer sought a declaratory judgment for non-infringement, the first prong of the *Akro* test was satisfied partly because the defendant sent warning letters to the alleged infringer.¹⁴⁷

Marketing activities can also constitute “purposefully directed activities” towards the forum state. A defendant who sent promotional letters, solicited orders for models, sent videos and sample parts, issued price quotations to California residents, responded to e-mail requests for information, and started some kind of cooperation with California residents, purposefully directed his activities to California.¹⁴⁸ A “passive” web page, on the other hand, is no sufficient basis for personal jurisdiction just because it can be accessed from the forum state. This has been accepted even if the content of the web page constitutes an “offer for sale” under 35 U.S.C. Section 271(a); the offer for sale is not purposefully directed at the forum state in these cases.¹⁴⁹

*353 The second prong of the *Akro* test has to do with the limitations inherent to specific jurisdiction, as compared to general jurisdiction.¹⁵⁰ If the cause of action is based on an offer for sale of a patented product, there is a sufficient relationship if the marketing activities satisfying the first prong of the *Akro* test were related to the same patented product.¹⁵¹ The third prong of the *Akro* test refers to the fairness inquiry used by the Supreme Court in *Burger King*.¹⁵²

c. Aggregate Contacts Doctrine in Cases Against Foreign Infringers

Under the standard due process analysis of “minimum contacts,” the contacts between the defendant and the forum state within the United States are relevant. The Due Process Clause serves “as an instrument of interstate federalism.”¹⁵³ This function is not required in cases in which the question is not which of several U.S. courts should have jurisdiction but whether a U.S. court should have jurisdiction at all. It has been argued that due process or traditional notions of fair play should not immunize an alien defendant from suit in the United States simply because each state makes up only a fraction of the substantial market for the offending product.¹⁵⁴

There has been a split of authority over whether the court can consider the aggregate of contacts with the various states in the United States or whether it must consider only the contacts with the particular state.¹⁵⁵ After the “aggregate contacts” issue was addressed in a 1993 amendment of Federal Rule of Civil Procedure 4(k),¹⁵⁶ it has been concluded that the new Rule 4(k)(2) also means that the court may exert jurisdiction over foreign defendants for claims arising under federal law when the defendant has sufficient contacts with the nation as a whole but is without sufficient contacts with a state to satisfy the due process concerns of the long-arm statute of any one state.¹⁵⁷

d. Stream of Commerce Doctrine

In *World-Wide Volkswagen*, the Supreme Court held that the forum state does not exceed its power if it asserts personal jurisdiction over a corporation that delivers its products into the stream of commerce with the expectation that they *354 will be purchased by consumers in the forum state.¹⁵⁸ In *Asahi Metal Industry Co. v. Superior Court of California*, the Supreme Court refined the “stream of commerce” doctrine and came to the conclusion that

The placement of a product into the stream of commerce, without more, is not an act of the defendant purposefully directed toward the forum state. Additional conduct of the defendant may indicate an intent or purpose to serve the market in the forum state, for example, designing the product for the market in the forum state, advertising in the forum state, establishing channels for providing regular advice to customers in the forum state, or marketing the product through a distributor who has agreed to serve as the sales agent in the forum state.¹⁵⁹

This part of the opinion, however, was only supported by four Justices. In a dissent, four other Justices did not want to require such additional conduct, holding that “[a]s long as a participant [in the flow of products] is aware that the final product is being marketed in the forum state, the possibility of a lawsuit there cannot come as a surprise.”¹⁶⁰

The *Asahi* decision really did not clarify the stream of commerce doctrine.¹⁶¹ The disagreement within the Supreme Court led to sharply divided subsequent decisions of lower courts.¹⁶² However, the courts look for the kinds of “additional conduct” the Supreme Court named as examples which could justify jurisdiction under the due process analysis. In *Vermeulen v. Renault*, the court based jurisdiction on the facts that the car model put into the stream of commerce was designed for the American market, that the product was advertised in the United States, channels were established providing regular advice to U.S. customers, and a distribution network had been created for bringing the product to the United States.¹⁶³

4. Defendant’s Amenability to the Service of Summons

Before a court may exercise jurisdiction over a defendant, there must be not only notice and a constitutionally sufficient relationship between the defendant and the forum, there also must be a basis for the defendant’s amenability to service of summons.¹⁶⁴ The summons as a formal notification to the defendant has to be sealed by the court’s clerk but it is regularly delivered to the defendant by the *355 plaintiff (together with a copy of the complaint).¹⁶⁵ The physical mechanism by which the defendant receives notice of an action is the service.¹⁶⁶

Federal Rule of Civil Procedure 4(k)(1) provides for “territorial limits of effective service” which are essential in all cases in which the defendant has to be reached outside the forum state (so-called long-arm jurisdiction). Under this provision “service of summons . . . is effective to establish jurisdiction over the person of a defendant (A) who could be subjected to the jurisdiction of a court of general jurisdiction in the state where the district court is located, or . . . (D) when authorized by a statute of the United States.”¹⁶⁷ Unlike in other fields of law such as federal antitrust and securities law, there is no federal long-arm statute dealing with the service of summons in federal patent infringement suits. There are, however, provisions in federal statutes that serve as long-arm statutes for particular situations. 28 U.S.C. Section 1694 provides that “[i]n a patent

infringement action commenced in a district where the defendant is not a resident but has a regular and established place of business, service of process, summons and subpoena upon such defendant may be made upon his agent or agents conducting such business.¹⁶⁸ This section provides a non-exclusive means for serving process on a defendant who is not resident of the court's district.¹⁶⁹ Under 35 U.S.C. Section 293, every foreign patentee may name a U.S. resident "on whom may be served process or notice of proceedings affecting the patent or rights thereunder."¹⁷⁰ If no such resident is available, the U.S. District Court for the District of Columbia has jurisdiction in cases against foreign patentees and summons may be served by publication or otherwise as this court directs.

In most cases, however, no special federal statute is applicable under Federal Rule of Civil Procedure 4(k)(1)(D), and the service of process has to be authorized by state law. Both state courts and federal courts have to rely on state long-arm statutes if service is to be made to defendants domiciled out of state.¹⁷¹ Federal Rule of Civil Procedure 4(k)(1)(A) "borrows" the state long-arm statutes for the purpose of federal procedures.¹⁷² The state long-arm statutes can be roughly divided into two groups. A number of states have enacted long-arm statutes that list the circumstances under which state courts may assert personal jurisdiction *356 over out-of-state or foreign defendants; typically these statutes provide for jurisdiction at the situs of the tort.¹⁷³ Other states intended to extend jurisdiction over non-residents as far as the U.S. Constitution allows. California's long-arm statute provides: "A court of this state may exercise jurisdiction on any basis not inconsistent with the Constitution of this state or of the United States."¹⁷⁴ For practical purposes, this type of provision makes the long-arm statutes irrelevant for limiting personal jurisdiction. Under the Californian provision quoted above, personal jurisdiction over an out-of-state defendant is appropriate if the state's long-arm statute permits the assertion of jurisdiction without violating federal due process. Since California's long-arm statute is coextensive with the federal limits of due process, the only inquiry is whether exercising personal jurisdiction over the accused infringers in California complies with the federal Due Process Clause.¹⁷⁵

The state long-arm statutes that are used under Rule 4 of the Federal Rules of Civil Procedure are framed in terms of contacts with the state.¹⁷⁶ In cases in which the contacts with each state are not sufficient to establish jurisdiction but the aggregate contacts with the United States as a whole are sufficient,¹⁷⁷ a basis for the service of summons would not always be available. This problem related to the "aggregate contacts" doctrine was addressed in a 1993 amendment of Federal Rule of Civil Procedure 4(k). The amended Rule 4(k)(2) provides: "If the exercise of jurisdiction is consistent with the Constitution and laws of the United States, serving a summons or filing a waiver of service is also effective, with respect to claims arising under federal law, to establish personal jurisdiction over the person of any defendant who is not subject to the jurisdiction of any state."¹⁷⁸ For federal question cases (such as infringement of a U.S. patent), this provision serves as another federal long-arm statute with limited application in the field of patent litigation.

In order to have generally applicable rules on the assertion of jurisdiction over aliens, the establishment of a federal long-arm statute has been proposed.¹⁷⁹ However, the more the state long-arm statutes extend jurisdiction to the constitutional limits, the less significant they are for practical purposes.

***357 5. Notice and Service of Summons under the Hague Service Convention**

The Hague Convention on Service Abroad of Judicial and Extrajudicial Documents in Civil and Commercial Matters ("Hague Service Convention")¹⁸⁰ was drafted under the auspices of the Hague Conference on Private International Law. Its main provisions are regulating the mechanism for service abroad through "Central Authorities" in each contracting state.¹⁸¹

The Hague Service Convention does not provide a basis for personal jurisdiction. Personal jurisdiction always must be established through substantive grant of personal jurisdiction in Rule 4 of the Federal Rules of Civil Procedure, or the state and federal long-arm statutes that this rule incorporates.¹⁸² On the other hand, the Hague Service Convention is deemed to be "exclusive" in relation to other methods of service outside the United States.¹⁸³ The Supreme Court held that because of the supremacy of federal law and international treaties over state law, "the Convention pre-empts inconsistent methods of service prescribed by state law in all cases to which it applies."¹⁸⁴ Rule 4 of the Federal Rules of Civil Procedure was amended in 1993 to authorize for service of process abroad "by any internationally agreed means reasonably calculated to give notice, such as those means authorized by the [Hague Service Convention]."¹⁸⁵ The new Rule 4(f) has been criticized as unclear with respect to the scope of authorization for service pursuant to the Hague Convention.¹⁸⁶

Most disputes about the Hague Service Convention arise out of its article 10(a), which permits, "provided the State of destination does not object," the sending of judicial documents, "by postal channels, directly to persons abroad."¹⁸⁷ A number

of states, including Germany and Norway, have objected to the use of article 10(a). Other states, including France and the United Kingdom, have made no objection.¹⁸⁸ Even if service is made to non-objecting states, it is unclear whether service of process can be effected in a contracting state by sending the *358 relevant documents by mail.¹⁸⁹ If service was effected by mail, the judgment may be unenforceable in the contracting state where it was directed.¹⁹⁰

D. The Doctrine of Forum Non Conveniens

1. Application in Federal Courts

The Latin expression for “an unsuitable court” stands for the doctrine that an appropriate court—even though competent under the law—may divest itself from jurisdiction if, for the convenience of the litigants and the witnesses, it appears that the action should proceed in another forum in which the action might originally have been brought.¹⁹¹ In *Gulf Oil Co. v. Gilbert*, the Supreme Court explicitly recognized the doctrine of forum non conveniens in 1947, reasoning that “a court may resist imposition upon its jurisdiction even when jurisdiction is authorized by the letter of a general venue statute.”¹⁹²

In the year following the *Gulf Oil* decision, Congress enacted a domestic forum non conveniens statute, which provides that “for the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought.”¹⁹³ This provision refers to both main elements that are required for dismissal of an action under the doctrine of forum non conveniens: the availability of an alternative or competing forum on the one hand and the inconvenience to the parties caused by the proceedings in the forum on the other hand.¹⁹⁴ It is applicable if both competing forums are federal courts; in these cases it codifies the doctrine on forum non conveniens.¹⁹⁵ In cases where the competing forum is a foreign forum, the common law doctrine on forum non conveniens still applies.

Even in cases based on diversity jurisdiction, the federal courts have to apply federal law on forum non conveniens because the doctrine of forum non conveniens is considered a rule of venue, not a rule of decision. For this reason the *Erie* doctrine¹⁹⁶ does not require the application of state law on forum non conveniens.¹⁹⁷ In cases in which the competing forum is a foreign forum, the *359 doctrine of forum non conveniens in federal courts is therefore governed by federal common law.¹⁹⁸

2. Criteria for the Application of the Doctrine of Forum Non Conveniens

In order to move for forum non conveniens dismissal, the party must show (1) the existence of an adequate alternative forum and (2) that dismissal would be favored by the balance of relevant private and public interest factors.¹⁹⁹ A competing forum can be “inadequate” for such reasons as plaintiff’s lack of effective access to the foreign forum, effects of foreign forum’s bias, the foreign forum’s lack of jurisdiction over defendants and the effect of differences between U.S. and foreign procedures.²⁰⁰ However, U.S. courts are generally reluctant to consider foreign forums inadequate merely because foreign procedures differ from those in the United States.²⁰¹

Once the court has decided that the proposed alternative forum is adequate, “it must proceed to balance public and private interests to determine whether the convenience of the parties and the ends of justice would best be served by dismissing the action.”²⁰² The private interest factors to take into account include the access to sources of proof, the availability of witnesses, the possibility to implead a necessary third party, the enforceability of a judgment and “all other practical problems that make trial of a case easy, expeditious and inexpensive.”²⁰³ The public interest factors considered by the courts include the caseload of the court, the local interest in having localized controversies decided at home, the appropriateness in having the trial in a forum that is at home with the law that must govern the case, and both forums’ interest in deciding the case.²⁰⁴

While the doctrine of forum non conveniens is flexible, decisions turning on its applications are unpredictable.²⁰⁵ “The forum non conveniens determination is committed to the sound discretion of the trial court . . . [[and] may be reversed only where there has been a clear abuse of discretion.”²⁰⁶ This deferential standard of *360 review has been criticized for making the application of the doctrine even more unpredictable.²⁰⁷

3. Doctrine of Forum Non Conveniens in the Context of International Patent Litigation Cases

In some federal circuits it is assumed that a federal district court may not dismiss an action on forum non conveniens grounds

if U.S. law governs the action.²⁰⁸ An action based on the infringement of a U.S. patent is not only governed by U.S. law. The ownership of a U.S. patent and the commitment of a tortious act on U.S. territory by the respective parties are other strong links between the dispute and the forum which should exclude the application of forum non conveniens.

If an action is based on the infringement of foreign patents, on the other hand, a U.S. court is likely to invoke the doctrine of forum non conveniens. In dicta in *Mars Inc. v. Kabushiki-Kaisha Nippon Conlux*, the Federal Circuit noted that the district court's findings that claims based on a Japanese patent could be dismissed under the doctrine of forum non conveniens were not clearly erroneous.²⁰⁹ The public interest factors invoked by the district court included the interest in having the trial in a forum that is at home with the law that must govern the action, the avoidance of unnecessary problems in the application of foreign laws, and the local interest in having localized controversies decided at home.²¹⁰ Such rigorous application of the foreign non conveniens doctrine has been criticized because of the implication that a United States court would rarely assume jurisdiction over a foreign patent dispute.²¹¹

If a dispute over a foreign patent is brought before a U.S. court by a U.S. plaintiff, the risks of dismissal under the forum non conveniens doctrine might be smaller. There is ordinarily a strong presumption in favor of the plaintiff's choice of forum, which may be overcome only when the private and public interest factors clearly point towards trial in the alternative forum.²¹² A foreign plaintiff's choice of forum is given less deference.²¹³ If the defendant is residing in the forum, there is also a smaller risk of dismissal under the forum non conveniens doctrine; some courts have even held that the forum non conveniens doctrine does not apply under such circumstances.²¹⁴

***361 E. Jurisdiction of the International Trade Commission**

As unfair methods of competition and unfair acts in the importation of articles have long been considered not only as acts violating private property rights but also as acts that can be harmful to the U.S. economy, instruments have been established to limit the effects of such acts that work independently of the system of civil jurisdiction. Under the Tariff Act of 1930 (Part II)²¹⁵ the International Trade Commission (ITC) was vested with the authority to deal with various unlawful acts such as the importation of patented goods.²¹⁶ The definition of "Unfair Practices in Import Trade" in 19 U.S.C. Section 1337 (also called "Section 337") includes:

(B) The importation into the United States, the sale for importation, or the sale within the United States after importation by the owner, importer, or consignee, of articles that

(i) infringe a valid and enforceable United States patent or a valid and enforceable United States copyright registered under title 17; or

(ii) are made, produced, processed, or mined under, or by means of, a process covered by the claims of a valid and enforceable United States patent.²¹⁷

The provision is only applicable if "an industry in the United States, relating to the articles protected by the patent . . . concerned, exists or is in the process of being established."²¹⁸ The ITC investigates, either based on a complaint or on its own initiative, allegations that foreign importers are infringing U.S. patents (by importing either patented products or products manufactured abroad using processes protected under U.S. patents).²¹⁹

The remedies that can be ordered by the ITC, after finding unfair practices, are limited to two types of orders: exclusion orders and cease and desist orders. A general exclusion order directs the U.S. Customs Service to exclude from entry into the United States all infringing articles, regardless of the source of the articles. A limited exclusion order directs the U.S. Customs Service to exclude from entry only the articles originating from a specific firm that was a respondent in the ITC investigation.²²⁰ Preliminary relief is available under the same conditions as *362 preliminary injunctions issued by a district court.²²¹ No money damages are available as a remedy for violations of Section 337.²²²

In the proceedings under Section 337, the respondent can raise all defenses including invalidity of the patent.²²³ However, any finding that the patent is invalid is effective only between the parties.²²⁴ The ITC proceedings, which are not civil actions, are subject to judicial review by the Court of Appeals for the Federal Circuit.²²⁵

Patent enforcement through ITC proceedings can be very helpful for the patentee in cases where it is difficult to establish

jurisdiction over the foreign party who is infringing through intermediaries. General exclusion orders issued by the ITC can be more effective than civil proceedings if a large number of infringers are responsible for the import of patented goods. However, the main purpose of Section 337 is not the protection of intellectual property rights but the protection of the U.S. economy, and many of the provisions under Section 337 have been viewed as discriminating against foreign parties in violation of the GATT rules.²²⁶

III. Jurisdiction for Infringement Claims brought before European Courts

A. Preliminary Remarks on the Conventions

1. Subject-matter Applicability of the Conventions

The Brussels and Lugano Conventions apply “in civil and commercial matters regardless of the nature of the jurisdiction.”²²⁷ They do not extend to administrative matters and, in particular, not to arbitration or bankruptcy and similar proceedings.²²⁸ Litigation on intellectual property matters concerns private rights of individuals and falls within the scope of the Conventions even if certain actions (i.e., invalidity actions) are dealt with by administrative courts in certain states. If the Conventions are applicable, they prevail over any national rules of jurisdiction, irrespective of how the provisions of the Convention were implemented in national law.²²⁹

***363 2. Criterion of Domicile in Contracting States**

Under article 2(1) of the Conventions, “persons domiciled in a Contracting State shall whatever their nationality, be sued in the courts of that State” as a general rule. Persons domiciled in a contracting state may be sued in the courts of another contracting state only under the jurisdiction rules of the Conventions (art. 3 par. 1), and the Conventions explicitly prohibit the application of enumerated national jurisdiction provisions against such “exorbitant fora” (art. 3 par. 2). These provisions show that the protection of the persons living in the contracting states from foreign lawsuits is one of the main objectives of the Conventions. The Conventions also provide for non-discrimination against non-nationals domiciled in contracting states which distinguish between nationals and non-nationals in their jurisdiction rules.²³⁰

If the defendant is not domiciled in a contracting state, the jurisdiction of the courts of each contracting state is governed by the national law of that State (art. 4 par. 1), except for proceedings that are governed by the provisions on exclusive jurisdiction.²³¹ Where this exception is not applicable, the applicability of the Conventions depends upon the domicile of the defendant. The nationality and the domicile of the plaintiff do not matter at all. Whether the plaintiff is domiciled in a contracting state or not, the plaintiff is both limited and helped by the Conventions.

