

Doctoral Thesis

**Jurisdiction for Online
Intellectual Property
Infringements in the EU:
overcoming strict territoriality**

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1. Chapter I: Introduction

1.1. Preface

An online environment changes the reality of intellectual property protection. Digital books, goods, or software can be transferred fast and easy without crossing any borders. It facilitates online infringements of intellectual property rights: via the click of a button or mere online share of content. The question is: where a right holder may seek protection in digital *Wonderland*?

The poetic answer is everywhere and nowhere. Under the current situation in the European Union, right holders are deprived of an opportunity to bring a claim for all harm suffered in a single court. They need to sue virtually in courts of every Member State. This means that they must travel, pay legal costs, and learn different languages to face foreign jurisdictions. To say this to your client is the same as confessing that his or her right is meaningless. The less *fiction* system could not have been dreamt by Carroll...

The problem arises from a *paradox*. Although the virtual behaviour of infringers often gives effect internationally, intellectual property rights remain to be territorial and depend heavily on the national law of each country. It is not always clear if an online tort can be *allocated* within the geographical borders of a particular country. Right holders and alleged infringers suffer from the lack of legal certainty as to which national court will have jurisdiction over online infringements. Effective enforcement of intellectual property may become doubtful.

The core of the present research is to overcome *dogmatic* territoriality in online intellectual property infringement cases. It will address the question of whether the current approaches on defining jurisdictional criteria for online intellectual property (hereinafter, IP) infringements is satisfactory. The interaction between the IP law, private international law (hereinafter, PIL), and the Internet will be analysed along with the rights of personality and personal data protection.

The thesis will focus on the interpretations made by the Court of Justice of the European Union (hereinafter, CJEU) concerning Art. 7(2) of the Brussels Regulation Recast (hereinafter, BRR)¹ to address the compatibility with the very purpose of this rule.² The scope will be limited to the law and the territory of the European Union.

1.2. The structure

This research is divided into two parts, which are subdivided into nine chapters as outlined below.

¹ Brussels Regulation on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters 1215/2012, 12 December 2012, OJ L 351/1, 2012 (recast) (hereinafter, BRR), which replaces Brussels Regulation on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters 44/2001, 22 December 2000, OJ L 012, 2001, (hereinafter, Brussels Regulation 44/2001) and Brussels Convention on jurisdiction and the enforcement of judgments in civil and commercial matters 1968 (consolidated version), 31 December 1972, OJ L 299 (hereinafter, Brussels Convention 1968).

² For the objective of the present thesis all references will be made to Art. 7(2) BRR even if the case law or academic discussion refer to Art. 5(3) Brussels Regulation 44/2001: “[i]n matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred or may occur;” and Art. 5(3) Brussels Convention 1968: “[i]n matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred.”

Part “A” is titled “Jurisdiction for online torts at the Brussels Regime” and encompasses five chapters. Chapter I, “Introduction,” provides the reader with the general scope of the thesis, its subject and purpose. It also involves terminology and the research methodology. Chapter II, “The Brussels Regime: General overview,” focuses on private international law rules of the European Union (EU PIL) (in particular, on international jurisdiction issues) and the case law of the Court of Justice of European Union (the CJEU or the Court). It provides the reference to international legislative instruments, the national case law of the Member States and relevant academic proposals concerning jurisdiction in general. Chapter III, “Special Jurisdiction at the Brussels Regulation Recast,” describes the phenomena of international jurisdiction. The purpose of this chapter is to examine the essential concepts and elements of the special jurisdictional rule at Art. 7(2) BRR. Chapter IV and Chapter V illustrate the application of Art. 7(2) BRR in relation to two types of online torts: personality rights infringements and personal data infringements.

Part “B” (titled “Special jurisdiction for online intellectual property infringements”) will focus on the third type of online torts: intellectual property infringements. The scope will be limited mostly to copyright and trademarks online infringements. This typology was adopted due to the available interpretations made by the CJEU.³

Part “B” includes three chapters. Chapter VI, “Intellectual property infringements in the online context,” addresses the interaction between Private international law, Intellectual property and the Internet. It will illustrate the evolution of jurisdictional criteria for IP infringements. Chapter VII, “Localising IP infringements at the “place of the event, giving rise to the damage” is devoted to the first *limb* of this provision and its definition in the online context. The interpretations are examined for trademark and copyright infringements with a potential extension to other types of registered and unregistered IP rights respectively. Accordingly, Chapter VIII (“The place where the damage occurred”) approaches the most debatable aspect of jurisdiction definition (which is the second *limb* of this rule). The *puzzling* allocation of the damage online will be discussed from an IP perspective. Following up the chronology of the CJEU case law from the previous Chapters, Chapter VIII evaluates the overall pattern of current jurisdictional criteria to propose specific solutions for registered and unregistered IPRs.

Chapter IX: Conclusion provides the reader with an overall summary of the study. By revealing the legal nature of the special jurisdiction under Art. 7(2) BRR, it addresses the questions of whether the jurisdictional criteria for online IP infringements are effective and formulates the proposal for further interpretations of this rule.

1.3. Background to the problem

³ In particular, C-523/10, *Wintersteiger* (2012), C-170/12, *Peter Pinckney v KDG Mediatech AG* (2013), C-441/13, *Hejduk* (2015). As it was mentioned, other types of IPRs have not been subject to the CJEU case law yet (in the context of Art. 7(2) BRR).

The natural desire of any claimant is to receive the full compensation for the suffered harm in a cost-effective and time-efficient way. In turn, this corresponds to the fair expectation of a defendant to be sued in a certain and predictable court. The challenge is in balancing these competing interests when a competent jurisdiction is defined.

According to Art. 7(2) BRR, in matters relating to tort, delict or quasi-delict, the defendant domiciled in a Member State may be sued in another Member State “in the courts for the place where the harmful event occurred or may occur.” This jurisdictional ground is supposed to be based “[...] on a close connection between the court and the action or in order to facilitate the sound administration of justice.”⁴

On the one side, suing under this rule may be a rather attractive jurisdictional strategy for the claimant, as it ensures an alternative to the general defendant’s domicile rule.⁵ On the other side, it may deprive a potential defendant to be sued in a *home court*, which generates a strong opposition to a broad reading of this provision.⁶ The current interpretations of Art. 7(2) BRR for online infringements of intellectual property rights (hereinafter, IPRs) is an attempt for a compromise.⁷

The effect of an online IP infringement may extent across borders.⁸ The damage is often *dematerialised* and *delocalised*.⁹ This means that the online tort and the damage may be found in different states simultaneously. The jurisdictional criteria that were primarily designed for the offline world lose their effectiveness in the online context.

In order to respond to these challenges, the CJEU has adopted various jurisdictional approaches¹⁰ to different types of IP rights infringed (under Art. 7(2) BRR). Some criteria

⁴ Brussels Regulation Recast 1215/2012, Recital 16.

⁵ Brussels Regulation Recast 1215/2012, Art. 4(1): “[s]ubject to this Regulation, persons domiciled in a Member State shall, whatever their nationality, be sued in the courts of that Member State.”

⁶ For example, METZGER A. (2009), *Jurisdiction, intellectual Property and Private international law*, Tübingen: Mohr Siebeck, METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property Infringements on the Internet: Brussels I Regulation, ALI-Principles and Max Planck Proposals”, LEIBL S., OHLY A. *Intellectual Property and Private International Law*, Kluwer Law International, p. 251-267.

⁷ As it was also commented, for example, in: SAVIN A.(2016), “Jurisdiction Over Cybertorts in the EU – A Coherent Picture?”, T. Várady (Ed.), *Liber amicorum: Gašo Knežević*, p. 1-22.

⁸ As was commented also by NITSEVICH N. (2015), *Intellectual property rights infringement on the internet: an analysis of the private international law implications*, Unpublished Doctoral thesis, City, University of London.

⁹ See more, for example, at: NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, p. 13 and p. 40; MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online: In Search of Balanced Private International Law Rules,” *JIPITEC*, 132 (6), pp. 132-145, p. 138; SHOUTIWOTH SOOMPONG A. (2016), *Jurisdictional Issues and Online Copyright Infringements in Europe*, Master Thesis, Leibniz Universität Hannover, Institut für Rechtsinformatik, Universitet i Oslo, Norwegian Research Center for Computers and Law, p. 30 and p. 46.

¹⁰ Registration is not an established requirement for copyright. This arguably permits us to find a court under lower jurisdictional threshold than for registered IP rights.

were transported from personality rights' jurisdiction,¹¹ others have been transformed to the specific features of IP rights.¹²

Precisely, the expression “place where the harmful event occurred or may occur” at Art. 7(2) BRR covers both the place of the event giving rise to the damage and the place where the damage occurred. The defendant may be sued, at the option of the claimant, in the courts for either of those places. Following the interpretations from the CJEU, jurisdiction under Art. 7(2) BRR may be allocated at the courts of the Member State of the place of the establishment of the defendant,¹³ or at the courts of the Member State of the IP right registration,¹⁴ or at the place of the website's online accessibility.¹⁵

The CJEU's interpretations, however, are debatable and highly discussed in legal literature and academic proposals. For instance, as the place of establishment of the defendant almost always coincides with the defendant's domicile, Art. 7(2) may not serve as an effective alternative to the general jurisdictional rule under Art. 4(1) BRR.¹⁶ When the competent court is allocated at the courts of the Member State of the place of establishment of the defendant, it virtually leads to the defendant's *forum*.¹⁷ This approach, thus, does not respond to the initial purpose of the special jurisdictional rule of providing the claimant with alternatives to general jurisdiction.

¹¹ Like, for instance, the place of the establishment of the publisher from CJEU, C-68/93, *Fiona Shevill, Ixora Trading Inc., Chequepoint SARL and Chequepoint International Ltd v Presse Alliance SA*, 07 August 1995 (ECLI:EU:C:1995:61) and the “online accessibility” approach from in CJEU, Joined Cases C-509/09, *eDate Advertising GmbH v X* and C-161/10, *Olivier Martinez and Robert Martinez v MGN Limited*, 25 October 2011, (ECLI:EU:C:2011:685).

¹² The place of the IP right registration for trademark online infringements, see C-523/10, *Wintersteiger* (2012).

¹³ Which often coincide with the defendant's domicile *forum* under Art. 4(1) BRR.

¹⁴ For national trademark online infringements, C-523/10, *Wintersteiger* (2012).

¹⁵ For online copyright infringements, C-170/12, *Peter Pinckney v KDG Mediatech AG* (2013).

¹⁶ The fact of the frequent coincidence between the places of establishment of the defendant and the defendant's domicile is confirmed empirically in several national case law studies (for instance, CHRISTIE A. F. (2015), *Private International Law Issues in Online Intellectual Property Infringement Disputes with Cross-Border Elements An Analysis of National Approaches, Report for the World Intellectual Property Organisation, University of Melbourne*, p.1-31) and in legal literature (for example, ROSATI E. (2017), “International jurisdiction in online EU trademark infringement cases: where is the place of infringement located?”, *European Intellectual Property Review*, n°8 - vol. 38, p. 482-491). See more to this further in the following chapters.

¹⁷ The expression “*place where the harmful event occurred or may occur*” within Art. 7(2) BRR covers both the place of the event giving rise to the damage and the place where the damage occurred. The defendant may be sued, at the option of the claimant, in the courts for either of those places. Following the interpretations from the CJEU, jurisdiction may be allocated at the courts of the Member State of the place of establishment of the defendant (which often coincide with the defendant's domicile *forum* under Art. 4(1) BRR) or at the courts of the Member State of the trademark registration (for national trademark online infringements, CJEU, C-523/10, *Wintersteiger AG v Products 4U Sondermaschinenbau GmbH*, 19 April 2012 (ECLI:EU:C:2012:220), or at the place of internet site's accessibility (for online copyright torts, CJEU, C-170/12, *Peter Pinckney v KDG Mediatech AG*, 3 October 2013 (ECLI:EU:C:2013:635)).

The fact of the frequent coincidence between the places of establishment of the defendant and the defendant's domicile is confirmed empirically in several national case law studies (for instance, CHRISTIE A. F. (2015), *Private International Law Issues in Online Intellectual Property Infringement Disputes with Cross-Border Elements An Analysis of National Approaches, Report for the World Intellectual Property Organisation, University of Melbourne*, p.1-31) and in legal literature (for example, ROSATI E. (2017), “International jurisdiction in online EU trademark infringement cases: where is the place of infringement located?”, *European Intellectual Property Review*, n°8 - vol. 38, p. 482-491). See more to this further in the following chapters.

Since jurisdiction may be granted if the infringing material is *merely* online accessible in the court's territory, the principle of legal certainty is not met.¹⁸ Potential defendants oppose unexpected litigation in foreign and unfamiliar courts as a result of their online activity. This jurisdictional approach¹⁹ is unpredictable for all the parties involved and hardly benefits anybody. The damaging effect of it is especially felt in the copyright field.²⁰ Above all, the CJEU restricts the possibility to claim the EU-wide redress²¹ (or full scope of jurisdiction).²² Following the Court's interpretations, in order to claim the whole harm suffered a copyright holder needs to sue at the court of every Member State where infringing content is accessible online.²³ Such a task is almost always practically unaffordable. This leads to a result that the power of a court within Art. 7(2) BRR to grant the EU-wide redress may be possible only in case of coincidence with Art. 4 (1) BRR.²⁴ Hence, it has been concluded that the current interpretations of Art. 7(2) BRR have a great potential for procedural abuse and may be prone to unjustified limitations.²⁵

Traditionally, two strikingly different doctrinal approaches are reshaping the question of ascertaining jurisdiction for online IP torts: the private international law approach (hereinafter, PIL approach) and the intellectual property approach (hereinafter, IP approach).

The PIL-focused approach promotes common jurisdictional grounds for different types of online torts. It is based on a broad and flexible interpretation of jurisdictional criteria.²⁶ The

¹⁸ CJEU, C-441/13, *Pez Hejduk v EnergieAgentur.NRW GmbH*, 22 January 2015 (ECLI:EU:C:2015:28).

¹⁹ When the competent court may be allocated at the courts of the Member State of the place of internet site's accessibility: C-170/12, *Pinckney* (2013); C-441/13, *Hejduk* (2015).

²⁰ For example, MATULIONYTE R. (2015), "Enforcing Copyright Infringements...", *op.cit.*, p. 137.

²¹ In the meaning that the court has jurisdiction to hear the action for damages for all the harm caused by the unlawful act on the territory of other Member States (CJEU, C-68/93, *Fiona Shevill, Ixora Trading Inc., Chequepoint SARL and Chequepoint International Ltd v Presse Alliance SA*, 07 August 1995 (ECLI:EU:C:1995:61), paragraph 25). For the purpose of the present research the term "the full scope of jurisdiction" will be used. By contrast to it, if the court lacks the full scope of jurisdiction the term "the limited or restricted scope of jurisdiction" applies. See more to the terminology further in this Chapter.

²² As it was called, for example, in paragraph 32 of Opinion of Advocate General Bobek, 13 July 2017 (ECLI:EU:C:2017:554) in CJEU, C-194/16, *Bolagsupplysningen OÜ Ingrid Ilsjan v Svensk Handel*, 17 October 2017 (ECLI:EU:C:2017:766).

²³ Due to the unregistered nature of copyright, protection must not be conditional upon compliance with any formality (principle of "automatic" protection) under the Berne Convention for the Protection of Literary and Artistic Works (the Berne Convention), as amended on 28 September 1979.

²⁴ The court has jurisdiction only to determine the damage caused in the Member State within which it is situated. But this limitation works only for the court at the place where alleged damage occurred at Art. 7(2) BRR. By contrast, the court at the place of the event giving rise to the damage is indeed may grant an EU-wide scope of the damage by the analogy with the rulings in *Shevill*, *eDate*, etc. See more to this discussion at Part B, Chapter III: Localising IP infringements at "the place of the event" *limb*.

²⁵ As it was also commented by SHOUTIWOTH SOOMPONG A. (2016), *Jurisdictional Issues...*, *op. cit.*, p.25 and p. 46.

²⁶ For instance, NUYTS A., HATZIMIHAIL N., SZYCHOWSKA K., EMMANUEL N. (2008), "Cross-Border Litigation in IP/IT Matters in the European Union: The Transformation of the Jurisdictional Landscape" in *International litigation in Intellectual property and information technology*, (eds.), Kluwer, at p.303-p.308; KONO T. (2012), *Intellectual Property and Private International Law (Comparative Perspectives)*, (ed.), Oxford-Portland: Hart Publishing, p. 975-1022.

IP-focused approach aims to establish a specific treatment for online infringements of intellectual property rights (IPRs). It is based on strict territorial protection of these rights.²⁷

These two contradictory views on jurisdiction are exacerbated further due to the globalised nature of the Internet. Although PIL and IP approaches had been grounded on geographical boundaries and local legal traditions, the Internet is transforming the reality of this geography. The process of globalisation and the speed of cross-border transactions gave a rise to new challenges. Overreaching Internet technology may blur any national border. The nationality of global businesses becomes diluted. The online activity of multinational companies almost always has a cross-border effect.²⁸ Whilst, the company's seat, the main centre of business activity, and the targeted audience may be located in different countries. This complicates the task of establishing a *close connection* between the dispute and the territory of the court seized and ascertaining jurisdiction according to Art. 7(2) BRR.²⁹

The present research will analyse the possible responses to these problematic situations. Precisely, ongoing discourse involves three aspects:

- the effectiveness of the adopted jurisdictional criteria and approaches;³⁰
- the possibility to grant international jurisdiction under Art. 7(2) BRR³¹;
- The need to revise the principle of territoriality (as a specific feature of IPRs) for the purpose of defining jurisdiction.

1.3.1. The criteria for jurisdiction

In early case law,³² the CJEU addressed mostly the definition of general concepts under the provision of Art. 5(3) Brussels Convention 1968 (now, Art. 7(2) Brussels Regulation Recast 1215/2012).³³ More recent rulings have enlarged the scope of this provision to different

²⁷ For instance, KUR A. (2015), "Enforcement of unitary intellectual property rights: international jurisdiction and applicable law," *JIPLP* 10(6), pp. 468–480; KUNDA I. (2016), "Jurisdiction for copyright infringements over the Internet," *Zbornik Hrvatskog društva za autorsko pravo*, 13-14(1333-4328), p.75-99; see also: KONO T. (2012), *Intellectual Property...*, *op.cit.*, p.1015.

²⁸ For instance, when an infringement involves a cross-border or foreign element, like foreign citizens or international transactions. See more to this, for example, at HÖRNLE J. (2009), *Cross-border Internet dispute resolution*, Cambridge University Press, KUR A. (2015), "Enforcement of unitary intellectual property rights: international jurisdiction and applicable law," *JIPLP* 10, p. 468–480, GETMAN-PAVLOVA I. V. (2011), *International Private Law*, the second edition, Moscow, p. 485, p. 35.

²⁹ According to Brussels Regulation Recast 1215/2012, Recital 16, "[i]n addition to the defendant's domicile, there should be alternative grounds of jurisdiction based on a close connection between the court and the action or in order to facilitate the sound administration of justice. The existence of a close connection should ensure legal certainty and avoid the possibility of the defendant being sued in a court of a Member State which he could not reasonably have foreseen."

³⁰ Limited to the case law of the CJEU.

³¹ Precisely, the possibility to hear the action for damages for all the harm caused by the online IP infringements (hereinafter, an overall EU relief or the full scope of jurisdiction).

³² The research analyses the case law of the CJEU in two steps: before the ruling in C-68/93, *Shevill* (1995), and after it. See more in Part B.

³³ In particular, the "place where the harmful event occurred," "may occur," "matters related to tort, delict or quasi-delict" and the "damage." See more further in this chapter.

areas. Art. 7(2) BRR was interpreted by the CJEU³⁴ in an essentially distinct way for different types of online torts.

The research will illustrate the jurisdictional landscape after the CJEU's ruling in *Shevill*.³⁵ Since then, case law had focused on developing coherent approaches for print media publications for online violations of personality rights and the claims involving infringements of intellectual property rights. The difficulties which the Internet brings to the area of international jurisdiction will be discussed.

For print media publications, the so-called "mosaic principle" or a "mosaic theory"³⁶ was implemented. Further, it was extended to online publications.³⁷ This principle has been applied to online personal rights infringements, as well as intellectual property torts.³⁸ Following the interpretations in *eDate* and *Bolagsupplysningen*,³⁹ the thesis will reveal how *Shevill* doctrine had been adapting to new circumstances.⁴⁰ The benefits and the pitfalls of the "mosaic-accessibility" approach⁴¹ and the "centre of interests" criterion will be questioned, depending on the type of the right infringed.⁴²

In their turn, jurisdictional issues concerning online IP torts were interpreted rather fragmentary.⁴³ The CJEU had provided guidelines for the trademark and copyright fields

³⁴ For example, for online torts concerning infringements of personality rights, in CJEU, Joined Cases C-509/09, *eDate Advertising GmbH v X* and C-161/10, *Olivier Martinez and Robert Martinez v MGN Limited*, 25 October 2011, (ECLI:EU:C:2011:685); for online trademark infringements, in C-523/10, *Wintersteiger (2012)*; for copyright online torts, in C-170/12, *Pinckney (2013)*; C-441/13, *Hejduk (2015)*. More to this see in Part B.

³⁵ C-68/93, *Shevill (1995)*. Indeed, it may be considered as a ground-breaking to the issues of establishing jurisdiction according to Art. 7(2) of Brussels Regulation Recast 1215/2012.

³⁶ See more, for example, at: SAVIN A., "Jurisdiction Over Cybertorts ...", *op.cit.*, p.18.

³⁷ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011).

³⁸ The concept of "online tort" and the typology will be described in the next paragraph.

³⁹ C-194/16, *Bolagsupplysningen and Ilsjan*, (2017).

⁴⁰ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011); C-194/16, *Bolagsupplysningen and Ilsjan*, (2017).

⁴¹ The ruling in *Shevill* allowed two alternative limbs at Art. 7(2) BRR with different scope of jurisdiction (C-68/93, *Shevill and Others v Presse Alliance (1995)*, paragraph 33). The first one provides the possibility to establish a court in the State of the establishment of the publisher. The victim may bring a claim in respect of the whole of the damage suffered. By contrast, the second one leads to a court in the State in which the victim is known. There a claim may be brought only in respect of the damage caused in that State. This restriction was called the "mosaic principle."

⁴² Both these criteria were first introduced for personality rights' infringements. In particular, the CJEU stated that "[i]nstead of an action for liability in respect of all of the damage, the criterion of the place where the damage occurred, derived from *Shevill* and *Others*, confers jurisdiction on courts in each Member State in the territory of which content placed online is or has been accessible." (Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others (2011)*, paragraph 51). However, the "online accessibility" approach for online torts of personality rights has been considered as practically useless. Under the claimant's *forum*, based on the "centre of interests" criterion from *eDate*, he or she may ask for the totality of the alleged damage (C-194/16, Opinion of Advocate General Bobek in *Bolagsupplysningen and Ilsjan*, (2017)). The situation when the centre of interest criterion has supplanted the "online accessibility" approach will be illustrated further in the thesis.

⁴³ See Part B, Table 1, chronological period between 2011 and 2019. As the starting point may be considered the ruling in *L'Oréal* which besides referring to the applicability of EUTM substantial law has further influenced deciding jurisdiction in this field (CJEU, C-324/09, *L'Oréal SA and Others v eBay International AG and Others*, 12 July 2011 (ECLI:EU:C:2011:474)).

only. The *dual* jurisdictional ground at Art. 7(2) BRR⁴⁴ was extended to the IP torts⁴⁵ and the *Shevill* approach was *adapted* to the specific characteristics of IPRs.⁴⁶ In particular, the CJEU applied the “online accessibility” approach (earlier endorsed in *eDate*), however, due to the specific nature of IPRs, it was limited by the requirement of trademark registration and copyright protection.⁴⁷

With regard to the jurisdiction for a national trademark infringement (*Wintersteiger*), it amounts to a Member State in which the mark is registered.⁴⁸ This ruling has become groundbreaking for IP claims⁴⁹ and its findings may be extended to other national registered rights.⁵⁰ The “online accessibility” approach was transported to ascertain jurisdiction for the copyright online infringements.⁵¹ Registration is not an established requirement here that permits defining a court under a lower jurisdictional *threshold*. The author may bring a claim against a defendant established in another Member State if his work is the subject of copyright protection and an infringing website is also accessible within the jurisdiction of the court seized.⁵²

A dichotomy of “targeting”⁵³ and the “centre of the victim’s interests”⁵⁴ will be analysed in the context of an alternative to the “online accessibility” approach. According to the first one, a claim may be brought to a court at the place where the infringing material is targeted towards the public located within its jurisdiction. Under the second one, the claim may be brought, in respect of all the damage caused, before the court of the Member State in which a claimant has the centre of his interests and where may be established the existence of a

⁴⁴ The place of the “event giving rise to the damage” and the place “where the damage occurred.”

⁴⁵ The ruling in *Wintersteiger* (C-523/10, *Wintersteiger* (2012)) was issued in accordance with CJEU, C-21/76, *Handelskwekerij G. J. Bier BV contra Mines de potasse d’Alsace SA*, 30 October 1976 (ECLI:EU:C:1976:166) and C-68/93, *Shevill v Press Alliance SA* (1995), paragraph 17.

⁴⁶ In a sense of granting the full scope of jurisdiction at both places.

⁴⁷ For example, C-523/10, *Wintersteiger* (2012), paragraphs 26-28.

⁴⁸ The CJEU held that the claim “[...] may be brought before either the courts of the Member State in which the trademark is registered or the courts of the Member State of the place of establishment of the advertiser.” C-523/10, *Wintersteiger* (2012), paragraph 40.

⁴⁹ Further, this approach was argued to be extended to other national registered rights, in particular, in CJEU, C-133/11, *Folien Fischer AG and Fofitec AG v Ritrama SpA*, 25 October 2012 (ECLI:EU:C:2012:664).

⁵⁰ The court on the territory of which infringing material is online accessible and an IPR is registered (or protected) was considered to be best able to assess an actual infringement. C-133/11, *Folien Fischer and Fofitec* (2012).

⁵¹ C-170/12, *Pinckney* (2013); C-441/13, *Hejduk* (2015).

⁵² However, that court has jurisdiction only to determine the damage caused in the Member State within which it is situated. C-170/12, *Pinckney* (2013), paragraphs 47, 48.

⁵³ For example, this criterion was adopted for consumer claims in: CJEU, Joined cases, C- 585/08, *Peter Pammer v Reederei Karl Schlüter GmbH & Co. KG* and C-144/09, *Hotel Alpenhof GesmbH v Oliver Heller*, 07 December 2010, (ECLI:EU:C:2010:740).

⁵⁴ This criterion was implemented for online infringements of personality rights in: Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011).

particularly close link with that State.⁵⁵ Currently, these criteria have been rejected as inappropriate jurisdictional grounds⁵⁶ for both online trademark and copyright torts.⁵⁷

All other types of IP rights have not been subject to the CJEU case law yet.⁵⁸ The research will be devoted to the analysis of relevant rulings and their potential extension to online torts when other IP rights are involved (at the national and the European levels). It will illustrate an intensive *quest* for an effective combination of possible jurisdictional criteria. A coherent approach is expected to respond to the very purpose of Art. 7(2) BRR, and to address the challenges of IP online protection.

1.3.2. The jurisdictional scope

The effectiveness of intellectual property rights protection and sound administration of justice requires the ability to claim the overall damage in one court. The current interpretations of the Art. 7(2) BRR from the CJEU hardly respond to these objectives. By contrast to other types of online torts, for the IP field, the CJEU restricted the possibility to claim the EU-wide damage. The obstacle to it is the territoriality of IP rights.

⁵⁵ Several legislative proposals mention both the “centre of interest” and “habitual residence” as identical paradigms. For instance, The International Law Association (hereinafter, ILA), Interim Report and Commentary to the Draft Guidelines on Jurisdiction and applicable law (Conference on Protection of privacy in Private international and Procedural law, Sydney, 2018) in Art. 4(1) define jurisdiction based on conduct for privacy claims as: “[a] defendant may also be sued at the plaintiff’s centre of main interest, unless the defendant could not have reasonably foreseen substantial consequences of his or her act occurring in that State. The person’s centre of main interest is presumed to be at his or her place of habitual residence.” Article 4(1): “Jurisdiction based on conduct” [d]efendant may be sued in the courts of the State where the act directly causing the harm occurred, irrespective of where the damage arose.”

⁵⁶ More approaches have been under debate in academic circles. Among them, the proposals to combine mentioned criteria with the “targeting” test were submitted (for example, SHOUTIWOTH SOOMPONG A. (2016), *Jurisdictional Issues...*, *op. cit.*, p.31-p.33). Under the so-called “targeting doctrine” (or the “theory of focalisation,” as it was stated in Opinion of Advocate General Cruz Villalón, 11 September 2014 (ECLI:EU:C:2014:2212) in C-441/13, *Pez Hejduk v EnergieAgentur.NRW GmbH* (2015), jurisdiction should be vested only in the courts of those Member States towards which the harmful activity has been directed. This implies an intent to target a specific audience. The legislator adopted this test for jurisdiction concerning consumer contracts. In particular, this rule applies when “[...] the contract has been concluded with a person who pursues commercial or professional activities in the Member State of the consumer’s domicile or, by any means, directs such activities to that Member State or to several States including that Member State and the contract falls within the scope of such activities.” (Brussels Regulation Recast 1215/2012, Section 4 art. 17 (1) (c)).

Further, the “targeting” test was interpreted in C-585/08, *Pammer y Hotel Alpenhof* (2010). The Court provided a series of criteria for determining whether a certain activity is directed towards a Member State: the international nature of the activity at issue, such as certain tourist activities; mention of telephone numbers with the international code; use of a top-level domain name, etc. However, for other types online infringements, the test of the “targeted” audience for deciding jurisdiction was clearly abandoned. More to this see in Part B.

⁵⁷ The CJEU overruled the opportunity to extent the scope of jurisdiction for online *delocalised* damage (by analogy with the victim’s “centre of interest” *forum*). This issue was defined as a part “[...] of the examination of the substance of the claim and is not relevant to the stage in which jurisdiction is verified.” C-441/13 22, *Hejduk* (2015), paragraph 34.

⁵⁸ In the context of Brussels Regulation Recast 1215/2012, Art. 7(2).

Due to this principle, the phenomenon of international jurisdiction⁵⁹ under Art. 7(2) BRR has received a rather sceptical treatment from national courts⁶⁰ and academics.⁶¹ The territoriality of IPRs was argued to become a limiting factor for the court to grant damages.⁶² According to the adopted “online accessibility” approach, the country of IPR’s protection plays a decisive role when the competent court is defined.⁶³

The *pitfalls* of the “online accessibility” approach,⁶⁴ make right holders sue in only one country (often in the country of their domicile).⁶⁵ And the relief will always be limited.⁶⁶ The absence of an effective alternative to general jurisdiction (Art. 4(2) BRR) reduces significantly the potential of Art. 7(2) BRR for IP claims.

The need for an extension of the jurisdictional scope of Art. 7(2) BRR is also proclaimed in a variety of academic initiatives. Among others, the requirements of “substantiality of damage,”⁶⁷ the “directed to”⁶⁸ or “targeting” and “a market effect” test⁶⁹ have been proposed. All have been expected to circumvent the problems of current criteria.

⁵⁹ Also named as “pan-European” or “EU-wide,” for example: MATULIONYTE R. (2015), “Enforcing Copyright Infringements...,” *op. cit.*

⁶⁰ More about evolution of national IP case law see at Part B.

⁶¹ For example, TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property infringement cases in Europe,” *Common Market Law Review*, 53 (6), p. 1625 - 1645, SAVIN A. (2016), “Jurisdiction Over Cybertorts ...,” *op. cit.*, METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*

⁶² The approach “no protection no damage” collides with online dimension of infringements. It was left for the national court to decide how to calculate the exact amount of the cross-border online damage in one particular Member State. As it was mentioned in Opinion of Advocate General in C-441/13, *Pez Hejduk case v EnergieAgentur.NRW GmbH*, Case C-441/13, 11 September 2014 (ECLI:EU:C:2014:2212).

⁶³ For example, C-523/10, *Wintersteiger* (2012), C-170/12, *Pinckney* (2013); C-441/13, *Hejduk* (2015).

⁶⁴ The “online accessibility” approach was argued to bring significant practical problems (for instance, XALABARDER R. (2014), “Jurisdiction and applicable law issues for the protection of moral rights online,” *Moral Rights in the 21st Century*, Brussels - 17/20 September, pp.175-177). The proposals to restrict the “online accessibility” approach and enlarge jurisdictional scope had emerged (for example, to limit the special jurisdiction in Art. 7(2) BRR solely to the courts for the place where the event giving rise to the damage occurred). This will be discussed in further paragraphs of the present thesis.

⁶⁵ As was illustrated, for example, in: CHRISTIE A. F. (2015), *Private International Law...*, *op. cit.*

⁶⁶ The challenge is in defining the correct scope of the online damage. Precisely, it may be complicated to determine the exact damage suffered in one particular State.

⁶⁷ For example, it was proposed to consolidate claims on the infringement of intellectual property rights before the court of the country of habitual residence of the plaintiff (European Max Planck Group on Conflict of Laws in Intellectual Property (2013), *Conflict of Laws in Intellectual Property: The CLIP Principles and Commentary*, Oxford, Oxford University Press, p. 560 (hereinafter, the CLIP); European Max-Planck Group on Conflict of Laws in Intellectual Property (2007), *Principles Governing Jurisdiction, Choice of Laws in Intellectual Property*, Oxford, Oxford University Press, p.284.

⁶⁸ For example, § 204(2) Principles Governing Jurisdiction, Choice of Law and Judgments in Transnational Disputes (hereinafter, the ALI Principles) (the American Law Institute, Intellectual Property (2008), *Principles Governing Jurisdiction, Choice of Law and Judgments in Transnational Disputes*, Chestnut, ALI Publishers.

⁶⁹ For instance, the Japanese Transparency Proposal (2010), *Choice of Law, Recognition and Enforcement of Foreign Judgments in Intellectual Property*, Art 105, in: BASEDOW, KONO & METZGER (eds.), *Intellectual Property in the Global Arena*, Mohr Siebeck, p. 394-402; *Joint Japanese-Korean Principles of Private International Law on Intellectual Property Rights*, The GCOE Quarterly Review of Corporation Law and Society (2011), p. 112; Joint Proposal Drafted by Members of the Private International Law Association of Korea and Japan (2010), *WASEDA Proposal, Commentary on Principles of Private International Law on Intellectual Property Rights*, Waseda University Global COE Project October.

The research will analyse if there is an interplay between the choice of jurisdictional criteria and the scope of the court's power to grant damages.⁷⁰ It will question whether Art. 7(2) BRR has the potential to allow the full scope of jurisdiction for the IP field and what jurisdictional criteria may respond to this.

Also, it will examine if valuable lessons may be drawn from comparing the case law in personality rights' and personal data protection areas. The CJEU issued a series of interpretations there, allowing the full scope of jurisdiction for these cases.⁷¹ Copyright, as an unregistered right, has a significant resemblance to those rights⁷² and enjoys an exceptionally high level of harmonisation throughout the adoption of numerous Directives.⁷³ All these may arguably provide a *green light* for facilitating litigation in online copyright torts.

Therefore, although, the question of jurisdictional scope remains underestimated and unexplored properly,⁷⁴ it may often become more decisive for choosing the relevant jurisdictional criterion.⁷⁵

1.3.3. Territoriality and jurisdiction

⁷⁰ The lower the threshold for establishing jurisdiction, the more restricted the scope of jurisdiction a court seized will have (for example, as it was commented in: OTCHENASH M. (2018), "Allocating jurisdiction for online copyright torts: deviation from traditional rules," *Read your Thesis in 4 Minutes competition, University Oberta de Catalunya*).

⁷¹ The criterion of the "centre of victim's interests" for online defamation claims provides the ability to make all claims in one court. The combined reading of *Shevill* and *eDate* allows concluding that in a case of the online defamation, there is a choice of four types of *fora* (see, for example, C-194/16, Opinion of Advocate General Bobek in *Bolagsupplysningen and IIsjan*, (2017), paragraph 32). Precisely, the places are the followings: 1) the domicile of the defendant (the general jurisdictional rule under Art. 4(1) BRR); 2) where the harm originated (which is arguably often the same as the general rule); 3) where the claimant has his centre of interests; 4) where the harm was suffered on the territory of particular Member State, since information is accessible online there. First three of courts will have so-called the *full* jurisdictional scope, when the totality of the damage can be claimed. The fourth one has the *limited* scope of jurisdiction: the damage that may be claimed is limited to harm suffered on the territory of particular Member State. See more to this in the Chapter II and III of the Part A.

⁷² See, for example, in: LUNDSTEDT L. (2018), "Putting Right Holders in the Centre: *Bolagsupplysningen and IIsjan* (C-194/16): What Does It Mean for International Jurisdiction over Transborder Intellectual Property Infringement Disputes?" *IIC - International Review of Intellectual Property and Competition Law*, volume 49, p.1022-1047, XALABARDER R. (2014), "Jurisdiction and applicable law issues for the protection of moral rights on-line." *Moral Rights in the 21st Century, Brussels -17/20* September, p. 175-177; TREPPOZ E. (2014), "Jurisdiction in Internet-related intellectual property disputes," *Conference Material: Jurisdiction and dispute resolution in the Internet Era: Governance and good practices*, organised by the University of Geneva, p.10.

⁷³ For example, Directive 2001/29/EC on the Harmonisation of Certain Aspects of Copyright and Related Rights in the Information Society, 22 May 2001, OJ L 167/10, 2001 (hereinafter the InfoSoc Directive); Council Directive 91/250/EEC on the Legal Protection of Computer Programs, 14 May 1991, OJ L 122/42, 1991; Directive 2006/116/EC on the Term of Protection of Copyright and Certain Related Rights, 12 December 2006, OJ L 372/12, 2006 (hereinafter the Term Directive); Directive 96/9/EC on the Legal Protection of Databases, 11 March 1996, OJ L 77/20, 1996, etc.

⁷⁴ For example, at: KONO T. (2012), *Intellectual Property...*, *op. cit.*

⁷⁵ For example, MATULIONYTE R. (2015), "Enforcing Copyright Infringements...", *op. cit.*

Needless to say that online IP infringements are almost always multi-territorial.⁷⁶ This questions territoriality of IP rights. Precisely, how far the territorial nature of IPRs should be taken into account when international jurisdiction is considered.

The current research will illustrate whether substantial aspects of IPR's protection⁷⁷ and applicable law influence the allocation of international jurisdiction.⁷⁸ It will analyse the proclaimed need to take into account specific features of IPRs which may undermine the fundamental jurisdictional principles. A significant *deviation* from expected legal certainty and the sound administration of justice in online IP cases will be addressed, including the following considerations.

Territoriality has, indeed, been considered an *axiomatic* principle for intellectual property.⁷⁹ The existing jurisdictional rules are also based on territorial connections (the location of an infringer or the location of an activity).⁸⁰ Territoriality of jurisdictional rules and territoriality of IP rights often collide with borderless features of the Internet. A strict reading of this principle and national divergences in the IP legislation may arguably prevent the effective solving of online IPR claims.⁸¹

Precisely, the concept of so-called "nationalistic"⁸² territoriality if applied to the cross-border dimension of online torts may become rather paradoxical. On the one side, by establishing jurisdiction based on Art. 7(2) BRR, the CJEU has taken into account the substantial aspects of IPRs protection (namely the fact of whether and where the proprietor can rely on the protection).⁸³

On the other side, these substantial aspects were argued to be applicable at further procedural stages.⁸⁴ The CJEU explained that Art. 7(2) BRR does not contain the requirements to look at special substantial IP protection.⁸⁵ The Court concluded that "[...]

⁷⁶ As it was commented, for example, in: NITSEVICH N. (2015), "Intellectual property rights ...", *op. cit.*

⁷⁷ The fact of whether and where the owner can rely on the legal protection.

⁷⁸ The CJEU concluded that "[t]he Convention did not intend to link the rules on territorial jurisdiction with national provisions concerning the conditions under which non-contractual civil liability is incurred." CJEU, C-364/93, *Antonio Marinari v Lloyds Bank plc and Zubaidi Trading Company*, 19 September 1995 (ECLI:EU:C:1995:289), paragraph 18.

⁷⁹ For example, LUNDSTEDT L. (2016), *Territoriality in Intellectual Property Law*, Stockholm: Department of Law, Stockholm University, p. 585

⁸⁰ Basically, private international law is also the part of a national legal system. Normally, it comes into a play when a court needs to deal with a foreign element in a dispute. See more to this issue, for example, in: GETMAN-PAVLOVA I.V. (2011), *International Private Law*, The second edition, Moscow, p. 485, and more to the issue of IP laws' harmonisation in Part A, Chapter I: General overview.

⁸¹ For example, LUNDSTEDT L. (2016), *Territoriality...*, *op. cit.*

⁸² For instance, TRITTON G., DAVIS R. (2008), *Intellectual Property in Europe*, The third edition, Sweet & Maxwell, p.1176.

⁸³ C-441/13, *Hejduk*, (2015).

⁸⁴ For example, VAN CALSTER G. (2013), *European Private Law*, Oxford, Hart Publishing, p. 382; NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), "Cross-Border Litigation...", *op. cit.*

⁸⁵ For instance, C-170/12, *Pinckney*, (2013).

the Convention did not intend to link the rules on territorial jurisdiction with national provisions concerning the conditions under which non-contractual civil liability is incurred.”⁸⁶

Therefore, the solutions applied by the court at the level when applicable law and the questions of liability are decided should not be transposed to the jurisdictional stage.⁸⁷ Otherwise, it would be contrary to fundamental jurisdictional principles and may complicate access to justice.

The Court’s conclusions have been supported in legal literature. The provision of Art. 7(2) BRR was argued to be based on a factual examination, instead of special substantial IP protection (like “targeting” or territoriality).⁸⁸ The logic of this is to avoid a “mini-trial”⁸⁹ at the jurisdiction stage.

Hence, as a general rule, the CJEU rejects substantive elements of IP protection for ascertaining jurisdiction at Art. 7(2) BRR. At the same time, along with the warning to avoid any confusion between jurisdiction, applicable law and the case substance, the CJEU could not resist a temptation to *reuse* the concepts from substantial protection of IP rights. In the absence of specific jurisdictional rules for online IP torts and highly harmonised substantive IP laws, the Court has extended the application of the principle of IPRs’ territoriality to the jurisdictional level.⁹⁰ This situation has provoked an extensive debate because of diluting significant delimitation between these stages.⁹¹

Indeed, while jurisdiction, applicable law, and the substantial aspects of IPRs’ protection are all relevant for a claimant, it is important to distinguish between them. The court may have jurisdiction, but the choice of law may result in the application of foreign law. A *lex loci*

⁸⁶ C-364/93, *Marinari v Lloyd's Bank*, (1995), paragraph 18; CJEU, C-228/11, *Melzer v MF Global UK Ltd*, 16 May 2013 (ECLI:EU:C:2013:305). These cases did not involve intellectual property, but in relation to the first limb of Article 7(2) BRR the CJEU set out the principle that the jurisdiction analysis should be based on a factual examination and should not involve elements of substantive law. See more to this in Part B.

⁸⁷ See more, for example, at VAN CALSTER G.(2013), *European Private Law...*, *op. cit.*

⁸⁸ For instance, see in: NITSEVICH, N. (2015), *Intellectual property rights...*, *op. cit.*; ROSATI E. (2014), “Brussels I Regulation and Online Copyright Infringement: “Intention to Target” Approach Rejected,” *Journal of Intellectual Property Law & Practice*, vol. 9, no. 1/2014, p. 18–19.

⁸⁹ TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...”, *op. cit.*

⁹⁰ It will be illustrated further by an analysis of the rulings in C-170/12, *Pinckney* (2013); C-441/13, *Hejduk* (2015), etc.

⁹¹ For example, SAVIN A. (2016), “Jurisdiction Over Cybertorts...”, *op. cit.*, commenting on territoriality in the context of the applicable law concepts and double standards in the jurisdictional field; TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...”, *op. cit.*, mentioning the potential risk of a “mini trial” at the jurisdictional stage; KUNDA I. (2016), “Jurisdiction for copyright...”, *op. cit.*, stressing on the need for distinction between the concepts of applicable law and jurisdiction, etc.

protectionis regime⁹² remains as a uniformly applicable law rule for IPRs infringement, however, it is not undebatable.⁹³

An act of IPR infringement virtually occurs if such IPRs are protected in a particular Member State. Territoriality makes the law of a country of IPR's protection decisive⁹⁴ also for the choice of a competent court.⁹⁵ Instead, the core for the jurisdictional stage should be the fact of establishing a link between the *forum* and the circumstances of the dispute.⁹⁶

All these may arguably mean that jurisdiction is often left behind⁹⁷ or *overshadowed* by the need to define applicable law. The potential consequences of this situation may result in confusion between jurisdiction and applicable law stages and an undesired forum shopping between the EU Member States. Above all, it may incentivise unfair parties' manipulations while seeking a *convenient* jurisdiction.

The present thesis will argue that territoriality⁹⁸ as a concept of applicable law and substantial IP protection⁹⁹ had caused an overwhelming effect on the jurisdictional stage.¹⁰⁰ It will propose to depart from this principle. This would allow us to better distinguish the choice of jurisdiction from the choice of applicable law. The IP rights holders would not be obliged to bear the burden of proof of facts concerning substantial IP protection on the jurisdictional stage when accessing a court. The thesis will justify this approach for the purpose of enhancing litigation consistency and procedural fairness.

⁹² According to Regulation No 864/2007 on the law applicable to non-contractual obligations, 11 July 2007, OJ L 199, 2007 (hereinafter Rome II), Article 8 (1): "[t]he law applicable to a non-contractual obligation arising from an infringement of an intellectual property right shall be the law of the country for which protection is claimed." See also, DE MIGUEL ASENSIO P. (2007), "La *lex loci protectionis* tras el Reglamento Roma II," *Anuario español de derecho internacional privado*, VII, p. 375-406.

⁹³ More see to this discussion see, for example, at: ENGELEN D. V. (2010), "Jurisdiction and Applicable Law in Matters of Intellectual Property: National Report - The Netherlands", *Conference Paper, 18e Congress - International Academy of Comparative Law*, Washington, pp. 14-15; MATULIONYTE R. (2015), "Enforcing Copyright Infringements...", *op. cit.*, XALABARDER R. (2014), "Jurisdiction and applicable law...", *op. cit.*, etc.

⁹⁴ For instance, at: TRITTON G., DAVIS R. (2008), *Intellectual Property in Europe*. The third edition, Sweet & Maxwell, p.1176.

⁹⁵ Indeed, in a legal practice, a rather complex choice of a litigation strategy should be made. It normally involves the election of jurisdiction, taking into account applicable law and the substantive aspects for IP protection. This means that virtually for the allocation of a competent court the choice of law should also be made. Otherwise, if the IPR is not protected, the court seized would have a so-called *empty* jurisdiction when the claim might fail at the initial stage of access to justice. More to the litigation strategies see, for example, at: LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies: Where to Litigate Unitary Rights vs National Rights in the EU*, Edward Elgar Publishing, p.366.

⁹⁶ Brussels Regulation Recast 1215/2012, Recitals 16.

⁹⁷ As it can be seen, for example, in: CHRISTIE A. (2015), *Private International Law Issues...*, *op. cit.*, p. 20-31, and as it was commented, for example, at: TRIMBLE M. (2016), "Undetected Conflict-of-Laws Problems in Cross-Border Online Copyright Infringement Cases," *North Carolina Journal of Law and Technology*, Volume 18, Issue 1, p. 119-156 and p. 140-151.

⁹⁸ For example, LUNDSTEDT L. (2016), *Territoriality...*, *op. cit.*, p. 28.

⁹⁹ The same was mentioned, for example, by KUNDA I. (2016), "Jurisdiction for copyright...", *op. cit.*; SAVIN A. (2016), "Jurisdiction Over Cybertorts...", *op. cit.*

¹⁰⁰ For example, TREPPOZ E. (2015), "Jurisdiction in Internet-related ...," *op. cit.*, LUNDSTEDT L. (2016), *Territoriality...*, *op. cit.*

1.4. Purpose and the research questions

As for almost thirty years, legal researchers, courts, and policymakers had been struggling to compromise territorial PIL and IP issues within the Internet environment, it may seem that there is nothing new to say on this topic. A global network has been formed, made up of academics and practitioners who work on the intersection of PIL and IP.¹⁰¹ Although various attempts have aimed at codifying PIL rules for cross-border IP infringements,¹⁰² a truly balanced solution for defining jurisdictional criteria for online IP torts remains to be awaited. The legal literature concerning international jurisdiction for online torts of IPRs is fragmented and rather generalised. Despite the intensive initiatives, the need for a more focused study has been put forward.¹⁰³

The ongoing academic discourse has risen, among others, two critical aspects in relation to Art. 7(2) BRR:

- (1) where the place of tort (or harmful event) is localised on the Internet¹⁰⁴ and
- (2) if the court should have full EU-wide jurisdiction, (i.e. concerning the damage occurred from online tort throughout the EU).¹⁰⁵

Following this debate and the need for a focused analysis, the current research will address the following questions:

1. On what criteria should jurisdiction under Art. 7(2) BRR be determined for online infringements concerning intellectual property rights?
2. Could the claimant bring an action in respect of all the damage suffered before the court of a Member State which does not coincide with the defendant's seat?

More specifically, bearing in mind potential for the full scope of jurisdiction at Art. 7(2) BRR, it should be examined:

¹⁰¹ It has been sorted the process of the development of *soft law* private international instruments for intellectual property (for example, International Law Association (2016), *ILA Guidelines on Intellectual Property and Private International Law*, ILA Committee on Intellectual Property and Private International Law: Third Report (with draft guidelines), p.18.

¹⁰² Indeed, some authors distinguish the Private International Law of Intellectual Property as a special area of private international law which deals with private enforcement of IP rights. See more, for instance, in: KONO T. (2012), *Intellectual Property...*, *op. cit.*, p. 6; also in: METZGER A. (2009), "Jurisdiction in cases concerning IP..." *op. cit.*

¹⁰³ For example, Kono, stating that the issues of IPRs should be properly accommodated within PIL, at KONO T. (2012), *Intellectual Property...*, *op. cit.*

¹⁰⁴ Precisely, in relation to two aspects: the "place of the event giving rise to the damage" and the "place where the damage occurs." It has been formulated also in other researches, however, not specifically in the context of Art. 7(2) BRR (for example, NITSEVICH, N. (2015), *Intellectual property rights...*, *op. cit.*, ROSATI E. (2017), "International jurisdiction in online EU trade mark infringement cases: where is the place of infringement located?" *European Intellectual Property Review*, n°8 - vol. 38, p. 482-491, etc.

¹⁰⁵ It was concluded, for example, in: MATULIONYTE R. (2015), "Enforcing Copyright Infringements ...," *op. cit.*, p. 138: "[t]hat courts will have to answer is how to enable right holders to obtain EU-wide remedies in cases of copyright infringement online."

- a) Are the interpretations given by the CJEU for online trademark infringements satisfactory or should new criteria be put forward by the CJEU?
- b) Are the interpretations given by the CJEU for field online copyright torts satisfactory, or should new criteria be put forward by the CJEU?
- c) Should those two types of Intellectual Property rights (i.e., trademarks and copyright) be treated differently when deciding the relevant jurisdiction and, thus, do they require a different solution?

In general, the thesis will illustrate an interplay between the fields of international jurisdiction, the infringements of intellectual property rights, and the Internet. It will zoom in evaluating jurisdiction rules as established by the CJEU and national case law of selected EU Member States.

In particular, a key cross-cutting theme is the question of defining coherent criteria of international jurisdiction when online IP infringements are considered. The research aims to study different lines of proposed criteria for jurisdiction: that of “targeting” and that of the “centre of interests,” including also their various combinations. In this frame, possible alternatives to the existing set of criteria will be analysed. The strongest focus, however, will be dedicated to the scope of jurisdiction.

The thesis will make a comparison between IP infringements and other types of infringements in the online context. It will show that for copyright online cases (in comparison to trademark claims), the current interpretations may lead to unjustified limitations. A highly expected *compromising* effect of an “online accessibility” approach arguably does not benefit anybody: neither copyright holders, nor website owners, service providers, or courts.

The research will seek a balanced solution drawing inspiration from the fields of personality rights and personal data protection. The territoriality of IP rights will be questioned. The need to take into account this principle often confuses the level of applicable law with jurisdiction. Also, it has arguably blocked the possibility to claim all the damage suffered by means of Art. 7(2) BRR that makes this alternative rule ineffective and hardly enforceable.

We will illustrate that the current interpretations of Art. 7(2) BRR generate a diversity of tests and requirements which are *borrowed* from applicable law for the purpose of defining jurisdiction.¹⁰⁶ They often do not respond properly to the challenges of online IPRs torts and there is a strong need to revise them.

In this context, the following potential milestones are addressed:

- 1) the revision of the role of territoriality for the purpose of defining jurisdiction;
- 2) an enhancement of the alternative nature of Art. 7(2) BRR;
- 3) the adaptation of Art. 7(2) BRR to the *reality* of online infringements of IPRs.

¹⁰⁶ It will be discussed further in Chapters VI-VIII.

The online context is indeed the most challenging scenario for defining jurisdiction in IP cases.¹⁰⁷ Effective enforcement of IPRs in the online context requires considering supra-national, economic, and technological developments to respond to both the fundamental principles of jurisdiction and the interests of all of the parties in the litigation. These issues should become a high priority on the EU agenda.¹⁰⁸ A reform of the Brussels Regulation Recast would be time-consuming and hardly affordable.¹⁰⁹ It would require massive legislative changes, which is a long way to go. Instead, the role of the CJEU could be more effective in addressing the fast-changing *landscape* of IP online infringements. Once these issues are revisited by the CJEU, it would bring more flexibility and could have a more positive effect.

1.5. Delimitations

The scope of the research is defined by six factors. The first factor frames the jurisdictional possibilities under Art. 7(2) BRR. The second factor limits the study to online torts. The third factor defines the type of rights infringed. The fourth factor refers to the applicable and substantive law limits. The fifth factor involves the territory and the law of the EU. And the sixth factor is a chronology along with a time limit.

The present study is focused on the so-called infringement actions¹¹⁰ under Art. 7(2) BRR, when a claimant seeks protection of his or her right as a result of a tort. It may cover a wide spectrum of claims. Precisely, as it was admitted by T. B. Larsen,¹¹¹ any action which seeks compensation for the damage resulting from an infringement of a legal obligation (other than arising from a contractual relationship between the parties) must be regarded as falling within Art. 7(2) BRR. At the same time, the following limitations are established.

¹⁰⁷ According to the World Intellectual Property Organisation (WIPO), Recommendation Concerning the Protection of Marks, and other Industrial Property Rights in Signs on the Internet:

(vi) "Internet" refers to an interactive medium for communication which contains information that is simultaneously and immediately accessible irrespective of territorial location to members of the public from a place and at a time individually chosen by them.

WIPO Recommendation Concerning the Protection of Marks, and other Industrial Property Rights in Signs, on the Internet (2001), SCT/7/2, No. 845. See also, for example, in: CHRISTIE A. (2015), *Private International Law...*, *op. cit.*

¹⁰⁸ See, for instance, at: Results of the public consultation on the regulatory environment for platforms, online intermediaries, data and cloud computing and the collaborative economy, 26 January 2016, European Commission, available at: <https://ec.europa.eu/digital-single-market/en/news/results-public-consultation-regulatory-environment-platforms-online-intermediaries-data-and>.

¹⁰⁹ As it was argued, for example, in NITSEVICH, N. (2015), *Intellectual property rights...*, *op. cit.*

¹¹⁰ Indeed, in infringement actions the initiative lies with the claimant being the one choosing the *forum*. More to this extent, for example, at: LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*

¹¹¹ *Ibid.*

Non-infringement actions, invalidity actions, and the stay of the procedure (*lis pendens*)¹¹² especially specific for IP litigation are not covered by the present research. Administrative actions on opposition and validity as well as actions for preliminary injunctions are left aside. Also, the jurisdictional possibilities of *forum* agreements between parties or related to criminal actions will be disregarded. The reason for this is that all these actions are not covered by Art. 7(2) BRR and other specific rules come into play.¹¹³

Although the provision of Art. 7(2) BRR was not specifically *designed* for online infringements, the current research will focus on an application of this rule in the online context. In early interpretations, the CJEU did not address the challenges of the Internet. Further case law, however, makes various attempts to adjust an exciting meaning of Art. 7(2) BRR to new fast-changing circumstances.

Following the chronology of the CJEU's rulings, the study will illustrate an evolution of jurisdictional criteria from offline to online torts. It will address online torts, arising from the parties communicating, interacting, or transacting through the Internet, while these parties are located in different jurisdictions.¹¹⁴

This research will examine the interpretations of Art. 7(2) BRR in relation to the three types of online torts: personality rights infringements, personal data protection infringements and intellectual property infringements. Such typology of online torts was adopted due to the current interpretations from the CJEU and various academic proposals for these fields. A separate chapter is dedicated to personal data infringement cases where Art. 7(2) BRR is analysed from a comparative perspective. The reason for this comparison is a significant resemblance between personal data with personality rights and valuable specific solutions implemented for the protection of personal data.¹¹⁵

Hence, the study is limited to three areas and, accordingly, three types of online infringements, leaving aside other online torts (like, for example, unfair competition or specific infringements of IPRs at the EU level). Selected infringements in a field of IP, like, infringements of a EUTM, of a European patent or Community design rights are subject to specific legislation and, thus, are addressed only in a comparative perspective to illustrate the different jurisdictional solutions, adopted for these rights. Also, online torts concerning unfair practices will be disregarded, unless they contribute to the overall purpose of the comparative analysis.

¹¹² Brussels Regulation Recast 1215/2012, Art. 24(4) BRR, Section 9 "*Lis pendens* - related actions," and also Regulation (EU) 2017/1001 on the European Union trademark, 14 June 2017, OJ L 154, 2017 (hereinafter EUTMR).

¹¹³ In particular, Art. 4 BRR, Art. 7(5) BRR, Art. 8 BRR, Art. 24(4) BRR, specific provisions of EUTMR, etc., are not the focus of the present thesis, unless the references to these provisions are necessary for the overall purpose.

¹¹⁴ See further in the paragraph 1.6. Terminology.

¹¹⁵ The solutions adopted in the Regulation (EU) 2016/679 General Data Protection Regulation, 04 May 2016, OJ L 119, 2016, in the current version, 23 May 2018, OJ L 127, 2018. See more at Part A, Chapter III.

The thesis does not intend to analyse the issues of when and under what circumstances intellectual property rights are infringed on the Internet.¹¹⁶ The substantive aspects of IP protection will be discussed briefly and only in the situation where the question of jurisdiction requires this. We will concentrate on the application of Art. 7(2) BRR in the case of online IP infringements, leaving aside other types of IP infringements that are subject to different jurisdictional rules.¹¹⁷

Also, the research will not include the issues of recognition, enforcement of foreign judgments (also the effectiveness of foreign judgements), and other areas of judicial cooperation. Even though these issues may be discussed at a specific moment, it will be done with a particular purpose to reveal the challenges of establishing a competent court.

The applicable law is decided on the further stages of the proceeding and, therefore, is not generally aimed as a research objective in the present thesis. At the same time, the research reveals that applicable law and jurisdiction are closely tight and jurisdictional approaches cannot be assessed in a complete vacuum. Taking into an account the frequent transportation of the applicable law concepts to jurisdictional level, jurisdictional criteria are analysed in line with the applicable law rules and their ongoing interpretations. Accordingly, applicable law concepts concerning IP rights are discussed in order to illustrate an existing interconnection with the jurisdictional rules and to suggest a coherent jurisdictional approach (which could be potentially independent from applicable law). We believe that this perspective provides a broader insight of jurisdictional problems and essentially contributes to the overall purpose of the thesis.

The results of the research should not be considered as universally applicable. They are limited to the territorial borders of EU Member States, considering EU policy and legislation. The focus will be mainly on the case law of the CJEU. When it is justified by the purpose of the research, some relevant examples from the national case law of the EU Member States will be provided in a comparative perspective. In particular, the study will refer to the selected national cases from Germany, Spain and France. Due to the transition period of Brexit,¹¹⁸ the case law of the UK will be illustrated. Besides, some brief references to the US law doctrine will permit describing the international tendencies in the field.

¹¹⁶ Throughout of the thesis the terms “substantial aspects of IP protection” or the “substantive law” will be used.

¹¹⁷ For instance, Brussels Regulation Recast 1215/2012, Art. 24(4) BRR: “[...] in proceedings concerned with the registration or validity of patents, trade marks, designs, or other similar rights required to be deposited or registered, irrespective of whether the issue is raised by way of an action or as a defence, the courts of the Member State in which the deposit or registration has been applied for, has taken place or is under the terms of an instrument of the Union or an international convention deemed to have taken place.”

¹¹⁸ This thesis was written before 31 December 2020. Following the United Kingdom’s departure from the European Union on 31 January 2020, we have entered a transition period. It is the 11-month period following the UK’s exit from the EU, during which time the UK has followed EU rules. It was agreed as part of the Withdrawal Agreement and the Political Declaration, 12 November 2019, OJ L C 384I, 2019 (hereinafter Withdrawal Agreement) and was planned to last until 31 December 2020. Until then, it was business as usual for citizens, consumers, businesses, investors, students and researchers, for instance, in both the EU and the United Kingdom. More information is available at: https://ec.europa.eu/info/european-union-and-united-kingdom-forging-new-partnership/brexit-brief/transition-period_en.

The period studied is structured by the chronology and addresses the case law between 2009 and 2021 years. It also includes an analysis of jurisdictional problems since the Internet has become worldwide available and the CJEU has started giving its interpretations.

1.6. Terminology

“Private international law”: The rules for jurisdiction, applicable law and recognition and enforcement of judgments together frame the unified paradigm. In academic literature, some commentators refer to the concept of “conflict of laws” or “conflict of *fora*.”¹¹⁹ Others, in particular, from the countries with a civil law tradition, the title “International Private law” has been applied.¹²⁰ The present thesis, however, will use the term “Private International Law” (further - PIL) which is widely adopted in various legal sources globally¹²¹ and will better respond to the ongoing academic discourse.

“International jurisdiction”: The thesis will focus mostly on the rules for international jurisdiction. The notion of “international jurisdiction” (hereinafter, jurisdiction or jurisdictional rules at Art. 7(2) BRR) is considered as a specific set of conditions under which a court is competent to hear international cases with a foreign element.¹²² This concept is viewed as the most suitable for the objective of the present study. It may better respond to the problems of defining court for online torts,¹²³ taking into account the fact that this terminology is also adopted by the CJEU. Hence, further, under the term “jurisdiction” the concept of “international jurisdiction” is considered.

“Online torts”: for the purpose of Art. 7(2) BRR, the term of a “tort” may be defined as an autonomous independent concept that establishes the liability of the defendant and must not be a matter relating to a contract.¹²⁴ The notion of tort in the online context is not explored enough. In the legal literature, a variety of possible terminology is used, like: “Internet disputes,” “online issues,” “electronic torts.”¹²⁵ For the purpose of the present research, the concept of an “online tort” will be the most appropriate. It arises from Internet use and involves the parties communicating through the Internet.¹²⁶ We will focus on online torts that involve parties located in the different EU Member States.

¹¹⁹ SVANTESSON D. J. B. (2012), *Private international law and the Internet*, Second edition, Kluwer Law International, p. 584; see also: HOSUK LEE-MAKIAMA, “Preventing Fragmentation and Re-territorialisation of the Internet,” *ECIPE Policy briefs*, No. 09/2013, p. 11.

¹²⁰ See, for example: GETMAN-PAVLOVA I. V. (2011), *International Private Law*, The second edition, Moscow, p. 37; SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 55.

¹²¹ According to Art. 1 of the Statute of the Hague Conference on Private International Law, the Hague Conference is organised to promote “[t]he progressive unification of the rules of private international law.”

¹²² For instance, the claims with a so-called an *international element*, i.e. foreign parties or/and subject of a dispute. See, for example, GETMAN-PAVLOVA I. V. (2011), *International Private Law...*, *op. cit.*

¹²³ SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 20.

¹²⁴ See more in Part A, Chapter I.

¹²⁵ See more in the Chapter I.

¹²⁶ For example, NEZNAMOV A. (2011), *Jurisdiction for Internet disputes*, [Ossobennosti kompetencii po rassmotreniy Internet-sporov], Infotropic, p. 272.

The “damage” and “damages”: The notion of the “damage” is used in the meaning of the injury or the harm and denotes actual or impending harm to a claimant’s rights. The term “damages” or “redress” is used in a sense of compensation and includes preventive, injunctive, and any other remedy available under the applicable law.¹²⁷ Hence, the thesis will refer either to redress (damages) or injury (the damage) depending on the context. The “damage” is applied in the sense of harm when commenting on the place of the damage *limb* at Art. 7(2) BRR. In its turn, the term “damages” is used in the sense of money or any financial compensation when commenting on the scope of jurisdiction and the possibility to receive the compensation.

The “scope of jurisdiction”: this term is applied in the meaning of the court’s jurisdiction to hear the action for damages for the harm caused under Art. 7(2) BRR. In this context, the term of “full scope of jurisdiction”¹²⁸ refers to international jurisdiction to hear the action for damages for all the harm caused by the unlawful act on the territory of other Member States¹²⁹ (or, in other words, the possibility of claiming the EU-wide redress). Accordingly, the notion of “full scope of international jurisdiction” or an “overall relief” means “jurisdiction to award damages for all the harm caused.” The *Shevill* ruling and the subsequent interpretations referred to such harm occurring in the Member States only, avoiding the possibility to grant worldwide damages.¹³⁰ By contrast to it, if the court seized lacks the full scope of jurisdiction the terms of “limited” or “restricted scope of jurisdiction” will apply.

1.7. Methodology

Legal science was argued to have both characteristics of normative and explanatory discipline.¹³¹ As a normative discipline, it is expected to search for legal rules’ improvements.¹³² As an explanatory discipline, it requires specific methods in force. The most common methodological approaches in legal research are, for example,¹³³ the description,¹³⁴ the conceptual analysis,¹³⁵ evaluation.¹³⁶ Globalisation and the trans-

¹²⁷ For example, at JAYME E., SYMEONIDES S. C. (2019), *Resolution on the Internet and the Infringement of Privacy: Issues of Jurisdiction, Applicable Law and Enforcement of Foreign Judgments: Injuries to Rights of Personality Through the Use of the Internet: Jurisdiction, Applicable Law and Recognition of Foreign Judgments*, Institut de Droit International, Session of the Hague – 2019, Eight commission, p. 249-327. See also: OTCHENASH M. (2017), “Allocating jurisdiction and applicable law after GDPR: the perspective of overall damages’ claims,” *Actas del 130 Congreso Internacional Internet, Derecho y Política, UOC, BARCELONA*, p. 323-341.

¹²⁸ As it was called, for example, in C-194/16, Opinion of Advocate General Bobek in *Bolagsupplysningen and Ilsjan* (2017), paragraph 32.

¹²⁹ C-68/93, *Shevill v Press Alliance SA* (1995), paragraph 25.

¹³⁰ SVANTESSON D.J.B. (2018), “European Union Claims of Jurisdiction over the Internet – an Analysis of Three Recent Key Developments,” *9 JIPITEC* 113.

¹³¹ HOECKE M. (2011), *Methodologies of legal Research. Which Kind of Method for What Kind of discipline?* Oxford and Portland, Oregon, p. 176.

¹³² *Ibid.*, p. 178.

¹³³ *Ibid.*, p. 227.

¹³⁴ For example, comparison and fact-finding enquiries.

¹³⁵ In the meaning of the existing conceptual framework or construction of new conceptual frameworks.

¹³⁶ *Ibid.*, p. 228.

nationalisation of law, make the doctrinal study of law in itself less national. It means that the interpretation of the law has to deal with methodological pluralism.¹³⁷

The methodology of the present thesis will be based on a mix-methods approach,¹³⁸ concerning qualitative data examination of the CJEU's cases and selected national rulings. As an interpretative project, it aims to describe, analyse, criticise and propose. As an interdisciplinary study, it will compare and draw analogies. Consequently, the methods applied are qualitative and comparative analysis, explanatory and evaluative methods.

Comparative and qualitative analysis of collected data will permit us to envision the answers to the most problematic jurisdictional questions. According to a descriptive task, the thesis will provide the expertise of current jurisdictional criteria at the EU level. The evaluative method will illustrate how PIL works for national courts and the CJEU. It will reveal the factors which are considered as crucial when a court accepts jurisdiction and applies the law to online torts.

The research intends *to separate the wheat from the chaff*. Accordingly, explanatory research will examine the rules for applicable law and jurisdiction for online torts depending on the field and an overlap between them. Approaching the international and EU policy in the field of interaction will help to reveal the demarcation line of two concepts.

It attempts at *reconstructing* the current criteria for jurisdiction, applying the comparative method and the method of analogies. The study will cover the analysis of around 100 cases in the fields of intellectual property and personality rights, ruled by CJEU and selected national courts. It will focus mostly on the legal practice of the EU Member States, however, United States doctrine and case law also will be taken into account (where it is necessary).

This methodological approach will permit us to show the broad picture of a variety of *patterns* and alternatives in contrast to those usually considered for each decision. In the same way as in the WIPO Report (2015),¹³⁹ selected national court rulings will be examined, but only in relation to the specific cases decided by the CJEU. In particular, the solutions adopted at the national level will involve four selected states: Germany, the UK, France and Spain. The study does not aim to make a deep comparison of these national jurisdictions but to briefly illustrate the differences in approaching jurisdictional issues (in the context of Art. 7(2) BRR). Both the CJEU and national case law will afford an integrated vision of how the CJEU rulings influence national case law.¹⁴⁰

¹³⁷ See more, for instance, at SCHULTZ T. (2015), "Carving up the Internet: Jurisdiction, Legal Orders, and the Private/Public International Law Interface." *The European Journal of International Law*, Vol. 19, no.4, p. 799–839, p. 802.

¹³⁸ For example, in MARUNA S. (2010), "Mixed Method Research in Criminology: Why Not Go Both Ways?" In: Piquero A., Weisburd D. (eds) *Handbook of Quantitative Criminology*. Springer, New York, p. 123-140.

¹³⁹ CHRISTIE A. (2015), *Private International Law ...*, *op. cit.*, p.11-30.

¹⁴⁰ BHATTACHERJEE A. (2012), *Social Science Research: Principles, Methods, and Practices*, **Textbooks Collection**, 3, University of South Florida, pp. 143, p. 103-104.

Qualitative data will be studied, using basic descriptive statistics and content design and looking at the court's preferences while choosing a specific jurisdictional criterion. This will allow advancing arguments in both *pro* and *contra* the CJEU's approaches and illustrating contradictory doctrines in relation to online torts' jurisdiction. An analysis of the case law in a comparative and chronological perspective will provide precise evidence on double use of the same criteria for both allocation jurisdiction and applicable law.¹⁴¹ The content and discourse study of the legislative documents, case law, and academic literature will allow proposing a coherent jurisdictional model.¹⁴²

As a whole, the research is expected to be in an interdisciplinary and international dimension. Data from litigation in intellectual property, personal data protection, and privacy fields will provide significant material for the broader view on the stated issues. Its comparison will permit us to discover the problematic questions in common and will encourage further discourse in relation to the ongoing tendency in stake.

The overall ambition of the thesis is not to introduce the best and exhaustive jurisdictional model for online infringements but to raise awareness in the academic and business society of the jurisdictional problems at stake, as well as to support ongoing initiatives for legal improvements. The findings are expected to present modified criteria for online IP torts, as well as to encourage further discourse in the field.

¹⁴¹ See also, for example, at BRKAN M. (2015), *Data Protection and European Private International Law*, EUI Working Paper, RSCAS 2015/40, European University Institute, Robert Schuman Centre for Advanced Studies, p.38, p. 24-29.

¹⁴² See more in: SCHULTZ T. (2015), "Carving up the Internet..." *op. cit.*

PART A: Jurisdiction for online torts under the Brussels Regime

2. Chapter II: The Brussels Regime. General overview¹⁴³

Private International Law of the European Union (EU PIL)¹⁴⁴ comprises all EU instruments that regulate the issues of jurisdiction, applicable law and the recognition and enforcement of foreign judgments within the European Union.¹⁴⁵ Rules of jurisdiction define which national court of an EU Member State is competent. Rules of applicable law determine the decisive legal system. And rules for recognition and enforcement identify the conditions in which a foreign judgment will be recognised and enforced in national law.¹⁴⁶ Hence, virtually almost all issues of private law in the cross-border context are covered by PIL.

Sources of PIL can be found at both an international and a national level. The so-called pan-European regime¹⁴⁷ has been developed in the form of conventions, regulations, directives and case law. EU PIL was first included in the EU legislative agenda since the Treaty on the

¹⁴³ The concept of the Brussels Regime will be used in the context to include the following documents: Brussels Convention 1968, Lugano Convention on jurisdiction and the enforcement of judgments in civil and commercial matters, 16 September 1988, OJ L 319, 1988 (hereinafter Lugano Convention 1988), Brussels Regulation 44/2001, Lugano convention on jurisdiction and the enforcement of judgments in civil and commercial matters, 30 October 2007, OJ L339/321, 2007 (hereinafter Lugano Convention 2007), Brussels Regulation Recast 1215/2012.

¹⁴⁴ In some countries with a civil law tradition, the term “international private law” has been applied. See for example, GETMAN-PAVLOVA I. V. (2011), *International Private Law...*, *op. cit.*; SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*

¹⁴⁵ See, for example, in: KRAMER X., LAZIC V., BLAUWHOFF R., FROHN L. (2012), *A European Framework for private international law: current gaps and future perspectives*, European Parliament Manuscript, p. 94.

¹⁴⁶ See more, for example, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 56; GETMAN-PAVLOVA I. V. (2011), *International Private Law...*, *op. cit.*, p.23.

¹⁴⁷ For instance, MAGNUS U., MANKOWSKI P., (2016), *European Commentaries on Private International Law. ECPIIL commentary. Vol. I: Brussels ibis regulation*, Sellier European Law Pub, pp. 1158.

European Economic Community in 1957,¹⁴⁸ further, in 1997 the Amsterdam Treaty¹⁴⁹ and in 2007 the Treaty on European Union and the Treaty on the Functioning of the European Union.¹⁵⁰

At the same time, each EU Member State has its own rules to deal with foreign elements.¹⁵¹ This means that PIL remains a field of national law.¹⁵² It has been designed for international cases when there is a close connection with more than one legal system.

The present Chapter examines the rules of PIL concerning international jurisdiction.¹⁵³ It will focus on the question of which court has jurisdiction to deal with a claim with foreign or cross-border elements.¹⁵⁴ For the objective of the research, the interaction between international PIL legal instruments, EU PIL, and the national law of the EU Member States will be illustrated from this perspective.¹⁵⁵

The core themes are the history of the development of legal instruments and the jurisdictional *paradigm* of the Brussels Regime. Whilst, the approaches based on the tradition of the common law may differ from those adopted in many European countries with a civil-law tradition.¹⁵⁶ Thus, where relevant, attention will be paid to comparative aspects: common law jurisdiction and civil law jurisdiction. An overview of the legislation is examined in a chronological perspective.

2.1. Introduction

The need for establishing international jurisdiction¹⁵⁷ takes place when a claim involves a cross-border element (for example, foreign citizens or international transactions).¹⁵⁸ As soon as digital technologies enable global online accessibility almost to any content, the cross-

¹⁴⁸ KRAMER X., LAZIC V., BLAUWHOFF R., FROHN L. (2012), *A European Framework ...*, *op. cit.*, p. 7; see also, Treaty establishing the European Economic Community, 11957E/TXT, 1957.

¹⁴⁹ Treaty of Amsterdam amending the Treaty on European Union, the Treaties establishing the European Communities and certain related acts, OJ C 340, 1997.

¹⁵⁰ Consolidated versions of the Treaty on European Union and the Treaty on the Functioning of the European Union, OJ C 326, 2012, Article 81(2)(a) and (c).

¹⁵¹ For example, GETMAN-PAVLOVA I. V. (2011), *International Private Law...*, *op. cit.*, p.28.

¹⁵² More to this issue see, for instance, in: SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 60.

¹⁵³ *Ibid*, p. 57 and p. 58, discussing the following methodologies in relation to PIL: utilitarian model and multilateral model. The utilitarian model focuses on the application of the law of the forum and allows a possibility of more than one forum to a claim. The multilateral one, on the contrary, may adapt law or forum with the closest connection to the dispute (giving the relevance to so-called “connecting factors”).

¹⁵⁴ As a matter of principle, the Brussels Regulation Recast 1215/2012 addresses cross-border cases under Art. 81 TFEU, considering the situations where parties are domiciled in different EU Member States. However, the definition of “cross-border” cases remains unclear and should be addressed within an upcoming revision of the BRR in 2022. See more, for example, at HESS B. (2021), “Reforming the Brussels Ibis Regulation: Perspectives and Prospects,” *MPILux Research Paper Series*, (4), p.17, p.3-6, GETMAN-PAVLOVA I. V. (2011), *International Private Law...*, *op. cit.*, p. 35.

¹⁵⁵ Leaving aside the questions of applicable law and enforcement of judgements.

¹⁵⁶ DICEY, MORRIS and COLLINS (2006), *The conflict of laws*, Sweet & Maxwell, 14th Edition, p.1950, p.7.

¹⁵⁷ It worth reminding that the notion of international jurisdiction is used in a meaning of determining which national court or courts will be competent to hear the claim.

¹⁵⁸ For more in relation to the concept of the “close connection” between claim and two or more courts see in: GETMAN-PAVLOVA I. V. (2011), *International Private Law...*, *op. cit.*, p. 35.

border or foreign element may be presented virtually in any type of online activity.¹⁵⁹ All this makes the question of defining international jurisdiction more frequent.

International jurisdiction arises since several countries may be involved in a case concerning online infringements. However, none of the current legal documents deals with jurisdiction for online torts.¹⁶⁰ The EU Member States and their courts have a great deal of discretion to decide issues of jurisdiction. The laws of different territories may become applicable to the substance of the claim.¹⁶¹

The Brussels Regulation Recast 1215/2012 and Lugano Convention 2007 are considered as "regional"¹⁶² legal instruments which cover jurisdiction and enforcement in civil matters within Europe. The Chapter will cover the current EU legal framework of international jurisdiction and its development.

2.2. The development of legal instruments

The existing regulatory landscape consists of the following instruments, usually referred to in the academic literature as the Brussels regime:¹⁶³

- Brussels Convention on jurisdiction and the enforcement of judgments in civil and commercial matters of 1968 (Brussels Convention 1968);¹⁶⁴
- Lugano Convention on jurisdiction and the enforcement of judgments in civil and commercial matters 88/592/EEC, 1988 (hereinafter Lugano Convention 1988);¹⁶⁵
- Brussels Regulation 44/2001;¹⁶⁶

¹⁵⁹ See, for example, HÖRNLE J. (2009), *Cross-border Internet dispute resolution*, Cambridge University Press; KUR A. (2015), "Enforcement of unitary intellectual property rights: international jurisdiction and applicable law," *JIPLP* 10, pp. 468–480.

¹⁶⁰ As it was already mentioned before, for the objective of the present thesis, all references will be made to Art. 7(2) BRR even if the case law or an academic discussion refer to Art. 5(3) Brussels Regulation 44/2001: "[i]n matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred or may occur," and/or Art. 5(3) Brussels Convention 1968: "[i]n matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred." Brussels Regulation Recast 1215/2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, OJ L 351/1, 2012 replaces Brussels Regulation 44/2001 on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters, OJ L 012, 2001 and Brussels Convention on jurisdiction and the enforcement of judgments in civil and commercial matters 1968 (consolidated version), 31 December 1972, OJ L 299.

¹⁶¹ Rome II Regulation 864/2007 on the law applicable to non-contractual obligations, 11 July 2007, OJ L 199, 2007 (hereinafter Rome II Regulation). Articles 5–9 Rome II Regulation contain a number of special conflicts of law rules relating to products liability, unfair competition, environmental damage and infringement of intellectual property rights. From the Internet point of view, special rules with a particular importance are denoted by the Article 5 of the Rome II Regulation. They require that the law applicable to non-contractual obligation arising from an infringement of an intellectual property rights shall be the law of the country for which protection is claimed (*lex loci protectionis*).

¹⁶² KRAMER X., LAZIC V., BLAUWHOFF R., FROHN L. (2012), *A European Framework ...*, *op. cit.*

¹⁶³ See, for example, in: MERRETT L. (2006), "The Enforcement of Jurisdiction Agreements Within The Brussels Regime." *International and Comparative Law Quarterly* 55(02), pp.315 - 336.

¹⁶⁴ Brussels Convention on jurisdiction and the enforcement of judgments in civil and commercial matters 1968 (consolidated version), 31 December 1972, OJ L 299.

¹⁶⁵ Lugano Convention 1988.

¹⁶⁶ Brussels Regulation 44/2001.

- Lugano Convention on jurisdiction and the enforcement of judgments in civil and commercial matters of 2007 (hereinafter Lugano Convention 2007);¹⁶⁷
- Brussels Regulation Recast 1215/2012 (or BRR).¹⁶⁸

The Brussels Convention 1968 has been considered the most “tangible product”¹⁶⁹ of Article 220 of the EC Treaty,¹⁷⁰ which originally addressed the matters of recognition and enforcement of judgments in civil and commercial cases. As it set out in the Preamble, it was necessary “[t]o determine the international jurisdiction of [the contracting parties] courts, to facilitate recognition and to introduce an expeditious procedure for securing the enforcement of judgments, authentic instruments and court settlements”.

The rules of special jurisdiction were introduced in Art. 5(3) Brussels Convention 1968: “[i]n matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred.” The expression “place where the harmful event occurred” has been further interpreted by the CJEU.¹⁷¹ The Convention was amended on several occasions¹⁷² and has now been almost completely superseded by Brussels Regulation 44/2001 and Brussels Regulation Recast 1215/2012.

The Lugano Convention 1988¹⁷³ has for a long time been considered as the extension of the Brussels Convention 1968, having virtually the same objective - the need “[t]o strengthen [...] the legal protection of persons [...] established” in the Member States of the European Free Trade Area (EFTA).¹⁷⁴ Also, the wording of Art. 5(3) Brussels Convention 1968 was identical to Art. 5(3) Lugano Convention 1988.

The provisions of the Lugano Convention 1988 were indeed essentially based on the Brussels Convention model, aiming to transpose between the Member States and certain members of the European Free Trade Association (Iceland, Norway and Switzerland).¹⁷⁵ Taking into account the case law of the CJEU, the process of revision and harmonisation of both Conventions had emerged which finally resulted in the adoption of Brussels Regulation 44/2001.

¹⁶⁷ Lugano Convention 2007.

¹⁶⁸ The BRR repeals Brussels Regulation 44/2001, save that the Brussels Regulation 44/2001 continues to apply to judgments given in proceedings instituted before 10 January 2015. The BRR applies to the UK during the UK-EU transition period, but will stop applying to the UK on a reciprocal basis at the end of the transition period. At the end of the transition period, BRR will be converted into UK law as retained EU law, which will be amended by UK legislation.

¹⁶⁹ See for example, in: MURPHY S. (2001), “Negotiation of Convention ...,” *op. cit.*

¹⁷⁰ Consolidated version of the Treaty establishing the European Community, OJ C 325, 2002.

¹⁷¹ CJEU, Case C-220/88, *Dumez France SA and Tracoba SARL v Hessische Landesbank*, 11 January 1990, (ECLI:EU:C:1990:8); CJEU, Case C-168/02, *Rudolf Kronhofer v Marianne Maier c.s.*, 10 June 2004, (ECR 2004), etc., that will be examined further in the present Chapter.

¹⁷² By Protocols of 1978, 1982, 1989 and 1996.

¹⁷³ Lugano Convention on jurisdiction and the enforcement of judgments in civil and commercial matters 88/592/EEC, 16 September 1988, OJ L 319, 1988 (hereinafter Lugano Convention 1988).

¹⁷⁴ The Preamble to the Lugano Convention 1988 recites the same wording as in the Preamble to the Brussels Convention quoted above.

¹⁷⁵ The fifteen pre-2004 EU member states are the United Kingdom, France, Germany, Italy, Belgium, the Netherlands, Luxembourg, Denmark, Ireland, Greece, Spain, Portugal, Austria, Finland, and Sweden.

The Brussels Regulation 44/2001 substantially replaced¹⁷⁶ the Brussels Convention 1968.¹⁷⁷ According to Art. 1(1) Brussels Regulation 44/2001, this Regulation applies to “[c]ivil and commercial matters” or to issues of private law, with a general exclusion of the matters of public law.¹⁷⁸ By contrast to Brussels Convention 1968, the Brussels Regulation 44/2001 did not bring any substantial reforms (except changes in numbering of several articles).¹⁷⁹

In particular, the substantive and territorial scope of the Brussels Regulation 44/2001 were determined in an almost identical manner as the Brussels Convention 1968. The Commission’s Proposal advocated that the so-called “universal” scope of application of the jurisdictional rules should be adopted.¹⁸⁰ An extension of the jurisdiction rules of Brussels Regulation 44/2001 was expected to be pursued in Brussels Regulation Recast 1215/2012.¹⁸¹

In terms of jurisdiction under Art. 5(3) Brussels Regulation 44/2001, the revision process succeeded in a new wording in comparison to its sister rules at Brussels Convention 1968 and the Lugano Convention 1988. According to the adopted wording of this provision: “[i]n matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred or may occur.” By adding a new element of “may occur,” the legislator responded to ongoing interpretations from the CJEU.¹⁸²

After entering into force Brussels Regulation 44/2001, the process of harmonisation led to the new Lugano Convention 2007.¹⁸³ In a broad sense, the core purpose of the Lugano Convention 2007 has been to enlarge the Brussels regime within the EU to Iceland, Norway and Switzerland. This Convention was argued to be substantially the same as the Brussels

¹⁷⁶ Recitals to the Brussels Regulation 44/2001 states that: “[C]ontinuity between the Brussels Convention and this Regulation should be ensured, and transitional provisions should be laid down to that end.”

¹⁷⁷ The Brussels Regulation 44/2001 originally applied to Belgium, France, Italy, Luxembourg, the Netherlands, Germany, Ireland, the United Kingdom, Greece, Portugal, Spain, Austria, Finland and Sweden. Following the enlargement of the European Union (in 2004 and 2007), it also applies to Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, Bulgaria and Romania. Denmark had originally opted out of the Brussels Regulation regime (meaning that the Brussels Convention 1968 continued to apply), but as of 1 July 2007, the provisions of the Brussels Regulation 44/2001 were extended to Denmark.

¹⁷⁸ The concept of the “civil and commercial matters” is often hard to delimit from the issues of public law. See more to this delimitation, for example, in: BRKAN M. (2015), “Data Protection and European Private International Law,” *European University Institute, Robert Schuman Centre for Advanced Studies*.

¹⁷⁹ See more to an analysis, for example, in: BASEDOW J, KONO T., METZGER A. *Intellectual Property in the Global Arena. Jurisdiction, Applicable Law and the Recognition of judgments in Europe, Japan and the US*, Tubingen: Mohr Siebeck, p.p. 394-402.

¹⁸⁰ Proposal for a Regulation of the European Parliament and of the Council on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters. COM(2010) 748 final, Brussels, 14.12.2010.

¹⁸¹ Brussels Regulation Recast 1215/2012.

¹⁸² For instance, CJEU, Case C-220/88, *Dumez France SA and Tracoba SARL v Hessische Landesbank*, 11 January 1990, (ECLI:EU:C:1990:8); CJEU, Case C-168/02, *Rudolf Kronhofer v Marianne Maier c.s.*, 10 June 2004, (ECR 2004), etc., that will be examined further in the present Chapter.

¹⁸³ Lugano Convention 2007. This treaty was intended to replace both the old Lugano Convention 1988 and the Brussels Convention 1968.

Regulation 44/2001,¹⁸⁴ and also the Brussels Regulation Recast 1215/2012,¹⁸⁵ but had not been amended to mirror the changes made to it in January 2015.¹⁸⁶

If we look at Art. 5(3) Lugano Convention 2007, it literally amounts to the same as Art. 5 (3) Brussels Regulation 44/2001 (and also Art. 7(2) Brussels Regulation Recast 1215/2012), stating that the defendant may be sued “[i]n matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred.” However, the case law for both documents may often work with essential divergences.

The national courts of the parties to the Lugano Convention 2007 frequently prefer not to cite the CJEU’s rulings on Brussels Regulation 44/2001 and Brussels Regulation 1215/2012 as significant precedents.¹⁸⁷ This may mean that Iceland, Norway and Switzerland (as parties to the Lugano Convention 2007) virtually may have their specific case law which does not necessarily coincide with the CJEU’s approaches adopted for the current version of Brussels Regulation Recast 1215/2012.

Brussels Regulation Recast 1215/2012 is often defined as one of the cornerstone legal instruments concerning international jurisdiction.¹⁸⁸ It establishes common rules to be applied by courts within the EU.¹⁸⁹ The EU law and the case law of the CJEU remain to be the main sources of the Brussels Regulation Recast 1215/2012 interpretation.

Brussels Regulation Recast 1215/2012 significantly repealed Brussels Regulation 44/2001.¹⁹⁰ While the substantial scope of Brussels Regulation Recast 1215/2012 had remained identical to Brussels Regulation 44/2001 (legal proceedings concerning “civil and commercial matters,” Art. 1(1)),¹⁹¹ many other provisions were updated essentially. In contrast to Brussels Regulation 44/2001, Brussels Recast Regulation 1215/2012 covers also non-EU domiciled defendants.¹⁹² These exceptions¹⁹³ were implemented with the objective to ensure the protection of so-called *weak* parties in the litigation¹⁹⁴ (for example, consumers and employees),¹⁹⁵ to safeguard the jurisdiction of the courts of the Member States which have a strong connection with the dispute,¹⁹⁶ to respect the autonomy of the

¹⁸⁴ For so-called “parallel conventions” definition see more in: KONO T. (2012), *Intellectual Property...*, *op. cit.*, p. 191.

¹⁸⁵ Brussels Regulation Recast 1215/2012.

¹⁸⁶ In fact, the courts of the Lugano countries frequently prefer not to cite to the CJEU’s rulings as significant precedents. More to this see, for example, in: BORRAS A., NEOPHYTOU I., FAUSTO P. (2012), *13th Report on National case law relating to the Lugano Conventions*, Barcelona-Nicosia-Milano.

¹⁸⁷ For example, in OTCHENASH M. (2018), “Suing online platform for Copyright infringements,” *IDP, Revista de Internet, Derecho y Política*, No. 29, pp. 1-14.

¹⁸⁸ See, for example, at HESS B. (2021), “Reforming the Brussels Ibis Regulation: Perspectives and Prospects,” *MPILux Research Paper Series*, (4), p. 20, p.3-7.

¹⁸⁹ BASEDOW J, KONO T., METZGER A.(2010), *Intellectual Property in the Global Arena...*, *op. cit.*

¹⁹⁰ With effect from 10 January 2015.

¹⁹¹ It excludes proceedings concerning public law matters (revenue, customs or administrative matters or to the liability of the State for acts and omissions in the exercise of State authority) and matters which are regulated by other EU or international legal instruments (family law, succession, insolvency, social security and arbitration) Art. 1(2)) Brussels Regulation Recast 1215/2012).

¹⁹² Brussels Regulation Recast 1215/2012, Art. 18 and Art. 21(2).

¹⁹³ Brussels Regulation Recast 1215/2012, Art. 6, recital 13, 14, with the exception of the protection of consumers and employees, when certain rules of jurisdiction in this Regulation should apply regardless of the defendant’s domicile.

¹⁹⁴ See more in the next Chapters concerning personality rights and data protection infringements.

¹⁹⁵ Brussels Regulation Recast 1215/2012, Art. 18.

¹⁹⁶ Concerning immovable property, Brussels Regulation Recast 1215/2012, Art. 24(1).

parties,¹⁹⁷

etc.

According to Art. 79 Brussels Regulation Recast 1215/2012, the EU Commission shall present a report on its application by 11 January 2022.¹⁹⁸ Although at the time of the writing of the present Chapter, the Commission has not launched a call for a tender yet, a revision and potential updating of this legal instrument are long-awaited. While its fundamental structure most probably will not be touched,¹⁹⁹ the revision may reflect an interplay with new EU legal documents (with the General Data Protection Regulation, in particular)²⁰⁰ and an ongoing debate over the specific legal concepts (especially, under Art. 7(2) BRR). Besides, an uneasy situation after Brexit and a significant gap between the legal regimes should be addressed.²⁰¹

A significant number of public and private organisations are constantly working on the improvement of the current PIL regime in the EU.²⁰² The most recent proposals concern e-CODEX and related projects which are co-funded under the Justice Programme 2014-2020 and the CEF Programme.²⁰³ e-CODEX offers a European digital infrastructure for secure cross-border communication between courts. It aims for easy access to cross-border justice for citizens, business and legal professionals within the Member States. Especially at the time of the pandemic,²⁰⁴ the potential of organising court proceedings independently from court buildings may open up new opportunities for parties. A European digital infrastructure most probably will address the exciting problems of access to justice in a foreign court.²⁰⁵

2.3. The Hague Conference on Private International law

Beyond the EU PIL legislation examined, there are also international PIL instruments. The most discussed question is the guiding principles of private international law.²⁰⁶ In the frame of international cooperation, the following negotiation stages and legislative proposals may be highlighted:

¹⁹⁷ Concerning prorogation of jurisdiction, Brussels Regulation Recast 1215/2012, Art. 25.

¹⁹⁸ Art. 79 Brussels Regulation Recast 1215/2012:

By 11 January 2022 the Commission shall present a report to the European Parliament, to the Council and to the European Economic and Social Committee on the application of this Regulation. That report shall include an evaluation of the possible need for a further extension of the rules on jurisdiction to defendants not domiciled in a Member State, taking into account the operation of this Regulation and possible developments at international level. Where appropriate, the report shall be accompanied by a proposal for amendment of this Regulation.

¹⁹⁹ See more to this, for example, at HESS B. (2021), "Reforming the Brussels Ibis Regulation: Perspectives and Prospects," *MPILux Research Paper Series*, (4), p. 20, p.3-4.

²⁰⁰ Rather complicated relationship between these two legal instruments will be illustrated further in this part, in the chapter 3 concerning personal data protection.

²⁰¹ See more, for instance, at HESS B. (2021), "Reforming the Brussels Ibis Regulation... *op. cit.*", p. 5.

²⁰² See, for instance, one of the most recent initiatives on cross-border Member States' cooperation is the project "Towards more effective enforcement of claims in civil and commercial matters within the EU." It investigates the implementation of the EU Regulations on the recognition and enforcement of judgments in 7 EU Member States, the official website <https://efforts.unimi.it/>.

²⁰³ See more at the official website <https://www.e-codex.eu/about>.

²⁰⁴ The World Health Organisation declared the outbreak a Public Health Emergency of International Concern on 30 January 2020, and a pandemic on 11 March 2020.

²⁰⁵ See also at HESS B. (2021), "Reforming the Brussels Ibis Regulation... *op. cit.*"

²⁰⁶ KRAMER X., LAZIC V., BLAUWHOFF R., FROHN L. (2012), *A European Framework ...*, *op. cit.*, p. 9.

- the Hague Conference on Private International law (1893),²⁰⁷
- the Convention on the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters 1969;²⁰⁸
- the Draft of the Hague Convention on Jurisdiction and Foreign Judgments in Civil and Commercial Matters (the negotiation stages since 1990);²⁰⁹
- the Draft of the Hague Judgement Convention (2001),²¹⁰
- Hague Judgments Convention 2019.²¹¹

The Hague Conference on Private International law²¹² as an intergovernmental organisation aimed at the unification of private international law. According to Art. 1 of the Statute, the Hague Conference is organised to promote “[t]he progressive unification of the rules of private international law.”²¹³ It had been dealing with the issues of the procedure, family matters, succession, commercial matters, torts and conflict of laws. Currently, the Hague Conference includes all European Union Member States and the United States.²¹⁴ This means that law unification had been aimed at worldwide and required a high level of compromise. However, such political ambition is often difficult to accomplish.

Initially, a unification of jurisdiction and enforcement of judgments was made in 1969 in a frame of the Convention on the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters.²¹⁵ However, this convention did not become operative.²¹⁶ Only Cyprus, The Netherlands, Portugal and Kuwait became parties.

Further, in early 1990, private international law had become a subject of the Hague Conference on Private International Law. The so-called "Judgments Project"²¹⁷ (initiated by the US) focused among others on the crucial questions of the international jurisdiction in cross-border litigation in civil and commercial matters. It aimed at establishing harmonised rules on international jurisdiction in the frame of an international convention.

The Convention's draft was expected to unify jurisdictional requirements for the signatory states²¹⁸ and, at the same time, maintain more flexibility in defining jurisdictional criteria,²¹⁹

²⁰⁷ Council Decision 2006/719/EC on the accession of the Community to the Hague Conference on Private International Law, 5 October 2006, OJ L 297, 2006 (hereinafter Council Decision 2006/719/EC).

²⁰⁸ See more about the Members States of the Hague Convention at: <https://www.hcch.net/en/home>.

²⁰⁹ See more to this, for example, in KESSEDJIAN C. (1998), *Synthesis of the work of the special commission of March 1998 on International Jurisdiction and the effects of foreign judgments in civil and commercial matters*, Hague Conference on private international law, Prel Doc No 9.

²¹⁰ Available at: <https://www.hcch.net/es/projects/legislative-projects/judgments/response-to-the-preliminary-draft-convention-2000-2001->

²¹¹ The Hague Judgments Convention 2019, COM (2021) 388 final, 28 EU COM (2010) 748, p. 4–5.

²¹² Council Decision 2006/719/EC.

²¹³ The text of the Statute of the Hague Conference on Private International Law is available at: http://www.hcch.net/index_en.php?act=conventions.pdf&cid=29.

²¹⁴ The list of the Member States see at: http://www.hcch.net/index_en.php?act=states.listing.

²¹⁵ Convention on the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters, 20 August 1979, which came into effect on 1st February 1971.

²¹⁶ Convention on the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters, 02.07.2019. Not yet in force. (Article 28 “Entry into force”).

²¹⁷ WOESTEHOFF K. (2005), *The Drafting Process for a Hague Convention on Jurisdiction and Judgments with Special Consideration of Intellectual Property and E-commerce*, LLM Theses and Essays 54, Knut Woestehoff, University of Georgia School of Law.

²¹⁸ As it was commented, for example, in: CLERMONT K.M. (1999), “Jurisdictional Salvation and the Hague Treaty,” *Cornell Law Faculty Publications*, Paper. 225, pp. 89-133.

²¹⁹ More information is available on the website: <https://www.hcch.net/en/home>.

applying analogies from the Brussels Convention 1968. However, later, this policy appeared to be rather ambitious and had been criticised extensively.²²⁰ It was argued²²¹ that the Hague Convention Draft was almost identical to the Brussels Convention and would not address the crucial problems in the field of international jurisdiction.²²²

The next milestone in the negotiation process took place in 2001²²³ when the Preliminary Draft²²⁴ was developed into the Draft of the Hague Judgement Convention (2001).²²⁵ As jurisdictional matters were illustrated in a variety of alternative proposals, it had been harder to reach an agreement. For example, it was decided that the defendant's *forum* should serve as the *forum* of general jurisdiction (Art. 3). However, due to the difficulties in defining residences for natural persons, the "habitual residence" requirement was set in brackets.²²⁶

The special jurisdictional grounds were even more debatable. The provisions that dealt with torts, contracts, electronic commerce and intellectual property rights demanded much time and effort.²²⁷ The Draft (2001) introduced the specific jurisdictional rules for online torts. Art. 10(2) aimed at regulating online activities, as well as to protect business operators (Art.10(3)). However, due to conceptual disagreements between parties (the US and the EU), the project did not survive.²²⁸ All this showed that much work was left to be done in the field of international facilitation of jurisdictional matters.

An intensive negotiation process continued further in the frame of the Hague Conference. It resulted in the Hague Convention on Choice of Court Agreements (hereinafter Choice of Court Convention) of 30 June 2005.²²⁹ This document focused on international cases involving the choice of court agreements. In the period between 2011-2018, the Draft Convention was produced. It was a result of an intensive discussion and deep analysis of jurisdictional issues within the Experts and Working Groups.²³⁰ Nevertheless, the drafting process is not over yet.²³¹ Numerous international non-governmental organisations,²³² with

²²⁰ SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*

²²¹ *Ibid*, p. 233.

²²² *Ibid*, p. 234, arguing that this document contains no specific rule of jurisdiction for Internet infringement cases. "[E]ven if this instrument were to be adopted, we still would need to rely on tort rules to decide which court has jurisdiction to deal with infringements occurring on the Internet."

²²³ Between February 2000 and June 2001, informal sessions for the Hague project were held in Washington, Basle, Geneva, Ottawa, and Edinburgh in order to improve the Preliminary Draft Convention. More documents are available on the website: <https://www.hcch.net/es/projects/legislative-projects/judgments/response-to-the-preliminary-draft-convention-2000-2001->.

²²⁴ This document can be found in the revised text of the Preliminary Draft Convention, available at: ftp://hcch.net/doc/idgm2001draft_e.doc.

²²⁵ Available at: <https://www.hcch.net/es/projects/legislative-projects/judgments/response-to-the-preliminary-draft-convention-2000-2001->.

²²⁶ For example, in: KONO T. (2012), *Intellectual Property...*, *op. cit.*

²²⁷ As it was noted, for example, in: CLERMONT K.M. (1999), "Jurisdictional Salvation..." *op. cit.*

²²⁸ More to this, for instance, in: KONO T. (2012), *Intellectual Property...*, *op. cit.*, p. 198.

²²⁹ For more information, see at: <https://www.hcch.net/en/instruments/conventions/specialised-sections/choice-of-court/>.

²³⁰ For more information, see: <https://www.hcch.net/en/projects/legislative-projects/judgments>.

²³¹ For instance, the Hague Judgments Convention 2019, COM (2021) 388 final, 28 EU COM (2010) 748, p. 4–5, and also the latest updates see: <https://www.hcch.net/en/latest-updates>.

²³² For instance, European Max Planck Group on Conflict of Laws in Intellectual Property (2013), *Conflict of Laws in Intellectual Property: The CLIP Principles and Commentary*, Oxford, Oxford University Press, pp.560; American Law Institute, Intellectual Property (2008), *Principles Governing Jurisdiction, Choice of Law and Judgments in Transnational Disputes*. Chestnut, ALI Publishers.

several United Nations specialised agencies,²³³ have been founded with the objectives to study, clarify and develop PIL. At an academic level, Professors R. C. Dreyfuss and J. C. Ginsburg have been working on a parallel draft convention adapted from the text of the Draft Hague Convention.²³⁴ Such a convention could be adopted through the WIPO or the WTO.²³⁵

On July 16, 2021, the Commission issued a proposal to accede to the 2019 Hague Judgments Convention.²³⁶ It establishes a minimum regime for the recognition of judgments and will cover the main areas of commercial litigation on a global scale. Despite the fact that privacy and intellectual property matters (Art. 2(1)) are excluded from its scope, the Convention is critical for illustration of recent achievements in international jurisdiction unification. Also, an analysis of its provisions may help reveal the particular place of the BBR approach to tort jurisdiction.²³⁷

Although the Convention aims at international harmonisation of jurisdictional rules, it does not include provisions to define a competent court. Instead, it establishes a list of requirements (“jurisdictional filters”²³⁸ or “indirect grounds of jurisdiction”)²³⁹ when the process of recognition and enforcement of foreign judgments may be facilitated.²⁴⁰ Art 5(1)(j) Judgments Convention addresses specific requirements for torts:

[...] (j) the judgment ruled on a non-contractual obligation arising from death, physical injury, damage to or loss of tangible property, and the act or omission directly causing such harm occurred in the State of origin, irrespective of where that harm occurred [...].

The provision does not recognise a connecting factor of the place of damage,²⁴¹ avoiding potential differences in future interpretations. By excluding the controversial subjects and matters from its scope, the drafters have been expecting a wide acceptance of the Convention.²⁴² Needless to say that while ratification is needed, an international consensus is a big challenge as soon as all participating parties have their national interests, often unwilling to make political compromises.

From the perspective of the Brussels Regulation regime, the Convention demonstrated different priorities to tort jurisdiction (precisely, a connection between the defendant and the forum). The approaches adopted at Art. 7(2) BRR do not prevail on a global scale. The

²³³ The International Law Association (2015), *Guidelines on Intellectual Property and Private International Law*. The International Law Association is established to undertake research and to prepare reports on international law (public, private or commercial), for more information: <http://www.ila-hq.org/index.php/committees>.

²³⁴ Available at official websites: <https://www.law.columbia.edu/faculty/jane-ginsburg> and <https://its.law.nyu.edu/facultyprofiles/index.cfm?fuseaction=profile.publications&personid=19888>.

²³⁵ As it was admitted, for example, by SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*

²³⁶ The Hague Judgments Convention, 2019, COM (2021) 388 final, 28 EU COM (2010) 748.

²³⁷ POESEN M. (2021) “Is specific jurisdiction dead and did we murder it? An appraisal of the Brussels Ia Regulation in the globalizing context of the HCCH 2019 Judgments Convention,” *Unif. L. Rev.*, p.13.

²³⁸ *Ibid.*, p. 10.

²³⁹ Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters, 2 July 2019, Outline, p. 1.

²⁴⁰ Art. 4, Art.7, Art.13(1) Hague Judgments Convention 2019.

²⁴¹ As it was commented at POESEN M. (2021) “Is specific jurisdiction dead....,” *op. cit.*, p. 11: the place of damage was considered as a possible jurisdictional filter, according to Preliminary Document No 2 of April 2016 for the attention of the Special Commission of June 2016 on the Recognition and Enforcement of Foreign Judgments, fn 57.

²⁴² *Ibid.*, p. 13.

specific legislative proposals concerning international jurisdiction for online infringements of privacy and intellectual property will be examined in the following Chapters.

2.4. Summary

To sum up, all mentioned legal instruments of the Brussels Regime are mostly similar in content, but with differences in their territory of application. A general rule that individuals are to be sued in their domicile is a common provision. The rule of special jurisdiction for torts which is of particular interest to the present thesis is in a list of exceptions.

The above-mentioned overview allows us to illustrate the development of special jurisdiction rules from Art. 5(3) Brussels Convention 1968 and Art. 5(3) Brussels Regulation 44/2001 to Art. 7(2) Brussels Regulation 1215/2012. The legislator adopted a new wording of this provision, taking into account intensive policy initiatives, academic debate and the case law of the CJEU. The next Chapter will analyse the paradigm of jurisdiction within Brussels Regulation 1215/2012 and address both general and special jurisdictional grounds in a comparative perspective.

3. Chapter III: Special Jurisdiction in the Brussels Regulation Recast

3.1. Introduction

Traditionally, from the perspective of public international law, the paradigm of jurisdiction is closely related to the notion of states' sovereignty. A State becomes functional through the power to prescribe (legislative jurisdiction), adjudicate (judicial jurisdiction) and enforce (executive jurisdiction).²⁴³ These three *faces* of jurisdiction mirror the state's sovereign independence within a "global system of formally equal States."²⁴⁴

Primarily, legislative jurisdiction accrues. A State without legislative jurisdiction will also lack judicial jurisdiction unless it is willing to apply the law of a foreign State.²⁴⁵ By contrast, a State may have legislative jurisdiction "[...] on the basis of a permissive principle, but lack adjudicative jurisdiction, e.g., because the defendant has no contacts with the State, or because the parties to a private contract have chosen another adjudicative forum."²⁴⁶

The jurisdiction exercised by the judiciary typically refers to the court's jurisdiction "[...] and pertains to the defendant's anticipation of being hauled before the courts of the State in question."²⁴⁷ As it was poetically noticed, it "gives life to the law."²⁴⁸ The concept of the court's international jurisdiction has been defined as a specific set of requirements under which the court is competent to hear international cases with a foreign element.²⁴⁹ This type of jurisdiction will be a particular focus of the present research.

The choice of jurisdiction is a very important strategical question in litigation. By deciding where to bring a claim, a plaintiff may foresee which substantive law will apply and, consequently, evaluate the chances to win. Even if foreign law is applicable, the procedural rules of a particular country may often become essential for the case outcome.

3.2. The general rule of the defendant's domicile

Before examining the rules of special jurisdiction, we need to explore the rules of general jurisdiction. Traditionally, the defendant is entitled to a *home game*. According to Art. 4 (1)

²⁴³ For example, WILSKE S., SCHILLER T. (1997), "International Jurisdiction in Cyberspace: Which States May Regulate the Internet?" *Federal Communications Law Journal*, Volume 50, Issue 1, Article 5, pp.117-178.

²⁴⁴ RYNGAERT C. (2015), "The Concept of Jurisdiction in International Law," *Utrecht University*, pp.21, p. 2; see also, MANN F. (1964), "The Doctrine of Jurisdiction in International Law," *111 RCADI* 1, p.15.

²⁴⁵ WILSKE S., SCHILLER T. (1997), "International Jurisdiction in Cyberspace...", *op. cit.*, p. 8.

²⁴⁶ RYNGAERT C. (2015), "The Concept of Jurisdiction...", *op. cit.*, p. 5.

²⁴⁷ *Ibid*, p. 2 and p. 4.

²⁴⁸ SHAW S. (2017), "There is no silver bullet: solutions to Internet jurisdiction," *International Journal of Law and Information Technology*, Volume 25, Issue 4, pp. 283–308, p. 2.

²⁴⁹ For instance, the claims with a so-called an *international element*, i.e. foreign parties or/and subject of a dispute. See more, for example, in: GETMAN-PAVLOVA I. V. (2011), *International Private Law...*, *op. cit.*

BRR: “[...] persons domiciled in a Member State shall, whatever their nationality, be sued in the courts of that Member State.”²⁵⁰ Discrimination on grounds of nationality is prohibited and citizenship is excluded as a connecting factor for the jurisdictional purpose.

A legal person is domiciled at the place where it has its statutory seat, central administration or principal place of business.²⁵¹ These three notions do not necessarily coincide. For instance, the statutory seat of a company may be in the Netherlands with the central administration in Germany. However, it may operate mostly in the Spanish and French markets.

The domicile of a legal person is supposed to be defined autonomously to make the common rules more transparent and avoid conflicts of jurisdiction.²⁵² For natural persons, there is no autonomous definition of domicile, and the concept is normally referred to national law.²⁵³ This means that to determine whether a natural person is domiciled in a particular Member State, the court of this State is expected to apply its national law.

The defendants’ domicile rule at Art. 4(1) BRR should be distinguished from the defendant’s establishment rule at Art. 7(5) BRR: A person domiciled in a Member State may be sued in another Member State

[...] as regards a dispute arising out of the operations of a branch, agency or other establishment, in the courts for the place where the branch, agency or other establishment is situated.

The concept of “establishment” was interpreted by the CJEU²⁵⁴ in the meaning that a dispute relates to the operations of a branch, agency, or another establishment within the meaning of Art. 7(5) BRR if an undertaking has the appearance of permanency, such as an extension of a parent body, and has a management and is materially equipped to negotiate business with third parties so that they do not have to deal directly with a parent body.²⁵⁵ The Court defines that the dispute must concern either act relating to the management of an establishment, or commitments entered into by such an establishment on behalf of the parent body (in the State in which the entities are situated).²⁵⁶

From a defendant’s perspective, the *forum* under Art. 4(1) BRR is considered the most predictable one.²⁵⁷ Jurisdiction must always be available on this ground.²⁵⁸ Art. 4(1) BRR has been considered especially attractive if there is only one defendant.²⁵⁹ Some

²⁵⁰ See also, Brussels Regulation 1215/201, Art. 4 (2): “[P]ersons who are not nationals of the Member State in which they are domiciled shall be governed by the rules of jurisdiction applicable to nationals of that Member State.”

²⁵¹ Brussels Regulation Recast 1215/2012, Art. 63.

²⁵² Brussels Regulation Recast 1215/2012, Recital 15.

²⁵³ Brussels Regulation Recast 1215/2012, Art. 62.

²⁵⁴ CJEU, C-913/19 *CNP spółka z ograniczoną odpowiedzialnością v Gefion Insurance A/S*, 20 May 2021 (LI:EU:C:2021:399). The request has been made in proceedings between CNP, a limited liability company established in Poland, and Gefion, an insurance undertaking with its registered office in Denmark, concerning compensation for damage caused by a road traffic accident which occurred in Poland.

²⁵⁵ C-913/19, *CNP v Gefion* (2021), paragraph 61.