Even though domicile is one of the main factors governing the applicability of the Conventions and determines the outcome of most jurisdiction issues under the Conventions, the definition of domicile depends on the national law of the contracting state in which domicile of the defendant has to be established. The courts either apply their own national law (in cases where the party is domiciled in their state) or they apply the national law of another contracting state (in cases where the domicile in such other state has to be established) for the definition of the domicile of an individual.²³²

Where the party is a company or another legal person, the seat of that party is treated as its domicile, and the court has to apply its private international law to determine the seat. Due to the diversity of corporate law in Europe, the determination of the seat of a company for the purposes of the Convention can be difficult and there can be seats or domiciles of the same company in more than one contracting state.²³³

There are many situations in which a court in one contracting state could assume under the applicable law that a party is domiciled in A, whereas, another court in another contracting state comes to the conclusion that the same party is *364 domiciled in B. If jurisdiction is established based on domicile, jurisdiction conflicts can arise. In all cases in which different courts have jurisdiction under the Conventions, the second court before which a matter is brought has no jurisdiction under the *lis pendens* rule of article 21 of the Conventions.

3. General, Special, and Exclusive Jurisdiction

The general rule in article 2 of the Conventions provides for jurisdiction of the courts of the contracting state in which the defendant is domiciled. This provision expresses the principle of actor sequitur forum rei, an old principle common in the procedural law of many states. Unlike other provisions in the Conventions, article 2 only establishes jurisdiction of the courts of a particular contracting state. It is no provision on venue which is governed by the national law of the contracting state.

In articles 5 and 6 of the Conventions, following the subtitle “Special Jurisdiction,” a number of situations are listed in which a defendant domiciled in a contracting state may be sued in another contracting state. In connection with patent litigation, articles 5(3) and article 6(1) are important. Article 5(3) provides: “A person domiciled in a Contracting State may, in another Contracting State, be sued . . . (3) in matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred.”

Article 6 provides: “A person domiciled in a Contracting 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.” Both provisions not only establish jurisdiction of the courts in a contracting state, referring to “the courts for the place,” they are provisions on venue at the same time.²³⁴ Even though the fora under articles 5 and 6 are referred to as “alternative fora,”²³⁵ the courts competent as forum delicti or forum of joint defendants cannot be deliberately chosen instead of the forum rei under article 2. The introduction to article 5 states that the fora listed in article 5 can be chosen if the defendant is sued “in another Contracting State,” not in the state in which he or she is domiciled. Even though the wording of article 6 contains no such limitation, the fora in article 6 are not at the plaintiff’s disposition if the defendant is sued in the contracting state in which he is domiciled. If the defendant is sued in the contracting state in which he is domiciled, the jurisdiction of this state is always based on article 2, not on articles 5 or 6.²³⁶ Thus, the special fora under articles 5 and 6 could be called “subsidiary” instead of “alternative.” They are considered exceptions to the principle of actor sequitur forum rei set forth in article 2. The European Court of Justice has pointed out that the provisions in articles 5 and 6 have to be interpreted in a narrow way *365 because of their exceptional nature.²³⁷ Under the subtitle “Exclusive Jurisdiction”, article 16(4) provides:

The following courts shall have exclusive jurisdiction, regardless of domicile: . . .

(4) in proceedings concerned with the registration or validity of patents, trade marks, designs, or other similar rights required to be deposited or registered, the courts of the Contracting State in which the deposit or registration has been applied for, has taken place or is under the terms of an international convention deemed to have taken place.

Being “exclusive,” the jurisdictions under article 16 prevail over the forum rei under article 2 and over the special jurisdictions under articles 5 and 6.²³⁸ As far as the validity of registered intellectual property rights is concerned, the principle of territoriality stands above all other bases for jurisdiction such as domicile.²³⁹ European patents are applied for in one state and are valid in various states selected by the applicant. To clarify that the jurisdiction under article 16(4) does not depend upon the state in which the application was filed, a special provision in the annexed protocol to the Conventions states that “the courts of each Contracting State shall have exclusive jurisdiction, regardless of domicile, in proceedings concerned with the registration or validity of any European patent granted for that State”²⁴⁰

4. Development of Cross-Border Injunctions

The term “cross-border injunction” is generally used in situations in which a court restrains a party from infringing a foreign patent (i.e., a patent valid in a state other than the state in which the court is located). Under the Conventions, it has always been clear (at least in continental Europe)²⁴¹ that under article 2 a defendant can not only be sued for infringement of intellectual property rights valid in his country of domicile but also for the infringement of foreign patents. If the defendant is domiciled in the Netherlands, for example, the Dutch courts automatically assume jurisdiction over the dispute, regardless of whether it concerns an infringement of a Dutch patent or a foreign patent.²⁴²

In many patent infringement cases, jurisdiction may not only be based on domicile (art. 2) but also on jurisdiction for tort (art. 5(3)) and/or on jurisdiction for joint defendants (art. 6(1)). In the latter cases, the defendants are sued in a *366 contracting state in which they are not domiciled.²⁴³ Any judgment in these cases has a “cross-border” effect in the sense that it affects a defendant residing outside the state where the court is located. Plaintiffs have tried to use this system, which allows a court not only to accept jurisdiction over foreign patents but also over foreign defendants, to concentrate litigation at

the most favorable court. Such forum-shopping will be attractive as long as there are significant differences in the court systems, the procedural laws and the efficiency of the courts within the contracting states to the Conventions.

Whereas, the plaintiffs are interested in a broad choice of possible fora and therefore on a broad interpretation of articles 5(3) and 6(1) of the Conventions, the defendants have a strong interest in knowing before which courts they could be brought. Controversies have arisen under both provisions. Broad interpretation of article 6(1) can lead to situations in which the defendants are not aware of the possibility of being considered joint defendant with another party and of the resulting risk of being sued at that party's domicile.²⁴⁴ Similar surprises may occur if the provision on the forum delicti, article 5(3), is interpreted broadly. A French defendant who delivers products to Germany may expect to be sued for infringement of the German patent in Germany, but he may not expect to be sued before the German court also for the infringement of the Swedish patent. As in the case of article 6(1), there is still some uncertainty about how far jurisdiction can be extended under article 5(3).²⁴⁵ For both provisions, authoritative rulings from the E.C.J. with respect to the infringement of intellectual property rights are still missing.

Strong controversies have arisen about the so-called "pan-european injunctions" issued by Dutch courts. Under Dutch procedural law, injunctions in patent infringement cases are issued within very short time in "kort geding" proceedings (summary proceedings).²⁴⁶ Due to a generous interpretation of articles 5(3) and 6(1) of the Conventions, such injunctions have often been issued with regard to foreign defendants and/or foreign patents.²⁴⁷ Many plaintiffs (whether domiciled in Europe or not) have taken advantage of the easy availability of the pan-european injunctions. The potential defendants, however, have become alerted too and, in some cases, have instructed their sales organizations not to enter into any activity with regard to the Netherlands that could establish Dutch jurisdiction.²⁴⁸ The Dutch practice has become highly controversial²⁴⁹ and even its *367 proponents have started to think about limiting the pan-european injunctions.²⁵⁰ Several decisions issued by German and Dutch courts in 1997 and 1998 indicate that there is a trend towards a more restricted interpretation of articles 5(3) and 6(1).²⁵¹

B. Defendant is Domiciled in Europe and is Sued in his Country of Domicile

1. National Law Governing Venue

The Conventions are always applicable if the defendant is domiciled in a contracting state. However, as the provisions in articles 5 and 6 on special jurisdiction are only applicable if the defendant is sued outside his state of domicile, the plaintiff can only rely on article 2 if the defendant is sued for patent infringement in his country of domicile. For venue, article 2 refers to the national law of the contracting state in which the court is located. Such national law may be derived from statutes on international private law, civil procedure or patent law, and it may refer to the place of domicile of the defendant and/or to the place where the damage occurred. Of course, such norms on venue have to be interpreted according to national law.

For the plaintiff, who cannot rely on the venues provided in articles 5 and 6, the set of fora to choose may be more limited in the result. The inapplicability of article 6(1), which refers to the defendant's place of domicile, has no such effect, usually, as most national laws provide fora at the defendant's domicile anyway. National law may (similar to the Conventions) declare these fora as the dominant fora which preclude the forum delicti.²⁵² Whatever the national law on venue is, the reference to national law in article 2 of the Conventions results in more uncertainty for the plaintiff who is domiciled outside the contracting state in which the court is located. The court has to apply national law on venue and even if the applicable provisions on venue are worded in the same way as provisions of the Conventions (e.g., the place where the defendant is domiciled), such national provisions have to be interpreted according to national law.

2. Jurisdiction for Claims based on Foreign European Patents

Even before the Conventions entered into force, European courts have occasionally accepted jurisdiction for infringement suits based on foreign patents *368 or trademarks.²⁵³ In continental Europe it is generally assumed that the principle of territoriality does not restrain a court from handling claims based on a foreign patent. Territoriality only relates to the limits of the rights derived from the patent, not to the jurisdiction.²⁵⁴ However, cases brought before European courts for the infringement of foreign patents have been rare and it remains unclear whether the courts in all contracting states will accept jurisdiction for the infringement of foreign patents under article 2 of the Conventions.²⁵⁵

English courts have long taken a completely different view on the issue, refusing jurisdiction for the infringement of foreign intellectual property rights for two reasons. First, the English courts extended the rule that there is no jurisdiction to tie disputes concerning title to foreign land to foreign intellectual property rights (Moçambique rule).²⁵⁶ Second, under the double actionability rule the courts tried tort disputes if the alleged tort was not justifiable both under the *lex fori* and the *lex loci delicti*.²⁵⁷ As the infringement of a foreign patent is no tort under the *lex fori*, the double actionability rule has been considered as prohibiting jurisdiction for the infringement of foreign intellectual property rights.²⁵⁸

Only recently the English courts have made significant steps to bring English law in line with the law in continental Europe. The double actionability rule was superseded by statutory law in 1996.²⁵⁹ In 1997 the English High Court decided in *Pearce v. Ove Arup* that English courts can have jurisdiction for infringement claims based on foreign copyrights, holding that the Conventions supersede the Moçambique rule.²⁶⁰ However, there was a setback in the same year when the first case after *Pearce v. Ove Arup* involving foreign patent rights was decided. In *Coin Controls v. Suzo International*²⁶¹ the High Court decided that action for infringement of foreign patents can be brought before English courts but it invoked article 16(4) of the Conventions (which does not apply to copyrights). The court *369 concluded from this provision that once the invalidity of the patent is raised as a defense in an infringement action, the English courts lose jurisdiction over the infringement suit based on foreign patents because the infringement lawsuit then becomes a proceeding “concerned with the registration or validity of patents” which under article 16(4) is subject to the exclusive jurisdiction of the state where the patent is registered.²⁶² *Coin Controls v. Suzo* has been criticized because it allows the defendant to easily block any infringement lawsuit based on foreign patent by raising the invalidity defense.²⁶³ The broad interpretation of article 16(4) in this decision can be seen as colliding with the earlier holding of the European Court of Justice in *Duijinstee v. Goderbauer* that all actions related to patents other than invalidity actions, including infringement actions, are not governed by article 16(4).²⁶⁴ However, the interpretation of article 16(4) has been brought before the European Court of Justice by the English Court of Appeal.²⁶⁵ In *Fort Dodge v. Akzo*, the English defendant challenged the English fraction of the European patent before the competent English court. He claimed that this court also had exclusive jurisdiction for the infringement suit based on the English patent, barring the Dutch court from issuing a cross-border injunction based on the English patent.²⁶⁶ If the E.C.J. accepts this broad interpretation of article 16 (4), such ruling could mean the end of the pan-european injunctions.²⁶⁷

Another common law doctrine that could be used as an argument against jurisdiction over foreign patent is the doctrine of *forum non conveniens*.²⁶⁸ As the Conventions are supposed to establish a comprehensive system of jurisdiction and their provisions are considered mandatory, there is no room for the doctrine of *forum non conveniens*. This view has been accepted by the English courts at least in cases in which the competing jurisdiction is a contracting state to the Conventions. It remains unclear whether the Conventions bar the application of the doctrine of *forum non conveniens*, particularly, if the competing jurisdiction is a non-contracting state.²⁶⁹

***370 3. Jurisdiction for Claims based on U.S. Patents**

Once the jurisdiction at the defendant’s domicile is established under article 2 of the Conventions, it does not matter whether the foreign patent on which an infringement suit is based is a European patent or a patent valid in a non-contracting state.²⁷⁰ However, there is some uncertainty whether article 2 of the Conventions is applicable if the lawsuit is related to only one contracting state (e.g., if the competing jurisdiction is a non-contracting state). The argument is made that the aim of the Conventions is to regulate jurisdiction matters and to simplify recognition between contracting states. These goals are not impaired if the applicability of the Conventions is limited to cases in which the lawsuit is related to more than one contracting state.²⁷¹ At least in continental Europe, where courts heard foreign patent infringement cases based on foreign patent even before the Conventions were applicable, there is a reasonable chance that a court would hear an infringement case based on a U.S. patent.²⁷²

On the other hand, it is unlikely that English courts would hear patent infringement cases based on U.S. patents. If the English court applies article 2 to such cases, it might take the view that the doctrine of *forum non conveniens* is applicable. If the English court deems article 2 not applicable in cases in which the competing jurisdiction is a non-contracting state, the Moçambique rule can be invoked to deny jurisdiction.²⁷³

4. Procedural Implications if a Lawsuit is Based on Foreign Patents

Even though the jurisdiction under Article 2 of the Brussels Conventions does not distinguish between domestic patents valid in a contracting state and patents valid in a non-contracting state,²⁷⁴ this distinction may matter as different national provisions on jurisdiction and venue might apply. If a contracting state's jurisdiction can be based on the defendant's domicile but not on the infringement of a patent valid in that state (i.e., if the lawsuit is only based on the infringement of foreign patents), the matter in litigation is not considered as patent matter for the purposes of procedural law in Germany unless the foreign patents on which the claims are based are foreign portions of European patents or European patents not issued for Germany.²⁷⁵ The denial of the qualification as patent matter can result in the loss of specific fora for patent matters, and it can have the consequence that *371 specialized courts or judges are not hearing the case.²⁷⁶ If the action is based both on domestic and foreign patents, the procedural rules applicable for infringement actions based on domestic patents can be applicable for the claims arising under foreign patents, as well as under national procedural rules designed to avoid unnecessary splitting up of procedures.

C. Defendant is Domiciled in Europe but is Sued Outside his Country of Domicile

1. Jurisdiction for Claims based on European Patents

a. Special Jurisdiction for Tort under Article 5(3) of the Conventions

The first of the two exceptions to the general rule of the forum rei under article 2, which are relevant in the field of patent infringement cases, is the forum delicti under article 5(3) of the Conventions. Article 5 (3) provides jurisdiction “in matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred.”²⁷⁷ In *Kalfelis v. Schröder* the European Court of Justice held that the expression “matters relating to tort, delict or quasi-delict” has an autonomous meaning, covering all actions to seek liability of a defendant which are not related to a “contract” within the meaning of article 5(1). The E.C.J. held that article 5(3), which is an exception to the general rule of article 2, has to be interpreted in narrowly and that the court having jurisdiction over the tort portion of an action does not have jurisdiction over the part of the action not based on tort.²⁷⁸ Patent infringements clearly may establish jurisdiction under article 5(3) but any related claims based on contracts (i.e., license agreements) may not be heard by the court having jurisdiction under article 5(3).²⁷⁹

The “place where the harmful event occurred” also means both the place where the damage occurred and the place where the event which caused the damage took place. This principle was established in the *Bier* case, a cross-border pollution case in which a Dutch plaintiff whose horticultural enterprise suffered damage caused by polluted water pumped from the river Rhine sued the French enterprise that polluted the Rhine by dumping large quantities of salt.²⁸⁰

*372 The *Bier* doctrine that provides jurisdiction wherever the damage occurs gives rise to forum shopping in many cases. Which courts can hear a case as a forum delicti is entirely governed by the Conventions as article 5(3) not only governs jurisdiction but also venue.²⁸¹ In patent infringement cases, damage occurs wherever infringing products hit the market. Such scattered damage often allows the plaintiff to choose the venue within the contracting state in which the patent is infringed. By basing the infringement action on a sale to a buyer located in a particular place, the plaintiffs can make sure that the case is heard by a court familiar with patent cases such as the German courts in Munich and Düsseldorf.²⁸² The national court hearing the case as forum delicti is competent to render a judgment covering all infringement activities in the state concerned.²⁸³

It is unclear whether a court having jurisdiction under article 5(3) can also hear claims based on foreign patents.²⁸⁴ Dutch courts have accepted jurisdiction under article 5(3) not only for the infringement of Dutch patents but also for the infringement of foreign patents.²⁸⁵ It has been argued that the principle of territoriality prohibits a court competent as forum delicti from hearing claims based on foreign patents. If a manufacturer in Italy produces goods that are patented both in Italy and Germany and exports these goods to Germany, there is jurisdiction in Germany under article 5(3) for the infringement of the German patent, but there is no German jurisdiction for the infringement of the Italian patent because Germany is neither the place where the damage occurred nor the place where the damage was caused with respect to the infringement of the Italian patent. The delivery to Germany may infringe the German patent but does not trigger any liability under Italian patent law and the production in Italy as the event causing the harm cannot establish German jurisdiction.²⁸⁶

In a 1995 decision, *Fiona Shevill v. Presse Alliance*, the E.C.J. decided that in a defamation case, where a publication with allegedly defaming statements was distributed in several states, the defendant could bring suit either in the contracting state

where the editor of the publication was domiciled or in any of the contracting states in which the publication was distributed.²⁸⁷ The E.C.J. held that in any of the latter states, where jurisdiction could be based only on article 5(3), the courts are only competent for the restitution of damage that occurred in that state.²⁸⁸ This *373 case also has been seen as relevant to the question of whether a court competent under article 5(3) has jurisdiction for the infringement of foreign patents and it has been referred to in recent German decisions denying such jurisdiction.²⁸⁹ After the Fiona Shevill decision of the E.C.J., the German and Dutch courts are expected to restrict jurisdiction under article 5(3) to the infringement of domestic patents.²⁹⁰

Even though it may be assumed that with respect to the infringement of foreign patents article 5(3) will be construed in a narrow way in the future, the provision is construed broadly in so far as it is not only applicable if an infringement has occurred. The E.C.J. has not yet decided the question, but it is widely assumed that jurisdiction under article 5(3) can be established for preventive action in a case of impending infringements.²⁹¹

It is not clear whether jurisdiction for the declaration of non-infringement could be derived from article 5(3). In a 1998 decision, the Court of Appeal in The Hague distinguished between infringement claims and claims for a declaration of non-infringement and held that a declaration of non-infringement could not be issued by a court having jurisdiction under article 5(3)—neither for the Dutch nor for foreign patents. The court also pointed out that in declarations of non-infringement no tort has been committed and therefore there is no court “where the harmful event occurred” under article 5(3).²⁹² This interpretation of article 5(3) implies that claims for declaration of non-infringement against a patentee who is domiciled in a contracting state have to be brought before a court in the contracting state in which the patentee is domiciled.²⁹³

b. Special Jurisdiction for Joint Defendants under Art. 6 (1) of the Conventions

As a second exception to the forum rei, article 6(1) provides for jurisdiction of a contracting state over a defendant in another contracting state “where he is one of a number of defendants in the courts for the place where any of them is domiciled.” Unlike article 2, this wording refers not only to the jurisdiction of the contracting state in which at least one of the defendants is domiciled but also to his place of domicile. As the wording of article 6(1) suggests, the joint defendants can only be sued at a place where one of them is domiciled. A particular court cannot accept jurisdiction in a case against a foreign co-defendant because one of the co-defendants lives in the contracting state where the court is located; one of the co- *374 defendants has to be domiciled in the court’s district.²⁹⁴ Under this rule, the defendant who is sued outside the contracting state in which he is domiciled is not exposed to national law governing venue, except for the determination of the co-defendant’s domicile under article 2.²⁹⁵ Only a forum rei under article 2 can be the forum of joint defendants under article 6(1), not the forum delicti under article 5(3)²⁹⁶ and not the court having jurisdiction over a co-defendant who is not domiciled in a contracting state.²⁹⁷ The forum of joint defendants consequently is often referred to as the forum “under article 6(1) in connection with article 2.”

The text of article 6(1) does not say anything about the conditions under which a plurality of defendants can be sued in the same court. In *Kalfelis v. Schröder*, the E.C.J. ruled that for article 6(1) to apply there must “exist between the various actions brought by the same plaintiff against different defendants a connection of such a kind that it is expedient to determine the actions together in order to avoid the risk of irreconcilable judgments resulting from separate proceedings.”²⁹⁸ To limit the applicability of article 6(1) to sufficiently related claims against different defendants the E.C.J. chose the criterion set forth in article 22(3) of the Conventions to define actions which are related in a way that gives rise to a stay of proceeding under the *lis pendens* doctrine if both actions are pending before different courts.²⁹⁹ By using the criterion of article 22(3) to limit the applicability of the forum of joint defendants the E.C.J. acknowledges that the joint defendant who is sued outside the contracting state where he is domiciled faces the same problems whether the jurisdiction of the foreign court is based on article 6(1) or whether he is deprived of his forum rei under article 22(3). The restrictions to the applicability of article 6(1) are governed by the Conventions. For the interpretation of article 6(1), no national law regarding jurisdiction over joint defendants applies.³⁰⁰

In the field of patent infringement litigation, article 6(1) has been applied to joint defendants who sold identical products (stemming from a single manufacturer) in different contracting states, thereby infringing parallel European patents.³⁰¹ In such cases, it can be argued that the patent infringement actions against the defendants are essentially the same in fact and law: The sale of identical products by different defendants can be considered the same facts and the infringement of equally worded fractions of the same European patent under the *375 unified law on the scope of protection of such patent³⁰² raises the same questions of law. The possibility of suing the European distributors of a particular product before the same court could indeed eliminate the risk of undesirable inconsistencies in the outcome of parallel infringement cases. However, the E.C.J. rejected the criterion of whether the claims against several defendants are “substantially similar in fact and law,” in

favor of the criterion set forth in article 22(3) or the Conventions which the court considered to be stricter.³⁰³

Dutch courts have applied article 6(1) to sue not only a Dutch company, but also the foreign parent company and affiliated companies in the same proceedings, for their infringement of the Dutch and foreign fractions of the same European bundle patent.³⁰⁴ If article 6(1) is applied in cases in which the joint defendants merely infringe the same European patent by selling the same product, the plaintiff has substantial opportunities for “forum shopping” and causing potential defendants (who in many cases do not even know of each other’s activities) a large uncertainty about where they could be sued. It has long been proposed that the application of article 6(1) in such cases of parallel patent infringements should be limited to cases in which there is some connection or affiliation between the joint defendants.³⁰⁵ German courts have required some kind of cooperation between the joint defendants in the course of the infringing activities.³⁰⁶ The differences between the German and Dutch practices have been noted and criteria have been proposed to determine whether joint infringers could be sued together under Article 6(1).³⁰⁷ Commentators widely understand that article 6(1) should be applied to cases in which the different defendants act together in the form of a chain from the producer to the distributor to the commercial buyer.³⁰⁸ If the defendants are just distributors who receive the products from the same source without any interaction between them, it is considered inappropriate to sue them as joint defendants. The argument is made that in the first case the defendants “sit in the same boat”, whereas, in the second case the defendants act independently of each other.³⁰⁹

Recently, Dutch courts have taken a step back. The Court of Appeal ruled in 1998 that article 6(1) does not allow one to sue as joint defendants the Dutch infringer (for infringement of the Dutch patent) and the foreign infringers (for the *376 infringement of the foreign patents belonging to the European bundle).³¹⁰ One exception, however, is that the court may derive jurisdiction from article 6(1) with regard to foreign defendants who infringe the foreign patents arising out of the European bundle, if these foreign defendants belong to the same group of companies and the European headquarters of that group is located on the territory of the court.³¹¹ This approach to the limitation of the applicability has been named the “spider in the web” theory; the defendants can be sued as joint defendants if they form a web among themselves and the action has to be brought before a court located in the center of the web (the spider’s domicile).³¹² It is not clear yet whether this theory will be adopted by the European Court of Justice. After the E.C.J. restricted jurisdiction under article 5 (3) for tort committed abroad in the Fiona Shevill case, a rather narrow interpretation of article 6 (1) can be expected if the E.C.J. continues to emphasize the territorial jurisdiction restrictions under the Conventions and the exceptional nature of articles 5 and 6.³¹³

For the application of article 6(1) to the infringement of parallel patents, there is no requirement that either the defendant sued under article 2 are accused of infringing a patent valid in the contracting state where the court is located. If article 6(1) is applicable, the court having jurisdiction over the joint defendants may be confronted with foreign patents only.³¹⁴

2. Jurisdiction for Claims based on U.S. Patents

If the defendant is domiciled in a contracting state, he or she can take advantage of the shield the Conventions provide against exorbitant jurisdiction,³¹⁵ regardless of whether the patent on which a claim is based is valid in a contracting state or not. As in cases involving European patents, jurisdiction for claims based on infringement of U.S. patents can only be based on articles 5(3) or article 6(1) of the Conventions if a defendant is sued in a contracting state where he is not domiciled.

Recent developments in Germany, in the Netherlands, and in the practice of the E.C.J. indicate that there may be no jurisdiction for infringement claims based *377 on foreign patents if the jurisdiction of the court is derived only from article 5(3).³¹⁶ In case the foreign patent is a U.S. patent and not a foreign European bundle patent, it is probably even less likely that a court having jurisdiction as forum delicti would hear the claim because a strict application of the principle of territoriality is more justified if a U.S. patent is involved (as compared to the cases in which only identical European bundle patents are involved). For the application of article 6(1), the relationship between the potential joint defendants is a significant factor, but the necessity to determine the actions together in order to avoid the risk of irreconcilable judgments is the single most important factor.³¹⁷ If the action against one defendant is based on a European patent and the action against another defendant is based on a U.S. patent, the questions of law to be resolved are not necessarily the same even in cases in which the infringing products are the same and the wording of the patents is the same. It can hardly be argued that there is a strong necessity to determine the actions together.

Even if articles 5(3) or 6(1) are broadly interpreted and a court hears an infringement claim based on a U.S. patent, any judgment would still have “crossborder” effect. There is strong reluctance against such “crossborder” jurisdiction--particularly among English courts--even in cases where jurisdiction can be based on article 2 of the Conventions

and in which only European patents are involved.³¹⁸

D. Defendant is Domiciled in the United States

1. Jurisdiction for Claims Based on Domestic Patents

If a defendant is not domiciled in a contracting state to the Conventions, jurisdiction for patent infringement actions is governed by national law. Under national law, the infringement of a patent that is valid in a contracting state to the Conventions is generally sufficient to establish jurisdiction in this contracting state with respect to any patent infringer. If the defendant is not domiciled in a contracting state, national statutory provisions provide jurisdiction of the forum delicti regardless of the contacts the defendant has established to the state where the patent is valid.³¹⁹ The national laws on jurisdiction for claims against persons domiciled in non-contracting states are not harmonized. Even the courts at the plaintiff's domicile can have jurisdiction for patent infringement cases against defendants who cannot rely on article 3 of the Conventions to shield them from *378 such exorbitant jurisdictions.³²⁰ The national provisions on the forum delicti and other fora have to be interpreted under national law. However, national courts often refer to article 5(3) of the Conventions and to the cases involving this provision while interpreting national provisions on the forum delicti.

2. Jurisdiction for Claims Based on U.S. Patents or on Foreign European Patents

If a defendant domiciled in the United States is sued before a European court for infringement of Foreign European Patents, it is very unlikely that this court will accept jurisdiction under a national statute providing a forum delicti after it has become more or less clear that the respective provision in the Conventions does not apply to infringement of patents that are not valid in the state where the court is located.³²¹ It is much more likely that a defendant domiciled in a non-contracting state will be sued before a European Court as a joint defendant, together with defendants domiciled in contracting states.³²² There is a debate whether article 6(1) of the Conventions is applicable against joint defendants in non-contracting states even though the wording of the provision strongly suggests that it is not.³²³ However, the Conventions do not preclude national provisions on fora of joint defendants and article 6(1) can be applied analogously.³²⁴ Whether the actions against co-defendants are sufficiently related to each other to establish jurisdiction under article 6(1) of the Conventions or under analog national provisions does depend less on the domicile of the defendants than on the patents involved. If only parallel European patents are involved, the court at one of the defendants' domicile might well accept jurisdiction as a forum for joint defendants (regardless of their domicile). It is not uncommon to include U.S. domiciliaries in the row of joint defendants.³²⁵ If the action against one or more of the defendants is based on U.S. patents, it is much harder to establish the relationship between the actions necessary to establish a forum of joint defendants.³²⁶

If jurisdiction can not be established under any of the bases for jurisdiction recognized in the Conventions (domicile, forum delicti, forum of joint defendants), plaintiffs try to rely on national provisions on exorbitant jurisdiction. Under such *379 national provisions, jurisdiction can be founded on the presence of property owned by the defendant or on the seizure of such property (whatever the basis of the action is).³²⁷ In the extreme case, a person domiciled in the United States could be sued for infringement of a U.S. patent before a European court. Where jurisdiction can be based on presence or seizure of property, the enforcement of a judgment usually happens in the state's court, and the defendant cannot raise any defenses against the enforcement at his domicile. The application of exorbitant jurisdiction against domiciliaries of non-contracting states is criticized as discriminatory against persons domiciled in non-contracting states.³²⁸

IV. Recognition of Foreign Infringement Judgments

A. Recognition of European Judgments in Europe

The "free flow of judgments" is one of the main objectives of the Brussels and Lugano Conventions. Under the recognition and enforcement provisions in the Conventions, a plaintiff who has obtained judgment from a court within a contracting state should be able to enforce that judgment in any and all other contracting states with few problems.³²⁹

Under article 26 of the Conventions "[d]ecisions rendered in one Contracting State shall be recognized in the other

Contracting States, without requiring special proceedings for this proposal.³³⁰ If such judgments are enforceable in the originating state, they are enforced in another contracting state after they have been declared enforceable there.³³¹ The domicile or nationality of the parties is no criterion for the applicability of the recognition and enforcement provisions.³³² The Conventions require mutual recognition of decisions from contracting state courts much like the full faith and credit clause does for sister state judgments in the United States.³³³ However, the addressed court can refuse recognition “if it is contrary to the public policy of the State in which recognition is sought.”³³⁴ (Under the full faith and credit clause, there is no public policy defense against the enforcement of sister state judgments.³³⁵)

***380** Under the Conventions, foreign judgments must not be reviewed as to their substance.³³⁶ As a general rule, not even the jurisdiction of the court issuing the judgment may be reviewed.³³⁷ (Such review is permitted under the full faith and credit clause.³³⁸)

B. Recognition of European Judgments in the United States

1. Principle of Comity under State Law

Whereas, sister state judgments are recognized under the full faith and credit clause, foreign judgments are recognized as a general rule under the principle of comity. Comity can be defined as “the respect a court of one state or jurisdiction shows to another state or jurisdiction in giving effect to the other’s laws and judicial decisions.”³³⁹ It is neither a matter of absolute obligation nor a matter of mere courtesy and good will.³⁴⁰ Much more than the full faith and credit clause, comity in the recognition of foreign judgments is subject to various limitations under federal and state law.

Proceedings for the enforcement of foreign judgments resulting from the infringement of foreign patents can be brought before federal courts in many cases as diversity of citizenship cases.³⁴¹ The United States is not party to any international agreement regarding the mutual recognition of judgments, there is no federal statute governing the issue and the impact of federal common law is slight.³⁴² The Supreme Court has never made a determination as to whether federal or state law governs the recognition of foreign judgments, but there is a consensus among the state courts and lower federal courts that, except for federal question cases, such recognition is governed by state law.³⁴³ This position reflects the Erie doctrine under which the federal courts exercising jurisdiction in diversity cases shall apply state law except in matters where federal law is controlling. In 1938 the Supreme Court in *Erie R.R. Co. v. Tompkins* also declared that there is no general federal common law.³⁴⁴ Infringement of foreign patents is generally not considered a federal question.³⁴⁵ Therefore, state law governs the recognition and enforcement ***381** of foreign judgments in matters related to foreign patents even though the case may be brought before federal courts.