²⁵⁶ C-913/19, *CNP v Gefion* (2021), paragraph 52.

²⁵⁷ TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...”, *op. cit.*, p.11.

²⁵⁸ Brussels Regulation Recast 1215/2012, Recitals 15 and 16.

²⁵⁹ It is also in accordance with the CLIP Principles (Article 2:102), when it is possible to consolidate claims on the infringement of intellectual property rights before the court of the country of habitual residence of the

commentators propose to implement it as the most coherent and the only possible jurisdictional ground for online infringements.²⁶⁰ Noteworthy, it allows the possibility to claim the overall damage caused by the online tort.²⁶¹

By contrast, for plaintiffs, Art. 4(1) BRR has been argued to “[...] be a possible choice in theory but not in practice.”²⁶² As it can be seen in the national case law of several EU Member States,²⁶³ plaintiffs often try to avoid the defendant’s domicile *forum*. Indeed, suing a defendant which is far away from the plaintiff may be an expensive and time-consuming task. The language of litigation and a foreign court system may be a challenge.²⁶⁴

A scenario with multiple defendants accounts heavily when deciding a litigation strategy. This jurisdictional ground may split the case in as many cases as there are the Member States in which a defendant has its domicile.²⁶⁵ For overcoming the fragmentation of claims under Art. 4 (1) BRR, the plaintiff should additionally invoke, for example, Art. 8(1) BRR. According to Art. 8(1) BRR:

A person domiciled in a Member State may also be sued: where he is one of a number of defendants, in the courts for the place where any one of them is domiciled, provided the claims are so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings.²⁶⁶

This provision may be enforced when infringements violate similar national provisions and are performed either by defendants with a mutual relationship between them or by independent defendants. As noted, it requires that the cases be “[...] so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings.”

With respect to online infringements, the provision of Art. 8(1) BRR might respond to the problem of online dissemination of infringing content and accumulate proceedings in a single court. For instance, a defendant in Austria and another defendant in the Netherlands (together or independently) upload e-books of a German claimant in an unauthorised way.²⁶⁷ Normally, each judge will decide in relation to the infringement, and damages, in their territory. This risk of irreconcilable judgments exists only if two judges of two countries decide, on each side, on the same factual and legal situation.

defendant (European Max Planck Group on Conflict of Laws in Intellectual Property. Conflict of Laws in Intellectual Property - The CLIP Principles and Commentary (2013)).

²⁶⁰ LUTZI T. (2017), “Internet cases in EU PIL - Developing a coherent approach.” *International and Comparative Law Quarterly*, pp.30, p. 21-30.

²⁶¹ C-68/93 *Shevill v Press Alliance SA* (1995); Joint cases C-509/09, *eDate Advertising GmbH v X* and C-161/10, *Olivier Martinez and Robert Martinez* (2011).

²⁶² METZGER A. (2009), *Jurisdiction, intellectual Property...*, *op. cit.*

²⁶³ CHRISTIE A.F. (2015), *Private International Law Issues...*, *op. cit.*

²⁶⁴ TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...”, *op. cit.*, p.11.

²⁶⁵ *Ibid*, p. 8.

²⁶⁶ Brussels Regulation Recast 1215/2012, Art. 8(1).

²⁶⁷ Similar analogy was drawn, for instance, by P. Torremans in relation to the ruling in: CJEU, C-145/10, *Eva-Maria Painer v. Standard Verlag GmbH*, 05 June 2010 (EU:C:2011:798). He makes the conclusion of a potential applicability of Art. 8 (1) BRR to online copyright infringements with independent defendants. See more in: TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...”, *op. cit.*

However, under the interpretation of the CJEU in *Nintendo*,²⁶⁸ the requirement of the same situation of law was argued to be satisfied even by the partial harmonisation of national law (and not only when a unitary title is at stake).²⁶⁹ Besides, defendants may act independently.

In academic circles, for example, P. Torremans²⁷⁰ argues in favour of the applicability of Art. 8(1) BRR to online copyright infringements where independent defendants are involved. Hence, although, the possibility to apply Art. 8(1) BRR to online torts is not a straightforward process,²⁷¹ it has its supporters²⁷² and may have a potential influence on litigation choices.

In the light of this, the combined effects of Articles 4(1) BRR and 8(1) BRR have been considered²⁷³ to provide a cumulative possibility in choosing a convenient *forum* among the independent defendants. It could be an especially attractive strategy if the domicile of one of the defendants coincides with the plaintiff's *forum*. As we will see further in the current thesis, the court may accrue the full jurisdictional scope to rule over the whole damage suffered.

This cumulative possibility would be favourable of the claimant and predictable at least for one of the defendants. For the rest of the independent co-defendants, nevertheless, the risk of irreconcilable judgments remains. The requirement of the same factual and legal situation has been left for each national court to decide.

3.3. Special jurisdiction at Art. 7(2) BRR

Art. 7(2) BRR as a special jurisdictional rule for torts, delicts, or quasi-delicts, has the potential flexibility to cover different types of torts. In early CJEU's case law, this provision

²⁶⁸ CJEU, Joined Cases C-24/16 and C-25/16 *Nintendo Co. Ltd v BigBen Interactive GmbH, BigBen Interactive SA*, 27 September 2017 (ECLI:EU:C:2017:724), paragraph 48.

²⁶⁹ *Nintendo* demonstrates that jurisdiction over multiple defendants in the context of IP litigation can be accepted pursuant to Art. 8(1) Brussels Regulation Recast 1215/2012. Also, the CJEU clarifies that an order against a party infringing a Community design can have an EU-wide scope.

²⁷⁰ TORREMANS P. (2016), "Jurisdiction for cross-border intellectual property...", *op. cit.*, p.10.

²⁷¹ For example, earlier this provision (however in the version of Art. 6(1) Brussels Convention 1968) was interpreted in the ruling in: CJEU, C-539/03, *Roche Nederland BV and Others v Frederick Primus and Milton Goldenberg*, 3 July 2006 (ECLI:EU:C:2006:458). It was a patent case, between Roche Nederland BV and eight other companies in the Roche group, on the one hand, and US-based Drs Primus and Goldenberg, on the other, in respect of an alleged infringement of the latter's rights in a European patent. The companies in the Roche group not established in the Netherlands contested the jurisdiction of the Netherlands' courts. The Court concluded that this provision "[...] does not apply in European patent infringement proceedings involving a number of companies established in various Contracting States in respect of acts committed in one or more of those States even where those companies, which belong to the same group, may have acted in an identical or similar manner in accordance with a common policy elaborated by one of them. However, this arguably applies to patent cases only. See more also in: NITSEVICH N. (2015), *Intellectual property rights infringement...*, *op. cit.*

²⁷² For example, TORREMANS P. (2016), "Jurisdiction for cross-border intellectual property...", *op. cit.*, p.11.

²⁷³ *Ibid*, p. 12.

has been interpreted as an “autonomous”²⁷⁴ and a “negative” one,²⁷⁵ that virtually may apply to all actions that are not related to contract matters.²⁷⁶

According to Art. 7(2) BRR, a person domiciled in a Member State may be sued in another Member State “[i]n the courts for the place where the harmful event occurred or may occur.” According to Recitals 16, “[...] in addition to the defendant’s domicile there should be alternative grounds of jurisdiction based on a close connection between the court and the action or in order to facilitate the sound administration of justice.”

The existence of a close connection should ensure legal certainty and avoid the possibility of the defendant being sued in a court of a Member State which he could not reasonably have foreseen. This is important, particularly in disputes concerning non-contractual obligations arising out of violations of privacy and rights relating to personality, including defamation.²⁷⁷

As we may see, within the quoted language, the legislator mentioned several essential characteristics and legal principles for this provision: an “alternative,” a “close connection,” “the sound administration of justice,” “legal certainty.” Academics and case law, although, have put forward multiple meanings of these concepts.

The model of BRR allows the claimant to freely choose between general and special jurisdictional grounds. However, such freedom ends up with this choice. Art. 7(2) BRR does not allow national courts to use their discretion in allocation jurisdiction.²⁷⁸

The special jurisdiction of Art. 7(2) BRR has a least two possible ways of reading. On the one side, it is considered as an *exception* to a general jurisdiction rule of Art. 4(1) BRR. The jurisdiction is special in that it is an exception to the traditional jurisdictional rule that the plaintiff *follows* the defendant.²⁷⁹ An exceptional character was argued to prevent its extensive interpretation.²⁸⁰ For this purpose, the concept of a “close connection between the dispute and a territory of a particular Member State” has been designed.²⁸¹

Nevertheless, the relevant interpretations from the CJEU have arguably taken the opposite direction.²⁸² The early ruling in *Bier* significantly extended the effect of Art. 7(2) BRR (that

²⁷⁴ CJEU, C-33/78, *Somafer SA v Saar-Ferngas AG*, 22 November 1978 (ECLI:EU:C:1978:205), paragraph 8, concerning interpretation of Art. 7 as the rule of special jurisdiction.

²⁷⁵ In a broad sense when it covers all actions that are not related to contract matters. See, for example, CJEU, C-51/97, *Réunion européenne SA and Others v Spliethoff's Bevrachtungskantoor BV and the Master of the vessel Alblasgracht V002*, 27 October 1998 (ECLI:EU:C:1998:509).

²⁷⁶ C-51/97, *Réunion européenne SA and Others* (1998): “Such an action is, however, a matter relating to tort, delict or quasi-delict within the meaning of Article 5, point 3, of that Convention, since that concept covers all actions which seek to establish the liability of a defendant and are not related to matters of contract within the meaning of Article 5, point 1.”

²⁷⁷ Recital 16 Brussels Regulation Recast 1215/2012.

²⁷⁸ As it was commented, for instance, at: POESEN M. (2021), “Is specific jurisdiction dead...,” *op. cit.*, p. 4-5, the CJEU does not allow national judges to refuse to take jurisdiction over contract or tort.

²⁷⁹ See, for example, in DICKINSON A., LEIN E., JAMES A. (2015), *The Brussels I Regulation Recast*, Oxford, Oxford University Press, pp. 836, Chapter 4.

²⁸⁰ See, for example, in: SAVIN A. (2016), “Jurisdiction Over Cybertorts...,” *op. cit.*; METZGER A. (2009), *Jurisdiction, intellectual Property and Private international law*, Tübingen, Mohr Siebeck.

²⁸¹ Brussels Regulation Recast 1215/2012, Recitals 16, “[i]n addition to the defendant’s domicile there should be alternative grounds of jurisdiction based on a close connection between the court and the action or in order to facilitate the sound administration of justice.”

²⁸² See more, for instance, at: POESEN M. (2021), “Is specific jurisdiction dead...,” *op. cit.*, p. 6.

time Art. 5(3) Brussels Convention 1968).²⁸³ Further case law has been following this tendency.²⁸⁴

Accordingly, on the other side, the commentators suggest focusing on the *alternative* character of special jurisdiction to the defendant's *forum*.²⁸⁵ For instance, Art. 7(2) BRR is considered an "operational rule at the defendant's discretion."²⁸⁶ The plaintiff has an option either to sue the defendant in the place where such a defendant is domiciled (Article 4(1) BRR) or to sue according to Art. 7(2) BRR.

These different perspectives illustrate that the interplay between the defendant's domicile rule in Art. 4 BRR and Art. 7(2) BRR is not an easy one. It is especially felt in the question of jurisdictional scope.²⁸⁷ The full scope of international jurisdiction for the court according to Art. 7(2) BRR affects the *attractiveness* of this rule for litigation strategies of the parties involved.²⁸⁸ When a court has jurisdiction over the dispute on the basis of the defendant's domicile, the court may have the full international jurisdictional scope.²⁸⁹ However, this is not necessarily the case when the jurisdiction is based on "the place where the event occurs or may occur."²⁹⁰

The wording of Art. 7(2) BRR does not define what "the place where the harmful event occurs or may occur" might be. Other language versions also fail to offer any indication in favour of a possible solution.²⁹¹ The legislator left open the meaning of this concept to the courts to be resolved on a case-by-case basis.²⁹²

In comparison to jurisdictional criteria for contracts,²⁹³ criteria for torts are rather wide because the harm from a tort may occur everywhere.²⁹⁴ New technologies have posed new questions in the context of Art. 7(2) BRR, bringing the potential for various places where jurisdiction may be found.

For instance, the place where the publisher posting the content is based and the establishment of the Internet service provider have been interpreted as relevant locations

²⁸³ See more to this in the next Chapter.

²⁸⁴ Further case law has been following this tendency.

²⁸⁵ For example, see in: NITSEVICH, N. (2015), *Intellectual property rights infringement...*, *op. cit.*; LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies: Where to Litigate Unitary Rights vs National Rights in the EU*, Edward Elgar Publishing, pp.366.

²⁸⁶ It was distinguished, for example, by SAVIN A.: "[T]his means that the plaintiff has an option – either to sue the defendant in the place where such a defendant is domiciled (Article 4) or to sue according to Section 2." (in: SAVIN A. (2016), "Jurisdiction Over Cybertorts ...," *op. cit.*, p.4). However, it has virtually the same meaning as an alternative characteristic.

²⁸⁷ See more to this in the next Chapter, concerning personality rights.

²⁸⁸ It will be discussed in the next paragraphs of the present chapter.

²⁸⁹ See, for example, C-68/93, *Shevill v Press Alliance SA* (1995), paragraphs 24, 25, 26. See also, for instance, ENGELEN D. (2010), "Jurisdiction and Applicable Law in Matters of Intellectual Property: National Report - The Netherlands," Conference Paper, 18e International Academy of Comparative Law, Washington, p. 15.

²⁹⁰ C-68/93, *Shevill v Press Alliance SA* (1995).

²⁹¹ C-21/76, *Bier v Mines de Potasse* (1976).

²⁹² Opinion of Advocate General Capotorti, 10 November 1976 (ECLI:EU:C:1976:147) in C-21/76, *Bier v Mines de Potasse* (1976).

²⁹³ Brussels Regulation Recast 1215/2012, Art. 18 (Jurisdiction over consumer contracts).

²⁹⁴ See more to this in next Chapter on personality rights' infringements.

for the “event giving rise to the damage.”²⁹⁵ The “place where the damage occurs” in the context of Art. 7(2) BRR may amount to the place where the website is online accessed,²⁹⁶ or the place where the publisher intended the public to access the site,²⁹⁷ or the place where the right is protected/registered,²⁹⁸ etc.

Thus, the current understanding of this provision depends on its various interpretations, done by the CJEU, giving a rise to significant tension between the fundamental principles for jurisdiction.²⁹⁹ In academic cycles, this tension initiated a hot discussion regarding the very spirit of Art. 7(2) BRR and its relevance to procedural choices for claimants.³⁰⁰

While it is indisputable that the principles of legal certainty, predictability and sound administration of justice are paramount, some of them prevail over others in legal practice.

For instance, it was argued that the legislator often prefers the approach of legal certainty against that of procedural fairness at Art. 7(2) BRR.³⁰¹ Under the legal definition, “the place where the harmful event occurred or may occur” is based on the existence of a particularly close connecting factor between the dispute and the courts of the place where the harmful events occur.³⁰² The concept of a “close connection” has been adopted to “[...] ensure legal certainty and avoid [...] the defendant being sued in a court of a Member State which he could not reasonably had foreseen.”³⁰³ It should meet the “legitimate parties' expectations”³⁰⁴ as a result of a balance between predictability and flexibility.³⁰⁵ This balance, however, is often difficult to achieve.

Historically, the contracting Member States to the Brussels Convention 1968 were civil law countries, that affected the model of the Brussels regime further. By contrast to the common-law approach,³⁰⁶ the BRR often prioritises predictability and the defendant's support over

²⁹⁵ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011); C-523/10, *Wintersteiger* (2012).

²⁹⁶ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011); C-170/12, *Pinckney* (2013); C-441/13, *Hejduk* (2015).

²⁹⁷ It will be examined in the Chapters 2 and 3 of the present Part. See also, CJEU, C-172/18, *AMS Neve and Others*, 5 September 2019 (ECLI:EU:C:2019:674), C-523/10, *Wintersteiger* (2012).

²⁹⁸ C-523/10, *Wintersteiger* (2012).

²⁹⁹ See, for example, in: TREPPOZ E. (2015), “Jurisdiction in Internet-related intellectual property disputes,” *Conference on Jurisdiction and Dispute resolution in the Internet Era*, Geneva, 17-18 June 2015.

³⁰⁰ For instance, SAVIN A. (2016), “Jurisdiction Over Cybertorts ...,” *op. cit.*, LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies: Where to Litigate Unitary Rights vs National Rights in the EU*, Edward Elgar Publishing, pp.366; JURČYS P. (2012), “International Jurisdiction...,” *op. cit.*

³⁰¹ When defining a purpose of a close connection concept, see JENARD P. (1979), *Report on the 1968 Brussels Convention on jurisdiction and the enforcement of judgments in civil and commercial matters*, OJ 1979 C 59, p. 22; JURČYS P. (2012), “International Jurisdiction in Intellectual Property Disputes,” *JIPITEC, Special Issue on Private International Law and Intellectual Property*, 3, p.p. 172-174.

³⁰² See C-68/93, *Shevill v Press Alliance SA* (1995), and further reconfirmed in Joint cases C-509/09 and C-161/11, *eDate Advertising* (2011).

³⁰³ As it was stated in: JENARD P. (1979), *Report on the 1968 Brussels Convention*, OJ 1979, C 59/1, p. 22

³⁰⁴ It was admitted, for example, by D. J. B. Svantesson, jurisdictional rules should be effective and simple (in a sense of predictability), neutral (in a language context) and abuse-resistant. See more at SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p.80.

³⁰⁵ *Ibid*, p. 73.

³⁰⁶ As it was commented, for example, at POESEN M. (2021), “Is specific jurisdiction dead...,” *op. cit.*, p. 7, when the author illustrates different jurisdictional models of the English and American law of conflict of jurisdictions and criticises Brussels Regulation Recast for *killing* effective jurisdictional rules.

fairness and “appropriateness.” Virtually, the defendant's protection was argued to be paramount in the interpretations.³⁰⁷ Instead of being guided by the concept of the “close connection,” the CJEU follows the predictability principle, securing parties to be certain about the place where to sue and where to be sued.³⁰⁸

Art. 7 BRR as a whole has been subject to various interpretations also in relation to contract issues, insurance, consumer and employment claims. The general conclusions of most rulings in this aspect may be summarised as the purpose of ensuring the principle of predictability. The CJEU emphasised that the primary aim of Brussels Recast Regulation No 1215/2012 in the context of jurisdiction is “[...to enable the applicant to identify easily the court in which he may sue and a normally well-informed defendant to reasonably foresee in which court he may be sued].”³⁰⁹

For instance, in both rulings in *Feniks*³¹⁰ and *Kerr*³¹¹ (in proceedings concerning contracts), the Court recalled that the special jurisdictional rules must be interpreted restrictively and cannot give rise to an interpretation going beyond the cases expressly envisaged by the regulation.³¹² Also, in relation to insurance, consumer and employment contracts claims, the Court reaffirmed that the derogations from the principle of jurisdiction of the defendant’s domicile must be exceptional in nature and the application of the special rules of jurisdiction are not to be extended to persons for whom that protection is not justified.³¹³ Hence, Art. 7 BRR was interpreted so as not to apply in cases other than those expressly covered by the Brussels Recast Regulation.

As a whole, the BRR approach to tort jurisdiction (at Art. 7(2) BRR) was argued to be highly formalistic, centred on the protection of defendants,³¹⁴ and contradictory.³¹⁵ The effectiveness of special jurisdiction has raised considerable doubts that even resulted in rather *extreme* proposals to refuse its application.³¹⁶

³⁰⁷ *Ibid.*, p. 8-9, where the author illustrates rather narrow interpretations of the “place where the damage occurred” that benefit the defendant.

³⁰⁸ *Ibid.*, p 7-8, where the interpretations of the “place where the damage occurred” were argued to fail to respond to a “close connection” concept.

³⁰⁹ For example, CJEU, C-337/1, *Feniks v Azteca Products*, 4 October 2018 (EU:C:2018:805), paragraph 34.

³¹⁰ *Ibid.*, paragraph 2: “The request has been made in proceedings between Feniks sp. z o.o. and Azteca Products & Services SL (‘Azteca’) concerning a contract for the sale of immovable property, concluded between Azteca and a debtor of Feniks, the contract being allegedly detrimental to the rights of Feniks.”

³¹¹ CJEU, C-25/18, *Brian Andrew Kerr v Pavlo Postnov and Natalia Postnova*, 8 May 2019 (ECLI:EU:C:2019:376), paragraph 2: “[The request was submitted in the context of a dispute between Mr Brian Andrew Kerr and Mr Pavlo Postnov and Ms Natalia Postnova concerning the failure of the latter two to pay annual financial contributions to the budget of the association of property owners relating to an apartment building, for which Mr Kerr, in his capacity as the building manager, is responsible].”

³¹² C-337/1, *Feniks* (2018), paragraph 35, C-25/18, *Kerr* (2019), paragraph 22.

³¹³ CJEU, C-106/17, *Paweł Hofsoe v LVM Landwirtschaftlicher Versicherungsverein Münster AG*, 31 January 2018 (EU:C:2018:50), paragraph 40, 41.

³¹⁴ POESEN M. (2021), “Is specific jurisdiction dead...,” *op. cit.*

³¹⁵ SAVIN A. (2016), “Jurisdiction Over Cybertorts ...,” *op. cit.*, p. 6-10.

³¹⁶ For example, the approach “if it is hard to apply, do not apply it at all.” See more in: LUTZI T. (2017), “Internet cases...,” *op. cit.*; SLOVÁKOVÁ Z. (2006), “Protection of trademarks and the Internet with respect to the Czech law.” *Journal of International Commercial Law and Technology*, Vol.1, Issue 2, pp.70-79.

All these may hardly respond to the paradigm of a “good private international law model.”³¹⁷ While defendants seek predictability, plaintiffs aim at flexibility.³¹⁸ The “legitimate parties’ expectations”³¹⁹ were argued to become a result of a balance between predictability and flexibility.³²⁰

In this frame, the relevant rulings of the CJEU will be examined to determine the very nature of the special jurisdiction under Art. 7(2) BRR, and specifically, the meaning of the following notions:

- 1) the so-called “duality” of linking factors for jurisdiction;
- 2) the notion of “the place where the harmful event occurred or may occur;”
- 3) the concept of “matters related to tort, delict or quasi-delict;”
- 4) the term “damage(s).”

3.3.1. The phenomena of duality after Bier

One may agree³²¹ that the legal nature of Art. 7(2) BRR³²² was successfully interpreted in an early ruling in *Bier v Mines de Potasse (Bier)*.³²³ The scope of this provision was clarified significantly.

Bier involved an environmental tort caused by negligence. The Dutch undertakings G. J. Bier B.V. (Bier) and Reinwater Foundation (Reinwater) (Amsterdam), instituted proceedings before the Arrondissementsrechtbank (District Court), Rotterdam, against the French company Mines de Potasse d’Alsace (Mulhouse). Compensation for damages caused by the pollution of the Rhine waters was claimed. Bier had large nurseries near Rotterdam irrigated by water from the Rhine. The high salinity of those waters causes damage to the seedbeds.

The intent of the provision of Art. 7(2) BRR (originally, Art. 5(3) Brussels Convention 1968) was defined³²⁴ as “[...] to render claims based on an alleged wrongful act subject to the decision of the court best placed to verify the facts.” The CJEU interpreted the meaning of “the place where the harmful event occurred” for the first time stating that:

The expression the “place where the harmful event occurred,” in Article 5 (3) of the Convention on jurisdiction and the enforcement of Judgments in Civil and Commercial Matters, [now replaced by art. 7(2) Brussel Regulation Recast] must be understood as being intended to cover both the place where the damage occurred and the place of the event giving rise to it. The result is that the defendant may be sued, at the option of the plaintiff, either in the courts for the place where the damage

³¹⁷ SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 57.

³¹⁸ *Ibid.*, p.74. The principle of flexibility was argued to prevail if a contract (or a tort) is rather simple (like for B2C contracts). On the contrary, if the contract (or a tort) is complicated and full of sophisticated details (like for B2B contracts), predictability prevails. However, the application of the mentioned principles to torts was concluded to be more complicated.

³¹⁹ *Ibid.*, p. 80, in particular, it should be effective and simple (in a sense of predictability), neutral (in a language context) and abuse-resistant.

³²⁰ *Ibid.*, p.73.

³²¹ SAVIN A. (2016), “Jurisdiction Over Cybertorts ...,” *op. cit.*, p. 8-10.

³²² As it was noted before, as an equivalent to Art. 5(3) Brussels Regulation 44/2001 and Art. 5(3) Brussels Convention 1968.

³²³ C-21/76, *Bier v Mines de Potasse* (1976).

³²⁴ C-21/76, *Bier v Mines de Potasse* (1976).

occurred or in the courts for the place of the event which gives rise to and is at the origin of that damage.³²⁵

Consequently, the court was concluded to be found at two places (so-called *duality* or *double* linking factors):³²⁶ at “the place of the event giving rise to the damage” and at “the place where the damage occurred.”³²⁷ Other places were also discussed, like: “[...] the place in which the essential aspect of the legal sphere of the tortious or delictual act is located” and the place which is most favourable to the party who has suffered the damage.”³²⁸ Although neither of them was accepted,³²⁹ these proposals had become a basis for further interpretations of Art. 7(2) BRR for different types of torts.³³⁰

Noteworthy that the Court observed³³¹ that the authors of the Brussels Convention 1968 might have the interests of the injured party in mind. Therefore, if the place of the harmful act and that of the resulting damage are not identical, the plaintiff was permitted to choose the place of the claim, as a fair *advantage*.³³²

The Court followed the Advocate General Opinion³³³ in the meaning that a strict reference to the place where the act was committed would duplicate the function of Art. 4 (1) BRR and become useless. In particular, if the defendant was domiciled and acted in the same State,³³⁴ the place of the event giving rise to the damage would coincide with the defendant’s domicile. Bearing in mind that it might often be a case³³⁵ and aiming to endow the special jurisdiction rule with its specific linking factors, the Court allowed the possibility to allocate jurisdiction at “the place where the damage occurred.” Otherwise, having a defendant’s location as the sole connecting factor in Art. 7(2) BRR would render this provision ineffective.

On another side, a ruling only in favour of “the place where the damage occurred” would have the effect of excluding a helpful connecting factor for the jurisdiction of a court particularly near to the cause of the damage.³³⁶ Besides, not all torts require causing

³²⁵ C-21/76, *Bier v Mines de Potasse* (1976), *Emphasis added*.

³²⁶ Or the “duality of the linking factors” within Art. 7(2) BRR is used in the meaning that two potential and coexisting possibilities to allocate the competent court are available under this rule: to link the jurisdiction with the place of an infringement or to with the place of harm. See also in: LUNDSTEDT L., (2020) “*AMS Neve and Others* (C-172/18): Looking for a Greater ‘Degree of Consistency’ Between the Special Jurisdiction Rule for EU Trade Marks and National Trade Marks,” *GRUR International*, Volume 69, Issue 4, pp. 355–364, NITSEVICH, N. (2015), *Intellectual property rights infringement...*, *op. cit.* p. 132.

³²⁷ In German wording “Handlungsort” and the place of the damage - “Erfolgsort.”

³²⁸ C-21/76, *Bier v Mines de Potasse* (1976).

³²⁹ C-21/76, *Bier v Mines de Potasse* (1976).

³³⁰ For instance, as an equivalent to the concept of the “substantive damage” in European Max Planck Group on Conflict of Laws in Intellectual Property (2013), *Conflict of Laws in Intellectual Property: The CLIP Principles and Commentary*, Oxford, Oxford University Press, pp.560, and the notion of the “centre of victim’s interest” from Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011).

³³¹ C-21/76, *Bier v Mines de Potasse* (1976), the Government of the French Republic, Written observations.

³³² SLOVÁKOVÁ Z. (2006), “Protection of trademarks...,” *op. cit.*, p.72. The so-called principle of ubiquity was argued to justify this.

³³³ Opinion of Advocate General Capotorti in C-21/76, *Bier v Mines de Potasse* (1976).

³³⁴ NITSEVICH, N. (2015), *Intellectual property rights infringement...*, *op. cit.*

³³⁵ The reason given by the CJEU for the dual jurisdictional factors is that the “place of the event giving rise to the damage” often coincides with the place of the defendant’s domicile at Art. 4(1) BRR. Further case law study will illustrate that this linking factor actually often coincide with the defendant seat. See more in the next Chapter and in Part B.

³³⁶ MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online: In Search of Balanced Private International Law Rules,” 6 (2015) *JIPITEC* 132 *para* 1, pp. 132-145, p. 136.

damages. In particular, for the intellectual property field, there may be a tort if the exclusive right is simply infringed and there is no need to prove the factual occurrence of harm.³³⁷ The damage was argued to serve “[...] a separate factor that can give rise to jurisdiction.”³³⁸

The doubts concerning the rationale behind such *double* linking factors are understandable. The places where damage may arise are unknown more often than not.³³⁹ “The place of the event giving rise to the damage” alone would provide more legal certainty to defendants. Nevertheless, the Court took an approach of balancing the principles of predictability and flexibility, aiming to meet the legitimate expectations for both parties in the litigation.³⁴⁰ The ruling in *Bier* also attributed importance to the damage caused by a tort and³⁴¹ arguably, since that time, the Court took the direction of an extensive interpretation of this special jurisdiction provision, while adapting it to new demanding circumstances. The *double* linking factors at Art. 7(2) BRR have been transported to cases, concerning different types of torts. The concept of “the place of the harmful event” had been interpreted for personality rights torts and infringement of intellectual property rights. *Bier* has been applying to a potentially large number of cases³⁴² and is followed in subsequent case law.

3.3.2. The element “may occur”

The wording of the special jurisdiction rule has been changing together with the development of the Brussels Regime. In particular, Art. 5(3) Brussels Convention 1968 referred to: “[...] matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred.” The Brussels Regulation 44/2001 brought relevant changes to this rule by adding the phrase: “[...] or may occur” and Art. 5(3) Brussels Regulation 44/2001 covered: “[...] matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred or may occur.” Such wording was left unchanged within Art. 7(2) Brussels Regulation 1215/2012, also including the element of “may occur.”

At the time when the Brussels Convention 1968 was in force, it was not clear if Article 5(3) presupposes the existence of the damage. And only after the adoption of a new version in Brussels Regulation 44/2001,³⁴³ the scope of Art. 5(3) was extended to cover an action to

³³⁷ For example, TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...”, *op. cit.*, p.7; KUR A. (2018), “Abolishing Infringement Jurisdiction for EU Marks? – The *Perfume Marks* Decision by the German Federal Court of Justice,” *IIC - International Review of Intellectual Property and Competition Law*, Volume 49, Issue 4, pp. 452–465.

³³⁸ TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...”, *op. cit.*, p.20; European Max Planck Group on *Conflict of Laws in Intellectual Property...*, *op. cit.*, p. 82.

³³⁹ As was pointed, for example, in: TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...”, *op. cit.*; LUTZI T. (2017), “Internet cases...”, *op. cit.*; ROSATI E. (2017), “International jurisdiction in online EU trade mark infringement cases: where is the place of infringement located?” *European Intellectual Property Review*, n°8 - vol. 38, pp. 482-491; XALABARDER R. (2002), “Copyright: Choice of Law and Jurisdiction in the Digital Age,” *Annual Survey of International & Comparative Law*, Volume 8, Issue 1, pp. 79-96.

³⁴⁰ It was mentioned by SVANTESSON D. J. B., stating that jurisdictional rules should be effective and simple (in a sense of predictability), neutral (in a language context) and abuse-resistant. See more in: ³⁴⁰ As it was admitted, for example, at SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p.80.

³⁴¹ Indeed, PIL usually does give more importance to the damage than to the infringing activity itself. Also, later, rulings in C-68/93, *Shevill v Press Alliance SA* (1995) and Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011) also focus on the damage linking factor. See more to this in Part B about differences in PIL and IP approaches.

³⁴² See also, for example, SAVIN A. (2016), “Jurisdiction Over Cybertorts ...”, *op. cit.*

³⁴³ Often uncertain and unpredictable place of the damage was criticised, advocating its exclusion from the IP field, for example, in: METZGER A. (2009), *Jurisdiction, intellectual Property...*, *op. cit.*; KUR A. (2018),

prevent a threatened wrong. Noteworthy that after Brussels Regulation 44/2001 came into force, Article 5(3) Brussels Convention 1968 was interpreted by the CJEU in *Henkel*³⁴⁴ and also resulted in the interpretation that does not presuppose the existence of damage.

In particular, it was concluded that the Brussels Regulation 44/2001

[...] clarified the wording of Article 5(3) of the Brussels Convention that the new version of that provision resulting from that regulation refers to 'the place where the harmful event occurred or may occur'. In the absence of any reason for interpreting the two provisions in question differently, consistency requires that Article 5(3) of the Brussels Convention be given a scope identical to that of the equivalent provision of Regulation No 44/2001.³⁴⁵

In *Henkel*, Verein für Konsumenteninformation (hereinafter the VK) (Austria) sued Henkel (Germany) because of terms in contracts concluded with Austrian consumers that the VK considered unfair. An injunction against Henkel was claimed by the VK to prevent consumers from using the contested terms. On the other side, Henkel claimed that the Austrian courts had no jurisdiction and there was neither harmful behaviour nor any damage suffered within the territorial jurisdiction of the court seized.

The question raised whether a precautionary action (which by its very nature may be brought before any damage occurs) may fall within the scope of Art. 5(3) Brussels Convention 1968. Precisely, would this provision appear to presuppose the existence of damage?

With a reference to previous case law,³⁴⁶ the CJEU interpreted that Art. 5(3) Brussels Convention 1968 applies equally to claims seeking to prevent damage and to claims seeking compensation for the damage that has already occurred. The reasoning was based on a consideration that such courts are usually the most appropriate to decide the case. It was justified on the grounds of proximity and collection of evidence.³⁴⁷

The applicability of Art. 5(3) Brussels Convention 1968 should not depend on the actual occurrence of damage. The Court concluded that it would be inconsistent to require that an action to prevent a behaviour considered to be unlawful (aiming precisely in preventing the damages), may be brought only after that damage has occurred.³⁴⁸ Otherwise, there would be a *paradoxical* result whereby “[...] the most proficient and efficient way to deal with torts would be impeded and limited.”³⁴⁹ Therefore, the concept of the "place where the harmful event occurred" within the meaning of this special jurisdiction provision was enlarged, covering also precautionary actions.

“Abolishing Infringement Jurisdiction...,” *op.cit.*; KUR A. (2015), “Enforcement of unitary intellectual property rights: international jurisdiction and applicable law,” *JiPLP* 10, pp. 468–480.

³⁴⁴ CJEU, C-167/00, *Verein für Konsumenteninformation v Karl Heinz Henkel*, 1 Octobre 2002 (ECLI:EU:C:2002:555).

³⁴⁵ C-167/00, *Henkel* (2002), paragraph 49.

³⁴⁶ C-21/76, *Bier v Mines de Potasse* (1976), paragraphs 11 and 17; C-68/93, *Shevill v Press Alliance SA* (1995), paragraph 19; CJEU, C-220/88, *Dumez France and Tracoba*, 11 January 1990 (ECLI:EU:C:1990:8), paragraph 17.

³⁴⁷ C-167/00, *Henkel* (2002), paragraph 46.

³⁴⁸ C-167/00, *Henkel* (2002).

³⁴⁹ SAVIN A. (2016), “Jurisdiction Over Cybertorts ...,” *op. cit.*

3.3.3. The concept of matters related to tort, delict or quasi-delict”

Further, the CJEU examined the meaning of the concept of “matters related to tort, delict or quasi-delict” and provided a more consistent interpretation of Art. 7(2) Brussels Regulation 1215/2012.³⁵⁰ The independent nature of this concept was emphasised in *Kalfelis*.³⁵¹

In this case, the plaintiff domiciled in Germany brought an action in Germany against a German bank and the bank established in Luxembourg, claiming payment for the loss in various stock market transactions. The bank established in Luxembourg challenged the jurisdiction of the German court.

The CJEU established three basic requirements for a tort claim. In particular, a “tort” for the purpose of Art. 5(3) Brussels Convention 1968 was defined as “an autonomous independent concept” which establishes the “liability of the defendant” and must not be a “matter relating to a contract” (within the meaning of Art. 5(1) Brussels Convention 1968).

According to the CJEU, “[...] a court that has jurisdiction under Article 5(3) over an action insofar as it is based on tort or delict does not have jurisdiction over that action insofar as it is not so based.”³⁵² This means that the element “matters related to tort, delict or quasi-delict” was defined as an “independent” construction covering all legal actions seeking to establish liability of a defendant.³⁵³

Under this extensive interpretation, Art. 5(3) Brussels Convention 1968 (now Art. 7(2) BRR) was argued to cover a wide range of claims.³⁵⁴ Virtually any action which seeks compensation for damage resulting from a breach of a legal obligation (other than arising from a contractual relationship between the parties) should be considered as falling within this special jurisdiction provision.

3.3.4. The definitions of the damage” and damages”

As it was mentioned above, the notion of “damage” will be used in the current thesis in the sense of harm or injury. By contrast, the notion of the “damages” will have a meaning of “[...] money that is paid to someone by a person or organization who has been responsible for causing them some injury or loss.”³⁵⁵

On the one hand, the term “damage” is defined as a loss, or harm resulting from an injury to a person, property or reputation. The term “damages,” on the other hand, refers to compensation (such as a monetary judgment) provided to a person who has suffered a loss or harm due to someone’s unlawful act or omission. The person at fault must compensate (or pay) the injured party for his or her losses, i.e. he must pay “[...] damages for the damage he caused.”³⁵⁶ Accordingly, the concepts of “overall damages” and “EU-wide damages” refer

³⁵⁰ That time, in the version of Art. 5(3) Brussels Convention 1968.

³⁵¹ CJEU, C-189/87, *Athanasios Kalfelis v Bankhaus Schröder, Münchmeyer, Hengst and Co. and others*, 27 September 1988 (ECLI:EU:C:1988:459).

³⁵² NITSEVICH, N. (2015), *Intellectual property rights infringement...*, *op. cit.* C-189/87, *Kalfelis v Schröder and Others* (1988), paragraphs 16-18.

³⁵³ C-189/87, *Kalfelis v Schröder and Others* (1988).

³⁵⁴ METZGER A. (2009), *Jurisdiction, intellectual Property...*, *op. cit.*, p. 254.

³⁵⁵ See, for instance, at: <https://dictionary.cambridge.org/es/diccionario/ingles/damage>.

³⁵⁶ See, for example, at: https://law.freeadvice.com/litigation/legal_remedies/damages-legal-definition.htm.

to compensation for all the harm caused by the infringement in several EU Member States.³⁵⁷

In *Bier*, the linking factor of “the place where the damage occurred” is used in a sense of loss or injury to a person or property.³⁵⁸ Also, in *Shevill*, the notion of “damage” was applied in the context of “[...] physical or pecuniary loss or damage” and “[...] injury to the reputation and good name of a natural or legal person due to a defamatory publication.”³⁵⁹

The notion of “damages” (as money claimed by, or ordered to be paid to, a person as compensation for loss or injury) was not used by the Court.

Mentioned considerations allow us to distinguish the following characteristics of the concept of “damage” within the meaning of Art. 7(2) BRR.

First, allocating jurisdiction at the place of the damage depends heavily on the nature of the economic loss. With particular reference to the CJEU ruling in *Dumez*,³⁶⁰ Art. 7(2) BRR (at that time - Art. 5(3) Brussels Convention 1968) was interpreted in relation to the harm suffered by a parent company through financial losses sustained by a subsidiary.

Dumez Bâtiment and *Tracoba* considered that they had suffered a financial loss for which the banks were responsible. They commenced proceedings against the banks on the basis of Art. 5(3) Brussels Convention 1968. However, the CJEU concluded that this rule cannot be interpreted as

[...] permitting a plaintiff pleading damages which he claims to be the consequence of the harm suffered by other persons who were direct victims of the harmful act to bring proceedings against the perpetrator of that act in the courts of the place in which he himself ascertained the damage to his assets.³⁶¹

By stating this and aiming for the sound administration of justice, the Court confirmed once again (after *Bier* and *Shevill*) the need for a close connecting factor between the dispute and the court.³⁶² Only “initial damage” was decided to be relevant for the purpose of this provision, as opposed to resulting in an economic loss. Jurisdiction under this rule should amount to “[...] the place where the causal event directly produces its harmful effects upon the person who is the immediate victim of that event.”³⁶³ Hence, the Court followed its previous interpretations in *Bier* and *Shevill* that also referred exclusively to direct harm.

Second, the provision of Art. 5(3) Brussels Convention 1968 was further interpreted in the context excluding from its scope financial damage following upon initial damage. In *Marinari*,³⁶⁴ the plaintiff contended that the expression of the “damage occurred” relates not

³⁵⁷ See, for instance, OTCHENASH M. (2017), “Allocating jurisdiction and applicable law after GDPR: the perspective of overall damages’ claims,” *Actas del 130 Congreso Internacional Internet, Derecho y Política*, UOC, BARCELONA, pp. 323-341; also, mentioned above in the terminology.

³⁵⁸ C-21/76, *Bier v Mines de Potasse* (1976), paragraph 24: “[...] the expression 'place where the harmful event occurred' in Article 5(3) of the Convention must be understood as being intended to cover both the place where the damage occurred and the place of the event giving rise to it [...].”

³⁵⁹ C-68/93, *Shevill v Press Alliance SA* (1995), paragraph 23.

³⁶⁰ C-220/88, *Dumez France and Tracoba* (1990).

³⁶¹ C-220/88, *Dumez France and Tracoba* (1990), paragraphs 5 and 15.

³⁶² See also, paragraph 27 of Opinion of Advocate General Darmon, 14 July 1994, in C-68/93, *Shevill v Press Alliance SA* (1995).

³⁶³ C-220/88, *Dumez France and Tracoba* (1990), paragraphs 5, 15.

³⁶⁴ CJEU, C-364/93, *Marinari y Lloyds Bank and Another*, 19 September 1995 (ECLI:EU:C:1995:289).

only to the physical result but also to the damage in the legal sense, such as a decrease in a person's assets. It was claimed that the harmful effects alleged by the plaintiff must be direct, and not indirect.

Mr. Marinari was domiciled in Italy and Lloyds Bank had a registered office in London. He sued Lloyds Bank in the Tribunale di Pisa, seeking compensation for the damage caused by the conduct of its staff as a result of his arrest, breach of several contracts and damage to his reputation. Lloyds Bank objected stating that the Italian court lacked jurisdiction. The Bank argued that the damage had occurred in England.

With the reference to *Dumez*,³⁶⁵ the CJEU concluded that the term:

[...] the “place where the harmful event occurred” within the meaning of Article 5(3) of the Convention may cover both the place where the damage occurred and the place of the event giving rise to it, that term cannot be construed so extensively as to encompass any place where the adverse consequences can be felt of an event which has already caused damage actually arising elsewhere.³⁶⁶

Consequently, that term cannot be construed as including the place where, as in the present case, the victim claims to have suffered financial damage, following upon initial damage arising and suffered by him in another Contracting State.³⁶⁷

Third, further in *Kronhofer* the expression of the “place where the harmful event occurred” was analysed in the sense of purely financial damage. That question was raised in proceedings brought by Mr. Kronhofer in Austria (as the place of his domicile) against the defendants domiciled in Germany. He claimed to recover damages for financial loss as a result of the wrongful conduct of the defendants as investment consultants.³⁶⁸

The key question was if the “place where the harmful event occurred” also may encompass the place where the injured party is domiciled if the investment was made in another Member State.³⁶⁹

With reference to *Henkel*³⁷⁰ and *Marinary*,³⁷¹ the CJEU held that an extensive interpretation of the term “place where the harmful event occurred” (based on the “place where the victim's assets are concentrated”)³⁷² cannot be accepted. Otherwise, such an approach would “[...] give jurisdiction to the courts of the place in which the claimant was domiciled. As the Court found at paragraph 14 of this judgment, the Convention does not favour that solution except in cases where it expressly so provides.”³⁷³

Therefore, financial damage alone is not enough to locate a court in the place of the claimant's domicile. The expression “place where the harmful event occurred” was

³⁶⁵ C-220/88, *Dumez France and Tracoba* (1990), paragraph 7.

³⁶⁶ C-364/93, *Marinari y Lloyds Bank and Another* (1995), paragraph 14.

³⁶⁷ C-364/93, *Marinari y Lloyds Bank and Another* (1995), paragraph 15.

³⁶⁸ CJEU, C-168/02, *Rudolf Kronhofer v Marianne Maier, Christian Möller, Wirich Horiuss, Zeki Karan*, 10 June 2004 (ECLI:EU:C:2004:364).

³⁶⁹ C-168/02, *Kronhofer*, (2004).

³⁷⁰ C-167/00, *Henkel* (2002), paragraph 46.

³⁷¹ C-364/93, *Marinari y Lloyds Bank and Another* (1995), paragraph 14.

³⁷² C-168/02, *Kronhofer*, (2004), paragraph 19.

³⁷³ C-168/02, *Kronhofer*, (2004), paragraph 20.

concluded, “[...] not to refer to the place where the claimant is domiciled or where 'his assets are concentrated' by reason only of the fact that he has suffered financial damage there resulting from the loss of part of his assets which arose and was incurred in another Contracting State.”³⁷⁴

Providing more examples of finding the place of financial damage, the commentators also refer to the place where the claimant chose to open a bank account, but the relevance of it for jurisdiction allocation is left open.³⁷⁵ Although the connection to the dispute and the defendant is not always evident at this place, it may be defined as the place of the damage in specific circumstances.

For example, it was suggested³⁷⁶ in *Verein für Konsumenteninformation*³⁷⁷ which is the most recent ruling concerning the concept of the “damage” within Art. 7(2) BRR. The Verein für Konsumenteninformation, an association for consumer information (Austria) brought a claim to the Austrian court against Volkswagen AG, a motor vehicle manufacturer, (Germany). The claimant invoked Art. 7(2) BRR and argued that damage was raised in Austria as vehicles with the misleading software were purchased by Austrian consumers.

The Austrian court referred to the CJEU the question of whether Art. 7(2) BRR allows to bringing the claim to the court of the Member State where those vehicles are purchased (as the place where the damage occurred).³⁷⁸ Following its case law,³⁷⁹ the CJEU concluded that the situation here is distinct from the one in *Kronhofer* because it concerns a defect of vehicles as tangible assets. Consequently, the damage is neither indirect nor purely financial and occurs when such a vehicle is purchased from a third party (in this case, Austria).³⁸⁰

All these interpretations permit us to summarise that in early case law, the CJEU had essentially enlarged the scope of Art. 7(2) BRR. On the one side, the Court followed the very intention of the legislator as soon as no legal description of this provision was given. On the other, the double jurisdictional factors at this provision had brought more questions than answers. The application of this jurisdictional rule in practice will be illustrated in the following chapters.

3.4. Summary

It is undebatable that the rules of special jurisdiction are mainly “location focused.”³⁸¹ In contrast to contractual jurisdiction,³⁸² tort jurisdiction may arise at many more places. For Art. 7(2) BRR the two following locations are determinant: the place where the tort was committed and the place where the damage was suffered. They may result in a variety of locations depending on the type of infringement at stake.³⁸³ These multiple choices had

³⁷⁴ C-168/02, *Kronhofer*, (2004), paragraphs 14, 16.

³⁷⁵ As it was commented, for example, at POESEN M. (2021), “Is specific jurisdiction dead...,” *op. cit.*, p. 6.

³⁷⁶ Opinion of Advocate General Sánchez-Bordona (ECLI:EU:C:2020:253) in C-343/19, *Verein für Konsumenteninformation v Volkswagen*, 9 July 2020 (ECLI:EU:C:2020:253), paras 68–9.

³⁷⁷ C-343/19, *Verein für Konsumenteninformation v Volkswagen*, 9 July 2020 (ECLI:EU:C:2020:534).

³⁷⁸ *Ibid.*, paragraph 21.

³⁷⁹ *Ibid.*, paragraph 26.

³⁸⁰ *Ibid.*, paragraphs 31-35.

³⁸¹ SAVIN A. (2016), “Jurisdiction Over Cybertorts ...,” *op. cit.*, p.6.

³⁸² For instance, the place of performance for the ‘sale of goods’ and the ‘provision of services’ is found in Art. 7(1)(b) Brussels Regulation Recast 1215/2012.

³⁸³ I.e. the place of the establishment of publisher or advertiser, the place of trademark registration, the place of mere online accessibility of infringing content, etc. It will be illustrated in the following chapters.

given the extensive scope of tort jurisdiction which the Court applied also to torts, concerning the infringements of personality rights and intellectual property.

In early-stage case law, the CJEU focused mostly on the description of general concepts of the provision of Art. 5(3) Brussels Convention 1968 (now Art. 7(2) Brussels Regulation Recast 1215/2012), like: “the place where the harmful event occurred,” “may occur,” “matters related to tort, delict or quasi-delict” and “damage.” Further rulings extended the scope of this provision to different areas. In particular, we will see how after the ruling in *Shevill*³⁸⁴ the CJEU’s case law had focused on developing a coherent approach for print media publications, for online violations of personality rights and the claims involving infringements of intellectual property rights. These kinds of torts have conceptually very different treatments at Art. 7(2) BRR.

³⁸⁴ C-68/93, *Shevill v Press Alliance SA* (1995).

4. Chapter IV: Art. 7(2) BRR for online infringements, concerning personality rights

4.1. Introduction

The basic role of the rules on jurisdiction is to define the court which is best placed to decide the case and for the interest of both justice and parties. If more than one forum might be competent, that should not affect the substantive outcome.³⁸⁵

This task however is getting extremely difficult for the disputes concerning personality rights' online torts. Ascertaining the place of damage for online publications is not often a straightforward process. A geographical flow of information has the potential to make competent a variety of possible *fora*.

The current Chapter illustrates to what extent specific features of personality rights' infringements may affect the process of defining the jurisdiction criteria. It will focus on the questions of how the traditional criteria for Art. 7(2) Brussels Regulation Recast 1215/2012 (BRR) apply when it comes to personality rights claims in the online context. How the expression "the place where the harmful event occurred or may occur" should be interpreted in the case of online infringement of personality rights? While describing different scenarios for personality rights torts, it will also elaborate to what extent the Internet may challenge jurisdictional grounds at Art. 7(2) BRR.

As the fundamental criteria were primarily adopted for off-line claims, the chapter starts with off-line scenarios. The chronological approach will allow maintaining consistency while illustrating the transformation and adaptation of the off-line solutions to new demanding circumstances.

Starting with the ruling in *Shevill*, the main attention will be zoomed on online infringements of personality rights, in particular, to what extent the concept and features of tort have been transformed by online communication. Also, the difficulties which the Internet brings to the area of international jurisdiction will be discussed. Following the interpretations in *eDate* and *Bolagsupplysningen*, we will consider how the *Shevill* doctrine has been adapted to new circumstances.

Besides, the Chapter will revise some problematic aspects of the "mosaic" principle and a "mere online accessibility" criterion. It will be questioned if there is any practical sense to

³⁸⁵ See, for example, HARVEY D. (2011), *Internet.law.nz: selected issues*, (third edition), Wellington, N.Z.: LexisNexis, paragraphs 2.2 - 2.7.

benefit from the “mosaic-accessibility” approach³⁸⁶ after adopting the “centre of interests” criterion from the ruling in *eDate*.³⁸⁷ A variety of academic proposals and national case law also claim for a need of more strict jurisdictional criteria.³⁸⁸

As a whole, the Chapter will critically assess the trends which the CJEU has followed. It will focus mainly on the CJEU’s case law which is limited to the EU’s territory. However, when it is justified by the purpose of the research, some relevant examples from the national case law of the EU Member States and of the US will be provided.

4.2. The interpretation of Art. 7(2) BRR in the offline context

The CJEU’s ruling in *Shevill*³⁸⁹ is considered as a landmark decision for the issues of establishing jurisdiction under Art. 7(2) of BRR.

It concerned the publication of a defamatory newspaper article. The claim was brought by Miss Fiona Shevill, a United Kingdom resident, against Presse Alliance SA, a company established in France. The UK plaintiff claimed jurisdiction of the English court to hear an action for all damages for the harm caused by the publication. However, the defendant argued that France-Soir is mainly distributed in France and only the French court should have jurisdiction.

A preliminary ruling was requested on the interpretation of “the place where the harmful event occurred” concerning libel by means of a newspaper article. In particular, whether it concerns:

- (a) the place where the newspaper was printed and put into circulation; or
- (b) the place or places where the newspaper was read by particular individuals; or
- (c) the place or places where the plaintiff has a significant reputation.³⁹⁰

The CJEU followed the approach taken in *Bier* and reaffirmed the application of “double head” jurisdiction,³⁹¹ in particular, by allowing to sue “before the courts of each Contracting State in which the publication was distributed and where the victim claims to have suffered an injury to his reputation” (hereinafter, “the place of the damage”).

The court concluded that

³⁸⁶ See more in the final section of the present Chapter, concerning combination of a “mosaic” principle from CJEU, C-68/93, *Fiona Shevill, Ixora Trading Inc., Chequepoint SARL and Chequepoint International Ltd v Presse Alliance SA*, 07 August 1995 (ECLI:EU:C:1995:61) and “online accessibility” approach, which also first adopted in CJEU, Joined Cases C-509/09, *eDate Advertising GmbH v X* and C-161/10, *Olivier Martinez and Robert Martinez v MGN Limited*, 25 October 2011 (ECLI:EU:C:2011:685).

³⁸⁷ See more to this at the section dedicated to the case law.

³⁸⁸ See, for example, TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property infringement cases in Europe,” *Common Market Law Review*, 53 (6), p. 1625 - 1645, METZGER A. (2009), *Jurisdiction, intellectual Property and Private international law*, Tübingen, Mohr Siebeck, KUR A. (2015), “Enforcement of unitary intellectual property rights: international jurisdiction and applicable law,” *JIPLP* 10(6), pp. 468–480, KUNDA I. (2016), “Jurisdiction for copyright infringements over the Internet,” *Zbornik Hrvatskog drustva za autorsko pravo*, 13-14 (1333-4328), p.75-99.

³⁸⁹ C-68/93, *Shevill* (1995) is may be considered as a ground-breaking to the issues of establishing jurisdiction according to Art. 7(2) of Brussels Regulation Recast 1215/2012.

³⁹⁰ C-68/93, *Shevill* (1995), paragraph 16.

³⁹¹ As it was explained in previous sections, the notion of the “heads of jurisdiction” was used by the CJEU in C-68/93, *Shevill* (1995), paragraphs 20, 22.

[...] to decide in favour only of the place of the event giving rise to the damage would, in an appreciable number of cases, cause confusion between the heads of jurisdiction laid down by Articles 2 and 5(3) of the Convention, so that the latter provision would, to that extent, lose its effectiveness.³⁹²

As a result, the expression “place where the harmful event occurred” was interpreted as meaning that

The victim of a libel by a newspaper article distributed in several Contracting States may bring an action for damages against the publisher either before the courts of the Contracting State of the place where the publisher of the defamatory publication is established, which have jurisdiction to award damages for all the harm caused by the defamation, or before the courts of each Contracting State in which the publication was distributed and where the victim claims to have suffered injury to his reputation, which have jurisdiction to rule solely in respect of the harm caused in the State of the court seised.³⁹³

In other words, the “place where the harmful event occurred” could be localised in both places: that of the event giving rise to the damage (as it was called in German legal writing *Handlungsort*) as well as where the damage occurred (*Erfolgsort*).

The *Handlungsort* is the place where the publisher of the newspaper in question is established, since “[...] that is the place where the harmful event originated and from which the libel was issued and put into circulation.”³⁹⁴ The *Erfolgsort* is the place where the publication is distributed, when the victim is known in those places, since that is the place where “[...] the injury caused by a defamatory publication to the honour, reputation and good name of a natural or legal person occurs.”³⁹⁵ Jurisdiction on the basis of the *Erfolgsort* is limited to the damages sustained in that *forum*.

Thus, *Shevill* allowed two alternative *heads of jurisdiction*³⁹⁶ under Art. 7(2) BRR, with the different scope for it. One is the State of the establishment of the publisher, where the victim may bring a claim in respect of damages for all the harm suffered. The other is the State in which the victim is known, where a claim may be brought only in respect of the harm caused in that State. Such a restriction regarding the harm is known as the *mosaic principle*.

The term “mosaic principle” is considered to come from Germany³⁹⁷ and expressly represents European civil law tradition. International legislative proposals, like 2001 The Draft of the Hague Judgement Convention, also adopted this principle.³⁹⁸ Besides, it was argued to influence also case law of the UK.³⁹⁹

³⁹² C-68/93, *Shevill* (1995), paragraphs 20-22.

³⁹³ C-68/93, *Shevill* (1995), paragraph 33.

³⁹⁴ C-68/93, *Shevill* (1995), paragraph 29.

³⁹⁵ *Ibid.*

³⁹⁶ C-68/93, *Shevill* (1995), paragraphs 20, 22.

³⁹⁷ As it was described in C-68/93, *Shevill* (1995).

³⁹⁸ As it was commented on 2001 The Draft of the Hague Judgement Convention, for instance, by KONO T. (2012), *Intellectual Property and Private International Law (Comparative Perspectives)*, (ed.), Oxford-Portland: Hart Publishing.

³⁹⁹ For example, in SVANTESSON D. J. B. (2012), *Private international law and the Internet*, Second edition, Kluwer Law International, p. 584, p. 15-16, where Private International Law Act (1995) of the United Kingdom was analysed in a sense of codification of conflict of laws rules and by European civil law in general.

4.2.1. The rationale of the *Shevill* doctrine

Shevill provides an applicant with an important strategic choice: he may either (1) bring claims before the court of the place where the publisher is established, and seek overall relief, or (2) benefit from the privilege of suing locally, however restricting the claim to the damage suffered within that forum.

As we may see, the interpretation of Art. 7(2) BRR from *Bier* was transported to *Shevill*. Primarily the ruling in *Bier* considered this provision in a situation where the “place of the event giving rise to the damage” and the “place where the damage occurs” were not the same.⁴⁰⁰

Hence, in both rulings the CJEU came up with a *double head* of jurisdiction by interpreting the expression “the place where the harmful event occurred” (as encompassing both the place where the damage occurred and the place of the event giving rise to it).⁴⁰¹ Here, a “particular close connecting factor between a dispute and the court” was deemed to be relevant.

Also, in the ruling in *Dumez*,⁴⁰² the situation of so-called *ricochet* damage was examined, continuing the approach of a “close connecting factor.” The CJEU concluded that Art. 7(2) BRR does not permit a plaintiff to bring proceedings in the courts of the place in which the plaintiff ascertained the damage to his assets when the damage is the consequence of the harm suffered by other persons (as direct victims).⁴⁰³

In the ruling in *Shevill*, a key issue (regarding Art. 7(2) BRR) was to ascertain the place in which the damage occurred and the scope of jurisdiction for it. The CJEU came up with a definition for both the place where the damage occurred and of that of the event giving rise to it. This solution was concluded “[...] to reflect the purpose of the Convention, which is to allocate disputes consistently, and thus in accordance with an independent criterion, amongst the courts of the Contracting States.”⁴⁰⁴

On one side, the *Shevill* interpretation prevents special jurisdiction at Art. 7(2) BRR from becoming equivalent to the general jurisdiction of the defendant’s domicile (Art. 4 BRR). The courts are best qualified to assess the damage arising in their locality, when “[...] the ‘particularly close connecting factor’ between the court seised and the dispute is undeniable.”⁴⁰⁵

On the other side, *Shevill* may strike a balance between the interests of the publisher and the alleged victim. In particular, the reconciliation of the competing fundamental rights is largely based on the distribution of the publication. By distributing the publication in a specific

⁴⁰⁰ As it was called, for example, in paragraphs 14-15 of Opinion of Advocate General Darmon, 14 July 1994 (ECLI:EU:C:1994:303) in CJEU, C-68/93, *Fiona Shevill, Ixora Trading Inc., Chequepoint SARL and Chequepoint International Ltd v Presse Alliance SA*, 07 August 1995 (ECLI:EU:C:1995:61).

⁴⁰¹ CJEU, C-21/76, *Handelskwekerij G. J. Bier BV contra Mines de potasse d’Alsace SA*, 30 October 1976 (ECLI:EU:C:1976:166).

⁴⁰² CJEU, C-220/88, *Dumez France and Tracoba*, 11 January 1990 (ECLI:EU:C:1990:8).

⁴⁰³ C-220/88, *Dumez France and Tracoba* (1990), paragraph 15.

⁴⁰⁴ C-68/93, Opinion of Advocate General Darmon in *Shevill* (1994), paragraphs 24-25.

⁴⁰⁵ Paragraph 38 of Opinion of AG Cruz Villalón, 25 of March 2011 (ECLI:EU:C:2011:192) in CJEU, Joined Cases C-509/09, *eDate Advertising GmbH v X* and C-161/10, *Olivier Martinez and Robert Martinez v MGN Limited*, 25 October 2011 (ECLI:EU:C:2011:685).

Member State, the publisher may reasonably foresee the jurisdiction of the courts of that Member State.

The mosaic principle or “mosaic theory”⁴⁰⁶ was designed to address questions for torts giving rise to damage in several states. It was primarily developed for print media publications, but since extended to online publications⁴⁰⁷ and applied to online personal rights infringements, as well as intellectual property torts.⁴⁰⁸ Nevertheless, the effectiveness of approaches adopted by the CJEU has been under debate in academic circles.⁴⁰⁹

4.2.2. The place of the event giving rise to the damage” (the first jurisdictional head at Art. 7(2) BRR)⁴¹⁰

To examine the very spirit of Art. 7(2) BRR, we should come back to the fundamentals and follow the development of its interpretation. According to *Shevill*, the first “jurisdictional head” of this rule may be localised at “the place of the event giving rise to the damage” (*locus delicti*). As to our concern, two main aspects of this phenomenon may be relevant: the location of this event and the scope of jurisdiction.

Indeed, the “place of the event giving rise to the damage” becomes relevant when it is located neither in the state where the defendant has his domicile (Art. 4 BRR)⁴¹¹ nor in the state where the damage was suffered.⁴¹² For example, it may amount to (a) the place of the establishment of the publisher, or (b) to the place where the harmful event originated, or (c) to the place from which the material was issued and put into circulation, or (d) to the place where it was uploaded to the server.⁴¹³ Indeed, the demarcation line between all these places is rather blurring.

The CJEU stated in *Shevill* that

In the case of a libel by a newspaper article distributed in several Contracting States, the place of the event giving rise to the damage, within the meaning of those judgments, can only be the place where the publisher of the newspaper in question is established **since that** is the place where the harmful event originated and from which the libel was issued and put into circulation.⁴¹⁴

⁴⁰⁶ As it was described, for example, at SAVIN A. (2016), “Jurisdiction Over Cybertorts in the EU – A Coherent Picture?”, T. Várady (Ed.), *Liber amicorum: Gašo Knežević*, Faculty of Law, University of Belgrade, p. 1-22.

⁴⁰⁷ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011).

⁴⁰⁸ The concept of “online tort” and the typology will be described in the next section.

⁴⁰⁹ For example, the critique of the *Shevill* doctrine is available further in the present chapter and, also, in Joined Cases C-509/09, and C-161/10, Opinion of Advocate General Cruz Villalón in *eDate Advertising and Others*, (2011), paragraph 38.

⁴¹⁰ Here, I use the terminology of the CJEU when calling this place as a “head” of jurisdiction (see *Shevill*, paragraph 20, 22).

⁴¹¹ CJEU, C-21/76, *Handelskwekerij G. J. Bier BV contra Mines de potasse d'Alsace SA*, 30 October 1976 (ECLI:EU:C:1976:166), paragraphs 20-23.

⁴¹² For instance, MAGNUS U., MANKOWSKI P., (2012), *Brussels I Regulation: Second Revised Edition (European Commentaries on Private International Law)*, Sellier european law publishers, p. 1000.

⁴¹³ NITSEVICH N. (2015), *Intellectual property rights infringement on the internet: an analysis of the private international law implications*, Unpublished Doctoral thesis, City, University of London, p. 15.

⁴¹⁴ C-68/93, *Shevill* (1995), paragraph 24, “emphasis added.”

Thus, to identify the “place where the harmful event occurred or may occur,” the CJEU made a reference to “[...] the place where the person who has committed the wrongful act is established,” as well as to “[...] the place where the harmful event originated and from which the libel was issued and put into circulation.”⁴¹⁵

One may argue that the main factor was the interpretation of the place “from which the libel was issued and put into circulation.” Advocate General Darmon preferred to identify it as “the place of publication,”⁴¹⁶ and not as the place of the establishment of the defendant. Further, this approach was also supported by Advocate General Léger, by defining the “place of the harmful event” as the place where the publication was printed.⁴¹⁷

By contrast, in further interpretations⁴¹⁸ after *Shevill*, the Court did not consider the place where the newspaper was physically printed as the place where the “event giving rise to damage” occurred. As Advocate General Bobek put it “[...] instead, the Court zoomed in on the domicile of the publisher,”⁴¹⁹ because “[...] logically, the defendant is most likely to release and also to control the information from where he or it is domiciled. This is also the place where legal enforcement can be carried out to correct or delete harmful online content.”⁴²⁰

Precisely, Advocate General Bobek suggested that the “event giving rise to damage” “[...] is concerned with the location of the person(s) controlling the information, not about where the physical/or virtual substrate of the information was effectively created.”⁴²¹ Therefore, “[...] the key is who can access the content, meaning whoever is normally in charge of publishing and altering the content of the online information.”⁴²² These mean that the control over the information may become a key factor when interpreting the “event giving rise to the damage.”

At the same time, not only the location of a court under Art. 7(2) BRR should be relevant, but also the scope of jurisdiction which the court at this place may have. A possibility to try the whole case, including damages occurring in different EU Member States, would make this provision an attractive alternative to general jurisdiction rule (at the domicile of the defendant, according to Art. 4(1) BRR).⁴²³ In other words, the “event giving rise to the damage” is getting importance in a sense of possibility to have so-called *full* jurisdiction.

One may wonder if in *Shevill* the *full* scope of jurisdiction to hear the action for all the damage was granted because “the event giving rise to the damage” was the same as the

⁴¹⁵ *Ibid.*

⁴¹⁶ C-68/93, *Shevill* (1995), paragraph 70.

⁴¹⁷ Paragraph 11 of Opinion of Advocate General Léger, 10 January 1995 (ECLI:EU:C:1995:1) in CJEU, C-68/93, *Fiona Shevill, Ixora Trading Inc., Chequepoint SARL and Chequepoint International Ltd v Presse Alliance SA*, 07 August 1995 (ECLI:EU:C:1995:61).

⁴¹⁸ Opinion of Advocate General Bobek, 13 July 2017 (ECLI:EU:C:2017:554) in CJEU, C-194/16, *Bolagsupplysningen OÜ Ingrid Ilsjan v Svensk Handel*, 17 October 2017 (ECLI:EU:C:2017:766), paragraphs 93, 94.

⁴¹⁹ C-194/16, Opinion of Advocate General Bobek in *Bolagsupplysningen and Ilsjan*, (2017), paragraph 94.

⁴²⁰ C-194/16, Opinion of Advocate General Bobek in *Bolagsupplysningen and Ilsjan*, (2017), paragraph 93.

⁴²¹ C-194/16, Opinion of Advocate General Bobek in *Bolagsupplysningen and Ilsjan*, (2017), paragraph 94.

⁴²² *Ibid.*

⁴²³ As it was commented, for instance, in MAUNSBACH U., LINDSKOUG P. (2010), *Jurisdiction and Internet in Relation to Commercial Law Disputes in a European Context*, in *Scandinavian Studies in Law*, Vol 56, Stockholm Institute for Scandinavian Law, p. 304-330.

establishment of the publisher.⁴²⁴ In other words, because jurisdiction at this place is identical to the defendant's domicile forum at Art. 4(1) BRR. On the one side, both courts were concluded to become two central *fora* having unlimited or *full* jurisdictional scope.⁴²⁵ On the other side, it is not undebatable.

To identify the location of the "event giving rise to the damage," the CJEU stated that:

24. In the case of a libel by a newspaper article distributed in several Contracting States, the place of the event giving rise to the damage, within the meaning of those judgments, can only be the place where the publisher of the newspaper in question is established, since that is the place where the harmful event originated and from which the libel was issued and put into circulation.⁴²⁶

25. The court of the place where the publisher of the defamatory publication is established **must therefore** have jurisdiction to hear the action for damages for all the harm caused by the unlawful act.⁴²⁷

The CJEU did not make it clear whether the scope of jurisdiction to hear the action for all the damage is granted because the place of the "event giving rise to the damage" was the same as the establishment of the publisher, or these locations were identical only by coincidence⁴²⁸ and the main factor was the fact that it was the place "[...]" from which the libel was issued and put into circulation."⁴²⁹

An analysis of Advocate General Darmon's suggestions allows to argue that the CJEU actually focused on the interpretation of the place "[...]" from which the libel was issued and put into circulation."⁴³⁰

In his Opinion Advocate General Darmon concluded that the courts "[...]" of the place of the causal event are competent in respect of the whole of the damage which has arisen **since all such damage originates from the unlawful act.**⁴³¹ This may mean that the unlimited scope of jurisdiction for the courts at the place of the "event giving rise to the damage" was established because damages originated from that place, and not because that forum coincided with the defendant's domicile. Otherwise, in the absence of mentioned coincidence, unlimited jurisdictional scope would not apply. Moreover, Art. 7(2) BRR would be devalued by the defendant's domicile rule, and would not constitute a separate effective ground for jurisdiction.

⁴²⁴ See, for instance, ENGELEN D. (2010), "Jurisdiction and Applicable Law in Matters of Intellectual Property: National Report - The Netherlands". *Conference Paper*, KUR A. (2013), *The CLIP Principles and Commentary, Conflict of Laws in Intellectual Property*, Oxford, OUP, point 2:203.C10; European Max Planck Group on Conflict of Laws in Intellectual Property (2011), *Conflict of Laws in Intellectual Property (CLIP), Principles Governing Jurisdiction, Choice of Laws in Intellectual Property*, IPRax, p.90.

⁴²⁵ C-68/93, Opinion of Advocate General Darmon in *Shevill* (1994), paragraph 66.

⁴²⁶ C-68/93, *Shevill* (1995), paragraph 24.

⁴²⁷ C-68/93, *Shevill* (1995), paragraph 25, "emphasis added."

⁴²⁸ ENGELEN D. (2010), "Jurisdiction and Applicable Law...", *op.cit.*, MAUNSBACH U., LINDSKOUG P. (2010), *Jurisdiction and Internet in Relation to Commercial Law...*, *op.cit.*

⁴²⁹ C-68/93, *Shevill* (1995). also, European Max Planck Group on Conflict of Laws in Intellectual Property (2011), *Conflict of Laws in...*, *op.cit.*

⁴³⁰ ENGELEN D. (2010), "Jurisdiction and Applicable Law...", *op.cit.*

⁴³¹ C-68/93, Opinion of Advocate General Darmon in *Shevill* (1994), paragraphs 24-25, "emphasis added."

In fact, there is a variety of approaches regarding the scope of jurisdiction for the courts in the place of “the event giving rise to the damage” in the literature. One approach follows the argument that this place coincided only *occasionally* with the place where the publisher of the newspaper was established.⁴³² The origin of the infringer’s actions is viewed here as the key.⁴³³ Accordingly, the *Shevill*’s doctrine should consider full jurisdictional scope at the *fora* where the publication originated.⁴³⁴

Another approach advocates for the traditional possibility of claiming the damage occurring in different states only in a court whose jurisdiction is based upon the domicile of the defendant (according to Art. 4(1) BRR).⁴³⁵ In particular, it has been argued that the scope of jurisdiction for both places, i.e., of “the event giving rise to the damage” and where “the damage occurred,” should be limited.⁴³⁶

At the same time, there is an approach that supports abolishing the place of “the event giving rise to the damage” as soon as it would coincide with the Art. 4 BRR.⁴³⁷ This means that in the situation where it corresponds with the defendant’s domicile, Article 7 (2) BRR would only allocate jurisdiction to “the place where the damage occurred.”

As we may see, in *Shevill* the CJEU did not make these issues clear. The interpretation of “the place where the event giving rise to the damage occurred” may amount to the defendant’s establishment or domicile, or to the location of an act of an infringement. Thus, this *head* of jurisdiction is not easy to apply in the absence of agreement on its location and the scope of jurisdiction for courts there.⁴³⁸

From this perspective, it may be concluded that an identification of the clear scope of jurisdiction at “the place where the event giving rise to the damage occurred” has been left open for further interpretations. Anyway, the importance of rulings in *Bier* and *Shevill* cannot be overlooked.⁴³⁹ Deciding in favour only of “the place of the event giving rise to the damage” would cause confusion between the jurisdictional grounds, laid down by Articles 4(1) BRR and 7(2) BRR, as the latter provision would, to that extent, lose its effectiveness.⁴⁴⁰ Consequently, the plaintiff should have the option to bring proceedings also to the “place where the damage occurred.”⁴⁴¹

⁴³² For example, MAUNSBACH U., LINDSKOUG P. (2010), *Jurisdiction and Internet in Relation to Commercial Law...*, *op.cit.*

⁴³³ For example, METZGER A. (2009), *Jurisdiction, intellectual Property and Private international law*, Tübingen, Mohr Siebeck.

⁴³⁴ For example, MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online: In Search of Balanced Private International Law Rules,” *JIPITEC*, 132 (6), p. 132-145, p. 138. It is also noted that, this criterion has been applied to intellectual property cases.

⁴³⁵ Explained also at MAUNSBACH U., LINDSKOUG P. (2010), *Jurisdiction and Internet in Relation to Commercial Law...*, *op.cit.*

⁴³⁶ For example, METZGER A. (2009), *Jurisdiction, intellectual Property...*, *op. cit.*, arguing that, for online Intellectual property infringements, both jurisdictional heads - the place where the event giving rise to infringement occurred and the place of where damage occurred -- should have only the limited scope of jurisdiction.

⁴³⁷ NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, LUTZI T. (2017), “Internet cases in EU PIL - Developing a coherent approach,” *International and Comparative Law Quarterly*, p.30, p. 21-30.

⁴³⁸ C-68/93, Opinion of Advocate General Darmon in *Shevill* (1994), paragraph 37.

⁴³⁹ C-161/10, Opinion of Advocate General Cruz Villalón in *eDate Advertising and Others*, (2011), paragraph 34.

⁴⁴⁰ C-21/76, *Bier* (1976), paragraph 20, C-68/93, *Shevill* (1995), paragraph 22.

⁴⁴¹ C-68/93, *Shevill* (1995), paragraph 26.

4.2.3. The place where the damage occurred” (the second jurisdictional head at Art. 7(2) BRR)

As we may see, the approach from *Bier* was extended to cases of non-material damage and infringements of personality rights.⁴⁴² The CJEU interpreted Article 7(2) BRR in the meaning that the victim of a libel by a newspaper article distributed in several Contracting States may bring an action against the publisher also:

[...] before the courts of each Contracting State in which the publication was distributed and where the victim claims to have suffered an injury to his reputation, which have jurisdiction to rule solely in respect of the harm caused in the State of the court seised.⁴⁴³

In other words, in the case of “international libel” through the press, “[...] the injury caused by a defamatory publication to the honour, reputation and good name of a natural or legal person occurs in the places where the publication is distributed, when the victim is known in those places.”⁴⁴⁴

However, the holder of personality rights concerned would be entitled to bring a claim there only in respect of local damage. To overcome this disadvantage, the CJEU held that the plaintiff always has the option of bringing his entire claim before the courts either of the defendant's domicile or of the place where the publisher of the defamatory publication is established.⁴⁴⁵

A debate arose over two main aspects: first, the identification of the place where the non-material damage arose and, second, the scope of jurisdiction for the courts at this place.

4.2.3.1. The place of the non-material damage

There has been an ongoing discussion about the location of the place of the damage (or the harm).⁴⁴⁶ For instance, as it was commented by D. J. B. Svantesson, relying on the place of the damage for establishing jurisdiction is a “seriously flawed approach.”⁴⁴⁷ He concluded that injury of the reputation was ongoing in the light of online information flow and requires a “[...] fictive definition of a location of the damage.” Also, Advocate General Léger⁴⁴⁸ pointed out the “special nature of non-material or non-pecuniary damage,” as it is difficult to identify, assess and compensate.

⁴⁴² C-161/10, Opinion of Advocate General Cruz Villalón in *eDate Advertising and Others*, (2011), paragraph 35.

⁴⁴³ C-68/93, *Shevill* (1995), paragraph 33.

⁴⁴⁴ C-161/10, Opinion of Advocate General Cruz Villalón in *eDate Advertising and Others*, (2011), paragraph 35.

⁴⁴⁵ C-68/93, *Shevill* (1995), paragraph 32.

⁴⁴⁶ See the section in this chapter about the terminology.

⁴⁴⁷ SVANTESSON D. J. B. (2012), *Private international law and the Internet*, Second edition, Kluwer Law International, p. 271.

⁴⁴⁸ Paragraph 9 of C-68/93, Opinion of AG Léger in *Shevill* (1995), also stating that “[...] Significantly, in certain areas of intellectual property law, such as that of trademarks, which also recognizes damage of that kind, international jurisdiction in cases of infringement is determined not according to the damage caused but on the basis of the sole causal event: the act of infringement itself.”

The diversity of the solutions adopted by the internal legal systems of EU Member States also reflects this difficulty. According to the common law tradition, for defamation, the “place of the event giving rise to the damage” has been considered the same as that in which the damage occurred.⁴⁴⁹ Precisely, as it was described by Advocate General Léger, it is the place in which a defamatory document is communicated to a third party:

[...] the communication of defamatory material [...], rather than the editing or printing of the newspaper, is the causal event which, both as a matter of English law, and in fact, immediately damages the victim.⁴⁵⁰

Noteworthy that civil and common law approaches may differ despite the tendency of harmonisation.⁴⁵¹ The English jurisdictional rules are distinct from those adopted in many continental European countries. In particular, questions of jurisdiction frequently tend to overshadow questions of choice of applicable law.⁴⁵² Needless to say, English courts rather easily find their jurisdiction, which makes them famous for so-called “libel tourism.”⁴⁵³ Under English law, courts have taken jurisdiction over defamatory content even if only a few copies of a foreign newspaper are distributed in England.⁴⁵⁴

For example, in *Berezovsky v Michaels*,⁴⁵⁵ a Russian businessman (Mr. Berezovsky) sued a US magazine (Forbes) in England on the basis of a few copies which had been distributed in England. The magazine had a circulation of 785,000 copies in the US, 13 in Russia and around 2,000 in England. The House of Lords decided that the plaintiffs had reputations in England and that there had been a significant distribution of the defamatory material in England. According to the court, England was the appropriate forum to hear the action as the tort had been committed in England through the distribution of the magazine.⁴⁵⁶

As it was described, for instance, by D. J. B. Svantesson,⁴⁵⁷ the place of the damage was once rejected by English law as “wrong theory,” but further adopted. The traditional grounds for jurisdiction in common law are (i) the presence of a party (including also temporal visiting, like vocations, etc.); (ii) submission (when defendant is submitting jurisdiction of the court on voluntary basis); and (iii) Statutory grounds (Order 11, which adopted a rather high threshold and imposes the burden of proof with the plaintiff).⁴⁵⁸

⁴⁴⁹ C-68/93, Opinion of AG Léger in *Shevill*, (1995), paragraph 31.

⁴⁵⁰ *Ibid.*

⁴⁵¹ See, for example, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, NITSEVICH N. (2015), *Intellectual property rights...*, *op. cit.*

⁴⁵² DICEY, MORRIS and COLLINS (2006), *The conflict of laws*, Sweet & Maxwell, 14th Edition, p.1950, p. 4 and 10.

⁴⁵³ It was commented, for instance, by D. HUTCHEON on “libel tourism” as a “[...] meaning the practice of opportunistic litigants (often with very limited connections to England and Wales) using English courts to bring defamation claims with much stronger connections to other jurisdictions[...].” by HUTCHEON D. (2017), “Online Publication Claims: Foreign defendants and section 9 of the Defamation Act 2013,” *Inform’s blog, online publication*.

⁴⁵⁴ NITSEVICH N. (2015), *Intellectual property rights...*, *op. cit.*

⁴⁵⁵ The United Kingdom, House of Lords, *Berezovsky v. Michaels and Others Glouchkov v. Michaels and Others* [2000] UKHL 25, [2000] 2 All ER 986, [2000] 1 WLR 1004, 11th May 2000.

⁴⁵⁶ House of Lords, *Berezovsky v. Michaels and Others* (2000).

⁴⁵⁷ As it was commented, for example, by D. J. B. Svantesson, in relation to online publications, the place of publication is considered as the place of download, see more at SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 93 -104.

⁴⁵⁸ As it was illustrated, for instance, by D. J. B. Svantesson, at SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 93 - 104, The Civil Procedure Rules of the United Kingdom, UK Statutory Instruments, 1998 No. 3132 (L. 17).

Accordingly, a civil law tradition has a broader spectrum of facts to cover foreign defendants. The demarcation line between the rules of general and special jurisdiction is rather clear.⁴⁵⁹

For instance, according to German Code of Civil Procedure, “[...] for complaints arising from tort, the court in the jurisdiction of which the tortious act was committed shall have jurisdiction.”⁴⁶⁰ The German court’s jurisdiction for torts may be found solely on the plaintiff’s allegations,⁴⁶¹ however, it might be rather easily refused if the tort does not meet the substantive law requirements.⁴⁶² As it was commented, for example, by C. Dryander, “[...] the place where an act was committed includes both the place of the act and the place of damage,” and the place of the damage has been considered in a sense where the violation of protected interests occurred.⁴⁶³

One may agree that the differences between common and civil law traditions become less sensitive.⁴⁶⁴ As we may see, the *Shevill* finally adopted the criteria of “the place where the harmful event originated and from which the libel was issued and put into circulation,” the place of distribution and the place of damage to reputation. Therefore, both proposals of Advocate General Darmon and Advocate General Léger were followed by the CJEU, when accepting the place where the victim is known as a relevant factor. However, the question of ascertaining the place of non-material damage was not elaborated further.

4.2.3.2. *The comparison of the “full” and “limited” scope of jurisdiction*⁴⁶⁵

Similar to the issue of a location of the place of damage, a variety of national approaches to the question of the jurisdictional scope have been described.⁴⁶⁶

For instance, under the German national legal system, any court, whatever the basis of its jurisdiction, may order compensation for the whole of the damage.⁴⁶⁷ This means that full scope of international jurisdiction is vested in the courts of the place of publication (as the “place of the event giving rise to the damage”) and in the courts of the place of distribution (as the “place where the damage occurred”).

⁴⁵⁹ It was concluded, for example, by T. Kono, when analysing the Draft of the Hague Judgement Convention, 2001, KONO T. (2012), *Intellectual Property and Private International Law (Comparative Perspectives)*, (ed.), Oxford-Portland: Hart Publishing.

⁴⁶⁰ German Code of Civil Procedure, Bundesgesetzblatt, BGBl., 5 December 2005, last amended 10 October 2013, Federal Law Gazette, I page 3786.

⁴⁶¹ German RB 10:1 and ZPO paragraphs 7 and 13 (jurisdiction), German Code of Civil Procedure, Bundesgesetzblatt, (2005, last amended 10 October 2013), also see, for example, OTCHENASH M. (2018), “Suing online platform for Copyright infringements,” *IDP, Revista de Internet, Derecho y Política*, No. 29, p. 1-14.

⁴⁶² DRYANDER C. (1982), “Jurisdiction in Civil and Commercial matters...,” *op. cit.*

⁴⁶³ DRYANDER C. (1982), “Jurisdiction in Civil and Commercial matters under the German Code of Civil Procedure,” *International Lawyer*, 16, p. 671-692, p. 690.

⁴⁶⁴ For example, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 162.

⁴⁶⁵ See more to this at the section about terminology. In this context, the term the “full scope of jurisdiction” refers to international jurisdiction to hear the action for damages for all the harm caused by the unlawful act on the territory of other Member States. By contrast to it, if the court seized lacks the full scope of jurisdiction the terms of the “limited” or “restricted scope of jurisdiction” will apply.

⁴⁶⁶ At the time of *Shevill*, it was illustrated, for example, in C-68/93, Opinion of Advocate General Darmon in *Shevill* (1994).

⁴⁶⁷ C-68/93, Opinion of Advocate General Darmon in *Shevill* (1994), paragraph 30.

The same is true for Belgian national case law. As it was described, for example, by Advocate General Darmon in *Shevill*, “[...] it is possible to sue in respect of the whole of the damage, irrespective of where it may have occurred, and not merely in respect of the damage occurring in the national territory of the court.”⁴⁶⁸ Otherwise, the opposite conclusion would narrow the *forum delicti* and devalue it.⁴⁶⁹

At the time of *Shevill*, French legal system, as well as Spanish and Italian, on the contrary, followed an approach of limiting the jurisdictional scope.⁴⁷⁰ Also, Advocate General Darmon in *Shevill* suggested to limit the scope of international jurisdiction for the courts of the places where the newspaper is distributed, which would “[...] have jurisdiction solely in respect of the damage arising, **according to the law applicable to the tort or delict, within their judicial district.**”⁴⁷¹ He concluded that “[...] the courts of one of the places where damage arose cannot hear proceedings for compensation for damage arising in the other Contracting States, **inasmuch as there is no element of proximity connecting the forum with the dispute.**”⁴⁷²

Accepting that that forum cannot be the only one,⁴⁷³ Advocate General Léger (who also delivered an Opinion in the *Shevill* case)⁴⁷⁴ also insisted on a restrictive interpretation of jurisdiction at the place of damage. In particular, he concluded that the courts of each place in which distribution takes place cannot be competent to determine the whole of the damage.⁴⁷⁵

In academic proposals, the extent of the jurisdiction in *forum delicti* also remains controversial. For instance, for intellectual property torts, only a limited scope of jurisdiction was advocated by A. Mezger,⁴⁷⁶ to prevent the risk of *forum shopping*. Moreover, opponents to *Shevill* doctrine extension⁴⁷⁷ claim a strict reading of the territorial scope in the case of

⁴⁶⁸ *Ibid.*, paragraph 33.

⁴⁶⁹ METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*, p. 260-263.

⁴⁷⁰ As noted by Advocate General Darmon “[...] confer jurisdiction to award compensation for the whole of the damage solely on the courts for the place where the publication was printed and initially distributed, irrespective of where the damage occurred,” C-68/93, Opinion of Advocate General Darmon in *Shevill* (1994), paragraph 36.

⁴⁷¹ C-68/93, Opinion of Advocate General Darmon in *Shevill* (1994), paragraphs 71, 72, “emphasis added.”

⁴⁷² *Ibid.*, paragraph 71 “emphasis added.”

⁴⁷³ C-68/93, Opinion of AG Léger in *Shevill*, (1995), paragraph 12.

⁴⁷⁴ There were two Opinions from two Advocates General in this case. After considering the written observations, having heard the Opinion of Advocate General Darmon at the sitting on 14 July 1994, the Sixth Chamber of 5 October 1994 having decided to refer the case back to the Court and reopening the oral procedure. By reason of the reopening of the oral procedure and as a result of happenstance in the order of business of the Court, Opinions were successively delivered by two Advocates General in the same case (C-68/93, Opinion of AG Léger in *Shevill* (1995), paragraph 1).

⁴⁷⁵ C-68/93, Opinion of AG Léger in *Shevill*, (1995), paragraph 29.

⁴⁷⁶ METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*, p.261-263, this was implemented for trademark online infringements in the European Union Trade Mark Regulation 2017/1001, 14 June 2017 (further, EUTM Regulation).

⁴⁷⁷ See, for example, an analysis at BIZER A. (2019), “Resurrection of *Shevill*? – AG Szpunar’s Opinion in *Glawischnig- Piesczek v Facebook Ireland* (C-18/18),” *Conflict of Laws, Views and News in Private International Law*.

intellectual property rights.⁴⁷⁸ Limited jurisdictional scope for the courts of the place of damage was also proposed in The Draft of the Hague Judgement Convention 2001.⁴⁷⁹

Therefore, there is always a need to balance the desire to be awarded global damage⁴⁸⁰ and the risk of refusing access to the court.⁴⁸¹ For off-line defamation, a limited scope of jurisdiction was established in *Shevill*. However, as we may see from the further case law, concerning online defamation, the CJEU seems to become rather flexible, giving green light for full jurisdictional scope under Art. 7(2) BRR.

4.3. Jurisdiction for online torts

Quoting Okinawa Charter on Global Information Society:

Information and Communications Technology (IT) is one of the most potent forces in shaping the twenty-first century. Its revolutionary impact affects the way people live, learn and work and the way government interacts with civil society. IT is fast becoming a vital engine of growth for the world economy. It is also enabling many enterprising individuals, firms and communities, in all parts of the globe, to address economic and social challenges with greater efficiency and imagination. Enormous opportunities are there to be seized and shared by us all.⁴⁸²

This statement highlights the global importance of almost every issue which deals with the Internet. To define the most significant characteristics of online torts it is necessary to analyse general principles of Internet architecture and Internet governance.⁴⁸³ This focus reflects the diverse nature of online issues and, thus, a variety of approaches in the understanding of Internet regulation.

4.3.1. The Internet: characteristic and evolution

The very first attempts to provide particular characteristics of the Internet (or cyberspace, or “WWW,” or “online environment”) were made in early legal literature. The proposals were to

⁴⁷⁸ In a sense that the places of the event giving rise to the damage and where the damage occurred are always identical in intellectual property torts, thus, no full jurisdiction should be available. See more, for example, at HEINZE C. (2010), “A Framework for International Enforcement of Territorial Rights: The CLIP Principles on Jurisdiction,” in BASEDOW, KONO & METZGER (2010), *Intellectual Property in the Global Arena: Jurisdiction, Applicable Law, and the Recognition of Judgements in Europe, Japan and the US*, (eds.), Mohr Siebeck, p. 53-76, METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*, p. 251-267. This point will be further elaborated in the next part.

⁴⁷⁹ KONO T. (2012), *Intellectual Property and Private International Law ...*, *op. cit.*, commenting on the Draft of the Hague Judgement Convention, 2001, Art. 10(5).

⁴⁸⁰ BIZER A. (2019), “Resurrection of *Shevill*?...,” *op. cit.*

⁴⁸¹ In a sense of *Forum non conveniens* doctrine, whereby courts may refuse to take jurisdiction over matters where there is a more appropriate forum available to the parties.

⁴⁸² Art. 1 Okinawa Charter on Global Information Society, Okinawa, July 22, 2000, which was one of the four documents issued at the G8 Summit Meeting at Kyushu-Okinawa on 21 – 23 July, 2000.

⁴⁸³ More on the issues of self regulation, US privatisation of Internet Governance, states’ sovereignty, see more, for example, at SHAW S. (2017), “There is no silver bullet: solutions to Internet jurisdiction,” *International Journal of Law and Information Technology*, Volume 25, Issue 4, p. 283–308.

look at the Internet as a glorified telephone, a bookstore, a bulletin board. It was defined as an “international space,”⁴⁸⁴ as a “separate space,” and as a “ubiquitous tool.”⁴⁸⁵

Some scholars marked the parallels between the Internet and the transportation system.⁴⁸⁶ Others sceptically showed that there were no major differences between the adoption rate of the Internet and radio and television.⁴⁸⁷

In the more recent legal writing, the Internet is characterised as “[...] a powerful multi-media communication channel which enables international interaction, E-commerce, an international publishing and the distribution of user generated content.”⁴⁸⁸ From this perspective, as a medium for communication, it consists of hardware, of a set of protocols TCP-IP and various software applications, which allows computers to communicate with each other. It is also characterised by portability and a convergence, requiring technology-neutral rules.⁴⁸⁹ This network was not structured according to geographic or political borders and location is irrelevant for the functionality of applications.

Indeed, the Internet is, by definition and design, a network of networks. It is getting less more like a frontier and more like a society.⁴⁹⁰ Therefore, one may agree that due to its global and multilayered nature, “[...] so too must be the solutions put forth to remedy the tension between a version of jurisdiction predicated on territoriality and the global medium.”⁴⁹¹

The approaches concerning Internet regulation may be represented by two groups. The main argument of the first one is that the Internet should be governed by new special rules. The second one, on the contrary, rejects any unique treatment for online issues and argues for applying or adapting an existing legal regime.

For instance, P. Barlow (as a supporter of the first group) believed to create a civilisation of “the Mind in Cyberspace”.⁴⁹² According to his “unique space” theory, “[...] online identities

⁴⁸⁴ MENTHE D.(1998), "Jurisdiction in Cyberspace: A Theory of International Spaces," *4 Mich. Telecomm. Tech. L. Rev.* 69, p.69-103.

⁴⁸⁵ ZITTRAIN J. (2003), “Be careful what you ask for: Reconciling the Global Internet and Local Law,” *Berkman Center for Internet & Society, Harvard Law School*, No.2003-03, 5/2003, p.1-16.

⁴⁸⁶ ODLYZKO A.(2003), “Pricing and Architecture of the Internet: Historical Perspectives from Telecommunications and Transportation,” *Review of Network Economics*, Vol.3, Issue 3 – September 2004, p.346-323.

⁴⁸⁷ HANNEMYR G. (2003), “The Internet as hyperbole: a Critical Examination of Adoption Rates,” *The Information Society*, 19:2, p. 111-121.

⁴⁸⁸ HÖRNLE J. (2010), “Cross-border Internet dispute resolution,” *Modern Law Review*, 73(1), p. 171-173.

⁴⁸⁹ See more, for example, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 39, HÖRNLE J. (2010), “Cross-border Internet dispute...,” *op. cit.*

⁴⁹⁰ For example, BOELE-WOELKI K., KESSEJIAN C. (1998), *Internet – Which Court Decides? Which Law Applies? Quel tribunal décide? Quel droit s’applique?*, (Eds.), Kluwer Law International, The Hague / Boston / London, p.179, p. 23.

⁴⁹¹ SHAW S. (2017), “There is no silver bullet...,” *op. cit.*

⁴⁹² See, BARLOW J. P. (2000), *The Debate over Internet Governance*, The Berkman Centre of Internet Society, Harvard Law School, see also, MORRISON A. H. (2009), “An impossible future: John Perry Barlow's 'Declaration of the Independence of Cyberspace,’” *New Media & Society*, 11(1-2), p. 53-71.

have no bodies," thus, "[...] it is inappropriate to obtain an order in the cyberspace by physical coercion."⁴⁹³

Further, J. Zittrain⁴⁹⁴ argued that the Internet should be regulated by "some global law" like: by *sui generis* (non-country specific body, best practices) or by global harmonisation. A similar approach was proposed by J. Malcolm. He introduced a set of solutions, claiming unifying domestic choice of law rules, the imposition of a *sui generis* Internet law regime and the removal of Internet legal issues into a specialised Internet jurisdiction.⁴⁹⁵

At the same time, L. Lessig⁴⁹⁶ suggested to regulate behaviour in cyberspace through the regulation of code: either directly (by the code of cyberspace itself), or of the institutions (code writers that produce that code). Although such a regime would not be a liberal one, involving "[...] a pedigree that code may replace the law," it was concluded to become the most effective.⁴⁹⁷ Last but not least, for example, A. Odlyzko⁴⁹⁸ draw the parallels between the Internet and the transportation system. He proposed to build new networks or modify the current ones to give more control to service providers over what customers do.

Thus, most of early proposals argued in favour of a self-regulatory approach, when so-called "community standards" should apply to a "cyber community" (which informally already exists).⁴⁹⁹ Compliance was expected to be voluntary and to depend on dedication to the principles of Internet self-governance.⁵⁰⁰

As a whole, the "separate jurisdiction" theory⁵⁰¹ had advocated new law and new institutions for the Internet as a separate reality. In comparison, the opponents to any separate Internet regulation have been advocating the approaches to bring the Internet into the world of the existing legal regime without the need to implement special rules.

One of the famous approaches (within the second group) was introduced by F. Easterbrook in his publication "Law of a horse."⁵⁰² He highlighted that there was no more a "law of cyberspace" than there was a "law of the horse." F. Easterbrook argued to bring the Internet into the world of property law. In this frame, also, for example, D. Menthe drew a variety of

⁴⁹³ BARLOW J. P. (2019), "A Declaration of the Independence of Cyberspace," *Duke Law & Technology Review*, 18, p. 5-7, reprinted from BARLOW J. P. (1996), "A Declaration of the Independence of Cyberspace," *ELEC. FRONTIER FOUND*, also, BARLOW J. P. (2000), *The Debate over Internet...*, *op. cit.*

⁴⁹⁴ ZITTRAIN J.(2003), "Be careful what you ask for...." *op. cit.*

⁴⁹⁵ MALCOLM J. (2007), "The Space Law Analogy to Internet Governance," *JILawInfoSci* 3, *Journal of Law, Information and Science*, 18, p. 57, see also, for instance, METZGER A. (2009), "Jurisdiction in Cases Concerning Intellectual Property ...," *op. cit.*, p. 257.

⁴⁹⁶ LESSIG L. (1999), "The Law of the Horse: What Cyberlaw Might Teach," *Harvard Law Review*, Vol. 113, No. 2 (Dec., 1999), p. 501-549.

⁴⁹⁷ LESSIG L. (1999), "The Law of the Horse...", *op. cit.*, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 321.

⁴⁹⁸ ODLYZKO A.(2003), "Pricing and Architecture of the Internet...", *op. cit.*, p.17.

⁴⁹⁹ HARVEY D. (2011), *Internet.law.nz: selected issues*, (third edition), Wellington, N.Z.: LexisNexis, p. 655, paragraphs 2.2 - 2.7.

⁵⁰⁰ BOELE-WOELKI K., KESSEJIAN C. (1998), *Internet – Which Court Decides?...*, *op. cit.*, p. 20.

⁵⁰¹ HARVEY D. (2011), *Internet.law.nz...*, *op. cit.*, paragraphs 2.2.1.

⁵⁰² EASTERBROOK F. (1996), "Cyberspace and the Law of the Horse," *University of Chicago Legal Forum*, Vol. 1996 , 207-216.

analogies between Internet regulation and another way of regulation: Internet as an “information superhighway”; Internet as “open sea” (*res communis omnium*), etc.⁵⁰³

Although in early legal literature, the first group prevailed, in present legal writings, academics seem to become more sceptical when approaching the unique status of the Internet. They focus mostly on overcoming the challenges posed by new technologies and apply the exciting legal instruments.

Currently, this policy discourse has passed the point of debating the Internet’s regulation and national legislatures and court systems regulate the Internet in various ways. Indeed, it is one of the most regulated environments in the world.⁵⁰⁴ However, a variety of challenges remains. In particular, on how to approach the problems of conflicts between national legal systems and the architecture of the borderless Internet. The fundamental principles, like the territoriality, are still questioned.

4.3.2. The tendencies in adopting jurisdictional criteria for online infringements

Needless to say, the law cannot keep up with Internet development. Cross-border online transaction is a regular activity in a modern global marketplace.⁵⁰⁵ Principles of international jurisdiction also have to evolve.

The problems which the Internet creates for private international law issues have been discussed extensively.⁵⁰⁶ A *reverse* effect was also claimed when private international law (and jurisdictional rules, in particular) may affect the Internet.⁵⁰⁷

Traditionally, jurisdiction is based on a sovereign power of a state to impose its authority on defendants for infringing activity within its own territory.⁵⁰⁸ Nowadays, these rules have been developing to assert jurisdiction over foreign defendants who committed infringements from outside of the state. To appreciate the current paradigm, it is helpful to illustrate an ongoing academic debate.

Aligned with the thinking of, for example, J. Zittrain and D. J. B. Svantesson,⁵⁰⁹ the problems associated with international jurisdiction for online infringements are derived from the application of one national law to online environment. In particular, J. Zittrain⁵¹⁰ suggested

⁵⁰³ MENTHE D. (1998), "Jurisdiction in Cyberspace...", *op. cit.*

⁵⁰⁴ SHAW S. (2017), "There is no silver bullet...", *op. cit.*, p. 26.

⁵⁰⁵ Plenty of cross-borders contracts lead to a significant increase of cross-border disputes, see more at HÖRNLE J. (2010), "Cross-border Internet dispute...", *op. cit.*

⁵⁰⁶ For example, ZITTRAIN J.(2003), "Be careful what you ask for.... *op. cit.*, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 39, HÖRNLE J. (2010), "Cross-border Internet dispute...", *op. cit.*, p. 44-46, BOELE-WOELKI K., KESSEJIAN C. (1998), *Internet – Which Court Decides?..*, *op. cit.*, p. 46.

⁵⁰⁷ For instance, jurisdiction was argued to affect online environment, see at HÖRNLE J. (2010), "Cross-border Internet dispute...", *op. cit.*

⁵⁰⁸ In particular, it may be referred to the principles of territoriality and comity. In fact, there is no clear dividing line between substantive and procedural issues. The area of applicable law is often becomes an area of overlap. See more at HÖRNLE J. (2010), "Cross-border Internet dispute...", *op. cit.*, p. 19.

⁵⁰⁹ For example, ZITTRAIN J.(2003), "Be careful what you ask for.... *op. cit.*, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*

⁵¹⁰ ZITTRAIN J.(2003), "Be careful what you ask for.... *op. cit.*

to solve a dilemma between a global Internet and national law in a favour of Internet.⁵¹¹ D. J. B. Svantesson concluded that that the Internet has been transformed into “every man’s land,”⁵¹² where the laws of all states apply at the same time. He goes further stating that the Internet can be allowed to become “a lawless space.”⁵¹³

As a whole, they both argued that rules based on the concept of “location”⁵¹⁴ will not fit anymore. With the increasing availability of advanced technologies, foreign actors no longer need to be physically present for their actions to produce effects in distant *fora*. As a result, the strength of the legal relationship between the defendant and the remote forum should be qualified to determine the grounds for accessing international jurisdiction.

In this regard, D. J. B. Svantesson argued that the traditional principle of territoriality in the online context suffers from “erosion.”⁵¹⁵ He likened the relationship between private international law and the Internet to “[...] a garden built on an unstable foundation (territoriality) and with a range of serious design flaws.” In a similar way, strict territoriality was criticised as “ill-equipped,” for instance, by A. Mills:

[...] the practice of states instead supports the idea that jurisdiction may be based on a flexible combination of territorial and personal connecting factors - connections based between a person and a place which do not depend on nationality, such as domicile or habitual residence.⁵¹⁶

The following criteria of international jurisdiction concerning online infringements have been put forward by case law and legal literature: 1) the defendant’s domicile; 2) the plaintiff’s habitual residence or domicile; 3) the place of an act of uploading; 4) the place where the server is located; 5) the place which was *targeted* by online activity.⁵¹⁷

Within the main tendencies concerning the choice of these criteria, two lobbying groups may be distinguished.⁵¹⁸ The first one is represented by large business groups which force to implement a “rule of origin” approach (in order to be sued at the place of their domicile or establishment). The second group advocates for consumer’s or plaintiff’s interests and supports a “rule of destination” with the purpose to locate court at their home residence.⁵¹⁹

Any preferences in favour of a particular jurisdictional criterion have been changing during time and across different states. Evolution of these criteria may be briefly illustrated by the US case law and national case law of the EU Member States.

⁵¹¹ HARVEY D. (2011), *Internet.law.nz...*, *op. cit.*, paragraphs 2.2-2.7 where the hypothesis that the Internet will end up territorial law was stated.

⁵¹² SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 2.

⁵¹³ *Ibid.*

⁵¹⁴ Courts and legislatures have attributed the physical location of a disputed act as a key element in determining international jurisdiction.

⁵¹⁵ For example, SHAW S. (2017), “There is no silver bullet...”, *op. cit.*, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*

⁵¹⁶ MILLS A. (2014), “Rethinking Jurisdiction in International Law,” *The British Yearbook of International Law*, Vol. 84 No. 1, p. 187–239.

⁵¹⁷ Such list, however, is not exhausting.

⁵¹⁸ HARVEY D. (2011), *Internet.law.nz...*, *op. cit.*, paragraph 2.8.1.

⁵¹⁹ For instance, D. Menthe advocated the approach that for jurisdictional analysis, cyberspace should be treated as a fourth international space, for which nationality is, and should be, the primary principle for the establishment of jurisdiction, see at MENTHE D. (1998), “Jurisdiction in Cyberspace...”, *op. cit.*

For instance, the US courts primarily found jurisdiction for online infringements at the plaintiff's domicile.⁵²⁰ Also, the defendant's residence was a competent forum, in the meaning of the place where the online transmission originated.⁵²¹

Later cases supported a separate line of reasoning which was focused on the specific characteristics of the web and the concept of "targeting". In particular, in *Inset Systems, Inc. v. Instruction Set*,⁵²² the court likened the company's use of the Internet to a continuous advertisement targeting customers in all states, and established an extraordinarily broad approach for Internet jurisdiction cases.

Further, in *Zippo Manufacturing Co. v. Zippo Dot Com*,⁵²³ the court held that unlike a passive webpage, an interactive site through which a defendant conducts business with forum residents, is sufficient to establish jurisdiction. This ruling is known as *Zippo Test*.⁵²⁴ However, later, this test provoked new problems concerning categorisation of websites: it was not always clear on how many business actions should be conducted on the web to become interactive.

The so-called "targeting test"⁵²⁵ limited jurisdictional claims to the territory which was aimed at the allegedly infringing online activity. The criteria for this test included the language of the website, the currency of online payments, availability of disclaimers, etc.⁵²⁶ As the future revealed, most of them may be rather easily discredited by new technologies.⁵²⁷

In particular, information society service providers (ISP) may try to restrict their content geographically by the use of Geo-blocking technology.⁵²⁸ Such technology is not only

⁵²⁰ As it was the case in the USA, *Playboy Enterprises, Inc. v. Chuckleberry Publishing, Inc.*, 1996 WL 337276, S.D.N.Y. June 19, 1996 WL 396128, S.D.N.Y. July 12, 1996.

⁵²¹ As it was commented, for example, at BOELE-WOELKI K., KESSEJIAN C. (1998), *Internet – Which Court Decides?...*, *op. cit.*, p. 23.

⁵²² The USA, *Inset Systems, Inc. v. Instruction Set*, 937 F. Supp. 161 (D. Conn. 1996), April 17, 1996.

⁵²³ The US: *Zippo Manufacturing Co. v. Zippo Dot Com, Inc.*, 952 F. Supp. 1119 (W.D. Pa. 1997), the United States District Court for the Western District of Pennsylvania. The court considered state and federal trademark infringement and trademark dilution claims. The court found that Dot Com had contracts with the 3,000 subscribers and with seven Pennsylvania ISPs. Since Dot Com's website was an active website, garnering money from people in the state where they were being sued, the court held that it could properly exercise personal jurisdiction over the defendant.

⁵²⁴ However, more recent cases appear to be departing from the *Zippo* test and relying upon more traditional approaches to personal jurisdiction. For example, the courts in *Blakey v. Continental Airlines, Inc.*, 992 F. Supp. 731 (D.N.J. 1998), U.S. District Court for the District of New Jersey, 992 F. Supp. 731, D.N.J. 1998, January 30, 1998, and *Boschetto v. Hansing*, 539 F.3d 1011, 9th Cir. 2008, utilize the *Calder* test to establish the "minimum contacts," a rule not designed specifically toward Internet cases. The so-called "minimum contacts" test from the US case law focuses on the act of delivery or downloading of infringing material with additional requirement of a website to be "expressly aimed" at particular audience.

⁵²⁵ "Targeting" was not new at that time and not restricted to the USA. It was found to favour International corporation to set the minimum standards for e-commerce (for instance, OECD (2016), *Consumer Protection in E-commerce: OECD Recommendation*, OECD Publishing, Paris. See more on this question at the next chapter.

⁵²⁶ For example, the USA, *Blakey v. Continental Airlines, Inc.*, Supp. 731, D.N.J. 1998.

⁵²⁷ GEIST M. (2001), "Is There a There There - Toward Greater Certainty for Internet Jurisdiction," *Berkeley Technology Law Journal*, Volume 16, Issue 3, p. 1-63.

⁵²⁸ See more, for example, at LUTZI T. (2017), "Internet cases in EU PIL - Developing a coherent approach," *International and Comparative Law Quarterly* on 26 April 2017, p. 30, p. 13.

imperfect,⁵²⁹ but it may also create obstacles to the EU common market.⁵³⁰ The same is true for the location of the server as a jurisdictional basis. It was suggested in early legal literature in the US.⁵³¹ However, nowadays it may also be easily circumvented,⁵³² and almost lost its supporters.⁵³³

The case law within the EU has been developing in a similar way. Mentioned above criteria are adopted for different types of online infringements and an evolution of the EU legal practice will be illustrated further in this Chapter.

Appreciating an ongoing discourse in personality rights jurisdiction, the role of the plaintiff's habitual residence (or domicile) as a jurisdictional ground will be addressed. Although it is implemented for online infringements of personality rights after the CJEU ruling in *eDate*, it is still under debate in academic literature.

On one side, this criterion may respond to the principle of the flexibility and protection of a weaker party.⁵³⁴ On another side, the plaintiff's location "when observing the infringement" may be "easily manipulative."⁵³⁵ This criterion remains one of the focal points for jurisdictional problems in the context of online infringements.

To sum up, any application of jurisdiction to online infringements should be analysed in the context of the influence of technology. Effective jurisdictional rules may be built only with a coherent understanding of certain forms of Internet communications and the differences between them.⁵³⁶ As it was suggested, for example, by S. Shaw:

[...] From a legal perspective, a unified transnational approach to Internet jurisdiction would provide the international community with certainty and predictability online, reduce forum

⁵²⁹ For example, described by TRZASKOWSKI J. (2005), *Legal Risk Management in Electronic Commerce- Managing the risk of cross-border law enforcement*, Ex Tuto Publishing, Copenhagen Business School.

⁵³⁰ Regulation on addressing unjustified geo-blocking and other forms of discrimination based on customers' nationality, place of residence or place of establishment within the internal market No 2018/302, 28 February 2018 (further, Geoblocking Regulation 2018/302).

⁵³¹ For example, BERMAN P. (2002), "Globalization of Jurisdiction," *151 U Pa L Rev* 311, p. 447-458, when eight possible tests are identified: where the server is located, where the content is viewed, where the content is uploaded, where the content is deliberately directed to, where effects are felt, etc. See also, BOELE-WOELKI K., KESSEJIAN C. (1998), *Internet – Which Court Decides?..*, *op. cit.*

⁵³² For example, by means of remote control, Telenet, etc., see more, for example, at TRIMBLE M. (2016), "Undetected Conflict-of-Laws Problems in Cross-Border Online Copyright Infringement Cases," *North Carolina Journal of Law and Technology*, Volume 18, Issue 1, p. 119-156 and p. 140-151, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.* Also, the early US case law in *Pres-Kap, Inc. v. System One, Direct Access, Inc.*, 636 So.2d 1351 (Fla. App. 3 Dist. 1994), where the Florida court held that the in-state server location was not enough to establish minimum contacts for personal jurisdiction. Otherwise, any users of online services could be brought into court wherever the relevant servers happen to be located, which the court found to be an unreasonable result. Holding: remote usage of server physically located in a forum state is insufficient to establish minimum contacts.

⁵³³ See more, for example, at KOHL U. (2007), *Jurisdiction and the Internet: A study of Regulatory competence over online activity*, Cambridge University Press, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, METZGER A. (2009), *Jurisdiction, intellectual Property...*, *op. cit.*, p.261-263.

⁵³⁴ As was noted, for instance, at SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 293.

⁵³⁵ Some merit for copyright, however, was suggested, see *Ibid.*

⁵³⁶ SHAW S. (2017), "There is no silver bullet...", *op. cit.*, p. 20-26, when a coherent solution in approaching jurisdiction should involve the "unified" strategy "across multi-sectors," taking into account the multilayered and multifaceted nature of Internet claims.

shopping and support the freedom of expression as formulated through the network's open design.⁵³⁷

At the same time, the online environment is not that borderless as it was considered before. On the contrary, there are borders and state regulation. All parties are real and located in a tangible reality with an identifiable location. This means that the hypothesis that the Internet will end up territoriality may be rather premature.⁵³⁸

4.4. The concept of “online tort”

Although, the phenomenon of an “online tort” is often difficult to define universally, it may be described through the specific features of online interactions. In legal literature, a variety of possible terminology is used, such as: “Internet disputes,”⁵³⁹ “online issues,”⁵⁴⁰ “electronic torts.”⁵⁴¹ For the purpose of the present research, the term “online tort”⁵⁴² is considered as the most appropriate. It reflects the focus of the study concerning torts preferably and not all disputes or claims in general. More precisely, the torts arising from the parties communicating, interacting or transacting through the Internet will be examined, excluding off-line torts.⁵⁴³

Online torts have a special character that differs from those in the physical world.⁵⁴⁴ The challenges posed by online communication are also special, for instance, the difficulty of establishing the location of Internet users. Precisely, as it was explained by J. Hörnle, such torts may deal with fictitious persons who exist in online context only and who manifest themselves with a particular ID, user account or domain name.⁵⁴⁵

Domain name by its nature is alphanumeric label corresponding to an Internet Protocol address. It does not reveal much about the users' location. Also, Internet protocol addresses, URLs (Uniform Resource Locators) and email addresses are opaque in the sense that they do not necessarily reveal the location or identity of the person operating the computers.⁵⁴⁶ As a whole, the difficulty in identifying the locations of online *players* complicate determination of jurisdiction for online torts. Most probably these parties would not come into the conflict in the offline pre-Internet world.