2. Implementation of Standards Set Forth in *Hilton v. Guyot*

General principles of comity and reciprocity in connection with the recognition and enforcement of foreign judgments were established by the Supreme Court in *Hilton v. Guyot* in 1895.³⁴⁶ The *Hilton* decision shaped a rule of general common law regarding when U.S. federal courts should enforce foreign judgments.³⁴⁷ The *Hilton* Court set forth the following criteria for the respective analysis:

- (a) Opportunity for a full and fair trial abroad;
- (b) Trial before a court of competent jurisdiction;
- (c) Trial conducted upon regular proceedings;
- (d) Trial after due citation or voluntary appearance of the defendant;
- (e) Trial under a system of jurisprudence likely to secure an impartial administration of justice between the citizens of its own country and those of other countries; and
- (f) No evidence for fraud or prejudice in the court or in the system of laws under which the court was sitting or for any other special reason why the comity should not allow the foreign judgment full effect.³⁴⁸

In *Hilton v. Guyot*, no explicit reference to a public policy exception was made, but the Court's opinion was interpreted as giving a sound basis for the rule that a U.S. court need not recognize a foreign judgment that is contrary to the forum's public policy.³⁴⁹

After the *Hilton* decision, the further evolution of federal standards for recognition and enforcement of foreign judgments was limited under the *Erie* doctrine.³⁵⁰ After *Erie*, the *Hilton* decision was considered not to be binding on the states.³⁵¹ However, the states did not choose entirely different approaches; in roughly half of the states, common law derived from *Hilton v. Guyot* governs recognition and enforcement of foreign judgments. In most other states the Uniform Foreign Money Judgments Recognition Act (UFMJRA) was adopted.³⁵² The UFMJRA is based closely on *Hilton v. Guyot* and it codifies existing case law.³⁵³ It explicitly recognizes a public policy exception.³⁵⁴

***382** The principles of *Hilton v. Guyot* are also reflected in the Restatement (Third) of Foreign Relations Law of the United States.³⁵⁵ Under the Restatement, "a final judgment of a court of a foreign state granting or denying recovery of a sum of money . . . is conclusive between the parties, and is entitled to recognition in courts in the United States."³⁵⁶ The grounds for non-recognition are divided into mandatory grounds ("a court may not recognize . . .") and discretionary grounds for non-recognition ("a court need not recognize . . ."). The mandatory grounds include lack of personal jurisdiction of the court issuing the judgment and the fact that the judgment was "rendered under a judicial system that does not provide impartial tribunals or procedures compatible with due process of law"³⁵⁷. The discretionary grounds for non-recognition include lack of subject matter jurisdiction, improper notice of the proceedings to the defendant, fraud, and repugnance "to the public policy of the United States or of the State where recognition is sought."³⁵⁸

A United States court is likely to refuse to recognize foreign judgments related to a United States patent holder's intellectual property rights, either because the foreign court is deemed not to have subject matter jurisdiction or because of public policy defense. However, there is little authority on this issue.³⁵⁹

The *Hilton* decision made the recognition and enforcement of the foreign judgment dependent on reciprocity. The defendant argued that the French government would be unwilling to enforce decisions of the United States Supreme Court and that the U.S. court should likewise refuse to enforce the decision of the French court. The Court accepted the argument, noting that international law is founded upon mutuality and reciprocity.³⁶⁰ The reciprocity requirement was rejected later on by many authorities and in many states courts have refused to follow *Hilton* on this issue.³⁶¹ The UFMJRA and the Restatement (Third) of Foreign Relations Law of the United States did not adopt the reciprocity requirement, but some states introduced it into their state statutes on recognition.³⁶² There is still a split but the majority of state and federal courts in the United States have abandoned the reciprocity requirement.³⁶³

***383 3. Objections to the Fairness of Procedure**

The criteria set forth in *Hilton v. Guyot* and the grounds for non-recognition set forth in the UFMJRA and in the various state statutes mostly relate to the lack of impartial and fair proceedings. The Restatement (Third) of Foreign Relations generally prohibits recognition if the judgment was rendered under a judicial system that "does not provide impartial tribunals or procedures compatible with due process of law."³⁶⁴

In enforcement proceedings before U.S. courts, defendant's assertions that the foreign proceedings did not meet these standards are heard with more or less skepticism, depending on the jurisdiction where the foreign judgment originates. It has been noted that "U.S. courts appear far more willing to enforce Western European judgments (and particularly English judgments) than those of other nations."³⁶⁵ Federal courts have held that for the foreign proceedings to meet the minimal standards for recognition of the resulting judgment, the degree of similarity between the foreign proceedings and the U.S. proceedings does not matter. What matters is the "basic fairness of the foreign procedures."³⁶⁶ For these reasons, the lack of American-style discovery in Belgian patent infringement proceedings does not lead to the unenforceability of the respective judgment in the United States.³⁶⁷

C. Recognition of U.S. Judgments in Europe

1. General Principles of National Law

With respect to recognition and enforcement of foreign judgments, the applicability of the European Conventions does not turn on the defendant's domicile but on the origin of the judgment. Only judgments rendered in other contracting states are recognized and enforced under the provisions of the Conventions.³⁶⁸ The recognition and enforcement of judgments rendered in non-contracting states is therefore subject to national law. The respective provisions are either considered part of the international private law or of the civil proceedings legislation.

In Germany, the recognition of foreign judgments is governed by Section 328 of the Code of Civil Procedure (Zivilprozessordnung, ZPO). This provision is worded as a negative list of grounds for refusal of recognition (assuming recognition of foreign judgments as a general rule). Recognition is excluded, inter *384 alia, if the foreign state had no jurisdiction,³⁶⁹ if there has been some fault in the service of the proceedings,³⁷⁰ in cases of obvious incompatibility with German legal principles,³⁷¹ and in the absence of any guarantee of reciprocity.³⁷² Under the Swiss Federal Act on International Private Law, foreign decisions concerning intellectual property rights are recognized in Switzerland if they were rendered in the state in which the defendant had his domicile or in the state in which the intellectual property right is valid (unless the defendant had his domicile in Switzerland).³⁷³ There is no reciprocity requirement but common provisions in the Act allow refusal of recognition if recognition would be manifestly incompatible with Swiss public policy or if the defendant was not properly summoned.³⁷⁴

As far as the recognition and enforcement of U.S. judgments is concerned, the recognition of awards of non-compensatory damages often gives rise to material public policy defenses.³⁷⁵ Public policy arguments are also made with respect to procedural issues of U.S. law. However, the German Federal Court of Justice (Bundesgerichtshof or BGH) did not consider the carrying out of extensive pre-trial discovery procedures in U.S. litigation and the lack of restitution of attorney's fees to the prevailing party as grounds for a public policy defense against the recognition of U.S. judgments in Germany.³⁷⁶ The reciprocity requirement has to be met with respect to the jurisdiction concerned within the United States.³⁷⁷ An issue that often impairs the recognition of U.S. decisions is proper service of the document initiating the proceedings.³⁷⁸ Like many contracting states to the Hague Service Convention, Germany requires that defendants in Germany are served through the proper channels under the Hague Service Convention.³⁷⁹ If a plaintiff decides to serve notice using other channels (such as mailing the relevant documents directly to the defendant), German courts may refuse recognition.³⁸⁰

***385 2. Awards of Non-compensatory Damages**

In Europe, the recognition and enforcement of damage awards that grossly exceeded the amount needed to compensate the plaintiff for his financial damage has always been a public policy issue. Continental Europe is not the only place where there is skepticism against excessive U.S. judgments. In the Draft Recognition and Enforcement treaty that was negotiated between the United Kingdom and the United States in the 1970s, a clause was added restricting the recognition and enforcement of damage awards that could be shown as "greatly in excess" of the amount that would have been awarded in the court of recognition.³⁸¹

In the United States, exemplary, punitive, or vindictive damages were established in the 19th Century as a means not to compensate for damage but to punish and prevent future wrong doing.³⁸² Europe does not have a similar concept of non-compensatory damages. Instead, compensatory damages are awarded in many cases for compensation of non-monetary damage, such as pain and suffering. Moreover, the defendant's behavior can often be taken into account to determine the damage award, and the costs related to litigation (including attorney's fees) are usually awarded to the successful plaintiff. In effect, the amount of punitive damage awards issued by a U.S. court does not always grossly exceed the overall amount a European court would award in the same case.³⁸³ The BGH gave an extensive opinion on the recognition and enforcement of non-compensatory damages awards in a 1992 decision.³⁸⁴ It held that substantial punitive or exemplary damages exceeding the amount needed for the compensation of actual damage are not enforceable in Germany, usually because such enforcement would be contrary to the "ordre public" (public policy). However, the BGH accepted that punitive or exemplary damages are remedies under civil law (as opposed to criminal sanctions, which generally cannot be recognized and enforced in another State).³⁸⁵ The BGH also confirmed that a contingency fee agreement between the plaintiff's attorney and the plaintiff (which would be void under German law) cannot give rise to the public policy defense.³⁸⁶ Courts in non-European civil law jurisdictions share the view that the enforcement of punitive damage awards is contrary to public policy.³⁸⁷ The widespread reluctance to the recognition of foreign punitive damage awards led to the inclusion of a provision limiting such *386 recognition in the Draft Hague Convention on the Recognition and Enforcement of Judgments of 1999.³⁸⁸

The provisions on remedies in the U.S. Patent Act clearly distinguishes between compensatory damages ("damages adequate

to compensate for the infringement”³⁸⁹) and additional damages. The court may increase the damages up to three times the amount found or assessed as being adequate to compensate for the infringement.³⁹⁰ In the view of many European courts, such treble damages are likely to run against public policy.³⁹¹

Under national laws in Europe and under the Draft Hague Convention, the unenforceability of punitive damage awards does not necessarily render the whole judgment unenforceable. The BGH in the decision described above stated that for a foreign judgment awarding a plurality of independent claims, the enforceability of the respective awards can be assessed individually.³⁹² To secure at least partial enforceability of a damage award covering different kinds of damages, the judgment should clearly show what amount is awarded on what basis.

V. Draft Hague Convention on Jurisdiction and Foreign Judgments

A. Types of Jurisdiction and Recognition Conventions

A so-called “convention simple” concentrates on enforcement and recognition. The bases of jurisdiction remain entirely subject to national law of the state of origin but the state of recognition is required to recognize and enforce judgments when the jurisdiction of the state of origin is assumed on a basis of jurisdiction listed in the convention as an accepted basis.³⁹³ The state of origin remains free to assume additional bases of jurisdiction not contained in this list (uncertain or gray zone of bases of jurisdiction) and the state of recognition may or may not recognize judgments resulting from such bases of jurisdiction.³⁹⁴

“Conventions doubles,” which regulate both the enforcement and the assumption of jurisdiction, contain a comprehensive “white list” of bases of jurisdiction that the state of origin must assume. Judgments resulting from such *387 assumptions of jurisdiction have to be enforced in the state of recognition.³⁹⁵ Excluded bases of jurisdiction can be enumerated in “black lists.”³⁹⁶ The European Conventions are “conventions doubles,” listing the excluded bases of jurisdiction in article 3.³⁹⁷ However, under the Conventions, the state of recognition is required to enforce a judgment even if it results from the assumption of an excluded basis of jurisdiction.³⁹⁸

The so-called “mixed conventions” try to combine both the advantages of a convention simple (the state of origin remains free to legislate on its bases of jurisdiction) and a convention double (identifying excluded bases of jurisdiction and required bases of jurisdiction, resulting in automatic recognition of judgments). Mixed conventions not only identify “white” or required bases of jurisdiction and “black” or excluded bases of jurisdiction, they also leave a “gray” zone in which the state of origin can assume jurisdiction under national law.³⁹⁹ The national law of the state of recognition determines whether judgments resulting from the assumption of jurisdiction in the gray zone are recognized and enforced. Therefore, for bases of jurisdiction in the gray zone, the situation remains the same as in the absence of any treaty regulation.⁴⁰⁰ The practical significance of a mixed convention turns on what bases of jurisdiction remain in the gray zone.

B. From the U.S. Initiative in 1992 to the 1999 Draft Hague Convention

Whereas in Europe a comprehensive system of jurisdiction and recognition was introduced by the Brussels Convention of 1968 and the Lugano Conventions of 1988,⁴⁰¹ the United States had little experience with recognition and enforcement treaties.⁴⁰² Following a U.S. initiative after a State Department’s decision in 1992, the Hague Conference on Private International Law, the intergovernmental organization that also proffered the Hague Service Convention,⁴⁰³ began to discuss some basic questions about a future convention.⁴⁰⁴ The main reasons why the United States took the initiative in 1992 had to do with the European system of jurisdiction and recognition under the Conventions. The “free flow of judgments” guaranteed by the Conventions did not extend to the United States and U.S. residents could still be sued at so-called exorbitant fora under national law of the *388 contracting states to the Conventions.⁴⁰⁵ The Hague Conference was chosen by the United States as the proper instrument, not only because of its abilities and interest in the matter, but also because the United States did not want to face the group of contracting states to the European Conventions alone.⁴⁰⁶

The discussions of the Special Commission first concentrated on the type of a future convention, i.e., whether the treaty should be a “convention simple,” a “convention double,” or a “convention mixed.” The U.S. proposed a mixed convention.⁴⁰⁷ Soon the Special Commission could identify a group of bases of jurisdiction to be included in a “white list” and another group of excluded bases of jurisdiction (potential items on a “black list”). But some bases of jurisdiction (such as the place of

performance of contracts) were disputed.⁴⁰⁸

The main advantages of a mixed convention are its flexibility with respect to jurisdictional bases the contracting states consider necessary for their purposes and the existence of a gray zone, which makes it easier to get to an agreement on a “white list.”⁴⁰⁹ Some members of the Special Commission wanted to clarify the situation for as many bases of jurisdiction as possible, and so they were opposed to the idea of a mixed convention because this concept would make it easy to shift controversial bases of jurisdiction to the “gray area” and leave the respective issues unresolved.⁴¹⁰ Finally, in the June 1999 meeting, the Special Commission agreed to adopt the concept of a mixed convention, mainly because this would make it easier for many states to join the convention.⁴¹¹

The most recent draft for the convention was adopted by the Special Commission on October 30, 1999.⁴¹² This draft included some proposals made during the June 1999 meeting of the Special Commission such as the proposal made by the U.S. delegation regarding the exclusive jurisdiction for intellectual *389 property validity proceedings.⁴¹³ The amended version of October 30, 1999, also received a number of new articles.

C. Relevant Jurisdiction Provisions for Intellectual Property Litigation

1. General Jurisdiction at the Defendant’s Habitual Residence

Under the title “Defendant’s forum,” the Draft Hague Convention article 3(1) provides that “a defendant may be sued in the courts of the State where that defendant is habitually resident.” The “habitual residence” of a legal entity is defined as follows:

For the purposes of the Convention, an entity or person other than a natural person shall be considered to be habitually resident in the State a) where it has its statutory seat, b) under whose law it was incorporated or formed, c) where it has its central administration, or d) where it has its principal place of business.⁴¹⁴

The notion of “habitual residence” is used in other Hague conventions, and was preferred to the term “domicile,” which is used in the European Conventions because “domicile” is subject to widely different interpretations in many different countries.⁴¹⁵ Whereas, the European Conventions refer to the national law with respect to the interpretation of “domicile,”⁴¹⁶ the Draft Hague Convention’s “habitual residence” is an autonomous concept. A definition of “domicile” in the Draft Hague Convention was discussed but was finally rejected.⁴¹⁷ As far as “entities or persons other than natural persons” are concerned, the Draft Hague Convention defines their habitual residence in article 3 paragraph 2; whereas, the European Conventions refer to the rules of international private law of the forum to determine the “seat” of legal persons.⁴¹⁸

2. Special Jurisdiction at the Situs of the Tort

Under the Draft Hague Convention article 10(1) of, a plaintiff could:
[B]ring an action in tort or delict in the courts of the State --

a) in which the act or omission that caused injury occurred;

b) in which the injury arose, unless the defendant establishes that the person claimed to be responsible could not reasonably have foreseen that the act or omission could result in an injury of the same nature in that State. *390 The jurisdiction at the situs of the tort has been included in the white list of bases of jurisdiction from the beginning of the drafting process.⁴¹⁹ The wording of article 10(1) is more precise than the corresponding article 5(3) of the European Conventions that merely refers to the “place where the harmful event occurred.” In the Bier case, the European Court of Justice ruled that this expression referred to the place where the damage occurred as well as to the place where the event which caused the damage took place.⁴²⁰ The wording of the Draft Hague Convention refers to both of these places.

The exception in article 10(1)(b) with respect to the situs of the damage that could not reasonably have been foreseen was introduced because a jurisdiction merely based on the place of injury would raise constitutional issues under the Due Process

Clause of the U.S. Constitution.⁴²¹ Under the “minimum contacts” doctrine for the establishment of personal jurisdiction, the question of whether the defendant could foresee being subject to the jurisdiction of the forum state is an important factor for the determination of the constitutionality of the assumption of jurisdiction.⁴²²

The jurisdiction at the locus delicti is further limited in article 10 of the Draft Hague Convention with respect to damage that occurred outside the forum state. Article 10(4) provides that:

If an action is brought in the courts of a State only on the basis that the injury arose or may occur there, those courts shall have jurisdiction only in respect of the injury that occurred or may occur in that State, unless the injured person has his or her habitual residence in that State.

This provision mirrors the Fiona Shevill decision of the European Court of Justice, which allowed a court having jurisdiction based on the locus delicti only to hear claims based on damage that occurred in the forum state.⁴²³ In the field of patent infringement litigation, the provisions in article 10 of the Draft Hague Conventions mean that a court could hear claims based on foreign patents only if the court is located in the state where the defendant has his habitual residence. This limitation to “cross-border” judgments corresponds to the situation presently emerging under the European Conventions.⁴²⁴

3. Jurisdiction for Multiple Defendants

Under the Draft Hague Convention article 14(1):

***391** A plaintiff bringing an action against a defendant in a court of the State in which that defendant is habitually resident may also proceed in that court against other defendants not habitually resident in that State if --

- a) the claims against the defendant habitually resident in that State and the other defendants are so closely connected that they should be adjudicated together to avoid a serious risk of inconsistent judgments, and
- b) as to each defendant not habitually resident in that State, there is a substantial connection between that State and the dispute involving that defendant.