4.4.1. The typology of “online torts”

The notion of “online tort” may be defined in a wide sense as a tort committed via the Internet. Online torts arise when the parties communicate, interact or transact in an online environment. If such torts exist exclusively in the digital context, they may be categorised as

⁵³⁷ *Ibid.*

⁵³⁸ HARVEY D. (2011), *Internet.law.nz...*, *op. cit.*, paragraphs 2.2-2.7.

⁵³⁹ For example, METZGER A. (2009), *Jurisdiction, intellectual Property...*, *op. cit.*, SHAW S. (2017), “There is no silver bullet...”, *op. cit.*, p. 22-28.

⁵⁴⁰ For example, HARVEY D. (2011), *Internet.law.nz...*, *op. cit.*

⁵⁴¹ For example, SAVIN A. (2016), “Jurisdiction Over Cybertorts ...”, *op. cit.*

⁵⁴² See more at: SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 13.

⁵⁴³ See more at the section 1 of the present chapter.

⁵⁴⁴ Also described at HARVEY D. (2011), *Internet.law.nz...*, *op. cit.*

⁵⁴⁵ HÖRNLE J. (2010), “Cross-border Internet dispute...”, *op. cit.*

⁵⁴⁶ HÖRNLE J. (2010), “Cross-border Internet dispute...”, *op. cit.*, p.19.

so-called *original* online torts.⁵⁴⁷ For instance, disputes about the technology itself or torts concerning domain names are *original* or *direct* online torts.⁵⁴⁸

Accordingly, a so-called *indirect* or *derivative* tort entails violation in both the online and offline world. The most common scenarios of *indirect* online torts are online defamation and online violations of intellectual property rights.⁵⁴⁹ For example, it may be a distribution of defamation or copyright protected material in a printed version of a magazine and on the website of the publisher. Also, such torts may arise from online and offline sales of goods that infringe trademark rights. In these scenarios, the parties may come to the conflict in the offline and online world simultaneously.

Both these types of online torts may be described when giving concerns about their features. For the purpose of the present chapter, online tort involves parties located in two different jurisdictions and it is related to online use or interaction on the Internet.

As soon as anyone can publish on an international scale, this leads to a potential growth of such online torts. They often encompass as a small-value, cross-border disputes, coupled with a power imbalance between the parties.⁵⁵⁰ In a tort involving at least one party as an individual, the power imbalance may be presumed.⁵⁵¹ National courts have been confronted with dozens of such claims,⁵⁵² concerning problems of free speech, defamation and intellectual property infringements.⁵⁵³ As noted, one of the most common online torts is online defamation.

4.4.2. The specific features of “online defamation tort”

The tort of defamation is fairly defined as the most debatable online tort,⁵⁵⁴ as it reveals an interaction between two fundamental human rights: freedom of expression and the

⁵⁴⁷ As it was defined, for example, at NEZNAMOV A. (2011), *Jurisdiction for Internet disputes*, (“Ossobennosti kompetencii po rassmotreniy Internet-sporov”), Infotropic, p. 272, TIMOFEEVA Y. (2005), “Worldwide Prescriptive Jurisdiction in Internet Content Controversies: A Comparative Analysis,” *Connecticut Journal of International Law*, p. 199.

⁵⁴⁸ *Ibid.*

⁵⁴⁹ As was commented, for example, at SAVIN A. (2016), “Jurisdiction Over Cybertorts ...”, *op. cit.*, BOELE-WOELKI K., KESSEJIAN C. (1998), *Internet – Which Court Decides?..*, *op. cit.*, p. 23.

⁵⁵⁰ HÖRNLE J. (2010), “Cross-border Internet dispute...”, *op. cit.* As it was as commented by the J. Hörnle, the category of small disputes is very vogue and often depends on the state.

⁵⁵¹ For more about the parties’ “imbalance” see section 3 of the present chapter.

⁵⁵² For example, it was noted at BOELE-WOELKI K., KESSEJIAN C. (1998), *Internet – Which Court Decides?..*, *op. cit.*, p. 22-26.

⁵⁵³ See, for instance, CABRERA F., CAPPELLO M., GRECE C., VALAIS S.(2015), *Copyright enforcement online: policies and mechanisms*, IRIS Plus, European Audiovisual Observatory, Strasbourg, p. 78, ENDE M., POORT J., HAFFNER R., BAS P., YAGAFAROVA A., ROHLFS S., TIL H. (2014), *Estimating displacement rates of copyrighted content in the EU*, Report prepared for European Commission, Luxembourg: Publications Office of the European Union, p. 307, CHRISTIE A. F. (2015), *Private International Law Issues in Online Intellectual Property Infringement Disputes with Cross-Border Elements An Analysis of National Approaches*, Report prepared for the World Intellectual Property Organisation, University of Melbourne, p. 31, FAVALE M., KRETSCHMER M., TORREMAN P. (2015), *IS THERE A EU COPYRIGHT JURISPRUDENCE? An empirical analysis of the workings of the European Court of Justice*, CREATE Working Paper Series, p. 41.

⁵⁵⁴ See for example, BOELE-WOELKI K., KESSEJIAN C. (1998), *Internet – Which Court Decides?..*, *op. cit.*, p. 20-26, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p.13.

protection of reputation⁵⁵⁵ (or if put broader, also privacy and personal data protection).⁵⁵⁶ A coherent definition of this specific tort has been discussed in academic literature. For instance, D. J. B. Svantesson advocates a “conceptual model” for online defamation torts,⁵⁵⁷ when offline defamation tort starts with “the act of delivery” and ends when “the substance of material enters the mind of readers” (i.e. damage is suffered).

By contrast to offline defamation, the tort of online defamation needs less *steps* to be completed: the place of downloading coincides with the place where the substance of material enters the mind of readers. Therefore, both places (the place of downloading and that of comprehension) appear to be essential for identifying the place of the damage for online defamation tort.⁵⁵⁸

As a whole, D. J. B. Svantesson summarises that the publisher of online publications has limited control over the mentioned steps. If within tangible reality the publisher may limit or extent delivery of material, in an online environment such control may be diluted.⁵⁵⁹ Moreover, in the light of person’s mobility, damage to the reputation is highly migrating. Hence, there is an ongoing debate in defining the “place where the damage occurred” for online torts, in general, and for online defamation, in particular.⁵⁶⁰ The following sections of this chapter will focus on particular scenarios of online defamation and on the challenges for establishing special jurisdiction.

4.5. The evolution of the CJEU’s case law after *Shevill*

Since information circulates online constantly, the damage to the personal reputation by online defamation may potentially be much more severe. *Shevill’s* approach predates the digital age and its application to online publications is rather challenging.

It is not easy to ascertain the place of online distribution. The Internet challenges the application of the double links jurisdiction under Art. 7(2) BRR, significantly transforming the links of “the place of the event giving rise to the damage” and the “place where the damage occurred.” The question arises as to how the expression “the place where the harmful event occurred or may occur” should be interpreted in the case of an alleged infringement of personality rights by means of content placed online.

This question was discussed in the next important case before the CJEU, *eDate Advertising GmbH and others* (hereinafter, *eDate*), decided in 2011, concerning information and

⁵⁵⁵ SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*

⁵⁵⁶ See the section 3 of the present chapter.

⁵⁵⁷ SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 269-275.

⁵⁵⁸ *Ibid.*, p.281 These places may be considered closely connected and meet legitimate publishers’ expectations regarding jurisdiction. As it was also commented by D. J. B. Svantesson concerning the judgment in *Gutnic V Dow Jones*, the act of delivery without the comprehension (by a third person) should be insufficient.

⁵⁵⁹ *Ibid.*, p. 291. “[...] a sufficient nexus between the act and the effect,” is needed, “...otherwise, the place of the effect of such tort would become a “legal fiction.” The availability of such “nexus” was questioned in the absence of an intent to reach effect in a particular place.

⁵⁶⁰ See also for a discussion, for example, at VAN CALSTER G. (2019), “*Saïd v L’Express*. The High Court finds no *Bolagsupplysningen* injunctive jurisdiction (upholds damages jurisdiction),” LUTZI T. (2021), “Case C-800/19: CJEU Limits Scope of ‘Centre of Interests’ Jurisdiction for Online Infringements of Personality Rights,” *Conflict of laws.net, Views and New in Private International Law*, VAN CALSTER G. (2021), “Mittelbayerischer Verlag: determining centre of interests for jurisdiction in online defamation cases. The AG suggests this is not the case for big changes,” *GAVC LAW*.

photographs published on the internet.⁵⁶¹ Also, it was the first case that involved an online infringement of personality rights.

4.5.1. The eDate ruling for online publications

The references for a preliminary ruling in the *eDate* case came from two sets of proceedings, between, firstly, X and eDate Advertising GmbH (“eDate Advertising”) and, secondly, Olivier and Robert Martinez, on the one hand, and MGN Limited (“MGN”), on the other hand. Both cases put the question of whether or not it is possible to apply the *Shevill* case law for Article 7(2) BRR to a situation in which personality rights were infringed via the internet.⁵⁶² In *eDate* the applicant brought an action for an injunction, whereas *Martinez* concerns an action for damages.

The primary question was if the *Shevill* doctrine would *survive*, in a sense of establishing dual head jurisdiction at the choice of the claimant, allowing him to choose between different courts. Eventually, the CJEU confirmed its ruling in *Shevill* as a wide scope interpretation, not restricted to the print media.

Following the proposal of Advocate General Cruz Villalón,⁵⁶³ the court concluded that the *Shevill* approach may “[...] also be applied to other media and means of communication and may cover a wide range of infringements of personality rights recognised in various legal systems.”⁵⁶⁴

At the same time, the Court considered that the criterion of distribution is not effective on the Internet. As the scope of the distribution of content placed online is in principle universal, it is in most cases almost impossible to quantify the damage caused exclusively within a particular territory.⁵⁶⁵

The Court concluded that *Shevill’s* approach did not respond to modern challenges.⁵⁶⁶ Since the *Shevill* judgment, a number of significant changes took place in the legal framework of the European Union.⁵⁶⁷ Due to significant changes in communication technologies and “[...] the serious nature of the harm which may be suffered by the holder of a personality right who establishes that information injurious to that right is available on a world-wide basis [...],”⁵⁶⁸ *Shevill’s* criteria were adapted.

⁵⁶¹ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraph 2.

⁵⁶² C-161/10, Opinion of Advocate General Cruz Villalón in *eDate Advertising and Others*, (2011), paragraph 28.

⁵⁶³ C-161/10, Opinion of Advocate General Cruz Villalón in *eDate Advertising and Others*, (2011), paragraph 39.

⁵⁶⁴ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraph 44, C-161/10, Opinion of Advocate General Cruz Villalón in *eDate Advertising and Others*, (2011), paragraph 39.

⁵⁶⁵ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraph 46.

⁵⁶⁶ C-161/10, Opinion of Advocate General Cruz Villalón in *eDate Advertising and Others*, (2011), paragraph 52.

⁵⁶⁷ In particular, the entry into force of the Charter of Fundamental Rights of the European Union, Charter of Fundamental Rights of the European Union, 26 October 2012, OJ C 326.

⁵⁶⁸ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraph 47.

The adaptation was done by means of: (1) adding a new “supplementary factor”⁵⁶⁹ - the place where the alleged victim has his centre of interests;⁵⁷⁰ (2) granting to courts at this place jurisdiction in respect of all of the damage caused (adding another forum with a full jurisdictional scope);⁵⁷¹ (3) transforming the distribution criterion from *Shevill* to the “online accessibility” approach.⁵⁷²

The so-called “victim’s centre of interests” (or the “centre of gravity of the dispute”) normally corresponds to the claimant’s habitual residence. However, a person may also have the centre of his interests in a Member State in which he does not habitually reside. Other factors, such as the pursuit of a professional activity, may also establish the existence of a particularly close link with that State.⁵⁷³

Advocate General Cruz Villalón pointed to two elements in determining the place of the “centre of gravity of the dispute.” The first requires that its place to be located where that individual has his “centre of interests” (which is similar to the criterion where “the victim is known” from *Shevill*, but not “merely known”). According to Advocate General Cruz Villalón, “[...] it is necessary to identify the place (and, therefore, the Member State) where the individual concerned, in the enjoyment of his personality rights, essentially carries out his life plan, if this exists.”⁵⁷⁴ The second element concerns the nature of the information. The information should arouse interest in a particular territory and, consequently, “[...] actively encourage readers in that territory to access it.”⁵⁷⁵

After *eDate*, the “centre of interest” criterion became a novel version of *Shevill*’s approach, transformed for online infringements of personality rights. This new linking factor was justified by the aim of predictability and the objective of the sound administration of justice. It was expected to allow both the claimant easily to identify the court in which he may sue and the defendant reasonably to foresee before which court he may be sued.⁵⁷⁶

The place of the claimant’s centre of interests normally corresponds to the Member State in which the claimant has his habitual residence, or to another Member State with which a particularly close link may be established, such as where the claimant pursues a professional activity. In the next part, under the further case law, it will be illustrated how the *eDate* findings have been made stricter by means of establishing a “close connection.”⁵⁷⁷

The second main novelty of *eDate* is the scope of jurisdiction for courts at the place of the “centre of interests.” The connecting criteria from *Shevill* were “[...] adapted in such a way

⁵⁶⁹ C-161/10, Opinion of Advocate General Cruz Villalón in *eDate Advertising and Others*, (2011), paragraph 55.

⁵⁷⁰ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraph 48.

⁵⁷¹ *Ibid.*, C-161/10, Opinion of Advocate General Cruz Villalón in *eDate Advertising and Others*, (2011), paragraph 32.

⁵⁷² Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraph 51, the CJEU stated that “[...] instead of an action for liability in respect of all of the damage, the criterion of the place where the damage occurred, derived from *Shevill and Others*, confers jurisdiction on courts in each Member State in the territory of which content placed online is or has been accessible.”

⁵⁷³ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraphs 52-54.

⁵⁷⁴ C-161/10, Opinion of Advocate General Cruz Villalón in *eDate Advertising and Others*, (2011), paragraph 59.

⁵⁷⁵ *Ibid.*, paragraph 60.

⁵⁷⁶ *Ibid.*, paragraph 50.

⁵⁷⁷ After the ruling in Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), in case law starting from 2017, such approach has become even stricter, requiring to establish close connection, see further in this chapter.

that a person who has suffered an infringement of a personality right by means of the internet may bring an action in one forum in respect of all of the damage caused[...].”⁵⁷⁸ Following the suggestions of Advocate General Cruz Villalón, the Article 7(2) BRR was interpreted by the CJEU as meaning that,

in the event of an alleged infringement of personality rights by means of content placed online on an internet website, the person who considers that his rights have been infringed has the option of bringing an action for liability, in respect of all the damage caused, either before the courts of the Member State in which the publisher of that content is established or before the courts of the Member State in which the centre of his interests is based.⁵⁷⁹

Hence, the court at the place of the "centre of interests" has become another forum with the full jurisdictional scope, along with the place of the defendant's domicile under Art. 4(1) BRR and the place of the defendant's establishment under Art. 7(2) BRR.

In fact, the proposals to implement a "victim's *forum*" and to grant the court's jurisdiction in respect of all of the damage caused had already been considered during *Shevill's* proceedings, as well as in academic circles.⁵⁸⁰ While they were rejected in those times, in *eDate* such approach was eventually adopted.

For example, some commentators suggested that the domicile of the victim should be regarded as the place where the damage arose.⁵⁸¹ Prof. Bourel, quoted by Advocate General Darmon, was in favour of the attribution of jurisdiction to the courts of the victim's domicile, "[...] in the sense of [...] the place where the tort, taken as a whole, came into being."⁵⁸²

However, at that time such a *forum* was refused by the Advocate General Darmon.⁵⁸³ The justification was taken from an example, concerning an Italian actor domiciled in England, where he is totally unknown.⁵⁸⁴ According to the victim's domicile approach, even though an Italian newspaper did not circulate in England and without there being any other justification for such a forum, he could bring proceedings before the English courts.

By contrast to *Shevill's* offline distribution, the scenario in *eDate* dealt with online publication. At the time of *eDate*, this case example could be justified by adding, on top of the "centre of interests" criterion, a more characteristic one: when the information at issue is objectively and particularly relevant in a court's territory. In this frame, Advocate General Cruz Villalón provided a demarcation line between the concept of "relevant information" and a criterion of "intent" on the part of the publisher: "[...] the information is not objectively relevant because

⁵⁷⁸ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraph 48.

⁵⁷⁹ *Ibid.*, paragraph 52.

⁵⁸⁰ As it was described at C-68/93, Opinion of Advocate General Darmon in *Shevill* (1994), in order to implement victim's fora and grant full scope of jurisdiction.

⁵⁸¹ *Ibid.*, paragraph 42.

⁵⁸² *Ibid.*, paragraph 44.

⁵⁸³ *Ibid.*, paragraph 40, where the Advocate General Darmon concludes that "[...] it seems to me particularly difficult to bring the *forum actoris* within the framework of the *special* jurisdiction established by Article 5(3), which makes no express provision for it. That jurisdiction constitutes a derogation from the principle that jurisdiction is vested in the courts of the State of the defendant's domicile, and as such must be interpreted *restrictively*."

⁵⁸⁴ *Ibid.*, paragraph 46.

the publisher voluntarily directs it to a particular Member State,” thus “it is not appropriate to determine international jurisdiction on the basis of a criterion of intent.”⁵⁸⁵

Finally, the third novelty of the *eDate* ruling was an online “accessibility” approach.⁵⁸⁶ The CJEU stated, that “[...] the criterion of the place where the damage occurred, derived from *Shevill and Others*, confers jurisdiction on courts in each Member State in the territory of which content placed online is or has been accessible.”⁵⁸⁷

According to Advocate General Cruz Villalón, the infringement of personality rights by media outlets on the Internet “[...] gives rise to significant tension in a global sense.”⁵⁸⁸ Since the allegedly harmful information is online accessible in all Member States, the court may establish its jurisdiction automatically.⁵⁸⁹ In order to balance this solution with the forum shopping phenomenon, such courts will have only limited scope of jurisdiction: “[...] jurisdiction to hear an action concerning only the damage caused in their respective States.”⁵⁹⁰

Hence, the court provided an alternative to the centre of interests forum by stating

[...] that person may also, instead of an action for liability in respect of all the damage caused, bring his action before the courts of each Member State in the territory of which content placed online is or has been accessible. Those courts have jurisdiction only in respect of the damage caused in the territory of the Member State of the court seized.⁵⁹¹

This means that “[...] the victim must contend with a solution which fragments his right in each Member State where he is known.”⁵⁹² The combined reading of *Shevill* and *eDate* results in a choice of four types of competent courts.

Three of them will have the full scope of international jurisdiction,⁵⁹³ where the totality of damage can be claimed. The fourth has the “limited” scope of jurisdiction: the damage that may be claimed is limited to that suffered on the territory of that particular Member State. Precisely:

- (1) the domicile of the defendant (general jurisdiction and the full scope of jurisdiction);
- (2) the place where the harm originated which often amounts to the defendant’s domicile (special jurisdiction and the full scope of jurisdiction);
- (3) the place where the claimant has his centre of interests (special jurisdiction and the full scope of jurisdiction);

⁵⁸⁵ C-161/10, Opinion of Advocate General Cruz Villalón in *eDate Advertising and Others*, (2011), paragraph 62.

⁵⁸⁶ This approach was introduced by the CJEU for the first time, as an adaptation of *Shevill* to online violations of personal rights. The priority was given to the holder of the fundamental right to privacy.

⁵⁸⁷ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraph 51.

⁵⁸⁸ C-161/10, Opinion of Advocate General Cruz Villalón in *eDate Advertising and Others*, (2011), paragraph 56.

⁵⁸⁹ *Ibid.*

⁵⁹⁰ C-161/10, Opinion of Advocate General Cruz Villalón in *eDate Advertising and Others*, (2011), paragraph 67.

⁵⁹¹ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraph 52.

⁵⁹² C-161/10, Opinion of Advocate General Cruz Villalón in *eDate Advertising and Others*, (2011), paragraph 56.

⁵⁹³ C-194/16, Opinion of Advocate General Bobek in *Bolagsupplysningen and Ilsjan*, (2017), paragraph 32.

- (4) the place from where the content was accessible (special jurisdiction and the limited scope of jurisdiction).

Thus, localising the “place of the event giving rise to the damage” in the online context poses practical problems. The place of the server does not provide an adequate determination. As it was already noted, it had been advocated mainly in early legal literature but now may be easily circumvented.⁵⁹⁴ It has been suggested that the “the place of the event giving rise to the damage” is the place where the upload of the disputed content was initiated or controlled.⁵⁹⁵

Unfortunately, the interpretation in *eDate* was rather silent in relation to the adaptation of the notion of “the event giving rise to the damage” to online media, leaving this question for further case law. Since it was settled case law that, in defamation actions, the “place where the harmful event occurred or may occur” may cover both in the place where the publication is distributed and in the place where the publisher is established, the CJEU rather focused on the “place where the damage occurred” as the second *head* of the jurisdiction from *Shevill*. This approach has been further transported to online torts in general and torts for infringements of personality rights, in particular.

Evolution of the novelties, introduced in *eDate*, will be discussed in the further sections of the present chapter. For instance, *G v Cornelius*⁵⁹⁶ concerned application of Art. 7(2) BRR to scenarios of online torts caused by the defendants without clear domicile in the EU. An “online accessibility” approach was also questioned there. Later, in *Bolagsupplysningen*,⁵⁹⁷ the linking factor of the “centre of interests” was defined⁵⁹⁸ for personality rights of legal persons.

4.5.2. *G v Cornelius* scenario when a location of defendant is uncertain

In light of previous comments in *eDate*, the Internet also challenges the choice of the defendant’s domicile *forum*. For instance, ISPs can easily manipulate the country of domicile at “information heavens” countries (with a low level of legal protection).⁵⁹⁹ It may devalue Art. 4 BRR and, also, force the plaintiff to seek for an alternative jurisdictional ground with full jurisdictional scope. After *eDate*, Art. 7(2) BRR has the potential to become such an alternative *forum* to general rule at Art. 4 BRR for online defamation torts.

The provision of Art. 7(2) BRR was interpreted in a scenario of online defamation when the location of the defendant was uncertain. It seems to enlarge again the ambit of this article, however, in a sense of territorial applicability.

⁵⁹⁴ See more at: KOHL U. (2007), *Jurisdiction and the Internet...*, *op. cit.*, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, METZGER A. (2009), *Jurisdiction, intellectual Property...*, *op. cit.*, p. 261-263.

⁵⁹⁵ For example, at FAWCETT J.J. and TORREMANS P. (2011), *Intellectual Property and Private International Law*, (Second Edition), Oxford University Press; METZGER A. (2009), *Jurisdiction, intellectual Property...*, *op. cit.*

⁵⁹⁶ CJEU, C-292/10, *G v Cornelius de Visser*, 15 March 2012 (ECLI:EU:C:2012:14215).

⁵⁹⁷ CJEU, C-194/16, *Bolagsupplysningen OÜ Ingrid Ilsjan v Svensk Handel*, 17 October 2017 (ECLI:EU:C:2017:766).

⁵⁹⁸ C-194/16, Opinion of Advocate General Bobek in *Bolagsupplysningen and Ilsjan* (2017), paragraph 91.

⁵⁹⁹ See more, for example, at METZGER A. (2009), *Jurisdiction, intellectual Property...*, *op. cit.*, p. 265.

In *G v Cornelius de Visser*,⁶⁰⁰ reference has been made in proceedings between Ms. G and Mr. de Visser concerning an action for liability arising from the uploading onto an internet site of photographs in which she appears partly naked. The plaintiff, a German national, had such pictures posted on a website whose owner's address was unknown. The address in the Netherlands which the defendant provided on the website proved to be a false one and it was not possible to use it for delivery of the service of process. A public notice service was instead issued and proceedings initiated in Germany.

The national court questioned an applicability of the uniform rules of Brussels Regulation Recast, including Art. 7(2), in a situation if it is not absolutely certain that the defendant is in the territory of the European Union.⁶⁰¹

The CJEU concluded that “[...] in the absence of firm evidence” that the defendant is domiciled outside the European Union, the international jurisdiction should be established according to BRR, including Art. 7(2).⁶⁰² Therefore, the rule was concluded to apply on the basis of *presumed* domicile.

Also, the “online accessibility” approach and “targeting” test concerning Art. 7(2) BRR were questioned as alternatives. In particular, the German court asked if, going beyond technically mere accessibility, there should be a special connection between the contested content of the website and the State of the court seised.⁶⁰³ It also referred to the intention of the operator to target Internet users in that State as a requirement of such a connection.

However, the CJEU did not consider these alternatives, referring only to the presumption of the defendant's domicile. In addition to this, it was stated that legal certainty nevertheless would be met and issuing a default judgment against a defendant who cannot be located would not be against the principles of the Brussels Recast.

By such interpretation of Art. 7(2) BRR, the CJEU also confirmed (however, not directly) applicability of the legal principles laid down in *Shevill* to the cases with an absent defendant. The difference from the *eDate* was argued to be that the defendant in this case just possibly, although not likely, could be found outside the European Union. This would, in normal circumstances, prevent the application of Brussels Recast.

The decision, in this case, is decisive for scenarios of online torts caused by the defendants without clear domicile in the EU. Indeed, “[...] since designing and operating a website is no longer complicated and is accessible to many, such cases can be expected to be on the rise.”⁶⁰⁴

4.5.3. Bolagsupplysningen: the redefined approach for personality rights of a legal person

Further interpretation of Art. 7(2) BRR, concerning online infringements of personality rights, came from legal proceedings initiated in Estonia. However, it was about a legal person. The

⁶⁰⁰ C-292/10, *G v Cornelius de Visser* (2017).

⁶⁰¹ Among other questions, it was posed if the interpretation of factor “[...] is not domiciled in a Member State (by virtue of Article 4(1) BRR), require the application of national rules of jurisdiction rather than the uniform rules of Brussels Regulation Recast,” C-292/10, *G v Cornelius de Visser* (2017), paragraph 38.

⁶⁰² *Ibid.*, paragraphs 40-41.

⁶⁰³ *Ibid.*, paragraphs 34-36.

⁶⁰⁴ See more at SAVIN A. (2016), “Jurisdiction Over Cybertorts ...”, *op. cit.*

case is *Bolagsupplysningen*,⁶⁰⁵ where international jurisdiction regarding the publication on the internet of allegedly incorrect information was discussed. The purpose of the action, however, was not compensation for the damage sustained, but rather the rectification and deletion of the allegedly harmful online content. Damages were requested only on a secondary basis.

Svensk Handel AB, a resident of Sweden, had included Bolagsupplysningen OÜ, a resident of Estonia, in a blacklist on its website, stating that the company was carrying out acts of fraud and deceit. Svensk Handel refused to remove Bolagsupplysningen from the list and to delete the comments, allegedly paralyzing Bolagsupplysningen's business activities in Sweden.⁶⁰⁶

Under case law of the CJEU at that time, it was not clear whether Bolagsupplysningen may, on the basis of the criteria mentioned in *eDate*, also seek the rectification of the incorrect information and the deletion of the comments before an Estonian court. Moreover, it had not been established that those criteria also apply to legal persons.⁶⁰⁷ The circumstances and criteria which a court should take into account in determining where the centre of interests of a legal person is located were not clear.⁶⁰⁸

The *Shevill* approach, which had been further extended in *eDate*, was significantly updated in *Bolagsupplysningen*.

First, the CJEU confirmed that the "centre of his interests" is a criterion with the full jurisdictional scope (Article 7(2) BRR).⁶⁰⁹ Second, the court made a valuable observation in relation to the nature of the damage. It made clear that the "centre of interests" may "[...] apply regardless of whether the damage allegedly suffered is material or non-material in nature."⁶¹⁰ The nature of the damage has "[...] no bearing on the determination of the centre of interests as the place in which a court can best assess the actual impact of the publication on the internet and its harmful nature."⁶¹¹

These conclusions may become relevant for other types of online torts, like an online infringement of copyright or trademark rights, which mainly consider material damage suffered. One may wonder if this would make the "centre of interests" also applicable to other online torts which involve the suffered damage material in nature.⁶¹²

Third, the criterion of the "centre of interests" was justified in a new sense. By contrast to the argumentation in *eDate*,⁶¹³ where the purpose was to support a victim, in

⁶⁰⁵ C-194/16, *Bolagsupplysningen OÜ Ingrid Ilsjan v Svensk Handel* (2017).

⁶⁰⁶ *Ibid.*, paragraphs 8-10.

⁶⁰⁷ *Ibid.*, paragraph 19.

⁶⁰⁸ *Ibid.*, paragraphs 21-22.

⁶⁰⁹ *Ibid.*, paragraph 32, Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraph 52.

⁶¹⁰ C-194/16, *Bolagsupplysningen OÜ Ingrid Ilsjan v Svensk Handel* (2017), paragraph 36.

⁶¹¹ *Ibid.*, paragraph 37.

⁶¹² For the discussion on possible transportation of the "centre of interests" criterion to other online torts see more, for example, at: XALABARDER R. (2014), "Jurisdiction and applicable law issues for the protection of moral rights on-line," *Moral Rights in the 21st Century, Brussels -17/20 September*, p.175-177; TORREMANS P. (2016), "Jurisdiction for cross-border intellectual property...", *op. cit.*, p.11.

⁶¹³ See paragraph 48 of C-161/10, Opinion of Advocate General Cruz Villalón in *eDate Advertising and Others*, (2011), for the arguments in favour of the possible victims of publications and stressing the serious nature of the harm in the online context.

Bolagsupplysningen “the sound administration of justice” and “not the purposes of protecting the applicant” was considered decisive.⁶¹⁴

Indeed, specifically the support of a victim via the “centre of interest” implementation had been under an ongoing academic debate.⁶¹⁵ It had been argued that granting such privileges to the claimant is not in accordance with the very purpose of Art. 7(2) BRR and it may reverse the main logic on which the jurisdictional rules rely.⁶¹⁶ It provides the claimant with *forum actoris*, which reserved in the regulation for *weaker* parties. Most probably the CJEU in *Bolagsupplysningen* tried to overcome this contradiction by clarifying the rationale of introducing the “centre of interest” factor.

Forth, the novel element that invited the court to supplement *eDate* was the status of a legal person as a victim. Here the court concluded that “[...] the matter of whether the person is a natural or legal person is also not conclusive.”⁶¹⁷ In this regard, it followed the suggestion from the Opinion of Advocate General Bobek, who stated that: “[...] for the attribution of international jurisdiction in extra-contractual liability cases for harm caused to one’s reputation, I see no good reason to start differentiating between natural and legal persons.”⁶¹⁸

In this regard, the court emphasised the importance of the commercial reputation of a legal person, which may be located in the place where it “[...] carries out the main part of its activities.”⁶¹⁹ Precisely, “[...] the centre of interests of such a person must reflect the place where its commercial reputation is most firmly established.” At the same time, for this purpose, the location of the registered office “[...] was, not, however, in itself, a conclusive criterion.”⁶²⁰ Precisely, “[...] in the context of deciding on the centre of interests for Article 7(2), the place of establishment or domicile of a legal person may be taken into account as one of the factual elements. It is, however, certainly not the decisive one.”⁶²¹

There may be more than one centre of interests in respect of a specific claim.⁶²² However, the most important is that in the absence of clear evidence of carrying out the economic activity in a certain Member State, that legal person cannot benefit from the “centre of interests” factor.⁶²³ This may mean that the CJEU maintained a narrower alternative in comparison to that developed in *eDate*.⁶²⁴ At the same time, the scope of applicability of the

⁶¹⁴ C-194/16, *Bolagsupplysningen OÜ Ingrid Ilsjan v Svensk Handel* (2017), paragraph 38.

⁶¹⁵ See, for example, LUTZI T. (2017), “Internet cases in EU PIL...”, *op. cit.*

⁶¹⁶ C-194/16, Opinion of Advocate General Bobek in *Bolagsupplysningen*, paragraph 110.

⁶¹⁷ C-194/16, *Bolagsupplysningen OÜ Ingrid Ilsjan v Svensk Handel* (2017), paragraph 38.

⁶¹⁸ C-194/16, Opinion of Advocate General Bobek in *Bolagsupplysningen and Ilsjan*, (2017), paragraph 23.

⁶¹⁹ C-194/16, *Bolagsupplysningen OÜ Ingrid Ilsjan v Svensk Handel* (2017), paragraph 42.

⁶²⁰ *Ibid.*, paragraph 41.

⁶²¹ C-194/16, Opinion of Advocate General Bobek in *Bolagsupplysningen and Ilsjan*, (2017), paragraph 23, paragraph 111.

⁶²² *Ibid.*, paragraph 116.

⁶²³ C-194/16, *Bolagsupplysningen OÜ Ingrid Ilsjan v Svensk Handel* (2017), paragraph 43 as “[...] the centre of interests of the legal person which is claiming to be the victim of an infringement of its personality rights cannot be identified.”

⁶²⁴ This limitation was also suggested at C-194/16, Opinion of Advocate General Bobek in *Bolagsupplysningen and Ilsjan*, (2017), paragraph 98, as satisfying both (i) the victim, “[...] who can bring the wrongdoer to his forum and sue for the totality of the damage suffered”, and (ii) the objective of the sound administration of justice, because it gives jurisdiction to the courts that “[...] will be the best placed to assess the overall impact of the entirety of the harm caused.”

“centre of interests” was extended, including, in addition to compensation of all the damage, also an action for rectification and removal of infringing content.⁶²⁵

Therefore, the concept of the “centre of interests” was redefined⁶²⁶ significantly. One may wonder if, in its new version, it may become available to other types of online infringements which consider both the compensation of the damage and the removal of infringing content.

Fifths, the problematic “mosaic” approach of *Shevill* was questioned concerning injunctions. The interplay between the “mosaic” doctrine (by which the competence of the court is limited to the damages suffered within its territory), and the indivisible nature of the remedy was referred to the Court for interpretation.

The Court ruled that a claimant could not bring a claim for rectification of that information and removal of the comments before the courts of each Member State in which the information published on the internet is, or was, accessible. A claim for such relief could be brought exclusively in the courts of Member State where the defendant was domiciled or in the courts of the Member State where the claimant had his centre of interests (the fora with the full jurisdictional scope). As a result, the approach of “online accessibility” was abandoned regarding actions for rectification and removal of information.

Otherwise, a rather absurd situation would arise⁶²⁷ when, according to the *Shevill* “mosaic,” the court would need to limit the scope of a remedy that is unitary and indivisible by its nature. As Advocate General Bobek noted, “[...] There is just one website. It simply cannot be rectified or deleted only ‘in proportion’ to the harm suffered in a given territory.”⁶²⁸

The CJEU followed his suggestions⁶²⁹ and concluded that an action for the rectification of incorrect information and the removal of comments “[...] is a single and indivisible application and can, consequently, only be made before a court with jurisdiction to rule on the entirety of an application for compensation for damage.”⁶³⁰ Thus, such action “[...] cannot be brought before the courts of each Member State in which the information published on the internet is or was accessible.”⁶³¹ Although this case was concerned only with the corporate claimant, there is nothing in the ruling to suggest that the outcome in relation to these findings would have been different in relation to the individual claimant.

As we may see, acknowledging the specific nature of the Internet and the information communicated online, the previous approaches as to the “mosaic” approach from *Shevill* and *eDate* were narrowed down significantly. However, the court was concerned exclusively with remedies for the rectification or removal of information from the internet. So far as other

⁶²⁵ C-194/16, *Bolagsupplysningen OÜ Ingrid Ilsjan v Svensk Handel* (2017), paragraph 44.

⁶²⁶ C-194/16, Opinion of Advocate General Bobek in *Bolagsupplysningen and Ilsjan*, (2017), paragraph 91.

⁶²⁷ C-194/16, Opinion of Advocate General Bobek in *Bolagsupplysningen and Ilsjan*, (2017), paragraph 129, pointing out that “[...] if all the 28 potentially competent courts were also competent to issue injunctions, then multiple orders worded in different ways are likely to be issued and addressed to the defendant concerning the same conduct that he will have to undertake or refrain from.”

⁶²⁸ *Ibid.*, paragraph 126.

⁶²⁹ However, in relation to rectification of information only and not to whatever remedies were being sought. Hence, in this context, the Court’s judgment appears to be in contrast with the opinion of the Advocate General Bobek “[...] whose preferred course was to restrict a claimant complaining of an internet publication, to those fora which had full power to deal with all copies of the publication so that the mosaic option would not be available in such cases whatever remedies were being sought [...],” stated at VAN CALSTER G. (2016), *European Private International Law*, 2nd ed., Hart Publishing, Chapter 2, Heading 2.2.11.2.

⁶³⁰ C-194/16, *Bolagsupplysningen OÜ Ingrid Ilsjan v Svensk Handel* (2017), paragraph 48.

⁶³¹ *Ibid.*, paragraph 49.

remedies, such as damages are concerned the Court appears to have made no change to the previous position.

4.5.4. An application of *Bolagsupplysningen* in the national case law

Most probably one of the first thorough application of *Bolagsupplysningen* took place in 2019 in the UK.⁶³² *Saïd v L'Express*⁶³³ was the twin-case of a classic *Shevill* scenario, however, in the online context.

One of the defendants was a publisher of the French language magazine *L'Express*. 214 copies of the magazine are sold to subscribers in the UK. There were 252 website visits to the article from within the UK. Relying on the rulings in *eDate* and *Bolagsupplysningen*, the plaintiff claimed that his centre of interests was in England and, therefore, he was entitled to an online injunction.

The court did not find a good arguable case that the claimant's centre of interests was in England and Wales, and rejected jurisdiction for English courts in granting an injunction to restrain publication of the article on the Internet.

This judgement deserves a special attention because of a detailed analysis of factors which are essential for defining the "centre of interests."⁶³⁴ On the one hand, for the sake of relying on *Bolagsupplysningen*, an individual cannot have more than one centre of interests. On the other hand, for any particular individual there may not be any single centre of interests. "[...] That is because, in principle at least, it is possible to envisage a person with such diffuse international connections that it is impossible to identify any single country which could be described as his centre of interests."⁶³⁵

As it was mentioned before, according to *eDate*, a person's habitual residence will be his "centre of interests."⁶³⁶ The court emphasised that the decisive evidentiary basis for proving the centre of interests is not an existence of some connections with the jurisdiction, nor an existence of a reputation there. Rather, the key point is whether the centre of interests can *displace* the country of the claimant's habitual residence. Hence, the claimant needs to prove that his centre of interests is somewhere other than the country where he has his habitual residence.⁶³⁷

One may wonder if this logic may create a tension between various potential places for the "centre of interests." The need to show a traditional "close connection" with the *forum* (under

⁶³² See also for an analysis at VAN CALSTER G. (2019), "*Saïd v L'Express*. The High Court finds no *Bolagsupplysningen* injunctive jurisdiction (upholds damages jurisdiction)," *GAVC Law*.

⁶³³ England and Wales High Court, *Saïd v Groupe L'Express and another*, 21 December 2018, EWHC 3593 (QB).

⁶³⁴ *Saïd v L'Express* (2018), EWHC 3593 (QB), paragraphs 47 and 56.

⁶³⁵ *Ibid.*, paragraph 57 (i), (ii).

⁶³⁶ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraph 49: "The place where a person has the centre of his interests corresponds in general to his habitual residence. However, a person may also have the centre of his interests in a Member State in which he does not habitually reside, in so far as other factors, such as the pursuit of a professional activity, may establish the existence of a particularly close link with that State."

⁶³⁷ *Saïd v L'Express* (2018), EWHC 3593 (QB), paragraph 56.

Art. 7(2) BRR) may be shifted to undesirable speculations on the factual period of residence in a particular country.⁶³⁸

One more interesting observation can be made in relation to the claim form. Primarily, the plaintiff relied on the “mosaic” alternative according to *eDate* and limited the claim to the damage to the publications which had taken place in England and Wales. And only the day before the hearing, the reference to the “centre of interests” was added. Also, this fact allowed the court to undermine the reasoning in favour of the “centre of interest” factor.

It may be concluded that in the case of an online injunction, the claimant should better make a strategical choice in a favour of the “centre of interest” alternative as the full jurisdictional forum. The jurisdiction with the limited scope of the damage (as the “mosaic-accessibility” approach) will exclude such injunction and remains exclusively for the damage claim.

Further, in 2020, both *Bolagsupplysningen* and *Saïd v L’Express* were followed in *Napag Trading Ltd & Ors v Gedi Gruppo Editoriale SPA & Anor*.⁶³⁹ This case addressed the conditions for localising the “centre of interests” and defining the damage suffered within the jurisdiction.

The first claimant, Napag Trading Limited, is an English-domiciled company, which trades in petroleum-based products. The first defendant, Gedi Gruppo Editoriale S.p.A., is the publisher amongst other things of *L’Espresso* which is a weekly Italian-language political and cultural magazine available both in print and online in England and Wales. Società Editoriale Il Fatto S.p.A., the second defendant, is the publisher of *Il Fatto Quotidiano*, a daily Italian-language newspaper published in England and Wales only on the internet. The claimant seeks “global” damages and injunctive relief for online defamatory publication, relying on *eDate* and the “centre of interests.”

In its judgement, the court has raised two important issues:⁶⁴⁰

- (1) if the “centre of interests” is not proved, the claim is necessarily confined to damages (if any) sustained in the jurisdiction,⁶⁴¹ and
- (2) even if the “centre of interests” is proved, it would not automatically follow that the claims could be sustained. As a prior condition it would have to be established that there has been publication in the jurisdiction⁶⁴² and that the claimant has suffered “serious harm” (including “serious financial loss”)⁶⁴³ there.

The court notes that when defining the “centre of the interests,” “[...] the real question is always: is the Member State of suit the place where the legal person carries out the main

⁶³⁸ *Ibid.*, paragraph 57: “The witness statement tells us that he spends 3-4 months a year in the U.K., but does not say that this is more than any other place.”

⁶³⁹ England and Wales High Court, *Napag Trading Ltd & Ors v Gedi Gruppo Editoriale SPA & Anor*, 13 November 2020, EWHC 3034 (QB).

⁶⁴⁰ *Napag Trading Ltd & Ors v Gedi Gruppo Editoriale SPA & Anor* (2020), EWHC 3034 (QB), paragraph 26.

⁶⁴¹ Noteworthy that a quite similar reference is to be made in a request for a preliminary ruling from the Cour de cassation (France) in CJEU, C-251/20, *Gfflix Tv v DR*, 10 June 2020, the decision from the CJEU is pending.

⁶⁴² *Napag Trading Ltd & Ors v Gedi Gruppo Editoriale SPA & Anor*, (2020), EWHC 3034 (QB), paragraph 79: “The evidence is that *L’Espresso* is available to subscribers only for thirty days after publication online and is then generally available. Its online articles had 486 and 189 readers in the UK respectively. Discounting for Scotland and Northern Ireland reduces these figures somewhat.”

⁶⁴³ See CJEU, C-364/93, *Marinari y Lloyds Bank and Another*, 19 September 1995 (ECLI:EU:C:1995:289).

part of its activities?”⁶⁴⁴ Although the claimant proved to “pass through the door”⁶⁴⁵ of the “centre of interests,” he failed to have a “good arguable case”⁶⁴⁶ on the matter of “serious harm” in the jurisdiction.⁶⁴⁷ The court makes a conclusion that if there is damage within the jurisdiction it is a matter of domestic law.⁶⁴⁸

This judgement illustrates that despite harmonisation under Brussels Regulation Recast and consistent case law interpretations from the CJEU, unfortunately the notion of the “damage” often has a different evidentiary basis at the national level.⁶⁴⁹

4.5.5. Further development of the “centre of the interests” in *Mittelbayerischer Verlag*

The next development in the jurisprudence after *Bolagsupplysningen* took place in the judgment of the CJEU in *Mittelbayerischer Verlag*.⁶⁵⁰ In this ruling, the meaning of the “centre of interest” concept was restricted further.

A claimant, a Polish national, who had been a former prisoner in Auschwitz, sued a German newspaper in the Polish courts. German online article referred to use of the expression “Polish extermination camp” instead of a Nazi extermination camp built on the territory of occupied Poland during the Second World War. The claimant maintains that the online publication has harmed his national identity and dignity, seeking monetary compensation, prohibiting the publisher from using mentioned expression in the future and the publication of an apology.

International jurisdiction for Polish courts under Art. 7(2) BBR was questioned once again, however, the claimant was not directly named in the publication at issue. Instead, the personality rights of Polish nationals, their national identity, national dignity, as well as respect for the truth about the history of the Polish nation were argued to be affected.⁶⁵¹

On the one side, the claimant relied on the “centre of the interests” ground for jurisdiction, invoking *eDate*. On the other side, the defendant rejected international jurisdiction for Polish

⁶⁴⁴ *Napag Trading Ltd & Ors v Gedi Gruppo Editoriale SPA & Anor*, (2020), EWHC 3034 (QB), paragraphs 33 - 34.

⁶⁴⁵ *Ibid.*, paragraph 33.

⁶⁴⁶ *Ibid.*, paragraph 136: “The final head of “serious financial loss” is that publication of these articles in England and Wales has made business for the First Claimant more difficult generally or is likely to do so. This claim is somewhat vague, as the Defendants’ point out, but in my view the First Claimant is entitled to say with some force at least that the seriously defamatory nature of these publications has shackled his business and stifled opportunities in an as yet unquantified fashion. Claims of this sort are inherently vague.”

⁶⁴⁷ *Ibid.*, paragraphs 161-163.

⁶⁴⁸ *Ibid.*, paragraph 35.

⁶⁴⁹ See also at VAN CALSTER G. (2016), *European Private International Law... op. cit.*, Heading 2.2.11.2 and VAN CALSTER G. (2020), “*Napag Trading v Gedi*. A right Italian tussle on libel over the internet, leads to jurisdictional dismissal on good arguable case grounds,” *GAVC Law*.

⁶⁵⁰ CJEU, C-800/19, *Mittelbayerischer Verlag KG v SM*, 17 June 2021 (ECLI:EU:C:2021:489).

⁶⁵¹ Opinion of the Advocate General Bobek, 23 February 2021 (ECLI:EU:C:2021:124) in CJEU, C-800/19, *Mittelbayerischer Verlag KG v SM* (2021), Introduction, paragraph 10: “[...] in accordance with national case-law, the personality rights of Polish nationals include the protection of their national identity, national dignity, and the right to respect for the truth about the history of the Polish nation. In this regard, it is considered that the rights of Polish survivors of Nazi extermination camps are infringed by incorrect statements concerning the Nazi extermination camps. As such, those individuals are considered to be entitled to bring an action under national law in a case such as the one in the main proceedings.”

courts, claiming that the online article did not concern the claimant directly and such jurisdiction could not have objectively foreseen.

The CJEU was asked if Article 7(2) BRR must be restricted to the situations when the “centre of the interests” ground for jurisdiction may be invoked only if online infringing content makes it possible to identify, directly or indirectly, the victim as an individual.⁶⁵²

The court had made the following important observations:

- following its settled case law,⁶⁵³ the court emphasised the need for restrictive interpretation of this provision;⁶⁵⁴
- relying on *Bolagsupplysningen*, it once again recalled the essence of the centre of interest which is the sound administration of justice (by contrast to Sections 3 to 5 of Chapter II of BRR, which are designed to offer the weaker party stronger protection),⁶⁵⁵
- the role of predictability of jurisdictional rules and the legal certainty with regard to the issuer of the content were stressed,

[...] given that the publisher of harmful content is, at the time at which that content is placed online, in a position to know the centres of interests of the persons who are the subject of that content, such that the criterion of the centre of interests allows both the applicant easily to identify the court in which he may sue and the defendant reasonably to foresee before which court he may be sued.⁶⁵⁶

- since the “centres of interests” of the members of a vast identifiable group may potentially be located in any Member State of the EU, the mere fact that a person belongs to such a group does not constitute a close connection between the courts of the place where the “centre of interests” and the dispute concerned.⁶⁵⁷

Hence, the factual circumstances in present ruling differ from those in *eDate* and *Bolagsupplysningen*, where the claimants were directly referred (mentioned by name) to in online content. Here, the jurisdictional ground of the “centre of interests” for Art. 7(2) BRR was specified as “[...] based not on exclusively subjective factors, relating solely to the

⁶⁵² C-800/19, *Mittelbayerischer Verlag KG v SM* (2021), paragraph 24: “[...] the referring court asks, in essence, whether Article 7(2) of Regulation No 1215/2012 must be interpreted as meaning that the courts of the place in which the centre of interests of a person claiming that his or her personality rights have been infringed by content placed online on a website is situated have jurisdiction to hear, in respect of the entirety of the alleged damage, an action for damages brought by that person only if that content makes it possible to identify, directly or indirectly, that person as an individual.”

⁶⁵³ CJEU, C-337/17, *Feniks Sp. z o.o. v Azteca Products & Services SL*, 4 October 2018 (EU:C:2018:805), paragraph 34, CJEU, C-25/18, *Brian Andrew Kerr v Pavlo Postnov and Natalia Postnova*, 8 May 2019 (ECLI:EU:C:2019:376), paragraphs 21 and 22, CJEU, C-106/17, *Paweł Hofsoe v LVM Landwirtschaftlicher Versicherungsverein Münster AG*, 31 January 2018 (EU:C:2018:50), paragraph 40.

⁶⁵⁴ C-800/19, *Mittelbayerischer Verlag KG v SM* (2021), paragraphs 26, 40.

⁶⁵⁵ *Ibid.*, paragraphs 32-33.

⁶⁵⁶ *Ibid.*, paragraph 34 ruling and Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraph 50, C-194/16, *Bolagsupplysningen OÜ Ingrid Iisjan v Svensk Handel* (2017), paragraph 35.

⁶⁵⁷ C-800/19, *Mittelbayerischer Verlag KG v SM* (2021), paragraphs 40-45.

individual sensitivity of that person, but on objective and verifiable elements which make it possible to identify, directly or indirectly, that person as an individual.”⁶⁵⁸

Consequently, Art. 7(2) BRR was interpreted in a sense that the “centre of interests” criterion may be enforced only if online content involves objective and verifiable elements which make it possible to identify, directly or indirectly, the claimant as an individual.⁶⁵⁹

This interpretation certainly shows that the CJEU continues clarifying the threshold for the “centre of interests” criterion (which is good),⁶⁶⁰ avoiding, however, the whole reconsideration of it (as suggested Advocate General Bobek⁶⁶¹ and several commentators).⁶⁶²

Although the Opinion of Advocate General Bobek was partly followed by the court (when stressing the need for predictability for the defendant),⁶⁶³ an “objective foreseeability test”⁶⁶⁴ (which would focus on the close connection between the forum and the content)⁶⁶⁵ was not adopted.

In comparison to the conclusions of the CJEU, the Advocate General Bobek warned against introduction of “a person has been named” criterion,⁶⁶⁶ which would diminish or replace a preliminary assessment of the damage factor (when a publication need to caused damage within jurisdiction).

Instead, he argued for “[...] the need for the objective foreseeability of the forum and jurisdiction, together with the potential criteria that are to be taken into account in such an assessment [...]”⁶⁶⁷ Also, he suggested an introduction of clear components of the “centre of the interests” jurisdiction: (1) to define the place of the claimant’s centre of interests; and (2) to focus if “[...] the information at issue [was] expressed in such a way that

⁶⁵⁸ *Ibid.*, paragraph 41.

⁶⁵⁹ *Ibid.*, “Article 7(2) of Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters must be interpreted as meaning that the courts of the place in which the centre of interests of a person claiming that his or her personality rights have been infringed by content published online on a website is situated have jurisdiction to hear, in respect of the entirety of the alleged damage, an action for damages brought by that person only if that content contains objective and verifiable elements which make it possible to identify, directly or indirectly, that person as an individual.”

⁶⁶⁰ Current case-law does not provide much detailed criteria in terms of specific factors or other elements that ought to be taken into account.

⁶⁶¹ Opinion of the Advocate General Bobek, 23 February 2021 in C-800/19, *Mittelbayerischer Verlag KG v SM* (2021), paragraphs 41-48.

⁶⁶² For instance, LUTZI T. (2021), “Case C-800/19: CJEU Limits Scope of ‘Centre of Interests’ Jurisdiction for Online Infringements of Personality Rights,” *Conflict of laws.net, Views and New in Private International Law*, VAN CALSTER G. (2021), “Mittelbayerischer Verlag: determining centre of interests for jurisdiction in online defamation cases. The AG suggests this is not the case for big changes,” *GAVC LAW*.

⁶⁶³ C-800/19, *Mittelbayerischer Verlag KG v SM* (2021), paragraphs 35–38.

⁶⁶⁴ Opinion of the Advocate General Bobek, 23 February 2021 in C-800/19, *Mittelbayerischer Verlag KG v SM* (2021), paragraphs 58–74, suggesting the introduction of an objective foreseeability test, focusing on the relationship between the forum and the content in question.

⁶⁶⁵ As it was noted, for example, by T. Lutzi, Advocate General Bobek “[...] believed that such foreseeability does not depend on the subjective intent of the publisher but rather requires an objective centre-of-gravity analysis (along the lines suggested by AG Cruz Villalón in his Opinion on *eDate*), “ see at LUTZI T. (2021), “Opinion on Case C-800/19: AG Bobek Proposes Foreseeability Test for ‘Centre of Interests’ Jurisdiction,” *Conflict of laws.net, Views and New in Private International Law*.

⁶⁶⁶ Opinion of the Advocate General Bobek, 23 February 2021 in C-800/19, *Mittelbayerischer Verlag KG v SM* (2021), paragraph 56.

⁶⁶⁷ *Ibid.*, paragraph 57.

it may reasonably be predicted that that information is objectively relevant in [that Member State].”⁶⁶⁸

Thus, in contrast to “mosaic” jurisdiction which is potentially available in 27 Member States, the location of the “centre of interest” is often uncertain. Due to absence of clear identifiable factors for it, the “mosaic” approach remains an alternative option for the claimant “[...] allowing *any* national court to assert jurisdiction with regard to the portion of the divisible remedies (certainly monetary compensation) relating to the part of the damage that has been caused in its territory.”⁶⁶⁹ The problems of the “centre of interests” and “mosaic” jurisdiction “parallelism” were claimed⁶⁷⁰ to undermine the effectiveness of the “centre of interests” criterion.

Last but not least, Advocate General also focuses⁶⁷¹ on an interesting situation of an interplay between the rules for jurisdiction and the substance of the claim:

“[...] the question of who exactly may reasonably claim to be a victim, and what is the scope of the (personality) rights which may have been infringed by an alleged defamatory online publication, is primarily a matter of merits of a claim, set out by national applicable law.”⁶⁷²

And if “[...] the applicant could successfully claim to have been actually harmed by the use of the expression ‘Polish extermination camp’. This is not so much a question of international jurisdiction as it is a question of substance or the potential impact on that substance, if assessed separately or as a preliminary issue in conjunction with standing.”⁶⁷³

The most interesting observation for the objectives of the present thesis and which coincides with the analysis in the further chapters is that

[...] in the specific context of online publications and infringements of personality rights, international jurisdiction will, in all likelihood, also determine the applicable law. Unlike in other areas of delict/tort law, there is no harmonised conflict-of-laws rule for disputes relating to infringements of personality rights. (46) Accordingly, each competent court will apply its own domestic choice of laws rule, which is likely to lead to it applying its own substantive law, particularly because the harm or the relevant part thereof are, at that stage, believed to have occurred within its territory.⁶⁷⁴

The logic of such analysis would put the question posed in this ruling out of the scope of Article 7(2) BRR. The CJEU, however, took another view and addressed the international

⁶⁶⁸ *Ibid.*, paragraph 64.

⁶⁶⁹ *Ibid.*, paragraph 41.

⁶⁷⁰ *Ibid.*, paragraph 40: “Nevertheless, it is clear that, on the basis of established case-law of the Court set out in the preceding section of this Opinion, *in parallel* to the potential ‘centre of interests’ jurisdiction, ‘mosaic’ jurisdiction still remains,” and paragraph 41.

⁶⁷¹ *Ibid.*, paragraphs 76-78.

⁶⁷² *Ibid.*, paragraph 43.

⁶⁷³ *Ibid.*, paragraph 76.

⁶⁷⁴ *Ibid.*, paragraph 76 and footnote 46: “Regulation (EC) No 864/2007 of the European Parliament and of the Council of 11 July 2007 on the law applicable to non-contractual obligations (Rome II) (OJ 2007 L 199, p. 40) does not provide a harmonised choice of law rule. Infringements of privacy and rights relating to personality, including defamation, have been expressly excluded from its scope in Article 1(2)(g).”

jurisdiction in the scenario of identification of the claimant (as it actually did before in *Bolagsupplysningen*).

This shows how often vogue may be a demarcation line between the matters of jurisdiction, applicable law and the case merits.⁶⁷⁵ Moreover, a potential influence of jurisdictional rules on the choice of applicable law and substantive law may consequently affect the stage of enforcement. Enforcement of the judgment issued in contradiction with applicable law of the defendant's country of domicile may be complicated. For example, this problem is illustrated in national twin-cases (which is factually identical to the present scenario).⁶⁷⁶

The case concerned broadcasting a film about Konzentrationcamps by the German broadcasting company ZDF. In the film, it was (incorrectly) stated that Auschwitz and Majdanek were "Polish extermination camps."

German broadcasting company had corrected the disputed wording "Polish concentration camps" (which had been available for four days only), had personally asked the applicant for an apology in two letters and also published an explanatory correction message with a request for apology. The text of the judgment of the Cracow Court of Appeal was published on the defendant's home page from December 2016 to January 2017, however, only via a link.

The applicant considered this publication to be inadequate and, therefore, sought to have the Polish judgment enforced in Germany. The German Federal Supreme Court, however, rejected an enforcement of Polish judgment on the ground that it would result in a violation of the German *ordre public*⁶⁷⁷ as well as the constitutional principle of proportionality.⁶⁷⁸

To sum up, the CJEU did not make any radical changes to its adopted approach in relation to the "centre of interests". However, this ground for jurisdiction has been often criticised for not responding to the principles of legal certainty and predictability for the publisher of online content.⁶⁷⁹ The ruling in *Mittelbayerischer Verlag* most probably may help to resolve this, but the ingredients for establishing the "centre of interests" are still to be added into the list.

4.5.6. The compensation of the damage in *Gtflix Tv v DR 680*

A tension between the "centre of interests" and "mosaic-accessibility" jurisdiction⁶⁸¹ may also be illustrated by the upcoming ruling from the CJEU in *Gtflix Tv v DR*.⁶⁸² Here, the claimant

⁶⁷⁵ More to this see discussion in further sections and also, Opinion of the Advocate General Bobek, 23 February 2021 in C-800/19, *Mittelbayerischer Verlag KG v SM* (2021), paragraphs 76-77.

⁶⁷⁶ Federal Supreme Court, Germany (Bundesgerichtshof), *Verfahren auf Vollstreckbarerklärung einer ausländischen Entscheidung*, No IX ZB 10/18, 19 July 2018 (DE:BGH:2018:190718BIXZB10.18.0).

⁶⁷⁷ Because the exercise of state power to publish the text of the judgment prepared by the Cracow Court of Appeal would clearly violate the defendant's right to freedom of speech and freedom of press according to the German national law.

⁶⁷⁸ See more to analysis at HESS B. (2018), "The German Federal Civil Court rejects the recognition of a Polish judgment in a defamation case under the Brussels I Regulation for violation of public policy," *Max Planck Institute Luxembourg, GAVS Law*.

⁶⁷⁹ See, for example, LUTZI T. (2020), *Private International Law Online. Internet Regulation and Civil Liability in the EU*, Oxford Private International Law Series, paragraphs 4.75-83.

⁶⁸⁰ C-251/20, *Gtflix Tv v DR*, 10 June 2020, the decision from the CJEU is pending.

⁶⁸¹ Also mentioned before in Opinion of the Advocate General Bobek, in C-800/19, *Mittelbayerischer Verlag KG v SM* (2021), paragraph 40.

⁶⁸² C-251/20, *Gtflix Tv v DR*, 10 June 2020, upcoming.

seems to mix both jurisdictional grounds, eventually focusing on the compensation of the damages.

The claimant, the Czech company Gtflix Tv, engaged in the production and broadcasting of adult content. The defendant, DR, is a director, producer and distributor of pornographic films offered on websites hosted in Hungary, where he is domiciled. The claimant argues that the defendant had disseminated derogatory comments on a number of websites and forums.

Primarily, the defendant has been seeking an order requiring the defendant to cease all derogatory acts and to publish a legal statement in French and English on each of the forums concerned. And only a symbolic award of compensation in the amount of EUR 1 for material damage and EUR 1 for non-material damage were claimed. Later, on appeal, the claimant restated its requests for removal and rectification and raised its application for damages to the provisional sum of EUR 10 000 in respect of material and non-material damage sustained in France.⁶⁸³ The defendant, in his turn, objected the international jurisdiction of the French courts.

The Court of Appeal invoked *Bolagsupplysningen* and rejected the claimant's action for rectification of that information, removal of those comments and compensation in respect of all the damage⁶⁸⁴ as soon as its centre of interests is located most probably in the Czech Republic, but not in France.⁶⁸⁵ The action for compensation for non-material and material damage has remained unresolved and has been referred to the CJEU. The Court of Appeal referred the following question for a preliminary ruling:

Must Article 7(2) of Regulation (EU) No 1215/2012 be interpreted as meaning that a person who, considering that his or her rights have been infringed by the dissemination of derogatory comments on the internet, brings proceedings not only for the rectification of information and the removal of content but also for compensation for the resulting non-material and material damage, may claim, before the courts of each Member State in the territory of which content published online is or was accessible, compensation for the damage caused in the territory of that Member State, in accordance with the judgment in *eDate Advertising* (paragraphs 51 and 52) [judgment of the Court of 25 October 2011, Joined Cases C-509/09 and C-161/10], or whether, pursuant to the judgment in *Svensk Handel* (paragraph 48) [judgment of the Court of 17 October 2017, Case C-194/16], that person must make the application for compensation before the court with jurisdiction to order rectification of the information and removal of the derogatory comments?⁶⁸⁶

In *Bolagsupplysningen*, the CJEU made it clear that the rectification of information and the removal of content published on a website is a single and indivisible application and can, consequently, only be made before a court with jurisdiction to rule on the entirety of an application (the court with the full jurisdictional scope). The same is true for the

⁶⁸³ The Lyon Court of Appeal, 24 July 2018, C-251/20, request for a preliminary ruling in C-251/20, *Gtflix Tv v DR*, 10 June 2020.

⁶⁸⁴ *Ibid.*, 15, when the court dismisses the appeal in so far as it is directed against that part of the judgment holding that the French courts lack jurisdiction to rule on the application for removal of the derogatory comments and rectification of the information by means of the publication of a statement.

⁶⁸⁵ *Ibid.*, the court's reply 5.

⁶⁸⁶ CJEU, C-251/20, *Gtflix Tv v DR*, 21 December 2021 (ECLI:EU:C:2021:1036)

compensation of the overall damage which should be claimed at the place of the “centre of interests,” or at the defendant’s domicile (Hungary, in this case).

By contrast, according to *eDate*, the “mosaic-accessibility” approach remains alternative option for the claimant “[...] allowing *any* national court to assert jurisdiction with regard to the portion of the divisible remedies (certainly monetary compensation) relating to the part of the damage that has been caused in its territory.”⁶⁸⁷ This jurisdictional ground is potentially available in 27 Member States, in the territory of which content published online is or was accessible.⁶⁸⁸

The Court in *Gtfflix Tv v DR* ruled that:

[...] a person who, considering that his or her rights have been infringed by the dissemination of disparaging comments concerning him or her on the internet, seeks not only the rectification of the information and the removal of the content placed online concerning him or her but also compensation for the damage resulting from that placement may claim, before the courts of each Member State in which those comments are or were accessible, compensation for the damage suffered in the Member State of the court seised, even though those courts do not have jurisdiction to rule on the application for rectification and removal.⁶⁸⁹

By this conclusion, the Court essentially reaffirms the possibility to invoke the “online accessibility” approach for the claim concerning the compensation for the damage separately from the rectification and removal (that is available exclusively at the “centre of interests” and the defendant’s establishment fora).

Hence, this interplay between the “centre of interests” and the “mosaic-accessibility” approach in the aspect of the compensation of the damage is decisive for the delimitation of these jurisdictional grounds under Art. 7(2) BRR and frequently invites the CJEU to revisit the interpretation of this provision.

4.6. A critical analysis of the current approaches as to the “place where the damage occurred”

The tort of defamation has been considered as not completed until the damages occur (*locus delicti perfecti*).⁶⁹⁰ The compensation should be claimed at the place where the damage occurs.⁶⁹¹ And here, at the point of the *locus* for the damage, the chain of clear steps for defining online defamation interrupts. Both the reference to the location of the damage and the scope of jurisdiction for the courts at this place remain contradictory.⁶⁹² In light of this, a

⁶⁸⁷ Opinion of the Advocate General Bobek, in C-800/19, *Mittelbayerischer Verlag KG v SM* (2021), paragraph 41.

⁶⁸⁸ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraphs 51 and 52.

⁶⁸⁹ C-251/20, *Gtfflix Tv v DR* (2021), paragraph 44.

⁶⁹⁰ SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*

⁶⁹¹ For example, C-68/93, *Shevill* (1995), Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011).

⁶⁹² For example, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, where “the substance of material enters the mind of readers” was suggested to be a decisive *locus*, because of its technological neutrality. See also, KOHL U. (2007), *Jurisdiction and the Internet...*, *op. cit.*, p. 131, where Rome II was argued to take a misleading reference to the location of the “damage,” as it was stated by U. Kohl, when commenting the rulings in *Berezovsky v. Michaels and Others*, 11th May 2000.

variety of approaches as to the “place of the damage” according to Art. 7(2) BRR will be explored now.

4.6.1. Challenges of “mosaic” in the online context

At this point, it seems appropriate to come back to *Shevill* and its “mosaic approach.” The CJEU for the first time ruled that the courts of the places where the defamatory material had been distributed and in which plaintiffs claimed to have suffered the damage to their reputation may have jurisdiction; however, with jurisdiction limited to the damage caused in that Member State. Since then, this approach had been under intensive debate.⁶⁹³

After *eDate*, it is possible to seize the courts of every Member State in which the online content in question can be accessed. The right in question should be protected and has allegedly been infringed in all those places. In order to compensate such a broad jurisdictional ground, the scope of jurisdiction of those courts remains limited to the damage caused within the particular Member State.

The root of numerous structural and operational problems posed by the “mosaic” approach has been considered to lie in its “automatic” extension to the internet-related claims in *eDate*.⁶⁹⁴ As a result, it was argued that the considerable differences between two media types are not fully taken into account.⁶⁹⁵

In particular, if applied for online violations, the “mosaic approach,” may make it hardly possible to get the “full” relief at the *forum delicti*. At the same time, it often fails to be forceable for defendants and may increase the risk of unpredictable litigation within a foreign jurisdiction. As it can be seen from the above mentioned case law,⁶⁹⁶ the “mosaic” approach is rather hard to apply in the compensation claims. There is no clear guidance for national courts in relation to a portion of the overall damage and an injunction that they should grant, based on their jurisdiction. Hence, it has been criticised on the grounds of conflicting with “several central paradigms of EU private international law.”⁶⁹⁷

For instance, it may not respond to the principles of legal certainty, predictability, and the principle of sound administration of justice. According to the very *spirit* of BRR, the multiplication of courts is undesirable and should be avoided, because “[...] would heighten the risk of irreconcilable decisions [...]”⁶⁹⁸ whereas the concentration of proceedings is considered as “[...] one of the primary objectives of the Convention.”⁶⁹⁹

The “mosaic” approach, when it is applied online, may give rise to a multiplicity of possible *fora*, granting jurisdiction to a large number of courts simultaneously (the so-called

⁶⁹³ See more for the debate over “mosaic,” for example, at: XALABARDER R. (2014), “Jurisdiction and applicable law issues...”, *op. cit.*, p.175-177; TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...”, *op. cit.*, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, LUTZI T. (2017), “Internet cases in EU PIL...”, *op. cit.*, METZGER A. (2009), *Jurisdiction, intellectual Property...*, *op. cit.*, p.261-263.

⁶⁹⁴ C-194/16, Opinion of Advocate General Bobek in *Bolagsupplysningen and Ilsjan* (2017).

⁶⁹⁵ For instance, at LUTZI T. (2017), “Internet cases in EU PIL...”, *op. cit.*, p.11, MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...”, *op. cit.*

⁶⁹⁶ C-251/20, *Gtflifx Tv v DR* (2020).

⁶⁹⁷ C-161/10, Opinion of Advocate General Cruz Villalón in *eDate Advertising and Others*, (2011), C-194/16, Opinion of Advocate General Bobek in *Bolagsupplysningen and Ilsjan*, (2017).

⁶⁹⁸ Brussels Regulation Recast 1215/2012, Recital 15.

⁶⁹⁹ C-68/93, Opinion of AG Léger in *Shevill*, (1995), paragraph 20.

“fragmentation” of the claims). Due to the mere fact that a user can download content from the Internet would be sufficient to grant jurisdiction to the place where this user is located. This means that potential defendants might be sued almost anywhere in the world.

At the time of *Shevill*, though, the risks of the defendant being sued in multiple courts were refused by the CJEU. The court concluded that, whereas it is true that the judgments of courts seised in different Member States may conflict with one another (since they would be governed by different substantive laws), they would not necessarily be irreconcilable. Each of such judgement will relate to compensation for a distinct part of the damage (that arising in the territory of the Member State concerned).⁷⁰⁰

Shevill did not and could not foresee the challenge, that would be raised by the Internet. However, in the online context, an *apportioning* of the damage may be rather difficult to exercise.⁷⁰¹

Beyond this, the “mosaic” approach coupled with the “online accessibility” approach may undermine the general jurisdiction rule of the defendant’s domicile (Art. 4 BRR),⁷⁰² as well as the fundamental principle of *actor sequitur forum rei*.⁷⁰³ When the claim can be brought to a wide range of alternative fora, usually including the plaintiff’s home Member State, he would rather choose to stay within a familiar jurisdiction, than to sue abroad.

The CJEU in *eDate* has adopted a way forward, accepting that the *Shevill* approach may no longer be sufficient basis for applying Art. 7(2) BRR. In particular, A. Savin has expressed the doubts if *eDate* may be considered an adapted version of *Shevill*, or “[...] a complete redrawing of the board.”⁷⁰⁴ instead, he argues that “[...] the ubiquity of content distribution on the Internet needs new rules.”⁷⁰⁵

Also, the “mosaic” has been expected to “complement” the principle of territoriality.⁷⁰⁶ As soon as the concept of tort is subject to applicable law in each Member State, the “mosaic” was considered to reflect the very nature of territoriality, matching it adequately.⁷⁰⁷

Further, to support the applicability of “mosaic” to the online environment, it has been suggested to approach it in the sense of a strategic choice for the plaintiff. For instance, it may be considered as a coherent strategy to counterbalance the risk of establishing *forum actoris* and the risk of *forum shopping*⁷⁰⁸ when the incentive to sue at the plaintiff’s domicile would be reduced.⁷⁰⁹ Precisely, the plaintiff will most probably choose the territory of the

⁷⁰⁰ *Ibid.*, paragraphs 22-23.

⁷⁰¹ C-194/16, Opinion of Advocate General Bobek in *Bolagsupplysningen and Ilsjan*, (2017), paragraph 80.

⁷⁰² See, for example, at METZGER A. (2009), *Jurisdiction, intellectual Property...*, *op. cit.*, p.257.

⁷⁰³ As it was stated, for example, at LUTZI T. (2017), “Internet cases in EU PIL...”, *op. cit.*, p. 7.

⁷⁰⁴ SAVIN A. (2016), “Jurisdiction Over Cybertorts ...”, *op. cit.*, p. 11.

⁷⁰⁵ *Ibid.*

⁷⁰⁶ As it was concluded at MAGNUS U., MANKOWSKI P., (2016), *European Commentaries on Private International Law. ECPIIL commentary*, Vol. I: Brussels ibis regulation, Sellier European Law Pub, p. 1158, p. 393.

⁷⁰⁷ SHOUTIWOTH SOOMPONG A. (2016), *Jurisdictional issues and copyright online infringements in Europe*, PhD Thesis, Leibniz Universität Hannover, Institut für Rechtsinformatik, Universitet i Oslo, Norwegian Research Center for Computers and Law.

⁷⁰⁸ Forum shopping refers to the ability of the plaintiff to pick whichever forum that is most favourable for the plaintiff to win the case. For more see, for example, at SHOUTIWOTH SOOMPONG A. (2016), *Jurisdictional issues and copyright online infringements...*, *op. cit.*

⁷⁰⁹ *Ibid.*, p. 5-12.

court with the most relevant damages, the defendant's domicile or in the place of infringement (if they are different).⁷¹⁰ As the courts at the "place of the damage" will have limited jurisdiction, the plaintiff will be discouraged from *forum shopping*.

Hence, it has been argued that the "mosaic" principle provides a counter-balance by limiting the jurisdiction of the court seised. In this view, such a strategic privilege for the plaintiff, mentioned by its opponents, would work mostly just in theory.⁷¹¹

Legal certainty and foreseeability of potential litigation, as well as the concentration of the proceeding in one court are paramount for both parties. One of the rationales of BRR is based upon the principle that the defendants should normally be sued in the place of their domicile and alternative grounds of jurisdiction should only exist in very well-defined cases.⁷¹² Alternative grounds exist to avoid the possibility of a defendant being sued in a court in which he could not reasonably have foreseen. Hence, due to the mentioned advantages, it has been argued that the "mosaic" approach significantly limits the negative flow of the "online accessibility" approach for jurisdiction.⁷¹³

4.6.2. A combined effect of the mosaic-online accessibility" approach for jurisdiction

One may also blame the broad interpretation of "the place where the harmful event occurred"⁷¹⁴ as the reason for implementing the "online accessibility" approach.⁷¹⁵ It may allow finding jurisdiction on the very fragile connection between the territory and the content being accessible there. For example, D. J. B. Svantesson has considered that this approach requires a "[...] fictive definition of a location of the damage."⁷¹⁶ Instead, he claims the need to establish "[...] a sufficient nexus between the act and the effect," otherwise, the "place where the damage occurred" of such tort would become a "legal fiction."⁷¹⁷

Under the online "accessibility" approach, the threshold for allocating international jurisdiction may be very low. As it was described by U. Kohl,⁷¹⁸ to identify the "place where the damage occurred" for online defamation two following factors are relevant: actual online access (even if minuscule) and foreseeability (of a foreign jurisdiction, of all destinations, of a foreign harm). According to the first factor, even "[...] not substantial publication" as a "[...] single hit of a foreign website" and its "[...] accessibility within a local territory" would be enough.⁷¹⁹ In relation to the second, "[...] knowing online transactions with readers" are important.⁷²⁰

⁷¹⁰ MATULIONYTE R. (2015), "Enforcing Copyright Infringements Online...", *op. cit.*, p. 135.

⁷¹¹ METZGER A. (2009), *Jurisdiction, intellectual Property...*, *op. cit.*, p. 260-263.

⁷¹² Brussels Regulation Recast 1215/2012, Recital 15.

⁷¹³ More to this see at KONO T. (2015), "Jurisdiction over Ubiquitous Copyright Infringements," *Kyushu University Legal Research Bulletin* Volume 5, p.29.

⁷¹⁴ See, for instance, METZGER A. (2009), *Jurisdiction, intellectual Property...*, *op. cit.*, p. 255.

⁷¹⁵ When jurisdiction is based on the mere fact that the Internet service could be accessed in the *forum state*.

⁷¹⁶ SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 271.

⁷¹⁷ *Ibid.*, p. 291.

⁷¹⁸ KOHL U. (2007), *Jurisdiction and the Internet...*, *op. cit.*, p. 130.

⁷¹⁹ As it was commented at SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 270-295.

⁷²⁰ According to so-called "directing activities" criterion from consumer jurisdiction; also, in the US case law ("Zippo test")

The concept of the “damage” as a creature of the legal system and culture may differ, depending on the legal tradition and policy.⁷²¹ On the one side, an online publisher can foresee potential harm by reference to a person⁷²² and his or her reputation.⁷²³ The concept of actual or probable knowledge of the diligent publisher is considered as the criterion of what such publisher ought to have foreseen or was expected to.⁷²⁴ On the other side, as U. Kohl further notes, “[...] the harm, and not the publication, may be unintentional and thus its location fortuitous to the publisher.”⁷²⁵

The “online accessibility” approach has been criticised arguing that it entails lack of foreseeability for online publishers. In particular, the application of this criterion was questioned in cases where the publication in a particular territory was not carried out intentionally.⁷²⁶ It has also been suggested to limit the “online accessibility” approach due to enforcement difficulties.⁷²⁷

This criterion may leave a significant loophole for abuse. The claimant may produce so-called “troll” claims when the cost of a lawsuit itself may amount to more than the settled amount.⁷²⁸ Multiple actions may be taken against the defendant in several courts of Member States at the same time, which often leads to a strategic victory of the claimant. The final result on the merits of the case will most probably be irrelevant.

The mere theoretical possibility for such abusive practice may lead to a rather shaky balance between parties and will most probably turn this *forum* into a so-called “empty” jurisdiction (a jurisdiction with no chance to win).⁷²⁹

For online torts of personality rights, the “online accessibility” approach may often be useless in practice. Under the claimant’s *forum* based on the “centre of interests” criterion from *eDate*, he or she may ask for the totality of the alleged damage. Normally, the “mosaic-accessibility” approach fails in comparison to the jurisdictional grounds which enables the full scope of jurisdiction.⁷³⁰ Hence, even when the current multiplicity of *fora* may be

⁷²¹ See the national UK case law illustrated above which rejects the claim on the absence of the damage within the UK.

⁷²² See more in the previous section.

⁷²³ For example, in *Australian - Dow Jones and Co V Gutnik*, the court took the “online accessibility” approach: once actual access to a website is established, no evidence of publishers’ intent is needed. An Australian businessman alleged US publisher in defamation in Australian court, despite the fact that only minor number of readers was presented there. The same was taken in *Harrods Ltd V Dow Jones*, English court found its jurisdiction as soon as the plaintiff had a reputation in England. Also, in *Berezovsky*, however for off-line publication.

⁷²⁴ KOHL U. (2007), *Jurisdiction and the Internet...*, *op. cit.*, and also see the previous section.

⁷²⁵ KOHL U. (2007), *Jurisdiction and the Internet...*, *op. cit.*, p. 137.

⁷²⁶ *Ibid.*, p. 132.

⁷²⁷ SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 281.

⁷²⁸ See more at TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...”, *op. cit.*, SAG M. (2014), “Copyright Trolling, An Empirical Study,” *Iowa Law Review*, Volume 100, p. 44.

⁷²⁹ See more, for example, at KONO T. (2015), “Jurisdiction over Ubiquitous Copyright...”, *op. cit.*, SHOUTIWOTH SOOMPHONG A. (2016), *Jurisdictional issues and copyright online infringements...*, *op. cit.*, p. 31.

⁷³⁰ To the opposite see C-251/20, *Gtflix Tv v DR* (2020), where the claimant used this jurisdictional ground as an alternative because the main claim of the centre of interests failed.

perceived, at first glance, favouring the claimant, it is difficult to maintain that it really serves any party.⁷³¹

In light of these concerns, a variety of academic proposals and national case law have been trying to adopt more strict criteria for the “place where the damage occurred” and limiting the risk of unpredictable litigation.⁷³²

Indeed, for the field of personality rights, an “online accessibility” maybe “an old vine in new bottles”⁷³³ and a “mosaic” doctrine becomes significantly outdated. By contrast, due to their territoriality, intellectual property rights may require the opposite conclusion. The an “online accessibility” approach along with the “mosaic” approach (in the sense of the limited jurisdictional scope) may provide a rather balanced solution for online torts when it comes to intellectual property rights.

This has not been revised to any satisfactory extent. Although, the CJEU could restrict the claimant’s strategic “freedom,” so far it has applied this approach to online violations of privacy and personality rights, trademarks, copyrights with possible extension to other IP rights.⁷³⁴

4.6.3. A critique of the “centre of interests”

To overcome the mentioned challenges for online infringements, the CJEU came up with the “centre of interests” criterion in *eDate*. It allows the claimants to bring an action for the entire damage at the place of their “centre of interests.” Since that time, plenty of supporting proposals emerged in favour of implementing the same or analogous approach to other types of online torts (for instance, to copyright claims).⁷³⁵

However, the opponents⁷³⁶ have been doubting the uniqueness of online infringements (as the very reason of its implementation). Some of them argue that online and offline activities are rapidly converging⁷³⁷ and, such a distinction between the two may be artificial. Others stress the challenges which “centre of interests” may give rise to. For example, this ground

⁷³¹ See also, for example, at C-194/16, Opinion of Advocate General Bobek in *Bolagsupplysningen and Iisjan* (2017), paragraph 88, XALABARDER R. (2014), “Jurisdiction and applicable law issues...”, *op. cit.*, OTCHENASH M. (2018), “Suing online platform for Copyright infringements...”, *op. cit.*

⁷³² See, for instance, at MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...”, *op. cit.*, p. 135, LUTZI T. (2017), “Internet cases in EU PIL...”, *op. cit.*

⁷³³ NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*

⁷³⁴ As it was argued, for example, at SAVIN A. (2016), “Jurisdiction Over Cybertorts ...”, *op. cit.*, p. 11, LUTZI T. (2017), “Internet cases in EU PIL...”, *op. cit.*, p.11-15.

⁷³⁵ As it was suggested, for example, at XALABARDER R. (2014), “Jurisdiction and applicable law issues...”, *op. cit.*, p.175-177, also at HESS B. (2014), “The CJEU’s Decision in *eDate Advertising* and Its Implementation by National Courts,” *Materials of the Conference on “The Protection of Privacy in the Aftermath of the Recent Judgments of the CJEU – eDate Advertising, Digital Rights Ireland and Google Spain,”* the Max Planck Institute Luxembourg, and HESS B. and MARIOTTINI C. (2015), (ed.) “Protecting Privacy in Private International and Procedural Law and by Data Protection,” *Studies of the Max Planck Institute Luxembourg for International, European and Regulatory Procedural Law*, Volume 3 1, page 1 - 18.

⁷³⁶ For instance, see at LUTZI T. (2017), “Internet cases in EU PIL...”, *op. cit.*, SAVIN A. (2016), “Jurisdiction Over Cybertorts ...”, *op. cit.*, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...”, *op. cit.*

⁷³⁷ See more at SCHULTZ T. (2015), “Carving up the Internet: Jurisdiction, Legal Orders, and the Private/Public International Law Interface,” *the European Journal of International Law*, Vol. 19 no.4, p. 802, also SHAW S. (2017), “There is no silver bullet...”, *op. cit.*

of jurisdiction may be difficult to reconcile with the “mosaic” approach.⁷³⁸ Also, it may not always be clear where a person has his centre of interests.

An undesirable tension between Art. 4(1) BRR and Art. 7(2) BRR has been created, as both rules would grant the full scope of jurisdiction. One more ground for jurisdiction under Art. 7(2) BRR with full jurisdictional scope has been considered incompatible with the requirement of “a close connection.”⁷³⁹ It may also diminish the rule of the defendant’s domicile. The “centre of interests” criterion was stated⁷⁴⁰ to undermine procedural balance and legal certainty as it may only favour the claimant without any justified reason to do so.

Interestingly, that at the time of *Shevill*, the BRR was argued to reflect the plaintiff’s location “when observing the infringement” for the sake of flexibility principle and protection of a weaker party. However, the plaintiff’s habitual residence or domicile as a jurisdictional ground was refused as being easy manipulative.⁷⁴¹ As a whole, opponents have been stressing the lack of a convincing argumentation and coherent legal grounds for the “centre of interests” under Art. 7(2) BRR. The exclusive role of legislator had been replaced by the CJEU.

A recent study of the EU Parliament⁷⁴² discusses the specific problems of defamation claims within Art. 7(2) BRR. In particular, it focuses on the misuse of civil procedure by means of so-called strategic lawsuits against public participation (SLAPP).⁷⁴³ SLAPP concerns the scenario when the claimant benefits from forum shopping “[...] to inflict a greater financial burden, which will result in a success regardless of the verdict.”⁷⁴⁴ The main purpose of SLAPP is to provide the chilling effect on public debate and transfer it to the court level.⁷⁴⁵

The study criticises the “centre of interests” and the mosaic approach, arguing that the CJEU’s case law for online defamation “[...] results in systematic sympathy for the position of the claimant.”⁷⁴⁶ The very possibility of the mosaic approach is considered as a breach of the right to freedom of expression at Article 10 of the ECHR.⁷⁴⁷ As a whole, the study suggests a structural revision of the BRR and creating a specific provision for defamation claims. Accordingly, international jurisdiction for defamation should be based on the forum of the defendant’s domicile “[...] unless the parties agree otherwise.”⁷⁴⁸

⁷³⁸ For example, at LUTZI T. (2017), “Internet cases in EU PIL..., *op. cit.*, p. 5-8.

⁷³⁹ For example, SCHMITZ S. (2012), “From Where Are They Casting Stones? – Determining Jurisdiction in Online Defamation Claims,” *6 Masaryk UJL Tech* 159, p. 173–175.

⁷⁴⁰ For example, at LUTZI T. (2017), “Internet cases in EU PIL..., *op. cit.*, p. 11-13.

⁷⁴¹ Also on the plaintiff’s habitual residence or domicile as a jurisdictional ground for online defamation was commented at SVANTESSON D. J. B. (2012), *Private international law..., op. cit.*, p. 293. Some merit for copyright was suggested.

⁷⁴² BORG-BARTHET J., LOBINA B., ZABROCKA M. (2021), *The Use of SLAPPs to Silence Journalists, NGOs and Civil Society*, Study, requested by the European Parliament’s Committee on Legal Affairs, DG IPOL/ Policy Department for Citizens’ Rights and Constitutional Affairs, p.52.

⁷⁴³ The term “SLAPP” was introduced by American legal scholars and subsequently mainstreamed in legal practice between the 1980s and 1990s, *ibid.*, p. 8.

⁷⁴⁴ *Ibid.*, p. 38-42.

⁷⁴⁵ *Ibid.*, p. 12, 35, 36.

⁷⁴⁶ *Ibid.*, p. 38-42.

⁷⁴⁷ The study illustrates as an example the ruling of the European Court of Human Rights in criminal proceeding 52497/08, 6741/12, 7110/12, *Ali Gürbüz v Turkey*, 12 March 2019, where it was held that the initiation of multiple proceedings constituted a violation of Article 10 of the ECHR.

⁷⁴⁸ BORG-BARTHET J., LOBINA B., ZABROCKA M. (2021), *The Use of SLAPPs..., op. cit.*, p. 45.

The concept of “SLAPP” resembles a lot the notion of so-called patent and copyright “trolls.”⁷⁴⁹ They are more common in the US jurisdiction, but in the EU. The reason is an absence of possibility to claim the statutory damage under the EU jurisdictional rules (a minimum scope of the damage to be rewarded). On the one side, human rights arguments and defamation “trolls” may be considered potential strategical defences for defendants. On the other side, a risk of procedural abuse in defamation cases (according to Art. 7(2) BRR) is not that evident. Limiting jurisdiction to the defendant’s domicile exclusively does not seem to become a balanced solution either.⁷⁵⁰

Proponents of the “centre of interests” (which often appear to be opponents to the “mosaic” approach),⁷⁵¹ have been focusing on its advantages in overcoming the “mosaic” principle. It was argued that if the criterion of the “centre of interest” is not suitable for online torts, then the “online accessibility” approach is not, either.⁷⁵² A tendency to avoid the “online accessibility” approach or at least to limit it,⁷⁵³ had emerged in response.

It has been argued that the “centre of interests” criterion may be transported to other types of online violations.⁷⁵⁴ Such an extension was proposed for the sake of simplifying things. It would be unnecessary to distinguish between personality right infringements and other torts, providing the courts with an easily identifiable criterion.

The rationale of most proposals supporting the “centre of interests” criterion for online torts might be summarised as the following.

The “centre of interest” was justified by the failure of territoriality-based connections tests such as the “place where the information has been published.”⁷⁵⁵ Therefore, the infringements committed online should be treated differently.

⁷⁴⁹ See, for example, at SAG M. (2014), “Copyright Trolling, An Empirical Study,” *Iowa Law Review*, Volume 100, p. 44.

⁷⁵⁰ See also, for instance, at HESS B. (2021), “Reforming the Brussels Ibis Regulation: Perspectives and Prospects,” *Max Planck Institute Luxembourg for Procedural Law Research Paper Series*, N° 2021 (4), p. 20.

⁷⁵¹ For instance, MAGNUS U., MANKOWSKI P., (2016), *European Commentaries on Private International Law...*, *op. cit.*, XALABARDER R. (2014), “Jurisdiction and applicable law issues...”, *op. cit.*, LUNDSTEDT L. (2018), “Putting Right Holders in the Centre: *Bolagsupplysningen and Iisjan* (C-194/16): What Does It Mean for International Jurisdiction over Transborder Intellectual Property Infringement Disputes?” *IIC - International Review of Intellectual Property and Competition Law*, volume 49, p.1022-1047; TREPOZ E. (2014), “Jurisdiction in Internet-related intellectual property disputes,” *Conference Material: Jurisdiction and dispute resolution in the Internet Era: Governance and good practices*, Geneva, p.10, SHOUTIWOTH SOOMPONG A. (2016), *Jurisdictional issues and copyright online infringements...*, *op. cit.*, etc.

⁷⁵² For example, at OTCHENASH M. (2018), “Suing online platform for Copyright infringements,” *IDP, Revista de Internet, Derecho y Política*, No. 29, pp. 1-14.

⁷⁵³ For example, at MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...”, *op. cit.*, p. 22.

⁷⁵⁴ See more on whether that new approach could also be applied to intellectual property cases, for instance, at XALABARDER R. (2014), “Jurisdiction and applicable law issues...”, *op. cit.*, HESS B. (2014), “The CJEU’s Decision in eDate Advertising...”, *op. cit.*, TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...”, *op. cit.*, p. 6, OTCHENASH M. (2018), “Suing online platform...”, *op. cit.* The opponents, on the contrary, refuse it by implementing one more criterion that would allow for a concentration of jurisdiction and applicable law is the country of origin by analogy with Art 3(2) e-Commerce Directive. See, for example, at LUTZI T. (2017), “Internet cases in EU PIL...”, *op. cit.*, p. 5-15.

⁷⁵⁵ As it was commented by SHAW S. (2017), “There is no silver bullet...”, *op. cit.*, p. 20-26.

Personality rights are ubiquitous rights, the nature of which is linked to the person itself and are protected in every Member State without the need for registration.⁷⁵⁶ A “special treatment” for these online torts was a necessary remedy.⁷⁵⁷

The “centre of interests” was considered to create a balance between too restrictive and too extensive interpretations of Art. 7(2) BRR.⁷⁵⁸ The claimant would be able to claim the whole damage at one place and would not be forced to initiate various proceedings in order to receive compensation for the same infringement which is almost impossible to quantify.⁷⁵⁹

In light of the recent approach in *Bolagsupplysningen*,⁷⁶⁰ the Court brought clarity to the issue of the precise meaning of “the centre of interest.” The court concluded that if it cannot be identified at the stage of deciding the jurisdiction, it will not apply at all. The application of this criterion was justified in the interests of the sound administration of justice, as well for the sake of legal certainty,⁷⁶¹ and not for the need of protecting the claimant.⁷⁶²

The CJEU has clarified that the centre of interest will most probably exclude the “online accessibility” approach in relation to injunctions.⁷⁶³ Even before the interpretation in *Bolagsupplysningen*, it has been more desirable for plaintiffs to rely on the “centre of interest” criterion instead of on the “online accessibility” approach to obtain the “full” scope of the damages.

It may be concluded that the “centre of interests,” had limited both: the “mosaic” approach and the online “online accessibility,” becoming a real and effective alternative to the defendant’s domicile rule (at Art. 4(1) BRR). It has been accepted by the CJEU as “[...] the best suited in determining the place in which damage caused by online content occurs.”⁷⁶⁴

The “centre of interests” became a decisive indicator also for defining the relevant place which online content was targeting. In this frame, proposals to combine this jurisdictional ground with the “targeting” test have been submitted.⁷⁶⁵

4.6.4. “Targeting” as a limiting test

⁷⁵⁶ See more, for example, at XALABARDER R. (2014), “Jurisdiction and applicable law issues...”, *op. cit.*, p. 177.

⁷⁵⁷ As it was described, for instance, at MAGNUS U., MANKOWSKI P., (2016), *European Commentaries on Private International Law...*, *op. cit.*, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 280-299, SHOUTIWOTH SOOMPONG A. (2016), *Jurisdictional issues and copyright online infringements...*, *op. cit.*

⁷⁵⁸ It was commented that the “centre of the interests” was generated in order to overcome mosaic principle, see more, for example, at REQUEJO M. (2015), “Is the Shevill Doctrine Still Up to Date? Some Further Thoughts on CJEU’s Judgment in Hejduk (C-441/13)”, *GAVC LAW*.

⁷⁵⁹ Especially in the light of the pending the CJEU’s ruling in C-251/20, *Gtflif Tv v DR* (2020).

⁷⁶⁰ C-194/16, *Bolagsupplysningen OÜ Ingrid Ilsjan v Svensk Handel* (2017).

⁷⁶¹ *Ibid.*, paragraph 38.

⁷⁶² It contrasts with the reasoning of the Art. 79 General Data Protection Regulation 2016/679, 04 May 2016, in the version, 23 May 2018 (further, GDPR), which aims to support the data subject as a weaker party in personal data protection claims. See more in the next chapter.

⁷⁶³ C-194/16, *Bolagsupplysningen OÜ Ingrid Ilsjan v Svensk Handel* (2017), paragraphs 47, 48.

⁷⁶⁴ *Ibid.*, paragraph 39.

⁷⁶⁵ SHOUTIWOTH SOOMPONG A. (2016), *Jurisdictional issues and copyright online infringements...*, *op. cit.*, p. 31-33.

Under the so-called “targeting doctrine” (or the “theory of focalisation”),⁷⁶⁶ jurisdiction should be vested in the courts of those Member States towards which the harmful activity has been directed and which implies an intent to target a specific audience.

The “targeting” test is the most popular among academics but also appears to be the most contradictory. At the moment, its applicability as a criterion under Art. 7(2) BRR is rather doubtful.⁷⁶⁷

The legislator has adopted it for jurisdiction over consumer contracts. In particular, this rule applies when

[...] the contract has been concluded with a person who pursues commercial or professional activities in the Member State of the consumer’s domicile or, by any means, directs such activities to that Member State or to several States including that Member State and the contract falls within the scope of such activities.⁷⁶⁸

The “targeting” test was interpreted in *Pammer*,⁷⁶⁹ which dealt with jurisdiction regarding contracts concluded with consumers. The Court provided a series of criteria for determining whether a certain activity is directed towards a Member State: the international nature of the activity at issue, such as certain tourist activities; mention of telephone numbers with the international code; use of a particular top-level domain name, etc.⁷⁷⁰ However, for other types online infringements, the test of the “targeted” audience for deciding jurisdiction was clearly abandoned.⁷⁷¹

The “targeting” was not an EU invention. It may be also found in the US legal practice⁷⁷² (according to the so-called “Zippo test” the nature of a website should be examined).⁷⁷³ It is also the criterion for setting the minimum standards in the field of E-commerce.⁷⁷⁴

There are a variety of academic proposals to implement “targeting” as an independent jurisdictional criterion,⁷⁷⁵ or in combination with other criteria.⁷⁷⁶ For example, A. Mezger

⁷⁶⁶ Opinion of Advocate General Cruz Villalón, 11 September 2014 (ECLI:EU:C:2014:2212) in C-441/13, *Pez Hejduk v EnergieAgentur.NRW GmbH* (2015).

⁷⁶⁷ See more at Opinion of Advocate General Cruz Villalón (2014) in C-441/13, *Hejduk* (2015), C-523/10, *Wintersteiger* (2012), C-170/12, *Pinckney* (2013). However, it applies under national private international law rules and substantive law.

⁷⁶⁸ Brussels Regulation Recast 1215/2012, Section 4 Art. 17 (1) (c).

⁷⁶⁹ CJEU, Joined cases, C- 585/08, *Peter Pammer v Reederei Karl Schlüter GmbH & Co. KG and C-144/09, Hotel Alpenhof GesmbH v Oliver Heller*, 07 December 2010 (ECLI:EU:C:2010:740).

⁷⁷⁰ *Ibid.*, paragraph 83.

⁷⁷¹ Opinion of Advocate General Cruz Villalón (2014) in C-441/13, *Hejduk* (2015), paragraph 21, also, C-523/10, *Wintersteiger* (2012), C-170/12, *Pinckney* (2013).

⁷⁷² As it was described at KOHL U. (2007), *Jurisdiction and the Internet...*, *op. cit.*, p. 120-128.

⁷⁷³ See more, for instance, at HARVEY D. (2011), *Internet.law.nz...*, *op. cit.*, paragraph 2.8.1.

⁷⁷⁴ For instance, OECD (2016), *Consumer Protection in E-commerce...*, *op. cit.*, the World Intellectual Property Organization (WIPO) (2001), *Joint Recommendation Concerning Provisions on the Protection of Marks and Other Industrial Property Rights in Signs, on the Internet*, September 24 to October 3.

⁷⁷⁵ Opinion of Advocate General Jääskinen, 13 June 2013 (ECLI:EU:C:2013:400) in C-170/12, *Pinckney* (2013), paragraph 64, CJEU, C-192/04, *Lagardère Active Broadcast*, 14 July 2005 (EU:C:2005:475), paragraph 46, DEPREEUW S. and HUBIN J. (2014), “Of Availability, Targeting and Accessibility,” *Journal of Intellectual Property Law & Practice*, vol. 9, 9/2014, p. 753.

⁷⁷⁶ See more at MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...”, *op. cit.*, p. 22, LUTZI T. (2017), “Internet cases in EU PIL...”, *op. cit.*, p. 6.

supported this criterion, stating that jurisdiction at the “place where the damage occurred” should be accepted only when:

- the significant harm occurred at the territory of a court; or⁷⁷⁷
- the defendant had acted substantially within this territory.⁷⁷⁸

Hence, the proposal was to move to the place where the material of the site was “knowingly” published (an “objective intention” to target some territory).⁷⁷⁹ Publishers may limit potential jurisdictions by adjusting the content of the website to local readers only. In this context, “targeting” would meet “realistic legal expectation” and “accommodate foreseeability.”⁷⁸⁰

Similar was concluded by D. J. B. Svantesson.⁷⁸¹ He defines “constructive parties expectation” as a result of a balance between predictability and flexibility.⁷⁸² In this frame, the focus should be made on the active role of the defendant, as soon as he can adjust his conduct.

As a whole, as it was fairly admitted by U. Kohl, the initial objective of both “online accessibility” and “targeting” was to enhance the states regulation and control: due to “online accessibility,” a state can provide more efficient control over its territory.⁷⁸³ Instead, this approach has brought an overregulation of online traders and a creation of numerous concurrent jurisdictions.

The “targeting” test was expected to promote Internet openness.⁷⁸⁴ Although it could generate less forum shopping and online traders control, it still suffers from the lack of legal certainty and predictability. There is no list of coherent criteria of “targeting”.⁷⁸⁵ Although there is a variety of attempts to adopt the realistic level of it, almost all of the proposed criteria are considered easily manipulative and not technology-neutral.⁷⁸⁶

Some commentators argue that “targeting” is rather fact-specific and may incentivise geo-blocking measures.⁷⁸⁷ Precisely, in order to avoid the risk of being sued in a foreign forum, online publishers may adopt geo-location technologies (GLT) aiming at translating IP-

⁷⁷⁷ See also, for instance, at the World Intellectual Property Organization (WIPO) (2001), *Joint Recommendation Concerning Provisions on the Protection of Marks and Other Industrial Property Rights in Signs, on the Internet*, September 24 to October 3.

⁷⁷⁸ METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*, p. 266-267.

⁷⁷⁹ At the same time so-called “minimum contacts” test from the US case law (Zippo) was focused on step 3 and 6 with additional requirement of a website to be “expressly aimed” at particular audience. See more to this in the previous section.

⁷⁸⁰ As it was described at KOHL U. (2007), *Jurisdiction and the Internet...*, *op. cit.*, p. 140-141.

⁷⁸¹ SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p.73-74.

⁷⁸² *Ibid.*, D. J. B. Svantesson proposes that for defamation torts a predictability principle should prevail, instead of flexibility (which is more suitable for contractual claims).

⁷⁸³ As it was commented at KOHL U. (2007), *Jurisdiction and the Internet...*, *op. cit.*, p. 140-141, with the reference to the US case law.

⁷⁸⁴ See more for comparison of “targeting” and “accessibility” at *ibid.*, p. 131.

⁷⁸⁵ For example, at GEIST M. (2001), “Is There a There There...,” *op. cit.*, where “targeting” was also supported, but technology neutral criteria must be set (not language or currency). Also, at HARVEY D. (2011), *Internet.law.nz...*, *op. cit.*, it was stated that criteria must be content neutral.

⁷⁸⁶ For instance, KOHL U. (2007), *Jurisdiction and the Internet...*, *op. cit.*, p. 140-141.

⁷⁸⁷ For instance, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p.93.

address into geographical locations. If a GLT is implemented, a potential risk of a “targeting” activity may be excluded.⁷⁸⁸ One may agree that GLT has been incentivised by the “damage-focused” approach under Art. 7(2) BRR,⁷⁸⁹ when online traders take active actions by “dis-targeting” inconvenient *fora* and benefit from jurisdictional *immunity*.

At the same time, GLT is not ideal and can undesirably limit free movements of goods and services. Also, geolocation data may be inaccurate and rather easily circumvented via anonymising techniques, proxy servers, etc.⁷⁹⁰ In practice, online publishers and traders prefer a double standard implementation of GLT, leaving an access to a website and ensuring geographically targeted advertisement.⁷⁹¹

As a whole, the thesis supports the conclusion that the “targeting” test will not be effective for cases of online defamation.⁷⁹² Online publishing platforms are mostly passive (as a readership) and not such interactive as e-commerce platforms. Hence, as it was admitted by U. Kohl, “knowing online transactions with readers” should not be decisive, as in the case of consumer jurisdiction.⁷⁹³

It sounds fair to approach online defamation as an ecological tort: any “pollution” cannot be justified by the unpredictability of “wind.”⁷⁹⁴ Consequently, the flow of information on the Internet is a natural and potential consequence of online publications⁷⁹⁵ and a publisher cannot claim it as a defence.

4.7. Summary

There is a clear tension between the globally *free* Internet and the rather different national legislations. However, the online environment is not as borderless as it was considered before. Emerging new technologies have been transforming it significantly, marking territorial borders.⁷⁹⁶ Besides, parties are real people or entities with a tangible location. Thus, a distinction between the online environment and off-line reality may often be rather artificial.

At the same time, effective jurisdictional rules for online torts may be generated only with a relevant accessing of certain features of the Internet. Brussels regime and the case law of the CJEU have been making attempts to adapt the current jurisdictional criteria to the online environment.

⁷⁸⁸ *Ibid.*, p. 331, also Geo blocking Regulation 2018/302 sets out some prohibitions.

⁷⁸⁹ SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 352.

⁷⁹⁰ *Ibid.*, p. 331.

⁷⁹¹ *Ibid.*, p. 338, describing double standards in use of GLT in Yahoo!: while arguing that it was not possible to distinguish between the users based on their location, Yahoo! was providing geographical targeted advertisement on its auction site.

⁷⁹² For instance, KOHL U. (2007), *Jurisdiction and the Internet...*, *op. cit.*, p. 118-124.

⁷⁹³ For instance, KOHL U. (2007), *Jurisdiction and the Internet...*, *op. cit.*, p. 118-124.

⁷⁹⁴ As it was commented at, for example, BERMAN P. S. (2002), *The globalisation of Jurisdiction*, University of Pennsylvania Law Review, p.311-545, also, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*

⁷⁹⁵ One may wonder if such approach may justify a “mere online accessibility” approach.

⁷⁹⁶ See more, for instance, at the World Intellectual Property Organization (WIPO) (2001), *Joint Recommendation Concerning Provisions on the Protection of Marks and Other Industrial Property Rights in Signs, on the Internet*, September 24 to October 3.

Internet challenges the application of so-called “dual” jurisdiction of Art. 7(2) BRR, significantly transforming the “place of the event giving rise to the damage” and the “place of the damage.”

A particular *deviation* from offline criteria was experienced in *eDate*, where an additional option of the “full” jurisdictional scope emerged.⁷⁹⁷ It is the place where the claimant has his centre of interests, where the totality of damage can be claimed. Implementing this new criterion for Art. 7(2) BRR has been the subject of debate. It has been criticised for granting unjustified privileges to potential victims of personality rights infringements. Instead, limiting requirements (as, for example, the “targeting”) are lobbied by online service providers for the sake of legal certainty and foreseeability.

There is no “perfect” solution to international jurisdiction for both online and offline infringements. The legal doctrine may suggest a transnational standard for determining jurisdiction in online torts. However, international harmonisation of jurisdictional rules often requires mutual and substantial policy sacrifices which countries often are not willing to make.

Under these considerations, the *eDate's deviation*⁷⁹⁸ from traditional rules in the sense of an alternative to the defendant’s domicile may be justified to some extent. A variety of connecting factors for special jurisdiction was generated in this respect. The specific and multilayered features of different types of online torts should be taken into account when approaching jurisdiction.

⁷⁹⁷ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), see also, Opinion of Advocate General Bobek in *Bolagsupplysningen and Ilsjan*, (2017), paragraph 32.

⁷⁹⁸ Also commented at METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*, p. 265.

5. Chapter V: Art. 7(2) BRR for online infringements, concerning personal data

5.1. Introduction

As the protection of personal data has been at the border between private and public law,⁷⁹⁹ it is often difficult to define its nature.⁸⁰⁰ According to the legislative definition, personal data means any information relating to an identified or identifiable natural person (the “data subject”).⁸⁰¹

Accordingly, a breach of security “[...] leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed” may amount to a personal data infringement.⁸⁰²

Personal data protection has become one of the top EU policy priorities.⁸⁰³ After adopting the General Data Protection Regulation (hereinafter, the GDPR), under Art. 79(2) GDPR, the data subject potentially receives more effective litigation possibilities.⁸⁰⁴ However, this provision has been under academic debate because of granting too many *privileges* for the data subject and scarifying the foreseeability of potential litigation within the EU.⁸⁰⁵

⁷⁹⁹ BRKAN M. (2015), *Data Protection and European Private International Law*, EUI Working Paper, RSCAS 2015/40, European University Institute, Robert Schuman Centre for Advanced Studies, p.38, p. 17.

⁸⁰⁰ *Ibid.*, p.16.

⁸⁰¹ Art. 4(1) Regulation of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data EU 2016/679, 27 April 2016, OJ L 119/1, (hereinafter, the GDPR).

⁸⁰² Art. 4 (12) GDPR.

⁸⁰³ A Digital Single Market Strategy for Europe, COM/2015/0192, 6 May 2015, COM/2015/0192.

⁸⁰⁴ Art. 79(2) GDPR: Right to an effective judicial remedy against a controller or processor:

1. Without prejudice to any available administrative or non-judicial remedy, including the right to lodge a complaint with a supervisory authority pursuant to [Article 77](#), each data subject shall have the right to an effective judicial remedy where he or she considers that his or her rights under this Regulation have been infringed as a result of the processing of his or her personal data in non-compliance with this Regulation.

2. Proceedings against a controller or a processor shall be brought before the courts of the Member State where the controller or processor has an establishment. Alternatively, such proceedings may be brought before the courts of the Member State where the data subject has his or her habitual residence, unless the controller or processor is a public authority of a Member State acting in the exercise of its public powers.

⁸⁰⁵ REVOLIDIS I. (2017), “Judicial Jurisdiction over Internet privacy violations and the GDPR: a case of “privacy tourism”?” *Masaryk University Journal of Law and Technology*, Vol. 11, p.19.

The data subject in one country may be easily affected by processing activities⁸⁰⁶ taking place online in another one. Plenty of multinational companies are often involved in the liability chain.⁸⁰⁷ Although all these increase the importance of the rules of international jurisdiction where a cross-border element is involved,⁸⁰⁸ the scope of the Brussels Regulation Recast 1215/2012 (hereinafter, BRR) for personal data protection claims has been unclear.

For the purpose of the present thesis, we will focus on the applicability of Art. 79(2) GDPR to personal data protection claims and its interaction with Art. 7(2) BRR. We will attempt to justify the creation of a plaintiff's *fora* for data subjects at Art. 79(2) GDPR. In addition, we will illustrate the interplay of this *forum* with the "centre of interests" criterion (considered as a *privilege* for the claimant) that has been adopted for online personality rights claims at Art. 7(2) BRR.

We will compare data subjects' jurisdiction with consumers' jurisdiction in Art. 18 BRR. In particular, we will examine the procedural guarantees in favour of the data subjects, comparing them to those granted by the BRR to consumers. As a whole, we will consider the coexistence of the GDPR and the BRR, which are rather different instruments.

While the GDPR has been criticised for lacking consistent and comprehensive rules for jurisdiction and applicable law,⁸⁰⁹ in this Thesis it will be argued that, in fact, it does provide useful guidance for allocating jurisdiction in online personal data protection litigation. Although civil procedures are mainly considered, some administrative claims before data protection authorities will be also analysed from the perspective of the data subject's jurisdictional possibilities.

5.2. The territorial scope of Directive 95/46

Personal data protection is often viewed as a "grey area"⁸¹⁰ between the public and private law domain.⁸¹¹ Personal data claims are treated by national courts within both administrative

⁸⁰⁶ Art. 4 (12) GDPR: "[...] activities 'processing' means any operation or set of operations which is performed on personal data or on sets of personal data, whether or not by automated means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction [...]."

⁸⁰⁷ Some commentators argue that the EU legislation indirectly increases global standards in general, and of personal data protection, in particular, as it may also reach non-EU countries and incentivise a hyper-regulation. See more to this, for example, at: SVANTESSON D. J. B. (2018), "European Union Claims of Jurisdiction over the Internet – an Analysis of Three Recent Key Developments," 9 *JIPITEC* 113, BRADFORD A. (2012) "The Brussels Effect: The Rise of a Regulatory Superstate in Europe," *the University of Chicago Law School's, January 18, "Chicago's Best Ideas" lecture series*.

⁸⁰⁸ See the previous chapters on the terminology and jurisdiction.

⁸⁰⁹ For instance, SVANTESSON D.J.B. (2018), "European Union Claims of Jurisdiction over the Internet – an Analysis of Three Recent Key Developments," 9 *JIPITEC* 113, REVOLIDIS J. (2017), "Judicial Jurisdiction...", *op. cit.*

⁸¹⁰ See more to this, for example, at: BRKAN M. (2015), *Data Protection and European Private International Law...*, *op. cit.*, REVOLIDIS I. (2017), "Judicial Jurisdiction...", *op. cit.*, SVANTESSON D.J.B. (2012), *Private international law and the Internet*, Second edition, Kluwer Law International, p. 271 and p. 278-286. In particular, D. J. B. SVANTESSON concludes that "[...] even within the premises of private international law per se, the nature of data protection rules is complicated. One cannot cover them with the same conflict of laws rule. He tries, therefore, to classify them in three basic distinct private international law categories and goes on to examine which rules fit the distinct character of different data protection rules better."

⁸¹¹ It is viewed as an area which is separated from traditional private international law, see, for example, at: REVOLIDIS I. (2017), "Judicial Jurisdiction...", *op. cit.*

and civil law procedures.⁸¹² These circumstances bring plenty of controversies that often affect traditional principles of private international law (hereinafter, PIL).⁸¹³

Starting from early 1995, the area of personal data protection had been regulated by Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 of protection individuals with regard to the processing the personal data and of free movement of such data (hereinafter, Directive 95/46).⁸¹⁴ It was adopted before the time of the Internet's wide popularity.

According to Art. 4(1) Directive 95/46:

1. Each Member State shall apply the national provisions it adopts pursuant to this Directive to the processing of personal data where:
 - (a) the processing is carried out in the context of the activities of an establishment of the controller on the territory of the Member State; when the same controller is established on the territory of several Member States, he must take the necessary measures to ensure that each of these establishments complies with the obligations laid down by the national law applicable;
 - (b) the controller is not established on the Member State's territory, but in a place where its national law applies by virtue of international public law;
 - (c) the controller is not established on Community territory and, for purposes of processing personal data makes use of equipment, automated or otherwise, situated on the territory of the said Member State, unless such equipment is used only for purposes of transit through the territory of the Community [...].

In this regard, foreign controllers were bound by Directive 95/46, where “[...] the processing of personal data ... (a) ... is carried out in the context of the activities of an establishment of the controller on the territory of the Member State [...]” and/or where the controller: “[...] makes use of equipment, automated or otherwise, situated on the territory of the said Member State [...].” However, the determination of the territorial scope of Directive 95/46, and especially the national transposition measures of a particular Member State, was not a straightforward process. It was left for the national courts to ascertain the exact scope of the activities of European subsidiaries of multinational corporations.

5.2.1. The concept of an “establishment” in Google Spain and Weltimmo

⁸¹² For example, at: BRKAN M. (2015), *Data Protection and European Private International Law...*, *op. cit.*, SVANTESSON D.J.B. (2018), “European Union Claims of Jurisdiction...,” *op. cit.*

⁸¹³ For instance, SVANTESSON D.J.B. (2018), “European Union Claims of Jurisdiction...,” *op. cit.*, see also: CJEU, C-645/19, *Privacy Commission’s claim vis-à-vis Facebook Inc., Facebook Ireland and Facebook Belgium*, 15 June 2021 (ECLI:EU:C:2021:483), concerning the lack of international jurisdiction over Facebook Ireland.

⁸¹⁴ The Directive of the European Parliament and of the Council of protection individuals with regard to the processing the personal data and of free movement of such data 95/46/EC, 24 October 1995, OJ L 281/31, hereinafter, Directive 95/46 (no longer in force).

The Art. 4(1)(a) Directive 95/46 is also known as an “establishment” test.⁸¹⁵ Determining whether a foreign company came under its scope was a real challenge.⁸¹⁶ In particular, the courts had to ascertain:

- (1) who was the controller of the data processing;
- (2) whether he has one or more establishments within the EU;
- (3) if so, whether the processing was carried out “in the context of the activities of” one of those establishments; and
- (4) if such an establishment is established in the territory of the Member State in question.

Several groundbreaking decisions, such as in *Google Spain*,⁸¹⁷ and *Weltimmo*,⁸¹⁸ have brought some clarity into the process of ascertaining the territorial scope of Art. 4(1)(a) Directive 95/46.

The CJEU interpreted this provision for the first time in *Google Spain*, concerning the applicability of Directive 95/46 to the Internet search engines. The Court underscored that this provision refers not merely to the existence of an establishment of the data controller or the processor, but to the fact that the data processing is carried out “in the context of the activities of [the] establishment.”

In this case, Spanish national Costeja González brought a complaint before the country’s Data Protection Authority against *La Vanguardia* newspaper, Google Spain, and Google Inc. González wanted the newspaper to remove or alter the online record of his 1998 attachment and garnishment proceedings so that the information would no longer be available through Internet search engines. He also requested Google Inc. or its subsidiary, Google Spain, to remove or conceal the data.

The Authority dismissed the complaint against the newspaper on the ground that the publication was legally justified under government order. It, however, upheld the complaint against Google, finding that Internet search engines were also subject to data protection laws and must take necessary steps to protect personal information.⁸¹⁹

The CJEU ruled that the processing of personal data for the purposes of providing the service of a search engine was carried out “in the context of the activities” of its establishment if the latter was intended to promote and sell advertising space which serves to make the service offered by that engine profitable.⁸²⁰ The court held that:

That being so, it cannot be accepted that the processing of personal data carried out for the purposes of the operation of the search engine should escape the obligations and guarantees laid down by Directive 95/46, which would compromise the directive’s effectiveness and the effective and complete

⁸¹⁵ European Data Protection Board (2019), *Guidelines 3/2018 on the territorial scope of the GDPR (Article 3)*, Version 2.1 (adopted), p.28.

⁸¹⁶ See, for instance, SVANTESSON D.J.B. (2018), “European Union Claims of Jurisdiction...,” *op. cit.*, *Guide to the General Data Protection Regulation* (2020), Bird&Bird, p. 73.

⁸¹⁷ CJEU, C-131/12, *Google Spain SL & Google Inc. v Agencia Española de Protección de Datos (AEPD) & Mario Costeja González*, 13 May 2014 (ECLI:EU:C:2014:317).

⁸¹⁸ CJEU, C-230/14, *Weltimmo s.r.o. v Nemzeti Adatvédelmi és Információszabadság Hatóság*, 1 October 2015 (ECLI:EU:C:2015:639).

⁸¹⁹ C-131/12, *Google Spain* (2014), paragraphs 40-46.

⁸²⁰ *Ibid.*, paragraph 55.

protection of the fundamental rights and freedoms of natural persons which the directive seeks to ensure [...].⁸²¹

Therefore, it was concluded that an establishment such as Google Spain satisfied the criterion laid down in Article 4(1)(a) of Directive 95/46, as soon as it was intended to promote and sell advertising space offered by the search engine (a profit within the EU) and which orientated its activity towards the inhabitants of Spain (a “targeting”⁸²² test).⁸²³

The Court also established that a search engine was regarded as a *controller* with respect to the *processing* of personal data through its act of locating, indexing, storing, and disseminating such information. It held that to guarantee the rights of privacy and the protection of personal data, operators of search engines can be required to delist⁸²⁴ personal information published by third-party websites. But the data subject’s right to make that request was claimed to be balanced against the interest of the general public to access his or her personal information.⁸²⁵

Further, the concept of an “establishment” was considered by the CJEU in the case of *Weltimmo v NAIH*.⁸²⁶ Weltimmo, a company registered in Slovakia, operated a property dealing website concerning Hungarian properties. It processed the personal data of the advertisers. When the price of its service was not paid, Weltimmo forwarded the personal data of the advertisers to debt collection agencies. Those advertisers lodged complaints against Weltimmo with the Hungarian data protection authority. Weltimmo opposed, claiming that pursuant to Art. 4(1)(a) Directive 95/46, the Hungarian data protection authority was not competent and could not apply Hungarian law in respect of a supplier of services established in another Member State (Slovakia in this case).⁸²⁷

When the case was referred to the CJEU, the court followed its interpretation in *Google Spain*. A rather broad territorial scope of Directive 95/46 was adopted,⁸²⁸ giving a *flexible* definition⁸²⁹ for the concept of “establishment.” It has been extended to any real and effective activity (even a minimal one) exercised through stable arrangements.⁸³⁰

The following factors were taken into account:⁸³¹ 1) whether the controller has a representative in that Member State; 2) whether it owns properties situated in its territory; 3) the language of the website; 4) whether the service is directed at that Member State. The issue of the nationality of the persons concerned by such data processing was considered irrelevant. Even the presence of a single representative was held as sufficient to satisfy the requirement of the controller’s presence on the territory of the Member State.

⁸²¹ *Ibid.*, paragraph 57.

⁸²² Opinion of Advocate General Jääskinen, 25 June 2013 (ECLI:EU:C:2013:424), in C-131/12, *Google Spain* (2014).

⁸²³ C-131/12, *Google Spain* (2014), paragraphs 60, 100.

⁸²⁴ Noteworthy that the court does not refer to removing information from the search engines’ indexes, but only to not showing a link to that information in the list of search results when the search was made by the name of the data subject.

⁸²⁵ C-131/12, *Google Spain* (2014), paragraph 100.

⁸²⁶ C-230/14, *Weltimmo* (2015).

⁸²⁷ *Ibid.*, paragraphs 9-12.

⁸²⁸ *Ibid.*, paragraph 27.

⁸²⁹ *Ibid.*, paragraph 29, which departs from a formalistic approach whereby undertakings are established solely in the place where they are registered.

⁸³⁰ *Ibid.*, paragraphs 39, 41, 60.

⁸³¹ C-230/14, *Weltimmo* (2015), paragraphs 41, 60.

Therefore, the rulings in *Google Spain* and *Weltimmo v NAIH* seriously reduced the margin of manoeuvre for multinational companies willing to designate a single data controller for all their EU data processing activities. The main findings from these interpretations were later transported to the GDPR.⁸³²

5.2.2. The Art. 4(1) Directive 95/46 as a conflict rule

The Art. 4(1) Directive 95/46 had obtained the role of a conflict rule, determining applicable law within the EU.⁸³³ According to the provision of Art. 22 Directive 95/46, Member States should allow the data subject to seek judicial (and not merely administrative) remedies for any infringement of the applicable data protection laws, based on the national laws governing the relevant processing.⁸³⁴

The Article 29 Working Party classified Art. 4(1) Directive 95/46 as a private international law rule for intra-European data flows:

[...] Concerning the situations within the Community, the objective of the directive is twofold: it aims at avoiding gaps (no data protection law would apply) and at avoiding multiple/double application of national laws. As the directive addresses the issue of applicable law and establishes a criterion for determining the law on substance that should provide the solution to a case, the directive itself fulfils the role of a so-called “rule of conflict” and no resource to other existing criteria of international private law is necessary.⁸³⁵

Such a *special* role of Art. 4(1) Directive 95/46 entailed its autonomous coexistence with the Rome I and II Regulations.⁸³⁶ For instance, while the domestic law of the consumer’s residence applies to consumer claims,⁸³⁷ the applicable law to the processing of personal data could be a different one.

The regimes of consumer jurisdiction and personal data processing were revised together in light of applicable law in *Verein für Konsumenteninformation v Amazon EU Sàrl (or VFK v Amazon EU Sàrl)*.⁸³⁸ The independent status of Art. 4(1) Directive 95/46 was reaffirmed.

The case questioned if a company which in the course of electronic commerce concluded contracts with consumers residing in the other Member States must also comply with the data protection rules of those Member States to which its commercial activities are directed (in the sense of Art. 4(1) Directive 95/46). The proceeding concerned the terms for

⁸³² See more further in this Chapter.

⁸³³ REVOLIDIS I. (2017), “Judicial Jurisdiction...,” *op. cit.*

⁸³⁴ Such a *transit* provision could often provoke a competing law shopping between the different Member States. I mean “transit” in the meaning that this rule refers to the national law of the country to which the company directs its activities, as it was interpreted in CJEU, C-191/15, *Verein für Konsumenteninformation v Amazon EU Sàrl*, 28 July 2016 (ECLI:EU:C:2016:612).

⁸³⁵ Working Party (2002), *Working document on determining the international application of EU data protection law to personal data processing on the Internet by non-EU based web sites*, WP 56, 30 May 2002, p. 6.

⁸³⁶ Regulation on the law applicable to contractual obligations No 593/2008, 17 June 2008, OJ L 177 (hereinafter, Rome I Regulation), and Regulation on the law applicable to non-contractual obligations No 864/2007, 11 July 2007 (hereinafter, Rome II Regulation).

⁸³⁷ Recital 24 Rome I Regulation.

⁸³⁸ C191/15, *Verein für Konsumenteninformation v Amazon EU Sàrl* (2016).

consumers' contracts on amazon.de and the processing of personal data.⁸³⁹ The concepts of "non-contractual obligation" (Art. 1 Rome II Regulation) and of "matters relating to tort, delict, and quasi-delict" (Art. 5(3) BRR) were also addressed.⁸⁴⁰

Amazon EU, a company established in Luxembourg, via a website with a domain name with the extension .de, concluded electronic sales contracts with consumers residing in Austria. The company had no registered office or establishment in Austria. Until mid-2012 the general terms and conditions in the contracts concluded with those consumers established the provision of applicability of Luxembourg law. The VKI brought an action before the Austrian courts to prohibit the use of the provision of applicability of Luxembourg law in those general terms and conditions.

Confirming its interpretation in *Weltimmo*,⁸⁴¹ the CJEU held that Art. 4(1)(a) Directive 95/46 should be interpreted as meaning that "[...] the treatment of personal data by an undertaking engaged in electronic commerce should be governed by the law of the Member State to which that undertaking directs its activities,"⁸⁴² (and not merely because the undertaking's website is accessible there).⁸⁴³ The national courts needed to ascertain whether the company carries out the data processing in the context of the activities of an establishment situated in that Member State.

Therefore, the exact scope of the activities of the EU establishments of multinational corporations had been a matter of the national case law. As many online businesses have headquarters in one EU Member State and conclude contracts across the multiple Member States, it has been a burden for these companies to fulfil different national laws for their activities. The potential conflict between EU data protection law and national laws may be at stake.⁸⁴⁴

5.3. EU data protection law after the GDPR

The GDPR,⁸⁴⁵ which replaced Directive 95/46, aims to unify the legal regime on the processing of data in the different Member States.⁸⁴⁶ Unlike Art. 4(1) Directive 95/46 which fulfilled the role of a conflict rule and determined the national applicable law,⁸⁴⁷ Art. 3 GDPR

⁸³⁹ If the user chooses to provide content on Amazon.de (e.g. customer reviews), "[...] he shall grant for the duration of the underlying right an exclusive licence without any limitation with regard to time or place to make further use of the content for any purpose whatsoever both online and offline," C-191/15, *Verein für Konsumenteninformation v Amazon EU Sàrl* (2016), paragraph 11.

⁸⁴⁰ C-191/15, *Verein für Konsumenteninformation v Amazon EU Sàrl* (2016), paragraph 37-39.

⁸⁴¹ *Ibid.*, paragraph 82.

⁸⁴² *Ibid.*, paragraph 82. Article 4(1)(a) of Directive 95/46 was interpreted as meaning that "[...] Article 4(1)(a) of Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data must be interpreted as meaning that the processing of personal data carried out by an undertaking engaged in electronic commerce is governed by the law of the Member State to which that undertaking directs its activities, if it is shown that the undertaking carries out the data processing in question in the context of the activities of an establishment situated in that Member State. It is for the national court to ascertain whether that is the case."

⁸⁴³ *Ibid.*, paragraph 76.

⁸⁴⁴ By contrast, the GDPR applies directly and aims at harmonisation of data protection law in the EU.

⁸⁴⁵ Regulation on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, 2016/679, 27 April 2016, OJ L 119/1, (hereinafter, the GDPR) which repealed the Directive 95/46/EC.

⁸⁴⁶ Art. 99(2) GDPR: "It shall apply from 25 May 2018. This Regulation shall be binding in its entirety and directly applicable in all Member States."

⁸⁴⁷ See Art. 19 Working Party (2002), *Working document...*, *op. cit.*

defines the territorial scope of a directly applicable text. It shall be binding in its entirety and directly applicable in all Member States.⁸⁴⁸ The particular national provisions (developed according to the GDPR) of the Member State to which the activity is directed⁸⁴⁹ will define the applicable law.

It is worth mentioning that some national cases might have had a distinct outcome if the GDPR would apply directly. For instance, in Germany, the Administrative Court (*Verwaltungsgericht*) for the German State Schleswig-Holstein decided that German data protection law does not apply to U.S.-based Facebook Inc. and its European subsidiary, Facebook Ireland Ltd. (*Facebook v Independent Data Protection Authority of Schleswig-Holstein*).⁸⁵⁰ Instead, the court referred to Irish data protection law, based on Facebook's main establishment in Ireland. After adopting the GDPR, the role of the main establishment should not be decisive for this choice.⁸⁵¹

As it was further interpreted by the CJEU, such processing should not be carried out "by" the establishment concerned itself, "[...] but only that it be carried out 'in the context of the activities of the establishment (judgment of 13 May 2014, Google Spain and Google, C-131/12, EU:C:2014:317, paragraph 52)."⁸⁵²

By contrast to Art. 4(1) Directive 95/46, Art. 3 GDPR determines when the GDPR is applicable and expands the territorial scope of EU data protection law. As it aims to cover a particular processing activity, rather than a person,⁸⁵³ the fact by whom⁸⁵⁴ or where the actual data processing takes place becomes irrelevant.

According to Art. 3 GDPR:

1. This Regulation applies to the processing of personal data in the context of the activities of an establishment of a controller or a processor in the Union, regardless of whether the processing takes place in the Union or not.

⁸⁴⁸ Art. 99 GDPR.

⁸⁴⁹ C191/15, *Verein für Konsumenteninformation v Amazon EU Sàrl* (2016), paragraphs 41, 60.

⁸⁵⁰ Germany, the Administrative Court (*Verwaltungsgericht*) for the German State Schleswig-Holstein, 8 B 60/12, *Facebook v Independent Data Protection Authority*, on 14 February 2013, decided that German data protection law is not applicable to U.S.-based Facebook Inc.

⁸⁵¹ The processing of personal data by an undertaking in the context of e-commerce will be governed by the law of the Member State to which that undertaking directs its commercial activities, instead of where the undertaking itself was established (C-191/15, *Verein für Konsumenteninformation v Amazon EU Sàrl* (2016)). However, in the sense of data processing it may still be relevant (Recital 116 GDPR).

⁸⁵² CJEU, C-210/16, *Unabhängiges Landeszentrum für Datenschutz Schleswig-Holstein v Wirtschaftsakademie Schleswig-Holstein GmbH, v Facebook Ireland Ltd, Vertreter des Bundesinteresses beim Bundesverwaltungsgericht*, 5 June 2018, paragraph 57. It was the proceedings between the Independent Data Protection Centre and a private-law company operating in the field of education ('Wirtschaftsakademie'), concerning the lawfulness of ULD's order to Wirtschaftsakademie to deactivate its fan page on the Facebook social network site (Facebook).

⁸⁵³ As, for example, it was commented at: European Data Protection Board (2019), *Guidelines 3/2018...*, *op. cit.*, p. 5: "[...] the application of Article 3 aims at determining whether a particular processing activity, rather than a person (legal or natural), falls within the scope of the GDPR. [...] Consequently, certain processing of personal data by a controller or processor might fall within the scope of the Regulation, while other processing of personal data by that same controller or processor might not, depending on the processing activity."

⁸⁵⁴ The liability of processors was under the question as far as they not always were considered to be involved in the process of personal data processing. Article 3(1) GDPR makes reference not only to an establishment of a controller, but also to an establishment of a processor. As a result, the processing of personal data by a processor may also be subject to EU law by virtue of the processor having an establishment located within the EU.

2. This Regulation applies to the processing of personal data of data subjects who are in the Union by a controller or processor not established in the Union, where the processing activities are related to: (a) the offering of goods or services, irrespective of whether a payment of the data subject is required, to such data subjects in the Union; or (b) the monitoring of their behaviour as far as their behaviour takes place within the Union.
3. This Regulation applies to the processing of personal data by a controller not established in the Union, but in a place where Member State law applies by virtue of public international law.

According to this wording, the situation for the EU-established controllers has remained essentially the same. The “establishment” test was transported from Art. 4 (1)(a) Directive 95/46 to the GDPR almost unchanged, but supplemented by two factors: along with the controllers, Art. 3(1) GDPR also brings processors within the scope of EU data protection law (1), and if the processing takes place in the EU is not essential (2).

By contrast, the situation at Art. 3(2) GDPR for the non-EU established controllers is significantly distinct from the wording of Art. 4(1)(c) Directive 95/46. Directive 95/46 stressed the “use of equipment,” situated on the territory of the Member State for the purposes of personal data processing. Instead, Art. 3(2) GDPR implements a so-called “targeting” test,⁸⁵⁵ bringing a wide range of non-EU companies within the scope of EU data protection law.

5.3.1. The “establishment” test at Art. 3(1) GDPR

The EU-established data controllers⁸⁵⁶ together with the EU-established processors fall into the scope of the GDPR when personal data is processed “in the context of their activities.”⁸⁵⁷ If a subsidiary of an online company is involved in the overall business structure of its mother company, the GDPR applies irrespective of whether the actual data processing takes place in the EU or not.⁸⁵⁸ As it was already illustrated, this factual situation was addressed in *Google Spain*.

Following the mentioned settled case law of the CJEU,⁸⁵⁹ the Art. 3(1) GDPR implements an extended interpretation of the notion of the “establishment” in order to secure the applicability of EU data protection law. According to Recital 225 of the GDPR, an “[e]stablishment implies the effective and real exercise of activities through stable arrangements. The legal form of such arrangements, whether through a branch or a subsidiary with a legal personality, is not the determining factor in that respect.”

Although Recital 19 Directive 95/46 set a very similar wording,⁸⁶⁰ the rulings in *Google Spain* and *Weltimmo* specify the exact meaning of the notion of the “establishment” for the purpose

⁸⁵⁵ European Data Protection Board (2019), *Guidelines 3/2018...*, *op. cit.*

⁸⁵⁶ Art. 4 (7), (8) GDPR.

⁸⁵⁷ Such interpretation was introduced in C-131/12, *Google Spain* (2014).

⁸⁵⁸ Recital 22 GDPR.

⁸⁵⁹ C-131/12, *Google Spain* (2014), C-230/14, *Weltimmo* (2015), C-191/15, *Verein für Konsumenteninformation v Amazon EU Sàrl* (2016) and C-210/16, *Wirtschaftsakademie Schleswig-Holstein* (2018).

⁸⁶⁰ Recital 19 Directive 95/46:

of data protection law. Along with the place where a company is registered, it implies also the place of any real and effective activity — even a minimal one — exercised through stable arrangements.⁸⁶¹

Unfortunately, the difference between the notions of the “establishment” in Directive 95/46 and the “main establishment” in the GDPR remains unclear. Art. 4(16) GDPR defines⁸⁶² the “main establishment” as the place of the controller’s central administration, or the place where the main processing takes place. In order to define if online multinational companies have EU establishments, their economic activities should be evaluated together with the stability of arrangements within the territory of a particular Member State.

As it was commented in the Guidance to Art. 3 GDPR,⁸⁶³ even the presence of one single employee or agent, acting “with a sufficient degree of stability” may constitute the “establishment.” While the absence of a subsidiary or a branch in a Member State will not serve as a valid excuse for failing to apply the data protection law of that State, mere online accessibility of the controller’s or processor’s website in that State is not sufficient to invoke Art. 3(1) GDPR.⁸⁶⁴

All these mean that instead of defining if the processing in question is carried out “by” the EU establishment itself, the national courts need to ascertain if it is inextricably linked to the data processing activities of a non-EU data controller or processor. The key points here may be: (1) the purpose for which the data is being processed (as a revenue-raising in the EU by a local establishment) and (2) its connection with the activities of any presence of the company in the EU.⁸⁶⁵ Neither the place of processing is relevant, nor the location or the nationality of the data subject.⁸⁶⁶ Hence, it was left for the national courts to define the specific criteria for bringing the data processing, carried out in the context of the activities of an EU establishment, within the scope of the GDPR.

5.3.2. The “targeting” test at Art. 3(2) GDPR

Where no EU presence exists, the GDPR still applies whenever: (1) the EU inhabitants’ personal data is processed in connection with goods/services offered to them; or (2) the behaviour of individuals within the EU is monitored.

(19) Whereas establishment on the territory of a Member State implies the effective and real exercise of activity through stable arrangements; whereas the legal form of such an establishment, whether simply branch or a subsidiary with a legal personality, is not the determining factor in this respect; whereas, when a single controller is established on the territory of several Member States, particularly by means of subsidiaries, he must ensure, in order to avoid any circumvention of national rules, that each of the establishments fulfils the obligations imposed by the national law applicable to its activities [...].

⁸⁶¹ C-230/14, *Weltimmo* (2015), paragraph 31.

⁸⁶² Art. 4 (16) (a), (b) GDPR: the “main establishment” means:

[...] as regards a controller with establishments in more than one Member State, the place of its central administration in the Union, unless the decisions on the purposes and means of the processing of personal data are taken in another establishment of the controller in the Union and the latter establishment has the power to have such decisions implemented, in which case the establishment having taken such decisions is to be considered to be the main establishment [...].

⁸⁶³ European Data Protection Board (2019), *Guidelines 3/2018...*, *op. cit.*

⁸⁶⁴ C-191/15, *Verein für Konsumenteninformation v Amazon EU Sàrl* (2016), paragraph 76.

⁸⁶⁵ European Data Protection Board (2019), *Guidelines 3/2018...*, *op. cit.*

⁸⁶⁶ Recital 14 GDPR: “[t]he protection afforded by this Regulation should apply to natural persons, whatever their nationality or place of residence, in relation to the processing of their personal data.”

These two conditions (named also as a "targeting" test)⁸⁶⁷ are independent and apply alternatively on a case-by-case basis. The decisive factor here is whether these processing activities relate to data subjects that are in the EU, regardless of their nationality or place of residence. However, the fact of processing personal data alone is not sufficient and should be coupled with either, by offering goods or services to them or by monitoring their behaviour.

The CJEU's ruling in *Pammer*⁸⁶⁸ may inter alia be of assistance to determine on the case-by-case basis if the data controller's commercial activities can be considered as an offer of goods or services directed at data subjects in the EU.⁸⁶⁹ Payment of the data subject in exchange for the goods or services provided is irrelevant. The essential factual situation is if the offer of goods or services is directed at a data subject in the EU or "[...] it is apparent that the controller or processor envisages offering services to data subjects in one or more Member States in the Union" ("an intention to target").⁸⁷⁰

Accordingly, the processing activity which can be considered as behavioural monitoring is the activity which may track the data subjects "[...] on the internet including potential subsequent use of personal data processing techniques which consist of profiling a natural person, particularly in order to make decisions concerning her or him or for analysing or predicting her or his personal preferences, behaviours and attitudes."⁸⁷¹ Here, the courts need to ascertain if there is a link between the processing activities carried out by the controller and any subsequent behavioural analysis or profiling techniques involving that data undertaken by a data controller.⁸⁷²

As a whole, the Art. 3 GDPR may affect the business structure of online businesses and the use of monitoring and behavioural advertising. Controllers or processors not established in the EU will be required to comply with the GDPR together with their third-country national laws.

5.4. Jurisdictional rules for online data protection infringements

As personal data protection is hybrid by nature, both administrative and civil litigation procedures may be invoked.⁸⁷³ Within the administrative procedure, the national supervisory authorities (or Data Protection Authorities) as public entities exercise powers with respect to cross-border data processing.⁸⁷⁴ Within the civil litigation path, both the BRR and the GDPR procedural rules may apply to personal data protection claims.

⁸⁶⁷ European Data Protection Board (2019), *Guidelines 3/2018...*, *op. cit.*

⁸⁶⁸ CJEU, Joined cases, C- 585/08, *Peter Pammer v Reederei Karl Schlüter GmbH & Co. KG* and C-144/09, *Hotel Alpenhof GesmbH v Oliver Heller*, 07 December 2010, (ECLI:EU:C:2010:740).

⁸⁶⁹ Joined cases C-585/08 and C-144/09, *Peter Pammer v Reederei Karl Schlüter GmbH & Co. KG and C-144/09, Hotel Alpenhof GesmbH v Oliver Heller* (2010).

⁸⁷⁰ Recital 23 GDPR.

⁸⁷¹ Recital 24 GDPR.

⁸⁷² European Data Protection Board (2019), *Guidelines 3/2018...*, *op. cit.*, p. 19.

⁸⁷³ See more, for example, at BRKAN M. (2015), *Data Protection and European Private International Law...*, *op. cit.*, p. 17, p.30.

⁸⁷⁴ Art. 78 GDPR: Right to an effective judicial remedy against a supervisory authority

1. Without prejudice to any other administrative or non-judicial remedy, each natural or legal person shall have the right to an effective judicial remedy against a legally binding decision of a supervisory authority concerning them.

5.4.1. Administrative path

Before adopting the GDPR, it had been rather uncertain the supervisory authority of which Member State has the necessary competence to initiate legal proceedings for data protection infringements.⁸⁷⁵

For instance, the Belgium Data Protection Authority (Belgium DPA) brought a claim to the Belgium Court of the first instance against Facebook Inc. and Facebook Belgium. Facebook was blamed for tracking the surfing behaviour of the nonusers by installing a datr-cookie.⁸⁷⁶ The court of the first instance applied its jurisdiction over Facebook Inc., but the Brussels Court of appeal denied international jurisdiction in relation to Facebook Inc. due to the fact that it was not engaged in data processing and has its establishment in the USA.

The GDPR along with the further rulings from the CJEU have brought some clarity to the situation with ascertaining a competent DPA within the EU.⁸⁷⁷ The CJEU specified the conditions for the exercise of the national supervisory authorities' powers with respect to cross-border data processing.⁸⁷⁸ Precisely, a national supervisory authority may exercise its power to bring any alleged infringement of the GDPR before a court of a Member State, even though that authority is not the lead supervisory authority with regard to that processing.

The CJEU ruled that the condition that the processing of personal data must be carried out "in the context of the activities" of the establishment concerned, cannot be interpreted restrictively.⁸⁷⁹ As the activities of Facebook Belgium were inextricably linked to the processing of personal data (with respect to which Facebook Ireland as the controller within the EU), that processing was regarded as being carried out "in the context of the activities of an establishment of a controller."⁸⁸⁰ Accordingly, the supervisory authority of a Member State has the necessary competence to initiate or engage in legal proceedings on its national territory, irrespective of the Member State in which the controller or its processor is established.⁸⁸¹

The DPA acts in a capacity of a public entity to protect the data subject rights (and not as a private party). Individuals may make a complaint to the DPA with regard to the protection of

2. Without prejudice to any other administrative or non-judicial remedy, each data subject shall have the right to an effective judicial remedy where the supervisory authority which is competent pursuant to Articles 55 and 56 does not handle a complaint or does not inform the data subject within three months on the progress or outcome of the complaint lodged pursuant to Article 77. 3. Proceedings against a supervisory authority shall be brought before the courts of the Member State where the supervisory authority is established.

4. Where proceedings are brought against a decision of a supervisory authority which was preceded by an opinion or a decision of the Board in the consistency mechanism, the supervisory authority shall forward that opinion or decision to the court.

⁸⁷⁵ For instance, C-210/16, *Wirtschaftsakademie Schleswig-Holstein* (2018).

⁸⁷⁶ CJEU, C-645/19, *Press and Information Facebook Ireland and Others*, 15 June 2021 (ECLI:EU:C:2021:483), see also: ALSENOY B. V., VERDOODT V., HEYMAN R., AUSLOOS J., ELLEN WAUTERS E., ACAR G. (2015), *From Social Media Service to Advertising Network. A Critical Analysis of Facebook's Revised Policies and Terms*, KU Leuven Center for IT & IP Law, p. 67.

⁸⁷⁷ The GDPR, Chapter 6.

⁸⁷⁸ C-645/19, *Press and Information Facebook Ireland and Others* (2021).

⁸⁷⁹ *Ibid.*, paragraph 91, by analogy with C-210/16, *Wirtschaftsakademie Schleswig-Holstein* (2018), paragraph 56.

⁸⁸⁰ C-645/19, *Press and Information Facebook Ireland and Others* (2021), paragraph 94, within the meaning of Art. 3(1) GDPR.

⁸⁸¹ *Ibid.*, paragraph 89.

their personal data. A famous example is *M. Schrems v Facebook saga*, concerning transferring personal data to the United States.⁸⁸²

On 25 June 2013, M. Schrems asked the Irish Data Protection Commissioner to exercise his statutory powers by prohibiting Facebook Ireland from transferring his personal data to the United States as the law and practice there did not ensure adequate protection against the surveillance activities.⁸⁸³ The Commissioner rejected the complaint as unfounded. Further, the CJEU invalidated this decision and interpreted that Art. 25(6) Directive 95/46/EC (read in the light of Art. 7, 8 and 47 of the Charter of Fundamental Rights of the European Union, along with Art. 28 Directive 95/46/EC) does not prevent a DPA from examining the claim of a person concerning the protection of personal data relating to him.⁸⁸⁴

This ruling has risen a high media interest in the question of personal data protection⁸⁸⁵ and might have given a *green light* to numerous personal data protection proceedings. However, the claims from the data subjects remain a random thing.⁸⁸⁶ The civil path at the BRR has been a rather *shaky* jurisdictional instrument for personal data infringements.

5.4.2. Civil path: personal data protection under an umbrella of consumer jurisdiction

Traditionally, the Brussels Regulation Recast 1215/2012 applies to civil and commercial matters.⁸⁸⁷ It does not introduce any specific provisions for personal data protection infringements⁸⁸⁸ and its scope for such claims is uncertain.⁸⁸⁹ Before adopting the GDPR, personal data protection had been *overshadowed* by consumer protection law. Consumers' *privileged* jurisdiction under Art. 18 BRR had been viewed as a more reliable legal basis for personal data protection infringements (comparing to Directive 95/46).⁸⁹⁰

The BRR empowers a consumer to sue a professional in the courts of the Member States in which he/she is domiciled (Art. 18(1) BRR), while the consumer may be sued only in his/her forum domicile (Art. 18(2)).⁸⁹¹ A rather broad notion of "consumer" *de facto* may

⁸⁸² CJEU, C-362/14, *Maximilian Schrems v Data Protection Commissioner, joined party: Digital Rights Ireland Ltd*, 6 October 2015 (ECLI:EU:C:2015:650).

⁸⁸³ C-362/14, *Maximilian Schrems v Data Protection Commissioner (2015)*, paragraph 28.

⁸⁸⁴ *Ibid.*

⁸⁸⁵ See, for example, at: "Max Schrems v. Data Protection Commissioner (CJEU - "Safe Harbor")" (2017), *EPIC webpage*, and according to Wikipedia: Maximilian Schrems is an Austrian activist, lawyer, and author who became known for campaigns against Facebook for its privacy violations, including violations of European privacy laws and the alleged transfer of personal data to the US National Security Agency (NSA) as part of the NSA's PRISM program. Schrems is the founder of NOYB – European Center for Digital Rights.

⁸⁸⁶ Due to lack of awareness of the data infringement, high litigation costs and the absence of collective claims in current EU law, see more, for example, at: POWELS J. (2015), "The Changing Landscape for Search Engines After Google Spain: EU Internet Regulation after Google Spain," *Cambridge University, Conference*, 27 March 2015.

⁸⁸⁷ The boundary between civil, commercial matters, and administrative matters was considered, for example, in the UK national case: *Goldman Sachs International v Novo Banco*, 07 August 2015 (EWHC 2371).

⁸⁸⁸ Although, for instance, at: BRKAN M. (2015), *Data Protection and European Private International Law...*, *op. cit.*, p.16, the three possibilities at Art. 7(2) BRR was suggested to transport to the personal data protection claims: the place of the defendant establishment, the "centre of interests" and the "mosaic" approaches.

⁸⁸⁹ For instance, CJEU, C-498/16, *Maximilian Schrems v Facebook Ireland Limited*, 25 January 2018 (ECLI:EU:C:2018:37), which addressed the status of a consumer and the data subject.

⁸⁹⁰ See, for example, at: *Guide to the General Data Protection Regulation (2020)*, Bird&Bird, p. 73.

⁸⁹¹ Art. 18(2) BRR:

cover the data subject, claiming infringements on an intersection between consumer law and personal data protection.⁸⁹²

According to Art. 17(1) BRR, a consumer is a person who concludes a contract “[...] for a purpose which can be regarded as being outside his trade or profession.” Accordingly, a “professional” is:

[...] a person who pursues commercial or professional activities in the Member State of the consumer’s domicile or, by any means, directs such activities to that Member State or to several States including that Member State, and the contract falls within the scope of such activities.⁸⁹³

In these cases, the court should ascertain: (1) the status of a consumer, and (2) if the professional’s activities are directed to the territory of the consumer’s domicile.

5.4.2.1. The status of the data subject as a consumer

Although the data subject may not be presumed to have the status of a consumer, he or she may be qualified as such. The reason for this is that online services are often used for dual, private, and professional purposes, and the delimitation between them is quite a vague.

The applicability of the consumer’s status (and its jurisdictional ground) to the data subject was questioned, for instance, in the national court of Austria in *M. Schrems v Facebook Ireland Limited*.⁸⁹⁴

M. Schrems generated a so-called “class action” style suit⁸⁹⁵ against Facebook at the Viennese courts as his place of residence.⁸⁹⁶ The Vienna District Court dismissed the class action and rejected its jurisdiction as M. Schrems was not merely a consumer of Facebook.⁸⁹⁷ Further, the Higher Regional Court of Vienna invalidated this decision, giving to M. Schrems the status of a consumer.⁸⁹⁸ It was concluded that M. Schrems acted on a *pro bono* basis and outside of any professional capacity when claiming his rights for his private Facebook account.

1. A consumer may bring proceedings against the other party to a contract either in the courts of the Member State in which that party is domiciled or, regardless of the domicile of the other party, in the courts for the place where the consumer is domiciled.

2. Proceedings may be brought against a consumer by the other party to the contract only in the courts of the Member State in which the consumer is domiciled.

3. This Article shall not affect the right to bring a counter-claim in the court in which, in accordance with this Section, the original claim is pending.

⁸⁹² For instance, C-498/16, *Maximilian Schrems v Facebook Ireland Limited* (2018).

⁸⁹³ Art. 17(2)(c) BRR.

⁸⁹⁴ C-498/16, *Maximilian Schrems v Facebook Ireland Limited* (2018).

⁸⁹⁵ Any Facebook user was able to assign his claim to Schrems via the *fbclaim.com* webpage. According to the terms of *fbclaim.com* all awarded money will be forwarded to the individual participants. The extensive lawsuit related, among others, to the following points: validity of data use policy under EU law; tracking of users on external pages through “social plugins”; illegal “big data” analytics; illegal data sharing with external “apps”; tort claims etc.

⁸⁹⁶ Art. 18 Brussels Regulation Recast 1215/20.

⁸⁹⁷ The court concluded that he could benefit from the enormous media interest in his future career.

⁸⁹⁸ Shortly after GDPR coming into effect, M. Schrems filed suit in Ireland against Google and Facebook for coercing their users into accepting their data collection policies. See, for example, at: The Irish Times (2018), “Max Schrems files first cases under GDPR against Facebook and Google. European data protection bodies vow to work with Irish colleagues on complaints,” online article.

Eventually, the CJEU supported these conclusions, stating that Mr. Schrems, could not lose his status as a “consumer” in his contractual relationship with Facebook because of his activities in campaigning and litigating against Facebook. Art. 15 BRR was interpreted as meaning that [...] the activities of publishing books, lecturing, operating websites, fundraising and being assigned the claims of numerous consumers for the purpose of their enforcement did not entail the loss of a private Facebook account user’s status as a “consumer” within the meaning of that article.⁸⁹⁹

Following this meaning of the notion of “consumer,” the court enhanced the position of the person concerned in a particular contract. The court, hence, should rely on the nature and objective of the contract and not on the subjective situation of the person concerned.⁹⁰⁰ Wherein, the forum of a consumer can only be invoked by an applicant relying on his own claims. Although the claims are similar, they cannot be concentrated within the jurisdiction of the courts of a single person.⁹⁰¹

The ruling in *M. Schrems v Facebook Ireland Limited* illustrates an uneasy situation of the dual status of the data subject when trying to benefit from the consumer’s jurisdiction. It also hinders the ability of a single claimant to bring class action consumer rights cases before his or her home court.

Noteworthy that the notion of a “weaker party” was also addressed. The mere fact that a person has acquired expertise or knowledge in the field covered by the services under contract, cannot deprive him to be a “consumer.” Otherwise, it would prevent “[...] an effective defence of the rights that consumers enjoy in relation to their contractual partners who are traders or professionals, including those rights which relate to the protection of their personal data.”⁹⁰²

The concept of a “weaker party” is indeed rather hard to determine for its practical use. Some general categories have been developed in consumer law which designate the presence of a *power imbalance*.⁹⁰³ In legal literature, three main factors of the power imbalance are distinguished:⁹⁰⁴

1. Availability of significant resources (financial, human, legal know-how, access to legal advice, etc.);
2. If a party acts as a “repeat player”⁹⁰⁵ (when it has been regularly involved in similar types of disputes and/or a “bigger” party like multinational companies);
3. Vulnerability: when for one party the outcome of the proceeding is crucial, while for the other party the risk is small.⁹⁰⁶

Accordingly, a presumption has been introduced that the power imbalances are likely to exist for online infringements concerning a corporate entity and an individual.⁹⁰⁷ At the same time, it was proposed to extent the concept of a “consumer” also to a small business.⁹⁰⁸ A

⁸⁹⁹ C-498/16, *Maximilian Schrems v Facebook Ireland Limited* (2018).

⁹⁰⁰ *Ibid.*, paragraphs 27-30.

⁹⁰¹ *Ibid.*, paragraph 48.

⁹⁰² *Ibid.*, paragraph 40.

⁹⁰³ HÖRNLE J. (2009), *Cross-border Internet dispute resolution*, Cambridge University Press, p. 30-33.

⁹⁰⁴ *Ibid.*, p.29

⁹⁰⁵ HÖRNLE J. (2009), *Cross-border Internet dispute...*, *op. cit.*

⁹⁰⁶ As this is as rather difficult to access, it should be left to the court to decide on a case-by-case basis.

⁹⁰⁷ HÖRNLE J. (2009), *Cross-border Internet dispute...*, *op. cit.*, p. 19 and p. 44-46.

⁹⁰⁸ However, the notion of “small business” is also not unified. As it was proposed by J. Hörnle, it should involve not more than 10 employees. HÖRNLE J. (2009), *Cross-border Internet dispute...*, *op. cit.*

variety of professionals natural persons⁹⁰⁹ (who are qualified as the data controllers according to the GDPR),⁹¹⁰ may appear to be equal to the data subjects by their socio-economic positions. These specific scenarios may question if the data subjects should always be qualified as a weaker party in the litigation.⁹¹¹

5.4.2.2. Directing activity to the Member State of the consumer's domicile

As a second step for establishing consumer jurisdiction, along with a need to define a status of a consumer, the court should ascertain if the defendant directs its activity to the Member State of the consumer's domicile.⁹¹²

The concept of "directing activities" or a "targeting" test is aimed at bringing e-commerce cases within the consumer jurisdiction.⁹¹³ As it was already mentioned before, this approach was interpreted by the CJEU in *Pammer*.⁹¹⁴ The Court provided a series of criteria for determining whether a certain activity is directed towards a Member State: the international nature of the activity at issue, such as certain activities; mention of telephone numbers with the international code; use of a top-level domain name, etc.

The personal data protection regime is also familiar with the concept of "directing to," along with "targeted at" and "oriented at." As it was discussed earlier in this Chapter, the treatment of personal data by an undertaking engaged in electronic commerce is governed by the law of the Member State to which that undertaking directs its activities.⁹¹⁵ In *Google Spain*, Advocate General Jääskinen applied the notions of "targeted at" and "oriented at,"⁹¹⁶ when

⁹⁰⁹ According to Art. 4 (7) GDPR, a "controller" means

[...] the natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of the processing of personal data; where the purposes and means of such processing are determined by Union or Member State law, the controller or the specific criteria for its nomination may be provided for by Union or Member State law.

Accordingly, Art. 4(8) GDPR defines a "processor" as "[...] a natural or legal person, public authority, agency or other body which processes personal data on behalf of the controller."

⁹¹⁰ Art. 2 (1) GDPR:

This Regulation applies to the processing of personal data wholly or partly by automated means and to the processing other than by automated means of personal data which form part of a filing system or are intended to form part of a filing system. Excluding only: in the course of an activity which falls outside the scope of Union law; by the Member States when carrying out activities which fall within the scope of Chapter 2 of Title V of the TEU; by a natural person in the course of a purely personal or household activity; by competent authorities for the purposes of the prevention, investigation, detection or prosecution of criminal offences or the execution of criminal penalties, including the safeguarding against and the prevention of threats to public security.

⁹¹¹ For instance, see more at: REVOLIDIS I. (2017), "Judicial Jurisdiction...", *op. cit.*, BRKAN M. (2015), *Data Protection and European Private International Law...*, *op. cit.*

⁹¹² The Art. 17 (1) (c) Brussels Regulation Recast 1215/2012 applies when [...] the contract has been concluded with a person who pursues commercial or professional activities in the Member State of the consumer's domicile or, by any means, directs such activities to that Member State or to several States including that Member State, and the contract falls within the scope of such activities.

⁹¹³ See, for instance, at SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 210.

⁹¹⁴ Joined cases C-585/08 and C-144/09, *Peter Pammer v Reederei Karl Schlüter GmbH & Co. KG and C-144/09, Hotel Alpenhof GesmbH v Oliver Heller* (2010).

⁹¹⁵ C-191/15, *Verein für Konsumenteninformation v Amazon EU Sàrl* (2016).

⁹¹⁶ A "business model" or "economic" criterion from the Opinion of Advocate General Jääskinen has been widely applicable in privacy protection and patent case law. Opinion of Advocate General Jääskinen, 25 June 2013 (ECLI:EU:C:2013:424), in C-131/12, *Google Spain* (2014), UK: *Vidal-Hall And Others v Google Inc*, EWHC 13 (QB), 16 January 2014, see also, for example, VAN CALSTER G. (2015), "Regulating the internet. Prescriptive and Jurisdictional Boundaries to the EU's "right to be forgotten," *Information Privacy Law eJournal*, p. 23-25.

commenting on the “business model” criterion.⁹¹⁷ Above all, the “targeting” test is adopted by the means of Art. 3(2) GDPR.

Therefore, consumer law and personal data protection share the same legal concepts and have been frequently overlapped. The protection of consumers’ and data subjects’ welfare are closely aligned. The requirements for accurate information and transparency are paramount to both.⁹¹⁸ The illustrated case law confirms the increasing interplay between consumer protection and data protection law. With the advent of the GDPR, we can expect to reduce the existing imbalance between these two areas.

5.4.3. Civil path: personal data protection under an umbrella of personality rights jurisdiction

Although personal data protection and personality rights protection are not identical,⁹¹⁹ significant interferences in the scope of both rights⁹²⁰ often allow to categorise personal data protection as a personality right.⁹²¹

Art. 8 of the EU Charter of Fundamental Rights sets the fundamental guaranties to the right on the protection of personal data.⁹²² Among others, it includes the right to fair processing, based on consent, and the right of access to data that has been collected.⁹²³ According to Art. 1 GDPR, the protection of natural persons, their fundamental rights, and freedoms with regard to the processing of personal data is a paramount objective of the GDPR.⁹²⁴ Any information relating to an identified or identifiable natural person (the data subject) is considered personal data.⁹²⁵ Also, privacy and the protection of personal data are often overlapped in the case law of the European Court of Human Rights and the CJEU.⁹²⁶

The present paragraph addresses a question of the possibility to apply special jurisdiction rule of Art. 7(2) BRR to data protection claims. It may potentially cover personal data protection claims if they are treated as personality rights claims.⁹²⁷

The analogy between personal data and personality rights protection invokes (at least) three possible *fora* for the data subject: the court in the country of the controller’s/processor’s

⁹¹⁷ Opinion of Advocate General Jääskinen, 25 June 2013 (ECLI:EU:C:2013:424), in C-131/12, *Google Spain* (2014), paragraph 3.

⁹¹⁸ Art. 5 GDPR, Principles relating to processing of personal data.

⁹¹⁹ BRKAN M. (2015), *Data Protection and European Private International Law...*, *op. cit.*, KOKOTT J., SOBOTTA C. (2013), “The distinction between privacy and data protection in the jurisprudence of the CJEU and the ECtHR,” *International Data Privacy Law*, 2013, Vol. 3, No. 4.

⁹²⁰ For instance, C-131/12, *Google Spain* (2014), paragraphs 80-82.

⁹²¹ BRKAN M. (2015), *Data Protection and European Private International Law...*, *op. cit.*, KOKOTT J., SOBOTTA C. (2013), “The distinction between privacy...,” *op. cit.*

⁹²² Art. 8(1) Charter of Fundamental Rights of the European Union, 18 December 2000, OJ C 364/1.

⁹²³ Art. 8(2) Charter of Fundamental Rights of the European Union, 18 December 2000, OJ C 364/1.

⁹²⁴ Art. 1 GDPR Subject-matter and objectives:

1. This Regulation lays down rules relating to the protection of natural persons with regard to the processing of personal data and rules relating to the free movement of personal data.
2. This Regulation protects fundamental rights and freedoms of natural persons and in particular their right to the protection of personal data.
3. The free movement of personal data within the Union shall be neither restricted nor prohibited for reasons connected with the protection of natural persons with regard to the processing of personal data.

⁹²⁵ Art. 4 (1) GDPR.

⁹²⁶ KOKOTT J., SOBOTTA C. (2013), “The distinction between privacy...,” *op. cit.*

⁹²⁷ For instance, see at: REVOLIDIS I. (2017), “Judicial Jurisdiction...,” *op. cit.*,

domicile⁹²⁸ or the court of “the place where the harmful event occurred or may occur” (Art. 7(2) BRR).⁹²⁹ Precisely, the data subject may sue in regard to the full extent of the damage in one of the following places:

- 1) before the courts of the defendant’s domicile (Art. 4(1) BRR);
- 2) before the courts of the defendant’s establishment (Art. 7(2) BRR);
- 3) before the courts of the Member State of the centre of the data subject’s interest (Art. 7(2)).⁹³⁰

5.4.3.1. The forum of the defendant’s domicile /establishment at the BRR

Art. 4(1) BRR lays down the general rule that persons domiciled in a Member State shall be sued in the courts of that State.⁹³¹ Domicile can be defined as the place where a person lives or a place of a company’s registration.⁹³²

General jurisdiction over juridical persons may be available: at the statutory seat, at the central administration, at the place of business.⁹³³ In the online context, the nationality of a webpage or nationality of a domain name is also argued to be considered in the meaning of domicile.⁹³⁴ Virtually, this rule can provide up to four different fora for the data subject (the statutory seat, at the central administration, at the place of business, the place of registration).⁹³⁵

As it was already discussed in the previous Chapter, concerning personality rights’ infringements, the establishment of the defendant may often coincide with his or her domicile.⁹³⁶ The concept of the “establishment of the publisher” (of the defamatory publication) was interpreted in the meaning of the place of the event giving rise to the damage, which “[...] must therefore have jurisdiction to hear the action for damages for all the harm caused by the unlawful act.”⁹³⁷

This concept was interpreted by the CJEU within the context of the special jurisdiction rule of Art. 7(5) BRR as a two-step test (in the ruling of the CJEU in *CNP spółka z ograniczoną*

⁹²⁸ Art. 4 Brussels Regulation Recast 1215/2012 and C-68/93 *Shevill and others* (1995).

⁹²⁹ Art. 7(2) Brussels Regulation Recast 1215/2012 and Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011).

⁹³⁰ As it was interpreted in Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraph 52.

⁹³¹ Art. 2(1) GDPR.

⁹³² For instance, it was analysed by European Max Planck Group on Conflict of Laws in Intellectual Property (2013), *Conflict of Laws in Intellectual Property: The CLIP Principles and Commentary*, Oxford, Oxford University Press, p.560; American Law Institute, Intellectual Property (2008), *Principles Governing Jurisdiction, Choice of Law and Judgments in Transnational Disputes*, Chestnut, ALI Publishers.

⁹³³ Additionally, according to ALI Principles, it may also be located at the place of incorporation. ALI Principles follow the definition of “residence” for legal persons from the Hague Convention on choice of Court Agreement, 2005, which follows the model of the Brussels Regime, but supplements it a forum at the place of incorporation (which is traditional approach for common law countries), American Law Institute, Intellectual Property (2008), *Principles Governing Jurisdiction, Choice of Law and Judgments in Transnational Disputes*, Chestnut, ALI Publishers.

⁹³⁴ For instance, see more at: *KALĀTIN V.* (2000), *Intellektual'naâ sobstvennost' (isključitel'nye prava) [Intellectual Property (exclusive rights)]*, Norma, p.480, p.255. Also, in the early staged case law, the German national court concluded that any German court should have jurisdiction over the domain name “.de.” Germany: Bundesgerichtshof, I ZR 163/02, October 13, 2004.

⁹³⁵ See, for instance, METZGER A. (2009), *Jurisdiction, intellectual Property...*, *op. cit.*, p. 250-253.

⁹³⁶ C-68/93 *Shevill and others* (1995), paragraphs 26, 27.

⁹³⁷ *Ibid.*, paragraphs 24, 25.

odpowiedzialnością v Gefion Insurance A/S).⁹³⁸ The proceedings between CNP, a limited liability company established in Poland, and Gefion, an insurance undertaking with its registered office in Denmark, concerning compensation for damage caused by a road traffic accident that occurred in Poland. The Court observed that Crawford Polska is an independent legal entity and has management.⁹³⁹ Whilst, it has every power to carry out activities involving the loss adjustment and settlement of claims. Therefore, it "[...] must be regarded as a centre of operations which has the appearance of permanency, such as the extension of a parent body."⁹⁴⁰

The court concluded that the dispute relates to the operations of a branch, agency, or other establishments at Art. 7(5) BRR if an undertaking:

- (1) has the appearance of permanency, such as an extension of a parent body; and
- (2) has a management and is materially equipped to negotiate business with third parties, so that they do not have to deal directly with a parent body.⁹⁴¹

The Court defined that the dispute must concern either act relating to the management of an establishment, or commitments entered into by an establishment on behalf of the parent body (in the State in which the entities are situated).⁹⁴² A mere intermediary responsible for passing on information is not sufficient to become an establishment for the purpose of Art. 7(5) BRR. Instead, an establishment should be an active contributor to the legal situation that led to the dispute.

Thus, the domicile and establishment of the defendant may amount to the same place for the purpose of special jurisdiction. Unlike Art. 3 GDPR, which implements a rather low threshold to define the establishment of the controller/processor, the BRR sets stricter requirements to the notion of the “establishment of the defendant.”

Above all, the defendant’s forum can decide about all claims arising out of the infringement of parallel rights.⁹⁴³ The extent of jurisdiction is full and the court may rule over all alleged infringements occurring anywhere in the EU.⁹⁴⁴ While this empowers the data subject with a rather effective procedural tool, it may be often undermined by the disadvantages of suing at a distance, in a foreign jurisdiction. Thus, the need for a more *neutral forum* with the full scope of jurisdiction had been supported.⁹⁴⁵

5.4.3.2. The forum of the data subject’s centre of interests

⁹³⁸ CJEU, C-913/19, *CNP spółka z ograniczoną odpowiedzialnością v Gefion Insurance A/S*, 20 May 2021, (ECLI:EU:C:2021:399).

⁹³⁹ *Ibid.*, paragraph 2.

⁹⁴⁰ C-913/19, *CNP* (2021), paragraph 56.

⁹⁴¹ *Ibid.*, paragraph 61.

⁹⁴² *Ibid.*, paragraph 52.

⁹⁴³ C-68/93 *Shevill and others* (1995), Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011).

⁹⁴⁴ However, it was also argued that the full scope of jurisdiction may also cover foreign claims all over the world. For example, by FAWCETT J. J. and TORREMANS P. (2011), *Intellectual Property and Private International Law*, (Second Edition), Oxford University Press, METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*

⁹⁴⁵ For instance, it was commented at METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*, p. 250, where the author questions, why a worldwide infringement claim should be decided precisely by the court of defendant’s domicile, and not by a more neutral forum.

The concept of the “centre of interests” took a proper account of at least two objectives:⁹⁴⁶ to bring an effective solution to allow the harm suffered to be considered in its entirety for a holder of personality rights (1), and, accordingly, to bring predictability for online companies as regards to the place where they can be sued (2). A balancing effect may favour a victim “[...] who can bring the wrongdoer to his forum and sue for the totality of the damage suffered,” and, also, the objective of the sound administration of justice, by giving jurisdiction to the courts that “[...] will be the best placed to assess the overall impact of the entirety of the harm caused.”⁹⁴⁷

The “centre of interests” is often defined through a number of features, as the place where “the victim is known” (similar to the *Shevill* interpretation),⁹⁴⁸ where he “[...] essentially carries out his life plan, if this exists,”⁹⁴⁹ and/or where he suffers the most extensive and serious harm. The CJEU in *eDate*⁹⁵⁰ determined that:

The place where a person has the centre of his interests corresponds in general to his habitual residence. However, a person may also have the centre of his interests in a Member State in which he does not habitually reside, in so far as other factors, such as the pursuit of a professional activity, may establish the existence of a particularly close link with that State.⁹⁵¹

Further, in *Bolagsupplysningen*,⁹⁵² the CJEU specified this definition.⁹⁵³ Under an umbrella of the “centre of interests,” the claimant may also bring an action for rectification and removal of infringing content.⁹⁵⁴ However, in the absence of clear evidence in carrying out the economic activity in a certain Member State, the claimant cannot benefit from this jurisdictional criterion.

While the “centre of interests” and the “habitual residence” may often amount to the same place, they are not identical. This is especially important in the light of the GDPR, which also provides the data subject with a specific jurisdictional choice at Art. 79(2) GDPR.

⁹⁴⁶ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraph 57.

⁹⁴⁷ Opinion of Advocate General Bobek in C-194/16, *Bolagsupplysningen and Ilsjan*, (2017), paragraph 98.

⁹⁴⁸ C-68/93 *Shevill and others* (1995) concerned the publication of a defamatory newspaper article. The CJEU justified the application of a *double head* jurisdiction, in particular, by adopting “the place of the damage” approach.

⁹⁴⁹ Opinion of Advocate General Cruz Villalón in Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, paragraph 59.

⁹⁵⁰ In Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, the Art. 7(2) was interpreted as meaning that,

[...] in the event of an alleged infringement of personality rights by means of content placed online on an internet website, the person who considers that his rights have been infringed has the option of bringing an action for liability, in respect of all the damage caused, either before the courts of the Member State in which the publisher of that content is established or before the courts of the Member State in which the centre of his interests is based.

⁹⁵¹ *Ibid.*, paragraph 49.

⁹⁵² C-194/16, *Bolagsupplysningen OÜ Ingrid Ilsjan v Svensk Handel* (2017), which concerned online infringements of personality rights in relation to a legal person.

⁹⁵³ *Ibid.*, paragraph 43. Precisely, it should not apply, if “... the centre of interests of the legal person which is claiming to be the victim of an infringement of its personality rights cannot be identified.”

⁹⁵⁴ Opinion of Advocate General Bobek in C-194/16, *Bolagsupplysningen and Ilsjan*, (2017), paragraph 44.

5.4.4. Civil path: personal data protection under an umbrella of the GDPR (Art. 79 (2))

The GDPR adopted a specific procedural rule of Art. 79 (2) for data protection claims. It provides two *fora*: the controller's or processor's establishment and the data subject's habitual residence, considering the data subject to be the weaker party.⁹⁵⁵ However, a public authority will always be sued within the territory of the court of its establishment.

According to Art. 79 (2) GDPR:

Proceedings against a controller or a processor shall be brought before the courts of the Member State where the controller or processor has an establishment. Alternatively, such proceedings may be brought before the courts of the Member State where the data subject has his or her habitual residence unless the controller or processor is a public authority of a Member State acting in the exercise of its public powers.⁹⁵⁶

5.4.4.1. The courts of the Member State where the controller or processor has an establishment

Traditionally, the presence of a defendant within the *forum* plays an essential role in establishing the court. However, as we may see from the previous paragraphs, even if a defendant has neither a presence in the EU nor the actual data processing takes place in the EU, the GDPR will still apply.⁹⁵⁷

Virtually, the concept of the “main establishment” may encompass both the place of the controller's central administration and the place where the main processing takes place. The case law of the CJEU (in *Weltimmo*,⁹⁵⁸ *Verein für Konsumenteninformation v Amazon EU Sàrl*)⁹⁵⁹ extended the meaning of “establishment.” This situation may also extend the liability of joint controllers and data processors.⁹⁶⁰

Under the combined effect of the mentioned case law,⁹⁶¹ the concept of “establishment” may incentivise forum shopping between the different Member States.⁹⁶² Even the vogue

⁹⁵⁵ For example, BRKAN M. (2015), *Data Protection and European Private International Law...*, *op. cit.* p. 24.

⁹⁵⁶ Art. 79 (2) GDPR.

⁹⁵⁷ Art. 3 GDPR.

⁹⁵⁸ C-191/15, *Verein für Konsumenteninformation v Amazon EU Sàrl* (2016), paragraph 29.

⁹⁵⁹ C-191/15, *Verein für Konsumenteninformation v Amazon EU Sàrl* (2016), paragraphs 41, 60.

⁹⁶⁰ Precisely, following rather broad definitions of the “EU based data controller” and “processor” in C-131/12, *Google Spain* (2014).

⁹⁶¹ As it was illustrated in the previous paragraphs, concerning C-131/12, *Google Spain* (2014), C-230/14, *Weltimmo* (2015).

⁹⁶² Besides, the notion of the “domicile” may also have a broad meaning. Its application for jurisdictional claims as uncontroversial ground for establishing court has been increasing at the expense of nationality. See more to this, for example, at SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.* p. 258.

connection between the courts and the dispute⁹⁶³ may constitute relevant jurisdictional grounds under Art. 79(2) GDPR.⁹⁶⁴

5.4.4.2. The courts of the Member State where the data subject has his or her habitual residence

According to Art. 79(2) GDPR, proceedings against a controller or a processor “[...] alternatively [...] may be brought before the courts of the Member State where the data subject has his or her habitual residence [...]”⁹⁶⁵ The plaintiff has the choice to bring the action before the courts of the Member States where the controller or processor has an establishment or where the data subject resides, unless the controller is a public authority of Member State acting in the exercise of its public powers.⁹⁶⁶

This approach has become an essential novelty, which provides procedural *privileges* to the data subject. Jurisdiction on the ground of habitual residence may be established “alternatively,” without any linking factor to the territory of the court⁹⁶⁷ that may facilitate access to justice. This makes it rather lookalike to the jurisdiction for consumers and employees.⁹⁶⁸ The data subject, for example, a resident of Spain, may potentially sue (in addition to Facebook Spain) also Facebook Inc. and Facebook Ireland in the Spanish courts, ignoring the place of the controller’s main establishment.

Although the provision of Art. 79(2) GDPR provides the claimant with the jurisdictional choices, whether it was adopted in a sense of an autonomous jurisdictional rule is not undebatable.⁹⁶⁹

In the light of an unresolved interaction between the GDPR and the Brussels Regulation Recast 1215/2012,⁹⁷⁰ the further paragraphs will address the possibility of data subject to invoke Art. 79(2) GDPR as an independent jurisdictional rule⁹⁷¹ and to claim the overall damage suffered⁹⁷² at both places: at the defendant’s place of establishment and the data subject’s habitual residence.⁹⁷³

⁹⁶³ By contrast, for the purpose of Art. 7(5) BRR, a mere intermediary responsible for passing on information is not sufficient to become an establishment. Instead, an establishment should be an active contributor to the legal situation that led to the dispute. C-913/19, *CNP* (2021).

⁹⁶⁴ For the critique of this approach see more, for instance, at: REVOLIDIS I. (2017), “Judicial Jurisdiction...,” *op. cit.*

⁹⁶⁵ Art. 79 (1), (2) GDPR.

⁹⁶⁶ Recital 145 GDPR.

⁹⁶⁷ For instance, as “direct to” test or targeting that are applicable in trademark or database’s protection cases. Also, Joined cases C-585/08 and C-144/09, *Peter Pammer v Reederei Karl Schlüter GmbH & Co. KG and C-144/09, Hotel Alpenhof GesmbH v Oliver Heller* (2010).

⁹⁶⁸ Section 4 and 5 of the Brussels Regulation Recast 1215/2012.

⁹⁶⁹ REVOLIDIS I. (2017), “Judicial Jurisdiction...,” *op. cit.*, OTCHENASH M. (2017), “Allocating jurisdiction and applicable law after GDPR: the perspective of overall damages’ claims,” *Actas del 130 Congreso Internacional Internet, Derecho y Política*, UOC, BARCELONA, p. 323-341.

⁹⁷⁰ See more to this further in this Chapter.

⁹⁷¹ For example, see more at: REVOLIDIS I. (2017), “Judicial Jurisdiction...,” *op. cit.*

⁹⁷² In the same way as he or she can claim within the jurisdiction of the defendant’s domicile, according to C-68/93 *Shevill and others* (1995).

⁹⁷³ Due to literal reading of this article, both situations are seems to be treated equally. For more see, for example, at: OTCHENASH M. (2017), “Allocating jurisdiction and applicable law...,” *op. cit.*

5.5. The interaction between the Brussels Regulation Recast 1215/2012 and the GDPR

The recital 147 of the GDPR addresses the way of the coexistence with the BRR:

Where specific rules on jurisdiction are contained in this Regulation, in particular as regards proceedings seeking a judicial remedy including compensation, against a controller or processor, general jurisdiction rules such as those of the Brussels Recast should not prejudice the application of such specific rules.⁹⁷⁴

A possible way of reading this provision is that the jurisdictional rules of the BRR will not apply in cases that contradict the jurisdictional grounds of the GDPR. This means that the GDPR contains jurisdictional rules for online data protection claims and interacts with the BRR as *lex specialis* and *lex generalis*.

At the same time, some commentators warn that the parallel application of the GDPR and the BRR will cause significant confusion at the national level.⁹⁷⁵ As the harmonisation process of personal data protection across the EU Member States is not complete,⁹⁷⁶ the provision of Art. 79(2) GDPR was argued to contradict with general principles of the BRR and should not have been adopted.⁹⁷⁷

Instead, the incorporation of special jurisdictional rules for personal data protection cases into the BRR would be a better possibility.⁹⁷⁸ An analogy between personal data protection and the protection of consumers or employees⁹⁷⁹ could also allow the data subject to benefit from a home jurisdiction when the data controller/processor is outside of the EU territory.⁹⁸⁰

Hence, it is undebatable that both documents should be synchronised,⁹⁸¹ but how and when remains uncertain. The GDPR and the BRR may operate in parallel.⁹⁸² The GDPR tends to cover data processors that do not have an establishment within the EU territory,⁹⁸³ while in the same situation the jurisdictional rules of the BRR would not apply.⁹⁸⁴ While currently, the interaction between these legal instruments may be rather inconsistent, the two systems continue coexisting. For the purpose of the present Chapter, we will focus on Art. 79(2) GDPR and its interaction with Art. 7(2) BRR when dealing with the scope of international jurisdiction for personal data protection claims.

⁹⁷⁴ Recitals 147 GDPR.

⁹⁷⁵ For instance, at: REVOLIDIS I. (2017), "Judicial Jurisdiction...", *op. cit.*

⁹⁷⁶ For instance, at OTCHENASH M. (2017), "Allocating jurisdiction and applicable law...", *op. cit.*, and further in this chapter.

⁹⁷⁷ REVOLIDIS I. (2017), "Judicial Jurisdiction...", *op. cit.*

⁹⁷⁸ Similar solution was also introduced, for instance, by M. Brkan, however, the author argues that the data subject domicile should be coupled with the criterion of "directing to." See more at: BRKAN M. (2015), *Data Protection and European Private International Law...*, *op. cit.*, p.29.

⁹⁷⁹ According to the Section 4 and 5, the Brussels Regulation Recast 1215/2012 extends its application to consumer contracts employment contracts, covering overseas services companies and employers.

⁹⁸⁰ However, there is no room for contractual jurisdiction in the GDPR, since data protection standards cannot be freely negotiated between the parties.

⁹⁸¹ Art. 99 GDPR.

⁹⁸² VAN CALSTER G. (2018), "One of those groundhog days. The Brussels Court of First instance on Facebook, privacy, Belgium and jurisdiction." *Conflict of Laws /Private international law*.

⁹⁸³ Art. 4 (1) (b), (c) Directive 95/46.

⁹⁸⁴ Art. 4(1) Brussels Regulation Recast 1215/2012, unless consumer's or employee's jurisdiction is argued.

5.6. Art. 7(2) BRR and Art. 79(2) GDPR

If we look at the CJEU's interpretations of Art. 7(2) BRR⁹⁸⁵ and the wording of Art.79 (2) GDPR, a contradiction between the two is not apparent. As *lex specialis* Art. 79(2) GDPR introduces the right of each data subject to an effective judicial remedy against a controller or processor. It extends beyond the equivalent provision in Directive 95/46,⁹⁸⁶ which provides a judicial remedy only against data controllers⁹⁸⁷ and not against data processors.⁹⁸⁸ In academic cycles, however, the adoption of this rule is under a discussion.

Some commentators doubt the very need for Art. 79(2) GDPR if the special jurisdictional rule of Art. 7(2) BRR may be invoked.⁹⁸⁹ The coexistence of two "competing" provisions was argued to create a multitude of different *fora* in favour of the data subject.⁹⁹⁰

The scope of international jurisdiction at Art. 79(2) GDPR also has been left uncertain: should both *fora* (defendant's place of establishment and the data subject's habitual residence) be treated equally?⁹⁹¹ May the data subject claim the full scope of the damage in both courts?⁹⁹² In this respect, the present paragraph will provide a comparative analysis of a variety of procedural possibilities for the data subject under both jurisdictional provisions.

If we presume that the category of personality rights may cover personal data protection,⁹⁹³ the data subject may benefit from both provisions to the extent that they can be applied in parallel. Precisely, relying on Art. 7(2) BRR, along with Art. 79(2) GDPR, the data subject may bring a claim:

1. in the courts of the controller'/processor' domicile;
2. in the courts of the controller/processor' establishment;
3. in the courts of the centre of interests of the data subject;
4. in the courts of the habitual residence of the data subject;
5. in the courts of each Member State in the territory of which content placed online is accessible.⁹⁹⁴

⁹⁸⁵ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), C-194/16, *Bolagsupplysningen and Ilsjan*, (2017).

⁹⁸⁶ Art. 22 Directive 95/46.

⁹⁸⁷ Art 4 (7) GDPR: "controller" means the natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of the processing of personal data; where the purposes and means of such processing are determined by Union or Member State law, the controller or the specific criteria for its nomination may be provided for by Union or Member State law."

⁹⁸⁸ Art. 4 (8) GDPR: "processor" means a natural or legal person, public authority, agency or other body which processes personal data on behalf of the controller."

⁹⁸⁹ For example, REVOLIDIS I. (2017), "Judicial Jurisdiction...", *op. cit.*

⁹⁹⁰ *Ibid.*

⁹⁹¹ Due to literal reading of this article, both situations should be treated equally. See more, for example, at: OTCHENASH M. (2017), "Allocating jurisdiction and applicable law...", *op. cit.*, and further in this chapter.

⁹⁹² In the same way as he or she can claim within the jurisdiction of the defendant's domicile, according to C-68/93 *Shevill and others* (1995).

⁹⁹³ For the same, see more, for instance, at: BRKAN M. (2015), *Data Protection and European Private International Law...*, *op. cit.*, REVOLIDIS I. (2017), "Judicial Jurisdiction...", *op. cit.*

⁹⁹⁴ According to the "mosaic theory", for damage caused in the territory of a particular Member State, the courts of each Member State in the territory of which content placed online is or has been accessible.

According to the settled case law of the CJEU,⁹⁹⁵ with a high degree of certainty, it may be claimed that at least two of the mentioned courts have obtained the full scope of international jurisdiction, and may grant the overall damage: the court of the controller'/processor's domicile (1) and the courts of the centre of interests of the data subject (3). The jurisdiction of the court where online content is accessible (5) will always be limited to its territory.⁹⁹⁶ By contrast, the jurisdictional limits for the courts at the controller/processor' establishment (2) and the courts of the habitual residence of the data subject (4) are not evident and have not been addressed by the CJEU yet.

The data subject would be able to sue in regard to the full extent of the damage in both of these places (2 and 4) by invoking the interpretations of Art. 7(2) BRR.⁹⁹⁷ Accordingly, the courts at the controller/processor's establishment (by analogy with the courts at the defendant's domicile) might rule over the overall damage suffered (giving the importance to the general rule of the defendant's *home game* and a frequent coincidence between these places).⁹⁹⁸

By contrast, an extension of this analogy to the data subject's habitual residence is not such a straightforward process. The natural question is if the forum of the data subject's habitual residence (at Art. 79(2) GDPR) may be treated by analogy with the forum of the data subject's "centre of interests" (at Art. 7(2) BRR) as the forum with the full jurisdictional scope.

5.6.1. A mutual coexistence

The concept of the "habitual residence" is often used in academic circles and many national laws are familiar with this notion.⁹⁹⁹ Several legislative proposals mention both the "centre of interests" and the "habitual residence" as similar paradigms. For instance, ILA Guidance at Art. 4 defines jurisdiction based on conduct for privacy claims in the meaning that:

(2) A defendant may also be sued at the plaintiff's centre of main interest, unless the defendant could not have reasonably foreseen substantial consequences of his or her act occurring in that State. The person's centre of main interest is presumed to be at his or her place of habitual residence.¹⁰⁰⁰

It is true that despite the frequent coincidence, these places are not identical. However, it is also true that they may supplement each other according to the following reasons.

Firstly, because the data subject's habitual residence at Art. 79(2) GDPR fits better the legal nature of the notion of the "data subject."

⁹⁹⁵ C-68/93 *Shevill and others* (1995), Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), C-194/16, *Bolagsupplysningen and Ilsjan*, (2017).

⁹⁹⁶ *Ibid.*

⁹⁹⁷ For example, at: OTCHENASH M. (2017), "Allocating jurisdiction and applicable law..." *op. cit.*

⁹⁹⁸ *Ibid.* The place of defendant's establishment also gained the full scope of jurisdiction in the interpretations in C-68/93 *Shevill and others* (1995), Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011) (see earlier in this Chapter).

⁹⁹⁹ HEINZE C. (2009), "The CLIP Principles on Jurisdiction Intellectual property," in: *the Global Arena. Jurisdiction, Applicable Law and the Recognition of Judgments in Europe, Japan and the USA*, ed. by J. Basedow/T. Kono/A. Metzger. p. 57-58.

¹⁰⁰⁰ The International Law Association (ILA), (2018) Conference on Privacy; Article 4: "Jurisdiction based on conduct" "(1) A defendant may be sued in the courts of the State where the act directly causing the harm occurred, irrespective of where the damage arose."

In the light of *eDate* interpretation, the concept of “the centre of the interests” among the place of habitual residence, may also include other factors.¹⁰⁰¹ The CJEU set an extensive notion of “the centre of the interests,” taking into account the specific features of personality rights infringements. At first glance, it may seem that the victim of personality rights might have more potential *fora* (due to an extended meaning of the “centre of interest”) compared to the data subject (limited to the place of the habitual residence).

However, the legislator has implemented the data subject’s “habitual residence” criterion in order to exclude other supplementary factors as, for instance, professional activity or reputation). The GDPR applies “[...] to natural persons, whatever their nationality or place of residence, in relation to the processing of their personal data.”¹⁰⁰² This means that the data subjects are: the individuals who are located in the EU, the residents of the EU, the citizens of the EU, the EU residents/citizens located anywhere.

The “centre of interests” approach (especially if it is uncertain or difficult to identify),¹⁰⁰³ thus, would narrow down the litigation possibility for the data subject to invoke the claimant's forum. The “habitual residence” approach, instead, responds better to the legal status of the data subject in the meaning of the GDPR.

Secondly, taking into account the developments from *eDate*, the data subject’s habitual residence at Art. 79(2) GDPR was introduced as a normative ground for the claimant’s forum.¹⁰⁰⁴ It may be claimed that the legislator has adopted the *eDate*’s approach to some extent.

The GDPR aims to facilitate the protection of personal data of all EU citizens.¹⁰⁰⁵ The very purpose of Art. 79(2) GDPR is the support of the data subject as a weaker party in the litigation.¹⁰⁰⁶ Especially for that reason, this rule has been under debate, questioning the very necessity of such an additional *forum* for data protection claims.¹⁰⁰⁷ The adoption of the data subject’s habitual residence has been criticised due to its simplified allocation and a contradiction with the *actor sequitur forum rei*.¹⁰⁰⁸

Interestingly, within the same line of argument, the “centre of the interests” criterion was proposed to be rejected.¹⁰⁰⁹ In particular, the approach of the “centre of interests” was also claimed to contradict the fundamental principles of the BRR.¹⁰¹⁰ The CJEU was criticised in an attempt to replace the legislator when implementing a “non-existent element”¹⁰¹¹ (of the “centre of interests”) and crossing the boundaries of Art. 7(2) BRR.¹⁰¹² Further, in *Bolagsupplysningen*, the “centre of interests” criterion was specified in its scope.

¹⁰⁰¹ For instance, the reputation is relevant.

¹⁰⁰² Recital 14 GDPR.

¹⁰⁰³ As it was specified in C-194/16, *Bolagsupplysningen and Ilsjan*, (2017).

¹⁰⁰⁴ For example, at LUTZI T. (2017), “Internet cases in EU PIL...”, *op. cit.*, p. 8-14, it was argued about the lack of normative grounds for the “centre of interests” criterion

¹⁰⁰⁵ Art. 1 GDPR.

¹⁰⁰⁶ For instance, at it was argued at: BRKAN M. (2015), *Data Protection and European Private International Law...*, *op. cit.*

¹⁰⁰⁷ For instance, REVOLIDIS I. (2017), “Judicial Jurisdiction...”, *op. cit.*

¹⁰⁰⁸ *Ibid.*, also, because it was considered much easier to establish in comparison to the plaintiff’s domicile.

¹⁰⁰⁹ For example, at LUTZI T. (2017), “Internet cases in EU PIL...”, *op. cit.*

¹⁰¹⁰ *Ibid.*

¹⁰¹¹ *Ibid.*, p. 8-14, REVOLIDIS I. (2017), “Judicial Jurisdiction...”, *op. cit.*

¹⁰¹² The *actor sequitur forum rei* had been established, in particular, at sections 3, 4 and 5 of Brussels Regulation Recast 1215/2012.

Thirdly, the "centre of interests" together with the "habitual residence" approaches are aimed at solving very similar problems. The objections to implementing both Art. 7(2) BRR and Art. 79(2) GDPR have been based on the challenging effect of "mosaic" and "online accessibility."

According to the "mosaic" principle the data subject may bring the claim for the damage caused in the territory of a particular Member State to the courts of each Member State in the territory of which content placed online is or has been accessible.¹⁰¹³ A critique of the "mosaic" doctrine¹⁰¹⁴ and the "online accessibility" approach¹⁰¹⁵ may be summarised as multiplication of jurisdictional grounds, the tenuous connection between the courts and disputes, the risk of contradictory decisions for the same subject matter, the lack of legal certainty, unjustified procedural privileges for a victim, etc.¹⁰¹⁶

The legislator adopted the data subject's forum to overcome the problematic influence of "mosaic" and the online "accessibility" approaches for personal data protection claims. By contrast, the Art. 79(2) GDPR may become a rather coherent instrument for supporting the data subject.¹⁰¹⁷

Fourthly, although, the GDPR and the BRR were designed for district purposes, they both address procedural *privileges*.

It is true that while the data subject has obtained *unconditional* procedural guarantees¹⁰¹⁸ under Art. 79(2) GDPR, Art. 7(2) BRR may be invoked strictly on the basis of a particularly close link with the territory of the court.¹⁰¹⁹ The "centre of interest" was adopted not in the sense of supporting a claimant, but aiming at establishing jurisdiction to the courts that are the "best placed to assess the overall impact of the entirety of the harm caused."¹⁰²⁰

It is also true that the "centre of interest" *virtually* introduces a claimant's forum for the victim of personality rights. Although it has been specified and restricted,¹⁰²¹ it still significantly facilitates the jurisdictional possibilities for the victim of personality rights. Besides, similar privileges (the claimant's forum) under the BRR are provided, for example, to consumers.¹⁰²²

¹⁰¹³ C-68/93 *Shevill and others* (1995), Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011).

¹⁰¹⁴ For example, XALABARDER R. (2014), "Jurisdiction and applicable law issues for the protection of moral rights on-line," *Materials of the conference: Moral Rights in the 21st century. Brussels*, p. 175-177.

¹⁰¹⁵ For example, MATULIONYTE R. (2015), "Enforcing Copyright Infringements Online...", *op. cit.*, p. 22.

¹⁰¹⁶ For example, LUTZI T. (2017), "Internet cases in EU PIL...", *op. cit.*, REVOLIDIS I. (2017), "Judicial Jurisdiction...", *op. cit.*, MATULIONYTE R. (2015), "Enforcing Copyright Infringements Online...", *op. cit.* The CJEU in its further ruling in *Bolagsupplysningen* restricted the "online accessibility" approach for online privacy claims concerning injunction.

¹⁰¹⁷ In particular, a current academic debate concerning the challenges of the "mosaic" approach is further evidence of a rather logical solution of the legislator to avoid it for personal data protection claims within the GDPR.

¹⁰¹⁸ Noteworthy that jurisdiction at the habitual residence may be established "alternatively," without any linking factor to the territory of the court (such as "direct to" test or "targeting" that are applicable in trademark or database's protection cases), which makes it easier to apply.

¹⁰¹⁹ Rulings in Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), C-194/16, *Bolagsupplysningen and Ilsjan*, (2017) grant jurisdiction to the courts that are the "best placed to assess the overall impact of the entirety of the harm caused."

¹⁰²⁰ *Ibid.*

¹⁰²¹ If its is hard to identify, it cannot be invoked. C-194/16, *Bolagsupplysningen and Ilsjan*, (2017).

¹⁰²² The rules of exclusive jurisdiction are established in the Brussels Regulation Recast 1215/2012, Art. 17(1), Art. 18(1) However, it is out of the scope of tort jurisdiction under Art. 7(2).

Above all, in all these cases (personality rights claims, consumer protection cases, and personal data protection cases) the parties' imbalance is often at stake. Legal certainty, however, should not be overestimated.¹⁰²³ Multinational online businesses control their web of branches and establishment chains, and should not be treated the same as ordinary claimants. A reasonable balance needs to be struck between the need for legal certainty and the adequate protection of the weaker party.

One may claim that, among others, the balance may be achieved by means of the "targeting" test.¹⁰²⁴ It has been used to determine consumer jurisdiction ("directing" of activities pursuant to Article 17(1)(c) of Regulation) and applies to solve both issues of jurisdiction¹⁰²⁵ and applicable law.¹⁰²⁶

One may argue that such a test could be adopted to determine also the data subject jurisdiction and could overcome a critique of the data subject's *forum*.¹⁰²⁷ Precisely, the habitual residence of the data subject could be coupled with a criterion of "targeting" of the controller's activities towards the Member State of such habitual residence. The intention of the business activity would become a key factor when establishing a court at the data subject's habitual residence.

Similar proposals were generated in the context of E-commerce and online torts of personality rights.¹⁰²⁸ For instance, Art. 4 (2) ILA establishes limitation to the "centre of the interest" for personality rights claims:

A defendant may also be sued at the plaintiff's centre of main interest, unless the defendant could not have reasonably foreseen substantial consequences of his or her act occurring in that State. [Or] A defendant may also be sued in the State to which the publication in question is principally directed, taking into account, in particular, (a) the language of the publication; (b) the content of the publication; (c) the physical location of the intended audience.¹⁰²⁹

On the other side, the normative model is set at Art. 79(2) GDPR does not involve any additional *ingredients* that might complicate the litigation possibilities for the data subjects. It aims at minimising an imbalance between the structurally weak data subject and big online companies as the "repeat players" in the litigation.¹⁰³⁰ Most probably, "targeting" works better as an applicable law test: it has been adopted at Art. 3(2) GDPR and supported for this purpose by various interpretations from the CJEU. Moreover, the case law of the CJEU reveals different *degrees* of an "intention to target" depending on the subject of the case and

¹⁰²³ See, for instance, C-498/16, *Maximilian Schrems v Facebook Ireland Limited* (2018).

¹⁰²⁴ For example, LUTZI T. (2017), "Internet cases in EU PIL...", *op. cit.*, MATULIONYTE R. (2015), "Enforcing Copyright Infringements Online...", *op. cit.*

¹⁰²⁵ C-191/15, *Verein für Konsumenteninformation v Amazon EU Sàrl* (2016).

¹⁰²⁶ For instance, in CJEU, C-324/09, *L'Oréal SA and Others v eBay International AG and Others*, 12 July 2011 (ECLI:EU:C:2011:474). Also, the "targeting" as a connecting criterion was adopted to establish EU data protection law, C-131/12, *Google Spain* (2014), C-191/15, *Verein für Konsumenteninformation v Amazon EU Sàrl* (2016).

¹⁰²⁷ Similar approach, however, in relation to Internet related jurisdiction in general, was proposed at FARAH Y. (2008), "Allocation of Jurisdiction and the Internet in EU law," 33 *E.L.Rev.*, p. 266. Also, in relation to online copyright infringements, at MATULIONYTE R. (2015), "Enforcing Copyright Infringements Online...", *op. cit.*

¹⁰²⁸ REYMOND M. (2012), "Jurisdiction in case of personality Torts committed over the Internet: a Proposal for a Targeting Test," 14 of *Yearbook of Private International Law* (2012/13), p.211.

¹⁰²⁹ The International Law Association (ILA), (2018) *Conference on Privacy*, Article 4: "Jurisdiction based on conduct."

¹⁰³⁰ HÖRNLE J. (2009), *Cross-border Internet dispute...*, *op. cit.*, p. 29.

other factual situations.¹⁰³¹ There are numerous examples of overlapping use of the “targeting” with the different descriptions of this test.¹⁰³²

Hence, it may be argued that “targeting” as a balancing tool does not correspond to the data subject *forum* and still requires further development.¹⁰³³ By contrast, the construction of Art. 79(2) GDPR, indeed, meets the very purpose of supporting the data subject and effectively supplements the jurisdictional choices at Art. 7(2) BRR.

5.6.3. A full jurisdictional scope¹⁰³⁴

The possibility to obtain the full compensation for the damage suffered makes Art. 79(2) GDPR attractive for the data subject. At least two ways of reasoning may be found to support the full scope of international jurisdiction at the place of the data subject’s habitual residence. Firstly, we will draw an analogy between the interpretations of Art. 7(2) BRR for personality rights and the legislative model of the Art. 79(2) GDPR. Secondly, we will illustrate various supplementary provisions at the GDPR that are in favour of this conclusion.

The very construction of Art. 79(2) GDPR is, indeed, a lookalike to the interpretation of Art. 7(2) BRR with regard to personality claims.¹⁰³⁵ Both texts have adopted two alternatives for the claimant. The first one is to bring proceedings before the courts of the Member State of the defendant’s establishment, and the second one is the claimant’s centre of interests / habitual residence.

By invoking the ruling in *eDate*, the data subject may bring a claim “[...] in respect of all the damage caused, either before the courts of the Member State in which the publisher of that

¹⁰³¹ SCHULTZ T. (2015), “Carving up the Internet: Jurisdiction, Legal Orders, and the Private/Public International Law Interface,” *the European Journal of International Law Vol. 19 no.4*, p. 82.

¹⁰³² In relation to confusion on “targeting” as a test for jurisdiction see more, for instance, at: ROSATI E. (2017), “International jurisdiction in online EU trademark infringement cases: where is the place of infringement located?” *European Intellectual Property Review*.

¹⁰³³ This point will be further elaborated in the next Chapter Also, there is also *a number of objections* that might be raised to the “targeting” test when it comes to the set of the ingredients (like in *Pammer*). In particular, when the relevant factors are enumerated in a predefined list of criteria they may be circumvented. Moreover, it may incentivise geo-blocking that is strongly opposed by the EU Commission, according to Regulation on Addressing unjustified Geo-Blocking and other Forms of discrimination based on consumers’ nationality, place of residence or place of establishment within the internal market 2018/302, 3 December 2018, O.J. (L1 60, 2018 O.J., (hereinafter, Geo-Blocking Regulation). It refers to practices “where traders operating in one Member State block or limit access to their online interfaces, such as websites and apps, by customers from other Member States wishing to engage in cross-border transactions.”

¹⁰³⁴ Noteworthy that, the notion of the “full scope of international jurisdiction” or an “overall relief” means “jurisdiction to award damages for all the harm caused,” which is limited to the EU. As it was commented, for instance, at SVANTESSON D.J.B. (2018), “European Union Claims of Jurisdiction... *op. cit.*, p.50, the *Shevill* ruling and subsequent interpretations referred to such harm occurring in Member States only, avoiding the possibility to grant worldwide damages.

¹⁰³⁵ According to Rulings in Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others* (2011), “[...] the person who considers that his rights have been infringed has the option of bringing an action for liability, in respect of all the damage caused, either before the courts of the Member State in which the publisher of that content is established or before the courts of the Member State in which the centre of his interests is based.”

Accordingly, Art. 79(2) GDPR: “Proceedings against a controller or a processor shall be brought before the courts of the Member State where the controller or processor has an establishment. Alternatively, such proceedings may be brought before the courts of the Member State where the data subject has his or her habitual residence, unless the controller or processor is a public authority of a Member State acting in the exercise of its public powers.”

content is established or before the courts of the Member State in which the centre of his interests is based.”¹⁰³⁶

By means of Art. 79(2) GDPR, the data subject also receives a double alternative of bringing the proceedings: “[...] before the courts of the Member State where the controller or processor has an establishment. Alternatively, such proceedings may be brought before the courts of the Member State where the data subject has his or her habitual residence [...].”

Accordingly, if we assume that Art. 7(2) BRR applies as a general rule to personal data protection claims, the scope of jurisdiction at the establishment of the controller/processor and at the habitual residence of the data subject should be full, and the court at these places should grant the overall relief.¹⁰³⁷

The equal treatment for both the controller/processor forum and the forum of the data subject habitual residence responds to the initial purpose of the GDPR (supporting the data subject) and very wording of Art. 79(2) GDPR (by adopting a connection “alternatively”). Even the title of the provision (“Right to an effective judicial remedy against a controller or processor”), illustrates that it was designed especially to introduce the *effective* litigation possibilities to the data subject. All these allow us to conclude that the legislator had followed the model of the *eDate* approach and had balanced the jurisdictional statuses of the controller/processor and the data subject.

A number of provisions of the GDPR are also in a favour of granting the entire damage at both places (at the establishment of the controller/processor and the habitual residence of the data subject). In particular, according to Art. 82 GDPR:

1. Any person who has suffered material or non-material damage as a result of an infringement of this Regulation shall have the right to receive compensation from the controller or processor for the damage suffered.
2. Any controller involved in processing shall be liable for the damage caused by processing which infringes this Regulation. A processor shall be liable for the damage caused by processing only where it has not complied with obligations of this Regulation specifically directed to processors or where it has acted outside or contrary to lawful instructions of the controller.
3. A controller or processor shall be exempt from liability under paragraph 2 if it proves that it is not in any way responsible for the event giving rise to the damage.
4. Where more than one controller or processor, or both a controller and a processor, are involved in the same processing and where they are, under paragraphs 2 and 3, responsible for any damage caused by processing, each controller or processor shall be held liable for the entire damage in order to ensure effective compensation of the data subject.
5. Where a controller or processor has, in accordance with paragraph 4, paid full compensation for the damage suffered, that controller or processor shall be entitled to claim back from the other controllers or processors involved in the same processing that part of the

¹⁰³⁶ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011).

¹⁰³⁷ According to Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), and C-194/16, *Bolagsupplysningen and Iisjan*, (2017). See also: BRKAN M. (2015), *Data Protection and European Private International Law...*, *op. cit.*, REVOLIDIS I. (2017), “Judicial Jurisdiction...”, *op. cit.*, OTCHENASH M. (2017), “Allocating jurisdiction and applicable law...”, *op. cit.*

- compensation corresponding to their part of responsibility for the damage, in accordance with the conditions set out in paragraph 2.
6. Court proceedings for exercising the right to receive compensation shall be brought before the courts competent under the law of the Member State referred to in Article 79(2).

This article implements the right of the data subject to receive full compensation for the harm suffered. Paragraph 6 explicitly refers to Art. 79(2) GDPR as a relevant legal ground for receiving such compensation. While the Directive referred only to the right to compensation for “damage,”¹⁰³⁸ the Art. 82(1) GDPR makes it clear that compensation may be recovered for both pecuniary and non-pecuniary losses. This clarification is also consistent with the interpretation of the meaning of damage for the purpose of compensation claims.¹⁰³⁹

The right to full compensation corresponds to the liability of any controller involved in the processing for the damage caused. Wherein, joint controllers or processors are facing a joint liability for the data protection breaches.¹⁰⁴⁰ The data subjects are entitled to enforce their rights against any of the joint controllers and each joint controller is liable for the entirety of the damage.¹⁰⁴¹ Although the national law may apportion liability between them, this may virtually facilitate an accumulation of the overall damage at the one court with the full scope of jurisdiction.

Besides, Art. 79(2) GDPR may minimise the impact of the “mosaic” approach (by means of Art. 7(2) BRR) in personal data protection claims. When the data subject is allowed to bring the action for entire damage at his or her habitual residence, there is no risk of creating a multiplicity of lawsuits with essentially the same object. There is no sense to bring “mosaic” suits to different courts, instead of one to the court of the data subject’s habitual residence. Otherwise, the data subject would need to go separately to each Member State to claim the virtually divided damage which is often unaffordable and time-consuming.

All these allow concluding that the GDPR itself defines the provision of Art. 79(2) as a jurisdictional ground for claiming an overall relief before the courts of the Member States where the controller or processor has an establishment or where the data subject resides. Due to the precise wording of this article (and other supporting provisions), both situations must be treated equally. As soon as it was accepted to claim the overall damages at the court of the controller’s establishment,¹⁰⁴² the same should apply to the data subject’s habitual residence as an alternative.¹⁰⁴³ The data subject gains the opportunity to receive compensation for suffered damages beyond the territory of the controller’s/processor’s establishment.

¹⁰³⁸ Art. 22 Directive 95/46.

¹⁰³⁹ UK: *Vidal-Hall And Others v Google Inc*, EWHC 13 (QB), 16 January 2014, UK: *Google Inc. v Vidal-Hall & Others* [2015] EWCA Civ 311), concerning damages for breach of personal data protection. The claimants sought damages alleging that Google had, without their consent, collected personal data about them, which was resold to advertisers. They used the Safari Internet browser on Apple products, the tracking and collation of the claimants’.

¹⁰⁴⁰ See more to this at: European Data Protection Board (2021), *Guidelines 07/2020 on the concepts of controller and processor in the GDPR*, Version 2.0 (adopted).

¹⁰⁴¹ Although, the national law may apportion liability between them.

¹⁰⁴² C-68/93 *Shevill and others* (1995), Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), and C-194/16, *Bolagsupplysningen and Ilsjan*, (2017).

¹⁰⁴³ For instance, REVOLIDIS I. (2017), “Judicial Jurisdiction...,” *op. cit.*, OTCHENASH M. (2017), “Allocating jurisdiction and applicable law...,” *op. cit.*

Above all, a high level of harmonisation of EU data protection law may also become an efficient reason to support the full jurisdictional scope at Art. 79(2) GDPR. If the applicable law is essentially universal, the divergences at national level should not be so crucial.

The bundles of multiple national laws within the EU often block the possibility for the full scope of international jurisdiction at the court seised.¹⁰⁴⁴ Differences in the implementation and application of Directive 95/46 at the national level, and, thus, differences in protection of personal data constitute an obstacle to the pursuit of economic activities within the EU and distort competition.¹⁰⁴⁵

The intention of the legislator was a high level of GDPR's unification and its universal application in all Member States.¹⁰⁴⁶ Harmonisation,¹⁰⁴⁷ however, has been successful only partly. While the Member States may legislate on data protection matters in specific areas, the GDPR does not specify which law is applicable in case of the absence of specific unified rules. This may lead to forum shopping in favour of national regimes of the certain Member States,¹⁰⁴⁸ which have more attractive rules on jurisdiction or quantification of damages.

Therefore, the case law of the CJEU will still play a significant role in determining the balance between the national law of the Member States and the GDPR. The question of consistent interpretation of Art. 79(2) GDPR and its interaction with Art. 7(2) BRR will continue to be at stake.

5.7. Summary

The GDPR does not involve any choice of law rules as the data protection law should be harmonised across the EU. Unlike Directive 95/46, the GDPR applies directly and (along with the relevant interpretations from the CJEU) should make the question of applicable law not so pressing.¹⁰⁴⁹

As far as at the level of jurisdiction, the interaction between the GDPR and the BRR has been left open. The GDPR sets the rules of jurisdiction for personal data protection claims, following the principles of “[...] one legal and practical certainty for natural persons, economic operators and public authorities, given the importance of creating the trust that will allow the digital economy to develop.”¹⁰⁵⁰

According to this, on the one side, an online company may be subject to legal proceedings in unfamiliar jurisdictions, outside the Member State(s) in which it is established. On the other side, Art. 79(2) GDPR by providing *forum actoris* introduces an effective litigation possibility for the data subjects. If this jurisdictional ground is interpreted in the context of personality rights and applied along with Art. 7(2) BRR, it may empower courts to grant the overall damage suffered at the data subject's forum.

¹⁰⁴⁴ See more to this, for instance, at: MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...”, *op. cit.*, XALABARDER R. (2014), “Jurisdiction and applicable law issues...”, *op. cit.*

¹⁰⁴⁵ Recital 9 GDPR.

¹⁰⁴⁶ Chapter 5 of the GDPR.

¹⁰⁴⁷ Art. 99 GDPR.

¹⁰⁴⁸ BRKAN M. (2015), *Data Protection and European Private International Law...*, *op. cit.*, p.16.

¹⁰⁴⁹ See, for instance, at: BRKAN M. (2015), *Data Protection and European Private International Law...*, *op. cit.*, p. 20, OTCHENASH M. (2017), “Allocating jurisdiction and applicable law...”, *op. cit.*, OTCHENASH M. (2018), “Suing online platform for Copyright infringements,” *IDP, Revista de Internet, Derecho y Política*, No. 29.

¹⁰⁵⁰ Recital 7 GDPR.

Wherein, in absence of the settled case law, the full scope of international jurisdiction based on the data subject's habitual residence may become a key factor when deciding a litigation strategy for data protection claims.

PART B: An Intellectual Property scenario

6. Chapter VI: Special jurisdiction for online intellectual property infringements

6.1. Introduction

This concept of intellectual property (IP)¹⁰⁵¹ in a broad sense encompasses an ever-increasing variety of forms for capturing the works of mind¹⁰⁵² in the industrial, scientific,

¹⁰⁵¹ The Convention Establishing the World Intellectual Property Organisation (the WIPO Convention), 14 July 1967, Stockholm, Article 2(viii) WIPO Convention. Traditionally, intellectual property is divided into two categories, "industrial property" (such as patents for inventions, trademarks, industrial designs and geographical indications) and "copyright" (which covers literary works, films, music, artistic works and architectural design). Rights related to copyright cover those of performing artists in their performances, producers of phonograms in their recordings, and broadcasters in their radio and television programs.

¹⁰⁵² Due to ongoing development of artificial intelligence and the economic recognition of cultural heritage, the traditional IP law concepts have been questioned. See more, for instance, at: RAMALHO A. (2021), *Intellectual Property Protection for AI-generated Creations Europe, United States, Australia and Japan*, Routledge; 1er edición, p. 172.

literary, and artistic fields. The role of IP protection has grown significantly in the knowledge-driven economy. Besides, electronic commerce and the Internet as a selling medium blur national borders and allow widespread dissemination of online content growth of the Internet as a selling medium, that transcends national boundaries.

Online enforcement of intellectual property on the global scale faces essential challenges. IP infringements are often international and involve several countries. The infringers and the IP owners may reside in different jurisdictions or the infringement itself may take place in a foreign state.

Jurisdiction for IP online infringements has been actively debated for the last thirty years. A variety of publications, books, Master's and Ph.D. projects have been devoted to this subject. Besides, the CJEU has been rather active in generating a different solution for intellectual property claims. A myriad of the national cases from the EU Member States and foreign rulings have revealed different solutions.

Despite the fact that there is so much has been said on this topic,¹⁰⁵³ this part will attempt to take a fresh look at these matters, in particular, when focusing on recent trends in the EU policy, case law, and academia. Yet, a more narrow subject, as a special jurisdiction rule in Art. 7(2) Brussels Regulation Recast 1215/2012, will be examined.

Precisely, what are the tendencies in searching for a coherent solution when approaching special jurisdiction for IP online torts? Is there any consolidation in the ongoing debate?

The topic will be examined by conducting a study on intellectual property legal landscape, and, more specifically, on the enforcement of copyright and trademarks in the digital environment. Online copyright and trademark infringements will, therefore, be used to illustrate the challenges which arise at the intersection with private international law. This will allow identifying the problems which exist at the level of international jurisdiction for IP claims in a general, and special jurisdiction, in particular.

The first section will make a brief reference to the existing legislative framework in the intellectual property field. Starting from the foundations of intellectual property law, it will focus on the harmonisation process and private international law (PIL) regime for IP claims. Besides, the most relevant legislative initiatives, concerning IP online torts will be described.

This will be followed by an outline of some of the problems of the interaction between the fields of IP, PIL, and the Internet. Also, the specific scenarios, concerning online IP infringements, will be illustrated. Such an approach will allow reflecting the existing conflicts and how the legislative initiatives address them.

More specifically, an evolution of jurisdictional grounds for IP torts in the online context before 2011 (when *eDate*¹⁰⁵⁴ was issued) will be illustrated. All this will become a preamble to the subsequent analysis of all the relevant cases in the following part. The part will end

¹⁰⁵³ As it was also claimed 13 years ago, for instance, at: METZGER A. (2009), "Jurisdiction in Cases Concerning Intellectual Property ...," *op. cit.*

¹⁰⁵⁴ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011).

with a discussion on the involvement of the national courts of the EU Member States in this field before the CJEU's relevant interpretations emerged.

6.2. The landscape of legal instruments and initiatives

Such fundamental principles in private international law as nationality, effects, and, territoriality affect the cross-border legal framework for international jurisdiction. Each country is supposed to apply a moderate approach when imposing jurisdiction over claims with a foreign element.¹⁰⁵⁵ Any unjustified encroachment on the jurisdiction of foreign countries should be avoided.

Territoriality has always been regarded as a cornerstone principle for intellectual property rights.¹⁰⁵⁶ Also, the international legal landscape for IP protection and enforcement has been built upon the territoriality concept. To some extent, such a *dogmatic* approach¹⁰⁵⁷ has been often justified by national policy considerations regarding information, media and intellectual property regulations (as a matter of national law).¹⁰⁵⁸

In a broad sense, private international law targets conflicts that arise from the territorial nature of national legal systems. Precisely, the specific questions on the choice of applicable national law and ascertaining court jurisdiction are within its scope. Due to the lack of international harmonisation on a global scale, national courts have a great deal of discretion in the areas of applicable law and jurisdiction. Such territorial discretion has become even more complicated in the online environment where national borders may be blurred.

6.2.1. Development of international norms for intellectual property protection

Global market integration switched the harmonisation tendencies from national to international level¹⁰⁵⁹ and questioned the dogmatic status of territoriality principle.¹⁰⁶⁰ The evolution of legislative framework illustrated a rather massive bundle of bilateral and multilateral trade agreements. However, within this landscape, the questions of intellectual property were addressed in a general sense.

6.2.1.1. WIPO's framework

¹⁰⁵⁵ For instance, WILSKE S., SCHILLER T. (1997), "International Jurisdiction in Cyberspace...", *op. cit.*

¹⁰⁵⁶ For instance, EECHOUD M. (2017), "Bridging the gap: Private international law principles for intellectual property law," *Nederlands Internationaal Privaatrecht (NIPR)*, no. 4, pp. 716-723; LUNDSTEDT L. (2016), *Territoriality...*, *op. cit.*

¹⁰⁵⁷ See also, for instance, at: LUNDSTEDT L. (2016), *Territoriality...*, *op. cit.*

¹⁰⁵⁸ EECHOUD M. (2016), "Bridging the gap...", *op. cit.*

¹⁰⁵⁹ See for example, at NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*

¹⁰⁶⁰ For instance, LUNDSTEDT L. (2016), *Territoriality...*, *op. cit.*

The World Intellectual Property Organisation (“WIPO”)¹⁰⁶¹ is a specialised, a self-funding agency of the United Nations, with 193 member states.¹⁰⁶² It provides IP services, policy, information and cooperation on a global scale. According to the WIPO Convention,¹⁰⁶³ the WIPO promotes an efficient international IP system that enables innovation and creativity “for the benefit of all.”¹⁰⁶⁴

Currently, the WIPO manages 26 treaties¹⁰⁶⁵ along with revisions of existing treaties and the conclusion of new ones. Under an umbrella of the WIPO negotiations two so-called “mother” treaties¹⁰⁶⁶ of the international intellectual property system were launched. First is the Paris Convention for the Protection of Industrial Property (1883) (The Paris Convention),¹⁰⁶⁷ and second is the Berne Convention for the Protection of Literary and Artistic Works (1886) (the Berne Convention).¹⁰⁶⁸

The Paris Convention sets minimum standards for intellectual property industrial rights. Territoriality is implemented as a fundamental principle,¹⁰⁶⁹ associated also with the *lex loci protectionis* principle. This treaty adopted the principles of national treatment and independence of national Intellectual property rights.

Also, the Berne Convention is a cornerstone international instrument for intellectual property rights. Respectively, it also sets the foundation for the *lex loci protectionis* principle.

The enjoyment and the exercise of these rights shall not be subject to any formality; such enjoyment and such exercise shall be independent of the existence of protection in the country of origin of the work. Consequently, apart from the provisions of this Convention, the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed.¹⁰⁷⁰

According to this provision, registration is not a mandatory requirement for a copyright recognition.¹⁰⁷¹ Copyright and related rights arise by law, from the moment of the work’s

¹⁰⁶¹ As the successor of the United International Bureaux for the Protection of Intellectual Property of 1893, see more at the official website: <https://www.wipo.int/portal/en/index.html>.

¹⁰⁶² See at: <https://www.wipo.int/portal/en/index.html>.

¹⁰⁶³ The WIPO Convention, 1967, Stockholm.

¹⁰⁶⁴ For instance, see the WIPO Policy at: <https://www.wipo.int/portal/en/index.html>.

¹⁰⁶⁵ The WIPO currently manages 26 treaties website, see at: <https://www.wipo.int/treaties/en/>

¹⁰⁶⁶EECHOUD M. (2016), “Bridging the gap...,” *op. cit.*, p. 720-723.

¹⁰⁶⁷ KONO T. (2012), *Intellectual Property and Private International Law (Comparative Perspectives)*, (ed.), Oxford-Portland: Hart Publishing.

¹⁰⁶⁸ Berne Convention for the Protection of Literary and Artistic Works as amended on September 28, 1979.

¹⁰⁶⁹ KONO T. (2012), *Intellectual Property and Private International Law...*, *op. cit.*, p. 16.

¹⁰⁷⁰ According to Art. 5(2) Berne Convention.

¹⁰⁷¹ By contrast to the US jurisdiction, the companies in the EU normally do not register copyright because it is not the obligatory requisite for a legal protection. The Berne Convention grants automatic protection the moment a work is created and it extends to all countries that are party to the Convention. The studies illustrate that, the main reason for not registering copyright is a lack of knowledge about what copyright is and its

creation or first fixation.¹⁰⁷² Together with industrial property rights, copyright and related rights are also territorial in the scope. Broadly speaking, all IP rights depend heavily on the national law of the country in the territory of which they arose.¹⁰⁷³

The lack of clarity in the wording of Art. 5(2) Berne Convention creates an extensive room for various interpretations.¹⁰⁷⁴ The concept of the "laws of the country where protection is claimed" does not give a straightforward answer on how to approach the choice of applicable law for cross-border copyright infringements.

While many countries all over the world (including the EU Member States) are signatories to the Berne Convention and its provisions should provide a harmonised solution for a choice of law questions, unfortunately, in practice, it is not always the case. The Berne Convention provides little to no coherent guidance in multinational copyright cases, and transfers a copyright holder to follow the laws of the country in which protection is claimed.

Due to intensive academic discourse around Art. 5(2) Berne Convention,¹⁰⁷⁵ copyright cases could be excluded from the scope of the Brussels Convention 1968.¹⁰⁷⁶

Currently, Art. 5(2) Berne Convention is considered as a general foundation for the minimum protection that effectively establishes a national treatment standard.¹⁰⁷⁷ It allows the country where protection is claimed to implement the level of copyright protection. The Berne Convention as a whole aims at facilitation of the cross-border copyright protection, but not setting the explicit conflict-of-law rules.¹⁰⁷⁸

Both mentioned treaties (the Paris Convention and the Berne Convention) ensure substantive minimum standards that must be guaranteed to nationals, but not an appropriate level of protection.¹⁰⁷⁹

Besides, the International Bureau of WIPO in Geneva is a global platform for a variety of intellectual property services. It hosts "one-stop-shop" mechanisms for the international

benefits. The percentage giving this reason has grown from 25 % in 2016 to 38 % in 2019. See more at: European Union Intellectual Property Office (EUIPO) (2019), *Intellectual property SME Scoreboard*, KPMG Spain.

¹⁰⁷² For instance, TORREMANS P. (2016), "Jurisdiction for cross-border intellectual property...", *op. cit.*

¹⁰⁷³ See more for instance, at: LUNDSTEDT L. (2016), *Territoriality...*, *op. cit.*, NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, XALABARDER R. (2014), "Jurisdiction and applicable law issues...", *op. cit.*

¹⁰⁷⁴ FIORDALISI E. (2015) "The Tangled Web: Cross-Border Conflicts of Copyright Law in the Age of Internet Sharing," *12 Loy. U. Chi. Int'l L. Rev.*, p. 197.

¹⁰⁷⁵ More to the debate as to what extent the national treatment principle or other provisions prescribe a conflict rule see, for example: MOURA VICENTE D. (2009), "La propriété intellectuelle en droit international privé," *Leiden: Brill*, p. 271-272.

¹⁰⁷⁶ NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), "Cross-Border Litigation...", *op. cit.*

¹⁰⁷⁷ MOURA VICENTE D. (2009), "La propriété intellectuelle...", *op. cit.*, p. 271-272.

¹⁰⁷⁸ NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), "Cross-Border Litigation...", *op. cit.*, p. 34-38.

¹⁰⁷⁹ See more, for example, NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, p. 19-23.

registration of different intellectual property rights such as patents (the Patent Cooperation Treaty),¹⁰⁸⁰ trademarks (the “Madrid system”),¹⁰⁸¹ design (the “Hague system”), appellations of origin (the Lisbon International System).¹⁰⁸² Precisely, within its framework, it is possible to seek IP protection simultaneously in each of the contracting states by filing an international application.¹⁰⁸³

The WIPO has become a reliable platform for innovative initiatives, supporting an interaction between Intellectual property and technologies. In early 1996, in response to technological advances, the WIPO Copyright Treaty¹⁰⁸⁴ was adopted to bring an additional layer of copyright protection in the online context. This international instrument together with WIPO Performances and Phonograms Treaty,¹⁰⁸⁵ are named as WIPO “Internet treaties”.¹⁰⁸⁶ The WIPO Recommendation on the Protection of Trademarks, and Other Industrial Property Rights in Signs, on the Internet¹⁰⁸⁷ has been a coherent guidance for IP litigation.

The WIPO promotes potential applications of blockchain technology. In 2020, following the so-called IP tokenisation process,¹⁰⁸⁸ the WIPO PROOF service was launched, providing a date- and time-stamped digital fingerprint of any file.¹⁰⁸⁹ WIPO “Blockchain Whitepaper for IP Ecosystems”,¹⁰⁹⁰ addresses tokens non-fungible tokens (NFTs) for the purpose of efficient IP rights management.

As a whole, the WIPO has become a global forum to produce international policy initiatives in the intellectual property area. In the last years, the EU has signed two other WIPO

¹⁰⁸⁰ The Patent Cooperation Treaty, 19 June 1970, amended on 28 September 28, 1979, modified on February 3, 1984, and on October 3, 2001 (as in force from April 1, 2002), Washington.

¹⁰⁸¹ Madrid Agreement Concerning the International Registration of Marks, 14 April 1891, and as amended on 28 September 1979.

¹⁰⁸² The Lisbon System for the International Registration of Appellations of Origin offers protection for an appellation of origin the Lisbon Agreement through a single registration and one set of fees, see more at <https://www.wipo.int/lisbon/en/>.

¹⁰⁸³ The Patent Cooperation Treaty (as in force from 1 April 2002).

¹⁰⁸⁴ WIPO Copyright Treaty (WCT), 20 December 1996, Geneva.

¹⁰⁸⁵ WIPO Performances and Phonograms Treaty (WPPT), 20 December 1996, Geneva.

¹⁰⁸⁶ WIPO, “Internet Treaties” - the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT) - which establish the basic standards of protection for copyright and related rights in the digital environment.

¹⁰⁸⁷ The WIPO, *Joint Recommendation Concerning the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet*, September 24 - October 3, 2001, Geneva. The Recommendation suggests the “directing to” approach when accessing online trademark infringements.

¹⁰⁸⁸ See for instance, HUGENDUBEL J., (2022). “Tokenization of intellectual property for IP rights management,” www.ipkitten.blogspot.com, concerning the IP tokenisation for anti-counterfeiting purposes, also at: the European Intellectual Property Office and European Commission Action Plan on Intellectual Property to strengthen EU's economic resilience and recovery, 25 November 2020, Brussels.