Like the provision on the jurisdiction based on the situs of the tort,⁴²⁵ the provision on jurisdiction for multiple defendants is based on a corresponding provision in the European Conventions, clarified based on the case law of the European Court of Justice, and amended by including a limitation that should solve due process issues under the U.S. Constitution.

Whereas the corresponding provision in article 6(1) of the Conventions does not specify any conditions under which a group of defendants could be sued in one forum, the E.C.J. ruled in *Kalfelis v. Schröder* that the actions brought against the different defendants had to be of such a kind that it is expedient to determine them together in order to avoid the risk of irreconcilable judgments.⁴²⁶ This requirement is reflected in subsection (a) of article 14(1) of the Draft Hague Convention. The additional condition in subsection (b), calling for a “substantial connection” between the forum State and the Dispute involving the defendant, addresses situations in which there are insufficient “minimal contacts” to establish personal jurisdiction under the Due Process Clause. However, the Draft Hague Convention in article 14 (1)(b) refers to connections between the forum State and the dispute involving the defendant; whereas, the Supreme Court’s case law in this field refers to the contacts between forum State and the defendant’s activities related to the forum State.⁴²⁷

4. Exclusive Jurisdiction for Invalidation Proceedings

Article 12 of the Draft Hague Convention (titled “Exclusive Jurisdiction”) contains the following provision: “4. In proceedings which have as their object the registration, validity . . . of patents, trade marks, designs or other similar rights required to be deposited or registered, the courts of the Contracting State in which the deposit or registration has been applied for . . . have exclusive jurisdiction.” The wording of this provision is almost identical to the corresponding article 16(4) of the European Conventions.⁴²⁸ However, there are still variants contained in the ***392** October 1999 draft of article 12(4). One of these provisions extends the exclusive jurisdiction of the registration state to infringement proceedings.⁴²⁹

In the June 1999 negotiations, the U.S. delegation argued that the provision on exclusive jurisdiction for validity challenges

to registered intellectual property rights should not bar jurisdiction if validity is an incidental question in litigation. An amendment of the provision was proposed that exempted validity determinations with effect only between the parties from the exclusive jurisdiction.⁴³⁰ The proposition was rejected by a narrow vote; the main arguments of the opposing delegations were the difficulties connected to the application of foreign law on the validity of intellectual property rights and the possible encroachment of U.S. courts upon the sovereignty of foreign courts in registration matters.⁴³¹ In the October 1999 draft, the following provisions are included as variants:

5. In relation to proceedings which have as their object the infringement of patents, the preceding paragraph does not exclude the jurisdiction of any other court under the Convention or under the national law of a Contracting State.

6. The previous paragraphs shall not apply when the matters referred to therein arise as incidental questions.

All of the different proposals to clarify the reach of exclusive jurisdiction in intellectual property validity matters address the same issue the English Courts were dealing with in the *Coin Control v. Suzo* case and the *Fort Dodge v. Akzo* cases.⁴³² In *Suzo*, the defendant claimed that the court lost jurisdiction over an infringement claim based on a foreign patent after the validity issue was raised by the defendant.⁴³³ If the provision on exclusive jurisdiction for invalidity-matters is worded or interpreted in a way that does not allow some kind of invalidity defense in an infringement lawsuit based on a foreign patent, the exclusive jurisdiction is, from a practical point of view, extended to infringement proceedings.

5. Provision on Forum Non Conveniens

In the negotiations leading to the Draft Hague Conventions, the issue of forum non conveniens was among the most controversial. Civil law countries opposed the adoption of the doctrine of forum non conveniens in the convention; instead, they wanted to rely on a provision on *lis alibi pendens* to resolve issues of concurring jurisdictions.⁴³⁴ Common law countries favored the inclusion of a provision on forum non conveniens because it would not only address the issue of *393 concurring proceedings but also limit assumption of jurisdiction in cases in which there is only a single connecting factor between the party and the forum such as domicile. It was also argued that the European Conventions (that do not rely on the doctrine of forum non conveniens) cannot be compared to the new Hague Convention because of the different geographical reach of the two instruments.⁴³⁵ For a French party, it may cause some hardship to be compelled to litigate in Belgium, but for an Australian party, it is much harder to be compelled to litigate in Europe or in the United States.⁴³⁶

The preliminary result of the negotiations was an attempt to combine the common law and the civil law approach in a compromise, a combination of two rather complicated articles titled “*Lis pendens*” and “*Exceptional circumstances for declining jurisdiction*.”⁴³⁷ As the title of the provision on forum non conveniens suggests, the application of this doctrine should be an exception. The draft provision enumerates cases in which jurisdiction cannot be declined.⁴³⁸ It also prohibits the courts from discriminating on the basis of nationality or habitual residence of the parties while applying the doctrine of forum non conveniens.⁴³⁹

Even if the conditions for “declining jurisdiction” under article 22 of the Draft Hague Convention are met, the court can only suspend the proceedings in order to wait to see whether another forum that is “clearly more appropriate to resolve the dispute” exercises jurisdiction.⁴⁴⁰ If the proceedings are brought before such other court, and if this court decides not to exercise jurisdiction, the initial court has to continue with the case.⁴⁴¹

D. Relevant Recognition Provisions for Intellectual Property Litigation

1. Judgments to be Recognized and Enforced

The main provision on recognition and enforcement in article 25 (1) of the Draft Hague Convention is worded as follows: “A judgment based on a ground of jurisdiction provided for in Articles 3 to 13, or which is consistent with any such ground, shall be recognized or enforced under this Chapter.”⁴⁴²

*394 The reference to Articles 3 to 13 puts all of the above mentioned jurisdictional provisions on the “white list,” except for article 14 on jurisdiction for multiple defendants. Under the present wording of the Draft Hague Convention, this jurisdictional basis is in the “gray zone” as the recognition and enforcement provisions do not require contracting states to

recognize and enforce judgments based solely on the forum of multiple defendants.⁴⁴³

For judgments to be enforced under article 25(1) Draft Hague Convention, there shall be no review of the merits of the judgment rendered by the court of origin.⁴⁴⁴ However, there are several grounds for refusal of recognition or enforcement such as pending procedures in another state and inconsistency with an earlier judgment capable of being recognized or enforced in the state addressed.⁴⁴⁵

Similar to the situation under the European Convention, recognition or enforcement can be refused under the Draft Hague Convention if such recognition or enforcement would be “manifestly incompatible with the public policy of the States addressed.”⁴⁴⁶ Unlike the European Conventions, the Draft Hague Convention allows the court addressed to review jurisdiction of the court of origin.⁴⁴⁷

2. Limited Recognition for Damage Awards

For cases of damage awards, article 33(1) Draft Hague Convention substantially limits the obligation to recognize and enforce: “In so far as a judgment awards non-compensatory, including exemplary or punitive, damages, it shall be recognized at least to the extent that similar or comparable damages could have been awarded in the State addressed.”⁴⁴⁸ Article 33(2)(a) of the Draft Hague Convention further limits recognition and enforcement in the case of “grossly excessive damages.” These limitations take into account the fact that European courts tend to refuse recognition and enforcement of damage awards if such damages exceed the compensation of effective losses.⁴⁴⁹ A similar limitation of the obligation to recognize and enforce damage awards was included in the draft for a Convention on the Reciprocal Recognition and Enforcement of Judgments in Civil Matters between the United States and the United Kingdom.⁴⁵⁰

***395 VI. Conclusions**

A. Desirable Features of an International System of Jurisdiction and Recognition

1. Generally Applicable Rules of Jurisdiction

A “chaotic array of judicial decisions” defines the limits of adjudicatory jurisdiction within the U.S. federal system.⁴⁵¹ The European Conventions has been criticized for its blatant discrimination against defendants not domiciled in contracting states.⁴⁵² The latter criticism is not contested in Europe, but European commentators would rather state that the problems related to non-contracting states “were not taken into account properly” when the European Conventions were drafted.⁴⁵³

A set of easily applicable common rules of jurisdiction would be advantageous for a variety of reasons. Depending on the simplicity of the rules, potential defendants could foresee when a foreign court might assume jurisdiction over their actions. Moreover, rules with numerous clauses of acceptable bases of jurisdiction would eliminate discrimination at least with respect to contracting states. Possibly the rules could be set up in a way that also results in less discrimination against non-contracting states as compared to the European Conventions. If the rules on acceptable bases of jurisdiction are clear and narrow enough, there is less need for exceptions based on public policy concerns or the doctrine of forum non conveniens.⁴⁵⁴

A set of rules of jurisdiction that is valid in the international context can have a positive influence on the domestic situation. In Switzerland, the Lugano Convention helped to modernize the rules of jurisdiction which were a pattern of different rules of the cantons.⁴⁵⁵ After the Lugano Convention went into force, it was easier to sue a Swiss defendant before a foreign court than before a court located in another canton. This kind of reverse discrimination led to substantial modernization of the domestic rules of jurisdiction and to a shift towards federal law in this field.⁴⁵⁶ Under a future jurisdiction convention, similar effects could occur in other federal systems such as the United States.

***396 2. Concentration of Infringement Proceedings**

Particularly in Europe, some national markets are small and the trade barriers between these markets are getting lower. Marketing activities, production and distribution systems are increasingly arranged in a way that disregards national borders.

The need for litigation in every state in which an infringing product is sold is not only very inefficient but also an anachronism in a time of more and more transnational economic activities. In smaller states, it is often just not worth the money to enforce patent rights unless there is a way to get a judgment that clarifies the situation for more than one national market.

The possibility to sue for the infringement of patent rights in different states before one court is not only consistent with the international scale of today's economy, it is also an effective countermeasure to the tactics of some pirates who move their goods back and forth between different states in order to escape either jurisdiction.

3. Free Flow of Judgments

The possibility to concentrate proceedings in one of a plurality of states affected by a patent infringement and the implementation of rules of jurisdiction that allow suing a defendant outside of his state of domicile make it necessary to enforce judgments abroad. Injunctions have to be enforced in the state where a patent is valid and for judgments awarding damages it often only makes sense to enforce them at the defendant's domicile. Common rules on the recognition and enforcement would also solve the reciprocity issue.⁴⁵⁷

At least in the United States and in Europe, there are long traditions of recognition and enforcement of foreign judgments and even rebuttable assumptions that foreign judgments have to be recognized and enforced. When a set of rules on recognition and enforcement is to be valid on both sides of the Atlantic, it should include clear rules about what defenses can be brought against the recognition and enforcement of foreign judgments.

B. Feasibility of a Solution Similar to the Proposed Convention

1. Personal Jurisdiction over non-Residents

If there are other jurisdictional bases than residence (such as jurisdiction based on the situs of the tort or on the domicile of a joint defendant), this implies that a national court has to assume jurisdiction over non-residents of the state where the court is located. Under the Due Process Clause of the U.S. Constitution, such assumption of personal jurisdiction is not allowed if there are no sufficient contacts between the defendant and the forum.⁴⁵⁸ Under the European *397 Conventions, there is also a strong preference for the forum at the defendant's domicile, but jurisdiction at the situs of the tort is also accepted without any additional conditions such as contacts between the defendant and the forum.⁴⁵⁹ Whereas, in the due process analysis in a patent infringement case it may matter whether the defendant "purposefully avails" himself of activities in the forum state, similar issues are dealt with in Europe in connection with substantive liability. The plaintiff has to prove that the defendant himself committed at least a contributory infringement. Damage awards often depend upon the culpability of the infringer.⁴⁶⁰ The application of the criterion of "minimal contacts" or "purposeful availment" on the one hand and the limitation of substantive liability under European law on the other hand lead to similar results in many cases. The provision on jurisdiction at the situs of the injury in the Draft Hague Convention that requires foreseeability of the injury in the forum state can be seen as an attempt to marry the two concepts with respect to patent infringements.⁴⁶¹

Another jurisdictional basis that results in a deviation from the principle that the defendant has to be sued at his domicile is the jurisdiction at the domicile of one of multiple defendants.⁴⁶² The respective provision in the Draft Hague Convention requires a "substantial connection" between the defendant who is a non-resident of the forum state and the forum state.⁴⁶³ This requirement aims in the same direction as the latest case law under the European Conventions that requires a meaningful connection between the activities of the joint defendants.⁴⁶⁴

If a set of jurisdictional rules is valid not only in a geographically limited space like Europe but in different continents, the defendant has a higher interest in being sued at his domicile. As the relevant provisions in the Draft Hague Conventions are worded now, however, there are sufficient safeguards against extensive use of jurisdictions not based on the defendant's domicile.

2. Subject-matter Jurisdiction over Foreign Patents

The concentration of patent infringement proceedings based on patents valid in different states necessarily means that a court has to enforce a foreign patent and thereby to assess whether the patent is infringed in the state for which it is granted. When courts refuse to assume jurisdiction over the infringement of foreign patents, they often argue that it is difficult to apply foreign patent law.⁴⁶⁵ The application of foreign law is commonplace in many fields of law such as contract law. The ***398** application of foreign patent law should be less difficult as the international harmonization of patent law progresses. Within the contracting states to the European Patent Convention, the law related to patent infringement is quite uniform.⁴⁶⁶ Under the TRIPS Agreement and the Patent Cooperation Treaty (PCT) the harmonization of patent law is continuing on a worldwide basis.

To discourage forum shopping for the forum that is most likely to award the highest damages, the remedies available for the infringement of a particular patent should be the same no matter which forum is hearing the case. The application of foreign tort law has to extend to remedies. Even though in the United States it is unclear whether the quantum of damages is a matter of substance or a matter of procedure (which is governed by the law of the forum), the U.S. Supreme Court recently shared the view that the governing law should also guide the level of damages.⁴⁶⁷ Such comprehensive application of the law governing the state where the intellectual property right is valid helps to make sure that the remedy for the patent owner does not depend on the forum he chooses to enforce his rights.

It is uncontested that invalidating a patent is within the exclusive jurisdiction of the state where the patent is registered.⁴⁶⁸ In infringement proceedings related to foreign patents, it has been argued that this exclusive jurisdiction does not allow a court to hear a case based on the infringement of a foreign patent if the validity of this patent is challenged during the infringement proceedings.⁴⁶⁹ Such a connection between the infringement and the validity issues is unnecessary; the accused infringer always has the chance to challenge the patent before the proper court in the state where the patent is valid. As an alternative, he should be able to raise the invalidity defense in any infringement proceedings. It is less relevant whether the invalidity defense is treated as an incidental question in the infringement proceedings or whether it leads to a declaration of invalidity with effect only between the parties.⁴⁷⁰ In the proceedings before the U.S. International Trade Commission, the defendant can raise the invalidity defense, but a finding of the ITC that the patent is invalid is effective only between the parties.⁴⁷¹ There is no reason why a court should have no similarly limited jurisdiction for the assessment of patent validity.

***399 3. Recognition and Enforcement of Foreign Judgments**

There is a general assumption on both sides of the Atlantic that foreign judgments shall be recognized and enforced; the respective rules are mostly worded as lists of grounds for refusal of recognition.⁴⁷² The Draft Hague Convention lists the lack of jurisdiction of the court of origin and the incompatibility with the public policy of the state addressed as main grounds for refusal of recognition.⁴⁷³ Taking into account the present situation, it would be unrealistic to expect that one of these grounds for refusal of recognition and enforcement could be eliminated from a future convention.⁴⁷⁴

To ensure an effective “free flow of judgment,” the grounds for refusal of recognition should be interpreted narrowly. In particular, the courts should be cautious when the public policy defense is based on allegedly unfair proceedings. The proceedings may be very different in common law systems and in civil law systems, but both in the United States and in Europe there are guarantees for a fair and impartial trial that can be enforced by individuals against any level of courts. The Due Process Clause of the U.S. Constitution⁴⁷⁵ finds its European counterparts not only in national constitutions but also in the European Human Rights Convention.⁴⁷⁶ Under article 6(1) of this convention, to which there is extensive case law, “everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law” in civil and criminal proceedings. The European Court of Human Rights has the authority to reverse judgments of the highest national courts that violate the Convention, and it regularly does so. These instruments designed to ensure fair and impartial proceedings should justify mutual trust in the proceedings of other nations. The U.S. courts are perfectly right when they reject the public policy defense against recognition of foreign judgments if such defense is based on the argument that there is no pre-trial discovery in Europe.⁴⁷⁷ The European courts are right as well when they reject a public policy defense that is merely based on the very existence of pre-trial discovery proceedings in the United States.⁴⁷⁸ If there is any serious defect in the proceedings leading to a judgment, the defendant has ample opportunity to challenge the judgment in the jurisdiction from which it originates. Only in exceptional cases does he have to rely on the public policy defense in the recognition and enforcement proceedings.

***400** It is assumed that U.S. courts would not recognize and enforce foreign judgments related to the infringement of U.S. patents.⁴⁷⁹ For an effective concentration of proceedings, however, it is necessary that foreign judgments related to patent

infringement are recognized and enforced also in the state where the patent is valid. This is particularly true in case of injunctions that cannot be enforced at any other place.

The issue of recognition of non-compensatory damage awards is also dealt with in connection with public policy.⁴⁸⁰ The refusal of recognition of such awards is an obstacle to the “free flow of judgments” and the fundamentally different views on non-compensatory damages make it impossible to get the same remedies before different courts in many cases.⁴⁸¹ However, the differences can only be solved by means of harmonization of the substantive law.

4. The Danger of “Forum-Shopping” and Countermeasures

There is a lot of concern about “forum-shopping” in connection with jurisdiction rules that allow the choice between multiple forums. A plaintiff might engage in forum shopping because he expects high jury awards in a particular jurisdiction.⁴⁸² He might also be looking for a court that has a reputation of a particularly efficient way of handling a case. The tactics of forum-shopping can also be used by an infringer who wants to bring suit for declaration of non-infringement before a court with a reputation for inefficient and slow handling of cases.