¹⁰⁸⁹ Following a review of the program as part of WIPO's planning and budget exercise, it was decided to discontinue the WIPO PROOF service. The token generation service was therefore terminated on January 31, 2022.

¹⁰⁹⁰ WIPO, Blockchain Whitepaper for IP Ecosystems, 2021, online webinar, available at: https://www.wipo.int/meetings/en/details.jsp?meeting_id=66030.

Treaties: the Beijing Treaty on the Protection of Audiovisual Performances and the Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired or otherwise Print Disabled.¹⁰⁹¹

6.2.1.2. TRIPS and negotiations outside the WTO

The Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS,” 1994) is one more international source of intellectual property law. It was concluded as part of the Uruguay round of the General Agreement on Tariffs and Trade (“GATT”), and part of the agreement that established the World Trade Organization (“WTO”).

TRIPS renewed the WIPO system by imposing specific obligations on member states as to the IP enforcement. It requires the WTO member states to implement major existing international IP instruments. Also, trade regulatory sanctions may be invoked within TRIPS and the WTO’s dispute settlement framework.

The TRIPS Agreement supports the tendency of intellectual property harmonisation, enabling a greater simplification of its protection and “[...] effective and appropriate means for the enforcement of trade-related intellectual property rights, taking into account differences in national legal systems.”¹⁰⁹²

At the same time, a variety of negotiation rounds take place outside the WTO and the WIPO. For instance, in 2011 a rather controversial Anti-Counterfeiting Trade Agreement (“ACTA”) was proposed.¹⁰⁹³ It aimed at implementing an international legal framework to strengthen IP protection online.¹⁰⁹⁴ In 2012, the European Parliament rejected its implementation.

Further, within the negotiation round between the EU and Canada and the EU and the US, the Comprehensive Economic and Trade Agreement (“CETA”)¹⁰⁹⁵ and Trade in Services Agreement (“TISA”)¹⁰⁹⁶ was launched respectively. These international instruments cover the IP rights enforcement and address telecommunications, broadcasting and publishing.

At the same, essentially aspects intellectual property in the context of private international law have mostly been left outside the scope of the mentioned legislative initiatives.¹⁰⁹⁷

¹⁰⁹¹ See more at: <https://ec.europa.eu/digital-single-market/en/eu-copyright-legislation>.

¹⁰⁹² Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS), 15 April 1994, Marrakesh.

¹⁰⁹³ The European Parliament voted against ACTA in 2012. The agreement will not enter into force for the EU, but might still enter into force once it has the required 6 ratifications. See more at: <https://ustr.gov/acta>.

¹⁰⁹⁴ WHITTAKER Z (2012), "ACTA dealt major blow as Europe rejects the controversial treaty", *CNET*.

¹⁰⁹⁵ The Comprehensive Economic and Trade Agreement (CETA), 21 September 2017. National parliaments in EU countries need to approve CETA before it can take full effect.

¹⁰⁹⁶ The latest texts released on the EU-US TTIP negotiations do not contain any reference to private international law for intellectual property, see more at: <http://trade.ec.europa.eu/doclib/html/153673.htm>.

¹⁰⁹⁷ According to the materials of web seminars: WIPO, Conference on Intellectual Property and Public Policy Issues, WIPO/IPGC/GE/09, 13 July to 14 July, 2009 (Geneva, Switzerland), also, AUSTIN G. (2001), *Private International Law and IP rights: a common law overview*, WIPO Report, Geneva, p. 22.

Fortunately, an interplay between intellectual property and private international law has been concerned within an extensive academic discourse.¹⁰⁹⁸

Notwithstanding extensive international harmonisation attempts, intellectual property rights remain territorially dependable: registration, recognitions and enforcement is often limited to a particular territory. When a copyright tort is committed in one country that is a signatory to the Berne Convention, the court needs to apply its national law, despite the residence of the copyright holder.

The concept of “territoriality” essentially affects the allocation of the dispute.¹⁰⁹⁹ Even if foreign elements (like foreign defendants or foreign rights) are involved into the litigation, the determination of jurisdiction depends heavily on local law.

The principle of territoriality has been questioned with the advent of digitalisation and globalisation of trade and commerce. Most probably in the near future, due to international exploitation and enforcement of IP rights, it will be no longer axiomatic.¹¹⁰⁰

6.2.2. Harmonisation within the EU

A variety of intellectual property legislation was implemented in the EU for the last fifty years. Most of legal instruments aimed at the harmonisation of intellectual property aspects within the EU.

6.2.2.1. A dual system of trademark protection

EU - registered IP rights allow right holders to possess IP titles for several EU countries simultaneously. EU registered IP rights are also known as a “bundle” of national IP rights (such as EU patents)¹¹⁰¹ or regional registered IP rights (such as a European Union trademark or Community design rights).¹¹⁰²

¹⁰⁹⁸ For instance, HEINZE C. (2009), “The CLIP Principles on Jurisdiction Intellectual property,” in: *the Global Arena. Jurisdiction, Applicable Law and the Recognition of Judgments in Europe, Japan and the USA*, ed. by J. Basedow/T. Kono/A. Metzger.

¹⁰⁹⁹ KONO T. (2012), *Intellectual Property and Private International Law...*, *op. cit.*, p. 16-24.

¹¹⁰⁰ BASEDOW J., KONO T., METZGER A. (2010), *Intellectual Property in the Global Arena: Jurisdiction, Applicable law, and the Recognition of Judgements in Europe, Japan and the US*, (eds), Tubingen, Mohr Siebeck, where it was argued that due to extraterritoriality of IPRs, a new regime for IP field should be adopted.

¹¹⁰¹ See more at the official website of EPO: <https://www.epo.org>.

¹¹⁰² See more at the official website EUIPO: <https://euipo.europa.eu/ohimportal/en>. Also, Regulation on the Community trademark 2015/2424, 16 December 2015, amending Council Regulation 207/2009 on the Community trade mark, OJ 2015, L 341/21; Council Regulation on Community designs 6/2002, 12 December 2001, OJ 2002, L 003/1.

EU trademark protection consists of two levels¹¹⁰³ when trademark holders may apply for registration: at the national level of the IP offices of EU countries, or at the EU level as a “European Union trademark” (EUTM) at the European Union Intellectual Property Office (EUIPO).

National and EUTMs coexist and are complementary to each other. The EUTM system consists of one single registration procedure that grants the owner an exclusive right in all 28 EU countries. The national trademark registration in the EU was first harmonised in 1989.¹¹⁰⁴ The EU trademark was created in 1994.¹¹⁰⁵ In 2015, the European Parliament approved the trademarks reform, which aimed at further unification process.¹¹⁰⁶

In addition to this, EU Regional level for intellectual property registration is available within the framework of the Benelux Convention on Intellectual Property.¹¹⁰⁷ The Benelux registration mechanism was adopted in order to centralise essential registration distinctions between countries. This mechanism enabled opposition proceeding at the Benelux Court of Justice (located in Luxembourg), by analogy with the EUIPO.

Needless to say that intellectual property rights have been influenced by national regimes of the Member States. For IP registered rights and unfair competition, the scope of protection may vary essentially, for instance, the allocation of ownership and the way rights arise.¹¹⁰⁸ While this questions the effectiveness of current initiatives of directives’ harmonisation for IP registered rights,¹¹⁰⁹ copyright (as unregistered IP right) appears to reach the higher level of harmonisation within the EU in a near future.

6.2.2.2. *Evolution of harmonisation efforts in the copyright law*

National differences are getting less significant due to setting harmonised standards in the EU copyright law. The EU copyright legislation is a set of more than ten directives and

¹¹⁰³ Regulation on the Community trademark 2015/2424.

¹¹⁰⁴ A recast of the Directive approximating the laws of the Member States relating to national trademarks 2008/95/EC, 1989, Proposal for a Directive of the European Parliament and of the Council to approximate the laws of the Member States relating to trade marks (Recast), 27 March 2013, COM/2013/0162 final - 2013/0089 (COD).

¹¹⁰⁵ A revision of the Regulation on the Community trademark 207/2009/EC, which established the first EU-wide unitary IP right in the EU granted by the Office for Harmonization in the Internal Market (OHIM), now called the European Union Intellectual Property Office -EUIPO.

¹¹⁰⁶ The EU Trademark Regulation 2015/2424, 16 December 2015 (the EUTMR), Directive to approximate the laws of the Member States relating to trademarks 2015/2436, 16 December 2015 (the Trademarks Directive).

¹¹⁰⁷ Benelux Convention on Intellectual Property (trademarks and designs), as amended by the Protocols of 21 May 2014 and 16 December 2014.

¹¹⁰⁸ See at more at: EECHOUD M. (2016), “Bridging the gap...,” *op. cit.*

¹¹⁰⁹ For instance, HUGENHOLTZ B. (2012), “Harmonisation or unification of EU Copyright law,” *Monash University Law Review* Vol 38, No 1, p. 4-16.

regulations, which harmonise the IP rights of authors and of performers, producers and broadcasters,¹¹¹⁰ accomplished within three periods of EU copyright law harmonisation.¹¹¹¹

The overall goal in the EU harmonisation attempts is to enable free movement of copyright protected goods and services within the internal market. Nevertheless, copyright harmonisation is a work in progress and has not been finished completely. Some areas still depend on national legislation of each EU Member State (such as, for example, moral rights, contractual rules and the collective administration of rights).¹¹¹²

Initial harmonisation efforts aimed at increasing copyright author protection on the Internet. For instance, the Commission of European Communities Green Paper "Copyright And Related Rights in the Information Society" ("Green Paper")¹¹¹³ proposed new techniques to limit and combat copying, while educating and assisting copyright holders in managing their digital works.¹¹¹⁴ However, after facing strong critique,¹¹¹⁵ the European Community eventually failed to adopt the Green Paper.

One of the most recent harmonisation initiatives may be illustrated by Proposal for a Directive of the European Parliament and of the Council on Copyright in the Digital Single Market¹¹¹⁶ which lead further to an adoption of Directive on Copyright in the Digital Single Market (DSMD).

¹¹¹⁰ Among them, for instance, Directive 2001/29/EC on the Harmonisation of Certain Aspects of Copyright and Related Rights in the Information Society, 22 May 2001, OJ L 167/10, 2001 (hereinafter the InfoSoc Directive); Directive 2000/31/EC on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ('Directive on electronic commerce'), 8 June 2000 OJ L 178, Council Directive 91/250/EEC on the Legal Protection of Computer Programs, 14 May 1991, OJ L 122/42; Directive 2006/116/EC on the Term of Protection of Copyright and Certain Related Rights, 12 December 2006, OJ L 372/12, 2006 (hereinafter the Term Directive); Directive 96/9/EC on the Legal Protection of Databases, 11 March 1996, OJ L 77/20, 1996, Directive on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission ("Satellite and Cable Directive"), 27 September 1993; Directive on the legal protection of computer programs ("Software Directive"), 23 April 2009; Directive on the enforcement of intellectual property right ("IPRED"), 29 April 2004; Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the Legal Protection of Databases [1996] OJ L 77/20, and also, more recently, Directive 2019/790 on copyright and related rights in the Digital Single Market, 17 April 2019, OJ L 130.

¹¹¹¹ ELIA V. (2015) "Judicialization and the Copyright War: Balancing Conflicting Interests through the Court of Justice of the European Union," *Lund University, Department of Political Science*, p.15, also, at HUGENHOLTZ B. "Harmonisation or unification..." *op. cit.*

¹¹¹² See more, for instance, at HUGENHOLTZ B. "Harmonisation or unification..." *op. cit.*

¹¹¹³ European Commission Green Paper on Copyright and Related Rights in the Information Society of 27 July 1995, [COM(95) 382 final].

¹¹¹⁴ The Commission also suggested that all online copyrighted works be compiled and merged in a "digital catalogue" according to identification numbers to facilitate royalty distribution to copyright holders.

¹¹¹⁵ See more, for instance, at MCGOWAN P. (1996), "The Internet and Intellectual Property Issues," 455 *PRACTICING L. INST./PAT*, p.303-349, available in *WESTLAW*, 455 PLI/Pat, p. 303.

¹¹¹⁶ Proposal for a Directive of the European Parliament and of the Council on Copyright in the Digital Single Market, 14 September 2016, Doc. COM (2016) 593 final.

Article 13 of the Proposed Directive and the Recital 38¹¹¹⁷ were the most debatable provisions of the copyright policy initiative. These are also known as the “value gap,” which addressed an exciting imbalance between the value that digital platforms gain from creative industry and the revenue received by authors). Ongoing academic discourse surrounds the additional obligations posed by DSMD on digital platforms and their incompatibility with current EU directives, as well as with the EU Charter of Fundamental Rights (as it is interpreted by the CJEU).¹¹¹⁸ Several Member States seek clarification on specific aspects to the guarantee of fundamental rights.¹¹¹⁹

6.2.2.3. Harmonisation of conflict-of-laws rules (“Rome II”)

In relation to EU harmonisation of intellectual property protection, the regime of the Regulation of the European Parliament and of the Council on the law applicable to non-contractual obligations (“Rome II”) ¹¹²⁰ is essential.

Article 8(1) Rome II provides that the *lex loci protectionis* (law of the country in which protection is sought) is the law applicable to cases concerning the infringements of intellectual property rights. Art. 8(3) Rome II excludes party autonomy for cases of intellectual property right infringement, deviating from the literal meaning of Art. 5(2) Berne Convention: “The law applicable to a non-contractual obligation arising from an infringement of an intellectual property right shall be the law of the country for which protection is claimed.”

While the Berne Convention states “where protection is claimed,” Rome II adopted “for which protection is claimed.” This difference is crucial. The reading of Art. 5(2) Berne Convention would lead to the *lex fori* (the law of the country where the plaintiff has filed his complaint) as applicable law rule, instead of the *lex loci protectionis*.¹¹²¹

Although by implementing the wording of Art. 8(1) Rome II, the Council of the European Union intended to avoid existing confusion that surrounded the Berne Convention's choice-of-law clause in Art. 5(2), such confusion is still at stake. Under Art. 8 Rome II, *the lex fori*,

¹¹¹⁷ Draft Art. 13 (Art. 17 of the Directive) set the obligation for service providers that host user-generated content to adopt “effective and proportionate” measures to prevent users from violating copyright.

¹¹¹⁸ For instance, STALLA-BOURDILLON S., ROSATI E., TURK K., ANGELOPOULOS C., KUCZERAWY A., PEGUERA M., HUSOVEC M. (2016), “A Brief Exegesis of the Proposed Copyright Directive,” SSRN, p. 16.

¹¹¹⁹ Council of the European Union, 13 September 2017, Document 12127/17, Interinstitutional File 2016/0280 (COD), Proposal for a Directive on the European Parliament and of the Council on Copyright in the Digital Single Market – Questions by the Belgian, Czech, Finnish, Hungarian and Dutch Delegations to the Council Legal Service Regarding Article 13 and Recital 38. Also, Council of the European Union, 18 September 2017, Document 12291/17, Interinstitutional File 2016/0280 (COD), Proposal for a Directive on the European Parliament and of the Council on Copyright in the Digital Single Market – Questions by the German Delegation to the Council Legal Service Regarding Article 13.

¹¹²⁰ Regulation No 864/2007 on the law applicable to non-contractual obligations, 11 July 2007, OJ L 199, 2007 (hereinafter Rome II).

¹¹²¹ Often national law of the country of forum may not be related to the copyright at issue, when the claimed was filed because the copyright owner has assets in that country, despite the fact that the copyright infringement occurred elsewhere.

lex protectionis, and *lex loci delicti* interpretations are all seemingly fair and reasonable, but often not so. Neither this provision provides an efficient applicable law rule for IP cases.

Lex loci protectionis regime remains as a uniform conflict-of-laws rule for IPRs online infringement, however, jeopardising the whole procedure of the enforcement in a country different from the forum state.¹¹²²

For copyright online claims the *lex loci protectionis* remains unchanged. Also, for online trademark infringements, any resulting issue not regulated by EUTMR will be governed by the law of the country where the infringement took place. Thus, one may agree that Rome II fails to provide an efficient and cost-effective way for claims concerning infringements of IPRs in multiple jurisdictions and creates obstacles to concentrate such cases in one court that may have international jurisdiction.¹¹²³

6.2.3. The Brussels regime for intellectual property infringements

While EU intellectual property law has reached an advanced level of international harmonisation, the legal instruments concerning procedural EU intellectual property law, remain mostly unharmonised.

International instruments on intellectual property law enhance the principles of reciprocity, minimum standard and national treatment.¹¹²⁴ Principle of territoriality of IPRs was linked with the territoriality of a procedure. The courts of the country where the right was created may have full scope of jurisdiction. Strict reading of territorial nature of IPRs has put them into a high dependency on national legislation and national case law. As it was described by A. Nuyts, K. Szychowska and N. Hatzimihail:¹¹²⁵

“From the point of view of private international law, they were mostly attached to the concepts of territoriality, public policy, the wish to avoid the adjudication of a foreign law, the restrictive character of the laws protecting IP rights, or even the fact that intellectual property is a specialised and difficult branch of law and as such should be left to the respective national courts.”¹¹²⁶

This approach has started to change within the favourable EU framework on judicial cooperation in civil matters.¹¹²⁷ For instance, the Brussels Convention 1968 started the process of limiting the scope of exclusive jurisdiction for intellectual property claims.¹¹²⁸ In

¹¹²² As it was commented, for example, at ENGELEN D. (2010), “Jurisdiction and Applicable Law...”, *op.cit.*, p. 19.

¹¹²³ *Ibid.*, p. 17-19.

¹¹²⁴ Berne Convention for the Protection of Literary and Artistic Works, as amended on September 28, 1979.

¹¹²⁵ NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...”, *op. cit.*

¹¹²⁶ *Ibid.*, p.4.

¹¹²⁷ Following the entry into force of Treaty establishing the European Community (EC), 24 December 2002, OJ C 325, Art. 65 EC

¹¹²⁸ Brussels Convention 1968, Art. 16(4) (now Brussels Regulation Recast 1215/2012, Art.22(4)).

particular, “*actor sequitur forum rei*” principle was adopted at Art. 2 Brussels Convention 1968¹¹²⁹ (the court of defendant’s domicile) as a general jurisdictional rule. Special jurisdiction under Art. 5 Brussels Convention 1968 constituted an exception to this rule.

Currently, the Brussels Regime¹¹³⁰ set out by the Brussels Convention 1968,¹¹³¹ Brussels I Regulations¹¹³² and Brussels Recast Regulation 1215/2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (Brussels Regulation Recast 1215/2012),¹¹³³ is mandatory for the courts, in the sense that it overrides the national rules.¹¹³⁴ Neither of these jurisdictional instruments nor Rome II draw any difference between offline and online intellectual property infringements. The next paragraphs will address main legislative efforts in this context.

6.2.4. Legislative initiatives

6.2.4.1. Hague Conference on Private International Law

The Hague Conference on Private International Law (“HCCH”)¹¹³⁵ was founded as the intergovernmental organisation that aims developing multilateral instruments. Since early drafting a Hague Convention on judgments in 1992,¹¹³⁶ it has become a global platform for legislative initiatives in Private International law, and Intellectual Property. For instance, in the Preliminary Draft Convention,¹¹³⁷ intellectual property rights were addressed in Art. 12, giving an exclusive ground of jurisdiction for intellectual property claims:

¹¹²⁹ Brussels Convention 1968, Art. 2 (now Brussels Regulation Recast 1215/2012, Art.4).

¹¹³⁰ Brussels Regulation 44/2001 was in 2015 replaced by Brussels Regulation Recast No 1215/2012. Art. 5(3) Brussels Regulation 44/2001 was replaced by Art. 7(2) Brussels Regulation Recast No 1215/2012 (BRR). The CJEU judgments concerning Brussels Regulation 44/2001, and to some extent the case law with regard to Brussels Convention 1968, are relevant also for the understanding of the corresponding provisions of Brussels Regulation Recast No 1215/2012.

¹¹³¹ Brussels Convention 1968.

¹¹³² Brussels Regulation 44/2001 (no longer in force, Date of end of validity: 9 January 2015, repealed by Brussels Regulation Recast 1215/2012).

¹¹³³ Brussels Regulation Recast 1215/2012.

¹¹³⁴ A good example of such impact on national law is the erosion of the English so-called *Moçambique* rule which was considered as a basis for the refusal a foreign IP right, as it was described, for instance, at NUYTS A. (2008), “Suing at the place of infringement: the application of Article 5 (3) of Regulation 44/2001 to IP Matters and Internet Disputes”, Chapter 6 in A. Nuyts, (ed.), *International Litigation in Intellectual Property and Information Technology*, Kluwer, p.119-120.

¹¹³⁵ See Statute of the Hague Conference on Private International Law, 15 July 1955.

¹¹³⁶ A Hague Convention on judgments, 1992 (see also overview of the Judgments Project). In 1992, the Hague Conference on Private International Law (HCCH) commenced work on the international jurisdiction of courts; and the recognition and enforcement of foreign judgments (the Judgments Project). While the initial purpose of the Project was to harmonise the rules in both areas through one single convention, the Project was subsequently focused only on international cases involving choice of court agreements the Convention on Choice of Court Agreements, 30 June 2005 (Choice of Court Convention 2005).

¹¹³⁷ Preliminary Draft Convention, 2016, Working Document No 76 of Hague Conference on Private International Law.

4. In proceedings which have as their object the registration, validity, [or] nullity [, or revocation or infringement,] of patents, trademarks, 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, under the terms of an international convention, is deemed to have taken place, have exclusive jurisdiction. This shall not apply to copyright or any neighbouring rights, even though registration or deposit of such rights is possible.

Intellectual property rights (registered and not registered) were separated. While Art. 12 (4) of the Preliminary Draft Convention covered registered rights (patents and trademarks), copyright was addressed (Art. 10 of the Preliminary Draft Convention). According to these provisions, the Convention would apply to questions regarding IPRs validity but not to IPRs infringements. Whether infringement actions should also be brought exclusively in the state of registration was not answered. As a whole, Art. 12 Preliminary Draft convention faced a strong opposition,¹¹³⁸ considering intellectual property issues as rather controversial subject matter.¹¹³⁹

Further, intellectual property issues were discussed in the frame of the Working Group on the Judgments Project.¹¹⁴⁰ On the one hand, intellectual property issues might be excluded from the scope of the Convention, on the other hand, these questions were discussed together with torts and contract issues.

Specific provisions related to intellectual property were afterwards revisited in further Drafts (in 2003 and 2004).¹¹⁴¹ While copyright, related rights and infringement proceedings were covered by the Convention, other registered IPRs (for instance, the validity of patents and trademarks) were excluded from its scope.¹¹⁴² Finally, the negotiation process failed because of the lack of agreement between the US and the EU on the question international jurisdiction for intellectual property infringements issues.¹¹⁴³

Historically international intellectual property associations were multilateral platforms for the policy initiatives and legislative proposals in the intellectual property area. For instance, one of the first global organisations (ALAI)¹¹⁴⁴ was founded in 1878 by Victor Hugo (the famous French writer) to promote the international protection of authors. This initiative further laid the ground for the adoption of the Berne Convention for the Protection of Literary and Artistic

¹¹³⁸ To the United States delegation, this result was not very reasonable since copyright is widely registered in the US due to possibility to claim statutory damages (which can range up to US \$150,000 per work registered), according to U.S. Code § 412 - Registration as prerequisite to certain remedies for infringement.

¹¹³⁹ The issue of validity of patents and trademarks was excluded from the scope of the convention, leaving the possibility of further exclusion of other intellectual property rights.

¹¹⁴⁰ For instance, NYGH P., POCAR F. (2001), Report of the Special Commission, Preliminary Document No 11, Diplomatic Conference, June 2001 and Preliminary Draft Convention on Jurisdiction and Foreign Judgments in Civil and Commercial Matters, adopted by the Special Commission on 30 October 1999.

¹¹⁴¹ The official web site of the Hague Conference at www.hcch.net.

¹¹⁴² HCCH, *Report of the Fifth Meeting of the Working Group on the Judgments Project*, 26-31 October 2015, and the Proposed Draft Text Resulting from the Meeting, Prel. Doc. 7A.

¹¹⁴³ See more, for instance, at: KONO T. (2012), *Intellectual Property and Private International Law...*, *op. cit.*, p. 11.

¹¹⁴⁴ The official web site of ALAI: <http://www.alai.org/en/presentation.html>.

Works.¹¹⁴⁵ Since that time, ALAI works on the legislative proposals which aim protection of copyright and performers' rights on the global scale.

Accordingly, the International Association for the Protection of Intellectual Property (AIPPI)¹¹⁴⁶ was founded to support the legal initiatives for industrial property rights protection (addressed in the Paris Convention for the Protection of Industrial Property).¹¹⁴⁷ AIPPI aims promoting of intellectual property via improvement of national and international legal instruments for intellectual property rights.

Under the umbrella of the WIPO framework, various specialised academic groups (with observer status) are created, such as, for instance, the Association of Teachers and Researchers in Intellectual Property (“ATRIP”).¹¹⁴⁸ It contributes to the development of research and teaching in intellectual property law. Also, the European Copyright Society¹¹⁴⁹ was founded as a platform for enhancing critical and independent academic discourse on policy and legislative improvement of copyright law in the EU.

6.2.4.2. Academic initiatives

Various legislative proposals were drafted throughout the globe concerning cross-border enforcement and protection of IP rights. After the Hague Convention negotiation, an alternative proposal was suggested by R. C. Dreyfuss and J. C. Ginsburg at Draft Convention on Jurisdiction and Recognition of Judgments in Intellectual Property Matters.¹¹⁵⁰ While the initial Hague Convention was rather broad and covered[most civil and commercial litigation, the proposal dealt exclusively with issues of intellectual property and was limited to countries that are members of the WTO and the TRIPs.¹¹⁵¹ As a whole, Draft Convention on Jurisdiction and Recognition of Judgments in Intellectual Property Matters constituted a critical attempt to enhance the need and potential possibility of creating a specific regime for intellectual property international enforcement.

¹¹⁴⁵ Berne Convention for the Protection of Literary and Artistic Works, as amended on September 28, 1979.

¹¹⁴⁶ The official website at <https://aippi.org/about-aippi/>.

¹¹⁴⁷ The Paris Convention for the Protection of Industrial Property, 1883, applies to industrial property in the widest sense, including patents, trademarks, industrial designs, utility models, service marks, trade names, geographical indications and the repression of unfair competition.

¹¹⁴⁸ See more at the official web site of ATRIP: <http://atrip.org/membership/about-atrip/>.

¹¹⁴⁹ See more at the official web site: <https://europeancopyrightsociety.org>.

¹¹⁵⁰ DREYFUSS R. C. and GINSBURG J. C. (2001), *Draft Convention on Jurisdiction and Recognition of Judgments in Intellectual Property Matters*, WIPO Forum on Private International Law and Intellectual Property, WIPO/PIL/01/7, also DREYFUSS R.C. and GINSBURG J.C., “Draft Convention on Jurisdiction and Recognition of Judgments in Intellectual Property Matters,” *Chicago-Kent Law Review* (77) 2001-2002, p. 1065-1154.

¹¹⁵¹ Article 1: Substantive Scope: “1.The Convention applies to copyright, neighboring rights, [patents,] trademarks, other intellectual property rights, and rights against unfair competition, as covered by the Agreement on Trade Related Aspects of Intellectual Property, and its successor Agreements. In addition, this Convention applies to rights over communication to the public of Sound Recordings and to claims involving domain names.”

Further, the American Law Institute (ALI)¹¹⁵² developed this initiative in the Intellectual Property Principles Governing Jurisdiction, Choice of Law, and Judgments in Transnational Disputes on intellectual property (ALI Principles), adopted in 2007.¹¹⁵³

Simultaneously, the Max Planck Institutes of Hamburg (Foreign and Private International Law) and Munich (Innovation and Competition Law) generated new legislative initiatives in the European Max Planck Group for Conflict of Law Principles for Intellectual Property ("CLIP").¹¹⁵⁴ Needless to say that the influence of these proposals on the EU case law concerning intellectual property infringements is invaluable. Many Advocates General refer to CLIP in their Opinions to the CJEU rulings.¹¹⁵⁵

Besides, various proposals were drafted by Japanese and Korean academics in the context of the private international law and intellectual property, such as the "Transparency of Japanese Law Project," the Waseda Proposals¹¹⁵⁶ and the Korean KOPIA Principles.¹¹⁵⁷ Despite the fact that these proposals were directed primarily at domestic lawmakers, they have become valuable in inspiring sources for further International projects (like the International Law Association or ILA).¹¹⁵⁸ Since its creation in 2010, ILA Committee on Intellectual Property and Private International Law have been working intensively on guidelines on IP jurisdiction, applicable law and enforcement.¹¹⁵⁹ In 2021 following CLIP and ALI proposals, ILA Guidelines on Intellectual Property and Private International Law ("Kyoto

¹¹⁵² American Law Institute (ALI) is the leading independent organization in the United States producing scholarly work to clarify, modernize, and otherwise improve the law, see more at the official web site: <https://www.ali.org>.

¹¹⁵³ The American Law Institute (2008), *Intellectual Property Principles Governing Jurisdiction, Choice of Law and Judgments in Transnational Disputes*, Chestnut, ALI Publishers.

¹¹⁵⁴ The European Max Planck Group for Conflict of Law Principles for Intellectual Property (CLIP) started its work in 2004. The draft of the CLIP principles was proposed in 2009 and the final version in 2011. See European Max Planck Group on Conflict of Laws in Intellectual Property (CLIP) (2013), *Conflict of Laws in Intellectual Property: The CLIP Principles and Commentary*, Oxford: Oxford University Press.

¹¹⁵⁵ See more to discussion, for instance, at: JURČYS P. (2012), "International Jurisdiction in Intellectual Property Disputes: CLIP, ALI Principles and other Legislative Proposals in a Comparative Perspective," 3 (2012) *JIPITEC* 3, p.174, p.172-174.

¹¹⁵⁶ The Joint Japanese-Korean Proposal (Waseda Principles), as it was analysed, for instance, at: KONO T., JURČYS P. (2012), *General Report (Intellectual Property and Private International Law)*, published in: KONO T. (2012) (ed.), *Intellectual Property and Private International Law: Comparative Perspectives*, Hart Publishing, p. 124.

¹¹⁵⁷ Korean Principles on International Intellectual Property Litigation (KOPIA) (2010), *Principles of Private International Law on Intellectual Property Rights*, the GCOE Quarterly Review of Corporation Law and Society 112. See also: Transparency Proposal on Jurisdiction, Choice of Law, Recognition and Enforcement of Foreign Judgments in Intellectual Property, in BASEDOW J., KONO T., METZER A. (2010), (eds.) *Intellectual Property in the Global Arena*, Mohr Siebeck, p. 394-402.

¹¹⁵⁸ The International Law Association (ILA) was founded in Brussels in 1873. Its objectives, under its Constitution, are "[...] the study, clarification and development of international law, both public and private, and the furtherance of international understanding and respect for international law". The ILA has consultative status, as an international non-governmental organisation, with a number of the United Nations specialised agencies.

¹¹⁵⁹ More detailed description was presented, for example, at: ECHOUD M. (2016), "Bridging the gap..." *op. cit.*

Guidelines“)¹¹⁶⁰ was developed. The proposal covers allocation of jurisdiction for IPRs infringements (Art. 5 “Alternative fora”) and law applicable to ubiquitous or multi-state infringements (Art. 26), giving great importance to online enforcement of IPRs in the online context.

As soon as IPRs are valuable tools for industrial development and innovation, the process of technological development has not only paved way for the evolution of the protection of intellectual property but has also changed the face of the law protecting it. Commercialisation and infringements of IPRs have become multi-territorial, questioning an axiomatic principle of territoriality.

6.3. Private International Law, Intellectual Property and the Internet

In a broad meaning, intellectual property may be defined as

[...] intangible property derived from a human being’s creative activities including inventions, devices, new plant varieties, industrial designs, works, trademarks or trade names of commodity as well as service, trade secrets and undisclosed technical or business information.¹¹⁶¹

IP law in the EU distinguishes between registered and non-registered intellectual property rights. In comparison to copyright, registered intellectual property rights are not valid until registered. Due to the different nature between those two types of intellectual property rights, different approaches to jurisdiction have been adopted.

This paragraph examines the interplay between international jurisdiction, intellectual property and information technology.¹¹⁶² In particular, it focuses on evaluating jurisdiction rules for IP infringements as established by the CJEU and national case law of the EU Member States. Possible alternatives to the existing set of jurisdictional criteria will also be analysed, giving special attention to online infringements as the most challenging scenario for the application of PIL rules.¹¹⁶³

6.3.1. The challenges of an interaction

¹¹⁶⁰ ILA Committee on Intellectual Property and Private International Law (2021), *Guidelines on Intellectual Property and Private International Law* (“Kyoto Guidelines“), 12 JIPITEC.

¹¹⁶¹ See, for instance, Article 1:101 (2) CLIP Principles which defines intellectual property rights as exclusive rights, such as copyright, neighbouring rights, patents, marks, industrial design rights and similar exclusive rights. By contrast, Section 102 (1) ALI Principles covers also trade secrets, geographical indications and related intellectual property rights. Thus, intellectual property rights in the sense of the ALI Principles are not necessarily “exclusive rights.”

¹¹⁶² For example, Recommendation Concerning the Protection of Marks, and other Industrial Property Rights in Signs, on the Internet, 3 October 2001, SCT/7/2: “[.] (vi) “Internet” refers to an interactive medium for communication which contains information that is simultaneously and immediately accessible irrespective of territorial location to members of the public from a place and at a time individually chosen by them [...].”

¹¹⁶³ CHRISTIE A. F. (2015), Private International Law Issues in Online Intellectual Property Infringement Disputes with Cross-Border Elements An Analysis of National Approaches, *Report for the World Intellectual Property Organisation, University of Melbourne*, p.1-31.

PIL issues raise some of the most difficult questions in the area of intellectual property. First, it is necessary to decide which court has jurisdiction in EU-wide (and worldwide) IP infringement claims. Secondly, once the court jurisdiction is established, one needs to determine which law the court has to apply when establishing EU-wide infringement and granting EU-wide remedies. Moreover, with the emergence of the Internet, the enforcement of online intellectual property rights has become highly complicated.

The instruments for procedural EU intellectual property law remain rather unharmonised. Together with territorial nature of intellectual property rights it creates a significant obstacle for effective IP enforcement. Various authors distinguish Private International Law of Intellectual Property as a special area of private international law, which deals with private enforcement of IP rights.¹¹⁶⁴

[T]he private international law of intellectual property is somewhat of a foster child in the international law-making arena. Surprisingly perhaps, private international law is also a wall flower on the agenda of international associations that purport to help shape the development of global intellectual property law.¹¹⁶⁵

The importance of the interplay of these two areas (PIL and IP) has often been undermined due to their complexity. The axiomatic principle of territoriality might lead one to believe that it might prevent PIL problems.¹¹⁶⁶ National courts have been reluctant to deal with international jurisdiction for intellectual property claims, deciding the question of allocation court rather automatically.¹¹⁶⁷

One reason for this situation is that it is unclear how often the two fields actually intersect and how consequential any issues are that may arise. If PIL questions have not raised frequently in IP litigation, it does not necessarily mean that they are solved without challenges. On the contrary, this may warn of larger problems of undermining fundamental jurisdictional principles and the need for policy and law to address them.¹¹⁶⁸

The increasing development of e-commerce leads to the greater potential for cross-border IP claims. Consequently, questions related to deciding jurisdiction for online IP infringements are the subject of growing policy initiatives, the CJEU's case law. This interplay has been also addressed in numerous international academic proposals, aiming to develop and codify PIL rules for application to IP claims. The interest of various associations and organisations (including Hague Conference on Private International Law and the WIPO) in PIL and IP interaction has grown extensively, leading to numerous empirical studies of both fields.

In 2015 the WIPO published a report entitled *Private International Law Issues in Online Intellectual Property Infringement Disputes with Cross-Border Elements: An Analysis of*

¹¹⁶⁴ See more, for instance, at: KONO T. (2012), *Intellectual Property and Private International Law...*, *op. cit.*, p. 6.

¹¹⁶⁵ As was commented, for example, at: EECHOUD M. (2016), "Bridging the gap...", *op. cit.*

¹¹⁶⁶ See more for the discussion, for instance, at: TRIMBLE M. (2016) "Undetected Conflict-of-Laws Problems in Cross-Border Online Copyright Infringement Cases." *18(1) North Carolina Journal of Law and Technology*, p. 119-156.

¹¹⁶⁷ CHRISTIE A. F. (2015), *Private International Law...*, *op. cit.*

¹¹⁶⁸ As was commented, for instance, at: TRIMBLE M. (2016) "Undetected Conflict-of-Laws Problems...", *op. cit.*

National Approaches (the “Report”).¹¹⁶⁹ This study revealed the frequency and the nature of the intersection between the fields of IP, PIL and the Internet. Precisely, the Report illustrates that, the increased use of IP in the digital environment has increased the frequency of IP infringements that raise PIL issues. According to its findings, the interaction of PIL principles with cross-border online IP infringements most commonly arises in trademark infringement, copyright or related rights infringement cases, and claims that aim to prevent misleading conduct. Cross-border online infringement claims concerning patents or registered designs that involve PIL questions are not frequent.

National case law mostly concerns online marketing using a registered trademark or an unregistered mark in which a reputation exists, or online distribution of the material in which copyright or a related right subsists. The claim is often filed by a local plaintiff against a foreign defendant, in relation to a foreign act that has caused local damage to a local IPR.¹¹⁷⁰

6.3.2. The typology of claims concerning online IP infringements

The present part will focus on particular scenarios of copyright and trademark, concerning online infringements (in a sense of “ubiquitous infringement”)¹¹⁷¹ with cross-border elements. Cross-border elements will be used in the meaning¹¹⁷² of the foreign location: of the infringing act; of the parties to the case; of the infringed IPR and the location of the damage caused by the infringement.

We will examine online IP claims, which involves online copyright and trademark infringements, excluding, however, validity or ownership infringements. Indeed, the majority of the cases concerning foreign action had been reported to amount to the online marketing fact scenario and online distribution.¹¹⁷³

According to quantitative analyses, drawn from a number of EU and foreign jurisdictions,¹¹⁷⁴ the most common cross-border element takes place in the cases where an act giving rise to infringement occurred outside local jurisdiction or at least one of the parties is domiciled outside local jurisdiction.

This means, that most IP claims have been filed against foreign defendants who committed an infringement outside the jurisdiction of the court, however in relation to local IPRs and

¹¹⁶⁹ CHRISTIE A. F. (2015), *Private International Law...*, *op. cit.*

¹¹⁷⁰ *Ibid.*

¹¹⁷¹ European Max Planck Group on Conflict of Laws in Intellectual Property (CLIP) (2013), *Conflict of Laws in Intellectual Property: The CLIP Principles and Commentary*, Oxford: Oxford University Press.

¹¹⁷² CHRISTIE A. F. (2015), *Private International Law...*, *op. cit.*, Section 2.7.

¹¹⁷³ CHRISTIE A. F. (2015), *Private International Law...*, *op. cit.*, Section 2.10.

¹¹⁷⁴ *Ibid.*, Section 1.4.

concerned the local damage.¹¹⁷⁵ In only four cases (only 7% from all cases) did the damage occur in a foreign jurisdiction.¹¹⁷⁶

An IPR was regarded as located outside the local jurisdiction where:

- in the case of a registered IPR, such as a trademark, it is registered outside the local jurisdiction; or
- in the case of an unregistered IPR, such as copyright, the copyright subsists outside of the local jurisdiction.¹¹⁷⁷

All these may mean that small IP owners prefer to sue in only one country (often in the country of their own domicile). This may enable them to benefit a familiar court proceeding in a native language.¹¹⁷⁸

On the other hand, it may also appear that the plaintiff does not want to fill international claims because in practice it can get most from a carefully chosen and one jurisdiction. In this frame, the Report suggests harmonising the principles within national laws concerning online IP infringement (instead of jurisdictional rules).

6.3.2.1. Copyright infringements in the online environment

Content digitisation changes essentially copyright-intensive industries. Digital content is used as an effective alternative to the tangible formats of music recordings, films. Also, conceptually new and exclusively digital products entered the market as software, online games and meta verse performance.¹¹⁷⁹

Currently, we experience a fast-growing boom of digital creative content¹¹⁸⁰ and its impact on creative industries is visible in a number of statistics.¹¹⁸¹ that illustrate the recent boom in online creative content:¹¹⁸² the photo-sharing sites (Flickr, Facebook, Instagram, etc.),

¹¹⁷⁵ *Ibid.*, Section 2.21: damage was regarded as “[...] having occurred outside the local jurisdiction where the evaluated case indicated that the plaintiff had alleged this.”

¹¹⁷⁶ *Ibid.*, Section 2.22.

¹¹⁷⁷ *Ibid.*, Section 2.19.

¹¹⁷⁸ As was commented, for instance, at: TRIMBLE M. (2016) “Undetected Conflict-of-Laws Problems...,” *op. cit.*

¹¹⁷⁹ See, for instance, at: HUGENDUBEL J. (2022), “Tokenization of intellectual property for IP rights management,” www.ipkitten.blogspot.com, concerning the IP tokenisation for anti-counterfeiting purposes, also at: the European Intellectual Property Office and European Commission Action Plan on Intellectual Property to strengthen EU's economic resilience and recovery, 25 November 2020, Brussels.

¹¹⁸⁰ For instance, OECD Enquiries into IP economic impact (2015), *Copyright in the Digital era: Country studies*, p.209-320, also, EUIPO Study on Legislative Measures related to online IPR infringements, 2018, p. 94, EUIPO (2019), *Report on legal IPTV in the EU: Economic, Legal and Technical analysis*, p. 114, BLÁZQUEZ F., CAPPELLO M., GRECE C., VALAIS S. (2015), *Copyright enforcement online: policies and mechanisms*, European Audiovisual Observatory, IRIS Plus 2015-3, Strasbourg, p.72.

¹¹⁸¹ For instance, A joint project between the European Patent Office and the European Union Intellectual Property Office, *IPR-intensive industries and economic performance in the European Union: Industry-Level Analysis Report*, September 2019, third edition, p. 156.

¹¹⁸² *Ibid.*, also OECD Enquiries into IP economic impact (2015), *Copyright in the Digital era: Country studies*, p. 209-222.

commercial online music (the iTunes Store, Spotify, etc.), video sharing sites (mostly amateur content YouTube etc.), multiple download and streaming services (Netflix etc.).¹¹⁸³

Online business models become a new way of content delivery, affecting, for instance, publishing industry. The most common type of infringing activity involves now an online transfer of digital copies of copyrighted works (such as a digital file of a film, of a photograph or e-book).¹¹⁸⁴

Indeed, copyright infringements in the online context may often constitute the majority of the whole number of copyright claims.¹¹⁸⁵ The typical scenarios of unauthorised use of copyright material on websites show the problematic interaction between rules on jurisdiction and territoriality of copyright. For instance, it may be illustrated by the German national case concerning Project Gutenberg¹¹⁸⁶ and online ebook¹¹⁸⁷ distribution.

The German publishing house S. Fischer Verlag sued Project Gutenberg Literary Archive Foundation (The US-based organisation) for offering various ebooks that are still under copyright protection in Germany. At the same time these books are in the public domain under U.S. law, as their copyright protection has expired according to U.S. law. Project Gutenberg was found liable for a breach of German copyright law and access to these ebooks was blocked by Germany.

The District Court of Frankfurt (Landgericht Frankfurt am Main) applied German copyright law and jurisdiction, observing that the Gutenberg's website was accessible online on the German territory and targeted German readers. The court rejected "safe harbour" immunity for the platform as soon as the organisation was not neutral enough¹¹⁸⁸ and made the decisions regarding posting the contents on its website.¹¹⁸⁹

Strong copyright dependency on national legislation may also be reflected by Google books library project and its cross-border expansion. The US court decided that libraries that provided Google with books to scan were protected by fair use when the libraries later used the resulting digital scans. Also, the court did not find any evidence of financial harm.¹¹⁹⁰

¹¹⁸³ *Ibid.*

¹¹⁸⁴ As it was commented, for instance, at: TRIMBLE M. (2016) "Undetected Conflict-of-Laws Problems...", *op. cit.*, concerning specific type of copyright claims in the US: "[...] Figure 6 shows the number of cases that were initially filed against John Doe defendants."

¹¹⁸⁵ *Ibid.*: "[...] the 354 copyright infringement cases, 285 cases (80.5% of the copyright infringement cases) concerned copyright infringement through acts committed on the Internet ("online infringement cases")."

¹¹⁸⁶ For instance, the District Court of Frankfurt Landgericht Frankfurt am Main, 2-03 O 494/14, 2 September 2018, *the German publishing house S. Fischer Verlag Gmb V Project Gutenberg Literary Archive Foundation*.

¹¹⁸⁷ The e-book is a book composed in or converted to digital format for display on a computer screen or handheld device.

¹¹⁸⁸ In the context of Directive 2001/29/EC on the harmonisation of certain aspects of copyright and related rights in the information society (InfoSoc Directive).

¹¹⁸⁹ The defendant's website offers over 50,000 books in ebook format, including the German editions of the 18 works in dispute, uploaded by users of the platform ("volunteers").

¹¹⁹⁰ United States District Court Southern District of New York, *The Author's Guild v. Hathitrust*, 755 F.3d 87 (2d Cir. 2014), is a United States copyright decision finding search and accessibility uses of digitized books to be fair use.

By contrast, rather similar case in the EU lead to an opposite result.¹¹⁹¹ In the French case of *Les Éditions du Seuil*, Google was also sued for copyright infringement on the Google Books Library Project. The court rejected Google's defence based on the quotation limitation under the French Intellectual Property Code, because the works "[...] are made available to the public in their entirety".¹¹⁹² While Art. 5(3)(d) InfoSoc Directive¹¹⁹³ might allow for the showing of snippets resulting from searches, quotation limitations would not permit for the whole scanning, indexing and storing of the book, leading to an infringement of the exclusive right of reproduction (Art. 2 InfoSoc Directive).

One may argue, that such copyright scenarios as P2P file-sharing or Google Books are the examples of innovative collaboration that may have some features in common with the so-called "collaborative economy."¹¹⁹⁴ However, such types of digital platforms¹¹⁹⁵ should not be confused with the true sharing platforms in a sense of local community collaboration (in sharing the harvests of private gardens, in borrowing private clothes).¹¹⁹⁶ Hence, online platforms like YouTube, Google News, Google books, etc. grant access to copyright content and amount to the category of online content platforms.¹¹⁹⁷ In the context of online copyright content circulation, the *ecosystem* for copyright enforcement includes the following actors:

- the copyright holders or copyright owners (the creators of works; those who invest in the work, such as record companies, producers, publishers, broadcasters; collective rights management organisations, who represent the interests of the creative industries);¹¹⁹⁸
- the individual users or consumers and those who represent them (i.e. consumer associations);
- institutional users (libraries, museums, archives and universities who use copyrighted material for education and research purposes or for the public interest);
- internet service providers (ISPs);
- social networking platforms and other similar websites;

¹¹⁹¹ See also XALABARDER R. (2014), "Google Books and Fair Use: A Tale of Two Copyrights?", 5 (2014) *JIPITEC* 53, p. 53-59.

¹¹⁹² The Paris tribunal ruled that by scanning entire books or excerpts and putting them on line, "Google has committed acts of copyright violation to the detriment of Le Seuil" and two other publishers, the French case *Les Éditions du Seuil v Google*.

¹¹⁹³ InfoSoc Directive 2001/29/EC.

¹¹⁹⁴ According to European Commission's definition, "[...] collaborative economy, sometimes called the sharing economy, covers a great variety of sectors and is rapidly emerging across Europe. Many people in the EU have already used, or are aware of collaborative economy services, which range from sharing houses and car journeys, to domestic services." A number analytical studies contracted by the Commission concerning the most relevant regulatory and economic aspects of the collaborative economy, available at the official web site: https://ec.europa.eu/growth/single-market/single-market-services/collaborative-economy_en.

¹¹⁹⁵ There was no consensus achieved on a possible legal definition of online platforms. As the result, the Commission refused the Implementation of a "one-size-fits-all" definition of online platform, avoiding possible overlap with the definition of an online intermediary and information society service provider, and focusing instead on activities and business models approach. Thus, the notion of "online platform" was used in a broad sense, as platforms or websites that offer a broad range of services, such as news aggregators, online marketplaces, audio-visual and music platforms or video sharing platforms, when they host copyright content and further make it accessible for their users.

¹¹⁹⁶ STROWEL A., VERGOTE W. (2016), "Digital Platforms: To Regulate or Not To Regulate? Message to Regulators: Fix the Economics First, Then Focus on the Right Regulation," p. 16, p. 11-13.

¹¹⁹⁷ *Ibid.*, p. 12.

¹¹⁹⁸ Charter of Fundamental Rights of the European Union, 26 October 2012, OJ C 326, according to Art. 17(2), intellectual property shall be protected, securing the financial profit of the companies and associations that represent and invest in the creators.

- non-governmental organisations etc.¹¹⁹⁹

Indeed, the technologies may vary and include peer-to-peer systems like BitTorrent and torrent search engines, file hosting (or “cyber locker”) sites (e.g. MegaUpload, Rapidshare) where individuals upload content and can then share links to this content, as well as direct streaming sites. They are so-called “content providers,” the majority of which operate anonymously.¹²⁰⁰

In comparison, Internet Service Providers (ISPs)¹²⁰¹ or “ISSPs”¹²⁰² (information society service providers) are defined as any natural or legal person providing an information society services, normally for remuneration, at a distance, by electronic means and at the individual request of a recipient of services.¹²⁰³ In a broad meaning, they are companies that connect households and businesses to the internet. While usually not the source of infringing content themselves, they enable “carriage” for online providers and subscribers, some of whom enable access to content that infringes copyright.¹²⁰⁴

The current spectrum for copyright infringements also involves search engines (principally Google) which can facilitate access to unlawful content by including sites (that host content that infringes copyright) in search results.

Finally, individual subscribers to ISP or users can either be those that engage in the download of infringing content or its upload and sharing, or both. In comparison to the notion “consumer” in a sense of passive consumption of the material, “user” implies some kind of active engagement with the material (teaching purposes, for review, parody, etc.), which may make him a potential creator.¹²⁰⁵

All these cause an extreme diversity and legal uncertainty concerning the role of each of mentioned actors in the copyright scenarios (such as unauthorised uploading, downloading and exchange of copyright protected works) formulated under the E-Commerce Directive¹²⁰⁶ as well as the EU regime of private international law, covered by Brussels Regulation Recast 1215/2012.¹²⁰⁷ Thus, the question of the responsibility and liability of platforms, and the extent to which existing regulation addresses the issue of tackling illegal content has become the key cross-cutting theme.¹²⁰⁸

¹¹⁹⁹ ELIA V. (2015) “Judicialization and the Copyright War...,” op. cit., p. 20-22.

¹²⁰⁰ The company that provides software and searching systems to access subscribers’ files via P2P systems or that provides file hosting space that individual subscribers can use to upload files that infringe copyright.

¹²⁰¹ Directive 2000/31/EC on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market, 08 June 2000 (E-Commerce Directive), Section 4.

¹²⁰² E-Commerce Directive 2000/31/EC, Art. 2 (b).

¹²⁰³ Directive 98/34/EC laying down a procedure for the provision of information in the field of technical standards and regulations and of rules on Information Society services, 22 June 1998, Article 1.

¹²⁰⁴ Relying on E-Commerce Directive 2000/31/EC, Internet Service Providers (ISPs) can avoid liability provided if they take action when made aware of infringing material.

¹²⁰⁵ HELBERGER N., GUIBAULT L. (2012), “Clash of cultures – integrating copyright and consumer law,” *Info, Vol. 14 Issue: 6*, p.23-33, p.28.

¹²⁰⁶ E-Commerce Directive 2000/31/EC.

¹²⁰⁷ Brussels Regulation Recast 1215/2012.

¹²⁰⁸ GAWER A. (2016), *Online Platforms: Contrasting perceptions of European stakeholders: A qualitative analysis of the European Commission’s Public Consultation on the Regulatory Environment for Platforms*, A study prepared for the European Commission, Luxembourg, Publications Office of the European Union, p. 35.

In fact, the E-commerce Directive liability regime results in a larger number of disputes between copyrights holders and intermediaries, leading to expensive and time-consuming litigation, not having an effective remedy to stop infringement. Neither the injunction nor damage claims are found effective in relation to tackling unauthorised use of copyright works.¹²⁰⁹

Suing users for copyright online infringements is deemed to be ineffective.¹²¹⁰ First, because it is difficult to find out who they are and where they live (in order to sue them under the traditional defendant's domicile rule).¹²¹¹ The identification of copyright users involves the issue of privacy and data protection.¹²¹²

For instance, the case that dealt with a conflict between the online enforcement of copyright and the right to data protection was *Promusicae v Telefónica*.¹²¹³ It concerned proceeding between Productores de Música de España (Promusicae), an organisation that represented the interests of the majority of the Spanish recorded music industry, and Telefónica de España SAU, a Spanish internet service provider.

The question referred to the CJEU was whether EU law can be interpreted as requiring member states to put an obligation on internet service providers to disclose the personal data of their customers if they are involved in infringement activities, which will allow the copyright holders to proceed to civil actions against them.¹²¹⁴

The CJEU concluded that the Directives on personal data do not exclude such an obligation, but also that the Directives on copyright do not require such an obligation, and thus it is up to the member states to judge whether such an obligation is necessary, based on the principle of proportionality. Hence, while pointing on an important role of the ISP in combating copyright infringements, the CJEU did not clarify its position in such claims. This emerged in more cases, dealing with the role of ISPs in copyright protection.¹²¹⁵

Litigation against users may be burdensome, especially if the damages are kept relatively low and the potential legal costs and risks seem very high. In early litigation strategies (in particular in the US), bringing a civil action against users, as direct infringers, was regarded as a form of “[...] legally-sanctioned blackmail and personal data breach”.¹²¹⁶

Moreover, link IP addresses to personal individual information has appeared to be little more than a “judicially sanctioned hunting license.”¹²¹⁷ For instance, the claims of so-called

¹²⁰⁹ EDWARDS L. (2011), “Role and responsibilities of Internet intermediaries in the field of copyright and related rights,” *University of Strathclyde*, p. 73.

¹²¹⁰ See, for example, BERBRCE S. (2018) “(Re)think before you link: A multidisciplinary study on the implications of linking to copyright protected works,” Tilburg University, p. 64.

¹²¹¹ Brussels Regulation Recast 1215/2012, Art. 4(1).

¹²¹² See more, for example, at NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*

¹²¹³ CJEU, C-275/06, *Productores de Música de España (Promusicae) v Telefónica de España SAU*, 29 January 2008 (ECLI:EU:C:2008:54), paragraphs 29-30.

¹²¹⁴ C-275/06, *Promusicae v Telefónica* (2008), Paragraph 41.

¹²¹⁵ For example, CJEU, C-557/07, *LSG-Gesellschaft zur Wahrnehmung von Leistungsschutzrechten GmbH v Tele2 Telecommunication GmbH*, (*LSG v Tele2*), 16 May 2009, (ECLI:EU:C:2009:107).

¹²¹⁶ EDWARDS L. (2011), “Role and responsibilities of Internet intermediaries...,” *op. cit.*, p. 25-26.

¹²¹⁷ KARUNARATNE S. B. (2012) “The Case against Combating BitTorrent Piracy through Mass John Doe Copyright Infringement Lawsuits,” *111 Mich. L. Rev.* 283.

“copyright trolls”¹²¹⁸ had been an extensive litigation practice in the US. This strategy has involved an abusive use of intellectual property rights to extract money from alleged infringers through aggressive, unethical, and/or predatory means.

Precisely, a “copyright troll” may be defined as a copyright owner who: (1) acquires a copyright for the primary purpose of pursuing past, present, or future infringement actions; (2) compensates authors or creates works with an eye to the litigation value of a work, not the commercial value; (3) lacks a good faith licensing program; and (4) uses the prospect of statutory damages and litigation expenses to extract quick settlements of often weak claims.

The combination of these characteristics is essential to distinguishing a *copyright troll*, who exploits the copyright system in contravention of copyright objectives, from a genuine copyright owner, who enforces his rights for intended purposes.

For example, this scenario may be represented by so-called “Malibu” copyright claims.¹²¹⁹ Defendants who allegedly shared adult films without permission or a license from Malibu, and infringing Malibu's copyright in the films. The same is true for John Doe's type of claims¹²²⁰ when the defendants were identified only by their IP addresses. Hence, statutory damages¹²²¹ and permissive joinder make multi-defendant John Doe litigation possible.

By contrast, in the EU, defendants may be liable for the actual damages they cause, and not for the level of damages set by statute. Hence, John Doe-alike litigation would not become the common form of copyright litigation in the EU Member States. However, the approach, adopted by the CJEU for online copyright infringements was argued to prepare the possible ground for abusive litigation practice of non-existent copyright infringements. More detailed illustration and analysis of CJEU approaches to copyright litigation will be presented in further chapters.¹²²²

All these allow to argue that, indeed, intermediaries are better placed in stopping online copyright infringements. However, in the case law of the CJEU, the concept of “intermediary” seems to be rather broad and encompasses online platforms primarily liable for facilitating access to copyright protected works.¹²²³

According to InfoSoc Directive,¹²²⁴ an intermediary “[...] covers any person who carries a third party's infringement of a protected work or other subject-matter in a network.”¹²²⁵ Precisely, ISSPs may become defendants in copyright litigation as soon as they provide hyperlinks to copyright protected content¹²²⁶, sell devices that embedded such

¹²¹⁸ Multi-defendant John Doe lawsuits have become the most common form of copyright litigation in several U.S. districts, as it was commented, for example, at: TRIMBLE M. (2016) “Undetected Conflict-of-Laws Problems...,” *op. cit.*, also SAG M. (2014) “Copyright Trolling, An Empirical Study Draft,” Volume 100 of the *Iowa Law Review*, p.44.

¹²¹⁹ See more, for instance, at: SAG M. (2014) “Copyright Trolling...,” *op.cit.*

¹²²⁰ *Ibid.*

¹²²¹ The U.S. Copyright Act, Section 504(c): copyright owners may seek statutory damages instead of actual damages and profits, such as \$30,000 per work infringed, increasing to \$150,000 in cases of wilful infringement. This arguably has encouraged the procedural rights' abuse and unfair practices.

¹²²² See more at Chapter 7 and Chapter 8 of present thesis.

¹²²³ BERBECE S. (2018), “(Re)think before you link...,” *op. cit.*

¹²²⁴ InfoSoc Directive 2001/29/EC.

¹²²⁵ *Ibid.*

¹²²⁶ CJEU, C-466/12, *Nils Svensson and Others v Retriever Sverige AB*, 13 February 2014 (EU:C:2014:76), CJEU, C-348/13, *BestWater International v Mebes and Potsch*, 21 October 2014 (EU:C:2014:2315).

hyperlinks¹²²⁷, or manage a website that hosts and indexes metadata regarding copyright protected content.¹²²⁸ All these cause an extreme diversity of various scenarios in copyright infringements where online platforms are involved.¹²²⁹ It accordingly requires different approaches to litigation in order to properly accommodate this reality within private international law.

The EU Information Society Copyright Directive however did not respond to the new type of online services. For instance, it was unclear to what extent such digital platforms as social media fall within the scope of the definition of "information society services" providers and if they can benefit from the liability exemption. Also, the "safe harbour" conditions and "notice-and-take down" obligations were unclear essentially. As whole, it was argued that the EU copyright framework in terms of ISP liability has been increasingly outdated.¹²³⁰

The rules applicable to online platforms that use copyright protected content and the role of intermediaries in the online distribution of copyright content have attracted a high policy interest in the EU¹²³¹ and resulted in an adoption of a conceptually new legislation in this area.

Current EU Directive on copyright in the Digital Single Market¹²³² includes provisions intended to address the problem of the "value gap," which is, however, under hot debate now.¹²³³ The underlying purpose of new regulation is to update the EU liability regime for hosting providers envisaged by operators of indexing sites of peer-to-peer networks and impose a general obligation to monitor the indexed content.¹²³⁴ In particular, online anonymity of online users allows avoiding liability,¹²³⁵ resulting in shifting the whole burden of liability to ISPs.¹²³⁶ If Directive on copyright in the Digital Single Market may create more legal certainty still remains to be seen.¹²³⁷

¹²²⁷ CJEU, C-527/15, *Stichting Brein v Jack Frederik Wullems*, 26 April 2017 (EU:C:2017:300) (*Filmspeler*).

¹²²⁸ See, for instance, CJEU, C-610/15, *Stichting Brein v Ziggo BV and XS4All Internet BV*, 14 June 2017 (ECLI:EU:C:2017:456).

¹²²⁹ *Ibid.*

¹²³⁰ See more, for example, at: ANGELOPOULOS C. (2016), *European Intermediary Liability in Copyright. A Tort-Based Analysis*, Kluwer Law International, Information Law Series, p. 348.

¹²³¹ ¹²³¹ Results of the public consultation on the regulatory environment for platforms, online intermediaries, data and cloud computing and the collaborative economy, available at: <https://ec.europa.eu/digital-single-market/en/news/results-public-consultation-regulatory-environment-platforms-online-intermediaries-data-and>.

¹²³² Directive 2019/790 on copyright and related rights in the Digital Single Market, 17 April 2019, OJ L 130.

¹²³³ For example, ROSATI E. (2017) "The CJEU Pirate Bay Judgment and Its Impact on the Liability of Online Platforms," *European Intellectual Property Review*, p. 23.

¹²³⁴ A Digital Single Market Strategy for Europe, /COM/2015/0192 final, Communication from the Commission to the European Parliament, the Council, the European economic and Social Committee of the Regions.

¹²³⁵ Suing users for online copyright infringement has been rather controversial practice, see, for example, at: OTCHENASH M. (2018), "Suing online platform for Copyright infringements," *IDP, Revista de Internet, Derecho y Política*, No. 29, pp. 1-14.

¹²³⁶ For example, PEGUERA M. (2010), "Internet Service Providers' Liability in Spain: Recent Case Law and Future Perspectives," *1 JIPITEC 151*, p. 250-271, SENFTLEBEN M.R.F.; ANGELOPOULOS, C.; FROSIO, G.; MOSCON, V.; PEGUERA, M.; OGNSTAD, O.-A. (2018), "The Recommendation on Measures to Safeguard Fundamental Rights and the Open Internet in the Framework of the EU Copyright Reform," *European Intellectual Property Review* (EIPR) 40, No. 3, pp. 149-163.

¹²³⁷ Guidance on Article 17 of Directive 2019/790 on Copyright in the Digital Single Market, 4 June 2021, Communication from the Commission to the European Parliament and the Council, COM/2021/288 final.

6.3.2.2. Trademark infringements in the online environment

Trademark infringements are different from copyright infringements. The principles of reasoning in copyright cases may be difficult to transport to trade mark law.¹²³⁸ The reason for this is strong reading of the territoriality principle for trademarks and other industrial property rights. Different owners can hold trademark rights on identical or similar signs in different countries. This can create problems if the sign is used on the Internet.

In light of the global nature of the Internet, such use might be considered as infringing a right under the law of a Member State in which the right of the user is not recognised. Similar conflicts arise when the use of a sign is permitted in one country but is considered to infringe the right of someone else under the law of another country.

Early guidance in relation to what may constitute an online trademark infringement was presented at Joint Recommendation Concerning the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet (2001).¹²³⁹ However, the determination of the applicable law was not addressed and left to the private international laws of individual Member States. In particular, the Joint Recommendation introduced the manners of use of the sign on the Internet which has a commercial effect in a Member State:

- on a web site;
- in an e-mail or an e-mail heading;
- in an Internet domain name;¹²⁴⁰
- as a meta-tag without being visible on the web site itself¹²⁴¹ to direct Internet users to a particular web site.

Further, the following actions¹²⁴² that may constitute unauthorised use of a sign (and amount to trademark infringement)¹²⁴³ were illustrated:

- the use of signs in banner advertisements;
- sale or purchase of signs as keywords for search engines;¹²⁴⁴

¹²³⁸ KUR A. (2012), "Convergence After All? A Comparative View on the U.S. and EU Trademark System in the Light of the "Trade Mark Study," 19 *J. Intell. Prop. L.* p. 305.

¹²³⁹ The WIPO Joint Recommendation Concerning the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet, September 24 - October 3, 2001, which includes the text of the provisions as adopted by the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT), 15 March - 12 March 2001.

¹²⁴⁰ If a domain name is registered in a top level domain referring to a particular country, this might indicate that use of the trademark as part of (or in connection with) that domain name as connected to that country.

¹²⁴¹ The WIPO Joint Recommendation, sections 3.10-3.13.

¹²⁴² *Ibid.*, section 6.03.

¹²⁴³ *Ibid.*, 6.04. However, whether an infringement has taken place will be determined under applicable law (Art. 8). Art. 6 obliges Member States to monitor new and emerging, possibly circumventive, forms of use, and to provide protection under their national laws. This protection may be provided under any of the laws relating to trademarks or other industrial property rights in signs, including unfair competition laws, of the Member State, at the Member State's option.

¹²⁴⁴ For example, CJEU, Joined cases C-236/08 to C-238/08, *Google France SARL and Google Inc. v Louis Vuitton Malletier SA* (C-236/08), *Google France SARL v Viaticum SA and Luteciel SARL* (C-237/08) and *Google France SARL v Centre national de recherche en relations humaines (CNRRH) SARL and Others* (C-

- use as metatags;
- use in Uniform Resource Locators (URLs);
- use as search terms;¹²⁴⁵
- “cybersquatting”;¹²⁴⁶
- or any other “new” forms of use that might be possible in the future.

The language constitutes a decisive factor for deciding trademark online infringements if the language used in conjunction with the use of the sign is not widely spoken outside the Member State. At the same time, the frequency of users’ visits of a particular website may not suffice for constituting a “commercial effect”¹²⁴⁷ in terms of defining infringement. Use on the Internet shall only be taken into consideration under the laws of a particular Member State if such use has a commercial effect and can, therefore, be deemed to have taken place in that Member State.¹²⁴⁸ The mere use of a trademark on the Internet is not considered as infringing.

In a sense of the comparison with copyright online infringements, A. Kur has proposed a typology of trademark infringements in the online context, which involves: 1) trademark specific infringements and 2) infringements, that are similar to copyright.

In particular, there are so-called “Google-type” infringements which are considered trademark-specific,¹²⁴⁹ because they are significantly different from copyright. For instance, in so-called “keyword advertising,”¹²⁵⁰ the direct infringers use third parties’ trademarks for the purpose to catch the attention of Internet users, and thereby increase traffic to their websites.

Search engines offer to optimise the display of advertising by selecting trademarks as keywords. This may lead to secondary liability of search engines.¹²⁵¹ The same is true for so-called “domain name grabbing” cases, where secondary liability might be claimed against registrars or administrative contacts.¹²⁵²

238/08), 23 March 2010 (ECLI:EU:C:2010:159), concerning keyword advertising via display, on the basis of keywords corresponding to trademarks, of links to sites of competitors of the proprietors of those marks.

¹²⁴⁵ *Ibid.*

¹²⁴⁶ Among other, “cybersquatting” was defined in The WIPO Joint Recommendation as the most obvious case of an unauthorised use of a sign in “bad faith.”

¹²⁴⁷ The WIPO Joint Recommendation, section 3.15.

¹²⁴⁸ The WIPO Joint Recommendation, section 6.01 (see Articles 2 and 3).

¹²⁴⁹ KUR A. (2014), “Secondary Liability for Trademark Infringement on the Internet: The Situation in Germany and Throughout the EU,” 37 *COLUM. J. L. & ARTS*, p. 525.

¹²⁵⁰ Keyword advertising is a form of online advertising when an advertiser pays for having an advertisement appear in the results listing when an online user types a particular phrase to search in a search engine (one or more key terms that is linked to one or more advertisements), for instance, pay per click (PPC), with other forms being cost per action (CPA) or cost per mille (CPM).

¹²⁵¹ PEGUERA M. (2011), “Secondary Liability for Copyright Infringement in the Web 2.0 Environment: Some Reflections on *Viacom v. Youtube*”, *Journal of International Commercial Law and Technology*, Vol 6, No 1, p. 14.

¹²⁵² See more, for instance, at: BUNING M. de C. (2002), “Domain Name Registration Procedures and Practices and Domain Name Dispute Resolution,” vol 6.4 *Electronic journal of Comparative law*, p.17.

At the same time, A. Kur suggests a type of trademark infringement that may be similar to copyright. This may be an unauthorised sale of counterfeits through online platforms. It was argued, that they resemble copyright infringements on file-sharing websites for illegally reproduced content with the difference of physical (and not virtual) delivery of infringing goods.¹²⁵³ However, the copyright sharing business model is not common for such platforms,¹²⁵⁴ as soon as goods are always subject to payments.

While current studies on online IP infringements in the EU reflect the typical features of some IP infringements, and provide quantitative analysis of this phenomena¹²⁵⁵ some foreign studies identify undetected conflict-of-laws problems in IP claims.¹²⁵⁶

On the one hand, various academic studies in the EU suggest that higher attention should be paid to substantive IP law infringement principles and to their harmonisation (instead of PIL principles).¹²⁵⁷ On the other hand, others emphasise that the most part of PIL problems are hidden, and “[...] are worth studying precisely because the parties did not raise them in litigation.”¹²⁵⁸ M. Trimble, for example, has argued that the enforcement problems of IPRs, “[...] instead of the frequency with which conflict-of-laws issues do or do not arise in existing court cases, should guide policy makers’ steps at the intersection of IP laws and conflict of laws.”¹²⁵⁹

Unfortunately, the overall quantitative landscape of international online IP infringement claims, with the particular focus on the EU jurisdiction, is not complete.¹²⁶⁰ Some practical application of international jurisdiction to IP online infringements (according to the CJEU’s case law) will be subject to the description in the next chapters of the present part.

6.4. Academic proposals

There are several main possible approaches to online intellectual property infringements from the perspective of jurisdiction allocation. Firstly, it may be the court of the country in which the user uploaded or transmitted the infringing material or where the website with infringing material is administered. Secondly, it may also be the country where the material was consequently downloaded, received or viewed. Thirdly, both of these actions may be

¹²⁵³ KUR A. (2014), “Secondary Liability for Trademark Infringement ...,” *op. cit.*

¹²⁵⁴ Unlike copyright infringements committed via unauthorised file-sharing web sites, counterfeits are neither offered for free nor shared or exchanged among users.

¹²⁵⁵ CHRISTIE A. F. (2015), *Private International Law...*, *op. cit.*, section 2.10, also, For instance, OECD Enquiries into IP economic impact (2015), *Copyright in the Digital era: Country studies*, p.209-320, also, EUIPO Study on Legislative Measures related to online IPR infringements, 2018, p. 94, EUIPO (2019), *Report on legal IPTV in the EU: Economic, Legal and Technical analysis*, p. 114, BLÁZQUEZ F., CAPPELLO M., GRECE C., VALAIS S. (2015), *Copyright enforcement online: policies and mechanisms*, European Audiovisual Observatory, IRIS Plus 2015-3, Strasbourg, p.72.

¹²⁵⁶ As was commented, for example, at: TRIMBLE M. (2016) “Undetected Conflict-of-Laws Problems...,” *op. cit.*

¹²⁵⁷ CHRISTIE A. F. (2015), *Private International Law...*, *op. cit.*, section 4.18.

¹²⁵⁸ TRIMBLE M. (2016) “Undetected Conflict-of-Laws Problems...,” *op. cit.*

¹²⁵⁹ *Ibid.*

¹²⁶⁰ CHRISTIE A. F. (2015), *Private International Law...*, *op. cit.*, and TRIMBLE M. (2016) “Undetected Conflict-of-Laws Problems...,” *op. cit.*, stating that this Report’s findings are mostly selective.

considered. Or, fourthly, the location of the server may be relevant. Thus, the territorial factors have been usually taken into account to define a competent court for online infringements. However, will each of the fora have jurisdiction over worldwide infringement or only over infringements occurring within their respective territories? Which scope of the harm may be claimed?

Art. 7(2) BRR may lead to the place where the alleged infringer is established, or the plaintiff's domicile as far as he or she evidently suffers from negative results of unlawful acts,¹²⁶¹ or many other places where the infringing content is accessible online. This variety of interpretations often fail to bring legal certainty for allocation jurisdiction in online infringements.

Also, no clarity exists in relation to jurisdictional criteria that aim to establish a close link between the court and the claim.¹²⁶² For online trademark infringement, the approaches vary from "online accessibility," "establishment of the defendant" or the "targeting" approach.¹²⁶³ For the database protection claims, a competent court may be found at the place of the "intended target of information,"¹²⁶⁴ or at place of the "mere online accessibility" of infringing content (by analogy with copyright litigation).¹²⁶⁵ However, there is no exhaustive list of predefined potential places where jurisdiction for online IP infringements can be allocated.

Besides, the various of jurisdictional approaches are inspired by the specific solutions to decide applicable law, or transported from the substantive IP legislation. For instance, in legal doctrine, the "targeting" approach is often interpreted for both purposes: to establish applicable law,¹²⁶⁶ as well as to establish court jurisdiction.¹²⁶⁷ Also, primarily "targeting" was rejected for EU trade mark infringement cases,¹²⁶⁸ suggesting that "there is nothing in Article

¹²⁶¹ For example, C-509/09, *eDate Advertising and Others* (2011), and Joined cases C-236/08 to C-238/08, *Google France SARL and Google Inc.* (2019).

¹²⁶² VAN CALSTER G. (2015), "Regulating the internet. Prescriptive and Jurisdictional Boundaries to the EU's "right to be forgotten", *K.U. Leuven*, p. 29.

¹²⁶³ For example, SCHULTZ T. (2015), "Carving up the Internet: Jurisdiction, Legal Orders, and the Private/Public International Law Interface," *the European Journal of International Law* Vol. 19 no.4, p. 799–839.

¹²⁶⁴ CJEU, C-324/09, *L'Oréal SA and Others v eBay International AG and Others*, 12 July 2011 (ECLI:EU:C:2011:474), paragraph 65 (concerning liability of the online-marketplace operator, and an offer for sale, on an online marketplace targeted at consumers in the European Union, of trade-marked goods intended, by the proprietor, for sale in third States), CJEU, C173/11, *Football Dataco Ltd and Others v Sportradar and others*, 18 October 2012 (ECLI:EU:C:2012:642), which concerned the infringement of the 'sui generis' right over a database, and localisation of the act of re-utilisation, also, CJEU, C-604/10, *Football Dataco Ltd and Others v Yahoo! UK Ltd and Others*, 1 March 2012 (EU:C:2012:115), paragraph 36 (concerning legal protection of databases and copyright).

¹²⁶⁵ CJEU, C-170/12, *Peter Pinckney v KDG Mediatech AG*, 3 October 2013 (ECLI:EU:C:2013:635), and CJEU, C-441/13, *Pez Hejduk case v EnergieAgentur*, 22 January 2015 (ECLI:EU:C:2015:28).

¹²⁶⁶ ROSATI E. (2017), "International jurisdiction in online EU trademark infringement cases: where is the place of infringement located?" *European Intellectual Property Review*, 38 (8), 482-491.

¹²⁶⁷ VAN CALSTER G. (2015), "Regulating the internet...", *op. cit.* and European Max Planck Group on Conflict of Laws in Intellectual Property (CLIP) (2013), *Conflict of Laws in Intellectual Property: The CLIP Principles and Commentary*, Oxford: Oxford University Press, and CLIP (2011) Article 2:202.

¹²⁶⁸ CJEU, C-360/12, *Coty Germany GmbH v First Note Perfumes NV*, 5 June 2014 (ECLI:EU:C:2014:1318), which concerned International jurisdiction relating to infringement and cross-border participation by several persons in a single unlawful act.

97(5) EUTMR that appears to require “targeting” test to determine jurisdiction.”¹²⁶⁹ Further, the CJEU changed its line of reasoning and thereof implemented this test for define jurisdiction under EUTMR.¹²⁷⁰

The same legal uncertainty takes place in the copyright field. The CJEU’s rulings on Art. 7(2) BRR concerning online copyright infringements have resulted in the “online accessibility” approach (when courts in the Member State where the infringing content is online accessible are competent to rule over copyright claim).¹²⁷¹ The potential risks associated with the adoption of such approach consist of conferring jurisdiction on a low threshold (multiple fora and the lack of predictability) and over non-existent torts (also so-called copyright “trolls”).¹²⁷²

Predictable and efficient jurisdictional criteria are decisive for online IP enforcement and litigation. An interplay between general jurisdiction and special jurisdiction¹²⁷³ for IP claims reflects existing problems when suing for online infringements of IPRs.

6.4.1. General jurisdiction

The defendant’s domicile as a general rule of jurisdiction is a traditional jurisdictional ground and should always be available for online IP claims.¹²⁷⁴ General jurisdictional rule often works in a common way for different types of infringements, as it accepted in legal doctrine and prevails in the national case law of the EU Member States.¹²⁷⁵

According to Art. 4(1) BRR, general jurisdiction over natural persons is available in the defendant’s domicile and, for legal persons, at the defendant’s statutory seat, at the defendant’s central administration and at the defendant’s principal place of business.¹²⁷⁶ An equivalent provision may be found in EU Trademark Regulation (EUTMR),¹²⁷⁷ in Community Design Regulation¹²⁷⁸ and Regulation on Community plant variety rights.¹²⁷⁹

¹²⁶⁹ ROSATI E. (2017), “International jurisdiction in online EU trademark...,” *op. cit.*

¹²⁷⁰ CJEU, C-172/18, *AMS Neve Ltd and Others v Heritage Audio SL and Pedro Rodríguez Arribas*, 5 September 2019 (ECLI:EU:C:2019:674), which will be described in chapter 7 and chapter 8.

¹²⁷¹ C-170/12, *Pinckney v. Mediatech* (2013) and C-441/13, *Pez Hejduk case v EnergieAgentur* (2015).

¹²⁷² For instance, TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...,” *op. cit.*

¹²⁷³ For a discussion of the function of these groups see at JURČYS P. (2012), “International Jurisdiction in Intellectual Property Disputes...,” *op. cit.*

¹²⁷⁴ Brussels Regulation Recast 1215/2012, Art. 4.

¹²⁷⁵ See more, for instance, at: KONO T. (2012), *Intellectual Property and Private International Law...*, *op. cit.*, p. 22-24.

¹²⁷⁶ Brussels Regulation Recast 1215/2012, Art. 62-63.

¹²⁷⁷ EUTM Regulation 2017/1001.

¹²⁷⁸ Regulation on Community designs 6/2002, Art. 82, International jurisdiction: “1. Subject to the provisions of this Regulation and to any provisions of the Convention on Jurisdiction and Enforcement applicable by virtue of Article 79, proceedings in respect of the actions and claims referred to in Article 81 shall be brought in the courts of the Member State in which the defendant is domiciled or, if he is not domiciled in any of the Member States, in any Member State in which he has an establishment.”

¹²⁷⁹ Regulation on Community plant variety rights 2100/94, 27 July 1994 OJ L 227, Art. 101 Jurisdiction and procedure in legal actions relating to civil law claims : “2. Proceedings of the type referred to in paragraph 1

In particular, Art. 125 EUTMR states:

1. Subject to the provisions of this Regulation as well as to any provisions of Regulation (EU) No 1215/2012 applicable by virtue of Article 122, proceedings in respect of the actions and claims referred to in Article 124 shall be brought in the courts of the Member State in which the defendant is domiciled or, if he is not domiciled in any of the Member States, in which he has an establishment.

The same approach to general jurisdiction is adopted for EU design rights infringements and infringements of Community plant variety rights. A general ground of jurisdiction may cover a variety of IP infringements, except the claims on validity and registration.¹²⁸⁰ The rules of Brussels Regulation Recast 1215/2012 may also apply to proceedings relating to EU trademarks.¹²⁸¹ This may be relevant in light of the Brussels Regime extension to defendants which are not based on the territory of the EU.¹²⁸²

The scope of general jurisdiction under EUTM should not be limited to the territory of the court seized.¹²⁸³ According to *Shevill* the *forum* of the defendant's domicile under Art. 4(1) BRR (as well as the forum of the defendant's establishment under Art. 7(2) BRR) may also grant all the damage caused by alleged infringement.

Due to the territorial nature of IP rights, the national case law of some Member States has adopted various limitations to the *Shevill* doctrine for intellectual property litigation.¹²⁸⁴ The

shall be brought in the courts: (a) of the Member State or another Contracting Party to the Lugano Convention in which the defendant is domiciled or has his seat or, in the absence of such, has an establishment; or. (b) if this condition is not met in any of the Member States or Contracting Parties, of the Member State in which the plaintiff is domiciled or has his seat or, in the absence of such, has an establishment; or (c) if this condition is also not met in any of the Member States, of the Member States in which the seat of the Office is located. The competent courts shall have jurisdiction in respect of infringements alleged to have been committed in any of the Member States. 3. Proceedings relating to actions in respect of claims for infringement may also be brought in the courts for the place where the harmful event occurred. In such cases, the court shall have jurisdiction only in respect of infringements alleged to have been committed in the territory of the Member State to which it belongs.”

¹²⁸⁰ Subject to the rules of exclusive jurisdiction under Art. 24(4) Brussels Regulation Recast 1215/2012.

¹²⁸¹ Brussels Regulation Recast 1215/2012, Art. 122.

¹²⁸² For instance, as it is the case with the jurisdiction over consumer contracts under Section 4 of Brussels Regulation Recast 1215/2012 (which was not previously available in Brussels Regulation 44/2001). This provides added protection for consumers as they are regarded as a weaker party in the dispute. The general rule when dealing with a consumer is that the consumer can bring proceedings in the EU Member State in which they are domiciled even if the defendant is domiciled elsewhere.

¹²⁸³ EUTM Regulation 2017/1001, Art. 126, Extent of jurisdiction: “1. An EU trademark court whose jurisdiction is based on Article 125(1) to (4) shall have jurisdiction in respect of: 2. An EU trademark court whose jurisdiction is based on Article 125(5) shall have jurisdiction only in respect of acts committed or threatened within the territory of the Member State in which that court is situated.”

¹²⁸⁴ As it was commented, for example, at: KONO T. (2012), *Intellectual Property and Private International Law.*, *op. cit.*, p. 22-24: at the same time, some national case law (France, Slovenia) limits this scope due to territorial nature of IP. Also some national jurisdictions adopted others approaches such as nationality (the UK).

complete transportation of *Shevill* approach to IP infringement cases has been rather controversial, especially in the question of jurisdiction.¹²⁸⁵

Currently, there is no case law with regard to the application of Art. 4 (1) BRR for online intellectual property rights infringements.¹²⁸⁶ The reason for this is clear and fact-based design of this provision which makes it an uncontroversial ground for jurisdiction.¹²⁸⁷ Especially, it constitutes an effective *forum* for IP litigation with a single defendant.¹²⁸⁸

The defendant's domicile *forum* is a traditional jurisdictional ground. While, in early legislative and policy initiatives, the term "defendant domicile" was suggested to be preferable for IP litigation,¹²⁸⁹ further the notion of "habitual residence" prevailed¹²⁹⁰ as more reliable in a factual sense.

This approach was followed in further academic proposals. For instance, instead of the concept "domicile," both Ginsburg Proposal¹²⁹¹ and CLIP¹²⁹² adopted the concept of "habitually residence":

- [...] 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.

¹²⁸⁵ See also, for instance, at METZGER A. (2009), "Jurisdiction in Cases Concerning Intellectual Property ...," *op. cit.*, NITSEVICH N. (2015), *Intellectual property rights...*, *op. cit.*

¹²⁸⁶ CHRISTIE A. F. (2015), *Private International Law...*, *op. cit.*

¹²⁸⁷ For example, LUTZI T. (2017), "Internet cases in EU PIL...", *op. cit.*

¹²⁸⁸ For instance, TORREMANS P. (2016), "Jurisdiction for cross-border intellectual property...", *op. cit.*

¹²⁸⁹ As it was commented at KONO T. (2012), *Intellectual Property and Private International Law ...*, *op. cit.*, p. 19-23, commenting on the Draft of the Hague Judgement Convention, 2001, Art. 10(5).

¹²⁹⁰ Art. 3 of the 1999 Hague Draft, Preliminary Document No 32 of August 2007 for the attention of the Twenty-First Session of November 2007.

¹²⁹¹ DREYFUSS R. C. and GINSBURG J. C. (2001), *Draft Convention on Jurisdiction and Recognition of Judgments in Intellectual Property Matters*, WIPO Forum on Private International Law and Intellectual Property, WIPO/PIL/01/7, sporting the defendant's forum under Art. 3, also, Ginsburg Proposal also DREYFUSS R. C. and GINSBURG J. C. (2002), "Draft Convention on Jurisdiction and Recognition of Judgments in Intellectual Property Matters," *Chicago-Kent Law Review* (77) 2001-2002, p. 1065-1154.

¹²⁹² CLIP Principles (2011) suggest the term "defendant's habitual residence", Art. 2:203: Extent of jurisdiction over infringement claims

- (1) Subject to paragraph 2, a court whose jurisdiction is based on Article 2:202 shall have jurisdiction in respect of infringements that occur or may occur within the territory of the State in which that court is situated.
- (2) In disputes concerned with infringement carried out through ubiquitous media such as the Internet, the court whose jurisdiction is based on Article 2:202 shall also have jurisdiction in respect of infringements that occur or may occur within the territory of any other State, provided that the activities giving rise to the infringement have no substantial effect in the State, or any of the States, where the infringer is habitually resident and (a) substantial activities in furtherance of the infringement in its entirety have been carried out within the territory of the State in which the court is situated, or (b) the harm caused by the infringement in the State where the court is situated is substantial in relation to the infringement in its entirety.

This wording was carried over from Art. 3 of the 1999 Hague Draft. At that time, another definition for the habitual residence was discussed, as "[...] where the defendant has an effective business establishment, when that State is also the State of plaintiff's habitual residence." Such definition was expected to compromise between traditional concepts of habitual residence, and the US "doing business" basis of general jurisdiction.¹²⁹³

The CLIP Principle changed the term "domicile" to "habitual residence," aiming at unifying the terminology with common-law countries.¹²⁹⁴ The definition of habitual residence has been used in a broad sense,¹²⁹⁵ often favouring the claimant, in a response to the infringer's manipulations of the place of establishment.¹²⁹⁶

The same was adopted in WASEDA Principles:

(6) "Habitual residence" means the place where the party concerned habitually resides for a rather long time, including his or her principal office or place of business. It also includes the place where the head office of a corporation or any other legal person is located, and the place under the law of which that corporation or legal person is established.¹²⁹⁷

Most recently, a similar solution was proposed by ILA Jurisdiction and Enforcement Guidelines.¹²⁹⁸ The defendant's place of habitual residence has been set out as the basic forum with territorially unlimited jurisdiction.¹²⁹⁹

Last but not least, the defendant's habitual residence forum was followed in the ALI Principles.¹³⁰⁰ If we compare the wording from Brussels Regulation Recast 1215/2012¹³⁰¹

¹²⁹³ DREYFUSS R. C. and GINSBURG J. C. (2001), *Draft Convention on Jurisdiction...*, *op. cit.*

¹²⁹⁴ European Max Planck Group on Conflict of Laws in Intellectual Property (2013) *Conflict of Laws in Intellectual Property: The CLIP Principles and Commentary*, Oxford, Oxford University Press, p. 560.

¹²⁹⁵ CLIP Art. 2:201(1) proposes defendant's "habitual residence": Section 6: General provisions Article 2:601: Habitual residence (1) For the purposes of this Part, the habitual residence of a natural person acting in the course of a business activity shall, for actions related to that activity, also be the principal place of business. (2) For the purposes of this Part, a company or other legal person or association of natural or legal persons shall have its habitual residence in any State (a) where it has its statutory seat or registered office, or (b) where it has its central administration, or (c) where it has its principal place of business. If the entity lacks a statutory seat or registered office, it may also be sued in the State where it was incorporated or, if no such place exists, under whose law it was formed. (3) The principal place of business shall be the place from which the main business activities are conducted. Article 3:904: Habitual residence (1) For the purposes of this Part, the habitual residence of companies and other bodies, corporate or unincorporated, shall be the place of central administration. The habitual residence of a natural person acting in the course of her/his business activity shall be her/his principal place of business. (2) Where the relevant activities occur in the course of operation of a branch, agency or any other establishment, the place where the branch, agency or any other establishment is located shall be treated as the place of habitual residence."

¹²⁹⁶ DE MIGUEL ASENSIO P. (2010), "Preliminary Draft. The networked information society: territoriality and beyond," Conference Paper, *Annual Kyushu University Law Conference – Fukuoka – February 13-14*.

¹²⁹⁷ The WASEDA Principles, Art. 6 "Habitual residence."

¹²⁹⁸ As it was commented, for instance, at EECHOUD M. (2016), "Bridging the gap..." *op. cit.*, the guidelines do not give elaborate definitions of terms, such as "habitual residence," in order to build a unified ground and facilitate its adoption.

¹²⁹⁹ *Ibid.*

¹³⁰⁰ METZGER A. (2009), "Jurisdiction in Cases Concerning Intellectual Property ...," *op. cit.*, p. 251.

¹³⁰¹ Brussels Regulation Recast 1215/2012, Art. 62-63.

with ALI Proposal,¹³⁰² we would see that the ALI approach complements Art. 4 BRR with the place of incorporation as a possible place of habitual residence.¹³⁰³

A broad meaning of this concept may mean that at the end of the day, the defendant's forum may amount to a variety of different locations with an unlimited scope of international jurisdiction. At the same time, for the defendant this rule supposed to be the most predictable one, as soon as jurisdiction must always be available on this ground.¹³⁰⁴

These advantages inspired academic writings in attempts to justify its implementation to online claims. It was argued to be the most coherent forum for online infringements.¹³⁰⁵ However, neither the CLIP nor ALI Principles discuss the application of the defendant's domicile for IP online infringements.

Although, in most cases, the domicile of the defendant is obvious, it is not the case for online environment. For online IP infringements, it may lead to a result that the defendant's court can decide about all alleged infringements, occurring everywhere in the world.¹³⁰⁶ It can be difficult (if not impossible) to determine the precise domicile of the defendant and whether or not the Brussels Regime is applicable.¹³⁰⁷

Legal certainty under general jurisdictional ground is often overestimated. The fragmentation of the claims concerning online infringements may become an obstacle to support general jurisdiction. It may lead to result that Art. 4 BRR would not necessarily allow the whole matter to be brought before a single court,¹³⁰⁸ but, instead, would split the case in as many cases as there are the Member States in which a defendant is based.¹³⁰⁹ Together with the challenges of suing in distance at the place of the defendant's domicile¹³¹⁰ and disclosing a reallocation of infringers online,¹³¹¹ Art. 4(1) BRR may appear not the ideal jurisdictional path and there should be alternative jurisdictional grounds available for the claimants (in addition to Art. 4(1) BRR).

¹³⁰² ALI Principles, Chapter 1 Part 2: in IP disputes court should have jurisdiction over parties and subject matter jurisdiction. The wording was adapted to be suitable to both common law and civil law countries (Section 201 general jurisdiction of defendant's residence).

¹³⁰³ The ALI's approach complements this provision with the "place of incorporation" as possible place of "habitual residence."

¹³⁰⁴ Brussels Regulation Recast 1215/2012, Recitals 15 and 16.

¹³⁰⁵ For example, LUTZI T. (2017), "Internet cases in EU PIL...", *op. cit.*

¹³⁰⁶ METZGER A. (2009), "Jurisdiction in Cases Concerning Intellectual Property ...," *op. cit.*

¹³⁰⁷ MAUNSBACH U. (2004), "Some reflexions concerning jurisdiction in cases on cross-border trademark infringements through the Internet," *Scandinavian Studies in Law*, 47, p. 493-512.

¹³⁰⁸ XALABARDER R. (2002), "Copyright: Choice of Law and Jurisdiction in the Digital Age," *Annual Survey of International & Comparative Law*, Volume 8, Issue 1, p.7.

¹³⁰⁹ For instance, TORREMANS P. (2016), "Jurisdiction for cross-border intellectual property...", *op. cit.*, p. 8.

¹³¹⁰ *Ibid.*, p.11.

¹³¹¹ C-557/07, *LSG-Gesellschaft zur Wahrnehmung v Tele2* (2009), CJEU, C-70/10, *Scarlet Extended SA v Société belge des auteurs, compositeurs et éditeurs SCRL (SABAM)*, 24 November 2011 (ECLI:EU:C:2011:771), concerned installation of a system for filtering electronic communications in order to prevent file sharing which infringes copyright, also no general obligation to monitor information transmitted, CJEU, C-360/10, *Belgische Vereniging van Auteurs, Componisten en Uitgevers CVBA (SABAM) v Netlog NV*, 16 February 2012 (ECLI:EU:C:2012:85), concerning processing of information stored on an online social networking platform, with no general obligation to monitor stored information, C-324/09, *L'Oréal and Others* (2011), concerning an offer for sale, on an online marketplace targeted at consumers in the European Union, of trade-marked goods intended, by the proprietor, for sale in third States.

For instance, Art. 8(1) BRR may allow overcoming the fragmentation of claims under Art. 4 (1) BRR. However, this rule requires that the cases be “[...] so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings.”

This risk may appear if two judges of different states decide on the same factual and legal situation. Besides, the infringements should violate similar national provisions to fall under Art. 8(1) BRR.¹³¹² The CJEU interpreted Art. 8 (1) BRR in *Roche Nederlands*.¹³¹³

Roche Nederlands was a patent case, between Roche Nederland BV and eight other companies in the Roche group, on the one hand, and US-based Drs Primus and Goldenberg, on the other, and considered the infringement of the latter’s rights in a European patent. The companies in the Roche group not established in the Netherlands contested the jurisdiction of the Netherlands’ courts.

The CJEU ruled that Art. 8 (1) BRR should not apply in European patent infringement proceedings as the condition of the same legal situation would not be met.¹³¹⁴ In particular, it was stated that the European patent consists of a number of independent national patents and the details of the patent infringement might be different in each country. Instead, this provision is only applicable in the case of EU trademark or EU design rights infringements.¹³¹⁵

This means that the possibility to apply Art. 8 (1) BRR to different types of online IP claims is not a straightforward process. For copyright claims, the situation may change¹³¹⁶ after the CJEU ruling in *Painer*.¹³¹⁷ It was a case between E. Painer, a freelance photographer, and five newspaper publishers, established in Austria and Germany, concerning their unauthorised use of photographs. All defendants have decided in full independence to publish pictures without the authorisation.

In this case, Art. 8(1) BRR was interpreted:

[...] as not precluding its application solely because actions against several defendants for substantially identical copyright infringements are brought on national legal grounds which vary according to the Member States concerned.”¹³¹⁸

Thus, the CJEU decided that the requirement of “the same situation in law” responds to a strong harmonisation of copyright national legislation achieved by means of different European Directives.¹³¹⁹ Also, the CJEU ruled that neither the fact that defendants acted in

¹³¹² By analogy with CJEU, C-145/10, *Eva-Maria Painer v. Standard Verlag GmbH*, 1 December 2011 (EU:C:2011:798), concerning proceedings, where more than one defendant is involved, and also the use of a portrait photograph as a template to establish a photo-fit in terms of exceptions and limitations. For instance, it may appear when the defendant in Austria and another defendant in the Netherlands (together or independently) upload e-books of German claimant in an unauthorised way

¹³¹³ CJEU, C-539/03, *Roche Nederland BV et al. v. Frederick Primus and Milton Goldenberg*, 13 July 2006 (ECLI:EU:C:2006:458), concerning proceedings, where more than one defendant is involved, Jurisdiction of the courts of the place where one of the defendants is domiciled in actions for infringement of a European patent.

¹³¹⁴ C-539/03, *Roche Nederland and Others* (2006), paragraphs 30 - 32.

¹³¹⁵ NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*

¹³¹⁶ TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...”, *op. cit.*, p. 6.

¹³¹⁷ C-145/10, *Eva-Maria Painer v. Standard Verlag GmbH* (2011), paragraph 80, Opinion of Advocate General Trstenjak in C-145/10, *Eva-Maria Painer v. Standard Verlag GmbH*, 12 April 2011, (ECLI:EU:C:2011:239).

¹³¹⁸ It is arguably in accordance with the CLIP Principles, Art. 2:206 (2) (b).

¹³¹⁹ C-145/10, *Eva-Maria Painer v. Standard Verlag GmbH* (2011), paragraph 80.

full independence was decisive for Art. 8(1) BRR, but had to be evaluated together with other requirements when defining the risk of irreconcilable judgments.¹³²⁰

Similarly, the CJEU decided the EU design case in *Nintendo*. The claim was submitted by Nintendo Co. Ltd (Nintendo), a company established in Japan, and BigBen Interactive GmbH (BigBen Germany), a company established in Germany, and BigBen Interactive SA (BigBen France), the parent company of BigBen Germany established in France, concerning actions for infringement of EU designs.

Although following the findings in *Roche Nederlands*, the CJEU took the view that the requirement of the same situation of law is also satisfied by the partial harmonisation of national law and not only when a unitary title is at stake.¹³²¹ Therefore, even under the scenario of copyright infringement which involves both parallel unified copyright and defendants that act independently,¹³²² the reasoning of *Roche Nederlands* (although not openly abandoned) most probably should not be relevant.¹³²³

In the light of this, the combined effects of Articles 4 and 8 (1) BRR may provide a cumulative possibility to choose a convenient forum among the independent defendants,¹³²⁴ or to fill a claim in the plaintiff's domicile (if it coincides with the domicile of one of the defendants). Moreover, the court will have full jurisdiction to rule over all harm suffered if the whole case is brought before that *forum*.

Such forum shopping may be in favour of the claimant and predictable for at least one of the defendants. Nevertheless, for the rest independent co-defendants, the risk of irreconcilable judgments remains, as well as the need to meet the requirements of the same factual and legal situation (which is left to the national court to decide).

6.4.2. Special jurisdiction

According to Art. 7(2) BRR, a person domiciled in a Member State may, in another Member State, be sued "in matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred or may occur." A number of possible approaches on how to establish international jurisdiction under Art. 7(2) BRR for online intellectual property infringements have been introduced in legal proposals and academic writings.

For example, the rules of special jurisdiction for torts were established in Hague Draft 2001,¹³²⁵ suggesting that the claims could be filled in the country of the place, where an act of an "omission that caused the injury occurred" and where "injury arose." However, the jurisdiction at the place of injury should not apply if the defendant would prove that he could not reasonably foresee that such an act of omission would result in another state.

¹³²⁰ *Ibid.*

¹³²¹ CJEU, Joined Cases C-24/16 and C-25/16, *Nintendo Co. Ltd v BigBen Interactive GmbH, BigBen Interactive SA*, 27 September 2017 (ECLI:EU:C:2017:724), concerning territorial scope of the jurisdiction of the Community design courts.

¹³²² TORREMANS P. (2016), "Jurisdiction for cross-border intellectual property...", *op. cit.*, p. 10.

¹³²³ As under the CLIP Principles, Art. 2:206 (2) (a).

¹³²⁴ TORREMANS P. (2016), "Jurisdiction for cross-border intellectual property...", *op. cit.*, p. 11.

¹³²⁵ KONO T. (2012), *Intellectual Property and Private International Law ...*, *op. cit.*, p. 50-55, commenting on special jurisdiction under the Draft of the Hague Judgement Convention, 2001, Art. 10.

Besides, Hague Draft 2001 included special jurisdictional rules for online torts.¹³²⁶ For instance, the claim could be brought before the court of the state in which the defendant has been engaged in a frequent or significant activity or has directed such activity to that state. However, aiming at balancing the foreseeability for potential defendants, this ground for jurisdiction would not apply if the defendant has taken reasonable steps to avoid acting or directing activities to the forum state.¹³²⁷ The scope of jurisdiction in this situation would be limited to the forum's territory.

Yet, the Hague Draft 2001 did not provide a description on how to distinguish the place of an act of an "omission that caused the injury occurred" and the place, where "injury arose," leaving this question for a national court to decide. It was proposed¹³²⁸ that the place of injury should be interpreted as the place, where the direct effects of an act are felt. Also, the Member States were given some discretion when deciding on additional criteria to special jurisdiction, concerning online infringements.¹³²⁹

Unfortunately, IP infringements were not granted any special regulation in this respect. While infringements of unregistered IPRs (at least copyright) would be covered by Art. 10 Hague Draft, the situation for registered IP rights was not clear and most probably they would be covered by the rules of exclusive jurisdiction.¹³³⁰

The Hague Draft 2001 was not adopted, and the negotiation efforts were translated into the academic initiative of Ginsburg-Dreifuss-Dessemontet,¹³³¹ and later, to the ALI Principles 2007.¹³³² Under these proposals, the jurisdictional grounds for IP claims were expected to be limited.¹³³³

Art. 6 Ginsburg-Dreifuss-Dessemontet Proposal (inspired by Art. 10 of the 1999 Draft Hague Convention), provided jurisdictional rules for online infringement:

1. A plaintiff may bring an infringement action in the courts of:
 - a. any State where defendant substantially acted (including preparatory acts) in furtherance of the alleged infringement, or
 - b. any State to which the alleged infringement was intentionally directed, including those States for which defendant took no reasonable steps to avoid acting in or directing activity to that State, or

¹³²⁶ The Draft of the Hague Judgement Convention, Art. 10 (2)-(4).

¹³²⁷ The Draft of the Hague Judgement Convention, Art 10(3), 10(4): the same applies to the acts of infringements or harm which may take place in the future.

¹³²⁸ KONO T. (2012), *Intellectual Property and Private International Law ...*, *op. cit.*, p. 50.

¹³²⁹ The Draft of the Hague Judgement Convention, Art. 17.

¹³³⁰ The Draft of the Hague Judgement Convention, Art. 12.

¹³³¹ DREYFUSS R.C., GINSBURG J.C. (2001), "Draft Convention on Jurisdiction and Recognition of Judgments...", *op. cit.*, also, DREYFUSS R.C., GINSBURG J. C. and DESSEMONTET F. (Rapporteurs), (2008) "Intellectual Property: Principles Governing Jurisdiction...", *op. cit.*

¹³³² DREYFUSS R.C., GINSBURG J.C. and DESSEMONTET F. (Rapporteurs), (2008) "Intellectual Property: Principles Governing Jurisdiction...", *op. cit.*

¹³³³ KONO T. (2012), *Intellectual Property and Private International Law ...*, *op. cit.*, p. 19, ALI Principles, Section 204.

c. any State in which the alleged infringement foreseeably occurred unless the defendant took reasonable steps to avoid acting in or directing activity to that State.

Such wording was claimed¹³³⁴ to enlarge the scope of the forum's competence in the case of international infringements (including a competence to hear all infringement claims) and to restrict competence when the defendant has avoided acting in a particular territory.¹³³⁵ Moreover, it could cover situations when the defendant has located its principal place of business in IP equivalent of a "tax haven,"¹³³⁶ aiming to forum manipulation.

However, according to Art. 6(2) and Art. 6(3) Proposal, when the forum is not the plaintiff's residence, that forum's competence would be limited to adjudicating claims arising out of infringements occurring within its territory:

2. If an action is brought in the courts of a State only on the basis of the intentional direction of the alleged infringement to that State, then those courts shall have jurisdiction only in respect of the injury arising out of unauthorized use occurring in that State, unless the injured person has his habitual residence or principal place of business in that State.

3. If an action is brought in the courts of a State only on the basis of the occurrence of the infringement in that State, then those courts shall have jurisdiction only in respect of the injury arising out of unauthorized use occurring in that State.

All these provisions have been adopted and further developed within the ALI Principles.¹³³⁷ The language of this proposal tends to be technology neutral, and based on the established case law of various jurisdictions.¹³³⁸ ALI thereof proposed a rather innovative approach to IP infringements, undermining the territoriality principle. According to Section 204, despite an absence of IPR's protection within the territory of the court, such court still may establish its jurisdiction over IP claim.

In particular, the defendant could be sued in any place where he had substantially acted and had taken preparatory acts to initiate or to further alleged infringement.¹³³⁹ The court of such place would have the full scope of jurisdiction to rule over all harm caused, regardless of the place where the injury occurred. Moreover, specific regulation was provided for online IP infringements. The claim concerning online infringements could be brought to the courts of the state to which infringing activities were directed (the "targeting" test).¹³⁴⁰

¹³³⁴ DREYFUSS R.C, GINSBURG J.C. and DESSEMONTET F. (Rapporteurs), (2008) "Intellectual Property: Principles Governing Jurisdiction...", *op. cit.*

¹³³⁵ *Ibid.*

¹³³⁶ In the meaning of a country with a low level for protection.

¹³³⁷ The ALI Principles (2007).

¹³³⁸ KONO T. (2012), *Intellectual Property and Private International Law ...*, *op. cit.*, p. 53.

¹³³⁹ The ALI Principles, Section 204 (1).

¹³⁴⁰ The ALI Principles, Section 204 (2). Moreover, if this could not apply because of no WTO member state, defendant anyway may be sued at the place, if: he directed his activities there maintains contact, business or an audience in that state on regular basis (the fact that such activity initiate or to further an alleged infringement was considered irrelevant)

The Proposal of CLIP¹³⁴¹ has also reflected the “targeting” test.¹³⁴² CLIP aimed at concentrating jurisdiction in the court with the closest connection to the claim as the most appropriate in the sense of gathering evidence.

According to Art. 2:201 CLIP¹³⁴³ a person may be sued in the courts of the state where the alleged infringement occurs or may occur. However, these rules will not apply if an alleged infringer did not act in that state to initiate or further the infringement and this activity cannot be reasonably seen as having being directed to that state.

Article 2:203: Extent of jurisdiction over infringement claims

(1) Subject to paragraph 2, a court whose jurisdiction is based on Article 2:202 shall have jurisdiction in respect of infringements that occur or may occur within the territory of the State in which that court is situated.

(2) In disputes concerned with infringement carried out through ubiquitous media such as the Internet, the court whose jurisdiction is based on Article 2:202 shall also have jurisdiction in respect of infringements that occur or may occur within the territory of any other State, provided that the activities giving rise to the infringement have no substantial effect in the State, or any of the States, where the infringer is habitually resident (Article 2:102) and

(a) substantial activities in furtherance of the infringement in its entirety have been carried out within the territory of the country in which the court is situated, or

(b) the harm caused by the infringement in the State where the court is situated is substantial in relation to the infringement in its entirety.”

As we may see, this provision supports the territoriality principle as a general rule, however, limits its application to online infringements. If we compare this approach to *Shevill*, it introduces a slight deviation from the “mosaic” doctrine. Such a solution was expected to overcome the negative consequences of *Shevill* when adjusting it to IP litigation. The requirements and alternatives under Art. 2:203 (2) are formulated in a rather detailed and clear manner, taking into account the challenges of the online environment.¹³⁴⁴

A rather similar approach (which resembles the *Shevill* doctrine) was taken within WASEDA Proposal,¹³⁴⁵ however, its solutions are more flexible, in comparison to ALI and CLIP Proposals.¹³⁴⁶ In particular, Art. 203 governs the jurisdiction over infringement of an intellectual property right:

¹³⁴¹ This draft of Principles has been prepared by the European Max-Planck Group on Conflict of Laws in Intellectual Property (CLIP), which also provides independent advice to European and national law makers.

¹³⁴² KONO T. (2012), *Intellectual Property and Private International Law ...*, *op. cit.*, p. 59,

¹³⁴³ The CLIP Principles, Art. 2:202: “[...] in disputes concerned with infringement of an intellectual property right, a person may be sued in the courts of the State where the alleged infringement occurs or may occur, unless the alleged infringer has not acted in that State to initiate or further the infringement and her/his activity cannot reasonably be seen as having been directed to that State.”

¹³⁴⁴ See also, for instance, METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*, JURČYS P. (2012), “International Jurisdiction...,” *op. cit.*

¹³⁴⁵ WASEDA Proposal (2010), *Commentary on Principles of Private International Law on Intellectual Property Rights*, Joint Proposal Drafted by Members of the Private International Law Association of Korea and Japan, Waseda University Global COE Project, p. 112-163.

¹³⁴⁶ KONO T. (2012), *Intellectual Property and Private International Law ...*, *op. cit.*

(1) In case of infringement of an intellectual property right, a person may be sued in the courts of any state where the alleged infringement occurs. Provided that the injuries thereof occur in multiple states, regardless of the sequence of those injuries, the person whose infringement activities give rise to those injuries may be sued in the courts of the state in which the major part of his or her activities that initiate the alleged infringement. The court's international judicial jurisdiction extends to claims with respect to all the injuries arising out of that activity or those activities within the state that initiates the alleged infringement, wherever the injuries occur.

(2) Where an alleged infringement of an intellectual property right is directed against a particular state, the court of that state may have international judicial jurisdiction over only those claims with respect to injuries occurring in that state.

Higher flexibility may be seen when approaching the question of the jurisdictional scope. The full scope of jurisdiction applies to not only online infringements, but also to a general infringement initiating injuries in multiple states. This Proposal, however, warns that there are still many difficulties in specifying the circumstances under which an unduly centralised jurisdiction could be prevented.¹³⁴⁷

Based on the 2001 Hague Draft, ALI, CLIP, Joint Korean-Japanese Proposals, ILA Guidance has introduced the place "where the alleged infringer has acted to initiate or further the alleged infringement" as the main connecting factor between the courts and the dispute for IP claims. The courts of those places would have territorially unlimited jurisdiction with respect to damage resulting from the acts. Art. 5 ILA Guidance has generated from previous proposals:

(a) In the courts of the States where the alleged infringer has acted to initiate or further the alleged infringement; the courts' jurisdiction shall be territorially unlimited with regard to any damages caused by those acts; or

(b) In the courts of the States where the infringement may have caused substantial damages unless the defendant could not anticipate that the infringement would cause those damages; the courts' jurisdiction shall be territorially limited to the State in which the court is situated.¹³⁴⁸

The courts of the place where the damage arises would also be competent, but with the territorially restricted scope of jurisdiction. The damage within the territory must be substantial.¹³⁴⁹

Currently, in 2021, ILA Committee on Intellectual Property and Private International Law

¹³⁴⁷ See more at WASEDA Proposal (2010), *Commentary on Principles of Private International Law...*, *op. cit.*, explanatory notes to Art 203.

¹³⁴⁸ In particular, the Draft of the Hague Judgement Convention, Art. 10, the ALI Principles, Section 204, the CLIP Principles, Art. 2:202 - 2:204, the WASEDA Principles, Art. 203.

¹³⁴⁹ ILA Committee on Intellectual Property and Private International Law (2015), *Guidelines on Intellectual Property and Private International Law*, Draft, p. 20 As it was commented by at: EECHOUD M. (2016), "Bridging the gap...", *op. cit.* the ILA Committee had been still "[...] elaborating what must be understood by "substantial damages" and how further limitation might be achieved especially by excluding jurisdiction in cases where damage is (objectively) unforeseen."

Issued Guidelines on Intellectual Property and Private International Law (“Kyoto Guidelines”).¹³⁵⁰

Taking into account the previous proposals, Kyoto Guidelines divides jurisdiction into Basic forum and Alternative forum. According to Art. 3 Kyoto Guidelines, suggests the courts where the defendant is habitually resident as a basic forum with a full jurisdictional scope. Accordingly, Art. 5 Kyoto Guidelines refers to Alternative forum for infringements:

- a) In the courts of the States where the alleged infringer has acted to initiate or further the alleged infringement; the courts’ jurisdiction to award remedies arising from those acts shall be territorially unlimited; or
- b) In the courts of the States where the infringement may have caused direct substantial harm unless it could not be anticipated that the infringement would cause that harm there; the courts’ jurisdiction shall be territorially limited to the State in which the court is situated.

Kyoto Guidelines preserves a two head jurisdiction via alternative forum: while the court of the infringing act has “territorially unlimited” or the full scope of jurisdiction, the court of the place here the (“direct” and “substantial”) damage occurred has territorially limited jurisdiction. The notions of “direct” and “substantial” harm are defined within Art. 26 (1) “Law Applicable to Ubiquitous or Multi-state Infringements,” in the meaning that the harm “[...] is substantial in relation to the infringement in its entirety.” Accordingly, the “ubiquitous or multi-state infringement” is defined as “[...] the infringement in multiple States is pleaded in connection with the use of ubiquitous or multinational media.

The territorial nature of IP rights makes them different from other types of torts. Despite the tendency to eliminate or at least to limit its influence on the question of jurisdiction, the most legislative proposals and academic initiatives mirror territorial dependence of intellectual property claims. The search for a coherent solution in establishing a competent court remains a cornerstone question in Private International Law of Intellectual Property.¹³⁵¹

6.5. Evolution of jurisdictional grounds for online IP infringements

In the previous chapter, we described how international jurisdiction may be allocated for personality rights torts. The present chapter will focus on challenges and possible solutions for infringements, concerning intellectual property rights, and, for ubiquitous (cross-border) online IP infringements, in particular.

Specific scenarios of online cross-border infringements may involve both IP and defamation claims that had been considered by national courts altogether. For instance, when a defamatory publication in relation to internationally known person covers accusation in

¹³⁵⁰ ILA Committee on Intellectual Property and Private International Law (2021), *Guidelines on Intellectual Property and Private International Law* (“Kyoto Guidelines”), 12 JIPITEC, p. 86-93.

¹³⁵¹ As it was discussed, for instance, at NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.*, p. 17, when providing the comments of English patent case from Justice LADDIE H., on patent litigation in the UK in *Sepracor Inc. v. Hoechst Marion Roussel Limited e.a.*, [1999], EWHC Patents, and criticising the jurisdictional approach to IP litigation, when citing Justice LADDIE H. in case *Fort Dodge Animal Health et al. v. AKZO Nobel*, [1998] F.S.R. 222, October 14, 1997.

copyright infringement.¹³⁵² Both scenarios (personality rights infringements and IP infringements) will be compared. This will enable us to see if it may result in different approaches to establishing court for these two types of infringements.

6.5.1. Difficulties relating to the application of Art. 7(2) BRR to IP infringements

Whether proceedings concerning infringements of intellectual property rights may also fall within the scope of Art. 7(2) BRR (or before Art. 5(3) Brussels Convention 1968), were extensively discussed in early academic writings.¹³⁵³ Difficulties relating to the application of this rule to IP infringements stemming from the definition of the "place where the damage occurred" given in the *Bier*.¹³⁵⁴

This question has become the subject of two opposite doctrinal theories: "unitary" and "duality" doctrines.¹³⁵⁵ According to unitary doctrine, the defendant could not be sued in both places (the place where the damage originated and in the place where it occurred) and only the "place of an infringing act" was claimed to constitute an appropriate forum.¹³⁵⁶

The reason for such approach has been seen in the strict territoriality of IP rights. Since IP rights cannot be infringed in the country where they do not exist, the "place of the harmful event" under Art. 7(2) BRR was claimed¹³⁵⁷ to amount to the place where IP rights are protected. The "place of the act" could not be distinguished from the "place of the damage," because the occurrence of damages not always may be a requirement for IP infringements.¹³⁵⁸

The overall justification under unitary doctrine was grounded on the specific legal nature of intellectual property rights, when two infringing acts (like unauthorised reproduction and distribution) may occur separately in different countries, where such rights are protected.

¹³⁵² For instance, KONO T. (2012), *Intellectual Property and Private International Law ...*, *op. cit.*, p. 48-55, see also case of the UK Royal Courts of Justice Strand London WC2A 2LL, *HRH The Duchess of Sussex v Associated Newspapers Limited*, [2021] EWCA Civ 1810, concerning privacy and copyright claims from Meghan Markl against the publisher of the Mail on Sunday over a letter she sent to her father.

¹³⁵³ For example, at: BOELE-WOELKI K., KESSEJIAN C. (1998), *Internet – Which Court Decides?...*, *op. cit.*, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, METZGER A. (2009), "Jurisdiction in Cases Concerning Intellectual Property ...," *op. cit.*, XALABARDER R. (2014), "Jurisdiction and applicable law issues..." *op. cit.*, p.175-177, FAWCETT J. J., TORREMANS P. (2011), "Intellectual Property and Private International Law..." *op. cit.*, NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, MATULIONYTE R. (2015), "Enforcing Copyright Infringements Online..." *op. cit.*

¹³⁵⁴ C-21/76, *Bier* (1976).

¹³⁵⁵ See, for example, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 55, also, KRAMER X., LAZIC V., BLAUWHOFF R., FROHN L. (2012), *A European Framework for private international law...*, *op. cit.*, METZGER A. (2009), "Jurisdiction in Cases Concerning Intellectual Property ...," *op. cit.*, KUNDA I. (2016), "Jurisdiction for copyright infringements..." *op. cit.*

¹³⁵⁶ For example, METZGER A. (2009), "Jurisdiction in Cases Concerning Intellectual Property ...," *op. cit.*, p. 250-255, KUNDA I. (2016), "Jurisdiction for copyright infringements..." *op. cit.*, p. 85-90.

¹³⁵⁷ For example, TORREMANS P. (2016), "Jurisdiction for cross-border intellectual property..." *op. cit.*

¹³⁵⁸ KONO T. (2012), *Intellectual Property and Private International Law ...*, *op. cit.*, p. 55, METZGER A. (2009), "Jurisdiction in Cases Concerning Intellectual Property ...," *op. cit.*

This would mean that they may constitute two different infringements, governed by the laws of different states.¹³⁵⁹

The duality doctrine, on the contrary, refuses any special treatment for IP infringements in the meaning of Art. 7(2) BRR and advocates a dual head jurisdiction (at the “place of the event giving rise to the damage” and at the “place where the damage occurred”). Otherwise, the procedural alternative for the claimant would be reduced significantly, amounting (in most cases) to the place of the defendant’s domicile.¹³⁶⁰

The arguments of this doctrine focus on the procedural aspects of special jurisdiction, abandoning questions concerning substantial law. Courts should not consider the substantial law at the stage of deciding jurisdiction.¹³⁶¹ Besides, the principle of territoriality is preserved, as soon as *lex loci protectionis* will apply. The CJEU in the recent rulings had adopted the duality doctrine and further its development will be illustrated in the following chapters.¹³⁶²

As a whole, in an absence of specific guidance from the CJEU, which would address IP infringements at that time,¹³⁶³ it had been generally accepted that Art. 5(3) Brussels Convention 1968 should apply to intellectual property litigation.¹³⁶⁴ However, the provisions of Brussels Convention 1968 were ill-equipped to address the cross-border enforcement of intellectual property rights and severely obstructed the multi-territorial litigation.

The distinction between validity and infringement of registered intellectual property rights under Art. 5(3) Brussels Convention 1968 had been often unclear, leading to various abusive practices. For instance, this provision had been used in the abusive litigation strategy (the so-called “torpedo” proceedings).¹³⁶⁵ “Torpedo” was used as a tactical tool of filing a declaration of non-infringement and block the initial claims from IPRs holders.

Later, both in Italy and in Belgium (the two preferred “torpedo venues”),¹³⁶⁶ the courts have found ways to block it. In the national Italian case in *Macchine Automatiche v. Windmoller &*

¹³⁵⁹ As it was commented, for example, at For example, METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*, KUNDA I. (2016), “Jurisdiction for copyright infringements...,” *op. cit.*, p. 85.

¹³⁶⁰ For instance, see at: NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...,” *op. cit.*, LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*, NUJTS A., HATZIMIHAL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.*

¹³⁶¹ As it was described, for instance, at: KUR A. (2014), “Secondary Liability for Trademark Infringement ...,” *op. cit.*, and KUNDA I. (2016), “Jurisdiction for copyright infringements...,” *op. cit.*

¹³⁶² See more at Chapter 7 and Chapter 8.

¹³⁶³ Before C-509/09 and C-161/10, *eDate Advertising and Others* (2011), there was no ruling from the CJEU, concerning interpretation of jurisdiction for online torts.

¹³⁶⁴ For instance, KONO T. (2012), *Intellectual Property and Private International Law ...*, *op. cit.*

¹³⁶⁵ See more to this issue, for example, at: BERGSON I. (2015), “The death of the torpedo action? The practical operation of the Recast’s reforms to enhance the protection for exclusive jurisdiction agreements within the European Union,” *Journal of Private International Law*, 11:1, p. 1-30.

¹³⁶⁶ For example, decisions of Paris Tribunal de Grande Instance, *Schaerer Schweiter Mettler A.G. v. Fadis SpA*, [2002] IIC 225, 9 March 2001 and Brussels Tribunal de Première Instance, *Röhm Enzyme v. DSM Basf* [2002] IRDI 321, 12 May 2000, where the courts raised the policy arguments and explicitly recognised that the aim of the bringing of the claims was to block other proceedings.

Holscher KG,¹³⁶⁷ the court ruled that since in a declaratory action the plaintiff denies that any tort has been committed, the special jurisdiction under Art. 5(3) Brussels Convention 1968 cannot be invoked.

Fortunately, with the development of the Brussels regime (when Brussels I Regulation and, further, Brussels Regulation Recast 1215/2012 were adopted) the case law eventually set the limits to such litigation abusive practices.¹³⁶⁸

The Brussels Regulation Recast 1215/2012 has addressed this problem in a series of efficient provisions¹³⁶⁹ aimed at preventing parties from bringing proceedings in bad faith, and delaying outcome of the case: the court according to an exclusive jurisdiction can continue to hear a claim without waiting for the court first seised to stay its proceedings.¹³⁷⁰

The allocation of current version of Art. 7(2) BRR, when IPRs were infringed in the online context, has also been a subject to multiple controversies,¹³⁷¹ specifically felt in relation to the scope of jurisdiction. This unclarity had been transported into national case law, affecting the question of applicability of the *Shevill* doctrine to IP online infringements.

6.5.2. Transportation of the *Shevill* approach to IP litigation

Before the CJEU ruling in *eDate*¹³⁷² (2011), the national courts of the EU Member States were left without any guidance on how to approach international jurisdiction for online infringements. According to the *Shevill* interpretation of Art. 5(3) Brussels Convention 1968 (currently, Art. 7(2) BRR) for personality rights infringements, it is possible to find a competent court both at the “place where the damage occurred,” and at the “place of the event giving rise to it.”¹³⁷³ However, it was unclear if the same should apply to the intellectual property infringements. For instance, it had been argued¹³⁷⁴ that the harm could only occur in the country of IPR protection and the “event giving rise to the damage” must take place in that same country.¹³⁷⁵

Starting from *Shevill*, the national case law was based on various analogies drawn from the personality rights infringements and case law from foreign jurisdictions in order to solve the

¹³⁶⁷ In the Italian case: the Corte Suprema di Cassazione, *Macchine Automatiche v. Windmoller & Holscher KG*, 12 December 2003.

¹³⁶⁸ For instance, at BERGSON I. (2015) “The death of the torpedo action?...,” *op. cit.*

¹³⁶⁹ Brussels Regulation Recast 1215/2012, Recital 22 claims the need to enhance the effectiveness of exclusive choice of court agreements, and the need to avoid abusive litigation practices, addressing the Italian torpedo by allowing a court with exclusive jurisdiction to allocate its jurisdiction regardless of if it was first seised.

¹³⁷⁰ Brussels Regulation Recast 1215/2012, Art. 29(2) requires specific communication between the courts of the EU Member States to notify about the proceedings seized (Art. 32 BRR).

¹³⁷¹ For instance, NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*

¹³⁷² C-509/09 and C-161/10, *eDate Advertising and Others* (2011).

¹³⁷³ C-68/93 *Shevill and others* (1995).

¹³⁷⁴ For example, METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*, FAWCETT J. J., TORREMANS P. (2011), “Intellectual Property and Private International Law...,” *op. cit.*

¹³⁷⁵ *Ibid.*

dilemma of the interpretation of the “event giving rise to the damages” for intellectual property infringements. In particular, a crucial consideration was: how the *Shevill* approach should be transported to IP litigation and, to the online environment specifically? Which set of criteria should be applied to copyright and trademark infringements, taking into account significant differences between them? Whether any analogies may be drawn for copyright and trademarks infringements from case law concerning other types of torts?

Let us consider an example of an IP infringement case involving different jurisdictions: for instance, under a copyright scenario, when a Spanish company distributed copies infringing copyright of a French company, sending them from Spain to France and Belgium.

According to the *Shevill* approach, if a Spanish defendant had distributed infringing copies in Spain, Belgium and France, the French courts may adjudicate those claims arising out of such distribution in France, but not in Spain and Belgium. At the same time, the Spanish courts (as the courts of the defendant’s domicile) will have the competence to rule over the infringements in all these countries (Spain, Belgium and France).

What if the Spanish defendant first made available the copies not in Spain, but, for instance, in Portugal? And further from Portugal the Spanish defendant then sent the infringing copies to Spain, Belgium and France? May the Portugal court (as the “place of the origination of the harm”) be competent to hear claims arising out of “the original publication,” including claims relating to foreign territories to which copies were sent?¹³⁷⁶

In the *Shevill* interpretation it was left open if the scope of jurisdiction at the “place of the event giving rise to the damage” would amount to the same full scope as it was the case at forum of the defendant’s domicile. An interplay between these two places (which not always may coincide), had been made a subject for further discussions and will be examined in the following chapters.

A similar analogy may be drawn between the circulation of a defamatory newspaper article and circulation of advertising in newspapers that infringes a trademark. Let us consider that the company markets its services by advertising in a newspaper published in Spain, which is distributed throughout Europe. If the newspaper contains an advertisement that infringes a trademark in several states, it may be argued that the infringing company could be sued in Spain (as the place of defendant’s domicile and the “place of the act giving rise to the damage”) for the damages occurred in all these countries.

Even less legal certainty has taken place about advertising on a website, which in a similar manner can be accessed in all Member States. In particular, the connection between the forum and alleged infringement had to be decided in relation to the online ubiquitous damage (which might occur simultaneously in several states). Therefore, developing a coherent approach to IP infringements in the online context was highly awaited.

6.5.3. The national case law before eDate

¹³⁷⁶ For instance, according to NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.*, the answer would be positive.

Art. 5(3) Brussels Convention 1968 had been at the centre of the debate regarding online IPR infringements,¹³⁷⁷ before the CJEU ruled on jurisdiction for online torts in *eDate* (2011).¹³⁷⁸ Finding an efficient set of jurisdictional criteria under this provision had become the most recurrent issue arising in the national practice of the EU Member States.

In a line with *Shevill* newspaper distribution, it was argued,¹³⁷⁹ that mere online accessibility of infringing content was infringing IPRs in all EU Member States. For example, in France, a mere online accessibility of the website, coupled with available protection for IP rights within the French territory would justify the full scope of jurisdiction for the French courts.¹³⁸⁰ At the same time, the Austrian courts adopted a more restricted “targeting” approach, accepting jurisdiction when infringing activities were “directed” to the forum, and limiting the jurisdictional scope to the territory of the court seized.¹³⁸¹

In light of this, the courts of various EU Member States had followed different tendencies. Brussels Regulation 44/2001 set a specific regulation to online infringements of consumer’s rights¹³⁸² and some national courts looked at consumer jurisdiction and its adaptation to the online context. However, such analogy had been rather debatable since contractual jurisdiction differs significantly by its nature from tort jurisdiction. Other national courts had taken a rather extensive approach¹³⁸³ and began assessing jurisdiction for online IP infringements on the ground of a mere online accessibility of the website, or virtually *everywhere*.

A significant evolution of the national case law followed in a variety of attempts to generate a coherent approach to special jurisdiction concerning online IP infringements. In particular, by analogy with the case law of the US,¹³⁸⁴ some national courts relied upon the concept of “passive and active websites,” on the degree of “interactivity,” when “active” commercial websites had been considered the sites of online retailers, while “passive” sites aimed only

¹³⁷⁷ For example, NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.*, MAUNSBACH U. (2004), “Some reflexions concerning jurisdiction...,” *op. cit.* General aspects on jurisdiction in cross-border cases are addressed, for example, at LUNDSTEDT L., MAUNSBACH U., (2003), “Jurisdiction and Applicable Law: A Swedish Perspective on Cross-border Enforcement of Intellectual Property Rights,” *NIR 2003:3*, p. 212.

¹³⁷⁸ In a meaning of some guidance defining jurisdiction for online torts.

¹³⁷⁹ For instance, at MAUNSBACH U., LINDSKOUG P. (2010), *Jurisdiction and Internet in Relation to Commercial Law...*, *op.cit.*

¹³⁸⁰ As it was commented at: KONO T. (2012), *Intellectual Property and Private International Law ...*, *op. cit.*, p. 55.

¹³⁸¹ *Ibid.*, p. 55-58.

¹³⁸² Brussels Regulation Recast 1215/2012, Art.15-21 implement jurisdiction in consumer contracts and individual contracts of employment, allowing protection of the *weaker* party.

¹³⁸³ As it was commented at: NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.*, as “[...] a distrustful approach to the new phenomena.”

¹³⁸⁴ The United States District Court for the Western District of Pennsylvania, *Zippo Manufacturing Co. v. Zippo Dot Com, Inc.*, 952 F. Supp. 1119 (W.D. Pa. 1997), as a landmark opinion regarding Internet jurisdiction, in which the Court established personal jurisdiction over a defendant providing Internet services.

Also, the national courts had been following the legal policy proposals and recommendations, concerning IP online enforcement. For instance, the WIPO Recommendations suggested the “commercial effect” criterion¹³⁸⁶ as a restricting factor for the question of jurisdiction which further served a solid ground for the “targeting” test. Further generation of the national case law concerning IP infringements (after *Shevill*) had been characterised by a significant limitation of the special jurisdiction grounds, depending on factual situations.¹³⁸⁷

Various scenarios from copyright and trademarks cases may illustrate the wide range of interpretations of “the place where the harmful event occurred” under Art. 7(2) BRR that have been applied by national courts. Hence, it is worth examining the evolution of national case law within the EU, so as to identify and appreciate the jurisdictional evolution.

6.5.3.1. “Online accessibility” of a web site and the place of download

The “online accessibility” approach was the initial solution for IP online infringement claims.¹³⁸⁸ Under this approach, the national courts had been allocating jurisdiction over online infringing activity on the mere fact that such an online service could be accessed and downloaded in the court’s territory. This solution was justified by the fact that infringing activity could give rise to damages in multiple states, and thereof the place of potential download should be relevant. Particular examples of the national case law will illustrate the challenges that it had brought.

The most debatable issue arising in early national case law was if the “place where the harmful event occurs” at the territory of any country where the infringing content be downloaded.

For instance, the Internet expansion has led to numerous trademark conflicts in the online context that can illustrate early case law. The French case *SG 2 v. Brokat informationssysteme GmbH* concerned an online use of the mark PAYLINE. It involved a German company which owned the registered trademark “payline” in Germany for the “Brokat-payline” Internet payment system used on its website: www.brokat.de. A French company was the owner of a prior “payline” trademark issued in France and covering identical services.

¹³⁸⁵ Also discussed, for instance, at NUYTS A., HATZIMIHAIL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.*

¹³⁸⁶ The WIPO, *Joint Recommendation Concerning the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet*, (2001), Geneva, WIPO Publication No. 845(E), which served a solid ground for “commercial effect” concept, further known also as the “targeting” test.

¹³⁸⁷ For instance, the possibility to grant cross-border injunctions was accepted by the Dutch Supreme Court in *HR 24-11-1989, NJ 1992/404, Lincoln v. Interlas*, (1989), in trademark case brought by an American plaintiff against a Dutch defendant.

¹³⁸⁸ In French case, Nanterre Court of Appeals, *SG2 v. Brokat Informationssysteme GmbH*, 13 October 1996, as was commented, for example, METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*, p. 253-256, and also referred at MAUNSBACH U. (2004), “Some reflexions concerning jurisdiction...,” *op. cit.*

The French plaintiff brought an injunction against the infringing use of its registered French trademark on the German website. The defendant had never sold its products in France and used the trademark solely on the German site. The defendant opposed the French court's jurisdiction with respect to the global prohibition on the use of the trademark, claiming that it might only be issued by a German court.

However, the French court established its jurisdiction over the German defendant under Art. 5(3) Brussels Convention 1968. The court held¹³⁸⁹ that the Internet is "essentially" worldwide, the defendant's website was globally accessible, and, thus, the "place where the harmful event occurred" included French territory. On this basis, an injunction was issued against Internet use of the trademark obliging the defendant to cease using the "payline" trademark in France in any manner, and hence also, and in particular, on the Internet.

This position was reiterated by the French Supreme Court in *Castellblanch v Sté Champagne Louis Roederer*.¹³⁹⁰ A Spanish company manufactures and markets in Spain the sparkling wine for which it has a registered trademark "Cristal." A French company Roederer is also a manufacturer of a champagne for which a trademark "Cristal" was registered in France. The Spanish company was accused of the trademark infringement because its website was accessible under a domain name "castellblanch.com," designed in Spanish, Catalan and English. The French court established its jurisdiction, rejecting the defendant's reasoning that the website was directed not at the French but rather the Spanish public.

Similar scenarios took place in Austria and Germany.¹³⁹¹ The mentioned above decisions were argued to have a global impact on the Internet¹³⁹² and would afford national trademarks worldwide online protection that would contradict the principle of territoriality of trademarks (when trademark protection should be limited to the territory of registration). The trademark owner, however, cannot prevent the use and/or registration of its trademark by a third party abroad if it does not own foreign trademarks.¹³⁹³ A trademark is enforceable only within the territory of the country where it is registered, but a web page is accessible virtually everywhere. If the trademark was not used online, the litigation would not have occurred and both companies would probably have continued to use the same trademark in separate territories. This scenario, however, appears to be unrealistic in the current development of

¹³⁸⁹ As it commented, for instance, at: BRETONNIERE J.F., CAILAC C. (2008), "Online trademark infringement: key issues before the French courts," *Building and enforcing intellectual property value. Baker & McKenzie SCP France*.

¹³⁹⁰ The French Supreme Court in *Castellblanch v Sté Champagne Louis Roederer*, 9 December 2003, SA [2004] IL Pr 41, as it was referred at: BRETONNIERE JF and CAILAC C. (2008), "Online trademark infringement...", *op. cit.*

¹³⁹¹ The German court in OGH, GRUR Int., 2002, 265 - *Red Bull*, 24 April 2004, as it was referred at: METZGER A. (2009), "Jurisdiction in Cases Concerning Intellectual Property ...," *op. cit.*, p. 255.

¹³⁹² For example, NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), "Cross-Border Litigation...", *op. cit.*, MAUNSBACH U. (2004), "Some reflexions concerning jurisdiction...", *op. cit.*, METZGER A. (2009), "Jurisdiction in Cases Concerning Intellectual Property ...," *op. cit.*

¹³⁹³ A company should apply for a trademark in each country or group of countries (using the EU trademark) to which it expects to conduct its business activities.

e-commerce and online marketplaces. Trademarks which previously co-existed peacefully in the offline context, covering different territories, inevitably began to conflict online.¹³⁹⁴

The “online accessibility” approach had since been queried by legal literature as inappropriately expansive and unpredictable for resolving trademark online infringements. The national courts have been searching for a more restrictive set of jurisdictional criteria.

6.5.3.2. “Targeting” test

Taking into account new types of trademark online infringements,¹³⁹⁵ the next generation of national case law has taken a distinct approach, focusing instead of mere online accessibility, on the territory and the public targeted by the website.

For instance, in the German case *Hotel Maritime*¹³⁹⁶ jurisdiction was established on the fact that the Danish website “.dk” had “intentionally directed” to German online users¹³⁹⁷ and reservation service was available in the German language. Also, the French courts after *Hugo Boss v Reemtsma*¹³⁹⁸ and *Fernand S., Normalu v. Acet*¹³⁹⁹ followed the reasoning that the mere online accessibility of a website from France is insufficient grounds for jurisdiction, instead, if the website targeted the French public should be proven.¹⁴⁰⁰ Also, the language of the website, its domain name and currency should be taken into account.

¹³⁹⁴ See, for instance, the above mentioned French case, *SG2 v. Brokat Informationssysteme GmbH* (1996), the US case, in *Zippo Manufacturing Co. v. Zippo Dot Com, Inc.* (1997).

¹³⁹⁵ For instance, the use of keywords by search engines, as (C-236/08) - (C-238/08) *Google France SARL and Google Inc. v Louis Vuitton Malletier SA, Google France SARL v Viaticum SA and Luteciel SARL, and Google France SARL v Centre national de recherche en relations humaines (CNRRH) SARL and Others* (2010). A keyword generator called Google Adwords allows the advertiser’s commercial links to be displayed whenever internet users enter one of the keywords bought by the advertiser. The court decided that the reproduction and use of words ‘Louis Vuitton’, ‘Vuitton’ and ‘LV’ by the keyword generator created by Google France and Google Inc were directly related to the products designated by the trademarks and qualified as trademark infringement.

¹³⁹⁶ The German case in *Hotel Maritime*, Bundesgerichtshof Urt. v. 13 October 2004, Az.: I ZR 163/02, when the website was intentionally directed to German users.

¹³⁹⁷ As it was commented at METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*, p. 256.

¹³⁹⁸ The French case from French Supreme Court, *Hugo Boss v. Reemtsma Cigarettenfabrik*, 11 January 2005.

¹³⁹⁹ According to the French case from Normalu Paris Cour d’Appel, *Fernand S., Normalu v. Acet* availa, 26 April 2006, it is necessary to find and identify in every case a “sufficient link, substantial or significant, between the [wrongful] fact or acts and the alleged damage.” Such link could not be established as the website, which was designed in English, did not offer any product to French customers and there was no evidence that the products advertised on the website in question were on sale in France.

¹⁴⁰⁰ As it was commented at BRETONNIERE JF and CAILAC C. (2008), “Online trademark infringement ...,” *op. cit.*, in the *Hugo Boss* decision several reproductions of the trademarks HUGO BOSS, BOSS and BOSS HUGO BOSS were visible on a foreign website. “[...]The Supreme Court held that the French public were not targeted by the foreign website since the website was in German and no products were made available to the French public. In addition, a single use of the French word ‘Bienvenue’ was insufficient grounds to hold that the website targeted the French public. As a result, the court held that the defendant had committed no trademark infringement in France.”

There were also attempts to apply “targeting” test to copyright litigation. For example, in *Internet Fotos*,¹⁴⁰¹ the “direct to” test was used in order to allocate jurisdiction of the German court to the copyright claim. The court concluded that the use of photographs in an advertisement on a “.uk” website was not directed to German users.

On the other hand, the solutions of “direct to” or “targeted public” were argued to be unsuitable for copyright online infringements.¹⁴⁰² The challenges might appear in establishing jurisdiction for claims, concerning infringements of copyright of internationally known persons. When particular websites infringing copyright by unauthorised offering music for download, a targeted audience may practically amount to a worldwide audience.

The CJEU’s case law for copyright infringements has increased significantly since the mid-2000s, however, the cases related to online copyright infringements have been relatively few.¹⁴⁰³ Some of cases concerned a conflict between copyright and personal data protection,¹⁴⁰⁴ while other were related to an ordinary Internet use. Hence, before the ruling in *eDate*, there was no common approach to allocation jurisdiction for copyright claims.

Meanwhile, the “targeting” test was adopted by the CJEU for another type of online infringements, in particular, concerning consumers’ claims.¹⁴⁰⁵ In *Pammer*,¹⁴⁰⁶ the CJEU held that in order to consider a “directing” activity to the Member State of the consumer’s domicile within the meaning of Art. 15(1)(c), it is not sufficient that the website can be online accessible from that country. Instead, it must be defined whether the defendant was envisaging doing business with consumers domiciled there, according to the following factors:

- the international nature of the trader’s activity;
- mention of itineraries from the other Member States for going to the place where the trader is established;
- use of a language, a currency or a top-level domain name other than the language, currency or top-level domain name generally used in the Member State in which the trader is established;
- mention of telephone numbers with an international code;
- mention of an international clientele, etc.

Unfortunately, that time it was left open whether this reasoning can be transposed to the interpretation of the “place of the damage” in the context of Article 5(3) Brussels Convention 1968.

¹⁴⁰¹ The German case in *Internet Fotos*, OLG Köln 30 October 2007, GRUR-RR 2008, 7.

¹⁴⁰² See, for example, at METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*, p. 257.

¹⁴⁰³ The cases from 2008 until 2014 deal with the issue of copyright infringement online and the Directives’ interpretations, leaving the jurisdictional aspects aside.

¹⁴⁰⁴ For instance, C-275/06, *Productores de Música de España (Promusicae) v Telefónica de España SAU*, (2008).

¹⁴⁰⁵ Brussels Regulation Recast 1215/2012, Art. 17-18.

¹⁴⁰⁶ C-585/08, *Pammer and Hotel Alpenhof* (2010).

6.5.3.3. *The “place of activity” or causal event approach*

One more tendency had been followed by national courts before 2011 as to localise the infringement at the “place where the defendant mainly acted”¹⁴⁰⁷ or the “place of an infringing act.” This solution considered subjecting IP online infringements to the court of the “place where the infringing conduct originated,”¹⁴⁰⁸ that could also amount to the “place of the act of the alleged infringer.” In a broad sense, the “place of activity” was expected¹⁴⁰⁹ to be localised where the infringing content uploading was initiated and/or controlled.

Under this consideration, these two places (the “place of the act” and the “place of the damage”) could coincide in the situations with IP online infringements. Since IP rights holders may restrict a variety of unauthorised actions, this allows finding an IP infringement at the place of such actions: where books were copied or where the goods were sold.¹⁴¹⁰ In the context of Art. 7(2) BRR, the “place of the event giving rise to the damage” amounts to the “place from where the defendant acted to initiate the allegedly infringing activity.”

The “place of activity” or “casual event”¹⁴¹¹ approach is not undebatable for a number of disadvantages: while favouring online service providers (as they could be sued only in the country from where they acted or the country of their domicile), it may weaken the enforcement of copyright online.¹⁴¹² Besides, it would often coincide with the place of residence of the defendant, significantly diminishing a special jurisdictional ground.

Thus, at the time when the CJEU’s interpretation’s activity in relation to IP online infringements was rather low, the national case law of the EU Member States had been making various attempts to set an appropriate solution. Some of the approaches were drowned from the academic guidances (as CLIP and ALI Principles), combining different criteria to overcome the limitation of one single approach. For example, a “direct to” test was proposed¹⁴¹³ together with the set of additional requirements for establishing a close

¹⁴⁰⁷ As was commented, for instance, at: METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*, p. 253-256. Also, the place of the server’s location was considered (however, was not become popular due to its uncertainty).

¹⁴⁰⁸ MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...,” *op. cit.*

¹⁴⁰⁹ Hence, it may coincide with the defendant’s domicile.

¹⁴¹⁰ For instance, as it was referred at FAWCETT J. J., TORREMANS P. (2011), “Intellectual Property and Private International Law...,” *op. cit.*

¹⁴¹¹ For instance, KUNDA I. (2016), “Jurisdiction for copyright infringements...,” *op. cit.*

¹⁴¹² MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...,” *op. cit.*

¹⁴¹³ In particular, the CLIP Principles (2004) under Art. 6(1) had combined various jurisdictional criteria, including “direct to” concept, and also the ALI Principles, under Section 204(2) had applied the provisions from DREYFUSS R. C. and GINSBURG J. C. (2001), *Draft Convention on Jurisdiction...*, *op. cit.*

connection with the territory of the court seized. Besides, the “commercial effect” criterion, drawn from WIPO Recommendation,¹⁴¹⁴ have been widely supported.¹⁴¹⁵

In the lack of a proper interpretation of Art. 7(2) BRR for online infringements, the “commercial effect” criterion became rather popular.¹⁴¹⁶ Despite the fact that WIPO Joint Recommendation did not set private international law rules, the “commercial effect” criterion had been used in this context, aiming at preventing situations with too broad jurisdictional claims (based on the “online accessibility” approach). The proposals on providing a separate solutions for online IP infringements were criticised as “[...] it might lead to a quite complex situation, which compromises foreseeability.”¹⁴¹⁷

The national courts in the EU faced an emerging need for various legislative adaptations to the reality of online IP infringements, struggling for finding a coherent set of jurisdictional criteria. Since the adjudication of special jurisdiction was left to the court seized consideration, the national case law had played a decisive role in creating a foundation for current interpretations from the CJEU.

Only starting from 2011, some light on special jurisdiction in online infringement cases was cast by the CJEU in *eDate*.¹⁴¹⁸ The case concerned infringements of personality rights by means of content placed online on a website. The CJEU held that the person who considers that his personality rights have been infringed has the option of bringing an action for liability, in respect of all the damage caused, either before the courts of the Member State in which the publisher of that content is established or before the courts of the Member State in which the centre of his (the plaintiff’s) interests is based.

By this interpretation the CJEU had made an attempt to adapt the *Shevill* approach to the infringements in the online context.¹⁴¹⁹ The evolution of a subsequent IP case law after this cornerstone ruling will be examined at the next chapter. The crucial point of the *eDate* ruling analysis is if the criteria from online defamation cases may also fit the claims concerning IP online infringements. Noteworthy that IP litigation in the US had been walking by a similar road. The EU legal practice adapted (at least to some extent) the terminology and the conceptual approaches of the US case law.¹⁴²⁰

¹⁴¹⁴ The WIPO, *Joint Recommendation Concerning the Protection of Marks...*, *op. cit.*, Art. 13.02 Paragraph (1). “In principle, a decision as to remedies should take into account the territorial limitation of marks or other industrial property rights in signs. Remedies should, therefore, be limited, as far as possible, to the territory in which the right is recognized, and they should only be available if the allegedly infringing use of the sign can be deemed to have taken place in that territory (see Article 6). This is determined with regard to the “commercial effect” of such use in the Member State in question (see Articles 2 and 3). Thus, the “commercial effect” of Internet use should serve as a yardstick for determining a “proportionate” remedy.”

¹⁴¹⁵ In particular, for instance, at: METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*, the “commercial effect” approach was supported in a combination with “directed to” criterion.

¹⁴¹⁶ Supported, also, for example, at NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.*, MAUNSBACH U. (2004), “Some reflexions concerning jurisdiction...,” *op. cit.*, METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*

¹⁴¹⁷ MAUNSBACH U. (2004), “Some reflexions concerning jurisdiction...,” *op. cit.*

¹⁴¹⁸ C-509/09 and C-161/10, *eDate Advertising and Others* (2011).

¹⁴¹⁹ See more to this question at the previous chapter.

¹⁴²⁰ TEREENTIEVA L. (2013), “Conflicts of laws concerning copyright in the Internet Development (on the examples of Russia, the USA and Japan)” (“Kolizionnoe regulirovanie avtorskih otnishenij v usloviah razvitiya

Jurisdictional tests from defamation cases were adapted by American courts to online defamation and later to online IP infringements. For instance, *Calder* ruling (which concerned a classic defamation case) has been further reformulated for the online context in *Young v. New Heaven Advocate*.¹⁴²¹ Here, the case concerned online publication of a foreign entity and the court applied the “directed to” test to access if the defendant expressly aimed at the forum territory. The “directed to” (the “targeting”) test was further transported to IP case in *Zippo*,¹⁴²² to define the nature and quality of the defendant’s online activity: as if a website at stake is “passive” (concerning the mere readership) or “active” (as a selling marketplace), and other connections with the forum.

Since, the treatment of privacy and freedom of expression in the US legal doctrine differs from the privacy and data protection solutions, adopted in the EU,¹⁴²³ the jurisdictional approaches for personality rights infringements are also distinct. Instead of the “targeting” test from the US defamation case law, in the EU the criterion of the “centre of victims’ interests” was adopted for special jurisdiction concerning online personality infringements. Whether analogous transportation of jurisdictional approaches from personality rights jurisdiction to IP jurisdiction is realistic will be a subject to a comparative analysis in the following chapters.

6.6. Summary

The fast emerging digital communication and its inevitable affect on online enforcement of IP rights have created numerous approaches for addressing jurisdictional challenges that have been created. The proposals vary from changing the existing legal framework to adjusting the current law to new needs.

The territorial criteria for international jurisdiction had started to lose their effectiveness in the online context. Technological advances may allow parties to rather easily manipulate their territorial location. One may agree that “[...] the quest of market actors for tactical advantage, and of legal actors for equitable solutions, can sabotage the best doctrinal system.”¹⁴²⁴

The “online accessibility” approach creates a risk of unpredictable litigation within a foreign jurisdiction that affects small and medium online companies and restrict the development of e-commerce. The national courts (in the above-mentioned cases) came to a common conclusion that online accessibility of an infringing content in the forum should not be considered a sufficient justification to establish jurisdiction. The mere fact that online infringing content can be reached worldwide cannot give an international jurisdiction to courts. At the lack of proper CJEU’s interpretation, the question of whether the IP claims

Interneta (na primere Rossii, USA I Japonii), *Право. Журнал Высшей школы экономики*. № 3. С, р. 151-172.

¹⁴²¹ The US Supreme Court, *International Shoe Co. v. Washington*, 326 US 310 (1945); 465 U.S. 787 (1984), as was referred at NUYTS A., HATZIMIHAIL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.*, p.44.

¹⁴²² The US case in *Zippo Manufacturing Co. v. Zippo Dot Com, Inc.* (1997).

¹⁴²³ For instance, at BRKAN M. (2015), *Data Protection and European Private International Law...*, *op. cit.*, p. 20, and also, NITSEVICH N. (2015), *Intellectual property rights...*, *op. cit.*

¹⁴²⁴ NUYTS A., HATZIMIHAIL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.*

under Art. 7(2) BRR should be different from other claims concerning online infringements has been left open.¹⁴²⁵

7. Chapter VII: Localising online IP infringements at “the place of the event, giving rise to the damage” (Art. 7(2))

¹⁴²⁵ Moreover, the relationship between jurisdiction and applicable law was also questioned at MAUNSBACH U. (2004), “Some reflexions concerning jurisdiction...,” *op. cit.*

BRR)

7.1. Introduction

The so-called the principle of *duality* for jurisdiction (pursuant to Art. 7(2) BRR)¹⁴²⁶ was introduced by the CJEU in the *Shevill* ruling. According to it, the “place where the harmful event occurred” is supposed “to cover both the place where the damage occurred and the place of the event giving rise to it” (further “the place of the event” and “the place of the damage”).

The Internet challenges an application of this *dual head* jurisdiction and significantly transforms both jurisdictional grounds under Art. 7(2) BRR (also called as “heads” or “limbs,” linking factors, connecting factors):¹⁴²⁷ the “place of the event giving rise to the damage,” and the “place where the damage occurred.”¹⁴²⁸ A sequence of actions from uploading infringing content on a webpage and its display on the screen somewhere does not allow accessing the place of an infringement for the jurisdictional purpose. Duality of jurisdictional grounds under Art. 7(2) BRR has survived in the online context, however, its effectiveness remains rather doubtful.

In the previous chapter, we described how jurisdictional criteria for online IP infringements had been developing through the national case law of EU Member States. National courts struggled to adjust existing territorial criteria to ubiquitous cross-border nature of online infringements. The CJEU further transformed jurisdictional criteria under Art. 7(2) BRR for offline infringements to infringements in the online context.¹⁴²⁹

The present chapter will focus on the interpretational evolution of the first jurisdictional *head* under Art. 7(2) BRR - “the place of the event giving rise to damage” (or “the place of the event”).¹⁴³⁰ The second one, “the place where the damage occurred,” will be analysed in the next chapter.¹⁴³¹

We believe that it is possible to examine these two jurisdictional grounds separately, as soon as the claimant is granted an opportunity to choose between them.¹⁴³² Unfortunately, very

¹⁴²⁶ Brussels Regulation Recast 1215/2012.

¹⁴²⁷ For instance, LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*, KUNDA I. (2016), “Jurisdiction for copyright infringements...,” *op. cit.*

¹⁴²⁸ These concepts have been transformed when applied in the context of online infringements, deviating essentially from traditional territorial criteria for offline infringements. The “online accessibility” approach is an exclusively online infringement’s solution which reflects a ubiquitous nature of online environment and challenges it may bring.

¹⁴²⁹ C-509/09 and C-161/10, *eDate Advertising and Others* (2011).

¹⁴³⁰ Since it leads to the place of an infringer’s establishment for online IP torts.

¹⁴³¹ However, the applicability of this factor is even more uncertain and unpredictable than the “place of the event giving rise to damage,” see more to the discussion, for instance, at: For instance, LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*, KUNDA I. (2016), “Jurisdiction for copyright infringements...,” *op. cit.*, also the Opinion of Advocate General Cruz Villalón in C-441/13, *Pez Hejduk v EnergieAgentur.NRW GmbH* (EU:C:2014:2212).

¹⁴³² See, for example, for example, TORREMANNS P. (2016), “Jurisdiction for cross-border intellectual property...,” *op. cit.*, p. 7: “[...] the unauthorised act of reproduction, when damage becomes in these cases a separate factor that can give rise to jurisdiction.”

often both jurisdictional *heads* are discussed together, without marking a clear distinction between them.

The “place of the event giving rise to the damage” (as the first jurisdictional ground according to Art. 7(2) BRR) is not very popular in academic cycles. Most of solutions refer to “the place where the damage occur,” while skipping “place of the event giving rise to the damage” as less relevant connection factor. The reason for this is its coincidence with a defendant’s *forum* (under Art. 4(1) BRR).

At the same time, a coherent allocation of the “place of the event giving rise to the damage” affects an efficiency of dual *head* jurisdiction under Art. 7(2) BRR. If it leads to a defendant’s seat, such jurisdictional ground may stay truly alternative only by means of “the place where the damage occur.”

Firstly, this chapter will make an attempt to propose a coherent solution to ascertaining the “place of the event giving rise to the damage” and thereof contribute to the ongoing debate in the field. Secondly, we will focus on the case law evolution for IP registered rights, following also an outline of challenges in defining jurisdiction for IP registered rights with an EU effect. The chapter will end with a discussion on decisive *loci* for the “place of the event giving rise to the damage” for the IP online infringements and analogous extension to online infringements of other unregistered IPRs. The overall conclusion addresses the question on whether the jurisdictional solutions for IP online infringements under Art. 7(2) BRR should be different from other online cross-border infringements.

Although some references are made to the US approaches and opinions, the main focus will be on the CJEU case law. The issues of whether the UK can remain a Member State of the Brussels Regime after it leaves the EU will not be discussed here. Due to the analysed case law (which is mostly dated before the Brexit withdrawal Agreement)¹⁴³³ and the purpose of the thesis (limited to the CJEU case law), the UK will be treated as an EU Member State.¹⁴³⁴

7.2. The concept of “the place of the event, giving rise to the damage” for IP infringements

The “the place of the event, giving rise to the damage” (or the “place of the event”) as an independent legal concept emerged from the dual jurisdictional approach to Art. 7(2) BRR, adopted in *Bier*¹⁴³⁵ and later, in *Shevill*. These early rulings brought no clarity either on how to identify the location of this place, nor the scope of jurisdiction for the court at his place. The scenarios concerning IP infringements, and online IP infringements in particular, further challenge the legal certainty in ascertaining jurisdiction: should they be treated differently from pollution and defamation infringements?

¹⁴³³ Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community, 24 January 2020 (2019/C 384 I/01) (the Brexit withdrawal Agreement), setting the terms of the withdrawal of the UK from the EU and Euratom. The United Kingdom's withdrawal from the Union took effect on 11 p.m. GMT on 31 January 2020, and at that moment the Withdrawal Agreement entered into force, as per its article 185.

¹⁴³⁴ Depending on the future regime, the UK may be in a *sui generis* position of being a BRR contracting member state without being part of the EU.

¹⁴³⁵ 21/76, *Bier v Mines de Potasse*, (1976).

Although it is generally accepted that Art. 7(2) BRR covers IP infringements,¹⁴³⁶ scholars are still questioning the *flexibility* of *Shevill* doctrine and the very rationale of its transportation to the IP claims.¹⁴³⁷ These doubts are grounded on the principle of territoriality. According to the territorial nature of IP rights, jurisdiction may traditionally arise within the territory where the IPR is protected under national law.¹⁴³⁸

At the same time, since the territoriality¹⁴³⁹ of IP rights has been considered a principle of substantive law,¹⁴⁴⁰ it should not be irrelevant for the purpose of allocation of jurisdiction. The rationale of transporting dual *head* jurisdiction to IP rights infringements cases has become a striking point in academic debate.¹⁴⁴¹

The unitary theory (which supports a unitary ground for jurisdiction)¹⁴⁴² advocates an essential *deviation* from the *Shevill* interpretation to the cases concerning IP rights infringements. Unlike the duality theory (which claims double jurisdictional grounds),¹⁴⁴³ it supports one single jurisdictional ground, namely an “act of infringement,”¹⁴⁴⁴ which should be considered as the only *locus* for the purpose of defining jurisdiction under Art. 7(2) BRR.

The focal point of the disagreement is the role of substantive law’s aspects at the jurisdictional stage: should substantive law issues be addressed at the jurisdictional level? The unitary theory supports a single meaning of the concept of “an act of infringement” for both purposes: when defining jurisdiction and deciding the substantive law aspects. By contrast, the theory of duality rejects any references to the substance at the jurisdictional level.

Despite the conceptual distinctions between two theories, they share a common problem when seeking for proper definitions of the jurisdictional grounds. Neither theory of duality, nor unitary doctrine clearly answer the question on where to allocate the “place of an infringing act” and “the place of the event giving rise to the damage” for IP infringements in the online context. Various academic reasonings suggest the place of establishment of an

¹⁴³⁶ KUNDA I. (2016), “Jurisdiction for copyright infringements...,” *op. cit.*, p.78, LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*, SAVIN A. (2016), “Jurisdiction Over Cybertorts ...,” *op. cit.*

¹⁴³⁷ SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 55, KRAMER X., LAZIC V., BLAUWHOFF R., FROHN L. (2012), *A European Framework for private international law...*, *op. cit.*, XALABARDER R. (2014), “Jurisdiction and applicable law issues...,” *op. cit.*, NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...,” *op. cit.*

¹⁴³⁸ CJEU, Case C-189/08, *Zuid Chemie*, 16 July 2009 (EU:C:2009:475), paragraph 24, confirming that there is no legal protection outside of territory of the registration.

¹⁴³⁹ Traditionally, in intellectual property cases, an infringement can be committed only within the territory where the right is protected. See more to this extent, for example, at: NUYTS A., HATZIMIHAIL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.*, MAUNSBACH U. (2004), “Some reflexions concerning jurisdiction in cases on cross-border trademark infringements through the Internet,” *Scandinavian Studies in Law*, 47, p. 493-512.

¹⁴⁴⁰ As it was commented, for instance, at NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*

¹⁴⁴¹ For example, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, KRAMER X., LAZIC V., BLAUWHOFF R., FROHN L. (2012), *A European Framework for private international law...*, *op. cit.*, METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*, KUNDA I. (2016), “Jurisdiction for copyright infringements...,” *op. cit.*

¹⁴⁴² As it was referred, for example, at SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, LUNDSTEDT L. (2016), *Territoriality in Intellectual Property Law*, Stockholm: Department of Law, Stockholm University, p. 585.

¹⁴⁴³ The CJEU has adopted dual jurisdictional grounds under Art. 7(2) BRR, see more to this extent, for instance, at KUNDA I. (2016), “Jurisdiction for copyright infringements...,” *op. cit.*, p. 83.

¹⁴⁴⁴ For instance, JOORIS E. (1996), “Infringement of Foreign Copyright and the Jurisdiction of English Courts,” 3 *EIPR* 127, p. 139-140, LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*

infringer as its possible and more predictable location.¹⁴⁴⁵ However, an interplay between the concepts of “an act of infringement,” “the place of the event giving rise to the damage” and the “place of the defendant’s establishment” remains undetected properly.¹⁴⁴⁶ The most debatable and crucial is the question of the scope of international jurisdiction for courts at these places, which is be the specific subject of the present thesis.

7.2.1. A quest for finding the best location

The legal substance of the concept of the first jurisdictional ground under Art. 7(2) BRR (“the place of the event giving rise to the damage”) highly depends on the fact where this place can be allocated: where an alleged infringer acted or established?

The CJEU applied two distinct approaches¹⁴⁴⁷ to define “the place of the event giving rise to the damage”: while according to *Bier*,¹⁴⁴⁸ it leads to the place where act was physically performed, according to *Shevill*,¹⁴⁴⁹ it is the place where the infringer is established.¹⁴⁵⁰

In *Shevill* the references to the establishment were argued¹⁴⁵¹ to be made only because it was the place from which the harm originated, and, instead, the place of origin of the harm should be considered a decisive *locus*. While these literal distinctions may be irrelevant in the offline context, territorial connecting factors between a dispute and a court do not work effectively in the online environment.

On the one hand, it may be argued that the “place of establishment” should prevail for allocation of jurisdiction under the first jurisdictional ground of Art. 7(2) BRR (“the place of the event”) concerning online IP infringements.¹⁴⁵² On the other hand, the difference may be blurred, because in most cases “the place of an infringing act” and “the place of establishment” will coincide.¹⁴⁵³ An ongoing debate may be illustrated by two contradictory doctrinal approaches to this issue.

¹⁴⁴⁵ See, for example at LUTZI T. (2017), “Internet cases in EU PIL..., *op. cit.*, CJEU, C-51/97, *Réunion européenne SA and Others v Spliethoff’s Bevrachtingskantoor BV and the Master of the vessel Alblasgracht V002*, 27 October 1998 (ECLI:EU:C:1998:509), which concerned the Art. 5(1) and (3) and (6) Brussels Convention 1968, in the context of claim for compensation by the consignee or insurer of the goods on the basis of the bill of lading against a defendant who did not issue the bill of lading but is regarded by the plaintiff as the actual maritime carrier. The “place of defendant’s seat” was defined as the relevant place for the purpose of special jurisdiction, the same as unitary approach supports a single forum for special jurisdiction (see more, for example, at METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*, p.250-255, KUNDA I. (2016), “Jurisdiction for copyright infringements...,” *op. cit.*, p. 85-90). However, the CJEU has further confirmed the dual jurisdictional ground under Art. 5(3) Brussels Convention 1986 (currently Art. 7(2) BRR) in its subsequent case law.

¹⁴⁴⁶ More to this extent see, for instance, at KONO T. (2012) (ed.), *Intellectual Property and Private International Law: Comparative Perspectives*, Hart Publishing, p. 124, p. 55 - 62.

¹⁴⁴⁷ For example, NUYTS A. (2008), “Suing at the place of infringement: the application of Article 5 (3),” *International litigation in Intellectual property and Information technology*, Kluwer, p.119-120.

¹⁴⁴⁸ 21/76, *Bier v Mines de Potasse*, (1976).

¹⁴⁴⁹ C-68/93 *Shevill and others v Presse Alliance* (1995), paragraph 24, the court at “the place of the event giving rise to the damage,” was concluded to have jurisdiction to hear the action for the total damages caused by the unlawful act, “[...] since that is the place where the harmful event originated and from which the libel was issued and put into circulation.”

¹⁴⁵⁰ By contrast, some authors read this wording in another sense, when the key was the “place of the harm origin.” For example, for example, at ENGELEN D. (2010), “Jurisdiction and Applicable Law...,” *op.cit.*

¹⁴⁵¹ For instance, NUYTS A. (2008), “Suing at the place of infringement...,” *op. cit.*, ENGELEN D. (2010), “Jurisdiction and Applicable Law...,” *op.cit.*, p. 19.

¹⁴⁵² CJEU, C-523/10, *Wintersteiger AG v Products 4U Sondermaschinenbau GmbH*, 19 April 2012 (ECLI:EU:C:2012:220), paragraph 37, 21/76, *Bier v Mines de Potasse*, (1976).

¹⁴⁵³ As was pointed, for instance, at KUNDA I. (2016), “Jurisdiction for copyright infringements...,” *op. cit.*, p. 85-90, when addressing the concepts of *locus damni* together with the *locus actus*.

7.2.1.1. A unitary theory: special treatment for IP infringements

In the early rulings from the CJEU no unitary interpretation for Art. 7(2) BRR had been adopted. It was assumed¹⁴⁵⁴ that there was no rational in interpreting this provision in a unitary manner for all types of infringements.

IP infringements have been considered¹⁴⁵⁵ structurally distinct from other torts: they normally lack the damage as a necessary requirement for constituting a tort.¹⁴⁵⁶ The occurrence of the harm may become a separate jurisdictional factor in IP cases.¹⁴⁵⁷ This silent feature of IP infringements is arguably not sufficient for finding a court,¹⁴⁵⁸ and may prevent application of dual jurisdictional grounds for IP claims. Accordingly, this understanding of IP infringements distinguishes them from the ordinary torts “[...] for which Article 7(2) was designed.”¹⁴⁵⁹ The proponents of unitary theory¹⁴⁶⁰ claim a special treatment to IP infringements, due to specific features that they may have.

The “place of an infringing act” is considered¹⁴⁶¹ as extended and independent concept in a dichotomy of an “act” and an “effect,” and appears to be broader than “the place of the event giving rise to the damage” in dual *head* jurisdiction under Art. 7(2) BRR. In this meaning, the “place of an infringing act” may cover also the “place where the damage occurred” as an “effect,” making this concept closer by its meaning to special jurisdiction under Art. 7(2) BRR (as a more general concept).

Instead of the place of the infringer’s establishment, the unitary concept of an “infringing act” is supported¹⁴⁶² as a relevant location for IP infringements.¹⁴⁶³ It has been especially advocated for IP rights with an EU effect,¹⁴⁶⁴ where the concept of an “act of infringement” was interpreted as *locus actus*¹⁴⁶⁵ for the EUTM field.¹⁴⁶⁶

¹⁴⁵⁴ *Ibid.*, p. 77.

¹⁴⁵⁵ For example, KUR A. (2018), “Abolishing Infringement Jurisdiction for EU Marks? – The Perfume Marks Decision by the German Federal Court of Justice,” *IIC - International Review of Intellectual Property and Competition Law*, Volume 49, Issue 4, p. 452–465, KUR A. (2015), “Enforcement of unitary intellectual property rights: international jurisdiction and applicable law,” *JIPLP*, 10, p. 468–480.

¹⁴⁵⁶ As it was explained, for instance, at TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...,” *op. cit.*, p.11. By contrast, it may be states that special jurisdiction under Art. 7(2) BRR is either related to factual occurrence of the damage, due to the damage “may occur” wording.

¹⁴⁵⁷ *Ibid.*

¹⁴⁵⁸ For instance, as it was referred at FAWCETT J. J., TORREMANS P. (2011), “Intellectual Property and Private International Law...,” *op. cit.* paragraphs 10.28-10.32.

¹⁴⁵⁹ TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...,” *op. cit.*

¹⁴⁶⁰ For example, BOGDAN M. (2013), “Jurisdiction in Disputes about Infringements of IP Rights,” *Masaryk University Journal of Law and Technology*, p. 193, FAWCETT J. J., TORREMANS P. (2011), “Intellectual Property and Private International Law...,” *op. cit.*, KUR A. (2018), “Abolishing Infringement Jurisdiction for EU Marks...,” *op. cit.*, KUNDA I. (2016), “Jurisdiction for copyright infringements...,” *op. cit.*

¹⁴⁶¹ NUYTS A., HATZIMIHAL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.*

¹⁴⁶² As it was commented, for instance, at NITSEVICH N. (2015), *Intellectual property rights... op.cit.*, the “place of the event” under Art. 7(2) BRR as the first *limb* of the modified version of *Shevill* is based on the “place where the act of infringement occurred.”

¹⁴⁶³ FAWCETT J. J., TORREMANS P. (2011), “Intellectual Property and Private International Law...,” *op. cit.*, p. 168 and paragraph 10.60 for a detailed analysis.

¹⁴⁶⁴ For example, NUYTS A. (2008), “Suing at the place of infringement...,” *op. cit.*

¹⁴⁶⁵ See more at KUR A. (2015), “Enforcement of unitary intellectual property rights: international jurisdiction...,” *op. cit.*, KUNDA I. (2016), “Jurisdiction for copyright infringements...,” *op. cit.*, p. 90.

¹⁴⁶⁶ This was adopted in CJEU, C-172/18, *AMS Neve Ltd and Others v Heritage Audio SL and Pedro Rodríguez Arribas*, 5 September 2019 (ECLI:EU:C:2019:674), but it will be analysed in the next chapter.

One may agree that the principle of strict territoriality of IP rights may provide a solid ground for such the unitary approach to IP infringement claims. IP rights may be enforced only within the territory of the State which provides protection for such rights:¹⁴⁶⁷ if infringing goods are distributed to the countries where they are not protected, no IP infringement can be found.

The territorial nature of IP rights and the importance of substantive IP law protection could justify the unitary interpretation of Art. 7(2) BRR for IP claims. As a result, the dual *head* jurisdiction would be restricted to one single forum, when *locus actus* and *locus damni* may be located in the same state.¹⁴⁶⁸

7.2.1.2. A duality theory: an extension of dual jurisdictional grounds to IP infringements

By contrast to the unitary theory, according to the theory of duality,¹⁴⁶⁹ the “place of the event giving rise to the damage” constitutes only one of two possible jurisdictional grounds (under Art. 7(2) BRR). Proponents of the duality theory consider¹⁴⁷⁰ that unitary theory confuses issues of jurisdiction with substantial IP law protection. Instead, substantial IP law aspects should not influence jurisdiction.

The duality theory refuses the place of an “infringing act” as rather complicated and complex for the jurisdictional purpose. It may require an examination of the case substance and amounts to different places at the same time.¹⁴⁷¹ Instead, it was suggested to allocate jurisdiction on dual jurisdictional grounds or only at the “place where the damage occurred.”¹⁴⁷² It worth to mention that supporters of the duality doctrine involves mostly PIL-focused experts,¹⁴⁷³ who deny any unique or special treatment for the IP infringements. They advocate the jurisdictional duality as “an expression of the succession of jurisdictional rule.”¹⁴⁷⁴

The rationale behind such approach is based on the Brussels Regime framework which is conceptually distinct from a specific IP legislation. While EUTMR aims at reducing *forum shopping* in trademark litigation,¹⁴⁷⁵ BRR implements the jurisdictional principle of access to

¹⁴⁶⁷ As it was stated, for example, in Berne Convention for the Protection of Literary and Artistic Works.

¹⁴⁶⁸ It was suggested that the “place of the event giving rise to the damage” and the “place where damage occurred” should be the same, see, for instance, BOGDAN M. (2013), “Jurisdiction in Disputes about Infringements...”, *op. cit.* Also, at FAWCETT J. J., TORREMANNS P. (2011), “Intellectual Property and Private International Law...”, *op. cit.*, it was concluded that it is not necessary to have the place of establishment as an alternative basis of jurisdiction under Art. 7(2) BRR.

¹⁴⁶⁹ For instance, PAZDAN M., SZPUNAR M. (2008), “Cross-Border Litigation of Unfair Competition over the Internet” in NUYTS A. (2008), *International Litigation in Intellectual Property And Info Technology*, Kluwer Law International, p. 28, NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...”, *op. cit.*, NITSEVICH N. (2015), *Intellectual property rights... op.cit.*, ENGELEN D. (2010), “Jurisdiction and Applicable Law...”, *op.cit.*

¹⁴⁷⁰ NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...”, *op. cit.*

¹⁴⁷¹ In particular, for online marketplace activities it may amount to the “place of goods’ manufacture,” or to the “place of sales,” or to the “place of importation.”

¹⁴⁷² For example, at: LUTZI T. (2017), “Internet cases in EU PIL...”, *op. cit.*

¹⁴⁷³ They are arguably mostly PIL-focused commentators, for example, NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...”, *op. cit.*, NITSEVICH N. (2015), *Intellectual property rights... op.cit.*, ENGELEN D. (2010), “Jurisdiction and Applicable Law...”, *op.cit.*, SENDER M.P. (2002), *Cross-border Enforcement of Patent Rights. An Analysis of the Interface Between Intellectual Property and Private International Law*, Oxford Private International Law Series, p. 360.

¹⁴⁷⁴ NITSEVICH N. (2015), *Intellectual property rights... op.cit.*

¹⁴⁷⁵ For example, NUYTS A. (2008), “Suing at the place of infringement...”, *op. cit.* p. 116.

justice. Taking into account substantive IP law aspects at the jurisdictional level would be contrary to fundamental jurisdictional principles. Art. 7(2) BRR as a special jurisdictional rule does not contain any specific references to substantial IP law protection.¹⁴⁷⁶ In this frame, the dual grounds for jurisdiction (adopted in *Bier* and endorsed in *Shevill*), was argued¹⁴⁷⁷ to be applicable equally to IP infringements.

The CJEU transported the dual *head* jurisdiction under Art. 7(2) BRR from a pollution claim to a defamation infringement. As soon as the conceptual gap between IP and personality rights infringements maybe not that significant,¹⁴⁷⁸ the dual jurisdictional grounds under Art. 7(2) BRR may be equally applicable to IP claims. Intellectual property and personality rights may often intertwine. The results of IP infringements may essentially be the same as in defamation, when they both involve dematerialised damage. While the duality approach, endorsed in the ruling in *Shevill*, may virtually allow suing for an IP infringement outside of the country of protection, the unitary approach supports territoriality, allocating jurisdiction only in the country where IPR is protected.

7.2.1.3. The substantive IP law aspects at the jurisdictional level

Two theories (unitary and duality) come to a different conclusion with regard to an affect of substantive law features on jurisdiction. While unitary approach proponents support an essential influence of substantive law aspects on jurisdiction, the duality approach refuses it as a premature *mini-trial* at the level of jurisdictional.

The role of substantive law aspects for accessing jurisdiction reflects the national law approaches with the regard to a specific legal system. As it was described by J.J. Faccett and P. Torremans,¹⁴⁷⁹ these contradicting approaches may be represented by the UK and Germany. While, UK national courts advocate the importance of investigating the substantive law and an alleged infringement at the jurisdictional level,¹⁴⁸⁰ German courts allocate jurisdiction notwithstanding the factual analysis of an infringement under substantive law.¹⁴⁸¹

At the same time, the demarcation line between the substantive law concepts and jurisdictional criteria is often vague and not clearly recognised in either of legal systems.¹⁴⁸² For example, for the jurisdiction allocation, the UK court assesses specific active steps which constitute an infringement (like an advertisement, which was aimed at or directed to its

¹⁴⁷⁶ For instance, it was stated in C-170/12, *Pinckney v. Mediatech* (2013).

¹⁴⁷⁷ As it was referred at NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, Ref. 695.

¹⁴⁷⁸ Indeed, this conclusion was supported, for example, at NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), "Cross-Border Litigation..." *op. cit.*, on the one hand, and at FAWCETT J. J., TORREMANS P. (2011), "Intellectual Property and Private International Law..." *op. cit.*, on the other.

¹⁴⁷⁹ FAWCETT J. J., TORREMANS P. (2011), "Intellectual Property and Private International Law..." *op. cit.*, paragraphs 10.32-10.35.

¹⁴⁸⁰ *Ibid.*, paragraph 10.54, as it was commented in relation to the UK case, *Euromarket Designs Inc v Peters* [2000] E.T.M.R. 1025, 25 July 2000.

¹⁴⁸¹ The German case in *Hotel Maritime*, Bundesgerichtshof Urt. v. 13 October 2004, Az.: I ZR 163/02.

¹⁴⁸² For example, at OTCHENASH M. (2018), "Suing online platform for Copyright..." *op. cit.*, where the German court did not make such distinction.

territory).¹⁴⁸³ The German courts may also establish the connection with German territory without a clear distinction between jurisdiction and the case merits analysis.¹⁴⁸⁴

Neither the CJEU essentially recognises a distinction between jurisdiction and substantive law concepts, although it should be strongly avoided.¹⁴⁸⁵ In *Bier*, the CJEU accessed the legal nature of the tortious act,¹⁴⁸⁶ and in *Shevill* the substantive law features of a tort were also analysed when defining jurisdiction.¹⁴⁸⁷ The CJEU further continues making references to the substantive law concepts as “liable to have an influence on jurisdiction.”¹⁴⁸⁸

While the analysis of the case merits (when referring to the substantive law) may be rather effective for preventing the abusive practices (such as, for instance, so-called procedural “trolls” or “empty claims”),¹⁴⁸⁹ allocating jurisdiction on the grounds of substantive law may lead us to a mini-trial at this level. Assessing the case merits is not the rationale behind jurisdiction and its fundamental principles may be undermined.

Each type of IP rights has its specific legislation: copyright law and trademark law have adopted different substantive law concepts.¹⁴⁹⁰ This arguably has resulted in adopting different jurisdictional approaches for online infringements of registered and unregistered IP rights.¹⁴⁹¹

Substantive law aspects are taken into account when making references to the IP law of particular Member State. For instance, the so-called “uploading rule”¹⁴⁹² may be a relevant location for the “place of an infringing act” in online copyright infringements. For trademarks, an “act of infringement” may amount to an “[...] act of use of trademark on a website, which is identical or similar to that of a registered trademark.”¹⁴⁹³ In this regard, the relevant factors may be: an advertisement itself and (if it was directed towards the court’s territory, including the effect of the website), its content and context. Under this concern, the “place of an act of infringement” may coincide with “the place of the damage” in trademark online infringements.

¹⁴⁸³ The UK case, *Euromarket Designs Inc v Peters* [2000].

¹⁴⁸⁴ These questions are often addressed together, for example, in the German case, *Hotel Maritime*, Bundesgerichtshof Urt. v. 13.10.2004, Az.: I ZR 163/02, when the website was intentionally directed to German users.

¹⁴⁸⁵ As it was referred at KUNDA I. (2016), “Jurisdiction for copyright infringements...,” *op. cit.*, p.88, when commenting on Art. 5(1) BRR.

¹⁴⁸⁶ 21/76, *Bier v Mines de Potasse* (1976).

¹⁴⁸⁷ C-68/93 *Shevill and others v Presse Alliance* (1995), paragraphs 29, 30.

¹⁴⁸⁸ CJEU, C173/11, *Football Dataco Ltd and Others v Sportradar and others*, 18 October 2012 (ECLI:EU:C:2012:642), which concerned the infringement of the ‘sui generis’ right over a database, and localisation of the act of re-utilisation. Paragraph 30 defines that deciding where the acts of infringements according to substantive law take place “[...] is liable to have influence on jurisdiction,” precisely: “It follows that the question of the localisation of the acts of sending at issue in the main proceedings, which Football Dataco and Others claim have caused damage to the substantial investment involved in creating the Football Live database, is liable to have an influence on the question of the jurisdiction of the referring court, with respect in particular to the action seeking to establish the principal liability of Sportradar in the dispute before that court.”

¹⁴⁸⁹ “Empty claims” may be filled with the purpose of a procedural abuse when the dispute is initiated artificially with no purpose to resolve it. See more, for instance, at TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...,” *op. cit.*, SAG M. (2014), “Copyright Trolling...,” *op. cit.*

¹⁴⁹⁰ For instance, reproduction, communication to the public, copying etc.

¹⁴⁹¹ See further in this chapter.

¹⁴⁹² FAWCETT J. J., TORREMANS P. (2011), “Intellectual Property and Private International Law...,” *op. cit.*

¹⁴⁹³ *Ibid.*

On the other hand, some authors claim¹⁴⁹⁴ that it is inappropriate to differentiate between registered and unregistered IP rights, because they are territorial. For both copyright and trademark claims “the place of the event giving rise to the damage” was argued¹⁴⁹⁵ to amount to the “place of uploading of infringing material, the display and offer for sale of goods.” Further, the “place of an infringer’s establishment,” in the meaning of a person who uploads infringing material, was suggested¹⁴⁹⁶ as a common jurisdictional criterion under Art. 7(2) BRR for copyright and trademark infringements and a more reliable place.

7.2.2. A flexible Shevill doctrine

The CJEU has been following the duality approach to jurisdiction under Art. 7(2) BRR in its subsequent case law. The challenge, however, remains in its adaptation to the online context. Due to a rather easy reach of information disseminated by the Internet, the location of “the place of the event giving rise to the damage” (as well as “the place where the damage occurred”) remains uncertain.

The insufficiency of available interpretations of Art. 7(2) BRR concerning online infringements,¹⁴⁹⁷ the CJEU has adapted the *Shevill doctrine*¹⁴⁹⁸ in the ruling in *eDate*. The main focus in this case has been switched to an infringer, when the publisher of press media was referred to as a publisher of online content.

Since it may be rather difficult to define where *de facto* infringing material was uploaded and put on the website, the “place of infringer’s establishment” (as a person who uploads infringing material) should become¹⁴⁹⁹ the only reliable place for online infringements in general, and IP online infringements, in particular.

The wording of the *Shevill* interpretation, however, does not clearly indicate the rationale behind the references to the “place of the publisher’s establishment.” One may argue that the references were made because it was the place from “[...] which the harm originated.”¹⁵⁰⁰ As “the place of origin of the harm” almost always coincides with “the place of defendant’s establishment” or domicile, in *Shevill* we arguably have experienced a coincidence between the “place of an infringer’s establishment” and the “place of an infringing act”.¹⁵⁰¹

¹⁴⁹⁴ In other words, despite the requirement of registration, differences exist more at level of exclusive jurisdiction, see more at KUNDA I. (2016), “Jurisdiction for copyright infringements...,” *op. cit.*

¹⁴⁹⁵ In particular, it had taken place in the French case law, for instance: French Supreme Court (Cour de cassation), *Sté Agrisilos and SARL Saint Maury v. SA GRE Manufacturas and Sté Kitch*, 31 January 2006, the Supreme Court in *Castellblanch v Sté Champagne Louis Roederer*, 9 December 2003, as it was referred at: FAWCETT J. J., TORREMANS P. (2011), “Intellectual Property and Private International Law...,” *op. cit.* and NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, Ref. 714.

¹⁴⁹⁶ See, for example, at NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.*, p. 141.

¹⁴⁹⁷ C-509/09 and C-161/10, *eDate Advertising and Others* (2011), and Opinion of Advocate General Cruz Villalón in C-509/09 and C-161/10, *eDate Advertising and Others*, 29 March 2011 (ECLI:EU:C:2011:192).

¹⁴⁹⁸ NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, p. 18-22.

¹⁴⁹⁹ As it was referred for example, in the French case: the Supreme Court in *Castellblanch v Sté Champagne Louis Roederer*, 9 December 2003.

¹⁵⁰⁰ C-68/93 *Shevill and others v Presse Alliance* (1995), paragraph 24.

¹⁵⁰¹ For example, NUYTS A. (2008), “Suing at the place of infringement...,” *op. cit.* p. 119, ENGELEN D. (2010), “Jurisdiction and Applicable Law...,” *op.cit.*

According to Art. 7 (5) BRR,¹⁵⁰² the “place of the defendant’s establishment” should be considered as the distinct concept of the “place of the defendant’s domicile” under Art. 4 (1) BRR, even if they coincide. Otherwise, the CJEU (and the legislator) would use identical terminology.¹⁵⁰³ In this frame, joint application of Art. 7(2) BRR and 7(5) BRR allow filling claims against the publisher of the illegal content where its branch, agency or other establishment is situated.¹⁵⁰⁴

Unfortunately, since the ruling in *Shevill*, “the place of the event, giving rise to the damage” has not been sufficiently clarified. If this jurisdictional ground interpreted strictly as the defendant’s establishment, it would simply add an additional (and often identical) *forum* to the one provided under Art. 4 (1) BRR.¹⁵⁰⁵

Moreover, due to different meanings of the “establishment” and the “domicile,” the defendant may manipulate his location (for instance, by delegating the manufacture of infringing goods to a subsidiary). In this context, when choosing between “the place of establishment” or the “place of the defendant’s domicile,” the one which was involved in infringing activity¹⁵⁰⁶ should prevail.

Scholars had been questioning how “flexible” *Shevill* doctrine should be and how far it can apply. If we compare a transportation of the *Bier* jurisdictional approach (in pollution torts) to the *Shevill* (personality rights) case, the transfer of the *Shevill* doctrine to IP infringements would not be so extreme. Otherwise, if the CJEU had adopted different approaches to pollution, personality rights and IP infringements,¹⁵⁰⁷ it would stay in contradiction with required consistency of the case law concerning Art. 7(2) BRR.

At this point, both unitary and duality approaches may arguably deliver very similar solutions. The duality approach applies “place of a harmful event” as a dual head jurisdictional ground.¹⁵⁰⁸ Unitary theory uses a single concept of an “act of an infringement” which would also lead to the “place of a harmful event” under Art. 7(2) BRR (in the meaning that it would also include the “place of the damage,” along with the “place of the event”).

While duality doctrine proponents criticise unitary approach as not consistent with the CJEU case law, they both come to the conclusion on the applicability of the *Shevill* ruling to IP infringements.¹⁵⁰⁹ The *Shevill* interpretation (in its “modified” version) was claimed¹⁵¹⁰ to be acceptable for IP claims (suggesting, however, the “place of an infringing content uploading,”

¹⁵⁰² Precisely, in cases concerning the operations of a branch, agency or other establishment, the competent courts are the courts for wherever the branch, agency or other establishment is situated.

¹⁵⁰³ PAZDAN M., SZPUNAR M.(2008), *Cross-Border Litigation of Unfair Competition...*, *op.cit.*

¹⁵⁰⁴ CJEU, C-617/15, *Hummel Holding A/S v Nike Inc., Nike Retail BV*, 18 May 2017 (ECLI:EU:C:2017:390).

¹⁵⁰⁵ NITSEVICH N. (2013), “Article 5 (3) of the Brussels I Regulation and Its Applicability in the Case of Intellectual Property Rights Infringement on the Internet,” *World Academy of Science, Engineering and Technology International Journal of Law and Political Sciences Vol:7, No:7*.

¹⁵⁰⁶ For example, NUYTS A. (2008), “Suing at the place of infringement...,” *op. cit.*, p.121.

¹⁵⁰⁷ As it was concluded KUNDA I. (2016), “Jurisdiction for copyright infringements...,” *op. cit.*, while criticising the ruling in C-170/12, *Pinckney v. Mediatech* (2013).

¹⁵⁰⁸ For example, NUYTS A. (2008), “Suing at the place of infringement...,” *op. cit.*, p. 127.

¹⁵⁰⁹ Indeed, most commentators agree on the “place of establishment” as a relevant location for the “place of the event” under Art. 7(2) BRR. See, for instance, FAWCETT J. J., TORREMANS P. (2011), “Intellectual Property and Private International Law...,” *op. cit.* and NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, NUYTS A. (2008), “Suing at the place of infringement...,” *op. cit.*

¹⁵¹⁰ The so-called “modified” version is described for instance, at FAWCETT J. J., TORREMANS P. (2011), “Intellectual Property and Private International Law...,” *op. cit.*, paragraph 10.110.

instead of the “place of the infringer’s establishment,” as a key location for the “place of the event giving rise to the damage” under Art. 7(2) BRR).

While *Shevill* has been supported by scholars from both camps, the location of “the place of the event, giving rise to the damage” has been left contradictory: according to unitary theory, the so-called “alternative approach”¹⁵¹¹ to *Shevill* would lead to allocation jurisdiction at the “place of an infringing act,”¹⁵¹² but duality theory refuses it as “borrowed” from applicable law.¹⁵¹³

From the perspective of Art. 7(2) BRR, it may be concluded, that the duality approach to jurisdiction prevails, depending, however, on the specific scenarios concerning intellectual property infringements.¹⁵¹⁴ For instance, the meaning of the “place where the event, giving rise to the damage” may amount to the defendant’s establishment, or defendant’s domicile or the location of an act of an infringement.¹⁵¹⁵

Nevertheless, both doctrinal approaches should be taken into account when deciding jurisdiction for IP online infringements. A significant confusion between substantive law aspects and jurisdiction, encourages courts to make references to substantive law at the level of jurisdictional. While the duality of jurisdictional grounds may provide jurisdictional flexibility, specific legal features of IP infringements may still make sense. Harmonisation of IP substantive law concepts¹⁵¹⁶ and jurisdictional rules may arguably become an efficient solution¹⁵¹⁷ to respond the challenges of online IP infringements.

7.2.3. A full jurisdictional scope

Along with the jurisdiction allocation, dual jurisdictional grounds under Art. 7(2) BRR (as the “place of the event, giving rise to the damage” and the “place where the damage occurred”) reflect the territorial limitation of jurisdiction.

A scope of jurisdiction at “the place the event, giving rise to the damage” may be full or limited to the territory of a court seized. A possibility to claim a full scope of the damage or harm (including damages occurring in different states) is generally available at a court of the defendant’s domicile (under Art. 4 BRR).¹⁵¹⁸

The situation is less certain when it comes to Art. 7(2) BRR, concerning “the place of the event, giving rise to the damage: in *Shevill* it was left unresolved if a full scope of jurisdiction was granted because “the place of the event” was the same as the defendant’s seat, or the decisive was the place “from which the libel was issued and put into circulation.”¹⁵¹⁹

¹⁵¹¹ NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, p. 14-20.

¹⁵¹² TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...”, *op. cit.*, p. 12.

¹⁵¹³ NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, p. 18-22.

¹⁵¹⁴ This aspect will be illustrated further in this chapter.

¹⁵¹⁵ The situation for EUTM infringements after the ruling in C-172/18 *AMS Neve Ltd* (2019).

¹⁵¹⁶ The need to harmonise substantive law, instead of jurisdictional rules, was expressed, for instance, at CHRISTIE A. F. (2015), *Private International Law...*, *op. cit.*

¹⁵¹⁷ The need to supplement jurisdictional rules was highlighted, for example, at NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*

¹⁵¹⁸ For instance, at MAUNSBACH U., LINDSKOUG P. (2010), *Jurisdiction and Internet in Relation to Commercial Law...*, *op.cit.*

¹⁵¹⁹ C-68/93 *Shevill and others v Presse Alliance* (1995), The CLIP Principles and Commentary (2013), *Conflict of Laws in Intellectual Property*, commented by KUR A. at Art. point 2:203.C10, Oxford, OUP, p. 560, p. 90.

Should the coincidence with the defendant's domicile be decisive for granting full scope of jurisdiction? What if "the place of the event" under Art. 7(2) BRR cannot be located neither in the country where the defendant has his domicile (Art. 4 (1) BRR),¹⁵²⁰ nor in the country where the damage occurred?¹⁵²¹

On the one hand, the location of "the place of the event" was defined as "the place where the harm originated." It had the closest connection with the territory and could cover all damages, occurring from the harmful event. For instance, it can be the place where the material was uploaded to the server. In this frame, full jurisdiction may be granted at "the place of the event" as an "epicentre of infringement actions."¹⁵²²

By contrast, the location of the defendant (at the place of the establishment and at the place of domicile) was argued¹⁵²³ to be the only relevant place, where courts would grant a full scope of jurisdiction. Consequently, the plaintiff may be unable to bring a claim for a full compensation to the place "from which the libel was issued and put into circulation."

These contradictory approaches to a scope of jurisdiction for the courts at "the place of the event" invite a closer look at the *Shevill* interpretation. The first way of its reading reflects the necessity to concentrate claims for full compensation to the *forum*, where the infringing content originated.¹⁵²⁴ The second way of its reading is grounded on a general possibility to try the whole case exclusively in a court at the defendant's domicile (under Art. 4 BRR).¹⁵²⁵ The third way of its reading proposes to refuse this jurisdictional ground under Art. 7(2) BRR in a meaning that Article 7 (2) BRR would only allocate jurisdiction at the place where the damage occurred.¹⁵²⁶

Needless to say that the realistic possibility to claim a full compensation at the "place of the event" *forum* (as a result of Art. 7(2) BRR) makes this provision rather attractive for litigation strategies. In the present chapter we will make an attempt to justify a full jurisdictional scope at this *forum* for online infringements of IP rights.

7.3. The evolution of the CJEU's case law: chronology

The evolution of the CJEU's case law may be illustrated by different scenarios when registered and unregistered IP rights were infringed. The specific attention will be dedicated the relevant locations for the "place of the event" and a scope of jurisdiction at this place.

Relying upon the analysis of the CJEU's interpretations, the following will be questioned: What criterion should be decisive when defining the "the place where the event giving rise to the damage occurred" (Art. 7(2)) for IP infringements:

1. The place of the defendant's establishment or
2. The place of an act of infringement?

What scope of jurisdiction such courts should have:

¹⁵²⁰ 21/76, *Bier v Mines de Potasse* (1976), paragraphs 20 - 23.

¹⁵²¹ As it was described, for instance, at MAGNUS U., MANKOWSKI P. (2012), *Brussels I Regulation*, Sellier, p.972, p. 191.

¹⁵²² NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, p.15.

¹⁵²³ PAZDAN M., SZPUNAR M.(2008), *Cross-Border Litigation of Unfair Competition...*, *op.cit.*, p.149.

¹⁵²⁴ MATULIONYTE R. (2015), "Enforcing Copyright Infringements Online...", *op. cit.*

¹⁵²⁵ For instance, at MAUNSBACH U., LINDSKOUG P. (2010), *Jurisdiction and Internet in Relation to Commercial Law...*, *op.cit.*, NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, LUTZI T. (2017), "Internet cases in EU PIL...", *op. cit.*

¹⁵²⁶ For instance, NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, LUTZI T. (2017), "Internet cases in EU PIL...", *op. cit.*

1. A full scope: when the court has the power to rule over all the damage allegedly caused or
2. A limited scope: when the court may rule only over the damage which occurred within its territory?

As it is always better to start with a broad picture, let us examine these questions within the relevant scenarios concerning infringements of registered and unregistered IP rights. The chronology will allow us to compare a specific solutions, adopted for these IP infringements.

Table 1

The year of the CJEU's ruling	The <u>NATIONAL</u> Registered IP rights	The <u>EU</u> Registered IP rights	<u>UN</u> Registered IP rights	Comments
2011		EUTM in <i>L'Oréal SA v eBay International C-324/09</i>		The substantive law aspects, which influenced jurisdiction
2012	1. Trademarks in <i>Wintersteiger C-523/10</i> 2. Patents in <i>Folien Fischer C-133/11</i>		1. Copyright in <i>Donner C-5/11</i> 2. The <i>sui generis</i> right for data base in <i>Football Dotaco C-173/11</i>	The substantive law aspects, which influenced jurisdiction
2013			Copyright in <i>Pinckney v KDG Mediatech C-170/12</i>	
2014		EUTM in <i>Coty Germany GmbH v First Note Perfumes NV Case C-360/12</i>	Copyright in <i>Hi Hotel HCF SARL v Uwe Spoering C-387/12</i>	The offline context
2015			Copyright in <i>Pez Hejduk case v EnergieAgentur, Case C-441/13</i>	
2016				
2017		Community Design in <i>Nintendo / BigBen C-24/16</i>		The applicable law aspects, which influenced jurisdiction
2018				
2019		EUTM in <i>AMS Neve C-172/18</i>		An interplay with Art. 125(5) EUTMR

This Table illustrates that between 2011 and 2019 the CJEU rather fragmentary interpreted jurisdictional issues concerning to IP rights. The ruling in *L'Oréal*¹⁵²⁷ may be considered as the starting point which along with referring to the applicability of the EUTM substantive law, has further influenced deciding jurisdiction in this area.¹⁵²⁸

A year later in 2012, jurisdiction for online national trademarks received attention in *Wintersteiger*, which has become a groundbreaking for IP online infringements. The CJEU has been following this interpretation in the subsequent case law. Further, this approach was arguably extended to other national registered rights (in particular, *Folien Fischer*).¹⁵²⁹

The same year, the CJEU commented also on the substantive law aspects for online infringements in copyright¹⁵³⁰ and *sui generis* of the data base.¹⁵³¹ These rulings have had a significant effect on jurisdiction. In 2013, for the first time, jurisdiction for online copyright infringements was interpreted in *Pinckney*,¹⁵³² and in 2015 it was revisited in *Hejduk*.¹⁵³³

2014 was the year of jurisdiction for offline IP infringements. The CJEU interpreted Art. 7(2) BRR for trademark and copyright infringements (in *Coty*¹⁵³⁴ and *Hi Hotel* respectively).¹⁵³⁵

Last but not least, in a period between 2017 and 2019, EU registered IP rights received high attention. First, the CJEU interpreted the concept of an “act of infringement” in *Nintendo*.¹⁵³⁶ Further a groundbreaking interpretation of jurisdiction for online EUTM was provided (in *AMS Neve*).¹⁵³⁷

As can be seen from Table 1, there are still significant loopholes in interpretations Art. 7(2) BRR: online infringements of patents, designs and data base rights have not been subject

¹⁵²⁷ C-324/09, *L'Oréal and Others* (2011), concerning an offer for sale, on an online marketplace targeted at consumers in the European Union, of trade-marked goods intended, by the proprietor, for sale in third States.

¹⁵²⁸ C-172/18 *AMS Neve Ltd* (2019).

¹⁵²⁹ CJEU, C-133/11, *Folien Fischer AG and Fofitec AG v Ritrama SpA*, 25 October 2012 (ECLI:EU:C:2012:664).

¹⁵³⁰ CJEU, C-5/11, criminal proceedings against Titus Alexander Jochen Donner, 21 June 2012 (ECLI:EU:C:2012:370).

¹⁵³¹ CJEU, C173/11, *Football Dataco Ltd and Others v Sportradar and others*, 18 October 2012 (ECLI:EU:C:2012:642), which concerned the infringement of the ‘sui generis’ right over a database, and localisation of the act of re-utilisation.

¹⁵³² C-170/12, *Pinckney v. Mediatech* (2013).

¹⁵³³ C-441/13, *Pez Hejduk case v EnergieAgentur* (2015).

¹⁵³⁴ CJEU, C-360/12, *Coty Germany GmbH v First Note Perfumes NV* case, 5 June 2014 (ECLI:EU:C:2014:1318).

¹⁵³⁵ C-360/12, *Coty Germany GmbH v First Note Perfumes* (2014) and CJEU, C-387/12, *Hi Hotel HCF SARL v Uwe Spoering*, 3 April 2014 (ECLI:EU:C:2014:215).

¹⁵³⁶ CJEU, Joined Cases C-24/16 and C-25/16, *Nintendo Co. Ltd v BigBen Interactive GmbH and BigBen Interactive SA*, 27 September 2017 (ECLI:EU:C:2017:724).

¹⁵³⁷ C-172/18, *AMS Neve Ltd* (2019).

to the CJEU case law yet. Besides, it is left open if the interpretation, which was adopted for online EUTM infringements, should be extended to other areas of EU registered IP rights. As a whole, Table 1 reflects crucial evolution of the case law when jurisdictional criteria were generated and may sketch a potential for future interpretations.

7.4. IP rights registered at the national level

Chronologically, the ruling in *Wintersteiger*¹⁵³⁸ was the first ruling after *Shevill* which concerned an interpretation of Art. 7(2) BRR for national registered IP rights (and for IP infringements in the online context in general). The CJEU commented on trademark's infringements before in *L'Oréal SA v eBay*, however, giving more relevance to the "the place where the damage occurred."¹⁵³⁹

7.4.1. Online trademark s infringements (*Wintersteiger*)

The CJEU ruling in *Wintersteiger* concerned an online infringement of a national trademark through the use of a keyword.

A claimant, Austria-based company Wintersteiger made and sold internationally various ski parts and accessories. It owned the Austrian trademark WINTERSTEIGER since 1993 (also registered in Germany). A competitor, German-based Products 4U, made and sold accessories for Wintersteiger's tools. Wintersteiger did not sell or authorise the sale of its products by Products 4U. Nevertheless, Products 4U registered "Wintersteiger" as a Google AdWord in respect of searches carried out via the top-level domain for Germany (".de").

Wintersteiger brought an action for an injunction in the Austrian courts, according to Art. 5(3) Brussels Regulation 44/2001 (currently, Art. 7(2) BRR), aiming that "google.de" can also be accessed in Austria and that the referencing service is configured in German.¹⁵⁴⁰ Products 4U objected jurisdiction of the Austrian courts since the online advertisement was targeted only German customers.¹⁵⁴¹

In such a specific situation of online trademark infringement, the jurisdictional approaches of "online accessibility" and the "centre of interests" were questioned.¹⁵⁴² The CJEU followed its interpretation in *eDate*¹⁵⁴³ and *Shevill*, transporting the dual jurisdictional grounds and considering separately the concepts of the "place of the damage" and the "place of the event."¹⁵⁴⁴

¹⁵³⁸ CJEU, C-523/10, *Wintersteiger AG v Products 4U Sondermaschinenbau GmbH*, 19 April 2012 (ECLI:EU:C:2012:220).

¹⁵³⁹ It will be illustrated in chapter 8.

¹⁵⁴⁰ C-523/10, *Wintersteiger* (2012), paragraphs 10 -13.

¹⁵⁴¹ C-523/10, *Wintersteiger* (2012), paragraph 14.

¹⁵⁴² By contrast to the CJEU ruling itself, the questions for the preliminary ruling did not differentiate between the "place of the event" and the "place of the damage" under Art. 7(2) BRR.

¹⁵⁴³ However, with regard to the "place where the damage occurred," the criterion of "the centre of the victim's interests" from C-509/09 and C-161/10, *eDate Advertising and Others* (2011), was not extended to an infringement of intellectual property rights.

¹⁵⁴⁴ The CJEU pointed out that the expression "place where the harmful event occurred or may occur" covers both the "place where the damage occurred" and the "place of the event giving rise to it," so that the defendant may be sued, at the option of the applicant, in the courts for either of those places.

The “place where the event giving rise to the damage occurred” (which is a subject to the present chapter) was concluded to “[...] constitute a significant connecting factor from the point of view of jurisdiction, since it could be particularly helpful in relation to the evidence and the conduct of proceedings.” The Court stressed that even territoriality (as a fundamental principle for trademark protection) should not diminish the international jurisdiction of such courts.¹⁵⁴⁵

The “place where the event giving rise to the damage occurred” was interpreted as the “place where the activation of the display process was decided, which amounted to the place of establishment of the advertiser.”¹⁵⁴⁶ While the “place of establishment of the advertiser” was concluded to be “[...] a definite and identifiable place, both for the applicant and for the defendant,”¹⁵⁴⁷ other jurisdictional criteria (such as, for instance, the place of establishment of the server) were considered to be unsuitable for finding the “place of the event giving rise to the damage.” Often uncertain location of a server would not respond to the objective of foreseeability.¹⁵⁴⁸

The rationale behind granting a full scope of jurisdiction at the “place of the event” lied in the facilities to gather evidence, in the foreseeability of allocating jurisdiction, ensuring sound administration of justice.¹⁵⁴⁹ The actions of the advertiser, but not of the provider, were taken into account,¹⁵⁵⁰ treating Internet Service Providers (ISPs) as facilitators of information rather than publishers.¹⁵⁵¹

Moreover, the activation of advertisement and “not the display of the advertisement itself” has been taken into account when defining the “place of the event.”¹⁵⁵² In other words, it does not matter where such advertisement may be accessed, but where it was activated. The place of uploading should be defined with regard to the place where the defendant was based at the time when he or she made the allegedly infringing goods or services available online.¹⁵⁵³

By contrast, Advocate General Cruz Villalón suggested defining the “place of an infringing act” “[...] where the means necessary to produce an actual infringement of a mark were used.”¹⁵⁵⁴ He focused on “[...] objective elements which enable the identification of conduct which is in itself intended to have an extraterritorial dimension.” Common criteria for the

¹⁵⁴⁵ C-523/10, *Wintersteiger* (2012), paragraph 30: “[...] As regards, second, the place where the event occurred which gives rise to an alleged infringement of a national mark through the use of a keyword identical to that trade mark on a search engine operating under a country-specific top-level domain of another Member State, it should be noted that the territorial limitation of the protection of a national mark is not such as to exclude the international jurisdiction of courts other than the courts of the Member State in which that trademark is registered.”

¹⁵⁴⁶ C-523/10, *Wintersteiger* (2012), paragraph 37.

¹⁵⁴⁷ *Ibid.*

¹⁵⁴⁸ C-523/10, *Wintersteiger* (2012), paragraph 36.

¹⁵⁴⁹ C-509/09 and C-161/10, *eDate Advertising and Others* (2011), paragraph 38, C-523/10, *Wintersteiger* (2012), paragraph 31.

¹⁵⁵⁰ C-523/10, *Wintersteiger* (2012), paragraph 35.

¹⁵⁵¹ C-236/08 - C-238/08, *Google France SARL and Google Inc. v Louis Vuitton Malletier SA, Google France SARL v Viaticum SA and Luteciel SARL, and Google France SARL v Centre national de recherche en relations humaines (CNRRH) SARL and Others* (2010), paragraphs 52 and 58.

¹⁵⁵² C-523/10, *Wintersteiger* (2012), paragraph 34.

¹⁵⁵³ As it was commented, for example, at ROSATI E. (2017), “International jurisdiction in online EU trademark...,” *op. cit.*

¹⁵⁵⁴ Opinion of Advocate General Cruz Villalón in C-523/10, *Wintersteiger*, 16 February 2012 (ECLI:EU:C:2012:90).

"place of the event giving rise to the damage" and the "place where the damage occurs" was applied, "[...] since they refer to factual matters applicable to both aspects of the event."¹⁵⁵⁵

In this case Advocate General suggests to adopt the cumulative concept of an "act of infringement" which would cover both jurisdictional grounds under Art. 7(2) BRR (the "place of the event" and the "place of the damage").¹⁵⁵⁶ This approach was adopted by the CJEU further in the case concerning EUTM online infringements (which is described later in this chapter).¹⁵⁵⁷

The Advocate General's suggestions were essentially affected by the CJEU interpretation in *Pammer*: it adopted the criteria of the language in which the information was expressed, the top-level domain, the address or other location data supplied on the website, etc.¹⁵⁵⁸ The CJEU in *Wintersteiger*, however, applied the "place of the advisers' establishment,"¹⁵⁵⁹ avoiding at broad definition of the concept of the "place of the event".

Noteworthy that the *Wintersteiger* scenario is rather fact-specific. The interpretation of the "place of the event" for trademark infringements in the online context was provided for the first time, and a relatively small number of cases, concerning online infringements, was available that time.¹⁵⁶⁰ This ruling thereof has become a ground-breaking for the purpose of Art. 7(2) BRR, providing efficient guidance for IP online infringements and for other types of online infringements.

The "place of establishment of the advertiser" has been adopted as a reliable criterion for defying the "place of the event" which it is relatively easy to identify. This approach is also consistent with the interpretations in *Shevill* and *eDate*,¹⁵⁶¹ which also made references to the infringer's establishment, instead of the place of the infringing activity of that person.¹⁵⁶² The CJEU further specifies the importance of the "place where the activation process was decided."¹⁵⁶³

Do "establishment of the advertiser," "defendant's domicile," "the place where activation process was decided" and "where an advertisement was activated" may amount to the same location? Despite the fact that the concept of "establishment" should not be confused with the concept of "domicile," both concepts almost always amount to the same *forum*.¹⁵⁶⁴ Accordingly, the "place where the activation of the display process was decided" and the "place of establishment of the advertiser" most likely may lead to the *forum* of the defendant

¹⁵⁵⁵ Opinion of Advocate General Cruz Villalón in C-523/10, *Wintersteiger* (2012), paragraph 27.

¹⁵⁵⁶ The same was suggested, for example, at KUR A. (2015), "Enforcement of unitary intellectual property rights: international jurisdiction...", *op. cit.*

¹⁵⁵⁷ C-172/18, *AMS Neve Ltd* (2019).

¹⁵⁵⁸ CJEU, Joined Cases C-585/08 and C-144/09, *Peter Pammer v Reederei Karl Schlüter GmbH & Co KG (C-585/08)*, and *Hotel Alpenhof GesmbH v Oliver Heller (C-144/09)*, 7 December 2010 (ECLI:EU:C:2010:740).

¹⁵⁵⁹ Hence, Advocate General and the CJEU have come to the same conclusion in relation to "the place of the damage" location at the place of trademark registration, but the "place of the event" has been approached differently.

¹⁵⁶⁰ For instance, C-585/08 and C-144/09, *Peter Pammer* (2010), C-236/08 - C-238/08, *Google France SARL and Google Inc. v Louis Vuitton Malletier SA, Google France SARL v Viaticum SA and Luteciel SARL, and Google France SARL v Centre national de recherche en relations humaines (CNRRH) SARL and Others* (2010), CJEU, C-324/09, *L Oréal SA, v eBay International AG*, 12 July 2011 (ECLI:EU:C:2011:474).

¹⁵⁶¹ See, for example, at MATULIONYTE R. (2015), "Enforcing Copyright Infringements Online...", *op. cit.*, p. 22, 34.

¹⁵⁶² SHOUTIWOTH SOOMPONG A. (2016), *Jurisdictional Issues...*, *op. cit.*, p. 34.

¹⁵⁶³ In particular, in C-441/13, *Pez Hejduk case v EnergieAgentur* (2015).

¹⁵⁶⁴ As it was commented, for example, at ROSATI E. (2017), "International jurisdiction in online EU trademark...", *op. cit.*, LUTZI T. (2017), "Internet cases in EU PIL...", *op. cit.*

(Art. 4(1) BRR), giving to the court seized the power to determine all the harm allegedly caused to the trademark owner. This arguably allows bringing a claim in respect of all the damage to the court of the Member State in which the advertiser or website owner is established.¹⁵⁶⁵

The courts in the country of the “place of the event” may have jurisdiction to deal with all the consequences of the infringement.¹⁵⁶⁶ Noteworthy that the second linking factor under Art. 7(2) BRR - “the place where the damage occurred” and where the trademark is registered,¹⁵⁶⁷ was also interpreted in the meaning of a full scope of international jurisdiction.¹⁵⁶⁸

Therefore, it may be submitted that trademark owners have a significant advantage to bring an action in respect of all the damage suffered to the court of the Member State in which the advertiser or website owner is established (as follows from the case in *eDate*)¹⁵⁶⁹ and the courts of the Member State in which the trade mark is registered. This is, however, not undisputed due to the principle of territoriality,¹⁵⁷⁰ especially, in the situations, when this place does not coincide with the defendant’s seat.

A limited scope of jurisdiction for IP infringements has been advocated by scholars,¹⁵⁷¹ and was adopted for online EUTM infringements.¹⁵⁷² The present chapter reflects that online infringements of the EU registered IP rights and national registered IP rights infringements are treated differently.¹⁵⁷³

7.4.2. Other national IP registered rights

Although it has not been confirmed by the CJEU yet, the reasoning of *Wintersteiger* may arguably apply to the rest types of IPRs registered at the national level,¹⁵⁷⁴ and, in some cases, to online infringements of IP rights with an EU effect.¹⁵⁷⁵

¹⁵⁶⁵ C-509/09 and C-161/10, *eDate Advertising and Others* (2011), paragraph 42, and as it was supported, for instance, NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, LUTZI T. (2017), “Internet cases in EU PIL...”, *op. cit.*

¹⁵⁶⁶ The same was pointed at OHLY A., MAXIMILIAN L. (2018), *The jurisdiction of European courts in patent disputes*, European Patent Academy Manual, European Patent Office, Munich, p. 43.

¹⁵⁶⁷ The “place where the damage occurred,” was already addressed by the CJEU in a meaning of the “place where the event which may give rise to liability in tort, delict or quasi-delict resulted in damage,” in CJEU, C-189/08, *Zuid-Chemie BV v Filippo’s Mineralenfabriek NV/SA*, 16 July 2009 (ECLI:EU:C:2009:475), paragraph 26.

¹⁵⁶⁸ C-509/09 and C-161/10, *eDate Advertising and Others* (2011), paragraphs 28, 29, also OHLY A., MAXIMILIAN L. (2018), *The jurisdiction of European courts...*, *op. cit.*

¹⁵⁶⁹ C-509/09 and C-161/10, *eDate Advertising and Others* (2011), paragraph 42.

¹⁵⁷⁰ See, for example at: METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*, and METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property Infringements on the Internet: Brussels I Regulation, ALI-Principles and Max Planck Proposals”, LEIBL S., OHLY A. *Intellectual Property and Private International Law*, Kluwer Law International, p. 251-267, p. 250.

¹⁵⁷¹ METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*

¹⁵⁷² C-172/18 *AMS Neve Ltd* (2019), however, concerning EUTMR and not BRR.

¹⁵⁷³ See more to this at chapter 8.

¹⁵⁷⁴ See also OHLY A., MAXIMILIAN L. (2018), *The jurisdiction of European courts...*, *op. cit.*

¹⁵⁷⁵ In particular, according to the law against unfair competition, as it was the case in C-360/12, *Coty Germany GmbH v First Note Perfumes* (2014). See also at OHLY A., MAXIMILIAN L. (2018), *The jurisdiction of European courts...*, *op. cit.*, ROSATI E. (2017), “International jurisdiction in online EU trademark...,” *op. cit.*

Although in patent cases, the distinction between the “place of the event” and the “place of damage” was considered impossible,¹⁵⁷⁶ in a scenario of cross-border online patent infringements, strict territoriality of patent rights is experiencing a significant *deviation*.

Since a patent infringement does not require damage as a prerequisite, in terms of jurisdiction, distinct infringing acts that infringe different national patents give rise to jurisdictional assessment.¹⁵⁷⁷ As the *Shevill* doctrine has been adapted for online IP infringements in *Wintersteiger*, this makes technically possible analogous approach for online patent infringements.

This allows us to submit that a patent owner may fill the claim for overall harm suffered in the place where the advertiser or website owner is established (as the “place of the event”). Accordingly, the “place of the damage” will be subject to the mosaic approach. This appears to be following the settled case law for patents.

This conclusion may also be derived from a related ruling (in *Folien Fischer*)¹⁵⁷⁸ where the CJEU addressed jurisdiction for patent claims. The case concerned the proceedings between, Folien Fischer (Switzerland) and Ritrama (Italy), relating to a negative declaration and the absence of liability in tort or delict in competition matters.

The Folien Fischer group of companies holds several patents protecting special forms for sending a letter together with a membership card. Developer and distributor of laminates Ritrama claimed that Folien Fischer’s refusal to grant patent licences were contrary to competition law. On repose Folien Fischer brought an action before the Landgericht Hamburg (Regional Court, Hamburg) (Germany) for a negative declaration.

The German courts of both instances declined to recognise jurisdiction, on the ground that Art. 7(2) BRR cannot be invoked in the case of an action for a negative declaration since the very purpose of such an action is to establish that no tort or delict has been committed. Also the Advocate General Jaaskinen when suggesting¹⁵⁷⁹ the CJEU stated that the rationale behind the integration in *Bier* was a strong intention to protect the victim, otherwise, a negative declaration of liability would benefit an alleged infringer when reversing respective roles between the parties.¹⁵⁸⁰

Unlike the Advocate General Jaaskinen, the CJEU had come to an opposite conclusion. With the references to *eDate* and *Wintersteiger*,¹⁵⁸¹ the Court held that notwithstanding the special nature of an action for a negative declaration, it is covered by Art. 7(2) BRR: “[...] the court with jurisdiction is foreseeable and of preserving legal certainty are not connected either to the allocation of the respective roles of claimant and defendant or to the protection of either.”¹⁵⁸²

¹⁵⁷⁶ See more to this extent at: KUR A. (2015), “Enforcement of unitary intellectual property rights: international jurisdiction...”, *op. cit.*, TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...”, *op. cit.*, METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...”, *op. cit.*, OHLY A., MAXIMILIAN L. (2018), *The jurisdiction of European courts...*, *op. cit.*

¹⁵⁷⁷ See also at ENGELEN D. (2010), “Jurisdiction and Applicable Law...”, *op. cit.*, where C-539/03, *Roche Nederland and Others* (2006), was analysed.

¹⁵⁷⁸ C-133/11, *Folien Fischer AG and Fofitec AG v Ritrama* (2012).

¹⁵⁷⁹ Opinion of Advocate General Jääskinen in C-133/11, *Folien Fischer AG and Fofitec AG v Ritrama*, 19 April 2012 (ECLI:EU:C:2012:226).

¹⁵⁸⁰ In such action, the claimant is the party against whom a claim based on a tort might be made, while the defendant is the party whom that tort may have adversely affected.

¹⁵⁸¹ C-523/10, *Wintersteiger* (2012), paragraphs 37-42.

¹⁵⁸² C-523/10, *Wintersteiger* (2012), paragraph 45.

In this frame, the scope of Art. 7(2) BRR has been enlarged to action for a negative declaration, concerning national patent rights. This provision may have a mirror effect (when it is invoked by the defendant) benefiting both parties in litigation. Noteworthy that any references to the case substance was claimed to be rejected, “[...] since the only matter to be established is whether there is a point of connection with the Member State in which the court seised is sitting.”¹⁵⁸³

This interpretation confirms an extension of Art. 7(2) BRR to patent claims and additionally supports the rationale behind an extension of *Wintersteiger*'s approach to national patent claims. The same situation takes place for online infringements of national design rights. Due to the principle of territoriality (which is the core for all registered IP rights), infringing acts can only be committed in the state of registration and design rights are not an exception. This would mean that the interpretation from *Wintersteiger* should be extended also for design rights registered at the national level.¹⁵⁸⁴

Therefore, the “place of the event” under Art. 7(2) BRR for online design infringements (by the analogy with national trademarks and patents) should amount to the state where the defendant is established.¹⁵⁸⁵ Although, jurisdiction was already interpreted for design rights registered on the EU level,¹⁵⁸⁶ the CJEU will still need to confirm that this is the case for national design rights.

7.4.3. The summary for national IP registered rights

Table 2 illustrates the interpretation from the CJEU rulings (in colour) and its possible transportation to other areas of IP rights. As can be seen, the interpretation in *Wintersteiger* is the only one that concerns national IP registered rights in the online context. The “place of the event” was interpreted in the meaning of “the place where the activation of the display process was decided,”¹⁵⁸⁷ and leads to the “place of establishment of the advertiser.”¹⁵⁸⁸

Therefore, it may be submitted that location of the “place of the event” under Art. 7(2) BRR the “place of establishment of the defendant” (an advertiser/an infringer/a publisher) had become common for all national IP registered rights. Besides, the court at this place will arguably have the power to determine all the damage allegedly caused to the IP right holder.

Besides, this interpretation can arguably be transported to online infringements of EU registered IP rights concerning the law against unfair competition. Indeed, such infringements are also subject to Art. 7(2) BRR. Uniform treatment of these registered IP rights would bring more legal certainty to the question of jurisdiction allocation under special jurisdiction.¹⁵⁸⁹ This possibility will be developed further in this chapter. The situation,

¹⁵⁸³ C-133/11, *Folien Fischer AG and Fofitec AG v Ritrama* (2012).

¹⁵⁸⁴ The same was submitted, for example, at OHLY A., MAXIMILIAN L. (2018), *The jurisdiction of European courts...*, *op. cit.*, LUNDSTEDT L. (2018), “Putting Right Holders in the Centre: *Bolagsupplysningen and IIsjan* (C-194/16): What Does It Mean for International Jurisdiction over Transborder Intellectual Property Infringement Disputes?” *IIC - International Review of Intellectual Property and Competition Law*, volume 49, p.1022-1047.

¹⁵⁸⁵ For a European patent it should amount to the state of validation, as it was claimed, for instance, at OHLY A., MAXIMILIAN L. (2018), *The jurisdiction of European courts...*, *op. cit.*, p.43.

¹⁵⁸⁶ C-24/16 and C-25/16 *Nintendo Co. Ltd v BigBen* (2017).

¹⁵⁸⁷ C-523/10, *Wintersteiger* (2012), paragraph 34.

¹⁵⁸⁸ C-523/10, *Wintersteiger* (2012), paragraph 37.

¹⁵⁸⁹ LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies: Where to Litigate Unitary Rights vs National Rights in the EU*, Edward Elgar Publishing Ltd, p.366, paragraph 9.40-9.50.

however, changes when it comes to EU registered IP rights, covered by specific EU IP legislature (as EUTMR and Community Design Regulation).

Table 2

The “place of the event” <u>online</u>	<u>The NATIONAL</u> registered IP rights	A scope of jurisdiction	The CJEU’s ruling	Comments
Infringer’s establishment	Trademarks	Full	<i>Wintersteiger</i> . C-523/10	Interpreted by the CJEU
	Patents	Full	<i>Wintersteiger</i> . C-523/10; <i>Folien Fischer</i> , C-133/11	The analogy is proposed
	Design rights	Full	<i>Wintersteiger</i> . C-523/10	The analogy is proposed

7.5. IP rights registered at the EU level

The registration of EU trademarks and Community designs gives EU-wide and uniform protection.¹⁵⁹⁰ There is a system of specific international jurisdiction for these rights, governed by the EUTMR and Regulation for Community Design.¹⁵⁹¹

In particular, when EU trademarks are concerned, the provision of Art. 125 EUTMR may be invoked. In addition to general jurisdiction (Art. 125(1)-(4)), the notion of “an infringing act” under Art. 125(5) EUTMR allows bringing a claim “in the courts of the Member State in which the act of infringement has been committed or threatened.” After the entry into force of EUTM Regulation,¹⁵⁹² the wording of Art. 125 EUTMR remained substantially unchanged, and further, interpreted by the CJEU.¹⁵⁹³

Table 3

The CJEU’s rulings	<u>The EU</u> Registered IP rights	Comments
2011	EUTM in <i>L’Oréal SA v eBay International</i> C-324/09	The substantive aspects, which influenced jurisdiction

¹⁵⁹⁰ See at the official web site of the EUIPO: <https://euipo.europa.eu/ohimportal/en/about-euipo>.

¹⁵⁹¹ Regulation on Community designs 6/2002.

¹⁵⁹² EUTM Regulation 2015/2424.

¹⁵⁹³ C-172/18 *AMS Neve Ltd* (2019).

The CJEU's rulings	<u>The EU</u> Registered IP rights	Comments
2012		
2013		
2014	EUTM in <i>Coty Germany GmbH v First Note Perfumes NV</i> Case C-360/12	The offline context
2015	Trademarks' with a unitary effect in <i>Brite Strike C-230/15</i>	An interplay between BRR and Benelux Convention
2016		
2017	Community Design in <i>Nintendo / BigBen</i> C-24/16	The applicable law aspects, which affect jurisdiction
2018		
2019	EUTM in <i>AMS Neve</i> C-172/18	An interplay with Art. 125(5) EUTMR

7.5.1. The offline context

The system of EUTMs may serve an alternative to the jurisdiction under Art. 7(2) BRR. The European Union trademark courts are national courts, designated by each Member State regarding infringements of an EU trademark. However, when complementary torts, concerning EU trademark infringements¹⁵⁹⁴ are considered, the provision of Art. 7(2) BRR may be invoked.¹⁵⁹⁵

The current interplay between Art. 7(2) BRR and Art. 125(5) EUTMR poses the following questions: may Art. 7(2) BRR be extended to EU trademark infringements? How the “place of the event” (Art. 7(2) BRR) may relate to the concept of “the Member State in which the act of infringement has been committed” (Art. 125(5) EUTMR)? What criteria should be decisive? What scope of jurisdiction such courts should have?

Initially, it was argued¹⁵⁹⁶ that jurisdiction of an EU trademark court based on Art. 125(5) EUTMR is an equivalent of Art. 7(2) BRR. Accordingly, in analogy with Art. 125(5) EUTMR, special jurisdiction under Art. 7(2) BRR could also be limited to acts committed within the court's territory (as the described above unitary theory claimed).

Limited scope of jurisdiction for IP infringements may be derived from the framework of three EU regulations: for EU trademarks, designs and plant variety rights. According to Art. 125(5) EUTMR a court has jurisdiction only over threatening acts within the territory of the Member

¹⁵⁹⁴ For example, “[...] unfair imitation of a sign protected by a trademark, passing off, commercial disparagement, defamation, malicious falsehood, the right to one's name etc.,” as it was also described, for instance, at: LUNDSTEDT L. (2018), “Putting Right Holders in the Centre...,” *op. cit.*

¹⁵⁹⁵ *Ibid.*, where an adoption of centre of interest had been suggested for the claims, concerning author's moral rights and specific complementary torts.

¹⁵⁹⁶ See, for instance, at ENGELEN D. (2010), “Jurisdiction and Applicable Law...,” *op. cit.*, p.25.

State where that court is located. A court injunction thereof must be limited to that Member State's territory.¹⁵⁹⁷

By contrast, limited scope of jurisdiction is not axiomatic in a scenario of EU trademark infringements concerning the law against unfair competition. After the CJEU ruling in *Coty*,¹⁵⁹⁸ a court may allocate jurisdiction under Art. 7(2) BRR and its injunction can be extended.¹⁵⁹⁹ In *Coty* the CJEU ruled on an interplay between Art. 125(5) ETMR and Art. 7(2) BRR in the offline context for the first time.

7.5.1.1. EU registered trademarks

The ruling in *Coty* concerned a very specific situation of resale, combined with unlawful comparative advertising and unfair imitation of a sign protected by an EU trademark. With regard to the present discussion, the relevant point concerns an interpretation of jurisdiction under Art. 7(2) BRR.

The CJEU confirmed that for actions brought under national law (as the law against unfair competition or other tort claims), jurisdiction must be determined according to Brussels Regulation Recast, even when they concern the protection of the EU trademark.

Coty (Germany) brought an action to the German court against First Note (Belgium), claiming infringement of its 3-D trademark, unlawful comparative advertising and unfair imitation. First Note sold bottles of perfumes infringing *Coty* trademarks in Belgium to a third person that later resold such products in Germany.