The concerns related to different awards issued by different courts can be addressed by strict application of the law of the jurisdiction in which the patent is valid. If a plaintiff knows that he cannot expect higher damage awards from a jury in the United States for the infringement of a French patent, he is less inclined to seek remedy before a U.S. court. Harmonization of substantive patent law (including remedies) may also reduce the likelihood of different damage awards and thereby the incentives for forum-shopping.

Forum-shopping can be generally be avoided to a large extent by narrow rules of jurisdiction. This approach was chosen by the European Court of Justice in the Fiona Shevill case that limited the jurisdiction based on the situs of the tort to restitution of damage which occurred in the state where the court is located.⁴⁸³ A narrow interpretation is also emerging under Art. 6(1) of the European Conventions where the courts tend to make the application of the jurisdiction for joint defendants dependant on a substantial cooperation or connection between the joint *401 defendants.⁴⁸⁴ If the rules on special jurisdiction are not applicable, the plaintiff loses the chance of forum-shopping as he has to bring suit at the defendant’s domicile.

If the forum-shopping is invoked by the infringer who wants to block an expected infringement suit with an action for declaration of non-infringement which is considered *lis pendens* in relation to the infringement suit, these tactics do not work if the plaintiff is entitled to get a preliminary injunction despite pending actions for declaration of non-infringement. In the Draft Hague Convention, there is a provision on jurisdiction for “provisional and protective measures” which can be ordered while a claim is pending on the merits.⁴⁸⁵

Like any instrument, a future convention on jurisdiction and recognition will be used for illegitimate purposes. However, the problems related to forum-shopping are not new and the judicial systems under a future convention will be flexible enough to keep such negative effects under control.

Footnotes

^{a1} LL.M., Harvard Law School, 2000; Dr. iur., St. Gallen University, 1996; Visiting Researcher, Max-Planck-Institute for Foreign and International Patent, Copyright, and Competition Law, Munich, 1992/93; Diploma in Electrical Engineering, ETH Zurich, 1986. Attorney-at-Law, Zurich, Switzerland. Special thanks to Professor Peter L. Murray for his valuable advice and caring guidance. Special thanks also to Professor Arthur T. von Mehren, Professor Dieter Stauder, and the management and staff of the Harvard Law School Library. [Ed.’s note: For some foreign sources and translations, the Journal relies on the author’s expertise.]

¹ See *infra* Part I.F.

² European Communities Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters, Sept. 27, 1968, 8 I.L.M. 229 (1969) [hereinafter “Brussels Convention”].

3 See *infra* Part III.

4 See *infra* Parts II-IV.

5 See *infra* Part I.G.

6 See *infra* Part V.

7 See *infra* Part VI.

8 U.S. Const. art. I, §8, cl.8. See generally Donald S. Chisum et al., *Principles of Patent Law* 16-23 (1998).

9 35 U.S.C. §1 et seq. (2000) (enacted July 19, 1952 as 1952 Patent Act) [*hereinafter* Patent Act].

10 Invalidation challenges can be brought before the PTO in the form of a request for inter partes reexamination under the Optional Inter Partes Reexamination Procedure Act of 1999. American Inventors Protection Act of 1999, Pub. L. No. 106-113 §§4602-4607, 113 Stat. 1501, 1501A-567-1501A-571 (to be codified as amended in scattered sections of Title 35).

11 28 U.S.C. §§1291, 1294 (2000).

12 *Id.* §1254.

13 James B. Gambrell, *The Evolving Interplay of Patent Rights and Antitrust Restraints in the Federal Circuit*, 9 *Tex. Intell. Prop. L.J.* 137, 139. (2001) (“When the Court of Appeals for the Federal Circuit was created by the Federal Courts Improvement Act of 1982 (‘FCIA’) to handle all appeals from district courts involving patents, the court was to develop of a uniform body of law relating to patents. The varied and often inconsistent decisions by the regional courts of appeals had led to widespread forum-shopping by litigants.”) (citations omitted).

14 See Chisum, *supra* note 8, at 23.

15 28 U.S.C. §§1295, 1338 (2000). See *infra* Parts II.B.1, V.C.1, VI.A.1.

16 See Chisum, *supra* note 8, at 24.

17 Convention on the Grant of European Patents, Oct. 5, 1973, 1979 *Official Journal of the European Patent Organization* 3 [*hereinafter* “EPC”].

18 *Id.* arts. 79, 90-97, 99-102.

19 *Id.* art. 2.

20 The Convention on the Unification of Certain Points of Substantive Law on Patents for Inventions of Nov. 27, 1963 (in force since Aug. 1, 1980) [*hereinafter* “Strasbourg Convention”], set harmonization standards for many substantive issues such as extent of

protection and patentability. See generally Paterson, *infra* note 24, at 1-32, 1-33.

21 EPC, *supra* note 17, arts. 63, 69.

22 See John P. Hatter Jr., *The Doctrine of Equivalents in Patent Litigation: An Analysis of the Epilady Controversy*, 5 *Ind. Int'l & Comp. L. Rev.* 461, 462 (1995); Dieter Brändle, *Can and May Interpretation and Determination of the Extent of Protection of a European Patent in Different Countries Lead to Different Results?*, 30 *Int'l Rev. of Indus. Prop. & Copyright* 875 (1999).

23 Enforcement of United States Rights under Trade Agreements and Response to Certain Foreign Trade Practices, 19 U.S.C. §2411 (2001); Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Legal Instruments--Results of the Uruguay Round vol. 31, 33 I.L.M. 81 (1994) [hereinafter "TRIPS Agreement"].

24 Community Patent Convention of Dec. 15, 1975, amended Dec. 15, 1989, 1989 O.J. (L 401) 10. See generally Gerald Paterson, *The European Patent System* §1-44-46 & §12 (1992).

25 See Gary B. Born, *International Civil Litigation in United States Courts* 89, 938 (3rd ed. 1996).

26 See *infra* Part II.

27 U.S. Const. art. III, §2, cl.1.

28 28 U.S.C. §1331 (2000) (Federal Question Jurisdiction); 28 U.S.C. §1338 (2000).

29 28 U.S.C. §§1391-413 (2000).

30 28 U.S.C. §§1295 (a)(1), 1338 (a) (2000). For the appellate jurisdiction of the Court of Appeals for the Federal Circuit see *supra* Part I.B, *infra* Part II.B.1.b.

31 See *infra* Part II.B.2.

32 See 28 U.S.C. §3004 (2000).

33 U.S. Const. art. IV, §1.

34 See Born, *supra* note 25, at 936-37.

35 See Born, *supra* note 25, at 938-39.

36 *Somportex, Ltd. v. Philadelphia Chewing Gum Corp.*, 318 F. Supp. 161, 164 (E.D. Pa. 1970).

37 See *infra* Part IV.B.

- 38 Brussels Convention, *supra* note 2, art. 3.
- 39 For critical English views on the non-applicability of “forum non conveniens” see Jan Kropholler, *Europäisches Zivilprozessrecht* para. 20 before art. 2 (6th ed. 1998), and Abla Mayss & Alan Reed, *European Business Litigation* 230-37 (1998).
- 40 See Mayss & Reed, *supra* note 39, at 22-24.
- 41 European Communities--European Free Trade Association: Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters, Sept. 16, 1988, 28 I.L.M. 620 [hereinafter Lugano Convention].
- 42 The Court of Justice of the European Communities (E.C.J.) has the power to provide interpretative rulings for the Brussels Convention, but not for the Lugano Convention. To minimize the risk of different interpretations of both Conventions, Protocol 2, annexed to the Lugano Convention, requires the courts of the Contracting States to take into account of the principles laid down in any relevant decision delivered by courts of other Lugano Contracting States (including the E.C.J., even though no explicit reference is made to the E.C.J. in the Lugano Convention). See Mayss & Reed, *supra* note 39, 17-19, 27-29. Since the Brussels and the Lugano Convention have the same relevant provisions on jurisdiction and recognition and the same numbering, only the Brussels Convention will be cited in this article.
- 43 See Kropholler, *supra* note 39, paras. 55-57.
- 44 Brussels Convention, *supra* note 2, art. 4; see *infra* Part III.A.2. For the exceptions made from this principle with respect to validity challenges to registered intellectual property rights; see *infra* Part III.A.3.
- 45 See *infra* Part III.D. The applicable national jurisdiction provisions generally can be found either in the Patent Acts, in the legislation on international private law or in the legislation on civil procedure.
- 46 Brussels Convention, *supra* note 2, arts. 25-28.
- 47 Brussels Convention, *supra* note 2, arts. 27(1), 29.
- 48 Opposition proceedings before the EPO and inter partes reexamination proceedings before the USPTO.
- 49 See *infra* Part IV.B.
- 50 Brussels Convention, *supra* note 2, art. 25.
- 51 The common-law principle that prevents U.S. courts from questioning the validity of a foreign country’s sovereign acts within its own territory. *Black’s Law Dictionary* 35 (7th ed. 1999).
- 52 See John R. Thomas, *Litigation Beyond the Technological Frontier: Comparative Approaches to Multinational Patent Enforcement*, 27 *Law & Pol’y Int’l Bus.* 277, 315-16 (1996).
- 53 See *infra* Part III.A.3.
- 54 Brussels Convention, *supra* note 2, art. 4; Kropholler, *supra* note 39, art. 16 para. 6; Mayss & Reed, *supra* note 39, at 42.

55 Brussels Convention, *supra* note 2, art. 28.

56 See Kropholler, *supra* note 39, art. 16 para. 8.

57 See Kropholler, *supra* note 39, art. 16 para. 8.

58 See, e.g., Swiss Federal Act on International Private Law art. 109(1) (denying jurisdiction for actions concerning the validity or registration of intellectual property rights abroad).

59 See *infra* Part III.B.2.

60 See *infra* Part V.C.4.

61 See Richard T. Holzmann, *Infringement of the United States Patent Right: A Guide for Executives and Attorneys* 210-11 (1995).

62 See *infra* Part II.C.4.

63 U.S. Const. amends. V, XIV, §1.

64 *Pennoyer v. Neff*, 95 U.S. 714, 732-33 (1877).

65 See Linda Mullenix et al., *Understanding Federal Courts and Jurisdiction* §7.01[3][a] (1998); *supra* Part I.D.

66 See Holzmann, *supra* note 61, at 210-11.

67 See Emmette F. Hale, III, *The 'Arising Under' Jurisdiction of the Federal Circuit: An Opportunity for Uniformity in Patent Law*, 14 Fla. St. U. L. Rev. 229, 265 (1986); *supra* Part I.D.

68 See *infra* Part II.B.2.

69 28 U.S.C. §1331 (2000) (Federal question).

70 28 U.S.C. §1338 (a) (2000).

71 See Robert L. Harmon, *Patents and the Federal Circuit* 781-88 (4th ed. 1998).

72 *Christianson v. Colt Indus. Operating Corp.*, 486 U.S. 800, 808, 7 U.S.P.Q.2d (BNA) 1109, 1113 (1988).

73 28 U.S.C. §2201 (2000).

74 See Mullenix, *supra* note 65, §4.04[3].

75 Pittway Corp. v. BRK Shareholders' Committee, 444 F. Supp. 1210, 1212, 199 U.S.P.Q. (BNA) 659, 661 (N.D.Ill. 1978).

76 28 U.S.C. §1295(a)(1) (2000).

77 28 U.S.C. §1295(a)(1) (2000). See Harmon, *supra* note 71, 782.

78 C.R. Bard, Inc. v. Schwartz, 716 F.2d 874, 877, 219 U.S.P.Q. (BNA) 197, 200 (Fed. Cir. 1983); Hale, *supra* note 67, at 242.

79 Akro Corp. v. Luker, 45 F.3d 1541, 1543, 33 U.S.P.Q.2d (BNA) 1505, 1506-07 (Fed.Cir. 1995).

80 28 U.S.C. §1338 (2000). See *infra* Part II.B.2.c.

81 U.S. Valves Inc. v. Dray, 52 U.S.P.Q.2d (BNA) 1055, 1056 (7th Cir. 1999).

82 Chem. Eng'g Corp. v. Marlo, Inc., 754 F.2d 331, 333, 222 U.S.P.Q. (BNA) 738, 740 (Fed. Cir. 1984).

83 28 U.S.C. §1367 (2000).

84 *Id.*

85 United Mine Workers of Am. v. Gibbs, 383 U.S. 715, 725 (1966).

86 Wenner v. C.G. Bretting Mfg. Co. Inc., 917 F. Supp. 640, 649 (W.D. Wis. 1995).

87 28 U.S.C. §1367(c)(2).

88 *Id.* §1367(c)(3).

89 See Thomas, *supra* note 52, at 319-20 (reporting cases of pendent jurisdiction).

90 Ortman v. Stanray Corp., 371 F.2d 154, 158, 152 U.S.P.Q. (BNA) 163, 166 (7th Cir. 1967).

91 Ortman v. Stanray Corp., 163 U.S.P.Q. (BNA) 331, 334 (N.D. Ill 1969).

92 Mars Inc. v. Kabushiki-Kaisha Nippon Conlux, 24 F.3d 1368, 1374, 30 U.S.P.Q.2d (BNA) 1621, 1626 (Fed. Cir. 1994).

93 *Id.* at 1375, 30 U.S.P.Q.2d at 1627 (“The facts alleged in Mars’ own complaint, however, belie the notion that the two claims are derived from a common nucleus of operative fact.”).

94 Id. See Thomas, *supra* note 52, at 323-24 (criticizing the Federal Circuit's overvaluation of the differences between U.S. and Japanese patents and the characteristics of the accused infringements).

95 Ortman v. Stanray, 163 U.S.P.Q. (BNA) 331 (N.D. Ill. 1969), *rev'd* on other grounds, 437 F.2d 231, 168 U.S.P.Q. (BNA) 617 (7th Cir. 1971). See Mars, 24 F.3d at 1375, 30 U.S.P.Q.2d at 1627 (distinguishing the decision in Ortman).

96 28 U.S.C. §1338(b) (2000).

97 See Harmon, *supra* note 71, at 356-57.

98 Pendent jurisdiction is a court's jurisdiction to hear and determine a claim over which it would not otherwise have jurisdiction, because the claim arises from the same transaction or occurrence as another claim that is properly before the court. Black's Law Dictionary 856 (7th ed. 1999).

99 Mars, 24 F.3d 1368, 1372-73, 30 U.S.P.Q.2d at 1624-25 (Fed. Cir. 1994).

100 28 U.S.C. §1332(a) (2000). The provision is based on U.S. Const. art. III, §2, cl.1.

101 See Mullenix, *supra* note 65, at §3.01.

102 See *id.* §3.16[1].

103 See *id.* §3.16[4].

104 See Born, *supra* note 25, at 26-28.

105 See *supra* Part II.B.1.b.

106 U.S. Const. amend. V.

107 U.S. Const. amend. XIV, §1 (“[N]or shall any State deprive any person of life, liberty or property, without due process of law.”).

108 Akro Corp. v. Luker, 45 F.3d 1541, 1544-45, 33 U.S.P.Q.2d (BNA) 1505, 1508 (Fed. Cir. 1995).

109 John Fitzpatrick, The Lugano Convention and Western European Integration: A Comparative Analysis of Jurisdiction and Judgments in Europe and in the United States, 8 Conn. J. Int'l L. 695, 714 (1993).

110 See *infra* Part II.C.3.a.

111 See *infra* Part II.C.d.

112 Akro Corp., 45 F.3d at 1543-44, 33 U.S.P.Q.2d at 1507; Black's Law Dictionary 517 (7th ed. 1999).

113 See *infra* Part IV.B.1.

114 See *infra* Part II.C.4 (so-called long-arm statutes).

115 Asahi Metal Industry Co. v. Superior Court, 480 U.S. 102, 113-15 (1987). See Born, *supra* note 25, at 92.

116 See *infra* Part II.C.3.a.

117 See *infra* Part II.C.3.c; Gary Born, Reflections on Judicial Jurisdiction in International Cases, 17 Ga. J. Int'l & Comp. L. 1, 10-11 (1987).

118 See Born, *supra* note 25, at 77-78.

119 See *id.* at 78.

120 Restatement (Third) of the Foreign Relations Law of the United States §421(2) (1987).

121 McGowan v. Smith, 437 N.Y.S.2d 643, 645 (1981).

122 See Born, *supra* note 25, at 78.

123 See *id.* at 112-13.

124 See *id.* at 100.

125 See *id.* at 100-01.

126 See *id.* at 151.

127 Hargrave v. Fibreboard Corp., 710 F.2d 1154, 1159 (5th Cir. 1983).

128 Lemelson v. Van Dorn Plastics machinery, 25 U.S.P.Q.2d (BNA) 2054, 2054-55 (D. Nev. 1992).

129 Hargrave v. Fibreboard Corp., 710 F.2d 1154, 1160 (5th Cir. 1983).

130 C.R. Bard Inc. v. Guidant Corp., 997 F.Supp. 556, 559, 46 U.S.P.Q.2d (BNA) 1713, 1715 (D. Del. 1998).

131 See Born, *supra* note 25, at 153, 160.

132 Applied Biosystems Inc. v. Cruachem Ltd., 772 F. Supp. 1458, 1463, 21 U.S.P.Q.2d (BNA) 1721, 1724 (D. Del. 1991).

133 Burger King v. Rudzewicz, 471 U.S. 462, 471-72 (1985).

134 International Shoe Co. v. Washington, 326 U.S. 310 (1945). See Burger King, 471 U.S. at 474 (“Due Process Clause may not readily be wielded as a territorial shield to avoid interstate obligations that have been voluntarily assumed.”).

135 International Shoe Co., 326 U.S. at 316 (emphasis added).

136 World-Wide Volkswagen v. Woodson, 444 U.S. 286 (1980).

137 Id. at 292.

138 Id. at 298-99.

139 Id. at 297.

140 Id. at 292 (citing International Shoe Co., 326 U.S. at 316)

141 Id.

142 See Born, supra note 25, at 91.

143 See infra Part II.C.3.d.

144 Akro Corp. v. Luker, 45 F.3d 1541, 33 U.S.P.Q.2d (BNA) 1505 (Fed.Cir. 1995).

145 Id. at 1545, 33 U.S.P.Q.2d at 1508.

146 Beverley Hills Fan Co. v. Royal Sovereign Corp., 21 F.3d 1558, 1565, 30 U.S.P.Q.2d (BNA) 1001, 1007 (Fed. Cir. 1994). See Donald S. Chisum, Chisum on Patents, §21.02[3] (June 1999 Cumulative Supplement).

147 Akro Corp., 45 F.3d at 1546, 33 U.S.P.Q.2d at 1509 (Fed.Cir. 1995).

148 3D Systems, Inc. v. Aarotech Laboratories, Inc., 160 F.3d 1373, 1378, 48 U.S.P.Q.2d (BNA) 1773, 1776 (Fed. Cir. 1998).

149 See, e.g., Agar Corp. Inc. v. Multi-Fluid Inc., 45 U.S.P.Q.2d (BNA) 1444, 1447 (S.D. Tex. 1997).

150 See supra Part II.C.2.

151 3D Systems, 160 F.3d at 1378-79, 48 U.S.P.Q.2d at 1776-77.

152 Akro Corp., 45 F.3d at 1545, 33 U.S.P.Q.2d at 1508-09. See supra Part II.C.3.a.1

153 World-Wide Volkswagen v. Woodson, 444 U.S. 286, 294 (1980).

154 See Born, supra note 117, at 10.

155 See Chisum, supra note 146, §21.02[3]b (Rel. 48-11/93).

156 See infra Part II.C.4, note 177, and accompanying text.

157 Agar Corp. Inc. v. Multi-Fluid Inc., 45 U.S.P.Q.2d (BNA) 1444, 1451 (S.D. Tex. 1997).

158 World-Wide Volkswagen v. Woodson, 444 U.S. 286, 297-98 (1980).

159 Asahi Metal Industry Co. v. Superior Court of California, 480 U.S. 102, 112 (1986).

160 Id. at 117.

161 Vermeulen v. Renault U.S.A., Inc., 985 F.2d 1534, 1548 (11th Cir. 1993) (“[T]he current state of the law regarding personal jurisdiction is unsettled.”).

162 See Born, supra note 25, at 139-40.

163 Vermeulen v. Renault U.S.A., Inc., 985 F.2d 1534, 1549-50 (11th Cir. 1993).

164 Akro Corp. v. Luker, 45 F.3d 1541, 1543, 33 U.S.P.Q.2d (BNA) 1505, 1507 (Fed. Cir. 1995).

165 Fed. R. Civ. P. 4(a)-(c).

166 See Born, supra note 25, at 172.

167 Fed. R. Civ. P. 4(k)(1).

168 28 U.S.C. §1694 (2000).

169 See Chisum, supra note 134, § 21.02[3]c (Rel. 48-11/93); Born, supra note 25, at 100-01 (noting that in some states, such as Delaware, statutory registered agents are authorized by state law to accept service of process in any action, whether or not it arises from activities within the state. Lower courts have been divided about whether the Due Process Clause permits general jurisdiction based upon service on such agents).

170 35 U.S.C. §293 (2000).

171 See Mullenix et, supra note 65, §15.07.

172 See Born, supra note 25, at 69, 183.

173 See, e.g., Born, supra note 25, at 68, 1053.

174 Cal. Code Civ. Proc. §410.10 (1973).

175 3D Systems, Inc. v. Aarotech Laboratories, Inc., 160 F.3d 1373, 1376-77, 48 U.S.P.Q.2d (BNA) 1773, 1775 (Fed. Cir. 1998).

176 See Chisum, supra note 146, §21.02[3]b (Rel. 48-11/93).

177 See supra Part II.C.3.c.

178 Fed. R. Civ. P. 4(k)(2).

179 See Fitzpatrick, supra note 109, at 747.

180 Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters, opened for signature Nov. 15.1965, 20 U.S.T. 361, 658 U.N.T.S. 163 [hereinafter Hague Service Convention].

181 Id. arts. 2-7. See Born, supra note 25, at 795-98.

182 See Born, supra note 25, at 795-98.

183 See Born, supra note 25, at 804.

184 Volkswagenwerk AG v. Schlunk, 486 U.S. 694, 699 (1988).

185 Fed. R. Civ. Proc. 4(f)(1).

186 See Born, supra note 25, at 808-09.

187 Hague Service Convention, supra note 180, at art. 10(a).

188 See Born, supra note 25, at 811.

189 See Born, supra note 25, at 811.

190 See *infra* Part IV.C.1.

191 Black's Law Dictionary 665 (7th ed. 1999).

192 Gulf Oil Co. v. Gilbert, 330 U.S. 501, 507 (1947). See Michael L. Ultsch, Die Forum-non-conveniens-Lehre im Recht der USA (insbesondere Floridas), 1997 Recht der internationalen Wirtschaft 26, 27.

193 28 U.S.C. §1404(a) (2000). See Born, *supra* note 25, at 296.

194 See Mullenix, *supra* note 65, §9.21[2].

195 See Born, *supra* note 25, at 296-97.

196 See *infra* Part IV.B.1.

197 See Mullenix, *supra* note 65, §9.20.

198 See Born, *supra* note 25, at 358-60.

199 Creative Technology, Ltd. v. Aztech Sys. PTE, Ltd., 61 F.3d 696, 699 (9th. Cir. 1995). See Mullenix, *supra* note 65, §9.21[2].

200 See at 352-53.

201 See Born, *supra* note 25, at 353.

202 Murray v. British Broadcasting Corp., 81 F.3d 287, 293, 38 U.S.P.Q.2d (BNA) 1405, 1409 (2d Cir. 1996).

203 Gulf Oil Co. v. Gilbert, 330 U.S. 501, 508 (1947).

204 *Id.* at 508-09; Piper Aircraft Co. v. Reyno, 454 U.S. 235, 260-61 (1981).

205 See Mullenix, *supra* note 65, §9.21[1]; Born, *supra* note 25, at 317.

206 Piper Aircraft, 454 U.S. at 257.

207 See Born, *supra* note 25, at 317.

208 See Mullenix, *supra* note 65, §9.23.

209 Mars Inc. v. Kabushiki-Kaisha Nippon Conlux, 24 F.3d 1368, 1375-76, 30 U.S.P.Q.2d (BNA) 1621, 1627-28 (Fed. Cir. 1994).

210 Id.

211 See Thomas, supra note 52, at 324.

212 Piper Aircraft Co. v. Reyno, 454 U.S. 235, 255 (1981).

213 Id. at 256. See also Born, supra note 25, at 332.

214 See Born, supra note 25, at 334.

215 19 U.S.C. §§1330-41 (2000).

216 See Harmon, supra note 71, at 563; Holzmann, supra note 61, at 206; Christoph Ann & Christian Lindemann, Schutzrechtsverletzungen beim Güterexport in die USA und ihre Verfolgung durch die US International Trade Commission (USITC) nach §337 Tariff Act, 1996 Mitteilungen der deutschen Patentanwälte 4.

217 19 U.S.C. §1337 (2000).

218 19 U.S.C. §1337(a)(2) (2000). See 19 U.S.C. §1337(a)(3) (2000). Before Section 1337 was amended in 1988, there was an additional requirement that the patent infringements had to cause “substantial injury” to the domestic industry affected. See Harmon, supra note 71, at 566-67.

219 See Harmon, supra note 71, at 565-66.

220 19 U.S.C. §1337(d), (f) (2000).

221 19 U.S.C. §1337(e) (2000).

222 See USITC Publication 3027 (March 1997), page 19; 19 U.S.C. §1337(f) (2000).

223 See Harmon, supra note 71, at 564.

224 See Holzmann, supra note 61, at 207.

225 28 U.S.C. §1295(a)(6) (2000).

226 See Ann & Lindemann, supra note 216, at 9-10.

227 Brussels Convention, supra note 2, art. 1(1).

228 Id. art. 1(2), (4).

229 Case 288/84, *Duijnste v. Goderbauer*, 1984 E.C.R., 3663, 3674-75 (Marginal 13).

230 “Persons who are not nationals of the State in which they are domiciled shall be subject to the rules of jurisdiction applicable to nationals of that State.” Brussels Convention, *supra* note 2, art. 2 par. 2.

231 Id. art. 16. See *infra* Part III.A.3.

232 Brussels Convention, *supra* note 2, art. 52. See Mayss & Reed, *supra* note 39, 44-48.

233 Brussels Convention, *supra* note 2, art. 53. See Mayss & Reed, *supra* note 39, 48-51.

234 See Kropholler, *supra* note 39, para. 4 before art. 5.

235 See Mayss & Reed, *supra* note 39, at 63.

236 See Kropholler, *supra* note 39, para. 3 before art. 5, art. 6 para. 2.

237 Case 189/87, *Kalfelis v. Schröder*, 1988 E.C.R. 5565, 5585. See Kropholler, *supra* note 39, para. 2 before art. 5.

238 See Kropholler, *supra* note 39, art. 16 para. 3.

239 See *supra* Part I.G.

240 Annexed Protocol to the Brussels Convention, *supra* note 2, art. V (emphasis added).

241 For the English view on the issue. See *infra* Part III.B.2.

242 Jan J. Brinkhof, *Internationalisation of Patent Law, Transborder Injunctions and Summary Proceedings in the Netherlands* 10 (1995); Dieter Stauder, *Anwendung des EWG-Gerichtsstands- und Vollstreckungsübereinkommens auf Klagen im gewerblichen Rechtsschutz und Urheberrecht*, 1976 GRUR Int. 465, 477.

243 See *supra* Part III.A.3.

244 See *infra* Part III.C.1.b.

245 See *infra* Part III.C.1.a.

246 See Jan Brinkhof, *Das einstweilige Verfügungsverfahren und andere vorläufige Massnahmen im Zusammenhang mit Patentverletzungen*, 1993 GRUR Int. 387.

- 247 See *infra* Part. III.C.1.
- 248 See, e.g., Geoffrey Gauci, *Beware of the Danger which Lurks in the Netherlands: The Pan-European Injunction*, 1998 *Eur. Int. Prop. Rev.* 361, 362.
- 249 See *id.* at 361.
- 250 See Jan Brinkhof, *Geht das grenzüberschreitende Verletzungsverfahren im niederländischen einstweiligen Verfügungsverfahren zu weit?*, 1997 *GRUR Int.* 489, 496.
- 251 See *infra* Part III.C.
- 252 See, e.g., Swiss Federal Act on International Private Law art. 109 (“The Swiss courts at the defendant’s domicile shall have jurisdiction over actions concerning intellectual property rights. In the absence of such domicile, the Swiss courts at the place where the protection is requested shall have jurisdiction....”) (emphasis added).
- 253 See the German case reported in Wilfried Neuhaus, *Das Ubereinkommen über die gerichtliche Zuständigkeit und die Vollstreckung gerichtlicher Entscheidungen in Zivil und Handelssachen vom 27. 9. 1968 (EuGVU) und das Luganer Ubereinkommen vom 16. 9. 1988 (LugU)*, soweit hiervon Streitigkeiten des gewerblichen Rechtsschutzes betroffen werden, 1996 *Mitteilungen der deutschen Patentanwälte* 257, 261, and the Swiss case reported in *Zeitschrift des Bernischen Juristenvereins* 75, 95 (1959).
- 254 Landgericht Düsseldorf, Case 4 O 165/97, Aug. 25, 1998; 1999 *GRUR Int.* 455, 456; Neuhaus, *supra* note 230, 261.
- 255 Neuhaus, *supra* note 253, at 261.
- 256 *British South Africa Co. v. Moçambique*, 1893 *App. Cas.* 602. See Adrian Briggs & Peter Rees, *Civil Jurisdiction and Judgments*, Marginal 4.05 (2nd ed. 1997).
- 257 *Phillips v. Eyre* [1870] 6 L.R.-Q.B. 1. See Mayss & Reed, *supra* note 39, 324-26.
- 258 See Eva-Maria Kieninger, *Internationale Zuständigkeit bei der Verletzung ausländischer Immaterialgüterrechte: Common Law auf dem Prüfstand des EuGVU*, 1998 *GRUR Int.* 281, 286-86.
- 259 *Private International Law (Miscellaneous Provisions) Act 1995 art. 10*, effective May 1, 1996. See Kieninger, *supra* note 258, 285-86.
- 260 *Pearce v. Ove Arup Partnership Ltd.*, [1997] 2 W.L.R. 779 (Eng.) (copyright case). See Kieninger, *supra* note 258, 286.
- 261 *Coin Control Ltd. v. Suzo International (UK) Ltd. and others*, [[1997] 3 All E.R. 45.
- 262 *Id.* at 60-61.
- 263 See Kieninger, *supra* note 258, 288.

- 264 Case 288/84, Duijnste v. Goderbauer, 1984 E.C.R., 3663, 3677 (Marginal 23).
- 265 Fort Dodge Animal Health Ltd v Akzo Nobel NV, questions referred to European Court of Justice, reported at [1998] Fleet Street Reports of Industrial Property Cases 222, 246-47.
- 266 Fort Dodge Animal Health Ltd v. Akzo Nobel NV, reprinted in 1998 Eur. Int. Prop. Rev. N-10.
- 267 See Wolfgang von Meibom & Johann Pitz, Die europäische ‘Transborderrechtssprechung’ stösst an ihre Grenzen, 1998 GRUR Int. 765, 769. Unfortunately, Fort Dodge was not decided by the European Court of Justice because it was settled while pending before the E.C.J. See Klaus Grabinski, Zur Bedeutung des Europäischen Gerichtsstands- und Vollstreckungsübereinkommens (Brüsseler Übereinkommens) und des Lugano-Übereinkommens in Rechtsstreitigkeiten über Patentverletzungen, 2001 GRUR Int. 199, 208-09.
- 268 See supra Part II.D.
- 269 See Kropholler, supra note 39, para. 20 before Article 2; Briggs & Rees, supra note 256, at marginal 2.222-2.232; Mayss & Reed, supra note 39, at 57-59.
- 270 See supra Parts I, III.B.2.
- 271 See Briggs & Rees, supra note 256, at marginal 2.228; Mayss & Reed, supra note 39, at 58.
- 272 See Wolfgang von Meibom & Johann Pitz, Grenzüberschreitende Verfügungen im internationalen Patentverletzungsverfahren, 1996 Mitteilungen der deutschen Patentanwälte 181, 182.
- 273 See supra Part III.B.2.
- 274 See Wolfgang von Meibom & Johann Pitz, Cross-border Injunctions in International Patent Infringement Proceedings, 1997 Eur. Int. Prop. Rev. 469, 469-70; Brinkhof, supra note 242, at 11.
- 275 See Rudolf Busse, Patentgesetz §142 Marginals 60-61 (5th ed. 1999).
- 276 See Busse, supra note 275, §142 marginal 60.
- 277 Supra Part. III.A.3.
- 278 Case 189/87, Kalfelis v. Schröder, 1988 E.C.R. 5565, 5586. See Briggs & Rees, supra note 256, at marginal 2.144-2.145.
- 279 See Kropholler, supra note 39, para. 20 before Article 2. License agreements very frequently contain jurisdiction clauses, which can override art. 5 (3). See Brussels Convention, supra note 2, art. 17(4).
- 280 Case 21/76, Bier v. Mines de potasse d’Alsace, 1976 E.C.R. 1735, 1746-48. See Briggs & Rees, supra note 256, at marginal 2.154.
- 281 See supra Part. III.A.3.

- 282 See Corinna Vossius & John Hepworth, *European Patent Litigation Handbook* marginal 5-27 (Brian C. Reid ed., 1999).
- 283 See Stauder, *supra* note 242, at 473.
- 284 See Vossius & Hepworth, *supra* note 282, at marginal 5-28.
- 285 See Brinkhof, *supra* note 242, at 11; Constant Van Nispen, *European Patent Litigation Handbook* marginal 7-18 (Brian C. Reid ed., 1999)
- 286 Landgericht Düsseldorf, Case 4 O 165/97, Aug. 25, 1998, 1999 GRUR Int. 455, 457-58. See Neuhaus, *supra* note 253, at 264; Stauder, *supra* note 242, at 473-74, 477.
- 287 Case 68/93, *Fiona Shevill et al. v. Presse Alliance SA*, 1995 E.C.R. 415.
- 288 *Id.* at 462.
- 289 See Dieter Stauder, *Grenzüberschreitender Rechtsschutz für europäische Patente*, 1997 GRUR Int. 859, 861; Landgericht Düsseldorf, Case 4 O 165/97, Aug. 25, 1998, 1999 GRUR Int. 455, 457; Landgericht Düsseldorf, Case 4 O 198-97, March 25, 1999, 1999 GRUR Int. 775, 777.
- 290 See Van Nispen, *supra* note 285, at marginal 7-89; von Meibom & Pitz, *supra* note 267, at 768.
- 291 See Landgericht Düsseldorf, Case 4 O 198-97, March 25, 1999, 1999 GRUR Int. 775, 778; Kropholler, *supra* note 39, art. 2 para. 59.
- 292 *Evans Medical Ltd. v. Chiron Corporations and Chiron BV*, Court of Appeal The Hague, January 21, 1998, 1998 E.I.P.R. N-61, N-62.
- 293 *Id.* at N-62 (editor's comment).
- 294 See Landgericht Düsseldorf, Case 4 O 198-97, March 25, 1999, 1999 GRUR Int. 775, 777.
- 295 See *supra* Part III.B.1.
- 296 See Kropholler, *supra* note 39, art. 6 para. 8.
- 297 Case 51/97, *Réunion Européenne v. Spliethoff's Bevrachtingskantoor*, 1998 E.C.R. 6511, 6548.
- 298 Case 189/87, *Kalfelis v. Schröder*, 1988 E.C.R. 5565, 5584.
- 299 Brussels Convention, *supra* note 2, art. 22(3) ("For the purposes of this Article, actions are deemed to be related where they 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.”).