Coty claimed that Germany was the “place where the damage occurred” under Art. 5(3) Brussels Regulation 44/2001 (currently, Art. 7(2) BRR). That action was dismissed both at first instance and on appeal, holding that the German courts had no international jurisdiction.¹⁶⁰⁰

The following questions were referred to the CJEU for a preliminary ruling:

1. Whether the concept of ‘the Member State in which the act of infringement has been committed’ at Article 93(5) of Regulation No 40/94 allows to courts on its territory to hear the case against the original seller which did not itself act in this Member State.
2. Whether Article 5(3) of Regulation No 44/2001 attributes jurisdiction to hear an action for damages against the foreign defendant in a specific situation of EU trademark infringement under unfair competition laws.

With regard to Art. 93(5) EUTM Regulation 40/94¹⁶⁰¹ (further Art. 97(5) EUTMR and now Art. 125(5) EUTMR), it was concluded, that the provision of the EUTMR had the character of *lex specialis* in relation to the rules provided for by Brussels Regulation Recast: “[...] the

¹⁵⁹⁷ By contrast, a forum under Art. 125(1)-(4) EUTMR (mainly the forum of the domicile or seat of the defendant) has jurisdiction regarding infringement within the territory of all Member States, which means that an injunction of such court may extend to the territory of all EU Member States.

¹⁵⁹⁸ C-360/12, *Coty Germany GmbH v First Note Perfumes* (2014), when BRR indeed applies, however, in the offline context.

¹⁵⁹⁹ C-360/12, *Coty Germany GmbH v First Note Perfumes* (2014), ROSATI E. (2017), “International jurisdiction in online EU trademark...” *op. cit.*, p. 9.

¹⁶⁰⁰ C-360/12, *Coty Germany GmbH v First Note Perfumes* (2014), paragraphs 20-23.

¹⁶⁰¹ Regulation on the Community trademark 40/94, 20 December 1993, OJ L 11 (EUTM Regulation 40/94).

inability of the rule on jurisdiction to respond to the specific problems relating to the infringement of a Community trademark [...]” was emphasised.¹⁶⁰²

Hence, the concept of “the Member State in which the act of infringement has been committed or threatened” under Art. 125(5) ETMR was interpreted independently of the concept of “the place of the event” in Art. 7(2) BRR.¹⁶⁰³

An “act of infringement” under Art. 125(5) ETMR referred to the active conduct of the infringer.¹⁶⁰⁴ This concept requires that the defendant does act in the territory of the Member State of the court seised. The CJEU prioritised the “place of an act” (and not the “place of establishment”) as a relevant location for EU trademark infringements (however, in the offline context).

Thus, the jurisdiction under Art. 125(5) ETMR may be established solely in favour of EU trademark courts in the Member State “in which the defendant committed the alleged unlawful act.”¹⁶⁰⁵ The possibility to bring the claim to the forum where the damage occurred (as the second jurisdictional ground under Art. 7(2) BRR) was rejected.¹⁶⁰⁶ This also means that the duality of jurisdictional grounds, namely “the place of the event” and the one “where the damage occurred,” cannot automatically apply to the interpretation of the concept of “the Member State in which the act of infringement has been committed” under Art. 125(5) ETMR.

At the same time, a room for special jurisdiction of Brussels Regulation Recast in relation to EU trademark infringements has been left. Precisely, it was concluded¹⁶⁰⁷ that Art. 7(2) BRR indeed applies in a specific situation of EU trademark infringement under the national law against unfair competition.

By interpreting this provision, jurisdiction at the “place of the event” had been established when:

1. infringing conduct is prohibited by the law against unfair competition of the Member State in which the court seised is situated and
2. the defendant did himself act there.¹⁶⁰⁸

The interpretation in *Coty*, in essence, covers these two main points in relation to offline EU trademark infringements. First, the concept of the “place of the event” was interpreted

¹⁶⁰² C-360/12, *Coty Germany GmbH v First Note Perfumes* (2014), paragraph 36.

¹⁶⁰³ *Ibid.*, paragraph 31.

¹⁶⁰⁴ *Ibid.*, paragraph 34, Opinion of Advocate General Jääskinen in C-360/12, *Coty Germany GmbH v First Note Perfumes NV*, 21 November 2013 (ECLI:EU:C:2013:764), paragraph 31.

¹⁶⁰⁵ C-360/12, *Coty Germany GmbH v First Note Perfumes* (2014), paragraph 37.

¹⁶⁰⁶ C-360/12, *Coty Germany GmbH v First Note Perfumes* (2014): “[...] The concept of ‘the Member State in which the act of infringement has been committed’ in Article 93(5) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trademark must be interpreted as meaning that, in the event of a sale and delivery of a counterfeit product in one Member State, followed by a resale by the purchaser in another Member State, that provision does not allow jurisdiction to be established to hear an infringement action against the original seller who did not himself act in the Member State where the court seised is situated.”

¹⁶⁰⁷ *Ibid.*, paragraphs 39 and 42: “[...] Article 5(3) of Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters must be interpreted as meaning that, in the event of an allegation of unlawful comparative advertising or unfair imitation of a sign protected by a Community trademark, prohibited by the law against unfair competition (Gesetz gegen den unlauteren Wettbewerb) of the Member State in which the court seised is situated, that provision does not allow jurisdiction to be established, on the basis of the place where the event giving rise to the damage resulting from the infringement of that law occurred, for a court in that Member State where the presumed perpetrator who is sued there did not himself act there.”

¹⁶⁰⁸ *Ibid.*, paragraph 51, also in C-228/11, *Melzer v MF Global UK Ltd* (2013), paragraph 40.

separately from the concept of “the Member State in which the act of infringement has been committed.” Second, both of them require that infringing act to take place within this place.

This may mean that an establishment of the defendant should not be a decisive jurisdictional criterion, as it was the case of online trademark infringement. Hence, for offline EU trademark infringements, the “place of the event” may be concluded to be defined as the “place of an act of an alleged infringer”¹⁶⁰⁹ in a sense of his/her active conduct (which may be different from the place of defendant’s establishment and domicile).¹⁶¹⁰

This input illustrates a variety of jurisdictional possibilities for EU trademark holders to invoke. In *Coty* it was made clear that allocation jurisdiction under BRR and EUTMR are based on distinct solutions. Accordingly, claims concerning EUTM infringements and complementary claims concerning EUTMR infringements under the law against unfair competition (in the online and offline context) require different jurisdictional criteria.¹⁶¹¹

Brussels Regime for EUTM infringements is not a closed avenue and may become an attractive solution when an EU registered trademark is infringed online in the context of unfair practices.¹⁶¹² This aspect will be illustrated in the following chapter.

7.5.1.2. Trademarks with a unitary effect

In the context of Benelux, the trademarks and designs of Belgium, Luxembourg and Netherlands have been replaced by rights with unitary effect. That regime exists in parallel to that relating to the EU unitary rights.¹⁶¹³

Coty’s interpretation has been reinforced in a proceeding concerning trademarks’ infringements with unitary effect (in particular, a Benelux trademark). In the ruling of *Brite Strike*, the CJEU examined an interplay between BRR and 2005 Benelux Convention for Industrial Property (BCIP)¹⁶¹⁴ under a scenario of the annulment.¹⁶¹⁵

The case concerned the Benelux Trademark "BriteStrike" in which the US mother company brought proceedings about a Luxembourg-based former licensee that had registered the mark.

¹⁶⁰⁹ It is in accordance with a unitary approach as it was described, for instance, at FAWCETT J. J., TORREMANS P. (2011), “Intellectual Property and Private International Law...,” *op. cit.*, paragraphs 10.157-10.330.

¹⁶¹⁰ Advocate General stated that that the linking factor relates to active conduct on the part of the person causing that infringement, see at Opinion of Advocate General Jääskinen in C-360/12, *Coty Germany GmbH v First Note Perfumes NV* (2013), paragraph 31.

¹⁶¹¹ See more to the question of benefits of claims that concern national registered IP rights, by comparison to EU registered IP rights at: LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*

¹⁶¹² In particular, after the ruling in C-172/18 *AMS Neve Ltd* (2019).

¹⁶¹³ See more, for example, at FAWCETT J. J., TORREMANS P. (2011), “Intellectual Property and Private International Law...,” *op. cit.*

¹⁶¹⁴ Benelux Convention on Intellectual Property (Trade Marks and Designs), 25 February 2005, signed in The Hague by the Kingdom of Belgium, the Grand Duchy of Luxembourg and the Kingdom of the Netherlands (as amended by the Protocols of 21 May 2014 and 16 December 2014) (the BCIP).

¹⁶¹⁵ CJEU, C-230/15, *Brite Strike Technologies Inc. v Brite Strike Technologies SA*, 14 July 2016 (ECLI:EU:C:2016:560).

Brite Strike Technologies Inc. (the US) brought a claim before the Rechtbank Den Haag (District Court, The Hague, Netherlands)¹⁶¹⁶ seeking a declaration of invalidity and claiming that the registration would prevent the claimant from continuing to use its sign in Benelux. Brite Strike Technologies SA (Luxembourg) raised an objection of lack of jurisdiction in the Hague, as the action should have been brought in Luxembourg.¹⁶¹⁷

Art. 22(4) BRR grants jurisdiction to the courts of the country of registration. As the Benelux trademark is administered by the Benelux Organisation for Industrial Property located in The Hague, its court may be competent. At the same time, jurisdiction rules within the BCIP do not recognise the place of registration as a connecting factor leading to jurisdiction. In the case of disputes regarding the validity of marks, it grants jurisdiction at the trademark owner's domicile (Luxembourg).

In this regard, the CJEU held that Benelux trademarks and designs are subject to completely uniform rules under Art. 4(6) BCIP.¹⁶¹⁸ Accordingly, by analogy with *Coty*, the court found the Brussels regime unsuitable for the unitary EU Trademark: Benelux rules govern jurisdiction in Benelux Trademarks.¹⁶¹⁹

The court made stressed that multiple languages exist in the Benelux and jurisdiction should allow the defendant to be heard in his native language. This requirement is also a cornerstone of the BRR, however, its regime does not have a priority in relation to Benelux trademark infringements.

7.5.1.3. EU registered patents and Community designs

Although the CJEU has not ruled upon online infringements of the EU registered design and patent rights, the approach from *Coty* may arguably be transported to them. Notwithstanding the fact that special IP legislation generally prevails over BRR,¹⁶²⁰ in a specific situation of infringements of the EU registered designs and patents (under the law against unfair competition),¹⁶²¹ the Brussels Regime may be invoked. Accordingly, the “place of the event” under Art. 7(2) BRR may be defined as the “place of an act of an alleged infringer,”¹⁶²² which may be a distinct to the “place of defendant's establishment,” and relates more to the place of an active conduct.

Table 4 illustrates the interpretation from the CJEU rulings (in colour) and its possible transportation to other areas of IP rights.

Table 4

¹⁶¹⁶ Brussels Regulation Recast 1215/2012, Art. 22(4).

¹⁶¹⁷ Benelux Convention on Intellectual Property, Art. 4(6).

¹⁶¹⁸ C-230/15, *Brite Strike Technologies* (2016), paragraphs 60-66.

¹⁶¹⁹ *Ibid.*, paragraphs 66-67, thus, Article 71 BRR does not preclude the application Art. 4(6) BCIP to Benelux trademarks and designs as unified IP rights.

¹⁶²⁰ *Ibid.*

¹⁶²¹ When the provision of Art. 7(2) BRR still may be invoked.

¹⁶²² It is in accordance with a unitary approach, as was stated at FAWCETT J. J., TORREMANS P. (2011), “Intellectual Property and Private International Law...,” *op. cit.*, 10.157-10.330.

The “place of the event” Offline context	The EU IP registered rights	Scope of jurisdiction	CJEU’s rulings	Comments
The place where the infringer acted	Trademarks	Full	<i>Coty Germany GmbH v First Note Perfumes NV</i> Case C-360/12	Interpreted
	Patents	Full	<i>Coty Germany GmbH v First Note Perfumes NV</i> Case C-360/12	By analogy
	Design rights	Full	<i>Coty Germany GmbH v First Note Perfumes NV</i> Case C-360/12	By analogy

Table 4 shows that offline infringements, concerning EU registered IP rights, arguably may be treated in a common way. Both concepts (the “place of the event” (Art. 7(2) BRR) and the “place of an act of infringement” (as a specific IP law provision)) will lead to the Member State, where an alleged infringer had acted himself.

7.5.2. The online context

Before the CJEU ruling in *Wintersteiger*, EU registered IP rights received relatively unified treatment in the case law. The situation for online infringements is the most problematic: should the interpretations from *Wintersteiger* be extended to online infringements of IP registered rights with an EU effect?

Two diametrically opposite solutions has been introduced: while the first one supports¹⁶²³ implementing a special treatment for EU registered IP rights, the second one stands for *Wintersteiger’s* and *Coty’s* extension.¹⁶²⁴ The former, was enhanced, for instance, in *L’Oréal SA, v eBay International*.¹⁶²⁵

7.5.2.1. A territorial extension of IP legislation (*L Oréal SA v eBay International*)

The CJEU ruling in *L Oréal SA, v eBay International* concerned rather complex. The goods had been advertised and offered for sale on the website and the keywords corresponding to the trademarks had been used,¹⁶²⁶ infringing both a national registered trademark and an EU registered trademark.

¹⁶²³ The “targeting” test in relation to IP online infringements in C-172/18 *AMS Neve Ltd* (2019).

¹⁶²⁴ For instance, see more at ROSATI E. (2017), “International jurisdiction in online EU trademark...,” *op. cit.*

¹⁶²⁵ C-324/09, *L Oréal SA, v eBay International AG* (2011).

¹⁶²⁶ *Ibid.*, paragraph 39.

On the one side, L'Oréal is a manufacturer and supplier of perfumes, cosmetics and hair-care products. In the United Kingdom, it is the proprietor of a number of national and Community trademarks. On the other side, eBay operates an electronic marketplace, which assists sellers and advertisers to enhance their offers for sale.¹⁶²⁷ L'Oréal's brought an action before the High Court of Justice claiming that such sales infringed its trademark rights. The same was argued in relation to sponsored links (the use of keywords corresponding to the trademarks).¹⁶²⁸

Although an applicability of EU trademark law (but not jurisdiction) was interpreted, the CJEU made references to consumer jurisdiction ruling in *Pammer*.¹⁶²⁹ Precisely, it was questioned if the requirement of "targeting at consumers" was necessary (as an effect of an infringer's intention to target consumers in the territory covered by the trademark).¹⁶³⁰

The rationale behind the references to "targeting" lied in a specific factual scenario if this case: the goods bearing trademarks and offered for sale on an online marketplace were located in a third State and would not necessarily be forwarded to the territory covered by the trademark.

The CJEU enhanced the applicability of EU IP rules by adopting the "targeting" test (as the offer for sale of a trade-marked products was directed at consumers in the territory covered by the trademark). "Targeting" aimed at preventing ineffectiveness of EU trademark legislation.¹⁶³¹ Mere online accessibility of a website from EU territory should be insufficient.

The CJEU ruling in *L'Oréal SA, v eBay International* had become an efficient guidance for CJEU's further interpretations for EUTM rights. As it referred to the territorial extension of EUTM legislation and not to the question of establishing a competent court, a specific interpretation of jurisdictional provisions for infringements of EU registered IP rights had been highly awaited. After *L'Oréal SA, v eBay International* and *Wintersteiger*, the CJEU addressed the question of allocation jurisdiction for online infringements of EU registered design rights.

7.5.2.2. The ruling in *Nintendo* and its affect on jurisdiction for EU registered IP rights

In the ruling of *Nintendo*,¹⁶³² the CJEU commented on the territorial scope of jurisdiction for EU registered design rights under Regulation 6/2002 on Community designs (further CDR).¹⁶³³ Neither Art. 7(2) BRR, nor Art. 8(2) Rome Regulation 864/2007¹⁶³⁴ were considered.¹⁶³⁵ Nevertheless, the interpretation in *Nintendo* essentially affects further

¹⁶²⁷ *Ibid.*, paragraphs 27-39.

¹⁶²⁸ C-324/09, *L'Oréal SA, v eBay International AG* (2011), paragraph 39.

¹⁶²⁹ C-585/08 and C-144/09, *Peter Pammer* (2010).

¹⁶³⁰ *Ibid.*, paragraph 58.

¹⁶³¹ C-324/09, *L'Oréal SA, v eBay International* (2011), paragraph 62 and Advocate General Jääskinen in C-324/09, *L'Oréal SA, v eBay International*, 9 December 2010 (ECLI:EU:C:2010:757), paragraph 127.

¹⁶³² C-24/16 and C-25/16 *Nintendo Co. Ltd v BigBen* (2017).

¹⁶³³ Regulation on Community designs 6/2002.

¹⁶³⁴ Rome II Regulation 864/2007.

¹⁶³⁵ Rome II Regulation 864/2007, Art. 8(2) and Art. 15.

interpretations of jurisdiction for other EU registered IP rights and, thus, is relevant for the scope of present thesis.

The proceeding in was held between, on the one hand, Nintendo (Japan) and, on the other hand, BigBen Germany and BigBen France. They were accused of offering for sale via a website goods infringing Nintendo EU design rights.

The factual situation of the case covered both the offers of the goods that infringe an EU design on a website (in the online context) and when the goods that infringe an EU design shipped to a third Member State (offline).¹⁶³⁶ Each defendant was accused of several infringing acts committed in the various EU Member States.¹⁶³⁷

For a non-contractual infringement of an EU registered IP right, Art. 8(2) Rome II determines: “[...] the law applicable to any question that is not governed by the relevant Community instrument by referring to the law of the country in which the act of infringement was committed.”

The concept of the “country in which the act of infringement was committed” was interpreted as meaning that it refers to “[...] the country where the event giving rise to the damage occurred, namely the country on whose territory the act of infringement was committed.”¹⁶³⁸ Consequently, Art. 8(2) Rome II refers to the country “in which the act of infringement was committed,” and more precisely, to “the country where the event giving rise to the damage occurred.”¹⁶³⁹

According to the factual situation of this case, the “event giving rise to the damage” was interpreted as the conduct by which an operator offers for sale infringing goods via its website. Accordingly, the “place where the event giving rise to the damage occurred” was defined as “the place where the process of putting the offer for sale online by that operator on its website was activated.”¹⁶⁴⁰

Although no reference to *Wintersteiger* was made, the CJEU came to very similar (if not the same) conclusion when interpreting jurisdiction for online infringements of EU registered design rights.¹⁶⁴¹ In *Wintersteiger* the Court, however, specified that “*the place where the activation of the display process was decided*”¹⁶⁴² should lead to the place of establishment of the infringer.¹⁶⁴³

One more specific interpretation had been made for determining the applicable law for infringements in the offline context,¹⁶⁴⁴ when the infringing goods were shipped to another Member State. The concept of a “country in which the act of infringement was committed” under Article 8(2) Rome II¹⁶⁴⁵ was interpreted in the context of participatory acts.

¹⁶³⁶ C-24/16 and C-25/16 *Nintendo Co. Ltd v BigBen* (2017), paragraph 3.

¹⁶³⁷ *Ibid.*, paragraph 90.

¹⁶³⁸ *Ibid.*, paragraph 98.

¹⁶³⁹ *Ibid.*

¹⁶⁴⁰ *Ibid.*, paragraph 108.

¹⁶⁴¹ Therefore, the interpretation of *locus delicti* in *Nintendo* case coincides with the approach, that was taken in *Wintersteiger*, in *Pez Hejduk* and also to some regard in *Football Dataco*, *Hi Hotel* and *Coty*, as soon as refers to the “origin of the conduct.” However, the point of the scope of jurisdiction under *locus delicti* remained untouched.

¹⁶⁴² C-523/10, *Wintersteiger* (2012), paragraph 34.

¹⁶⁴³ C-523/10, *Wintersteiger* (2012), paragraph 37.

¹⁶⁴⁴ C-24/16 and C-25/16 *Nintendo Co. Ltd v BigBen* (2017), paragraph 109.

¹⁶⁴⁵ The interpretation of the concept of “country in which the act of infringement was committed.”

The CJEU emphasised that this notion “[...] involves active conduct on the part of the infringing party.”¹⁶⁴⁶ In a situation when several places could constitute the place of the damage, the relevant for determining the applicable law should be the place, where “the initial act of infringement at the origin of that conduct was committed or threatened.” Consequently, an “overall assessment” of that conduct should be made, “[...] in order to determine the place where the initial act of infringement at the origin of that conduct was committed or threatened.”¹⁶⁴⁷

In the ruling of *Nintendo*, the CJEU had arguably opened the room of consolidation of various acts of infringement committed by the one defendant under “the place where the initial act.” While this approach was claimed¹⁶⁴⁸ to ensure the predictability of the law, its extension to jurisdiction remains debatable.¹⁶⁴⁹ Let us look at some further attempts to extent the approach from *Nintendo* to online infringements of EU trademarks online.

7.5.2.3. EUTM infringements: contradictory approaches

Along with the choice of applicable law, the CJEU ruling in *Nintendo* has affected also jurisdiction.¹⁶⁵⁰ By contrast to the approach of *sui generis* treatment for EUTM, the approach in *Nintendo* supports common jurisdictional grounds for IP online infringements and had been endorsed in subsequent national case law (for instance, in the German case in *Parfummarken*).¹⁶⁵¹

The German court in *Parfummarken* referred to the interpretation in *Nintendo* (and earlier rulings in *L’Oréal* and *Wintersteiger*) to establish jurisdiction under Art. 125(5) EUTMR. In this case a defendant (a perfume and cosmetic distributor, based in Italy) used on its Italian country domain website the brands of a claimant (based in Germany), protected by International trademarks. The claimant brought the case to the German court because the defendant sold perfumes online to a German company. Although there was no option to order the perfumes, the website included a German language and contact details and the price lists was send by e-mail to customers in Germany.¹⁶⁵²

The Regional courts of Munich rejected jurisdiction under Art. 97(5) EUTMR (currently Art. 125(5) EUTMR), but the Munich Higher Regional Court decided that the German national court should have jurisdiction.

On further appeal, the court concluded that the Member State, “in which the act of infringement has been committed” within the context of this provision was not in Germany.

¹⁶⁴⁶ C-24/16 and C-25/16 *Nintendo Co. Ltd v BigBen* (2017), paragraph 95.

¹⁶⁴⁷ C-24/16 and C-25/16 *Nintendo Co. Ltd v BigBen* (2017), paragraph 99, also Advocate General BOT in C-24/16 and C-25/16, *Nintendo Co. Ltd v BigBen*, 1 March 2017 (ECLI:EU:C:2017:146), paragraph 64.

¹⁶⁴⁸ C-24/16 and C-25/16 *Nintendo Co. Ltd v BigBen* (2017), paragraph 104.

¹⁶⁴⁹ VAN CALSTER G. (2016), *European Private International Law*, 2nd ed., Hart Publishing, Chapter 3, Heading 2.2.11.2. At the same time, the risk of undesired forum shopping may appear if this will be extended to jurisdiction.

¹⁶⁵⁰ For other approaches see, for instance, at TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...”, *op. cit.*: “[...] The court focused on the fact that the pool had been displayed and offered for sale in France, as acts of infringement under the applicable law, rather than on the place of establishment of the alleged infringer.”

¹⁶⁵¹ The German case, BGH, 9 November 2017 - I ZR 164/16 - OLG Munich LG Munich I ECLI: DE: BGH: 2017: 091117UIZR164.16.0 in “*Parfummarken*”.

¹⁶⁵² C-24/16 and C-25/16 *Nintendo Co. Ltd v BigBen* (2017), paragraphs (a) and (b).

The defendant and the buyer had concluded a contract of purchase online, whereby the goods had then collected by a delivery company in the name of the buyer.

The German court defined the "place of the event" within the meaning of Art. 125 (5) EUTMR, as the place "[...] where the economic operator's publication of the offer was launched (or has been initiated) on its website, and not the place, where the website can be accessed."¹⁶⁵³ Thus, the Member State in which the act of infringement had been committed, was Italy, because the process of publishing the offer had been initiated on the defendant's German-language website in Italy (the presumption was made that the "place of the publication of the defendant's offer" is the defendant's domicile).

Therefore, the reasoning from *Nintendo* has led to a conclusion that the concepts of "an act of infringement" amount to the same place under EUTMR and Rome II,¹⁶⁵⁴ requiring an overall assessment of the infringers' acts to determine the original online infringement.

An extensive academic debate followed this decision in *Parfummarken*. On the one hand, an extension of *Nintendo* to allocating jurisdiction for online infringements of EUTMs had been argued¹⁶⁵⁵ to complicate litigation strategies for EUTM's claims, significantly reducing the alternative litigation possibilities for a claimant. On the other hand, special jurisdiction based on Art. 7(2) BRR (as it works for national trademark infringement proceedings) may arguably be more attractive¹⁶⁵⁶ than the proceeding under Art. 125(5) EUTMR, providing a better choice between a number of courts, and thereof benefiting a claimant. This discussion had been grounded on two distinct approaches to online infringements of EUTMs that have been proposed before specific interpretation from the CJEU in *AMS Neve*.¹⁶⁵⁷

The first approach supported a consistent interpretation of Art. 125(5) EUTMR with a settled case law for online national trademarks: the place of infringement was argued to amount "to the place where the activation of the process for the technical display of infringing content on a certain website takes place."¹⁶⁵⁸ The place of establishment of the defendant and had been suggested as a decisive criterion for allocating jurisdiction under Art. 125(5) EUTMR. The common connecting factor for the purpose to establish the jurisdiction was argued to facilitate also the choice of applicable law.¹⁶⁵⁹ Such a meaning of Art. 125(5) EUTMR. had been advocated even before the ruling in *Nintendo*.¹⁶⁶⁰

The opposite approach had supported a specific treatment for EU trademark infringements. It was argued that the CJEU aimed at avoiding the automatic interpretation of the provisions from EUTMR in the light of BRR; and the provisions from BRR in the light of Rome II.¹⁶⁶¹

¹⁶⁵³ BGH, 9 November 2017, I ZR 164/16 in "*Parfummarken*", paragraph 31.

¹⁶⁵⁴ In particular, the term of "Member State in which an act of infringement was committed has or is threatened" within the meaning of Art. 125 (5) EUTMR and the concept of the law of the "Member State in which the infringement of the common law of Community law on intellectual property was committed" under Art. 8(2) Rome II Regulation.

¹⁶⁵⁵ See, for example at: KUR A. (2018), "Abolishing Infringement Jurisdiction for EU Marks...", *op. cit.*, ROSATI E. (2017), "International jurisdiction in online EU trademark...", *op. cit.*

¹⁶⁵⁶ More to this extent see, for instance, at LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*

¹⁶⁵⁷ C-172/18 *AMS Neve Ltd* (2019).

¹⁶⁵⁸ See also, for example, at ROSATI E. (2017), "International jurisdiction in online EU trademark...", *op. cit.*

¹⁶⁵⁹ Also, in BGH, 9 November 2017, I ZR 164/16 in "*Parfummarken*", paragraph 31.

¹⁶⁶⁰ ROSATI E. (2017), "International jurisdiction in online EU trademark...", *op. cit.*, p.12.

¹⁶⁶¹ For instance, CJEU, C-45/13 *Andreas Kainz v Pantherwerke AG*, 16 January 2014 (ECLI:EU:C:2014:7), concerning liability for a defective product and interpretation of the concept of "the place where the harmful event occurred or may occur." It was held that the "place of the event giving rise to the damage" should amount to the place where the product in question was manufactured.

Since, *Nintendo* endorsed the option, which leads both Art. 8(2) Rome II and Art. 7(2) BRR to the same place in the online context, this was concluded to create a confusion between applicable law and jurisdiction.¹⁶⁶²

The ruling in *Nintendo* has been extensively criticised in terms of the applicable law aspect. The striking point was “[...] the overall assessment of a chain of events leading to such infringements in order to identify their place of origin.¹⁶⁶³ In particular, it was argued that “[...] act(s) of infringement” and “(initial) event giving rise to the damage” are wrongly defined and assessed independently of each other.¹⁶⁶⁴ And this should not be transferred to the jurisdictional stage.

It is true, that the questions of deciding law and jurisdiction may become overlapping and the demarcation line is a rather vague. The unitary approach to jurisdiction (in comparison to the duality approach) advises against imposing a requirement of the defendant’s physical presence. Instead, the “place of the act” is considered in its dichotomy of the “act” and the “effect.” This allows making reference to the “place of the act” under Art. 125(5) EUTMR as to cumulative concept (similarly to “the place of a harmful event” under Art. 7(2) BRR).¹⁶⁶⁵

Therefore, until the CJEU had ruled on this issue, an extensive legal uncertainty had been existing in establishing jurisdiction for online infringements of EUTMs. Within the context of present chapter, an interplay between two provisions: Art. 125(5) EUTMR and Art. 7(2) BRR is of particular interest.

7.5.2.4. A sui generis approach for an EUTM in *AMS Neve*

Jurisdictional questions surrounding EUTM’s claims are highly debatable:

Would Art. 7(2) BRR and 125(5) EUTMR amount to the same place? What criterion should be decisive to localise jurisdiction under Art. 125(5) EUTMR for online infringements? To what extent the IP case law of the CJEU is applicable to EUTM’s online infringement cases, in general, and concerning Art. 125(5) EUTMR, in particular? All these questions were considered in the further ruling of the CJEU in *AMS Neve v Heritage Audio C-172/18*.¹⁶⁶⁶

In *AMS Neve v Heritage Audio C-172/18*, the Spanish company maintained a website in the English language, which offered to ship infringing products to the UK. British EU trademark owners sued it before English courts. The defendants argued that the court had no jurisdiction.

The Intellectual Property and Enterprise Court established its jurisdiction in relation to the national trademark claim, but rejected to do the same for the EUTMs.¹⁶⁶⁷ It applied a “targeting” test to allocate jurisdiction for national trademark infringements, stating that the *Heritage Audio* website was directed to the United Kingdom.

¹⁶⁶² KUR A. (2018), “Abolishing Infringement Jurisdiction for EU Marks...”, *op. cit.*

¹⁶⁶³ C-24/16 and C-25/16 *Nintendo Co. Ltd v BigBen* (2017).

¹⁶⁶⁴ KUR A. (2018), “Abolishing Infringement Jurisdiction for EU Marks...”, *op. cit.*

¹⁶⁶⁵ C-172/18 *AMS Neve Ltd* (2019). This may mean that unlike the place of establishment, which would reduce an alternative nature of Art. 125 (5) EUTMR, the “online accessibility” approach would probably not. The CJEU *de facto* extended an “accessibility of a website” as a relevant approach for EUTM infringements together with the requirement of “targeting.”

¹⁶⁶⁶ C-172/18 *AMS Neve Ltd* (2019).

¹⁶⁶⁷ *Ibis.*, paragraph 24.

Jurisdiction for EUTMs was concluded to be vested (once again by analogy with *Nintendo* and *Wintersteiger*) to the courts of the Member State, “[...] where the third party decided to place that advertising or to offer for sale products on that site or on those platforms and took steps to give effect to that decision” (in this case the Kingdom of Spain).¹⁶⁶⁸

The Court of Appeal (England & Wales), on the contrary, supported the “targeting” test, leading to establishing jurisdiction in the territory of the Member State where the consumers to whom offers for sale were directed were resided. Moreover, the court refused the findings in *Parfummarken* and excluded the transportation of *Nintendo* to the EUTM online infringements.¹⁶⁶⁹

The case was referred to the CJEU, seeking clarity on jurisdiction pursuant to Art.125(5) EUTMR. The UK court posed the question if the jurisdiction of EUTM courts may be vested by analogy with Article 8(2) Rome II, following *Nintendo* and *Wintersteiger*.

An analysis of an interplay between these legal instruments (BRR, EUTMR and Rome II) was highly awaited, as existing situation was argued to generate a high legal uncertainty.¹⁶⁷⁰ This case allows illustrating two approaches from the German and the UK law doctrines and an uneasy relationship between applicable law and jurisdiction.

Art. 125(5) EUTMR constitutes an alternative ground of exclusive jurisdiction for EUTM courts: proceedings may also be brought in the courts of the Member State in which the act of infringement has been committed or threatened.

If the jurisdiction of EUTM courts may be established by analogy with Art. 8(2) Rome II and with the references to *Nintendo* and *Wintersteiger*,¹⁶⁷¹ the act of infringement under Art. 125(5) EUTMR would lead to the place outside the territory of the EU.¹⁶⁷² This would mean that, neither EU courts under Art. 125(1) to (5) EUTMR, nor EUIPO would be able to give a ruling.¹⁶⁷³ This risk of jurisdictional *paradox* was described by Advocate General Szpunar in his Opinion.¹⁶⁷⁴

As a solution, Advocate General Szpunar had suggested a “targeting” test. The CJEU had followed this suggestion and interpreted Art. 125(5) EUTMR in the meaning that an EUTM court (where consumers and traders were targeted by advertising and by offers for sale) had jurisdiction “[...] notwithstanding the fact that the third party made decisions and took steps in another Member State to bring about that electronic display.”

Hence, the “targeting” test has been implemented as a jurisdictional test for online EUTM infringements. In its argumentation, the CJEU recognised essential distinctions between BRR (which covers national trademarks claims) and EUTMR (as *lex specialis* for EU trademarks).

Besides, the CJEU has highlighted an alternative nature of Art. 125(5) EUTMR. This provision “[...] enables the proprietor of the EU trademark to bring, if he wishes, targeted actions each of which relates to acts of infringement committed within a single Member

¹⁶⁶⁸ *Ibis.*, paragraph 26.

¹⁶⁶⁹ *Ibis.*, paragraph 31.

¹⁶⁷⁰ Opinion of Advocate General Szpunar in C-172/18 *AMS Neve*, 28 March 2019 (ECLI:EU:C:2019:276).

¹⁶⁷¹ In most cases it will coincide with the defendant’s seat, see also, for instance, at LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*

¹⁶⁷² C-172/18 *AMS Neve Ltd* (2019), paragraph 50.

¹⁶⁷³ Opinion of Advocate General Szpunar in C-172/18 *AMS Neve* (2019).

¹⁶⁷⁴ C-172/18 *AMS Neve Ltd* (2019).

State.”¹⁶⁷⁵ This also means that enforcement of this alternative provision excludes the possibility to bring the claim according to Art. 125(1) EUTMR.¹⁶⁷⁶

The main distinction between Art.125(1) and 125(5) EUTMR lies in the scope of international jurisdiction.¹⁶⁷⁷ Due to Art. 125(5) EUTMR, the claim may be brought with respect to the same EUTM, but in different territories with a limited scope of jurisdiction.

In this aspect, it resembles a lot a “mosaic” doctrine adopted under Art. 7(2) BRR for IP infringement cases: it also enables the claimant to bring several claims in relation to the same EUTM, but with respect to the territory of different Member States.

As a whole, the CJEU provided a detailed analysis of Art. 125(5) EUTMR, commenting on its essential legal characteristics:

- 1) an alternative nature (which excludes bringing the claim to the defendant’s forum);
- 2) the limited scope of the jurisdiction (which is restricted to the acts, committed within the territory of the court);
- 3) reducing cases of *lis pendens*¹⁶⁷⁸ (because several claims in relation to the same EU mark will refer to different territories of the Member States);
- 4) a priority over Art. 7(2) BRR as a *lex specialis*;
- 5) a distinct treatment for offline¹⁶⁷⁹ and online EUTM infringements

For the purpose of the present part, the interplay between BRR and EUTMR¹⁶⁸⁰ should be illustrated.

7.5.2.5. Art.7(2) BRR and 125(5) EUTMR: where do they meet?

¹⁶⁷⁵ *Ibid.*, paragraph 42, also, see to that effect, CJEU, C-231/16, Merck KGaA v Merck & Co. Inc. and Others, 19 October 2017 (EU:C:2017:771) (concerning the use of the name ‘Merck’ online, one action based on a national trademark followed by another based on an EU trademark and disclaimer of jurisdiction), paragraph 42-43: “[...] In view of the objective of Article 190(1)(a) of Regulation No 207/2009, set out in paragraph 31 above, the actions initiated before the courts listed in the previous paragraph must, for the application of the provision, be found to have the same subject matter only in so far as the alleged infringements relate to the same territory. Any other interpretation would lead to the result that the possibilities for a proprietor of an EU trademark — who has initially brought an action for infringement against an alleged infringer on the basis of an identical national trademark before a court of a Member State having jurisdiction, in infringement matters, limited solely to the territory of that Member State — to assert the rights which he derives from an EU trademark in the territory of other Member States would be unduly restricted. Such an interpretation would be contrary to the objective, referred to in recital 15 of Regulation No 207/2009, of strengthening the protection of EU trademarks.”

¹⁶⁷⁶ For the sake of avoidance of *lis pendens* rule.

¹⁶⁷⁷ The former is full and covers acts of infringement committed throughout the European Union and the later is limited to acts of infringement committed or threatened within a single Member State, where the court is situated.

¹⁶⁷⁸ As a result of the bringing of actions, in different Member States, involving the same parties and the same territory, one brought on the basis of an EUTM and another on the basis of parallel national trademarks.

¹⁶⁷⁹ Relates to active conduct on the part of the person causing the alleged infringement (C-360/12, *Coty Germany GmbH v First Note Perfumes* (2014), paragraph 34).

¹⁶⁸⁰ Precisely, the concepts of the “place of the act of infringement” and “the place where the harmful event occurred” in those provisions.

The key argument against any uniform interpretation of Art.7(2) BRR and 125(5) EUTMR is that the provision of Art. 125(5) EUTMR will lose its effectiveness as an alternative *forum*.¹⁶⁸¹ In particular, due to both *Parfummarken* and *AMS Neve*, the “place where an act of an infringement occurs” and the “place where the defendant established” often lead to the same Member State that may arguably lead to EUTM limitation (in contrast to national trademarks).

Also, the scope of jurisdiction under Art. 125 (5) EUTMR may become unclear: normally it is limited as the territorial effect of claims should be restricted to the forum state. However, if it coincides with general jurisdiction under Art. 125.(1)-(4) EUTMR, a jurisdictional scope may change to cover claims with an EU-wide effect.

The concept of “establishment” has specific relevance in the light of Art. 126 EUTMR, since a EU-wide injunction can be granted. The notion of “establishment” under Art. 125 EUTMR was clarified in the CJEU ruling in *Hummel Holdings v Nike Inc.*¹⁶⁸²

The proceeding arose in a German Court between, on the one side Hummel Holding AS, a Danish company and, on the other side, Nike Inc. (USA) and Nike Retail BV (Netherlands), concerning the infringement of an international trademark of Hummel Holding with effect in the European Union.

Nike Inc. (USA) had an “establishment” in Germany, i.e. Nike Deutschland GmbH (not part of the proceedings) which, however, is “a legally distinct second-tier subsidiary” of Nike Inc. and does not directly sell Nike-branded goods, but mainly provides pre-sale and post-sale support.¹⁶⁸³

Hummel Holding AS requested a pan-European injunction against Nike Inc, and, alternatively, also concerning the territory of Germany, where most of the infringements were committed). The international jurisdiction of the German Court depended upon the interpretation on the concept of “establishment” of a foreign entity within the EU.

Following the Opinion of the Advocate General,¹⁶⁸⁴ a rather broad interpretation of “establishment” was taken by the CJEU, reflected by two decisive factors:

- 1) a certain real and stable presence, from which commercial activity is pursued, “[...] as manifested by the presence of personnel and material equipment” and
- 2) the appearance of permanency to the outside world, such as the extension of a parent body.¹⁶⁸⁵

Accordingly, the status of an “establishment” may receive the subsidiary if it is a centre of operations in the Member State where it is located. A legal personality of such an establishment and the requirement of participation in the infringements were concluded to be irrelevant.¹⁶⁸⁶

In comparison, for the purpose of defining an “establishment” in the context of Art. 7(2) BRR, it is important to constitute involvement in infringing activity. In particular, in *Wintersteiger*,

¹⁶⁸¹ C-172/18 *AMS Neve Ltd* (2019).

¹⁶⁸² C-617/15, *Hummel Holding A/S v Nike Inc.* (2017).

¹⁶⁸³ C-617/15, *Hummel Holding A/S v Nike Inc.* (2017), paragraphs 15-18.

¹⁶⁸⁴ Opinion of Advocate General Tanchev in C-617/15, *Hummel Holding A/S v Nike Inc.*, 12 January 2017 (ECLI:EU:C:2017:13), paragraph 80.

¹⁶⁸⁵ C-617/15, *Hummel Holding A/S v Nike Inc.* (2017), paragraphs 37-39.

¹⁶⁸⁶ *Ibid.*, paragraph 41.

the “place of the event” was linked to the “place of establishment.” However, later (in *Hejduk*), the Court emphasised that the key was to indicate “where the activation process was decided.”¹⁶⁸⁷

This may mean, that the concept of “establishment” under Art. 7(2) BRR could also amount to the place which was actively involved in infringing activity,¹⁶⁸⁸ and not necessarily to the place of the defendant’s domicile.¹⁶⁸⁹ In other words, the “place of the event” under Art. 7(2) BRR would not necessarily lead to the “place of the establishment,” but to the Member State, on whose territory the defendants had taken steps to put the signs on the website, or had taken decisions to that effect.¹⁶⁹⁰

This ruling had become a ground for refusing the same reading of Art. 125(5) EUTMR and Art. 7(2) BRR (when *Wintersteiger’s* approach would lead to an infringer’s establishment).

Similarly, (as it was discussed in the previous chapters) the coincidence of the “place of the event” (under Art. 7(2) BRR) with a defendant’s domicile (under Art. 4(1) BRR) also diminishes an alternative nature of this provision. Despite the risk of losing effectiveness, Art. 7(2) BRR was interpreted in the meaning of possible coincidence with the defendant’s seat. It was justified by the challenges which the Internet brings while transforming the criteria of tort location. Thanks to the duality of special jurisdictional grounds under Art. 7(2) BRR, such interpretation should not limit its alternative nature and may provide additional *fora* at the “place of the damage.”

Unlike Art. 7(2) BRR, Art. 125 EUTMR maintains a *layered* jurisdictional rule when every further alternative forum becomes available only if the principal one is not available. The consequences of general and alternative jurisdictional overlap under Art. 125 EUTMR could also to become *paradoxical*. According to the Opinion of Advocate General Szpunar, in the situation of such coincidence, the “act of infringement” may be committed outside the territory of the European Union.¹⁶⁹¹ In this context, common reading of both provisions (Art. 7(2) BRR and Art.125(5) EUTMR) would generate more problems than it can solve.

At the same time, these provisions share the same meaning of the “place of the event” in the offline context.¹⁶⁹² Both Advocate General Jääskinen and the CJEU indicated in *Coty*, that an “act of infringement” under Art. 125(5) EUTMR should correspond to the “place of the event” under Art. 7(2) BRR.

The case in *Coty* involved both national and EUTM offline infringements and the “place of the event” was interpreted in the same way for both types of trademarks. This means that the CJEU did not find any contradiction between national trademark and EUTM in this particular context and various attempts to adopt equal treatment for Art. 125(5) EUTMR and Art. 7(2) BRR might have been justified by this fact. Accordingly, the case law on Art. 7(2)

¹⁶⁸⁷ To justify the same reading of these rulings was enhanced, for example, at DE MIGUEL ASENSIO P. (2015), “El lugar del daño como fundamento de la competencia internacional en los litigios sobre derechos de autor”, *Estudos de Direito Intelectual (En Homenagem ao Prof. Dr. José de Oliveira Ascensão)*, Coimbra, Almedina, p. 511-530, p. 10; ROSATI E. (2017), “International jurisdiction in online EU trademark...,” *op. cit.*, p. 19-20.

¹⁶⁸⁸ As it was illustrated in previous chapters.

¹⁶⁸⁹ See also at C-172/18, *AMS Neve Ltd* (2019), paragraph 17.

¹⁶⁹⁰ C-441/13, *Pez Hejduk* (2015).

¹⁶⁹¹ Opinion of Advocate General Szpunar in C-172/18 *AMS Neve* (2019), paragraph 50.

¹⁶⁹² *Ibid.*

BRR was fairly concluded¹⁶⁹³ to be applicable to Art. 125(5) EUTMR situations in the aspect of defining the “place of the event”.

At the same time, Art. 7(2) BRR has obtained a dual jurisdictional grounds which was clearly refused for EUTM infringement jurisdiction: the “place of the damage” was rejected for the purposes of Art. 125(5) EUTMR. Thus, *AMS Neve* had become effective guidance for the demarcation of these two provisions, giving more consistent interpretations.

In *AMS Neve*, the CJEU has adopted a unitary approach to the concept of an “act of infringement” under Art. 125(5) EUTMR: an “act of infringement” is considered in the context of “dichotomy” of “an act” and “an effect,” which should amount to the unique place (unlike under Art. 7(2) BRR). This allows concluding that doctrinally distinct approaches were adopted pursuant to offline and online EUTM infringements. Unlike in *Coty* (which connected Art. 125(5) EUTMR with the concept of the “place of event” under Art. 7(2) BRR), *AMS Neve* interprets Art. 125(5) EUTMR as a cumulative notion of “an act” and “an effect.” By stating this the CJEU essentially enhanced a specific nature of ubiquitous infringements, deviating from traditional territorial connecting factors and endorsed a significant transformation of jurisdictional criteria for online infringements of EUTM.¹⁶⁹⁴ The reasoning in this aspect of *AMS Neve* should be welcome.

In contrast, if the “targeting” test responds to the purposes of EUTM jurisdiction better than an “online accessibility” remains to be seen. The analysis of these questions will be illustrated in the next chapter, concerning the establishment of “the place of the damage” under Art. 7(2) BRR. In this chapter we will consider how *AMS Neve* may influence Community Design and EU Patent litigation.

7.5.2.6. Jurisdictional criteria for online infringements of EU registered Design rights

May the findings of *AMS Neve* be invoked to allocate a Community Design court at the place which is distinct from the defendant’s seat? Will “targeting” be the requirement to allocate jurisdiction for online infringements of EU registered design rights?

Online infringements of EUTM and Community Design rights may share numerous similarities.¹⁶⁹⁵ Proceedings concerning EU registered design rights are likely to adopt the same jurisdictional approach as the claims for EUTM infringements.

In particular, Art. 82(1) of Community Design Regulation 6/2002¹⁶⁹⁶ (further the CDR) provides that proceedings relating to the infringement and validity of Community registered

¹⁶⁹³ For the approach to support consistency in the interpretation of Art.125(5) EUTMR and Art. 7(2) BRR in the context of a settled case law for national trademarks see at: ROSATI E. (2017), “International jurisdiction in online EU trademark...,” *op. cit.*, p. 19, LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*, however in the meaning of the “place where EUTM has its effect.”

¹⁶⁹⁴ According this logic, the CJEU in C-172/18 *AMS Neve* (2019) did not followed the interpretation in (C-360/12, *Coty Germany GmbH v First Note Perfumes* (2014)). Despite the common treatment of national and EUTM claims in the offline context, the “online accessibility” approach (as it was interpreted in *Wintersteiger*) was supplemented by “targeting.”

¹⁶⁹⁵ For instance, if the defendant had used the name or logo of the product for which its spare part or accessory is designed while advertising infringing goods for sale on its website, the infringer may only act in his domicile, but the offer infringes the European Design in all the contracting states (C-24/16 and C-25/16 *Nintendo Co. Ltd v BigBen* (2017)).

¹⁶⁹⁶ Regulation on Community designs 6/2002.

designs fall primarily within the international jurisdiction of the courts of the member state in which the defendant is domiciled or, if he is not domiciled in any of the member states, in any member state in which he has an establishment. Art. 83(1) CDR provides that a Community design court whose jurisdiction is based on Art. 82(1), (2), (3) or (4) CDR shall have jurisdiction in respect of acts of infringement committed or threatened within the territory of any of the member states.

At the same time, Article 83(5) CDR states that:

Proceedings in respect of the actions and claims referred to in Article 81(a) and (d) may also be brought in the courts of the Member State in which the act of infringement has been committed or threatened.

This means that a Community design court shall have jurisdiction only in respect of acts of infringement committed or threatened within the territory of the Member State in which that court is situated (Art. 83(2) CDR).

Therefore, Art. 125(5) EUTMR and Art. 83(5) CDR indeed share a very similar wording and the scope of jurisdiction. In light of this, the finding of *AMS Neve* (i.e. the “targeting” test) most probably will also apply to Community design online infringements under Art. 83(5) CDR by analogy.

In contrast, when the national design is at stake, the approach from *Wintersteiger* (i.e. the place of design registration or validation) most probably will be followed. Art. 79 CDR provides that, unless otherwise specified in the CDR, the relevant provision of BRR shall apply. Besides, proceedings relating to Community designs and national designs enjoy simultaneous protection.¹⁶⁹⁷

7.5.2.7. European patent’s online infringements

Unlike for EUTM and Community Design rights, the ruling in *AMS Neve* most probably will not be extended to European patent claims. The reason behind this is that there is no single European court to deal with patent infringement and revocation disputes relating to European patents.¹⁶⁹⁸ Consequently, each national part of a European patent is often separately litigated.¹⁶⁹⁹

25 EU member states signed an Agreement on a Unified Patent Court (the UPCA).¹⁷⁰⁰ It will establish a common court for all the Member States party to the UPCA and thus will be part of their judicial system.¹⁷⁰¹ The Unified Patent Court will be competent to deal with infringement and revocation disputes concerning Unitary Patents as well as classical European patents. As a general rule, the Brussels Regime extends to patent litigation and

¹⁶⁹⁷ Brussels Regulation Recast 1215/2012, Art. 79(3), stating that BRR is not applicable to proceedings in respect of invalidity and infringement proceedings.

¹⁶⁹⁸ Validated in the contracting states (Convention on the Grant of European Patents of 5 October 1973 (as adopted by the Administrative Council of the European Patent Organisation by decision of 28 June 2001), OJ EPO 2001, (the European Patent Convention)).

¹⁶⁹⁹ For instance, C-539/03, *Roche Nederland and Others* (2006).

¹⁷⁰⁰ Agreement on a Unified Patent Court, 20 June 2013 (UPCA), OJ EU C 175/1, OJ EPO 2013.

¹⁷⁰¹ In 2014, specific provisions for the Unified Patent Court (UPC) were added to Brussels Regulation Recast 1215/2012.

includes the jurisdiction of the Unified Patent Court as a court common to the contracting Member States.¹⁷⁰²

Let's consider a scenario of online advertisement of goods that infringe a European patent.¹⁷⁰³ The defendant offers to deliver them to all the EPC contracting states. However the defendant only acted in the state of his domicile/establishment, the online advertisement infringes the European patent in all mentioned states.

To this extent, Art. 4(1) BRR may be invoked, when the claimant may choose to bring the action before the courts of the defendant's domicile. Alternatively, Art. 7(2) BRR may allow suing at "the place of the event," which would lead to an establishment of the defendant.¹⁷⁰⁴ Such courts could award damages with regard to sales in all the EPC contracting states.

Since the patent was infringed in several EPC member states by means of online advertisements, the "place of the damage" under Art. 7(2) BRR may allow bringing a claim to the State, distinct from the one of the defendant's seat. However, damages will be granted only with respect to sales in the court's territory. Therefore, as a general rule, the patent court should follow the ruling in *Wintersteiger*, when the proceeding concerns both a national and a European patent.

Indeed, a European patent constitutes a "bundle" of different national patents. An online infringement of a European patent will be considered in a meaning of distinct infringing acts that infringe different national patents. By analogy with *Wintersteiger*, "the place of event" will coincide with the defendant's establishment,¹⁷⁰⁵ however, this should be the place of an EU patent validation.

These findings allow submitting that Art. 7(2) BRR may be also enforced with respect to EUTM and Community Design online infringements in a specific scenario of an online infringement under the law against unfair competition. The court at the "place of the damage" may invoke its jurisdiction on the ground of the place of EU validation and the risk of the damage (this possibility will be illustrated in the next chapter concerning the "place of the damage"). Therefore, even after *AMS Neve*, the duality of jurisdictional grounds under Art. 7(2) BRR may apply to online infringements of European patents, when the claims concerning patent online infringements may share common jurisdictional criteria with the rest national IPRs.¹⁷⁰⁶

7.5.3. Conclusion for EU registered IP rights

The summary of the criteria which are adopted for EU registered IP rights is illustrated by the following Tables.

Table 5 illustrates the interpretation from the CJEU rulings (in colour) and its possible transportation to other types of IP rights.

¹⁷⁰² Art. 31 UPCA.

¹⁷⁰³ Validated in all the EPC contracting states.

¹⁷⁰⁴ OHLY A., MAXIMILIAN L. (2018), *The jurisdiction of European courts...*, *op. cit.*

¹⁷⁰⁵ Table 2 of the present chapter.

¹⁷⁰⁶ OHLY A., MAXIMILIAN L. (2018), *The jurisdiction of European courts...*, *op. cit.*, LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*

Table 5

The “place of an act of infringement” <u>online</u>	<u>EU</u> IP registered rights	Scope of jurisdiction	CJEU’s rulings	Comments
<u>Art. 125(5) EUTMR</u> : Where consumers are located, targeted by advertising and by offers for sale	Trademarks	Limited	<i>AMS Neve</i> C-172/18	Interpreted
<u>Art. 83(5) CDR</u> : Where consumers are located, targeted by advertising and by offers for sale	Design rights	Limited	<i>AMS Neve</i> C-172/18	By analogy
<u>Art. 7(2) BRR</u> : Infringer’s establishment	Patents	Full	<i>Wintersteiger</i> . C-523/10; <i>Folien Fischer</i> , C-133/11	By analogy

Table 5 shows how in a different way BRR and specific IP legislation approach the issue of IP infringement localisation in the online context.

After the ruling in *AMS Neve*, infringing act within the meaning of Art. 125(5) EUTMR may lead to the Member State, where consumers and/or traders are targeted by advertising and by offers for sale. Due to a rather identical wording of Art. 83(5) CDR, the same by analogy most probably will apply to online infringements of Community design rights.

By contrast, it may be argued that the patent litigation should follow the interpretation from *Wintersteiger* (within the meaning of Art. 7(2) BRR). An act of patent infringement online will lead to the place of the defendant’s establishment.

The Table 6 suggests that in a specific situation of claims concerning unfair practices, EU registered IP rights arguably will fall under the scope of Art. 7(2) BRR. Hence, in these scenarios, the interpretation from *Wintersteiger* may be transported into the claims concerning online infringements of EU registered IP rights.

Table 6

The “place of the event” Art. 7(2) BRR <u>online</u> (<i>the law against unfair competition</i>)	<u>EU</u> IP registered rights	Scope of jurisdiction	CJEU’s rulings	Comments
	Trademarks	Full	<i>Wintersteiger</i> . C-523/10	By analogy

The “place of the event” Art. 7(2) BRR online (the law against unfair competition)	EU IP registered rights	Scope of jurisdiction	CJEU’s rulings	Comments
Infringer’s establishment	Design rights	Full	<i>Wintersteiger</i> . C-523/10, <i>Nintendo</i> C-25/16	By analogy
	Patents	Full	<i>Wintersteiger</i> . C-523/10; <i>Folien Fischer</i> , C-133/11	By analogy

The ruling in *Wintersteiger* may arguably apply to online infringements of EU registered IP rights under the competition law. The “place of the event” thus may lead to “the place where the activation of the display process was decided,”¹⁷⁰⁷ which may be the “place of establishment of the advertiser.”¹⁷⁰⁸

In five years after *Wintersteiger*, the CJEU came to very similar (if not the same) conclusion in *Nintendo*. The “place of the event” was also defined as “the place where the process of putting the offer for sale online by that operator on its website was activated.”¹⁷⁰⁹ Supporting the CJEU’s consistency with regard to allocation jurisdiction for online infringements at “the place of the event” (Art. 7(2) BRR), present thesis argues in favour further extension of *Wintersteiger* to IP claims where other registered IP rights are infringed online.

Therefore, the concept of the “the place of the event” (under Art. 7(2) BRR) is argued to be located at “the place of defendant’s establishment” for the national trademark, design and patent infringements in the online context. Not just any establishment should be considered, but the one which was involved in the activation process of infringing posting.

Moreover, the court where the advertiser or website owner is established¹⁷¹⁰ will arguably have the full scope of international jurisdiction:¹⁷¹¹ it will have the power to determine all the damage allegedly caused to the proprietor.

The same is arguably acceptable for online infringements of EU registered IP rights when unfair practices are concerned, when Art. 7(2) BRR applies in specific situation of EU trademark infringement under the national law against unfair competition. The solution of uniform treatment of jurisdictional grounds for all registered IP rights was inspired by an extensive academic and policy discourse in this field.¹⁷¹²

¹⁷⁰⁷ C-523/10, *Wintersteiger* (2012), paragraph 34.

¹⁷⁰⁸ *Ibid.*, paragraph 37.

¹⁷⁰⁹ C-24/16 and C-25/16 *Nintendo Co. Ltd v BigBen* (2017), paragraph 108.

¹⁷¹⁰ More to this see, for instance, at LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*, paragraph 9.46.

¹⁷¹¹ C-509/09 and C-161/10, *eDate Advertising and Others* (2011), paragraph 42.

¹⁷¹² No case law of the CJEU is available, see, for instance, at OHLY A., MAXIMILIAN L. (2018), *The jurisdiction of European courts...*, *op. cit.*, LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*, 9.40-9.50.

At the same time, the jurisdictional approach differs when *pure* EU IPR infringements (pursuant to a specific IP legislation) are considered. Jurisdiction under Art. 125(5) EUTMR and Art. 83(5) CDR should be allocated according to the interpretation in *AMS Neve* and will amount to a “targeted” State. This jurisdictional approach has been justified¹⁷¹³ by a strong link between applicable law and jurisdiction, that the CJEU made.

Also, the scope of jurisdiction under Art. 125(5) EUTMR and Art. 83(5) CDR will be restricted. The EUTM court according to Art. 125(5) EUTMR may rule only in respect of acts committed or threatened within its territory,¹⁷¹⁴ granting local damages only.¹⁷¹⁵

All these stand far from special jurisdiction for offline infringements concerning EU registered IP rights which are localised in a different manner. Unlike online infringements of EUTMs (which are covered by *AMS Neve* ruling), offline EUTM infringements are subject to ruling in *Coty*. Art 125(5) EUTMR had not received dual jurisdictional grounds (as “the place of the event” and the “place of the damage” under Art. 7(2) BRR) and may be established solely in the Member State “in which the defendant committed the alleged unlawful act.”¹⁷¹⁶

According to *Coty*, both concepts: the “place of the event” (Art. 7(2) BRR) and the “place of an act of an infringement” (Art. 125(5) EUTMR), will be localised at the Member State, where an alleged infringer had acted himself,¹⁷¹⁷ taking into account an active conduct of the infringer within the court’s territory.

For offline infringements of EU registered IP rights, the CJEU thus prioritised the “place of an act” (and not the “place of establishment”) as a relevant jurisdiction location. One may agree that this territorial criterion may be rather easy linked with a specific territory. The online environment however is the place where all deviations and compromises take place. The coincidence between “the place of the event” and the place of the defendant’s seat is an example.

These jurisdictional approaches from the CJEU case law pose more questions that they may solve: should the term “the event giving rise to the damage” be interpreted in a common way for applicable law and allocation of jurisdiction? May courts apply the same jurisdictional criteria for establishing jurisdiction and applicable law?¹⁷¹⁸

In *Coty* an autonomous interpretation of Art. 125(5) EUTMR and Art. 7(2) BRR was established. However, the CJEU sometimes overrules its own instruction when it comes to the application of the Brussels Regime and substantive IP legislation.¹⁷¹⁹ For example, in *Nintendo* (while dealing with Rome II and applicable law aspects), it indeed referred to the concept from Art. 7(2) BRR such as “the place of the event.” Obviously, national courts also apply common jurisdictional criteria for establishing jurisdiction and applicable law.

As a whole, it may be submitted that the concept of “the place of the event” (under Art. 7(2) BRR) refers to the origin of the action of the defendant and may be localised at the “place of defendant’s establishment.” This conclusion should be common for the online infringements online, concerning most types of IP registered rights. On its turn, for offline

¹⁷¹³ C-24/16 and C-25/16 *Nintendo Co. Ltd v BigBen* (2017), C-172/18 *AMS Neve* (2019).

¹⁷¹⁴ EUTM Regulation 2017/1001.

¹⁷¹⁵ For instance, at LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*, paragraph 9.93.

¹⁷¹⁶ C-360/12, *Coty Germany GmbH v First Note Perfumes* (2014), paragraph 37.

¹⁷¹⁷ *Ibid.*, paragraph 31.

¹⁷¹⁸ More to this extent will be discussed further in this chapter.

¹⁷¹⁹ More to the same see, for instance, at Law blog by VAN CALSTER G., at <https://gavclaw.com>.

infringements of IP rights “the place where an alleged infringer had acted” prevails as a relevant jurisdiction location.

Needless to say that under this meaning of “the place of the event” under Art. 7(2) BRR, it almost always coincides with the defendant’s domicile (Art. 4(1) BRR), questioning duality of jurisdictional grounds. The next chapter will analyse if the legal nature of Art. 7(2) BRR as an alternative to general jurisdiction may be reflected at “the place of the damage.”

7.6. IP unregistered rights

The tension between jurisdiction and applicable law is a core aspect in the most interpretations of Art. 7(2) BRR. A definition of special jurisdiction for online infringements of unregistered IPRs depends heavily on this interplay. IP-focused experts¹⁷²⁰ suggest looking at substantive IP law concepts when deciding jurisdiction. PIL-focused scholars,¹⁷²¹ on the contrary, claim avoidance of analysing law and the case substance within the jurisdictional stage.¹⁷²²

On one hand, the “place of the event” has been argued¹⁷²³ to amount to the place where the protected work is reproduced, copied, illegally downloaded, etc., which is in accordance with substantive IP (copyright) law, rather than with jurisdictional criteria (the “place of establishment of the alleged infringer”).¹⁷²⁴

On the other hand, the “place of the event” may amount to the “place of uploading of the infringing material to a website,” (from where the material originated, issued or send) and it usually coincides with an infringer’s establishment.¹⁷²⁵ Since it may be rather difficult to define where exactly material was uploaded and put on the website, an establishment of the defendant thus may become the most preferable location.

Noteworthy that both conflicting approaches to jurisdiction for unregistered IP rights share the common solution for infringements in the online context: “the place of the event” was agreed¹⁷²⁶ to lead to the establishment of infringer, as a more reliable *forum*.

¹⁷²⁰ They are arguably mostly IP-focused commentators who claim a specific jurisdictional approach for IP infringements, for example, BOGDAN M. (2013), “Jurisdiction in Disputes about Infringements of IP Rights,” *Masaryk University Journal of Law and Technology*, p. 193, FAWCETT J. J., TORREMANS P. (2011), “Intellectual Property and Private International Law...,” *op. cit.*, KUR A. (2018), “Abolishing Infringement Jurisdiction for EU Marks...,” *op. cit.*, KUNDA I. (2016), “Jurisdiction for copyright infringements...,” *op. cit.*

¹⁷²¹ They are arguably mostly PIL-focused commentators who reject a specific treatment for IP infringements for the jurisdictional purpose, for example, NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.*, NITSEVICH N. (2015), *Intellectual property rights... op.cit.*, ENGELEN D. (2010), “Jurisdiction and Applicable Law...,” *op.cit.*, SENDER M.P. (2002), *Cross-border Enforcement of Patent Rights. An Analysis of the Interface Between Intellectual Property and Private International Law*, Oxford Private International Law Series, p. 360.

¹⁷²² As it was referred in the previous chapters.

¹⁷²³ In a sense of a substance, see, also, at FAWCETT J. J., TORREMANS P. (2011), “Intellectual Property and Private International Law...,” *op. cit.*, as an alternative approach to *Shevill* doctrine.

¹⁷²⁴ As it was commented also at TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...,” *op. cit.*

¹⁷²⁵ For example, NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.*, p 141.

¹⁷²⁶ Hence, for instance, the place where the books are copied may arguably lead to the establishment of infringer who uploads such material. See more at for example, NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.*, p 141, also NUYTS A. (2008), “Suing at the place of infringement...,” *op. cit.*, p. 149, claiming a full jurisdictional scope for such courts.

Table 7

The CJEU's rulings	UNREGISTERED IP rights	Comments
2011		
2012	1. <i>Donner</i> , C-5/11 2. <i>Football Dataco</i> , C-173/11	The substantive law aspects were considered
2013	<i>Pinckney v KDG Mediatech</i> , C-170/12	
2014	<i>Hi Hotel HCF SARL v Uwe Spoering</i> , C-387/12	The offline context
2015	<i>Pez Hejduk v EnergieAgentur.NRW GmbH</i> , Case C-441/13	
2016		
2017		
2018		
2019		

As we may see in Table 7, *Pinckney* was the first ruling, issued by the CJEU in relation to online copyright infringements. By that time, the guidance from *Wintersteiger* was already available. Also, the Court had already ruled on applicable law aspects in online copyright infringements in *Donner* and *Football Dataco*.

7.6.1. The influence of applicable law (*Donner* and *Football Dotaco*)

In order to show how applicable law influences the question on deciding Jurisdiction, let's have a look, first, at the case law concerning the applicability of IP legislation in *Donner* and *Football Dataco* rulings. While these cases may be of limited relevance to the analysis of jurisdiction under Art. 7(2) BRR, they allow to reflect specific conditions in which this provision was interpreted for online infringements of copyright.

For instance, *Donner*¹⁷²⁷ concerned criminal proceedings against Titus Alexander Jochen Donner who was accused in the sale of copies of works in a Member State in which the copyright on those works is not protected. In this proceedings, an application of the concept of the "distribution to the public" under Art. 4(1) of Directive 2001/29 on the harmonisation of certain aspects of copyright and related rights in the information society (further - Directive 2001/29)¹⁷²⁸ was questioned.

¹⁷²⁷ C-5/11, criminal proceedings against Titus Alexander Jochen Donner (2012).

¹⁷²⁸ InfoSoc Directive 2001/29/EC.

In the scenario of a cross-border sale, the CJEU commented on acts giving rise to a “distribution to the public,” and transported the “targeting” test from consumer protection case (in *Pammer*)¹⁷²⁹ and trademark case (in *L’Oréal*)¹⁷³⁰ to copyright infringement cases.

The defendant, a German national, was the principal director of a freight forwarding company established in Bologna (Italy), but essentially conducted his business from his place of residence in Germany. The company used advertisements and a German-language internet website to offer replicas of furnishings in the so-called “Bauhaus” style for sale to customers residing in Germany.

According to the Landgericht München II, Mr. Donner thereby committed the criminal offence. Mr. Donner appealed claiming that the relevant facts occurred in Italy. The works enjoyed copyright protection in Germany as works of applied art. In Italy, however, there was no copyright protection.

The key point was if there is “distribution to the public” under Art. 4(1) Directive 2001/29 on the territory of Germany. In this frame, the court concluded that:

[...] A trader in such circumstances bears responsibility for any act carried out by him or on his behalf giving rise to a ‘distribution to the public’ in a Member State where the goods distributed are protected by copyright. Any such act carried out by a third party may also be attributed to him, where he specifically targeted the public of the State of destination and must have been aware of the actions of that third party.¹⁷³¹

In this context, the CJEU provided specific guidance for defining such targeted activity: the German-language website, the content and distribution channels of advertising, specific delivery system and payment method, etc. This conclusion is also relevant from the perspective of jurisdiction. Since the question if the German courts have the power to rule a case was decided on the ground that the actions of an infringing party (targeting activity) were decisive for establishing the link with German territory,¹⁷³² the “targeting” test had become a transformative criterion available for the applicable law and jurisdictional purposes.¹⁷³³

A significant influence, which applicable law is liable to make on the jurisdiction, maybe also illustrated by ruling in *Football Dotaco*.¹⁷³⁴ In this case, the CJEU gave a ruling on the issue of the location of acts of infringement of the *sui generis* right for data base protection. This reference concerned the interpretation of Art. 7 of Directive 96/9/EC on the legal protection of databases (further Directive 96/9/EC).¹⁷³⁵

The interpretation had defined the relationship between the location of the acts of sending data online, on the one hand, and the applicable law (the Rome II Regulation) coupled with the jurisdiction (the BRR), on the other.

¹⁷²⁹ C-585/08 and C-144/09, *Peter Pammer* (2010).

¹⁷³⁰ C-324/09, *L Oréal SA, v eBay International AG* (2011).

¹⁷³¹ C-5/11, criminal proceedings against Titus Alexander Jochen Donner (2012), paragraphs 27, 38.

¹⁷³² However, in a sense of substantive law: an operation giving rise to a “distribution to the public” carried out in the Member State which is different from the place of the defendant’s establishment or domicile).

¹⁷³³ C-172/18 *AMS Neve* (2019).

¹⁷³⁴ C-173/11, *Football Dotaco* (2012).

¹⁷³⁵ Directive 96/9/EC on the Legal Protection of Databases.

In particular, Football Dataco (the UK) claimed to have a *sui generis* right in the “Football Live” database. Sportradar GmbH (Germany) that provides results and other statistics relating inter alia to English league matches live via the internet.

Football Dataco submitted that Sportradar obtains its data by copying it onto its server from Football Live and then transmits the copied data to the members of the public in the United Kingdom. In their view, the acts performed by Sportradar must be regarded as having taken place in the United Kingdom, since that is the Member State at which those acts were directed.¹⁷³⁶

Sportradar claimed¹⁷³⁷ that an act of transmission occurs only in the place from which the data is sent, and the courts of the United Kingdom should not have jurisdiction. The consequence of that approach was that both the sending of the data and its prior uploading constitute cases of re-utilisation which take place only in the Member State in which the server onto which the protected data was uploaded is situated.

With the references to settled case law,¹⁷³⁸ the CJEU defined an infringing act as an act of re-utilisation of the data by the person sending it, and its localisation in the territory of the Member State to which the data in question is sent (the UK) depends on an intention to target persons in that territory.¹⁷³⁹ Therefore, “targeting” was used to define the act of re-utilisation and the intention of the defendant to reach a particular market.

This interpretation is also essential for the purpose of establishing jurisdiction,¹⁷⁴⁰ since initially Sportradar challenged the jurisdiction of the UK. The location of the acts of sending data were decisive for the bot purposes: of finding a competent court and applicable law (in the context of the place where the infringement of the *sui generis* rights occurred).

The concepts of “emission” and “reception” have become insufficient and ineffective as criteria for determining the place of an infringement in the online context.¹⁷⁴¹ The location of a web server has also become irrelevant. Instead, the CJEU applied “the intended target of information on the internet” as a suitable criterion for the purpose of applicable law. Therefore, that time, “targeting” was available as a test for applicable law, while for deciding the finding a competent court a mere online accessibility was sufficient.

Despite the consideration that this case might be in pure applicable law context, the CJEU also commented on the jurisdictional issues. The court examined the relationship between the location of the acts of sending data, on the one hand, and the court having territorial jurisdiction under the Rome II Regulation and the BRR, on the other.¹⁷⁴²

¹⁷³⁶ C-173/11, *Football Dataco* (2012), paragraphs 15, 20, confirming the “communication theory” by analogy with ruling in C-324/09, *L Oréal SA, v eBay International AG* (2011).

¹⁷³⁷ The “emission” theory applies by analogy Directive 96/9/EC on the Legal Protection of Databases, the Berne Convention for the Protection of Literary and Artistic Works.

¹⁷³⁸ By analogy, ¹⁷³⁸ C-585/08 and C-144/09, *Peter Pammer* (2010), paragraphs 75, 76, 80 and 92, C-324/09, *L Oréal SA, v eBay International AG* (2011), paragraph 65, and C-5/11, criminal proceedings against Titus Alexander Jochen Donner (2012), paragraphs 27 to 29.

¹⁷³⁹ C-173/11, *Football Dataco* (2012), paragraphs 39, 47.

¹⁷⁴⁰ C-173/11, *Football Dataco* (2012), paragraph 30.

¹⁷⁴¹ Opinion of Advocate General Cruz Villalón in C-173/11, *Football Dataco*, 21 June 2012 (ECLI:EU:C:2012:377), paragraph 55.

¹⁷⁴² C-173/11, *Football Dataco* (2012), paragraph 30, paragraphs 6, 29, 30, 34.

The scope of the principle of territoriality had been questioned in a close link between three aspects: jurisdiction, applicable law and substantive IP legislation. In light of this, the “place of the event” was considered not explicitly, but still may be driven from both the ruling itself and the Opinion of Advocate General Cruz Villalón.¹⁷⁴³ In particular, the jurisdiction in relation to a very specific act: the “sending” performed by the defendant, may be established also in the place where the process of the “sending” of data from the defendant’s server, was started.

Very similar wording was also adopted in *Wintersteiger* and further case law for online copyright infringements. Hence, the guidelines on these matters had been in the process of developing and the clear criteria for determining jurisdiction were nonetheless still awaited.

7.6.2. Pinckney: the first ruling in online copyright infringements

The case in *Pinckney*¹⁷⁴⁴ had allowed the CJEU to address for the first time how Art. 7(2) BRR should be interpreted in the specific context of online copyright infringements.

The request had been made in proceedings between Mr. Pinckney (a French resident), and KDG Mediatech AG (“Mediatech”, Austria) and had concerned a claim for damages, resulting from the infringement of Mr. Pinckney’s copyright.

Pinckney discovered that his musical works had been reproduced without his consent on CDs pressed in Austria by Mediatech, and then marketed by two UK companies through various internet web sites accessible from his residence in Toulouse. He sued Mediatech before the Toulouse Regional Court. Mediatech argued that the only courts having jurisdiction were the courts of the place of the defendant’s domicile (Austria) or the courts of “the place of the damage” (UK).¹⁷⁴⁵

The *Pinckney* reference concerned the interpretation of the concept of the “place of the damage,” rather than the “place of the event.”¹⁷⁴⁶ However, for the present discussion, the CJEU’s reasoning and the proposal of Advocate General are relevant and deserve attention.

First of all, because its arguments preempt the CJEU’s further interpretation for online copyright in the meaning that the “place of the event” may contribute to the establishment of the defendant (that will be endorsed later).¹⁷⁴⁷ The CJEU also made the references to *Wintersteiger*, stating that copyright (the same as a national trademark right), is subject to the principle of territoriality.

At the same time, Art. 7(2) BRR was concluded¹⁷⁴⁸ to be “[...] independent from any criteria which are specific to the examination of the substance.” The CJEU thus rejected any references to the substance in copyright claims at the jurisdictional stage.¹⁷⁴⁹ The approach of refusing any substantial case elements when defining jurisdiction had resulted in adopting

¹⁷⁴³ Opinion of Advocate General Cruz Villalón in C-173/11, *Football Dotaco* (2012).

¹⁷⁴⁴ C-170/12, *Pinckney v. Mediatech* (2013).

¹⁷⁴⁵ C-170/12, *Pinckney v. Mediatech* (2013), paragraphs 11-15.

¹⁷⁴⁶ C-170/12, *Pinckney v. Mediatech* (2013), paragraphs 22, 30.

¹⁷⁴⁷ C-441/13, *Pez Hejduk* (2015).

¹⁷⁴⁸ C-170/12, *Pinckney v. Mediatech* (2013), paragraphs 32-39, 41.

¹⁷⁴⁹ And due to Art. 7(2) BRR in general.

the infringer's *forum* as a valid location of the "place of the event."¹⁷⁵⁰ The court enhanced the place of the defendant's establishment as a relevant location of Art. 7(2) BRR for online copyright infringements.¹⁷⁵¹ The same was suggested by Advocate General: an interpretation of "the place of the event" in favour of the "establishment" approach (unlike the CJEU) was provided:

[...] I believe that the same approach should be taken in respect of copyright as the Court took in *Wintersteiger* in the field of trademarks, which consists in conferring jurisdiction on the courts of the place of establishment of the alleged infringers as the place where the online sale of CDs – for the act of distribution – or the uploading of the songs – for the act of communication – was decided.¹⁷⁵²

As a result, the claimant may bring proceedings before the courts of the place of establishment of the persons who sold the compact discs (CDs) online or placed the content online. Besides, compensation for all the damage suffered may be claimed.

In order to justify such an approach, Advocate General Jääskinen referred to the substance of online copyright infringement by describing the elements of alleged liability.¹⁷⁵³ In that sense, he considered various locations for different acts of copyright infringement separately and came to a common place for them: "[...] the determination of the 'place of the event giving rise to the damage' for both of them amounted to the place of establishment of the infringers."

Therefore, it may be argued that *Pinckney* has prepared the conditions for future interpretation of Art. 7(2) BRR. For the claims concerning registered IP rights, the fact of registration¹⁷⁵⁴ significantly affects the establishment of jurisdiction. In comparison, copyright infringements demand other criteria, avoiding references to the substantive rules.¹⁷⁵⁵

All these allow to conclude that copyright is distinct from EU registered IP rights, where substantive law aspects essentially influence jurisdiction. The CJEU further rejected "targeting" as the criterion from a substantial law for copyright claims,¹⁷⁵⁶ applying fundamentally different approaches to registered and unregistered IP rights infringements.

7.6.3. Lessons from *Coty in Hi Hotel HCF SARL*

The next ruling considered offline copyright infringements consisting of participatory acts within the territory of another Member State.¹⁷⁵⁷

¹⁷⁵⁰ See more to the doctrinal approaches above in previous chapters.

¹⁷⁵¹ It will be supported later in a subsequent case law.

¹⁷⁵² Opinion of Advocate General Jääskinen in C-170/12, *Peter Pinckney v KDG Mediatech*, 13 June 2013 (ECLI:EU:C:2013:400).

¹⁷⁵³ The same was arguably applied by the German national court in *Parfummaken*, as it looked at substantive law to establish jurisdiction.

¹⁷⁵⁴ Despite the fact that the registration is not matter of substance, as it was commented, for instance, at NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*

¹⁷⁵⁵ C-170/12, *Pinckney v. Mediatech* (2013), paragraph 42: "[...] Thus, unlike Article 15(1)(c) of the Regulation, which was interpreted in Joined Cases C-585/08 and C-144/09 *Pammer and Hotel Alpenhof* [2010] ECR I-12527, Article 5(3) thereof does not require, in particular, that the activity concerned to be 'directed to' the Member State in which the court seised is situated."

¹⁷⁵⁶ In particular, the "targeting" test was rejected for Art. 7(2) BRR in C-441/13, *Pez Hejduk* (2015).

¹⁷⁵⁷ C-387/12, *Hi Hotel HCF SARL v Uwe Spoering* (2014).

A photographer (German resident) had been commissioned to take a number of photographs of Hi Hotel (established in France). He subsequently noticed in a bookshop in Cologne an illustrated book on interior architecture published by a German publisher, containing reproductions of some of his photographs.

He successfully sued Hi Hotel for copyright infringement before a German court. The subsequent appeal brought by Hi Hotel was dismissed. The BGH decided to stay the proceedings and seek guidance from the CJEU as to whether German courts could be competent to hear such action. The international jurisdiction of the German courts under Art. 7(2) BRR was examined on the basis that the photographs were distributed in Germany and that Hi Hotel assisted in it.

The CJEU confirmed that the "place of the event" cannot be considered as conferring jurisdiction to courts in which territory the alleged infringer has not acted. Hi Hotel acted in France, hence, outside the jurisdiction of the court in which it was sued. Therefore, with the references to *Melzer*,¹⁷⁵⁸ the "causal event"¹⁷⁵⁹ did not occur within the jurisdiction of Germany. In that sense, the ruling echoes with *Coty*, as soon as it also covers the offline perspective of participatory acts.

In *Coty*,¹⁷⁶⁰ the EU trademark violation under the law of unfair competition was concerned. The court also followed the *Mezler* case. The interpretation of "the place of the event" lied in the actions of the defendant. Besides, the duality of jurisdictional grounds and applicability of Art. 7(2) BRR to EUTMs' infringements were supported in the situation of unfair competition.¹⁷⁶¹

Under these concerns, it may be stated that unlike for online torts, the valid location of "the place of the event" for offline torts is the place where the infringer acted.¹⁷⁶² The actions of the infringer as the linking factor with the court thus should be considered a decisive criterion for offline intellectual property infringements.¹⁷⁶³ From this perspective, the claims aiming at full damage compensation may be concentrated in the forum where an infringer acted (for offline torts) or where the online activation process was decided (for online torts), even if these places do not amount to defendant's domicile.¹⁷⁶⁴

7.6.4. Supplementing Wintersteiger in Pez Hejduk

¹⁷⁵⁸ CJEU, C-228/11, *Melzer v MF Global UK Ltd*, 16 May 2013 (EU:C:2013:305) (concerning participation by several persons in the same unlawful act), paragraph 40.

¹⁷⁵⁹ C-387/12, *Hi Hotel HCF SARL v Uwe Spoering* (2014), paragraphs 30-32.

¹⁷⁶⁰ C-360/12, *Coty Germany GmbH v First Note Perfumes* (2014).

¹⁷⁶¹ C-228/11, *Melzer v MF Global UK Ltd* (2013), paragraph 46.

¹⁷⁶² C-387/12, *Hi Hotel HCF SARL v Uwe Spoering* (2014), paragraph 40: "[...] In the light of the above considerations, the answer to the question is that Article 5(3) of Regulation No 44/2001 must be interpreted as meaning that, where there are several supposed perpetrators of damage allegedly caused to rights of copyright protected in the Member State of the court seised, that provision does not allow jurisdiction to be established, on the basis of the causal event of the damage, of a court within whose jurisdiction the supposed perpetrator who is being sued did not act, but does allow the jurisdiction of that court to be established on the basis of the place where the alleged damage occurs, provided that the damage may occur within the jurisdiction of the court seised. If that is the case, the court has jurisdiction only to rule on the damage caused in the territory of the Member State to which it belongs."

¹⁷⁶³ See tables from the previous chapter.

¹⁷⁶⁴ By analogy with C-68/93 *Shevill and others v Presse Alliance* (1995).

Online location for “the place of the event” was confirmed in *Hejduk*,¹⁷⁶⁵ in relation to unauthorised placing copyright protected photographs on a website which had become a result of a previous uniform interpretations of the *locus actus*.

The request has been made in proceedings between Ms. Hejduk (Austria) and EnergieAgentur (Germany). It concerned infringement of copyright as a result of making available the photographs on the website.

In order to justify the jurisdiction of the Austrian court, the claimant relied on Art. 7(2) BRR. EnergieAgentur claimed that its website is not directed at Austria and that the mere fact that a website may be accessed from Austria is insufficient to confer jurisdiction on that court.

The case questioned if *Pinckney* must be supplemented and Art. 7(2) BRR would allow *forum actoris* when a specific situation of online damage is delocalised. In particular, if the copyright holder may sue, in respect of all the damage sustained, in the courts for the place where he or she is domiciled.¹⁷⁶⁶

Beyond the fact that the court was asked to interpret the concept of “the place where damage occurred,” it also commented on “the place of the event” (as “the casual event”). By making conclusions that “[...] the activation of the process for the technical display”¹⁷⁶⁷ of the photographs on that website must be regarded as the causal event, the court also specified that the link with the forum lies in “the actions of the owner of that site.”¹⁷⁶⁸

The relevant place of the “place of the event” under Art. 7(2) BRR was concluded¹⁷⁶⁹ to be the place where “[...] the company took and carried out the decision to place photographs online.” For this factual-specific situation, the causal event took place at the seat of EnergieAgentur.

Moreover, Advocate General Cruz Villalón advised (unsuccessfully) the CJEU to limit jurisdiction at Art. 7(2) BRR solely to the courts for “the place of the event”.¹⁷⁷⁰ Instead, the CJEU confirmed the possibility to sue also before the courts of the Member State in which the damage occurred. Therefore, although “the place of the event” is likely to coincide with the place where the defendant is established, the key is to “[...] determine where the activation of the process for the technical display of the infringing content on a certain website has occurred.”¹⁷⁷¹ Further, the CJEU undermines¹⁷⁷² its conclusion by stating that this place is hard to identify and it can be rather manipulative. The place of establishment thus remains the only reliable location.

¹⁷⁶⁵ C-441/13, *Pez Hejduk* (2015).

¹⁷⁶⁶ In accordance with *eDate Advertising and Others*. More to this extent see, for instance, at XALABARDER R. (2014), “Jurisdiction and applicable law issues...,” *op. cit.*, The CLIP Principles and Commentary (2013), *Conflict of Laws in Intellectual Property*, Oxford, OUP, p. 560, commented by KUR A. at Art. point 2:203.C10, LUNDSTEDT L. (2018), “Putting Right Holders in the Centre...,” *op. cit.*

¹⁷⁶⁷ C-441/13, *Pez Hejduk* (2015), by analogy with C-523/10, *Wintersteiger* (2012), paragraphs 34 and 35.

¹⁷⁶⁸ C-441/13, *Pez Hejduk* (2015), C-523/10, *Wintersteiger* (2012), paragraph 24.

¹⁷⁶⁹ C-523/10, *Wintersteiger* (2012), paragraph 25.

¹⁷⁷⁰ The Opinion of Advocate General Cruz Villalón in C-441/13, *Pez Hejduk v EnergieAgentur* (2015), where it was unsuccessfully advised. This was also rejected in C-387/12, *Hi Hotel HCF SARL v Uwe Spoering* (2014).

¹⁷⁷¹ For instance, it was pointed at ROSATI E. (2017), “International jurisdiction in online EU trademark...,” *op. cit.*

¹⁷⁷² In C-172/18 *AMS Neve* (2019) and in C-194/16, *Bolagsupplysningen and Iisjan*, (2017).

Under these concern, as the CJEU in *Hejduk* has imported the interpretation of the “place of the event” from the ruling in *Wintersteiger*, the full scope of jurisdiction at this place (as interpreted in *Wintersteiger*) should also be arguably extended to online copyright infringements jurisdiction at the “place of the defendant’s establishment.”

7.6.5. Other unregistered IP rights

In this frame, the question arises if the jurisdictional approaches for online copyright infringements may apply in relation to other types of unregistered IP rights,¹⁷⁷³ as for example:

- unregistered and well-known trademarks;
- unregistered design;
- *sui generis* of the data base;
- and also complementary torts against the acts of unfair competition (related to IP rights).¹⁷⁷⁴

As the principle of territoriality is not strictly established for these unregistered IP rights and they may share significant similarities with copyright. Accordingly, the jurisdictional approaches adopted for online copyright infringements could arguably be extended to other unregistered IP rights.¹⁷⁷⁵ The relevant interpretations for such rights remain to be delivered by the CJEU in a future.

Nevertheless, unregistered IP rights are also territorial and limited to the territory of protection. They are automatically protected in all EU Member States, but the protection conferred by each Member State is territorially limited.¹⁷⁷⁶

For instance, according to Art. 6bis of the Paris Convention, all Member States must protect foreign well-known trademarks even when the marks have not been used or registered in their territories. The same was emphasised in Art. 2(b)(2–6) WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks.¹⁷⁷⁷ Evidence of international registrations and use in other countries can be used to demonstrate that a mark is well known and therefore protected in a Member State. However, due to the principle of territoriality, well-known marks are enforced on a national basis: the pre-requisite for protection is that the mark has obtained some degree of recognition in the protecting Member State.

Moreover, from the applicable law perspective, both registered and unregistered trademarks and design rights are covered by Rome II.¹⁷⁷⁸ In a scenario of online infringement of a well-known trademarks or unregistered trademark/design, the applicable law will be the laws of all countries for which protection is claimed (on a country-by-country basis).

¹⁷⁷³ Rather similar analogy was illustrated, for instance, at LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*, paragraph 9.102.

¹⁷⁷⁴ See more to the analogy with a complementary torts, for instance, at LUNDSTEDT L. (2018), “Putting Right Holders in the Centre...,” *op. cit.*

¹⁷⁷⁵ For instance, it was pointed at XALABARDER R. (2014), “Jurisdiction and applicable law issues...,” *op. cit.*, LUNDSTEDT L. (2018), “Putting Right Holders in the Centre...,” *op. cit.*, LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*, paragraph 9.102.

¹⁷⁷⁶ A fundamental international definition of unregistered IP rights can be found in the Paris Convention, which includes the protection of unregistered trademarks when they are well known (Art. 6bis Paris Convention)

¹⁷⁷⁷ The WIPO, *Joint Recommendation Concerning the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet*, (2001), Geneva, WIPO Publication No. 845(E).

¹⁷⁷⁸ Rome II Regulation 864/2007, Recital 26.

The lack of strict reading of territoriality may arguably permit an extension of *Hejduk* criteria also to these types of IP rights.¹⁷⁷⁹ Precisely, jurisdiction for unregistered IP rights' claims may be allocated in the Member State where an alleged infringer is established. Besides, it may be vested in every Member State in which the use of such unregistered right is accessible (due to "the place of the damage" under Art. 7(2) BRR). The scope of jurisdiction at "the place of the event," however, should be limited by "mosaic" principle as these rights are not subject to registration.

Last but not least, a similar analogy was also supported by settled case law in relation to other online torts, that may be supplementary to IP infringements (for instance, acts of unfair competition law, depending on the Member State). Art. 10bis of the Paris Convention states that "[...] any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition." This definition opens a room for rather broad and not exhaustive subject matter in claims concerning unfair competition. In this frame, supplementary IP infringements claims are the claims that could be brought in addition to or instead of a claim for the infringement of an IP right (like, unlawful comparative advertising or unfair imitation of a sign).

For instance, in the ruling in *Concurrence SARL*¹⁷⁸⁰ the CJEU has extended the "online accessibility" approach to online torts, concerning selective distribution. The damage was localised in the Member State that offered protection against the unfair competition. The factual circumstances of this proceeding will be illustrated in the next part because they refer to "the place the damage" jurisdictional ground under Art. 7(2) BRR. Equal treatment for IP rights and complementary torts under Art. 7(2) BRR has been arguably established in these rulings,¹⁷⁸¹ hence they may amount to the same place online.¹⁷⁸² Also for the unfair competition claims where IP rights involved, the "place of the infringer's establishment" should be a relevant jurisdictional criterion under Art. 7(2) BRR, allowing the full scope of jurisdiction for a court at this place.

7.7. Summary

In the context of online copyright infringements, an interpretation of "the place of event" under Art. 7(2) BRR was firstly interpreted in the Opinion of Advocate General Jääskinen in *Pinckney*.¹⁷⁸³ Further, in *Hejduk*, the Court ruled in favour of the "establishment" approach, accumulating previous suggestions and subsequent case law into a uniform jurisdictional solution for copyright online infringements. The possibility for the full scope of jurisdiction at "the place of the event" may be arguably established by analogy with *Wintersteiger*,¹⁷⁸⁴ as well as *eDate*. The present thesis claims that the same jurisdictional criteria should apply by analogy to online infringements of other unregistered IP rights.¹⁷⁸⁵

¹⁷⁷⁹ As it was suggested, for instance, at LUNDSTEDT L. (2018), "Putting Right Holders in the Centre...", *op. cit.*, LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*, in relation to unregistered Community design.

¹⁷⁸⁰ CJEU, C-618/15, *Concurrence SARL v Samsung Electronics France SAS, Amazon Services Europe Sàrl*, 21 December 2016 (ECLI:EU:C:2016:976).

¹⁷⁸¹ The same analogy was suggested, for example, at LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*, paragraph 9.68.

¹⁷⁸² For example, at FAWCETT J. J., TORREMANS P. (2011), "Intellectual Property and Private International Law...", *op. cit.*, paragraphs 10.157-10.330.

¹⁷⁸³ Opinion of Advocate General Jääskinen in C-170/12, *Peter Pinckney v KDG Mediatech* (2013).

¹⁷⁸⁴ What we know as a matter of a legal provision, is that such limitation definitely applies in relation to the infringements of EUTMs under the Art. 125 (5) EUTMR.

¹⁷⁸⁵ C-173/11, *Football Dotaco* (2012).

Table 8 illustrates the interpretation from the CJEU rulings (in colour) and its possible transportation to online infringements of other unregistered IP rights.

Table 8

The “place of the event” online	UNREGISTERED IP RIGHTS	Scope of jurisdiction	CJEU’s rulings	Comments
Establishment of the infringer	Copyright	Full	1. <i>Pinckney v KDG Mediatech</i> C-170/12 2. <i>Pez Hejduk v EnergieAgentur</i> C-441/13	Interpreted
	<i>Sui generis</i> of data base	Full	1. <i>Donner</i> C-5/11; 2. <i>Football Dotaco</i> C-173/11; 3. <i>Pez Hejduk</i> C-441/13	By analogy
	Other unregistered IP rights	Full	1. <i>Pinckney v KDG Mediatech</i> C-170/12; 2. <i>Pez Hejduk</i> C-441/13; 3. <i>Concurrence SARL</i> C-618/15	By analogy

The infringer's actions are made relevant for allocation jurisdiction for copyright infringements in the offline context (as it was interpreted in *Hi Hotel*),¹⁷⁸⁶ by analogy with *Coty*.¹⁷⁸⁷ Unlike for online IP rights infringements, the relevant location of “the place of the event” for offline torts is the place where the infringer acted.

The courts at “the place of the event” should arguably have the full scope of jurisdiction by analogy with *eDate*¹⁷⁸⁸ and *Wintersteiger*: the claims aiming at full compensation may be concentrated in the forum where an infringer acted (for offline infringements) or where the activation process was decided leading to the establishment of the defendant or the defendant’s domicile (for online infringements).

¹⁷⁸⁶ C-387/12, *Hi Hotel HCF SARL v Uwe Spoering* (2014).

¹⁷⁸⁷ C-360/12, *Coty Germany GmbH v First Note Perfumes* (2014).

¹⁷⁸⁸ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011).

Table 9 illustrates the interpretation from the CJEU rulings (in colour) and its possible transportation to other areas of IP rights.

Table 9

The “place of the event” The offline context	<u>UNREGISTERED</u> IP RIGHTS	Scope of jurisdiction	CJEU’s rulings	Comments
The place where the infringer acted	Copyright	Full	<i>Hi Hotel</i> C-387/12	Interpreted
	Sui generis right of data base	Full	<i>Hi Hotel</i> C-387/12; <i>Coty Germany</i> Case C-360/12	By analogy
	Other unregistered IP rights	Full	<i>Hi Hotel</i> C-387/12; <i>Coty Germany</i> Case C-360/12	By analogy

In accordance with the results, illustrated in Tables 10 (see below), it may be submitted that the CJEU has set a rather consistent approach to “the place of the even” under Art. 7(2) BRR: a common interpretation of this jurisdictional ground for online infringements of IP rights is adopted.

Table 10 reflects the interpretation from the CJEU rulings (in colour) and its possible transportation to online infringements of various IP rights.

Table 10

<u>Art. 7(2) BRR:</u> The “place of the event” online	IP rights	Scope of jurisdiction	CJEU’s rulings	Comments
The infringer’s establishment	Trademarks	Full	<i>Wintersteiger</i> . C-523/10	Interpreted
	Patents	Full	<i>Wintersteiger</i> . C-523/10; <i>Folien Fischer</i> , C-133/11	By analogy

Art. 7(2) BRR: The “place of the event” online	IP rights	Scope of jurisdiction	CJEU’s rulings	Comments
	Design rights	Full	<i>Wintersteiger</i> . C-523/10, <i>Nintendo</i> C-25/16	By analogy
	EU Patents	Full	<i>Wintersteiger</i> . C-523/10; <i>Folien Fischer</i> , C-133/11	By analogy
	EU Trademarks (<i>unfair competition</i>)	Full	<i>Wintersteiger</i> . C-523/10	By analogy
	Community Design rights (<i>unfair competition</i>)	Full	<i>Wintersteiger</i> . C-523/10, <i>Nintendo</i> C-25/16	By analogy
	EU Patents (<i>unfair competition</i>)	Full	<i>Wintersteiger</i> . C-523/10; <i>Folien Fischer</i> , C-133/11	By analogy
	Copyright	Full	<i>Pinckney v KDG Mediatech</i> C-120/12, <i>Pez Hejduk</i> C-441/13	Interpreted
	Sui generis of data base	Full	<i>Donner</i> C-5/11, <i>Football Dotaco</i> C-173/11, <i>Pez Hejduk</i> C-441/13, <i>Pinckney v KDG Mediatech</i> C-170/12	By analogy
	Other unregistered IP rights	Full	<i>Pez Hejduk</i> C-441/13, <i>Pinckney v KDG Mediatech</i> C-120/12, <i>Concurrence SARL</i> C-618/15	By analogy

The “place of the event giving rise to the damage” should to be located at the “place of the infringer’s establishment.” Unlike the location “where the activation of the process on a certain website had occurred,”¹⁷⁸⁹ it is arguably more reliable and definable.¹⁷⁹⁰

At the same time, this place almost always coincides with the defendant’s domicile,¹⁷⁹¹ significantly diminishing the duality of jurisdictional grounds (as two limbs jurisdiction under

¹⁷⁸⁹ C-441/13, *Pez Hejduk case v EnergieAgentur* (2015).

¹⁷⁹⁰ In light of the ruling in C-172/18 *AMS Neve* (2019), this definition was concluded to be very vogue and easy manipulative.

¹⁷⁹¹ For instance, at ROSATI E. (2017), “International jurisdiction in online EU trademark...,” *op. cit.*, LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*

Art. 7(2) BRR) which is a specific *silent feature* this provision.¹⁷⁹² A factual coincidence of “the place of even giving rise to the damage” with the defendant’s *forum* transforms this provision into a unitary or a one ground jurisdiction.¹⁷⁹³

The dual ground jurisdiction under Art. 7(2) BRR has arguably become an exhaustive concept for online IP infringements. Establishing jurisdiction at “the place of the damage” becomes more effective and the only alternative way to enforce Art. 7(2) BRR.

Nevertheless, the CJEU had been following dual jurisdictional approach (considering both places: the “event giving rise to the damage” and the “place where the damage occurred”) with regard to online IP infringements under Art. 7(2) BRR. The scope of jurisdiction at “the place of event” may arguably be considered as full (in respect of all the damage caused by an infringing act) which in accordance with the meaning of an epicentre of infringing actions, from where the harm originates.¹⁷⁹⁴

By contrast, an opposite solution had been adopted for EU registered IPRs, which are covered by a specific IP legislature. The criterion of “the location of the act of infringement” was interpreted in a unitary manner (as an “act” and an “effect”) that leads to a result that EU registered IPRs appear to be different from national registered IPRs and unregistered IPRs in the context of allocating jurisdiction. Unlike for national IPRs (where the duality of jurisdictional grounds is adopted), for IPRs with an EU effect the unitary jurisdictional approach applies in accordance with the specific IP law.

The rationale behind this is the different purposes of BRR and EUTMR: Art. 7(2) BRR as a neutral and alternative jurisdictional provision (to Art. 4(1)BRR) should cover different types of torts. Online infringements of national IPRs are expected to share the same meaning of the “place of the event” with the rest of online infringements (such as personality rights) and the substantive law aspects of these infringements should be irrelevant for jurisdictional purposes.

By contrast, EUTMR as a specific IP legislative instrument had adopted the unitary theory, supporting substantive law elements for localising specific online infringements of ETMTMs under EUTMR.

Unitary and duality doctrines treat the substantive law aspects at the jurisdictional level differently. This produces a significant confusion between applicable law and jurisdiction legal practise. While in a substantial IP law context, the “place of the establishment” maybe not the place “where the harmful event originated,” for the purpose of jurisdiction, it appears to become the only reliable *locus* in the online context.

The overall performance of the territoriality principles territorial jurisdictional criteria has been essentially transforming by the Internet, leading to various approaches in interpreting jurisdiction. Harmonisation of applicable law concepts and jurisdictional rules may arguably make jurisdictional *deviations* for online infringements not that striking. Until the complete

¹⁷⁹² Two jurisdictional grounds under Art. 7(2) BRR have become its specific jurisdictional characteristic. In the case of coincidence with the defendant’s *forum*, litigation possibilities under this provision may be significantly reduced.

¹⁷⁹³ In the offline context, a relevant location of “the place of event” may be the “place of an act of infringement” (in the meaning of “the place where an alleged infringer acted himself”). This location also appears to be a common one for both registered and unregistered IPR infringements.

¹⁷⁹⁴ C-68/93 *Shevill and others v Presse Alliance* (1995), Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), C-523/10, *Wintersteiger* (2012).

harmonisation accomplished, both doctrines should be taken into account when deciding jurisdiction for IP online infringements. While the duality of jurisdictional grounds may provide jurisdictional flexibility, factual circumstances of IP infringements remain to be decisive for an outcome of the case.

Therefore, it may be submitted that *de facto* dual jurisdictional grounds work in a reduced capacity for online IP infringements under Art. 7(2) BRR: “the place of the event” in the most cases coincides with the defendant’s domicile (as general jurisdiction under Art. 4(1) BRR), hence, leaving the only possible way to find an alternative to general jurisdiction at the “place of the damage.” The next chapter will be dedicated to the question of definition of this place. This jurisdictional ground under Art. 7(2) BRR has become extremely challenging when online IP infringements are concerned.

8. Chapter VIII: Localising online IP infringements at “the place where the damage occurred” (Art. 7(2) BRR)

8.1. Introduction

In the previous chapter, we described how Art. 7(2) BRR may be allocated at the “place of the event”. As can be seen, alternative nature of this provision becomes rather doubtful, because the “place of the event” almost always coincides with the defendant’s seat.

The present chapter will focus on the second litigation possibility at this provision, such as the place “where the event which may give rise to liability in tort, delict or quasi-delict resulted in damage”¹⁷⁹⁵ (further, the “place of the damage” jurisdictional ground or limb under Art. 7(2) BRR). It has a realistic potential to provide an alternative *forum* to general jurisdictional rule under Art. 4(1) BRR at the place of the defendant’s domicile.

The CJEU provided several of interpretations of the “place of the damage” for trademark and copyright online infringements under Art. 7(2) BRR. The findings of the present chapter lead to conclusion that jurisdiction for both categories of IP rights is established on the ground of “online accessibility.” The court on the territory of which infringing material is online accessible¹⁷⁹⁶ and an IPR is registered¹⁷⁹⁷ (or protected) was decided to be best able to assess an actual infringement, ensuring the proximity to the relevant facts of the case.

Further analysis allows revealing distinct *degrees* of the “online accessibility” approach which may apply to online IP infringements. In particular, the CJEU distinguishes the “online accessibility” approach coupled with the fact of IPR’s registration from a mere online access of a website. The core for this distinction is the legal nature of IP rights which allows allocation of jurisdiction under Art. 7(2)BRR in conceptually different way for registered and unregistered IP rights.

Online infringements of the other categories of IP rights have not been subject to CJEU case law yet. The present chapter will be devoted to the analysis of the relevant CJEU’s rulings and their potential extension to online infringements when other IP rights are involved (at the national and the European levels).

Does the “online accessibility” approach apply to online infringements of IP rights with an EU effect? Would the “targeting” test fit the purpose of defining jurisdiction? To what extent applicable law influences jurisdiction?

The core rationale behind a coherent jurisdictional solution lies in the realistic possibility to accumulate the full damage suffered at one efficient *forum*.¹⁷⁹⁸ National trademark court may arguably receive the power to determine all the damage caused to the IP owner.¹⁷⁹⁹ This

¹⁷⁹⁵ 21/76, *Bier v Mines de Potasse* (1976), paragraphs 24 and 25; C-167/00, *Henkel* (2002), paragraph 44, C-168/02, *Kronhofer*, (2004), paragraph 16, C-189/08, *Zuid-Chemie* (2009), paragraph 26 and C-523/10, *Wintersteiger* (2012), paragraphs 21, 22.

¹⁷⁹⁶ C-170/12, *Peter Pinckney v KDG Mediatech* (2013), C-441/13, *Pez Hejduk* (2015).

¹⁷⁹⁷ C-523/10, *Wintersteiger* (2012).

¹⁷⁹⁸ For example, at MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...,” *op. cit.*

¹⁷⁹⁹ C-523/10, *Wintersteiger* (2012), paragraph 28.

allows a trademark holder to benefit from an “enlarged” scope of jurisdiction. By contrast, a similar possibility was rejected for copyright disputes.

May a jurisdictional scope be extended to the entire European Union, or it should cover only a part of its territory? Is there a realistic potential to enlarge the scope of jurisdiction for the courts at the “place of the damage” under Art. 7(2) BRR?

The devil is in territoriality. The strict reading of this principle for online IP infringements becomes an obstacle to the damage accumulation. In situations where the harm is felt in the several Member States, the “place of the damage” may hardly become the real alternative to the defendant’s domicile because of the lack of concentrating effect of a full jurisdictional scope makes this jurisdictional ground inefficient. A high discretion in possible *fora* under the “online accessibility” approach is extensively criticised as unforeseeable for potential defendants. There is thus a delicate balance to be struck to establish legal certainty and jurisdictional efficiency .

8.2. The concept of “the place where the damage occurred” for IP infringements

The concept of the “place where the damage occurred” (or “place of the damage”) in the online context is affected by significant deviations in understanding and can be allocated in various ways in a scenario of the so-called “delocalised” or “ubiquitous” damage. A concentration of all the harm in one single court was made possible for personality rights infringements.¹⁸⁰⁰ By adding a new criterion of “the centre of victim’s interests,” the CJEU enhanced the principles of legal certainty, foreseeability and predictability. This jurisdictional ground was argued¹⁸⁰¹ to permit simplifying the choice of a competent court, which would have the closest connection to the dispute.

Further, for online infringements of IP rights, the “online accessibility” approach in different *versions* was adopted. With regard to the jurisdiction for a national trademark infringements, the online damage amount to a Member State, in which the trademark is registered, since this place may respond to the objective of jurisdictional foreseeability and sound administration of justice.¹⁸⁰² The “online accessibility” approach in this context may stand with the lines of territoriality: the protection afforded by the registration of a national trademark is limited to the territory of the Member State in which it is registered. Other supplementary requirements (for instance, the “targeting” test as applicable law criterion), should be rejected as they often require a premature analysis of the case merits.

The CJEU rejects elements of substantive and applicable law within the jurisdiction analysis under Art. 7(2) BRR.¹⁸⁰³ The same has been supported in legal literature:¹⁸⁰⁴ this provision should be based on a factual examination which is relevant for establishing jurisdiction,

¹⁸⁰⁰ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraph 52.

¹⁸⁰¹ More to this extent, for example, at SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*

¹⁸⁰² C-523/10, *Wintersteiger* (2012), paragraphs 21, 22, 27.

¹⁸⁰³ Although C-228/11, *Melzer v MF Global UK Ltd* (2013) did not involve intellectual property, but in relation to the first jurisdictional ground under Art. 7(2) BRR, the CJEU set out the principle that the jurisdiction analysis should be based on a factual examination and should not involve elements of substantive law.

¹⁸⁰⁴ For instance, see at NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, ROSATI E. (2014), “Brussels I Regulation and Online Copyright Infringement: “Intention to Target” Approach Rejected,” *Journal of Intellectual Property Law & Practice*, vol. 9, no. 1/2014, p. 19.

instead of the substantive and applicable law concepts (like “targeting” or the principle of territoriality).

The demarcation line between jurisdiction and applicable law is rather a vogue indeed, which is especially felt in IP litigation where the influence of the territoriality principle is strong (especially, when registered IP rights are concerned). The CJEU in its interpretations has linked the location of the “place of the damage” with the fact of IPR’s (trademark) registration.

The essential difficulties arise when the “place of the damage” is invoked for online infringements of unregistered IP rights. The “online accessibility” approach was extended from *eDate* also to online copyright infringements and jurisdiction may be allocated under lower threshold than for online infringements of registered IP rights. Since registration is not an established requirement for copyright, this makes these rights quite lookalike to personality rights.

However, instead of the full scope of jurisdiction at the *forum actoris* (as it was interpreted by the CJEU for online infringements of personality rights in *eDate*), the CJEU adopted the “mosaic” doctrine, when copyright holder has to sue on a country-by-country basis for getting the EU-wide damage compensation, and making effective enforceability of IP rights highly doubtful.

In this respect, numerous proposals were made which reflect the potential for varying solutions. The CJEU was blamed on taking a “purely factual approach,”¹⁸⁰⁵ while ignoring the specific features of IPRs.¹⁸⁰⁶ While a low jurisdictional threshold as a result of the “online accessibility” approach was claimed¹⁸⁰⁷ to open up access to many potential *fora*, a limited jurisdictional scope prevents a right holder claiming the full compensation for the damage suffered. It also challenges online protection of IP rights, questioning the effectiveness of Art. 7(2) BRR as an alternative jurisdictional possibility to general rule of the defendant’s domicile (Art. 4(1) BRR).

In IP litigation, jurisdiction and applicable law are linked to a more extent than in disputes concerning other types of online infringements. The concepts of applicable law and jurisdiction are frequently addressed without a demarkation and, hence, confused with each other. By adopting the “online accessibility” approach from *eDate* and restricting it by the requirement of trademark registration, the CJEU stayed in line with the territorial nature of trademarks. For online infringements of copyright, the absence of registration in terms of jurisdiction was balanced by a limited scope of jurisdiction, restricting the power of the court to rule over the EU-wide damage.

In situations where the harm is felt in the several Member States, the “place of the damage” under Art. 7(2) BRR may hardly become the realistic alternative to the real of the defendant’s domicile under Art. 4(1) BRR. The lack of concentrating effect of a full scope of jurisdiction makes this rule unattractive in terms of efficient cross-border litigation. A high discretion in

¹⁸⁰⁵ As it was stated, for example, at TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...”, *op. cit.*, p.11, in the context that any further dealings with the infringing copy may constitute separate infringing acts and the damage becomes a separate factor that can give rise to jurisdiction.

¹⁸⁰⁶ For example, at FAWCETT J. J., TORREMANS P. (2011), “Intellectual Property and Private International Law...”, *op. cit.*, it was claimed that the availability of the damages is irrelevant for IP infringements. This arguably responds to a rather broad interpretation of Art. 7(2) BRR which may include also preventive measures (see at C-167/00, *Henkel* (2002)).

¹⁸⁰⁷ See, for example, KUNDA I. (2016), “Jurisdiction for copyright infringements...”, *op. cit.*

the choice of potential *fora* under the “online accessibility” approach is unforeseeable for potential defendants.

Present chapter will address these problematic aspects of the CJEU’s interpretations of the “place of the damage” under Art. 7(2) BRR. The chronological perspective will allow us to take into account specific conditions of each interpretation, reflecting jurisdictional approaches that have been left behind and illustrating alternative proposals for establishing jurisdiction for IP online infringements.

8.3. The evolution of the CJEU’s case law: chronology

Table 1 coincides with Table 1 from the previous Chapter, where “the place of the event” was analysed, as both jurisdictional grounds under Art. 7(2) BRR often share common case law (however, most of the interpretations refer to the “place of the damage”). In order to illustrate the evolution of jurisdictional criteria for defining the “place of the damage,” the chronology of the CJEU’s rulings from the previous chapter will be followed.

Table 11

The year of the CJEU’s ruling	The <u>NATIONAL</u> Registered IP rights	The <u>EU</u> Registered IP rights	<u>UN</u> Registered IP rights	Comments
2011		EUTM in <i>L’Oréal SA v eBay International C-324/09</i>		The applicable law aspects, which influenced jurisdiction
2012	1. Trademarks in <i>Wintersteiger C-523/10</i> 2. Patents in <i>Folien Fischer C-133/11</i>		1. Copyright in <i>Donner C-5/11</i> 2. The <i>sui generis</i> right for data base in <i>Football Dotaco C-173/11</i>	The applicable law aspects, which influenced jurisdiction
2013			Copyright in <i>Pinckney v KDG Mediatech C-170/12</i>	
2014		EUTM in <i>Coty Germany GmbH v First Note Perfumes NV Case C-360/12</i>	Copyright in <i>Hi Hotel HCF SARL v Uwe Spoering C-387/12</i>	The offline context
2015			Copyright in <i>Pez Hejduk case v EnergieAgentur, Case C-441/13</i>	
2016				

The year of the CJEU's ruling	The <u>NATIONAL</u> Registered IP rights	The <u>EU</u> Registered IP rights	<u>UNRegistered</u> IP rights	Comments
2017		Community Design in <i>Nintendo / BigBen</i> C-24/16		The applicable law aspects, which influenced jurisdiction
2018				
2019		EUTM in <i>AMS Neve</i> C-172/18		Art. 125(5) EUTMR

After the CJEU ruling in *eDate*, the first interpretation in the field of IP online infringements was delivered in *L'Oréal SA v eBay International*. In this case, the “targeting” test was adopted aiming to enhance the effectiveness of the specific legislature for IP right in the EU. This ruling had essentially influenced further case law concerning online infringements of IPRs,¹⁸⁰⁸ giving a rather common meaning¹⁸⁰⁹ for the applicable law aspects for infringements of IPR's online.¹⁸¹⁰

EU registered, nationally registered and unregistered IPRs enjoy fundamentally distinct solution for establishing jurisdiction. A specific definition of “the place of damage” was issued in the national trademark case (*Wintersteiger*), which was partly endorsed for online copyright infringements in 2013¹⁸¹¹ and in 2015.¹⁸¹² Jurisdiction for online infringements of EUTMs is governed by a specific legal regime for EU registered IPRs (Art. 125 EUTM Regulation), which essentially differs from special jurisdiction under Art. 7(2) BRR.¹⁸¹³

The present chapter will be devoted to the analysis of the existing CJEU's rulings and their potential extension to online infringements, when other registered IP rights are involved (for instance, design and patents infringements, whether national or European). It will be also questioned if the same jurisdictional criteria are acceptable to online infringements of registered and unregistered IPRs. The possibility to implement a common jurisdictional approach to online infringements of EU IPRs will be evaluated (for instance, including IP infringements under the law against unfair competition that covered by Art. 7(2) BRR).¹⁸¹⁴

What place should be decisive when defining “the place of the damage” according to Art. 7(2) for IP online torts?