300 See Kropholler, *supra* note 39, art. 6 para. 7.

301 See Brinkhof, *supra* note 250, at 491-92.

302 See *supra* Part I.C.

303 Case 189/87, *Kalfelis v. Schröder*, 1988 E.C.R. 5565, 5583-84. See *Mayss & Reed*, *supra* note 39, at 73.

304 See Brinkhof, *supra* note 242, at 11.

305 See *Stauder*, *supra* note 242, at 476-77.

306 See *von Meibom & Pitz*, *supra* note 272, at 183.

307 See *von Meibom & Pitz*, *supra* note 274, at 471; *Stauder*, *supra* note 289, at 862-63.

308 See *Neuhaus*, *supra* note 253, at 265-67; *Stauder*, *supra* note 289, at 852-63; *von Meibom & Pitz*, *supra* note 272, at 183-84; *Jan Brinkhof*, *Geht das grenzüberschreitende Verletzungsverbot im niederländischen einstweiligen Verfügungsverfahren zu weit?*, 1998 GRUR Int. 489, 496.

309 See sources *supra* note 308.

310 See *id.*

311 *Expandable Grafts Partnership v. Boston Scientific et al.*, Court of Appeal The Hague, Apr. 23, 1998, 1998 Eur. Int. Prop. Rev. N-132 (also reported in *van Nispen*, *supra* note 261, at marginal 7-20). See the comments on the *Expandable Grafts* decision in *Remco de Ranitz*, *Jan Brinkhof in Conversation with Remco de Ranitz*, 1999 Eur. Int. Prop. Rev. 142.

312 See *Joseph Straus*, *Patent Litigation in Europe--A Glimmer of Hope? Present Status and Future Perspectives*, 2000 Wash. U. J.L. & Pol’y 403, 412-13.

313 See *Stauder*, *supra* note 289, at 863; *supra* note 288 and accompanying text.

314 See *Landgericht Düsseldorf*, Case 4 O 5-95, January 16, 1996 (summarized in *Stauder*, *supra* note 289, at 862). In such situations the case may be considered not a “patent matter” and different procedural rules may apply. See *supra* Part III.B.4.

315 See *supra* Part I.E.

316 See *supra* Part III.C.1.a; *Evans Medical Ltd. v. Chiron Corp.*, Court of Appeal The Hague, Jan. 21, 1998, 1998 Eur. Int. Prop. Rev. N-61, 62.

317 See supra Part III.C.1.b.

318 See supra Parts III.B.2, III.B.3.

319 See, e.g., Swiss Statute on International Private Law (IPRG) art. 109(1); René Monsch & Brendan B. Bolli, *European Patent Litigation Handbook* marginal 10-20 (Brian C. Reid ed., 1999); arts. 32, 35 ZPO (Germany); Vossius & Hepworth, supra note 282, at marginal 5-19.

320 See van Nispen, supra note 285, marginal 7-25; Dutch Code of Civil Procedure art. 126(3). This provision on the forum actoris is listed in article 3 of the Conventions among the provisions that cannot be applied against persons domiciled in Contracting States.

321 See supra Part III.C.1.a.

322 For example, if U.S. companies are sued together with their European affiliates as joint defendants before one European court.

323 See Kropholler, supra note 39, art. 6 para. 5.

324 See van Nispen, supra note 285, marginal 7-25; Dutch Code of Civil Procedure art. 126(7); Kropholler, supra note 39, art. 6 para. 5.

325 For example, U.S. manufacturers are sued as joint defendants together with their European distributors for infringement of European patents.

326 See supra Part III.C.2.

327 See Lugano Convention, supra note 41, art. 3 (list of national provisions on exorbitant jurisdiction).

328 See Fitzpatrick, supra note 109, at 703 n.36.

329 See Mayss & Reed, supra note 39, at 309.

330 Brussels Convention, supra note 2, art. 26.

331 Brussels Convention, supra note 2, art. 31.

332 See Mayss & Reed, supra note 39, at 310.

333 See Born, supra note 25, at 949-50.

334 Brussels Convention, supra note 2, art. 27(1).

335 See Born, supra note 25, at 937.

336 Brussels Convention, *supra* note 2, art. 29.

337 Brussels Convention, *supra* note 2, art. 28, para.3. This provision also prohibits the application of the public policy test to the rules related to jurisdiction.

338 See Born, *supra* note 25, at 937.

339 Black's Law Dictionary 262 (7th ed. 1999).

340 See Born, *supra* note 25, at 941.

341 See *supra* Part II.B.2.c.

342 See Born, *supra* note 25, at 938-39, 961.

343 *Glaverbel SA v. Northlake Marketing & Supply Inc.*, 48 U.S.P.Q.2d (BNA) 1344, 1347 (N.D. Ind. 1998).

344 *Erie R.R. v. Tompkins*, 304 U.S. 64, 71-77 (1938).

345 See *supra* Part II.B.2.

346 *Hilton v. Guyot*, 159 U.S. 113 (1895).

347 See Born, *supra* note 25, at 940.

348 *Hilton*, 159 U.S. at 202.

349 See Born, *supra* note 25, at 974.

350 See *supra* Part IV.B.1.

351 *Somportex, Ltd. v. Philadelphia Chewing Gum Corp.*, 318 F. Supp. 161, 167 (E.D. Pa. 1970).

352 See Born, *supra* note 25, at 939.

353 See *id.* at 941.

354 Unif. Foreign Money Judgments Recognition Act §4(b)(3), 13 U.L.A. 269 (1980).

355 Glaverbel SA v. Northlake Marketing & Supply Inc., 48 U.S.P.Q.2d (BNA) 1344, 1347 (N.D. Ind. 1998).

356 Restatement (Third) of the Foreign Relations Law of the United States §481(1) (1987).

357 Id.

358 Id. §482(2).

359 See Thomas, supra note 52, at 305-06.

360 Hilton v. Guyot, 159 U.S. 113, 118-20, 228 (1895).

361 Somportex, Ltd. v. Philadelphia Chewing Gum Corp., 318 F. Supp. 161, 168 (E.D. Pa. 1970).

362 See Ryan Beard, Reciprocity and Comity: Politically Manipulative Tools for Protection of Intellectual Property Rights in the Global Economy, 30 Tex. Tech. L. Rev. 155, 175-76 (1999) (providing examples); Born, supra note 25, at 955.

363 See Born, supra note 25, at 940-41.

364 Restatement (Third) of the Foreign Relations Law of the United States §482(1)(a) (emphasis added).

365 Born, supra note 25, at 985.

366 Ingersoll Milling Mach. Co. v. Granger, 833 F.2d 680, 688 (7th Cir. 1987).

367 Glaverbel SA v. Northlake Marketing & Supply Inc., 48 U.S.P.Q.2d (BNA) 1344, 1348 (N.D. Ind. 1998).

368 Brussels Convention, supra note 2, art. 26, 31. See supra Part IV.A.

369 §328(1) ZPO. It has to be examined whether the court issuing the judgment would have jurisdiction to decide the matter if the German ZPO had applied there. See Vossius & Hepworth, supra note 282, at marginal 5-145. See Born, supra note 25, at 942 (summary of §328 of the German ZPO in English).

370 §328(2) ZPO (Germany).

371 § 328(4) ZPO (Germany).

372 § 328(5) ZPO (Germany).

373 Swiss Federal Act on International Private Law art. 111.

374 Id. art. 27.

375 See infra Part IV.C.2.

376 BGH decision of June 4, 1992, Case IX ZR 149/91, ZIP 1992, 1256, 1261-62.

377 BGH, supra note 376, at 1262. The reciprocity requirement was met with respect to California.

378 See Ulrich Haas, Zur Anerkennung US-amerikanischer Urteile in der Bundesrepublik Deutschland, 2001 Praxis des Internationalen Privat- und Verfahrensrechts 195, 198-99.

379 See supra Part II.C.5.

380 See the decision issued by the Japanese Supreme Court on July 11, 1997, reported in 30 Int'l Rev. of Indus. Prop. & Copyright 480, 482 (1999).

381 See Arthur von Mehren, Recognition and Enforcement of Foreign Judgments: A New Approach for the Hague Conference?, 57 Law & Contemp. Probs. 271, 274 (1994).

382 See Kurt Siehr, Zur Anerkennung und Vollstreckung ausländischer Verurteilungen zu "punitive damages," 1991 Recht der Internationalen Wirtschaft 705, 706.

383 See Siehr, supra note 382, at 707-08.

384 BGH, supra note 376.

385 BGH, supra note 376, . at 1265-68.

386 BGH, supra note 376 at 1264.

387 See Japanese Supreme Court decision, July 11, 1997, supra note 380.

388 See infra Part V.D.2.

389 35 U.S.C. §284 (2000).

390 35 U.S.C. §284.

391 See, e.g., the Swiss case reported in Jens Drolshammer & Heinz Schärer, Die Verletzung des materiellen ordre public als Verweigerungsgrund bei der Vollstreckung eines US-amerikanischen "punitive damages-Urteils", 1986 Schweizerische Juristen-Zeitung 309, issued under Texas law, based on a misappropriation claim, that awarded compensatory damages plus twice the amount of the compensatory damages as "exemplary damages."

392 BGH, *supra* note 376, at 1269.

393 See von Mehren, *supra* note 381, at 285.

394 See *id.*

395 See *id.*

396 See *id.* at 283, 285.

397 See *supra* Part III.A.2.

398 See Kropholler, *supra* note 39, art. 28 para. 1.

399 See von Mehren, *supra* note 381, at 283, 285.

400 See *id.* at 283; Jametti Greiner & Bucher, *infra* note 405, at 59.

401 See *supra* Part I.E.

402 See von Mehren, *supra* note 381, at 273.

403 See *supra* Part II.C.5.

404 See von Mehren, *supra* note 381, at 271-73.

405 See Monique Jametti Greiner & Andreas Bucher, La Dix-septième session de la Conférence de La Haye de droit international privé, 1994 *Schweizerische Zeitschrift für internationale und europäisches Recht* 55, 58.

406 See von Mehren, *supra* note 381, at 273.

407 See *id.* at 283.

408 See Jametti Greiner & Bucher, *supra* note 405, at 59-60.

409 See von Mehren, *supra* note 381, at 287.

410 Catherine Kessedjian, *International Jurisdiction and Foreign Judgments in Civil and Commercial Matters*, Preliminary Document No. 7 of April 1997 for the attention of the Special Commission of June 1997 on the question of jurisdiction, and recognition and enforcement of foreign judgments in civil and commercial matters, para. 152, available at ftp://hech.net/doc/jdgm_pd9.doc.

411 Attorney-General's Department of the Commonwealth of Australia: Issue Paper 2 of July 1999 on the Draft Hague Convention, para. 3.1-3.4, available at <http://www.law.gov.au/publications/hagueissue2/issuespaper2.html>.

412 Preliminary Draft Convention on Jurisdiction and Foreign Judgments in Civil and Commercial Matters, adopted by the Special Commission on October 30, 1999 ["Draft Hague Convention"], available at <http://www.hcch.net/e/conventions/draft36e.html>. [Eds. note: articles renumbered by Special Commission, new numbers for articles will follow citation where applicable.]

413 See *infra* Part V.C.4.

414 Draft Hague Convention, *supra* 412, art. 3(2).

415 See Issue Paper 2, *supra* note 411, at para. 3.6.

416 Brussels Convention, *supra* note 2, art. 52. See *supra* Part III.A.2.

417 Kessedjian, *supra* note 410, para. 9.

418 Brussels Convention, *supra* note 2, art. 53. See *supra* Part III.A.2.

419 See Jametti Greiner & Bucher, *supra* note 405, at 60.

420 Case 21/76, *Bier v. Mines de potasse d'Alsace*, 1976 E.C.R. 1735, 1746-48. See *supra* Part III.C.1.a.

421 See Issue Paper 2, *supra* note 411, at para. 3.21.

422 In *Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 295-97 (1980), the Supreme Court held that the mere foreseeability did not establish sufficient contacts. See *supra* Part II.C.3.a.

423 Case 68/93, *Fiona Shevill et al. v. Presse Alliance SA*, 1995 E.C.R. 415. See *supra* Part III.C.1.a.

424 See *supra* Parts III.B.2, III.C.1.a.

425 Draft Hague Convention, *supra* note 412, art. 10. See *supra* Part V.C.2.

426 Case 189/87, *Kalfelis v. Schröder*, 1988 E.C.R. 5565. See *supra* Part III.C.1.b.

427 See *supra* Part II.C.3.a.

428 See *supra* Part III.A.3.

429 See Draft Hague Convention, *supra* note 412, art. 12(4).

430 See Issue Paper 2, supra note 411, para. 3.31-3.32.

431 See Issue Paper 2, supra note 411, para. 3.31-3.32. See also the conference note in 1999 GRUR Int. 979-80.

432 See supra Part III.B.2.

433 See id.

434 See Issue Paper 2, supra note 379, para. 3.54.

435 See id. at 3.57.

436 See id.

437 See id. para. 3.58; Draft Hague Convention, supra note 412, arts. 21, 22.

438 Draft Hague Convention, supra note 412, art. 22(1) (cannot deny jurisdiction if it is based on a valid and exclusive choice of court under art. 4 or if it is established under art. 7 (contracts concluded by consumers), art. 8 (individual contracts of employment) or art. 13 (exclusive jurisdiction)). See supra Part V.C.4).

439 Draft Hague Convention, supra note 412, art. 22(3).

440 Id. art. 22(1).

441 Id. art. 22(5).

442 Id. art 25(1) [ed. note: article 13 has been renumbered to article 12]

443 See supra Part V.A. In June 1999, the Special Commission decided not to list gray areas of jurisdiction in the convention . See Issue Paper 2, supra note 411, para. 3.38.

444 Draft Hague Convention, supra note 412, art. 28(2).

445 Id. art. 28(1).

446 Id. art. 28(1)(f). See Brussels Convention, supra note 2, art. 27(1).

447 Draft Hague Convention, supra note 412, art. 27(1). See supra Part IV.A. Cf. Brussels Convention, supra note 2, art. 28, para.3.

448 Draft Hague Convention, supra note 412, art. 33(1) (further limiting recognition and enforcement in case of “grossly excessive damages”).

449 See supra Part IV.C.2.

450 See von Mehren, supra note 381, at 274.

451 See Fitzpatrick, supra note 109, at 744.

452 See id. at 705, n.36.

453 See Kropholler, supra note 39, art. 6 para. 5.

454 See Ultsch, supra note 192, at 29-30.

455 See Oscar Vogel, Europa und das schweizerische Zivilprozessrecht, 1992 Aktuelle Juristische Praxis 459, 462-63.

456 See id. at 459-60, 463-64.

457 See supra Parts IV.B.2, IV.C.I.

458 See supra Part II.C.3.

459 See supra Parts III.A, III.C.1.a.

460 See, e.g., German Patent Act §139(2).

461 Draft Hague Convention, supra note 412, art. 10(1)(a). See supra Part V.C.2.

462 See supra Part III.C.1.b.

463 See supra Part V.C.3.

464 See supra Part III.C.1.b.

465 See Stein Assoc., Inc. v. Heat and Control, Inc., 748 F.2d 653, 658 (Fed. Cir. 1984) (“Only a British court, applying British law, can determine...infringement of British patents.”).

466 See supra Part I.C.

467 See Graeme W. Austin, Domestic Laws and Foreign Rights: Choice of Law in Transnational Copyright Infringement Litigation, 23 Colum.-VLA J.L. & Arts 1, n.212 (1999) and accompanying text, referring to Gasperini v. Center for Humanities, Inc., 518 U.S. 415 (1996).

- 468 See supra Part I.G.
- 469 See supra Part III.B.2.
- 470 See the proposals in the Draft Hague Convention, supra Part V.C.4.
- 471 See supra Part II.E.
- 472 See supra Parts IV.B.2, IV.C.1.
- 473 See supra Part V.D.1.
- 474 In the United States, the courts addressed review the jurisdiction even in the case of sister state judgments. See Born, supra note 25, at 938. In Europe the Conventions list the incompatibility with public policy as a ground for refusal of recognition. See supra Part IV.A.
- 475 See supra Part II.C.1.
- 476 European Convention for the Protection of Human Rights and Fundamental Freedoms, Nov. 4, 1950, Europ. T.S. No. 5, 213 U.N.T.S. 222 (entered into force Sept. 3, 1953).
- 477 See supra Part IV.B.3.
- 478 See supra Part IV.C.1.
- 479 See supra Part IV.B.2.
- 480 See supra Part IV.C.2.
- 481 See supra Part VI.B.2.
- 482 See Black's Law Dictionary 666 (7th. ed. 1999).
- 483 Case 68/93, Fiona Shevill et al. v. Presse Alliance SA, 1995 E.C.R. 415, 462; supra Part III.C.1.a.
- 484 See supra Part III.C.1.b.
- 485 Draft Hague Convention, supra note 412, art. 13.