¹⁸⁰⁸ C-172/18 *AMS Neve* (2019).

¹⁸⁰⁹ C-173/11, *Football Dataco Ltd and Others* (2012).

¹⁸¹⁰ C-5/11, criminal proceedings against Titus Alexander Jochen Donner (2012).

¹⁸¹¹ C-170/12, *Peter Pinckney v KDG Mediatech* (2013), C-441/13, *Pez Hejduk* (2015).

¹⁸¹² C-441/13, *Pez Hejduk* (2015).

¹⁸¹³ C-172/18 *AMS Neve* (2019).

¹⁸¹⁴ See the previous chapter for a detailed analysis of the “place of the event” allocation for complementary torts.

1. The place where infringing content is accessible online (the “online accessibility” approach);
2. The place where consumers/traders are targeted by infringing online activity (the “targeting” test);
3. The place of right holder’s centre of interests (the *forum actoris* rule);¹⁸¹⁵
4. Another set of jurisdictional criteria?

What scope of jurisdiction the courts should have?

1. A full scope: when the court has the power to determine all the damage allegedly caused or
2. A limited scope: when the court may rule only over the damage which occurred within its territory?

The CJEU has adopted jurisdictional criteria for trademark and copyright online infringements so far. Other categories of national IP rights have not been subject to CJEU case law yet. It is left open if the interpretation which was implemented for online EUTM infringements would also fit the purpose of establishing jurisdiction for national IPRs cases.¹⁸¹⁶ The most sensitive question in this context is not the place of the damage itself, but the possibility to accumulate the full compensation in one predictable *forum*.¹⁸¹⁷

8.4. IP rights registered at the national level

Let us consider different scenarios within the case law of the CJEU, concerning registered IP rights. The current analysis of jurisdictional criteria starts with the national trademark’s infringements in *Wintersteiger*. Further, the relevant case law in patent cases will be illustrated, taking also into account the rulings in the applicable law aspects, which affect the question of establishing jurisdiction. Last but not least, the paragraph questions if the pattern of available jurisdictional criteria may be extended to online infringements of other national IP registered rights which currently are not covered by the CJEU’s case law.

8.4.1. Online trademark s infringements (*Wintersteiger*)

First ruling which addressed an interpretation of Art. 7(2) for IP infringements in the online context was in *Wintersteiger*¹⁸¹⁸ concerning a national trademark infringement. The Court had addressed the factors which should be relevant in the context of ascertaining the “place of the damage” for the situation of the online use by an advertiser of a keyword identical to the trademark:

1. the nationality of the top-level domain of an infringing website and/or
2. the fact of online accessibility of such website and/or
3. other requirements, additional to online accessibility?

¹⁸¹⁵ A *forum actoris* is arguably already *de facto* available for both registered and unregistered IPRs claims. The problem, however, is the possibility to claims the full scope of compensation at this court. For instance, as it was stated before, the CLIP allows this under cumulative set of factual-based requirements (significant damage, significant activity, etc.). Deciding a case on a rather specific and often uncertain criteria for establishing jurisdiction, the court may arguably begin a premature examination of such case (which should be irrelevant for the jurisdictional level).

¹⁸¹⁶ See, for example, at LOPEZ-TARRUELLA MARTINEZ A. (2017), “El criterio de las actividades dirigidas como concepto autónomo de la Unión Europea para la regulación de las actividades en Internet,” *Revista Española de Derecho Internacional*, Volumen: 69, p. 223 - 256.

¹⁸¹⁷ For example, at MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...,” *op. cit.*

¹⁸¹⁸ C-523/10, *Wintersteiger* (2012).

Following the Opinion of the Advocate General, the CJEU held that a claim “[...] may be brought before either the courts of the Member State in which the trademark is registered or the courts of the Member State of the place of establishment of the advertiser.”¹⁸¹⁹

Unlike the interpretation of the “place of the event” under Art. 7(2) BRR, Advocate General and the CJEU came to a common conclusion that the “place of the damage” should amount to the place where trademark in question is registered. The rationale behind this definition is the principle of territoriality: “[...] the damage can arise only in a place where there is legal protection.”¹⁸²⁰

Accordingly, on the ground of a strict reading of territoriality, the “centre of interest” approach from the ruling in *eDate* was rejected for online infringements of national trademarks. The core argumentation lied in an essential difference between personality rights and territorially registered IP rights.¹⁸²¹

The CJEU focused instead on factual circumstances of the case and extended the dual jurisdictional grounds under Art. 7(2) BRR to IP online infringements.¹⁸²² Consequently, it may be argued that the *Shevill* approach was adapted to the specific characteristics of trademark law:¹⁸²³ the “online accessibility” approach (earlier endorsed in *eDate*) was essentially *transformed* and resulted in more strict definition of the “place of the damage” for online trademark infringements.¹⁸²⁴ Due to a specific legal nature of trademarks, the requirement of registration in the territory of the court seized has become decisive for defining the proper location of the “place of the damage” under Art. 7(2) BRR. Instead, in light of ruling in *L Oréal SA v eBay International*,¹⁸²⁵ the “targeting” test was highly awaited¹⁸²⁶ for establishing (along with applicable law) also jurisdiction for online trademark infringements.

In particular, Advocate General Cruz Villalón suggested the “targeting” requirement as an addition to the fact of online accessibility of a website.¹⁸²⁷ In his view, “[...] the presence of harmful information on the internet is not sufficient for the purposes of attributing jurisdiction to the courts of the State of registration.”¹⁸²⁸ Otherwise, it would increase “[...] the number of courts with jurisdiction in all the Member States.”¹⁸²⁹ “Targeting” was considered a decisive factor in limiting the negative factors of the “online accessibility” approach.

¹⁸¹⁹ *Ibid.*, paragraph 40.

¹⁸²⁰ Opinion of Advocate General Cruz Villalón in C-523/10, *Wintersteiger* (2012), paragraph 26.

¹⁸²¹ C-523/10, *Wintersteiger* (2012), paragraph 25, Opinion of Advocate General Cruz Villalón in C-523/10, *Wintersteiger* (2012), paragraphs 17-20.

¹⁸²² Duality is applicable to national marks online in accordance with 21/76, *Bier v Mines de Potasse* (1976) and C-68/93 *Shevill and others v Presse Alliance* (1995), paragraph 17.

¹⁸²³ In a sense of granting the full scope of jurisdiction at both places.

¹⁸²⁴ C-523/10, *Wintersteiger* (2012), paragraphs 26-28.

¹⁸²⁵ C-324/09, *L Oréal SA, v eBay International AG* (2011).

¹⁸²⁶ Opinion of Advocate General Cruz Villalón in C-523/10, *Wintersteiger* (2012), see also at LOPEZ-TARRUELLA MARTINEZ A. (2017), “El criterio de las actividades dirigidas...,” *op. cit.*, MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...,” *op. cit.*

¹⁸²⁷ Opinion of Advocate General Cruz Villalón in C-523/10, *Wintersteiger* (2012), paragraphs 21, 22.

¹⁸²⁸ *Ibid.*, paragraph 26.

¹⁸²⁹ *Ibid.*, paragraph 22.

By analogy with the interpretation in *L'Oréal* and supporting the unitary theory¹⁸³⁰ for IP claims, the following set of criteria for a “targeting activity” was proposed by Advocate General Cruz Villalón:

- the manner in which the advertisement is presented (which may have a potential of affecting the function of indicating the origin of the mark);
- the registration of an AdWord limited to the top-level domain;
- the use of a common language;
- the website accessibility at the court’s territory;
- a link which takes the user directly to the defendant’s website;
- a confusion of the two companies which are competitors on the European Union internal market.¹⁸³¹

The overall suggestion hence was to analyse the content of the website (i.e. the case substance), which would require pre-deciding an infringement of the trademark.¹⁸³² The CJEU, however, refused this approach as a premature analysis of the case.¹⁸³³ The question if the defendant actually infringes the national mark should be decided at the stage of applying substantive law.¹⁸³⁴ An application of the “targeting” test, thus, was rejected for the purpose of jurisdiction in trademark infringement cases.

Although in *Wintersteiger* the CJEU avoided the temptation to restrict the “online accessibility” approach by “targeting,” it may apply any way. “Targeting” is a settled criterion for substantive trademark law¹⁸³⁵ and is essential at further stages of the proceedings.

In the context of jurisdiction, the “online accessibility” approach is restricted by the requirement of trademark registration (as the territory, where the trademark enjoys legal protection) for allocating the “place of the damage” under Art. 7(2) BRR. In this frame, it may be submitted that the CJEU *de facto* distinguishes the “online accessibility” approach *coupled* with the fact of registration from a mere technical online access.¹⁸³⁶

The reference to the registration should not be considered the analysis of the substance and, thus, is permitted. If jurisdiction for online infringements of registered IP rights is based on a higher *degree* of online accessibility, this arguably open a possibility for a full scope of jurisdiction for claiming the full compensation at the “place of the damage” (in comparison to unregistered IP rights).¹⁸³⁷ In other words, the requirement of trademark registration (in terms of defining jurisdiction) affects the power of the court to decide the scope of the damage within its territory: the more restrictive jurisdictional criterion, the more power the court may have when granting the damages.¹⁸³⁸ This dependency between the jurisdictional

¹⁸³⁰ Since it was argued to “refer to factual matters applicable to both aspects of the event,” see also, for instance, at KUR A. (2015), “Enforcement of unitary intellectual property rights: international jurisdiction...,” *op. cit.*

¹⁸³¹ Opinion of Advocate General Cruz Villalón in C-523/10, *Wintersteiger* (2012), paragraphs 28-29.

¹⁸³² *Ibid.*, paragraphs 25, 35-38.

¹⁸³³ *Ibid.*, paragraph 26.

¹⁸³⁴ C-523/10, *Wintersteiger* (2012), paragraph 28.

¹⁸³⁵ For instance, see at NITSEVICH N. (2015), *Intellectual property rights... op.cit.*, stating that the registration is a feature of IP, but not of the case substance. In comparison, the “targeting” test mostly refers to substantive law.

¹⁸³⁶ For example, MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...,” *op. cit.*

¹⁸³⁷ See further in this chapter.

¹⁸³⁸ The “online accessibility” approach in IP infringements is limited by the principle of territoriality.

criterion and a jurisdictional scope was argued¹⁸³⁹ to counterbalance the strict influence of territoriality in online torts.

A full scope of jurisdiction for a court at “the place of the damage” is an especially challenging aspect of *Wintersteiger*. Although, in the preliminary questions, the CJEU was not asked to interpret this aspect, the court referred to it within some argumentations. Precisely, the scope of jurisdiction at “the place of the damage” may be read at least in two ways. First, if we follow the literal wording of the court’s argumentation, the scope of jurisdiction for the courts at “the place of the damage” was expected to be full.¹⁸⁴⁰

[...] Those courts have the power to determine all the damage allegedly caused to the proprietor of the protected right because of an infringement of it and to hear an application seeking cessation of all infringements of that right.¹⁸⁴¹

A full jurisdictional scope has been justified by a close connection between the court of trademark registration and the infringement in question:

[...] With regard to jurisdiction to hear a claim of infringement of a national mark in a situation such as that in the main proceedings, it must be considered that both the objective of foreseeability and that of sound administration of justice militate in favour of conferring jurisdiction, in respect of the damage occurred, on the courts of the Member State in which the right at issue is protected.¹⁸⁴²

Thus, following the fundamental principles of BRR, the courts at the “place of the damage” should have the power to determine all the damage allegedly caused by all infringements of trademark in question. This opens up a wide discretion of possible understanding of the Court’s intention on what scope of jurisdiction may be granted.

The need for a full jurisdictional scope at “the place of the damage” have been also supported in academic proposals and literature.¹⁸⁴³ If the IP right in question is protected in the country’s territory and the damage is caused by online (ubiquitous)¹⁸⁴⁴ infringements (which are cross-border and may be localised within the court’s territory), the court’s jurisdiction should not be limited. In other words, a full jurisdictional scope may cover all the damages and all infringements of the national trademark.¹⁸⁴⁵ This approach may be justified

¹⁸³⁹ For example, at TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...,” *op. cit.*, where CLIP’s extent of jurisdiction is illustrated. It supposed to be unrestricted, but supplemented by additional tests (such as “targeting” and the substantial damage).

¹⁸⁴⁰ LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*, paragraph 1.26. The scope of jurisdiction is full in a meaning that it covers all acts of infringements regardless of the place where they occurred.

¹⁸⁴¹ C-523/10, *Wintersteiger* (2012), paragraph 28.

¹⁸⁴² C-523/10, *Wintersteiger* (2012), paragraph 27.

¹⁸⁴³ For example, as it was commended on *Pinckney*, at LUNDSTEDT L. (2018), “Putting Right Holders in the Centre...,” *op. cit.*

¹⁸⁴⁴ See more to an interpretation of this concept, for instance, at European Max Planck Group on Conflict of Laws in Intellectual Property (2013) *Conflict of Laws in Intellectual Property: The CLIP Principles and Commentary*, Oxford, Oxford University Press, p.560, KUR A. (2012), “Convergence After All? A Comparative View on the U.S. and EU Trademark System in the Light of the “Trade Mark Study”,” *19 J. Intell. Prop. L.*, p. 305.

¹⁸⁴⁵ For example, at SAVIN A., TRZASKOWSKI J. (2014), *Research Handbook on EU Internet Law*, Research Handbooks in European Law series, Copenhagen Business School, Denmark, p. 648, p. 240, it was stated that the jurisdictional scope is supposed to be full, but the doubts were expressed if the requirement of registration should apply, as it could be considered a reference to substance. Hence, allocation of the damage was argued to depend on other factors, like the place where goods are marketed.

by the challenges of infringements carried out through ubiquitous media (such as the Internet).¹⁸⁴⁶

While jurisdictional approach in *eDate* was unsuitable for the registered IP rights (the criterion of the “centre of interest” had been clearly refused), the possibility to claim the overall relief had been arguably left open.¹⁸⁴⁷ In this frame, it may be submitted that in *Wintersteiger* we have experienced an adaptation of *eDate* (rather than the *Shevill* doctrine that restricts the jurisdictional scope at the “place of the damage”) to the needs of online trademark infringements,¹⁸⁴⁸ when essentially distinct criteria were introduced.

By contrast, the second way of reading of *Wintersteiger* suggests an opposite understanding of the jurisdictional scope, and supports an exclusively limited scope of jurisdiction for the courts at “the place of the damage.”¹⁸⁴⁹ In particular, the scope of jurisdiction is supposed to be limited to the acts (and also to the damages) which occurred on the court’s territory.

Needless to say that the devil is in territoriality: “[...] the damage can arise only in a place where there is legal protection.”¹⁸⁵⁰ If trademark protection is available only in the Member State of registration, a court only has jurisdiction to determine the damage caused by infringements within its territory, limiting the scope of jurisdiction to its territory.¹⁸⁵¹ From perspective, the “mosaic” doctrine was essentially transported to IP online infringements, leading to a result that the court’s power to grant the full compensation for the harm suffered should be restricted. This approach may be derived from the CJEU’s case law, with regard to copyright online infringements. Despite the fact that copyright is an unregistered IP right and it enjoys a rather unified treatment within the EU via numerous specific Directives (arguably similar to personality rights protection), a scope of jurisdiction for online copyright infringements has been restricted.

Present thesis argues in favour of a full scope of jurisdiction at the “place of the damage” under Art. 7(2) BRR for online infringements of national trademarks, since it can be derived from the interpretation in *Wintersteiger* by *de facto* allowing a court to rule over the whole claim and the damage suffered.

¹⁸⁴⁶ The CLIP Principles and Commentary (2013): “Article 2:203: Extent of jurisdiction over infringement claims (1) Subject to paragraph 2, a court whose jurisdiction is based on Article 2:202 shall have jurisdiction in respect of infringements that occur or may occur within the territory of the State in which that court is situated. (2) In disputes concerned with infringement carried out through ubiquitous media such as the Internet, the court whose jurisdiction is based on Article 2:202 shall also have jurisdiction in respect of infringements that occur or may occur within the territory of any other State, provided that the activities giving rise to the infringement have no substantial effect in the State, or any of the States, where the infringer is habitually resident and (a) substantial activities in furtherance of the infringement in its entirety have been carried out within the territory of the State in which the court is situated, or (b) the harm caused by the infringement in the State where the court is situated is substantial in relation to the infringement in its entirety.”

¹⁸⁴⁷ In *eDate* the scope at the “place of the damage” became full that may arguably be extended to copyright online infringements.

¹⁸⁴⁸ Opinion of Advocate General Cruz Villalón in C-523/10, *Wintersteiger* (2012), paragraph 18.

¹⁸⁴⁹ For instance, at METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*

¹⁸⁵⁰ Opinion of Advocate General Cruz Villalón in C-523/10, *Wintersteiger* (2012), paragraph 26.

¹⁸⁵¹ The regional behind this is an avoidance geo-blocking technology. See Regulation on Addressing unjustified Geo-Blocking and other Forms of discrimination based on consumers’ nationality, place of residence or place of establishment within the internal market 2018/302, 3 December 2018 (Geo-Blocking Regulation). While earlier, the injunctions could not have the effect of restricting access to the content in the other Member States, Geo-Blocking Regulation seems to open this path. Blocking was concluded to be necessary to ensure compliance the laws of a Member State in accordance with Union law, to which the trader’s activities are subject (Art. 3(3) Geo-Blocking Regulation).

Another issue however is territorial injunctions. National case law and legal literature illustrate¹⁸⁵² that the *forum* of the trademark registration should not normally have jurisdiction to order a defendant to cease using the trademark online with effect for all Member States.¹⁸⁵³

For example, it was a scenario in the French case in *Brokat*¹⁸⁵⁴ (which was discussed earlier in the previous chapters). The proceedings concerned an online conflict of two national trademarks, legitimately coexisting in the offline world. Further critique of this ruling advocates the limited power for courts to reach the territory of the State, where a competing trademark is legitimately registered.

As it was highlighted at Opinion of Advocate General Cruz Villalón, in *Wintersteiger* the situation is arguably different. It has concerned only one proprietor of the national trademark, who sued an advertiser. Despite the fact that the “WINTERSTEIGER” is also an international trademark (which is protected in a number of countries, including Germany), the references were made in a context in which there is only one trademark, which is registered in Austria. Hence, we should bear in mind that a factual situation of this ruling concerned only one national trademark, claiming to be infringed by using as a keyword on the website of a paid referencing service provider.¹⁸⁵⁵

These findings illustrate that *Wintersteiger*'s interpretation appears to be a very fact-specific. While it allows claiming a full scope of jurisdiction for the online tort of one national trademark, the court was aware of existing international protection of the mentioned trademark, coupled with its national registration in a number of the Member States. For other scenarios where no national registrations are available, a scope of jurisdiction is not certain and may be restricted.

A full scope of jurisdiction may arguably be claimed under the fact-specific scenario of *Wintersteiger* (such as one national IP registered right is considered). More general summaries may potentially lead to unreasonable conflicts of registered IP rights in different territories.

It is highly awaited that further interpretation will address this aspect of the jurisdictional scope. Until that time, the clear restriction of the jurisdictional scope is indicated only for the copyright online infringements.

On the one hand, granting a full scope of jurisdiction would tackle online infringements in a more effective way.¹⁸⁵⁶ If one applies the pure territorial approach, the right holder would be forced to sue in each and every jurisdiction in order to receive the full damage (that becomes unaffordable in practice). Besides, this may make special jurisdiction under Art. 7(2) BRR less attractive, in terms of jurisdictional strategies, in comparison to general jurisdiction under Art. 4(1) BRR.

¹⁸⁵² The French case, *SG2 v. Brokat Informationssysteme GmbH* (1996), as was commented, for instance, at METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*, p. 253-256 (in the context of territorial injunctions).

¹⁸⁵³ *Ibid.*

¹⁸⁵⁴ The French case, *SG2 v. Brokat Informationssysteme GmbH* (1996) and more to this extent, see at previous chapter.

¹⁸⁵⁵ Opinion of Advocate General Cruz Villalón in C-523/10, *Wintersteiger* (2012), paragraph 15.

¹⁸⁵⁶ For example, MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...,” *op. cit.*, supporting an accumulation the whole damage compensation in one court for online copyright infringements.

On the other hand, even with a limited jurisdictional scope, the court at the “place of the damage” may allow significant discretion in choosing appropriate *fora*.¹⁸⁵⁷ Among variety of *fora*,¹⁸⁵⁸ the *forum actoris* may be invoked if it coincides with the territory of the trademark registration. Needless to say that this *forum* benefits a trademark holder and should be taken into account when choosing a litigation path.

To crown it all, the criteria for defining jurisdiction according to Art. 7(2) BRR at the “place of the damage” are arguably unified for online infringements of registered IP rights. Hence, the approach of *Wintersteiger* may be extended to online infringements of other IP registered rights (like, for example, national designs and national patents), as soon as the CJEU has not specifically addressed these IPRs in an aspect of international jurisdiction. This analogy is supported by various commentators,¹⁸⁵⁹ and the potential to complete the pattern of online trademark and copyright infringements by other IP rights will be discussed further in this chapter.

8.4.2. Other national IP registered rights

Wintersteiger's interpretation may arguably be extended to patent litigation. These findings have been supported in a legal literature¹⁸⁶⁰ and by the CJEU itself (however, not explicitly).¹⁸⁶¹ In particular, the “place where the damage occur” for online infringements of national patents should amount to the territory of a court where the right is registered. The justification for it may be found at the strict territoriality of patent rights.

Patent law does not recognise the “place of the damage” and the “place of the event” in terms of patent infringements as the harm occurrence is not necessary condition for patent infringement. Instead of dual jurisdictional grounds, patent law considers a patent infringement as separate infringing acts that infringe different national patents.¹⁸⁶²

This understanding of patent infringements resembles the one, adopted for trademarks with an EU effect, where the CJEU adopted the “targeting” test to establish jurisdiction under Art. 125 EUTM.¹⁸⁶³ This approach, however, should not be transported to patent infringements.

When supporting the double jurisdictional grounds under Art. 7(2) BRR, the CJEU declined any reference to the substantive concepts, “[...] since the only matter to be established is

¹⁸⁵⁷ See, for instance, at DRGOVÁ A. (2019), *Appropriateness of the forum delicti for the European Union trademark online infringement litigations*, Law and Technology, Tilburg Institute for Law, Technology, and Society Tilburg University, p. 40-42, where Art. 7(2) BRR and Art. 125(5) EUTMR were argued to be “[...] effective if only one defendant involved. These provision may provide a potential to “test” the case outcome when suing afterwards in jurisdictions with the significant damage.”

¹⁸⁵⁸ *Ibid.*

¹⁸⁵⁹ The same was pointed, for example, in for instance, at OHLY A., MAXIMILIAN L. (2018), *The jurisdiction of European courts...*, *op. cit.*, MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...,” *op. cit.*, LUNDSTEDT L. (2018), “Putting Right Holders in the Centre...,” *op. cit.*, SAVIN A. (2016), “Jurisdiction Over Cybertorts ...,” *op. cit.*

¹⁸⁶⁰ See also at: LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*

¹⁸⁶¹ C-133/11, *Folien Fischer AG and Fofitec AG v Ritrama* (2012).

¹⁸⁶² See, for example, at OHLY A., MAXIMILIAN L. (2018), *The jurisdiction of European courts...*, *op. cit.*, paragraph 34, KUR A. (2015), “Enforcement of unitary intellectual property rights: international jurisdiction...,” *op. cit.*

¹⁸⁶³ C-172/18 *AMS Neve* (2019).

whether there is a point of connection with the Member State in which the court seised is sitting.”¹⁸⁶⁴

By imposing the need to prove the targeting activities, the competent court would decide the case substance that do not respond to the initial purpose of Art. 7(2) BRR as a special jurisdictional rule. If the claimant chooses the special jurisdiction litigation path, the alternative nature of this provision (to general jurisdictional path under Art. 4(1) BRR) should be prioritised, and the specific features of patent rights should be adjusted to it.

Jurisdiction under Art. 7(2) BRR for patent claims was addressed in *Folien Fischer* when action for a negative declaration was concerned.¹⁸⁶⁵ As it was already described in the previous chapter, the scope of this rule had been enlarged to an action for a negative declaration where national patent rights were involved.¹⁸⁶⁶ Due to significant flexibility and neutrality of Art. 7(2) BRR, it also applies equally to patent infringement cases.

Besides, the analogy between trademark and patent online infringements for jurisdictional purposes is supported by a number of commentators as a coherent solution for registered IP rights.¹⁸⁶⁷ The strict territoriality of patent rights affects this outcome, frequently allowing the CJEU to make references to *Wintersteiger* in patent cases.¹⁸⁶⁸

Therefore, it may be submitted that the same criteria as in *Wintersteiger* should also apply to patent litigation¹⁸⁶⁹ when defining both the “place of the event” and the “place of the damage” limbs.¹⁸⁷⁰

Last but not least, there is no strict obstacle to transport this analogy to national design rights.¹⁸⁷¹ Accordingly, for the claims concerning online design infringements, the “place of damage” should be covered by the CJEU’s interpretation from *Wintersteiger* and will amount to the state where the IP right is registered¹⁸⁷² (however, the CJEU would need to confirm that this is the case).

The scope of jurisdiction is a more sensible aspect. If the approach of *Wintersteiger* is followed, the court would have the power to rule over all the damage caused by all infringements of registered rights. It arguably may work only for a specific situation where only one patent or design right is infringed. When more complex scenarios of online

¹⁸⁶⁴ Indeed, the substantial IP law issues include, inter alia, the scope of protection for national patent or plant variety rights where the rules have not been harmonised at EU level as it was commented at LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*

¹⁸⁶⁵ C-133/11, *Folien Fischer AG and Fofitec AG v Ritrama* (2012).

¹⁸⁶⁶ In comparison, in relation to Community design claims the CJEU came to an opposite conclusion.

¹⁸⁶⁷ For example, at OHLY A., MAXIMILIAN L. (2018), *The jurisdiction of European courts...*, *op. cit.*, MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...”, *op. cit.*, LUNDSTEDT L. (2018), “Putting Right Holders in the Centre...”, *op. cit.*, SAVIN A. (2016), “Jurisdiction Over Cybertorts ...”, *op. cit.*

¹⁸⁶⁸ C-133/11, *Folien Fischer AG and Fofitec AG v Ritrama* (2012), paragraphs 37-42.

¹⁸⁶⁹ To the same conclusion see more, for example, at OHLY A., MAXIMILIAN L. (2018), *The jurisdiction of European courts...*, *op. cit.*

¹⁸⁷⁰ *Ibid.*, paragraph 52. The CJEU was also criticised for connecting jurisdiction to applicable law, for instance, at VAN CALSTER G. (2016), *European Private International Law*, 2nd ed., Hart Publishing, Chapter 3, Heading 2.2.11.2., Chapter 3, when commenting on 21/76 *Bier v Mines de Potasse*. A variety of fora was argued to have “natural” links to the case by virtue of applicable law, or evidence.

¹⁸⁷¹ As these are characterised by the principle of territoriality.

¹⁸⁷² In the case of a European patent - the state of validation, for example, at OHLY A., MAXIMILIAN L. (2018), *The jurisdiction of European courts...*, *op. cit.*

infringements take place, the extent of jurisdiction for court at the “place of damage” may be limited¹⁸⁷³ (to the territories of a patent or design registration).

8.4.3. Summary for national IP registered rights

Present thesis claims that the “place of the damage” under Art. 7(2) BRR for online infringements of national registered IP rights may be localised at the territory where IPRs in question are registered. Since online infringements are considered, the “online accessibility” approach is restricted (or supplemented) by the requirement of IPR’s registration. This jurisdictional approach is arguably responds to a specific nature of IP registered rights, which is adjusted to special jurisdiction.

Table 12 illustrates the existing interpretation from the CJEU (in colour) and its possible extension to other infringements of IPRs.

Table 12

The “place of the damage” in the online context	<u>NATIONAL</u> IP REGISTERED RIGHTS	Scope of jurisdiction	The CJEU’s rulings	Comments
Online ACCESSIBILITY + 1, IP right is registered	Trademarks	Full	C-523/10 <i>Wintersteiger AG</i>	Interpreted for a fact-specific scenario, when only one national IP registered right is considered
	Patents	Full	C-523/10 <i>Wintersteiger AG</i>	By analogy for a fact-specific scenario
	Design rights	Full	C-523/10, <i>Wintersteiger AG</i>	By analogy for a fact-specific scenario

The CJEU’s interpretation in *Wintersteiger* has set a rather *generous* jurisdictional scope at the “place of the damage” as it may cover “[...] all the damage allegedly caused to the proprietor of the protected right because of an infringement of it and to hear an application seeking cessation of all infringements of that right.” When solving the one single right infringement, the court will arguably have the power to determine all the damage allegedly caused to the IP right holder.

¹⁸⁷³ *Ibid.*

By contrast, in copyright online infringements, the court has jurisdiction only to determine the damage caused in the Member State where it is situated.¹⁸⁷⁴ Also, in the specific situation of online EUTM infringements, the scope of jurisdiction for EUTM courts will be always limited.¹⁸⁷⁵

Nevertheless, a full jurisdictional scope may be granted under the fact-specific scenario of *Wintersteiger* (i.e. when only one national IP registered right is considered). More general summaries would lead to unreasonable conflicts of registered IP rights in different territories.

Despite these specifications, it may be concluded that even limited jurisdictional scope at the “place of the damage” under Art. 7(2) BRR may allow a significant discretion in choosing appropriate *fora*.¹⁸⁷⁶ A full jurisdictional scope under special jurisdiction benefits a trademark holder and makes Art. 7(2) BRR especially attractive in terms of jurisdictional strategies in IP cases.

Consequently, a common jurisdictional solution for online infringements of different types of national registered IP rights may be proposed. When registered IPRs are infringed online, the place of registration becomes a decisive factor for jurisdiction allocation: the CJEU arguably distinguishes the “online accessibility” approach coupled with the fact of the IPR’s registration from a mere technical online access for the purpose of establishing jurisdiction. The reference to the IPR’s registration is not considered as a reference to the case substance and, thus, is permitted. As infringing content is normally can be accessed via a web site form particular territory, different *degrees* of the “online accessibility” approach (restricted by trademark registration, by “targeting,” or by the “centre of interest”) apply to different types of online infringements. Setting the borders for a mere online access as jurisdictional criterion becomes an evident need.¹⁸⁷⁷

8.5. EU registered IP rights

The system of EUTM exists in parallel to the jurisdiction of BRR. It means that the claimant has a discretion in filling a claim according to EUTMR (Art. 125(5)) or to Art. 7(2) BRR, where the EUTMR has a priority as a *lex specialis*.

The question arises whether both these provisions can be invoked in a joint proceeding, concerning national and an EU trademark. In particular, whether the national court (when accepting its jurisdiction by means of Art. 7(2) BRR), may also become the European Union trademark court regarding infringements of an EU trademark.¹⁸⁷⁸ Indeed, this scenario had emerged an ongoing debate, addressed in the CJEU’s ruling in *AMS Neve*.¹⁸⁷⁹

¹⁸⁷⁴ C-170/12, *Peter Pinckney v KDG Mediatech* (2013), C-441/13, *Pez Hejduk* (2015).

¹⁸⁷⁵ Art. 125(5) EUTMR.

¹⁸⁷⁶ For instance, at DRGOVÁ A. (2019), *Appropriateness of the forum delicti for the European Union trademark...*, *op. cit.*, LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*

¹⁸⁷⁷ Indeed, it was the issue in C-194/16, *Bolagsupplysningen and Ilsjan*, (2017), where the CJEU *de facto* diminished this test.

¹⁸⁷⁸ As it was also commented, for instance, at DRGOVÁ A. (2019), *Appropriateness of the forum delicti for the European Union trademark...*, *op. cit.*, LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*

¹⁸⁷⁹ C-172/18 *AMS Neve* (2019).

Table 13

The CJEU's rulings	<u>The EU</u> Registered IP rights	Comments
2011	EUTM in <i>L'Oréal SA v eBay International</i> C-324/09	The applicable law aspects, which influenced jurisdiction
2012		
2013		
2014	EUTM in <i>Coty Germany GmbH v First Note Perfumes NV</i> Case C-360/12	The offline context
2015	Trademarks' with a unitary effect in <i>Brite Strike</i> C-230/15	An interplay between BRR and Benelux Convention
2016		
2017	Community Design in <i>Nintendo / BigBen</i> C-24/16	The applicable law aspects, which affect jurisdiction
2018		
2019	EUTM in <i>AMS Neve</i> C-172/18	An interplay with Art. 125(5) EUTMR

8.5.1. The offline context

According to Table 13, the first CJEU's ruling, which concerned the question of jurisdiction for EU trademarks, was in *Coty*.¹⁸⁸⁰ As it was already described in the previous chapter, it addressed both Art. 125(5) EUTMR and Art. 7(2) BRR.

8.5.1.1. The EUTM infringements

Coty (Germany) brought an action against *First Note* (Belgium), claiming an infringement of a trademark, unlawful comparative advertising and unfair imitation. The defendant opposed the claim by stating that the German courts had no jurisdiction.

Two types of EU trademark infringements were addressed: under Art. 125(5) EUTMR and according to the national law against unfair competition (when Art. 7(2) BRR may be invoked). The CJEU was asked to interpret if Art. 7(2) BRR at the "place of the damage"¹⁸⁸¹ may apply to infringements of an EUTM. The CJEU answered affirmatively, extending special jurisdiction to infringements under the law against unfair competition (which is not covered by specific EUTM legislation such as EUTMR).

¹⁸⁸⁰ C-360/12, *Coty Germany GmbH v First Note Perfumes* (2014).

¹⁸⁸¹ C-189/08, *Zuid-Chemie* (2009), paragraph 26.

Noteworthy that in *Coty*, the jurisdictional criteria from online trademark and copyright case law (with the references to *Wintersteiger* and *Pinckney*)¹⁸⁸² were transported to cases concerning infringements of an EUTM (under the law against unfair competition).¹⁸⁸³

The Court recalled that “[...] the occurrence of damage in a particular Member State is subject to the protection, in that State..”¹⁸⁸⁴ Although the sale occurred in Belgium, the German court may have jurisdiction, as the relevant factors were: if the German law against unfair competition may be violated and, thereby, may cause damage within the jurisdiction of that court.

Therefore, Art. 7(2) BRR could allow the holder of EU trademark to establish jurisdiction on the basis of the “place of the damage” if: 1) the right is subject to the legal protection and 2) the damage is caused or may be caused here.¹⁸⁸⁵

It means that for offline infringements, concerning infringements of EUTMs under the national law of unfair competition,¹⁸⁸⁶ the fact of legal protection within the territory of the court and the occurrence (or a risk of occurrence) of harm are sufficient to establish jurisdiction under Art. 7(2) BRR. Importantly that this conclusion was made by the CJEU in *Coty* under an *umbrella* of the case law for national trademark and copyright, making such analogy *de facto* realistic.

8.5.1.2. An extension of *Coty* to infringements of Community designs and EU patents

May the interpretation in *Coty* concerning an extension of Art. 7(2) BRR to offline infringements of EUTMs under the law against unfair competition apply to Community design and EU patent offline infringements?

In a specific situation of EU designs and patent infringements under the law against unfair competition,¹⁸⁸⁷ the “place of event” may be defined as the “place of the act of an alleged infringer.”¹⁸⁸⁸ This place may be distinct to the place of the defendant’s seat and relates more to the “place of active conduct.”¹⁸⁸⁹ To this extent, a similar analogy may be drawn for the defining the “place of the damage.”

The fact of legal protection within the territory of the court and the mere risk of the damage may arguably be sufficient to allocate jurisdiction under Art. 7(2) BRR for infringements of EU patents and Community design rights under the law against unfair competition. Taking

¹⁸⁸² C-523/10, *Wintersteiger* (2012), paragraph 25, and C-170/12, *Peter Pinckney v KDG Mediatech* (2013), paragraph 33.

¹⁸⁸³ C-360/12, *Coty Germany GmbH v First Note Perfumes* (2014), paragraph 56.

¹⁸⁸⁴ *Ibid.*, paragraph 55.

¹⁸⁸⁵ *Ibid.*, paragraphs 59, 60.

¹⁸⁸⁶ For instance, in the case of unlawful comparative advertising or unfair imitation of a sign protected by a EUTM.

¹⁸⁸⁷ When Art. 7(2) BRR still may be invoked.

¹⁸⁸⁸ Very similar justification was provided by unitary theory proponents, when defining complementary torts as: online passing off or unfair practices, online defamation, unfair competition, breach of confidence etc. See more to this extent at the previous chapter and, for example, at FAWCETT J. J., TORREMANS P. (2011), “Intellectual Property and Private International Law...,” *op. cit.*, paragraphs 10.157-10.330.

¹⁸⁸⁹ With regard to the wording of Art. 93(5) Community trademark Regulation 40/94, the concept of “the Member State in which the act of infringement has been committed” relates to active conduct of an infringer.

into account the ruling in the offline copyright case in *Hi Hotel*, the same may arguably apply to unregistered IP rights.¹⁸⁹⁰

Therefore, it may be submitted that in the case of offline infringements of EU registered IP rights under the law of unfair competition, the relevant criteria to ascertain jurisdiction Art. 7(2) BRR¹⁸⁹¹ are: the availability of legal protection for such rights and the risk or existence of the damage. Whether an infringer actually acted within the territory of the court seized is not decisive.

By analogy with the EUTM offline infringements, the jurisdiction between national and Community design courts had been addressed to some extent. In particular, CJEU's ruling in *Bayerische Motoren Werke*¹⁸⁹² referred to the question when Community design courts may hear actions of the infringement and invalidity.

The dispute was between BMW (Germany) and Acacia Srl (Italy). Acacia brought an action against BMW before the Tribunale di Napoli (District Court of Naples (Italy)) seeking a declaration of non-infringement of BMW's Community designs, a declaration of abuse of a dominant market position and unfair competition. BMW contested the jurisdiction of the Italian courts.

The CJEU interpreted Art. 7(2) BRR as not applicable neither to actions for declaration of non-infringement¹⁸⁹³ nor to abuse of a dominant position and of unfair competition that is connected to it. The reason for it is the risk of circumvention. When invoking the dual jurisdictional grounds under Art. 7(2) BRR, the specific legislation for EU registered Community design rights may be undermined.¹⁸⁹⁴ The CJEU had followed the reasoning from *Coty* and *Hummel Holding*.¹⁸⁹⁵

Therefore, it may be submitted that although CDR¹⁸⁹⁶ has the character of *lex specialis* concerning BRR¹⁸⁹⁷ (similarly to EUTM Regulation), unfair competition practices which are not related to a declaration of non-infringement are still subject to BRR (following *Coty*).¹⁸⁹⁸

Since a general rule specific IP legal instruments (such as EUTM Regulation and CDR) prevail over BRR, the approach of Art. 7(2) BRR extension (from *Coty*) may arguably be transported also to offline infringements of EU patents in the context of the law against unfair competition. The "place of the damage" may amount to the Member State where the right is the subject to the legal protection or validated,¹⁸⁹⁹ and the damage is caused or may be

¹⁸⁹⁰ See further in this chapter.

¹⁸⁹¹ At the "place of the damage" under Art. 7(2) BRR in particular.

¹⁸⁹² CJEU, C-433/16, *Bayerische Motoren Werke AG v Acacia Srl*, 13 July 2017 (ECLI:EU:C:2017:550).

¹⁸⁹³ Regulation on Community designs 6/2002, 12 December 2001 (CDR), Art. 81(b).

¹⁸⁹⁴ *Ibid.*

¹⁸⁹⁵ C-617/15, *Hummel Holding A/S v Nike Inc.* (2017).

¹⁸⁹⁶ Regulation on Community designs 6/2002.

¹⁸⁹⁷ In comparison, in C-133/11, *Folien Fischer AG and Fofitec AG v Ritrama* (2012), which concerned national court jurisdiction in patent case, the CJEU came to an opposite conclusion. The CJEU concluded, that case law did not concern Community designs and, thus, is not valid precedent. Hence, in litigation with regards national registered IP rights, Art. 7(2) BRR applies for reverse effect for the defendant, which is not allowed for EU wide IP registered rights.

¹⁸⁹⁸ Actions for declaration of non-infringement are not covered by Art. 7(2) BRR. To that extent see also C-360/12, *Coty Germany GmbH v First Note Perfumes* (2014), where this provision was concluded to be applicable to unfair competition claims.

¹⁸⁹⁹ For example, at OHLY A., MAXIMILIAN L. (2018), *The jurisdiction of European courts...*, *op. cit.*, LUNDSTEDT L. (2018), "Putting Right Holders in the Centre..." *op. cit.*

caused.¹⁹⁰⁰ Also, as soon as the registered IP right is considered within one infringement scenario, the jurisdictional scope may arguably be full.¹⁹⁰¹ For all other situations, the “mosaic” doctrine from *Shevill* applies.

Table 4 illustrates a specific interpretation from the CJEU (in colour) and its possible extension to other IP infringements.

Table 14

The “place of the damage” In the offline context	<u>The EU</u> IP registered rights	Scope of jurisdiction	The CJEU’s rulings	Comments
<ul style="list-style-type: none"> - The IP right is validated; - The likelihood of the damage 	Trademarks	Limited	<i>Coty Germany GmbH v First Note Perfumes NV</i> Case C-360/12	Interpreted
	Patents	Limited	<i>Coty Germany GmbH v First Note Perfumes NV</i> Case C-360/12	By analogy
	Design rights	Limited	<i>Coty Germany GmbH v First Note Perfumes NV</i> Case C-360/12	By analogy

8.5.2. The online context

Following the analysis from the previous chapter, the present paragraph will address the following aspects: first, to what extent the approaches to “the place of the damage,” adopted for national trademarks, may be applicable to online infringements of EU registered IP rights (if the “online accessibility” approach applies to online infringements of EU registered IP rights)? Second, what scope of jurisdiction the courts should have: full jurisdiction, extended to the entire European Union, or on the contrary, it embraces only a territory of a specific Member State?

These questions relate to the advantages from a jurisdictional viewpoint to fill a claim on the ground of special jurisdiction under Art. 7(2) BRR for the national IP rights compared to doing so on the ground of specific IP legislation (as CDR or EUTM Regulation) for the

¹⁹⁰⁰ C-360/12, *Coty Germany GmbH v First Note Perfumes* (2014), paragraphs 59, 60.

¹⁹⁰¹ By analogy with C-523/10, *Wintersteiger* (2012).

European registered IP right. The scope of examination will be limited to an infringement action only,¹⁹⁰² excluding non-infringement and invalidity actions.

8.5.2.1. The EUTM online infringements (*AMS Neve*)

Two contradictory approaches to the question of jurisdiction allocation under Art. 125(5) EUTMR were illustrated before (in comparison to the “place of the event” under Art. 7(2) BRR). While the first one is based on *Wintersteiger* and *Nintendo* interpretations and suggests to implement a common jurisdictional approach for defining the “place the event” under Art. 7(2) BRR for national and EUTM offline infringements (under the law of unfair competition), the second one supports a *sui generis* jurisdictional solution for a EUTM online infringements. The CJEU eventually has adopted the second approach in *AMS Neve*.¹⁹⁰³

AMS Neve interprets “an act of infringement” of Art. 125(5) EUTMR as a cumulative notion of “an act” and “an effect,” reflecting the specific nature of online infringement of an EU trademark.¹⁹⁰⁴ By contrast to national trademark online infringements,¹⁹⁰⁵ for EUTM online infringements, the “targeting” test was implemented for defining jurisdiction under Art. 125(5) EUTMR. If this jurisdictional approach responds to the purposes of EUTM jurisdiction better than the “online accessibility” approach and trademark registration place is rather debatable.

An application of dual jurisdictional grounds (“the place of the event giving rise to the damage” and the one “where the damage occurred”) was rejected for the purpose of Art. 125(5) EUTMR.¹⁹⁰⁶ Hence, at first glance, this provision cannot be allocated on the ground of “the place of the damage” by analogy with Art. 7(2)BRR. More deep analysis of this situation may lead to an opposite conclusion.

By opening the possibility to invoke a specific rule of Art.125(5) BRR at the territory of “targeted audience,” the CJEU virtually permits to allocate jurisdiction on the ground of the damage occurrence, since this discretion of *fora* resembles the “place of the damage” under Art. 7(2) BRR. This arguably may allow implementing the place of the trademark registration or validation as a common jurisdictional criterion for online infringements, concerning both a national and an EU trademark. The national court, acting simultaneously as the EU trademark, could accept its jurisdiction over the claims, concerning national and EU trademarks, making a joint proceeding of both rights more effective.

Instead, jurisdiction for online infringements of the EU trademarks under Art. 125(5) EUTMR is put in dependence of proving the targeting activities: “the act of infringement” is considered¹⁹⁰⁷ as “committed” in the territory:

- 1) where they can be classified as advertising or as offers for sale and

¹⁹⁰² Infringement actions may include infringements, where the plaintiff claims infringement of his/her trademark, design, or patent rights.

¹⁹⁰³ C-172/18 *AMS Neve* (2019).

¹⁹⁰⁴ That is why findings in *Coty* were not followed in *AMS Neve*.

¹⁹⁰⁵ As it was interpreted in C-523/10, *Wintersteiger* (2012).

¹⁹⁰⁶ The CJEU concluded that “[...] jurisdiction under Article 96(5) CTMR may be established solely in favour of Community trade mark courts in the Member State in which the defendant committed the alleged unlawful act”. Hence, the “place of the damage” was declined.

¹⁹⁰⁷ C-172/18, *AMS Neve* (2019), paragraphs 54, 56. Indeed, EUTMs offline and online are treated differently. The requirement of “active actions in the *forum*” from the ruling in *Coty* has been transformed to “targeting” for online EUTMR infringements.

2) where their commercial content has been made accessible to the consumers and traders to whom it was directed.

Since the factual criteria for defining “targeting” are vague, this may arguably mean that under mentioned factual requirements for finding EUTM infringement (such as “directed at” or the “targeting” test), a EUTM owner would need to bear a burden of proof of a non-exhaustive list of facts. Besides, let us not forget that the “targeting” test is a substantive law concept for defining the territorial scope of IP legislation.¹⁹⁰⁸ It was transported from the substantive case law in *L’Oréal*¹⁹⁰⁹ to prevent the ineffectiveness of EU trademark law rules.¹⁹¹⁰

There are various versions of the “targeting” test: one can be found in *Pammer* where consumers’ jurisdiction was interpreted, while another one is adopted for personality rights’ claims.¹⁹¹¹

In *AMS Neve* the CJEU has invoked the version of “targeting,” previously applied in *L’Oréal*.¹⁹¹² in order to constitute “targeting,” the court need to look at the content of the website and its details, while the factual transactions are irrelevant.¹⁹¹³ Yet, *L’Oréal*¹⁹¹⁴ referred to the territorial extension of EUTM legislation and not to the question of establishing jurisdiction.

Therefore, it may be argued that in *AMS Neve*, we have experienced the transportation of substantive law concepts to the jurisdictional stages, when the CJEU went beyond the only purpose of establishing the EU trademark jurisdiction. However, the question concerning an infringement’s analysis according to substantive IP law¹⁹¹⁵ (as a premature case analysis)¹⁹¹⁶ should not be addressed at the jurisdictional level¹⁹¹⁷ to avoid confusion between applicable and jurisdiction.¹⁹¹⁸

The Court has drawn¹⁹¹⁹ a demarcation line between the EU legal instruments for jurisdiction and applicable law (EUTMR, BRR and ROME II) as having distinct conceptual objectives. However, it was not an obstacle in *Nintendo* (when interpreting Art. 8(2) Rome II) to adopt the notion of “the place where an activation process was decided” (or “the place of an

¹⁹⁰⁸ C-324/09, *L Oréal SA, v eBay International AG* (2011), paragraph 65, C173/11, *Football Dataco Ltd and Others* (2012).

¹⁹⁰⁹ C-324/09, *L Oréal SA, v eBay International AG* (2011), paragraphs 63-65. The offers for sale and online advertising were targeted at consumers (located in the territory covered by the trademark).

¹⁹¹⁰ *Ibid.*, paragraph 58.

¹⁹¹¹ More to this extent see at the next chapter.

¹⁹¹² C-324/09, *L Oréal SA, v eBay International AG* (2011), paragraphs 64 and 65.

¹⁹¹³ It is also in accordance with the ruling in joined Cases C-585/08 and C-144/09 *Pammer and Hotel Alpenhof* (2010).

¹⁹¹⁴ C-324/09, *L Oréal SA, v eBay International AG* (2011), paragraph 63.

¹⁹¹⁵ Council Regulation on the Community trade mark 207/2009, Art. 9(2)(b) and (d) (replaced by Regulation on the European Union trade mark 2017/1001 (EUTMR), 14 June 2017, OJ L 154).

¹⁹¹⁶ The same was commented, for example, at VAN CALSTER G. (2016), *European Private International Law...*, *op. cit.*, TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...,” *op. cit.*

¹⁹¹⁷ C-172/18, *AMS Neve* (2019), paragraph 46.

¹⁹¹⁸ In particular, the decisive is: “The need to ensure that only one law is applicable does not exist in the context of rules concerning which court has jurisdiction, such as those contained in Regulation No 44/2001 and in Regulation No 207/2009, which provide for more than one forum.” In other words, forum shopping is indeed acceptable within Art. 7(2) BRR and Art. 125(5) EUTMR.

¹⁹¹⁹ C-172/18, *AMS Neve* (2019), paragraph 62.

infringer's establishment") which was previously interpreted in *Wintersteiger* concerning, however, Art. 7(2) BRR).¹⁹²⁰

The same has taken place in *AMS Neve*: although neither Art. 8(2) Rome II, nor Art. 9(2)(b) and (d) EUTM¹⁹²¹ concern jurisdiction, the interpretation of these provision concerning applicable law and substantive aspects of EUTMs protection (as the "targeting" test form the ruling in *L'Oréal and Others*),¹⁹²² has applied by the CJEU to define jurisdiction for online infringements of EUTMs. Before the interpretation in *AMS Neve*, the "targeting" test have been applied at the level of applicable law.

In this frame, it may be submitted that the CJEU relatively easily draws analogies between jurisdiction and applicable law that does not bring more clarity and consistency in defining jurisdiction for online IPRs infringements.

8.5.2.2. The unfortunate "targeting" test under Art. 7(2) BRR

The transportation of the "targeting" test from applicable law to deciding jurisdiction in *AMS Neve* has been made for the sake of "effectiveness of the EU legislature's provision of an alternative forum." One may wonder if the same can be done to enhance the alternative nature of Art. 7(2) BRR.

The "targeting" test for establishing jurisdiction in online trademark infringement cases has been highly awaited in *Wintersteiger*, taking into account its popularity in academic literature,¹⁹²³ and since it would be in accordance with the existing ruling in *L'Oréal*.¹⁹²⁴

The CJEU, however, refused this test for the purpose of establishing jurisdiction under Art. 7(2) BRR on the ground of its substantive nature and the specific wording of this special jurisdiction rule.

On the one hand, after *AMS Neve*, the "targeting" test may facilitate a *lis pendens* avoidance:¹⁹²⁵ the rulings of different "targeted" Member States will refer to different territories, hence cannot become contradictory.¹⁹²⁶ However, from the perspective of litigation foreseeability, the additional requirement of proving targeting activities may arguably undermine the effectiveness of Art. 125(5) EUTMR. Let us illustrate this in the following scenario.

German company A is an owner of a EUTM and the German national trademark. Spanish company B produces goods that allegedly infringe A's EUTM and national trademark. It advertises these goods for sale on its website and offers to ship them to all contracting states. B only acted in Spain, but the offer infringes the EUTM in all EU Member States.

¹⁹²⁰ When making references to C-523/10, *Wintersteiger* (2012) in Community Design case in C-24/16 and C-25/16 *Nintendo Co. Ltd v BigBen* (2017).

¹⁹²¹ EUTMR 207/2009.

¹⁹²² C-324/09, *L Oréal SA, v eBay International AG* (2011), paragraph 63.

¹⁹²³ See more to this extent, see, for example, at LOPEZ-TARRUELLA MARTINEZ A. (2017), "El criterio de las actividades dirigidas...", *op. cit.*

¹⁹²⁴ C-324/09, *L Oréal SA, v eBay International AG* (2011), paragraph 63.

¹⁹²⁵ As to the existence of the "same cause of action" see at C-231/16, *Merck KGaA v Merck & Co. Inc. and Others* (2017).

¹⁹²⁶ This scenario may arguably lead to parallel proceedings concerning the same EUTM. Since the claimants would need to bring proceedings concerning an EUTM and proceedings of parallel national trademarks before courts of different Member States, reducing cases of *lis pendens* might become very doubtful.

According to interoperation in *Wintersteiger*, the German national court may accept its jurisdiction over national trademark on the ground of trademark registration in the German territory. While alleged infringing advertising on the web site may be accessed in Germany,¹⁹²⁷ there is no need to prove “directed to” activities to its territory.¹⁹²⁸ By contrast, a distinct approach applies to a claim concerning an EUTM. According to *AMS Neve*, if the targeting activities are not proved, the claim will be dismissed.

The need to prove that infringing activities were directed at the territory of the court seized (instead of mere online accessibility of a web site) may arguably raise the jurisdictional *threshold* for establishing an EUTM court. In light of this, national trade mark litigation may become more attractive strategy for the trademark holder.¹⁹²⁹

By contrast to EUTM infringement proceedings, national trademark proceedings may always rather easily be brought to the court of the trademark registration. Before the ruling in *AMS Neve*, enforcing EU registered IPRs were argued¹⁹³⁰ to be more convenient for a trademark holder. This conclusion may arguably change after this ruling, essentially complicating EUTM litigation.

8.5.2.3. The drawbacks of *AMS Neve*

The “targeting” test of *AMS Neve* may have the following drawbacks:

- the burden of proof will be shifted to the claimant;
- it may incentivise a “mini-trial” at the jurisdictional level;
- it is very fact-specific;
- the scope of “targeting” may be distinct in different national jurisdictions.

One may agree that “targeting” favours mostly the ISPs as potential defendants. In this context, the ISP may restrict its risks of liability by imposing territorial limits on its content.¹⁹³¹ By contrast, for trademark holders, this jurisdictional approach most probably will create more obstacles than advantages.

In the national case law, for example, in the UK, “targeting” is a common test for both applicable law and jurisdiction purposes.¹⁹³² For instance, in *EasyGroup Ltd*,¹⁹³³ England

¹⁹²⁷ For example, the comments of the national German cases see, for instance, at OTCHENASH M. (2018), “Suing online platform for Copyright...”, *op. cit.*

¹⁹²⁸ More to the extent of encasing the necessity to rely on national trade mark by contrast to EUTMR see at: NOSKE E. (2019), “European Union: UK Recaptures Place Of Jurisdiction Of EU Trademarks In Germany,” *SKW Schwarz*.

¹⁹²⁹ More to this, for instance, at LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*

¹⁹³⁰ *Ibid.*, paragraph 12.6. However, these conclusions were made in more general context, which included non-infringement and invalidity actions. In comparison, the advantage of national rights is the possibility to bring threatened infringement. The situation may change significantly after *AMS Neve*. In a specific context of infringement action under Art. 7(2) BRR, the preferences may change in a favour of national trademark claims.

¹⁹³¹ It may incentivise Geo-blocking or other similar technologies, see also Regulation on Addressing unjustified Geo-Blocking and other Forms of discrimination based on consumers’ nationality, place of residence or place of establishment within the internal market 2018/302, 3 December 2018 (Geo-Blocking Regulation).

¹⁹³² According to the national UK case law in *AK Investment CJSC v Kyrgyz Mobil Tel Ltd*, 2011, UKPC 7.

¹⁹³³ England and Wales High Court (EWHC), *EasyGroup Ltd v Easy Fly Express Ltd & Anor* 3155, 21 November 2018.

and Wales High Court (EWHC) linked its jurisdiction to the fact if a trademark's use targets the relevant public in the EU.

In this case, a British airline company claimed that a local airline company based in Bangladesh infringed its trademark rights by using the disputed sign in a domain name and on its website. The defendants replied that the UK court has no jurisdiction to hear the claim, and alternatively, that it should not exercise any jurisdiction it may have.

The court declined its jurisdiction on the ground that the requirements of "targeting activities" were not fulfilled. In its reasoning the court stressed that to infringe a UK or EU trademark, the use of the trademark must be targeted at the UK or elsewhere in the EU. When assessing if UK customers were targeted by the service, the court referred to national and CJEU case-law.¹⁹³⁴ In other words, the national court did not see the differences between the level of establishing jurisdiction and deciding the case substance. Instead, a trademark infringement was *de facto* decided at the jurisdictional level.

In comparison, in Germany, the court establishes its jurisdiction if a website is accessible and the national trademark is registered on its territory.¹⁹³⁵ The German court may rule over national trademark without the need to prove "targeting" at the very first stage. Such activity will be taken into account further.¹⁹³⁶

In addition to the national case law approaches, after *AMS Neve*, in a joint national and EUTM proceedings, the national courts will allocate jurisdiction on distinct criteria. While no "targeting" is required (but the trademark registration in the territory of the court seized)¹⁹³⁷ for allocation jurisdiction for online infringements of a national trademark, a EUTM infringement will be established according to the fact-specific requirements of "targeting".

The efficiency of the *parallel* treatment of these claims for the trademark holder may arguably become rather doubtful, making litigation under Art. 7(2) BRR more preferable to the proceedings brought under Art. 125(5) BRR.

While the *Wintersteiger's* extension to the EUTM field has been reasonably rejected in the context of "the place of the event" under Art. 7(2) BRR, the interpretation of the "place of the damage" could arguably be accepted in terms of consistency when litigating both rights in a joint proceeding.

When the CJEU in *AMS Neve* declined the "place of the event" interpretation from *Wintersteiger's*, a critical rationale behind this lied in the understanding of Art. 125(5) EUTMR as the place "where the economic operator's publication of the offer was launched (or has been initiated) on its website."¹⁹³⁸ Under such restricting interpretation of Art. 125(5) EUTMR, this rule would lose its alternative nature,¹⁹³⁹ and, thus, the refusal in this aspect should be welcomed.

¹⁹³⁴ Joined Cases C-585/08 and C-144/09 *Pammer and Hotel Alpenhof* (2010). According to the England and Wales High Court, none of elements in *Pammer* could be found. The defendant's customers are mainly Bangladeshi companies. The use of English on the website of the company is not sufficient to prove that UK customers were targeted. English is a commonly-spoken language, and widely spoken in Bangladesh, notably in business. Therefore, a main condition of service out of jurisdiction was not fulfilled.

¹⁹³⁵ C-523/10, *Wintersteiger* (2012).

¹⁹³⁶ More to this extent see, for instance, at OTCHENASH M. (2018), "Suing online platform for Copyright...", *op. cit.*

¹⁹³⁷ C-523/10, *Wintersteiger* (2012), where "targeting" is not a decisive jurisdictional test.

¹⁹³⁸ BGH, 9 November 2017, I ZR 164/16 in "*Parfummarken*", paragraph 31.

¹⁹³⁹ As it was already described in the previous chapter.

By contrast, there is no strong reason to deny the allocation of jurisdiction by analogy with *Wintersteiger* at the territory where the EUTM is validated. This jurisdictional approach would permit the trademark holder to bring a joint proceeding in relation to both national and an EUTM to one single court¹⁹⁴⁰ without the need to additionally prove the targeting activities. This solution would stay within the lines of both EUTMR and BRR and the allocation of jurisdiction would not be overloaded by the need to investigate additional factual circumstances of the case (which are relevant for further proceeding).

Therefore, allocating the concept of “the act of infringement” under Art. 125(5) EUTMR under the common jurisdictional approach for all registered IPRs¹⁹⁴¹ would arguably be a more consistent solution. Since a step between the concepts of applicable law and special IP rules is rather big, the interpretation from *Nintendo* does not respond to the purpose of jurisdiction allocation.¹⁹⁴² By contrast, the step to be made between national trademark law and EUTM law is relatively smaller.¹⁹⁴³

Last but not least, Art. 125(5) EUTMR and Art. 7(2) BRR share rather common fundamental principles for jurisdiction. Notwithstanding the fact that the territorial scope of EUTMR is broader than of BRR,¹⁹⁴⁴ jurisdiction in both may be justified in the light of the existence of a particularly close connection between the dispute and the courts of the “place where the harmful event occurred.” Both instruments are aimed at enhancing “[...] the sound administration of justice and the efficacious conduct of proceedings.”¹⁹⁴⁵ This may arguably mean that the guiding principles applying to the interpretation of Art. 7(2) BRR could be extended to the interpretation of Art. 125(5) EUTMR in the context of common approach at the “place where the trademark is registered.”

8.5.2.4. An impact of *AMS Neve* to other EU registered IP rights

The CJEU ruling in *AMS Neve* may arguably influence Community Design litigation, while European patent claims will remain to be covered by Art. 7(2) BRR and the *Wintersteiger*’s jurisdictional approach.

The Brussels Regime covers patent litigation and includes the jurisdiction of the Unified Patent Court (as a common court to the contracting member states).¹⁹⁴⁶ However, each national part of a European patent is separately litigated.¹⁹⁴⁷

¹⁹⁴⁰ Without any additional requirements.

¹⁹⁴¹ More to the same see at ROSATI E. (2017), “International jurisdiction in online EU trade mark...,” *op. cit.*, p. 13.

¹⁹⁴² As may be inferred from Opinion of Advocate General Szpunar in C-172/18 *AMS Neve* (2019), paragraph 61. The conflict-of-law rule set out in Art. 8(2) Rome II Regulation 864/2007 was concluded to be supplementary to Art. 125(5) EUTMR.

¹⁹⁴³ Especially, taking into account such uniform interpretation for the most of IP infringements online. The same was concluded to be true for other online IP infringements and albeit in copyright (Opinion of Advocate General Cruz Villalón in C-441/13, *Pez Hejduk v EnergieAgentur.NRW GmbH*).

¹⁹⁴⁴ Brussels Regime only applies to defendants domiciled in the EU. If the defendant is not domiciled or established within the EU, the issue of jurisdiction must be determined by reference to the conflict of laws provisions of the Member State in question. The EUTMR was aimed at avoiding such conflicts by providing a solution also in respect of defendants domiciled or established outside the EU.

¹⁹⁴⁵ Opinion of Advocate General Jääskinen in C-360/12, *Coty Germany GmbH v First Note Perfumes NV*, 21 November 2013 (ECLI:EU:C:2013:764).

¹⁹⁴⁶ According to Art. 31 UPCA, this is consistent with the classification of the UPC as a court common to the UPCA contracting member states, which is subject to the same obligations as any national court of a member state (Art. 1(2) UPCA).

¹⁹⁴⁷ See also, for instance, C-539/03, *Roche Nederland and Others* (2006).

In this context, the “place of damage” may amount to the state of validation of EU patent in the meaning of a bundle of national patent rights, when the *Wintersteiger’s* approach applies. Following the specific scenario of *Wintersteiger*, the scope of jurisdiction is arguably may be full (with respect to the states where the European patent was validated and the Member States of UPCA).¹⁹⁴⁸

Moreover, Art. 7(2) BRR also covers a specific situation of online infringement of EU registered IPRs under the law against unfair competition.¹⁹⁴⁹ In this scenario, jurisdiction may be vested by analogy with *Wintersteiger*: at the place of EU IP validation and the likelihood of the damage.¹⁹⁵⁰ In light of drawn analogies, this transportation should arguably be possible,¹⁹⁵¹ however, the CJEU still needs to comment on this.¹⁹⁵² The overall summary of the jurisdictional criteria which are available for EU registered IP rights is illustrated at the following Tables.

8.5.3. Summary for EU registered IP rights

For online infringements of EU registered IPRs (when Art. 7(2) BRR is invoked), the fact of legal validation in the territory of the court seized arguably will be sufficient to establish jurisdiction. By contrast, when an EUTM infringement is a subject to Art. 125(5) EUTMR, the requirement of “targeting” is attached.

Table 15 illustrates a specific interpretation from the CJEU (in colour) and its possible extension to other online infringements EU registered IPRs.

Table 15

The “place of an act of infringement”	EU IP registered rights	Scope of jurisdiction	The CJEU’s rulings	Comments
In the online context				
Art. 125(5) EUTMR: Where consumers/trader are located, targeted by advertising and by offers for sale	Trademarks	Limited	AMS Neve C-172/18	Interpreted

¹⁹⁴⁸ Within the UPC system, all local divisions would be competent to hear the case (Art. 33(1) (a) UPCA).

¹⁹⁴⁹ The CJEU stated that jurisdiction for national law claims must be determined on the ground of Brussels Regulation 44/2001 even when they concern protection of signs registered as Community trademark, such as unfair competition or other tort claims.

¹⁹⁵⁰ To support an extension Art. 7(2) BRR to other unfair practices see also: GILLIES L.E. (2019), “Conceptualising Special Jurisdiction for Receipt Orientated Torts on the Internet: Lessons from CJEU Jurisprudence,” SSRN, p. 31.

¹⁹⁵¹ To this extent see also, for example, NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.*

¹⁹⁵² C-172/18 *AMS Neve Ltd* (2019) is limited to EUTM infringements, according to Art. 125(5) EUTMR.

The “place of an act of infringement”	EU IP registered rights	Scope of jurisdiction	The CJEU’s rulings	Comments
In the online context				
<u>Art. 83(5) CDR:</u> Where consumers/trader are located, targeted by advertising and by offers for sale	Design rights	Limited	<i>AMS Neve</i> C-172/18	By analogy
<u>Art. 7(2) BRR:</u> The place of IPR registration /validation	Patents	Full	<i>Wintersteiger</i> . C-523/10; <i>Folien Fischer</i> , C-133/11	By analogy

Acceptance of the “place of establishment” as a unique jurisdiction location under Art. 125(5) EUTMR would lead to a significant limitation of EU trademarks.¹⁹⁵³ Under this approach, in the most cases Art. 125(5) EUTMR would coincide with the general ground of Art. 125 EUTMR¹⁹⁵⁴ (transferring the proceedings to the EUIPO in Spain under the general ground of Art. 125 EUTMR). An alternative character of Art. 125(5) EUTMR might be lost.

At the same time, highly expected benefits of the “targeting” test may be overestimated. First, it may fail to enhance *lis pendens* rule, since different Member States may approach this concept differently, according to their legal doctrine. Second, the additional requirement to prove “targeting” may rise the jurisdictional *threshold*, in comparison to online infringements in the national perspective.¹⁹⁵⁵ Third, the need to prove the fact-specific circumstances of “targeting activities” may make suing under Art. 125(5) EUTMR less attractive.

This allows to conclude that the approach of allocating jurisdiction at the place of the IPR registration (for EU registered right - IPR validation) would better respond to an alternative feature of Art. 125(5) EUTMR, bringing more consistency to joint litigation of national and EU registered trademark rights.

Art. 7(2) BRR still remains to be a legitimate jurisdictional path for EU registered IPRs when online infringements are caused by unfair practices (under the law against unfair competition), making the *Wintersteiger’s* interpretation a valid jurisdictional approach for online infringements claims.

¹⁹⁵³ According to the German national case in *Parfummarken* and *AMS Neve*, this compromise is futile in online infringement cases because where the infringement occurs and where the defendant resides is often in the same member state.

¹⁹⁵⁴ Because this provision is “layered” and 125(5) EUTMR can be enforced only if previous alternatives cannot apply.

¹⁹⁵⁵ More to this extent see above in this chapter.

Table 16

The “place of the damage” In the online context (<i>unfair practices</i>)	<u>EU</u> IP registered rights	Scope of jurisdiction	The CJEU’s rulings	Comments
The place of IPR registration /validation	Trademarks	Full	<i>Wintersteiger</i> . C-523/10	By analogy
	Patents	Full	<i>Wintersteiger</i> . C-523/10	By analogy
	Design rights	Full	<i>Wintersteiger</i> . C-523/10	By analogy

The interpretation in *Wintersteiger* may arguably be transported to online infringements of other EU registered IP rights. The scope of jurisdiction is suggested to be full (in a sense of covering the territories of other Member States, where EU IP right was registered/validated). Since trademark protection is limited to the territories where the trademark is registered, a full scope of jurisdiction may cover only those Member States.

In a scenario of online infringements of EU registered IP rights under the law against unfair competition, *Wintersteiger* may also be valid precedent for this field. The holder of EU registered IPRs and national registered IPRs may arguably have rather equal litigation possibilities under Art. 7(2) BRR. However, specific legislation for EUTM, EU patents and Community design has a priority when it comes to online infringements of these provisions.

8.6. Unregistered IP rights

In comparison to registered IP rights, copyright is automatically protected in all Member States without registration,¹⁹⁵⁶ that arguably may make the influence of the principle of territoriality not strongly felt. Anyway, territoriality has allowed the CJEU to adopt the “online accessibility” approach to copyright litigation which sets a lower jurisdictional *threshold* than for registered IPRs.

The fact of online accessibility of a website is normally taken into account for allocation jurisdiction (at the “place of the damage” under Art. 7(2) BRR) virtually for all types of online infringements, since it is the way infringements are committed via ubiquitous media (such as the Internet). For instance, although for online infringements of national trademarks, the place of the trademark registration is adopted,¹⁹⁵⁷ the trademark itself is infringed online (when infringing goods or services are advertised via web site or sold online). Thus, in this context, a mere online accessibility of these infringing activities at the court’s territory

¹⁹⁵⁶ Berne Convention for the Protection of Literary and Artistic Works.

¹⁹⁵⁷ As the “place where the damage occurred” under Art. 7(2) BRR.

arguably always takes place in online infringements. However, it depends on particular case if an intention of an alleged infringer to actually target the territory of the court's territory.

For online infringements of national trademarks in *Wintersteiger*, the CJEU refused the "targeting" test and the need to prove the targeting activities, implementing the "place of trademark registration" as the relevant place for establishing jurisdiction instead. In this context, the "online accessibility" approach for online trademark infringements is arguably supplemented and restricted by the requirement of the trademark's registration.

Also, for online copyright infringement cases, the "targeting" test was unsuccessfully proposed to minimise the affect of the "online accessibility" approach. This concept was rejected¹⁹⁵⁸ as *borrowed* from applicable law which should prevent its application for the purpose of allocation jurisdiction (at least for Art. 7(2) BRR).¹⁹⁵⁹

Table 17

The CJEU's rulings	UNREGISTERED IP rights	Comments
2011		
2012	1. <i>Donner</i> , C-5/11 2. <i>Football Dataco</i> , C-173/11	The applicable law aspects were considered
2013	<i>Pinckney v KDG Mediatech</i> , C-170/12	
2014	<i>Hi Hotel HCF SARL v Uwe Spoering</i> , C-387/12	The offline context
2015	<i>Pez Hejduk v EnergieAgentur.NRW GmbH</i> , Case C-441/13	
2016		
2017		
2018		
2019		

8.6.1. Online copyright infringements (*Pinckney*)

The CJEU defines¹⁹⁶⁰ EU copyright as "[...] a bundle of rights that are territorially delimited by each State but the sum of which encompasses the whole territory of the EU." Due to specific legal features, copyright infringements have been differentiated from trademarks infringements and personality rights infringements. In this paragraph we will describe the jurisdictional criteria for defining the "place of the damage" in copyright cases.

Online copyright infringements in the context of Art. 7(2) BRR were firstly addressed by the CJEU in *Pinckney*. The case concerned the proceedings between Mr. Pinckney (France)

¹⁹⁵⁸ C-170/12, *Peter Pinckney v KDG Mediatech* (2013), C-441/13, *Pez Hejduk* (2015).

¹⁹⁵⁹ As soon as it is adopted for Art. 125(5) EUTMR.

¹⁹⁶⁰ C-170/12, *Peter Pinckney v KDG Mediatech* (2013), paragraph 32.

and a company Mediatech (Austria), in relation to the infringement of Mr. Pinckney's copyright. The jurisdiction of the French courts on a mere online accessibility of a website was questioned: in which circumstances the damage may be localised in a Member State where a web site was online accessible?

With the references to the ruling in *Wintersteiger*, the CJEU has highlighted that the likelihood of the damage was subject to the protected right in particular Member State.¹⁹⁶¹ In other words, work should be protected by copyright in the Member State of the court seised.¹⁹⁶²

At the same time, the Court has drawn the demarcation line between the jurisdictional criteria and specific factors which are relevant to the examination of the substance.¹⁹⁶³ for instance, the questions on the attribution of the infringement to the defendant "[...] falls within the scope of the examination of the substance."¹⁹⁶⁴ This demarcation between jurisdiction and the examination of the substance has become a rationale for rejecting the "targeting" test for online copyright infringement cases (by analogy with *Wintersteiger*).

Therefore, the CJEU explicitly ruled over the possibility to attach the "targeting" requirement to allocation jurisdiction at the "place of the damage" under Art. 7(2) BRR:

Thus, unlike Article 15(1)(c) of the Regulation, which was interpreted in Joined Cases C-585/08 and C-144/09 *Pammer and Hotel Alpenhof* [2010] ECR I-12527, Article 5(3) thereof does not require, in particular, that the activity concerned to be 'directed to' the Member State in which the court seised is situated.¹⁹⁶⁵

As a result, "[...] the author of work may bring a claim against a company established in another Member State, if his work is a subject of copyright protection and an infringing web site also accessible with the jurisdiction of the court seised."¹⁹⁶⁶ However, the court has jurisdiction only to determine the damage caused in the Member State within which it is situated.

In comparison, Advocate General Jääskinen, has made references¹⁹⁶⁷ to the substance of the case and suggested the CJEU to reject the claim on the ground of inadmissibility.¹⁹⁶⁸ The principle of territoriality was argued to be "[...] a solid ground for a strong link between the applicable national legislation and that of jurisdiction"¹⁹⁶⁹ for the purpose of Art. 7(2) BRR, and the national court should localise an infringer's liability according to Directive

¹⁹⁶¹ *Ibid.*, paragraph 33.

¹⁹⁶² Indeed, copyright is protected automatically in all the Member States. Under Rome II Regulation 864/2007, Art. 8(1), the law applicable to non-contractual obligations is the "law of the country for which protection is claimed" which is based on a subjective connection and leaves the choice of applicable law to the claimant.

¹⁹⁶³ C-170/12, *Peter Pinckney v KDG Mediatech* (2013), paragraph 41.

¹⁹⁶⁴ C-523/10, *Wintersteiger* (2012), paragraph 26.

¹⁹⁶⁵ C-170/12, *Peter Pinckney v KDG Mediatech* (2013), paragraphs 42, 45.

¹⁹⁶⁶ C-170/12, *Peter Pinckney v KDG Mediatech* (2013), paragraphs 47, 48.

¹⁹⁶⁷ Opinion of Advocate General Jääskinen in C-170/12, *Peter Pinckney v KDG Mediatech* (2013).

¹⁹⁶⁸ Despite the fact that the solutions applied at the level of substantive law cannot automatically be transposed to the rules for determining jurisdiction, Advocate General advised to do that.

¹⁹⁶⁹ In particular, the infringements of the reproduction right considers a strictly territorial dimension: "[...] even if the person who made the unauthorised reproduction also communicated or distributed the content at issue abroad, the resulting extraterritoriality would be a consequence of the subsequent acts of communication or distribution and not of the act of reproduction itself."

2001/29.¹⁹⁷⁰ The close link between jurisdiction and substance was justified by the interpretation in *Football Dataco*.¹⁹⁷¹

This would mean that the damage resulting from an infringement of Mr. Pinckney's reproduction rights should be located differently from the localisation of the damage resulting from an infringement of his distribution or communication rights.¹⁹⁷² Hence, the "targeting" test was suggested for determining jurisdiction at the "place of the damage," by analogy with an infringement's localisation at the substantive level.

By contrast, the approaches of "online accessibility" and the "centre of the victim's interests" were rejected by Advocate General Jääskinen for copyright online infringements: the link between the damage and the localisation of the "centre of the author's interests"¹⁹⁷³ would undermine Art. 4 (1) BRR and Art. 7(2) BRR and multiplication of *fora* would encourage forum shopping.¹⁹⁷⁴

By drawing a strong analogy from the examining of the case substance, Advocate General Jääskinen has supported the unitary doctrine for defining acts of a copyright infringement (as in *AMS Neve*). In the same manner national courts very often confuse both levels and look at the case substance when deciding jurisdiction.¹⁹⁷⁵

If the suggestions of Advocate General Jääskinen had been followed and the "targeting" test had been adopted, an outcome in *Pinckney* would arguably be different: the French court might lose its jurisdiction in this case. In comparison, if the "targeting" test applies exclusively as a supplementary requirement for examining the case substance (instead of jurisdiction), the result would remain the same and the French jurisdiction would be established.¹⁹⁷⁶

The CJEU further continues confirming "online accessibility" as a valid approach to establish jurisdiction under Art. 7(2) BRR. To this extent, it is also important to look at offline copyright cases, addressed in the CJEU's ruling *Hi Hotel*¹⁹⁷⁷ (which was issued before the ruling in *Hejduk* and has essentially effected it).

8.6.2. Offline copyright infringements (*Hi Hotel*)

The CJEU's ruling in *Hi Hotel* concerned offline copyright infringements with respect to several supposed perpetrators. One of those perpetrators did not act within the jurisdiction of that court.¹⁹⁷⁸ The international jurisdiction of the German courts was examined on the basis that the photographs were distributed in Germany and that *Hi Hotel* (established in France) assisted in it.

The CJEU pointed on the elements of the liability as to the relevant factor for the occurrence of the damage: the photographs gave rise to the reproduction and distribution of the

¹⁹⁷⁰ InfoSoc Directive 2001/29/EC.

¹⁹⁷¹ A criterion, based on whether the site in question was aimed at the public of the European Union or of a Member State, was favoured (C-5/11, criminal proceedings against Titus Alexander Jochen Donner (2012), C-173/11, *Football Dataco Ltd and Others* (2012)).

¹⁹⁷² Hence, these three categories of exclusive copyright established by InfoSoc Directive 2001/29/EC are relevant and the localisation of the acts varies according to the right concerned.

¹⁹⁷³ But rather with the territory of his public.

¹⁹⁷⁴ This might be for instance the case of so-called "copyright trolls," illustrated in the previous chapter.

¹⁹⁷⁵ As it was done BGH, 9 November 2017, I ZR 164/16 in "*Parfummarken*".

¹⁹⁷⁶ See, for example, KUNDA I. (2016), "Jurisdiction for copyright infringements...", *op. cit.* p. 97.

¹⁹⁷⁷ C-387/12, *Hi Hotel HCF SARL v Uwe Spoering* (2014).

¹⁹⁷⁸ *Ibid.*, paragraph 23.

photographs, and thereby to the possibility that the damage might occur. With the reference to *Pinckney*, it was concluded that the courts where the damage occurs “[...] are best placed, first, to ascertain whether the rights of copyright guaranteed by the Member State concerned have in fact been infringed and, secondly, to determine the nature of the damage caused.”¹⁹⁷⁹ In other words, the court can be found if copyright is subject to legal protection and a mere risk of damage occurrence exists.

The same conclusion was further enhanced by Advocate General in *Hejduk*. Jurisdiction at the “place of the damage” was characterised by the feature that it can “[...] rest solely with the court on whose territory the copyright is protected, where there exists a factual risk of an infringement occurring, and only in respect of damage suffered in that State.”¹⁹⁸⁰

According to this interpretation, one of several infringers may be sued in a place in which he neither has his domicile, nor acted, allocation jurisdiction on the sole fact that the action of the defendant gave rise to another action by another infringer in the court’s territory.¹⁹⁸¹

Unlike the “place of the event,” the “place of the damage” does allow the jurisdiction to be established even in a lack of action of the infringer. The scope of jurisdiction at the “place of the damage,” however, will be limited.¹⁹⁸² Therefore, it can be submitted that the relevant criteria to allocate jurisdiction at the “place of the damage” under Art. 7(2) BRR for offline copyright infringements are: if the copyright is protected within the court’s territory, and if there is a risk of the harm occurrence. These criteria (from *Hi Hotel*) resemble the set of jurisdictional criteria for offline trademark infringements under the law against unfair competition under the ruling in *Coty*.¹⁹⁸³ However, jurisdictional approaches for online infringements of the same IP rights may be distinct.¹⁹⁸⁴

8.6.3. Online copyright infringements (*Hejduk*)

The CJEU ruling in *Hejduk* addressed¹⁹⁸⁵ jurisdiction for online copyright infringements under Art. 7(2) BRR for the second time (after *Pinckney*). The proceeding was brought between Ms. Hejduk (Austria) and EnergieAgentur (Germany), where special jurisdiction of Austrian courts was questioned. EnergieAgentur claimed that its website was not directed at Austria and that the mere fact of online accessibility from Austria was insufficient to allocate Austrian jurisdiction.¹⁹⁸⁶

The CJEU reaffirmed its interpretations in *Pinckney* and in *Coty*, supporting online accessibility as a relevant jurisdictional approach under Art. 7(2) BRR. In particular, the duality of jurisdictional grounds (as the “place of the event” and the “place of the damage”) was enhanced.¹⁹⁸⁷ The requirements of copyright legal protection together with the likelihood of the damage were concluded¹⁹⁸⁸ to be decisive for allocation jurisdiction at the “place of the damage”:

¹⁹⁷⁹ C-170/12, *Peter Pinckney v KDG Mediatech* (2013), paragraph 46.

¹⁹⁸⁰ The Opinion of Advocate General Cruz Villalón in C-441/13, *Pez Hejduk v EnergieAgentur* (2015).

¹⁹⁸¹ C-387/12, *Hi Hotel HCF SARL v Uwe Spoering* (2014), paragraph 37.

¹⁹⁸² C-387/12, *Hi Hotel HCF SARL v Uwe Spoering* (2014), paragraph 40.

¹⁹⁸³ In C-360/12, *Coty Germany GmbH v First Note Perfumes* (2014), such as: the trademark right should be a subject to the legal protection and the damage is caused or may be caused in the court’s territory.

¹⁹⁸⁴ The “online accessibility” is a specific approach, adopted for online infringements only.

¹⁹⁸⁵ It concerned an infringement of copyright as a result of making available the photographs on the web site.

¹⁹⁸⁶ C-387/12, *Hi Hotel HCF SARL v Uwe Spoering* (2014), paragraph 16.

¹⁹⁸⁷ See also C-360/12, *Coty Germany GmbH v First Note Perfumes* (2014), paragraph 46.

¹⁹⁸⁸ C-170/12, *Peter Pinckney v KDG Mediatech* (2013), paragraph 39 and C-441/13, *Pez Hejduk* (2015).

In circumstances such as those at issue in the main proceedings, it must thus be held that the occurrence of damage and/or the likelihood of its occurrence arise from the accessibility in the Member State of the referring court, via the website of EnergieAgentur, of the photographs to which the rights relied on by Ms. Hejduk pertain.¹⁹⁸⁹

To justify this solution, the CJEU explicitly concluded (for the second time)¹⁹⁹⁰ that “[...] Article 5(3) does not require, in particular, that the activity concerned be “directed to” the Member State in which the court seised is situated.”

The Advocate General also advised¹⁹⁹¹ rejecting the “targeting” test (as “focalisation criterion”), stating that the CJEU in *Pinckney* ruled out “[...] in principle the possibility of extending the focalisation criterion to cases of non-contractual damages based on infringements of intellectual property rights.”¹⁹⁹² Instead, on his view, only the courts at the “place of the event,” would receive the jurisdiction under Art. 7(2) BRR (also known as the “causal event” approach to jurisdiction). In fact, all existing jurisdictional criteria were refused by Advocate General as “neither reliable nor evidentiary.”¹⁹⁹³ The solution of the “centre of a victim’s interests” (adopted in *eDate*) was concluded by Advocate General as unacceptable to *Hejduk*’s situation: since only personality rights claims may allow the victim to sue (in respect of all the damage sustained) in the courts for the place where he or she is domiciled.¹⁹⁹⁴

Instead, according to the CJEU’s interpretation, jurisdiction for online copyright infringements has been allocated on the basis of the “online accessibility” approach. The solution of declining the jurisdiction for the courts where the damage occurred would be *nihilistic*, undermining the rationale behind Art. 7(2) BRR as an alternative jurisdictional path to a general jurisdiction (under Art. 4(1) BRR), and thereof minimising the litigation attractiveness of Art. 7(2) BRR.

One may agree that the ruling in *Hejduk* had not brought any novel solution into existing jurisdictional criteria under Art. 7(2) BRR, since the “online accessibility” approach was transported from *Pinckney*.¹⁹⁹⁵ The CJEU overruled the opportunity to grant a full scope of jurisdiction for online damage (by analogy with the victim’s centre of interest forum).¹⁹⁹⁶ This issue was defined as a part “[...] of the examination of the substance of the claim and is not relevant to the stage in which jurisdiction is verified.”¹⁹⁹⁷

The “online accessibility” approach, however, is not undebatable, since it has brought significant practical problems.¹⁹⁹⁸ For instance, the challenge in defining the correct part of

¹⁹⁸⁹ C-441/13, *Pez Hejduk* (2015), paragraph 34.

¹⁹⁹⁰ With the reference to C-170/12, *Peter Pinckney v KDG Mediatech* (2013), paragraph 42.

¹⁹⁹¹ Opinion of Advocate General Cruz Villalón in C-441/13, *Pez Hejduk v EnergieAgentur* (2015), as to “focalisation criterion.”

¹⁹⁹² It will be discussed further in this chapter.

¹⁹⁹³ Opinion of Advocate General Cruz Villalón in C-441/13, *Pez Hejduk v EnergieAgentur* (2015).

¹⁹⁹⁴ *Ibid.*

¹⁹⁹⁵ C-441/13, *Pez Hejduk* (2015), paragraph 36 and C-170/12, *Peter Pinckney v KDG Mediatech* (2013), paragraph 45.

¹⁹⁹⁶ It allows the victim to sue, in respect of all the damage sustained, in the courts for the place where he or she is domiciled.

¹⁹⁹⁷ C-441/13, *Pez Hejduk* (2015), paragraph 34.

¹⁹⁹⁸ For instance, at: XALABARDER R. (2002), “Copyright: Choice of Law and Jurisdiction in the Digital Age,” *Annual Survey of International & Comparative Law*, Volume 8, Issue 1, p. 7.

the online harm suffered in one particular State alone has been claimed.¹⁹⁹⁹ In this frame, the proposals to restrict an “online accessibility” and look for a solution to grant a full jurisdictional scope had emerged.²⁰⁰⁰

8.6.4. Other unregistered IP rights

As it was illustrated in the previous chapters, the findings for jurisdiction in copyright cases may be transported for defining jurisdiction for online infringements of other unregistered IP rights,²⁰⁰¹ like, for example: *sui generis* of the data base, unregistered trademarks, unregistered design rights, and supplementary torts against the acts of unfair competition (where IP rights are engaged).²⁰⁰²

These rights may share significant similarities with copyright in terms of jurisdiction. Since they are not subject to registration, the scope of jurisdiction would be limited by “mosaic” principle. Although the CJEU has not ruled on this yet, the “online accessibility” approach adopted for online copyright infringements may arguably extended to these unregistered IP rights.²⁰⁰³

Due to the principle of territoriality, for allocation jurisdiction in cases concerning unregistered design rights, unregistered trademarks, data base rights, and unfair practises, the “online accessibility” approach may be coupled with the fact of legal protection in particular Member State. The same analogy may arguably be extended to online IPR infringements in the context of complementary claims.²⁰⁰⁴

For instance, in the CJEU ruling in *Concurrence SARL*,²⁰⁰⁵ the court has extended the “online accessibility” approach to online infringements, concerning selective distribution. Equal treatment for these torts and infringements of unregistered IP rights under Art. 7(2) BRR has arguably been established.²⁰⁰⁶

This particular case was twofold and concerned a selective distribution agreement between Samsung (France) and Concurrence SARL (France). Samsung accused Concurrence of breaching the selective distribution agreement by selling the ELITE products on its website. At the same time, the non-contractual claim was brought by Concurrence against Amazon (Luxembourg) with a view to obtaining an interim order requiring the withdrawal of any offers for sale of a number of Samsung product models from its Amazon.fr, Amazon.de,

¹⁹⁹⁹ As was mentioned at Opinion of Advocate General Cruz Villalón in C-441/13, *Pez Hejduk v EnergieAgentur* (2015).

²⁰⁰⁰ For instance, LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*, MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...,” *op. cit.*, LUNDSTEDT L. (2018), “Putting Right Holders in the Centre...,” *op. cit.*, SAVIN A. (2016), “Jurisdiction Over Cybertorts ...,” *op. cit.*, and more to the discussion see further in this chapter.

²⁰⁰¹ Rather similar analogy was illustrated, for instance, at LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*, paragraph 9.102.

²⁰⁰² See more to the analogy with a complementary torts, for instance, at LUNDSTEDT L. (2018), “Putting Right Holders in the Centre...,” *op. cit.*

²⁰⁰³ For instance, it was pointed at XALABARDER R. (2014), “Jurisdiction and applicable law issues...,” *op. cit.*, LUNDSTEDT L. (2018), “Putting Right Holders in the Centre...,” *op. cit.*, LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*, paragraph 9.102.

²⁰⁰⁴ For instance, see at LUNDSTEDT L. (2018), “Putting Right Holders in the Centre...,” *op. cit.* Complementary torts may arguably include selective distribution, unfair competition practices, however, this examples were illustrated in the in context of author’s moral rights discussion.

²⁰⁰⁵ C-618/15, *Concurrence SARL v Samsung Electronics* (2016).

²⁰⁰⁶ The same may arguably apply to online infringements of unregistered trademarks. More to this extent see, for instance, at LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*, paragraph 9.68.

Amazon.co.uk, Amazon.es and Amazon.it websites. This aspect is of particular interest for the present analysis.

The Commercial Court in Paris held that it did not have jurisdiction over the Amazon websites operating outside the French territory (because it was not directed at the French public).

The CJEU addressed Art. 7(2) BRR in the scenario if the “online accessibility” approach was sufficient to establish jurisdiction at the “place of the damage.” Accordingly, with the references to the settled case law, two requirements were defined:

- The rights in question should be protected in: “[...] the territory of the Member State which protects the prohibition on resale by means of the action at issue” and
- the risk of the damage in “[...] a territory on which the appellant alleges to have suffered a reduction in its sales.”

Whether foreign websites actually target the court’s territory was not relevant. If the infringements which occurred in the third Member States resulted in or may result in damage in France was left to the national court to decide. This interpretation may arguably illustrate that the CJEU has adopted a common jurisdictional approach of “online accessibility” to online infringements, concerning unregistered IP rights, including supplementary IP infringements.

8.6.5. Summary for unregistered IP rights

Therefore, the “targeting” test and the “centre of the victim’s” interest were rejected as inappropriate jurisdictional grounds for online copyright infringements. Instead, an “online accessibility” was implemented, firstly adopted in *eDate*, than (partly) endorsed in *Wintersteiger*, and further confirmed in both *Pinckney* and *Hejduk*.

The level of jurisdictional threshold under “online accessibility” for copyright is arguably distinct from the scope of jurisdiction for online infringements of registered IPRs. Since the requirement of registration is irrelevant for copyright, the extent of jurisdiction has been restricted to avoid extensive jurisdictional claims. The analogous approach of “online accessibility” should arguably apply to the claims concerning data base protection and other unregistered IP rights.²⁰⁰⁷

Tables 8 and 9 illustrate a specific interpretation from the CJEU (in colour) and its possible extension to other online infringements of IPRs.

²⁰⁰⁷ C-173/11, *Football Dotaco* (2012).

Table 18

The “place of the damage” online	<u>UNREGISTERED</u> IP RIGHTS	Scope of jurisdiction	CJEU’s rulings	Comments
ONLINE ACCESSIBILITY + 1, IP right is protected	Copyright	Limited	1. <i>Pinckney v KDG Mediatech</i> C-170/12 2. <i>Pez Hejduck v EnergieAgentur</i> Case C-441/13	Interpreted
	<i>Sui generis</i> of data base	Limited	1. <i>Donner</i> C-5/11; 2. <i>Football Dotaco</i> C-173/11; 3. <i>Pez Hejduk</i> C-441/13	By analogy
	Other unregistered IP rights	Limited	1. <i>Pez Hejduk</i> C-441/13; 2. <i>Concurrence SARL</i> C-618/15	By analogy

Besides, offline infringements of unregistered IP rights arguably also benefit from a common jurisdictional criteria. The conclusions from *Pinckney* were endorsed in *Hi Hotel*,²⁰⁰⁸ allocation jurisdiction for offline copyright infringements if copyright is subject to legal protection and the likelihood of the damage exists, applying the “online accessibility” approach exclusively for online infringements.

Table 19

The “place of the damage” The offline context	<u>UNREGISTERED</u> IP RIGHTS	Scope of jurisdiction	CJEU’s rulings	Comments
- IP right is protected; - The likelihood of the damage	Copyright	Limited	<i>Hi Hotel</i> C-387/12	Interpreted

²⁰⁰⁸ C-387/12, *Hi Hotel HCF SARL v Uwe Spoering* (2014).

The “place of the damage” The offline context	<u>UNREGISTERED</u> IP RIGHTS	Scope of jurisdiction	CJEU’s rulings	Comments
	Sui generis right of data base	Limited	<i>Hi Hotel</i> C-387/12; <i>Coty Germany</i> Case C-360/12	By analogy
	Other unregistered IP rights	Limited	<i>Hi Hotel</i> C-387/12; <i>Coty Germany</i> Case C-360/12	By analogy

Noteworthy that *Pinckney* has prepared the conditions for future interpretation of Art. 7(2) BRR for online infringement of unregistered IP rights. Although the registration is not a matter of substance, it affects the location of jurisdiction for online infringements of national trademarks. In comparison, copyright infringements demand other criteria, avoiding references to substantive law rules.

Although copyright’s potential possibility to be enforced over all Member States reminds to some extent an effect of EU registered IP rights, it is fundamentally distinct from the EU registered rights. In terms of jurisdiction, the substantive law aspects essentially influence the jurisdiction allocation of EUIPR claims. Under these concerns, the CJEU rejected the “targeting” test as not applicable under Art. 7(2)BRR for online copyright claims, adopting “online accessibility” instead. An extensive debate over efficiency of this approach for online copyright will be discussed further in this chapter.

8.7. The “place of the damage” for online IP infringements: an overall pattern

Following the results, illustrated in Table 20 below, it may be submitted that the “online accessibility” approach was adopted as a common jurisdictional approach to “the place of the damage” under Art. 7(2) BRR. The place of *delocalised* damage from online IP infringements amounts to the place of the territory where a web site is technically online accessible and the IPR is question is protected or registered. The specific interpretations from the CJEU with regard to Art. 7(2) BRR are given only for online infringements of national trademarks and copyright.

Table 20 illustrates these specific interpretations from the CJEU (in colour) and its possible extension to online infringements of other IPRs.

Table 20

Art. 7(2) BRR: The “place of the damage” in the online context		IP rights	Scope of jurisdiction	CJEU’s rulings	Comments
Online accessibility +	trademark is registered	Trademarks	Full	<i>Wintersteiger</i> . C-523/10	Interpreted for a fact-specific scenario of a single trademark
Online accessibility +	patent is registered	Patents	Full	<i>Wintersteiger</i> . C-523/10; <i>Folien Fischer</i> , C-133/11	By analogy
Online accessibility +	design is registered	Design rights	Full	<i>Wintersteiger</i> . C-523/10, <i>Nintendo</i> C-25/16	By analogy
Online accessibility +	patent right is validated	EU Patents	Full	<i>Wintersteiger</i> . C-523/10; <i>Folien Fischer</i> , C-133/11	By analogy
Online accessibility +	trademark right is validated	EU Trademarks (<i>unfair practices</i>)	Full	<i>Wintersteiger</i> . C-523/10	By analogy
Online accessibility +	design right is validated	Community Design rights (<i>unfair practices</i>)	Full	<i>Wintersteiger</i> . C-523/10, <i>Nintendo</i> C-25/16	By analogy
Online accessibility +	patent is validated	EU Patents (<i>unfair practices</i>)	Full	<i>Wintersteiger</i> . C-523/10; <i>Folien Fischer</i> , C-133/11	By analogy
Online accessibility +	copyright is protected	Copyright	Limited	<i>Pinckney v KDG Mediatech</i> C-120/12, <i>Pez Hejduk</i> C-441/13	Interpreted
Online accessibility +	Data base right is protected	Sui generis of data base	Limited	<i>Donner</i> C-5/11, <i>Football Dotaco</i> C-173/11, <i>Pez Hejduk</i> C-441/13, <i>Pinckney v KDG Mediatech</i> C-170/12	By analogy

**Art. 7(2) BRR:
The “place of
the damage”**

**in the online
context**

		IP rights	Scope of jurisdiction	CJEU’s rulings	Comments
Online accessibility +	IP right is protected	Other unregistered IP rights	Limited	<i>Pez Hejduk C-441/13, Pinckney v KDG Mediatech C-120/12, Concurrence SARL C-618/15</i>	By analogy

This Table illustrates an extension of the *Wintersteiger’s* interpretation to online infringements of national patent and design rights. The same arguably applies to EU registered IP rights, when online infringements under the law against unfair competition are considered: the jurisdiction at the “place of the damage” under Art. 7(2) BRR may be established as a result of online accessibility of a website in the court’s territory if the EU registered IP right in question is validated for this territory.

In the case law for copyright online infringements, the CJEU made the references to online trademark infringement case in *Wintersteiger*. Although, at first glance, it may constitute a rather common jurisdictional treatment for online infringements where different IP rights are considered,²⁰⁰⁹ the “online accessibility” approach had been essentially restricted for online infringements of registered IPRs.

While for establishing jurisdiction for online copyright infringements, a mere online access of a website from the territory of the court seised is sufficient, for finding jurisdiction for online trademark infringements, online access is not enough. Jurisdiction in the later case should be allocated where the trademark in question is registered.

Unlike trademarks, copyright is unregistered IP right (which is protected upon creation)²⁰¹⁰ that would facilitate its cross-border enforcement within the EU. However, differences in national copyright laws have become an obstacle to an efficient allocation of jurisdiction for copyright claims. Due to the automatic protection of copyright, the “online accessibility” approach may lead to an extensive forum shopping between different Member States, allocating jurisdiction on a mere fact of online access to infringing content. In response to wide jurisdictional claims concerning online copyright infringements, the CJEU have restricted a jurisdictional scope: a court may grant compensation only for harm suffered in its territory. In this manner, the CJEU aimed an unjustified extension of the “online accessibility” approach and a prevention of abusive practices.²⁰¹¹

In comparison, for online infringements of registered IP rights, the very fact of registration becomes a strict limitation of “online accessibility,” allowing the possibility of a full jurisdictional scope to cover all Member States, were IP right is registered.

²⁰⁰⁹ Moreover, the same solution would arguably apply to EU registered IP rights in the context of the law against unfair competition. See further in this chapter.

²⁰¹⁰ Berne Convention for the Protection of Literary and Artistic Works.

²⁰¹¹ For instance, the case of so-called “copyright trolls,” which might have the effect of conferring jurisdiction over non-existent torts (as it was mentioned in the precious chapters).

Therefore, it may be submitted that the CJEU *de facto* distinguishes the “online accessibility” approach coupled with the fact of IPR registration²⁰¹² from a mere technical online access. A *degree* of “online accessibility” may vary: from a scenario when a mere online access is sufficient for allocating jurisdiction (in copyright claims) to the situations when some supplementary criteria for establishing jurisdiction are required, such as IPR registration (in trademark claims), the “targeting” test (in EUTM claims) or the “centre of victim’s interests” (in personality rights claims).

This may arguably reflect a straightforward dependency between a *degree* of “online accessibility” and a scope of jurisdiction which court may grant: the lower the threshold to establish jurisdiction, the more limited jurisdiction will be granted,²⁰¹³ and vice versa: the strict jurisdictional approach may arguably allow a full jurisdictional scope.

In this frame, present thesis argues that the strict jurisdictional criteria could arguably allow an opportunity to get the overall damage suffered in one single court. The “targeting” test and the “centre of interests” may constitute additional restricting requirements to the “online accessibility” approach. Setting the borders for mere technical access may arguably have the potential to extent the power of the court to grant the overall compensation for the harm suffered in distinct EU territories (by analogy with personality rights and personal data infringements).

The CJEU has ruled out the applicability of the “targeting” test to online infringements of copyright and trademarks, otherwise when accessing targeting activities a court would need to examine the case substance. Instead, allocation of jurisdiction under Art. 7(2) BRR should be independent of the merits of a particular case. Consequently, although the “place of the damage” is relatively easy to allocate for online copyright infringements on the ground of a mere online accessibility of infringing content, the claim itself may be rejected further when applicable law and factual circumstances of the case are examined.

We thus have experienced a rather formalistic interpretation of Art. 7(2) BRR when the references to the substantive and applicable law concepts are not permitted at the jurisdictional level, but they indeed affect the jurisdiction allocation. For instance, in *Wintersteiger*,²⁰¹⁴ the national Austrian court accepted jurisdiction, but the claim failed on the ground of lack of “targeting” activity to Austrian territory.

Although the substantive law aspects and applicable law should not be discussed when the court accesses its jurisdiction, the claimant when choosing the litigation path anyway takes into account applicable law and the factual circumstances of the case to predict a potential case outcome.

Present thesis claims that if a *mini-trial* would be permitted under Art. 7(2) BRR, the neutral legal nature of this special jurisdictional rule might be undermined. This provision was designed to enhance the fundamental PIL principles of legal certainty, foreseeability, a sound of administration and access to justice.

²⁰¹² The reference to the registration is not considered as a reference to the case substance and, thus, is permitted.

²⁰¹³ To the similar analogy see, for example, at for example, at SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*

²⁰¹⁴ It was also commented, for example, at MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...,” *op. cit.*

From the perspective of a broad litigation landscape (which is normally considered by an IP right holder), applicable law and the substantive case aspects should be evaluated and taken into account as a matter of a litigation strategy. However, in light of jurisdictional consistency and procedural fairness, the claimant should not bear the burden of proof of substantive law aspects at the level of allocating jurisdiction. An opposite approach would significantly demotivate IP litigation in general, and IPR's online enforcement, in particular.²⁰¹⁵ The level of establishing jurisdiction should not be overloaded by examination of applicable law aspects and the case merits.

Therefore, the following findings in relation to establishing jurisdiction at the "place of the damage" (Art. 7(2) BRR) may be submitted:

- Online infringements of registered and unregistered IP rights share the common jurisdictional approach of "online accessibility;"
- The "online accessibility" approach has different *degrees*: a mere technical online access (in copyright claims) and "online accessibility" coupled with the fact of IPR registration (in trademark claims), the "targeting" test (in EUTM claims) or the "centre of victim's interests" (in personality rights claims);
- A scope of jurisdiction depends on the jurisdictional approach: the lower the *threshold* to establish jurisdiction, the more limited jurisdiction will be granted,²⁰¹⁶ and vice versa: the strict jurisdictional approach may arguably allow a full jurisdictional scope;
- Allocation jurisdiction under Art. 7(2) BRR often depends on applicable law and substantive law aspects which would overload the jurisdictional level and put on the claimant additional burden of prove.

An ongoing debate concerning the effectiveness of the "online accessibility" approach may be illustrated by multiple proposals aiming to overrule this jurisdictional approach for online copyright infringements and restrict the strong effect of territoriality in copyright claims.

8.8. An accumulation of the damage: a *quest* for an efficient solution

Since posing sufficient limits on the "online accessibility" approach would arguably influence the power of the court to decide the scope of the damage within its territory, the scope of jurisdictional scope becomes a core issue when designing a coherent jurisdictional approach. The proposal of a full jurisdictional scope for online copyright infringements should properly balance, on the one hand, legal certainty and meet legitimate parties' expectation, and, on the other hand, avoid any inconsistency with applicable law and substantive law aspects.

8.8.1. The "online accessibility" approach: good, bad and ugly

²⁰¹⁵ Especially, if we bear in mind that the most part of online violations are either latent, or undetected. These all make online torts unenforceable task and, eventually, tolerated problem. More to this extent see, for example, at TRIMBLE M. (2016) "Undetected Conflict-of-Laws Problems...", *op. cit.*

²⁰¹⁶ To the similar analogy see, for example, at SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.* Too broad jurisdictional claims were argued to "suffer" from a restricted relief. In this context, an interplay between predictability and flexibility was illustrated.

As we may see, an “online accessibility” had become an overall jurisdictional ground for IP infringements in the online context. Adopted for the first time in *eDate*, it was further justified for online infringements of IP rights. This criterion has become a result of a broad interpretation of Art. 7(2) BRR, since the “place of the damage” was considered a separate factor that can give rise to jurisdiction. The CJEU has been criticised for departure from the traditional jurisdictional criteria, established in the early rulings.²⁰¹⁷

“Online accessibility” as “a purely factual approach,” has been argued²⁰¹⁸ to significantly simplify the problems of the online damage location,²⁰¹⁹ generating an extensive debate. As the specific features of IP infringements have been put aside along with the territoriality principle, jurisdiction could be based on uncertain criteria.

On the one side, since multiplication of *fora* (as a result of “online accessibility”) could lead to irreconcilable judgments,²⁰²⁰ suing on a country by country basis would arguably make IP rights unenforceable *per se*. On the other side, a low threshold for establishing jurisdiction may undermine the principle of legal certainty for defendants who may face an unexpected litigation in a foreign *forum*.

This opposition has incentivised a quest for definite limits to a mere online accessibility of a website in a sense of coherent restrictive criteria for establishing jurisdiction for online infringements. For instance, the “targeting” test,²⁰²¹ the criterion of the “centre of victim’s interests,”²⁰²² and the fact of IP right’s registration²⁰²³ were suggested as supportive requirements to restrict effect of the “mosaic” doctrine²⁰²⁴ and a broad jurisdictional approach of “online accessibility.”

An “online accessibility” has arguably become an obstacle to grant a full scope of jurisdiction under Art. 7(2) BRR. The lack of overall EU remedy accumulation has been argued²⁰²⁵ to make the place of the damage *forum* ineffective. It is essentially felt in the context of online copyright infringements as soon as either *Pinckney*, nor *Hejduk* had respond to this problem.

In spite of criticism, an “online accessibility” has its supporters as well. A low jurisdictional threshold as a result of an “online accessibility” might be justified by the principle of territoriality: territorial nature of IP rights limits the broad jurisdictional approach. The facts of IPR registration were argued to work as restricting factors to a mere online

²⁰¹⁷ In other words, jurisdiction cannot be based on uncertain factors, according to the findings in C-220/88, *Dumez France and Tracoba* (1990).

²⁰¹⁸ TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...,” *op. cit.*

²⁰¹⁹ METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*

²⁰²⁰ C-220/88, *Dumez France and Tracoba* (1990), paragraph 18.

²⁰²¹ For instance, see at LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*, LOPEZ-TARRUELLA MARTINEZ A. (2017), “El criterio de las actividades dirigidas...,” *op. cit.*

²⁰²² For the discussion on possible applicability of the “centre of interests” criterion to other online infringements see more at XALABARDER R. (2014), “Jurisdiction and applicable law issues...,” *op. cit.*, LUNDSTEDT L. (2018), “Putting Right Holders in the Centre...,” *op. cit.*, TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...,” *op. cit.* It was commented that the centre of the interests was generated in order to overcome mosaic, see more, for example, at REQUEJO M. (2015) “Is the Shevill Doctrine Still Up to Date? Some Further Thoughts on CJEU’s Judgment in Hejduk (C-441/13)”... *op. cit.*, HESS B. (2014), “The CJEU’s Decision in eDate Advertising...,” *op. cit.*

²⁰²³ For example, at SAVIN A., TRZASKOWSKI J. (2014), *Research Handbook on EU Internet Law...*, *op. cit.*, p. 239-240.

²⁰²⁴ As a result of *Shevill*, each national court will have jurisdiction for the local damage only.

²⁰²⁵ For example, at MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...,” *op. cit.*

accessibility.²⁰²⁶ Legal protection is limited to the territory of the Member State in which IP right is registered (or validated for EU IP rights), thus, its proprietor cannot rely on that protection outside the territory.

Accordingly, the “online accessibility” approach was claimed²⁰²⁷ to be balanced by a restricted power for the court to rule over the damage.²⁰²⁸ As a result of the “mosaic” principle, the IP right holder can sue at the “place of the damage” (which may be undesirable for a defendant), however, the court may grant only local damage. Since each court will address the damages within its territory only (excluding the problem of conflicting outcomes), the risk of irreconcilable judgments may be overestimated. Multiplication of *fora* may be a problem mostly in a theory, because the claimant often chooses the restricted number of relevant Members States.

Therefore, the “online accessibility” approach should be viewed from different perspectives as having its definite limits when coupled with the effect of “mosaic” principle (which works effectively to restrict the “online accessibility” approach). By granting a limited scope of jurisdiction as result of online accessibility, the CJEU had arguably responded to both tasks: preventing of *forum* shopping and staying within the lines of the territoriality principle.

The situation at the applicable law stage, when *lex loci protectionis* applies has affected the scope of jurisdiction for online IP infringements. The court may grant only limited scope of the damage. Also, the fact of IPR’s registration and protection within the court’s territory responds to a restrictive reading of an “online accessibility” when it applies for establishing jurisdiction.

It allows to submit that the “online accessibility” approach was not adopted in a *vacuum*, but is indeed linked to the essential factors as: registration or protection of IP right within court’s territory, a limited scope of damages and application of the “targeting” test at further levels, when examining the case merits. In particular, for online infringements of trademarks, the damages may be granted only when a “targeting intention of the alleged infringer” is established.²⁰²⁹

Therefore, in order to plan IP litigation strategy in relation to online torts, a whole jurisdictional and applicable law framework should be taken into account. Otherwise, the *forum* which was not targeted would be a *forum* without any damage and thereof without any jurisdiction. Although this scenario may arguably open a potential for empty jurisdictional claims and abusive litigation tactics, not every claimant may economically afford them.²⁰³⁰

In this frame, it may be argued that the low threshold for establishing jurisdiction under the “online accessibility” approach has become a result of territorial nature of IP rights. While an “online accessibility” may allow an IP right holder to bring a suit in a home court (as the

²⁰²⁶ For instance, at NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*

²⁰²⁷ SAVIN A., TRZASKOWSKI J. (2014), *Research Handbook on EU Internet Law...*, *op. cit.*, NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.*

²⁰²⁸ SAVIN A., TRZASKOWSKI J. (2014), *Research Handbook on EU Internet Law...*, *op. cit.*, NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.*

²⁰²⁹ It is a result of deciding the case substance. In the *Wintersteiger*, although the Austrian court seized by the applicant assumed jurisdiction, it found no violation on the substance, as it stated that the claimant had failed to prove more than insignificant effect on the Austrian market arising from the use of its trademark as a keyword on *google.de*

²⁰³⁰ See more to this extent at SAG M. (2014), “Copyright Trolling...,” *op. cit.*, OTCHENASH M. (2018), “Suing online platform for Copyright...,” *op. cit.*

forum actoris), the limited scope of jurisdiction at this *forum* may challenge an effective IP rights enforcement. The possibility of a court to grant a full scope of jurisdiction would arguably make Art. 7(2) BRR truly alternative to general jurisdiction and thus an attractive for IP litigation strategies.

8.8.2. The two avenues for two categories of IP rights

Negative influence of the “online accessibility” approach is less felt in online torts, where registered IP rights are concerned. Legal protection for registered IP rights is limited to the territory of the Member State in which IP right is registered (or validated for EU registered IP rights), when the scope of jurisdiction may be extended to the territories of IPR’s registration.

In comparison, copyright litigation appears to be more challenging. As the harm that arises from copyright online infringement cannot be divided into territorial portion, a court cannot practically define an accurate part of the damages which need to be granted.

On the one side, the “online accessibility” approach together with a limited scope of jurisdiction may arguably be attractive in scenarios where the IPRs holder is able to sue in his home court and if significant damage occurred there. On the other side, in the complex situations when most part of the harm cannot be located in the claimant’s home court, IPR’s holder faces a potentially unaffordable case. It is especially true for structurally *weak* claimants as individuals when suing big online businesses. Unfortunately, the purpose of protection of *victims* in IPRs infringements is less pronounced.²⁰³¹

A rejection of the possibility of the damage accumulation at “the centre of interests” or “habitual residence” of a claimant (by analogy with online violations involving personality rights) may arguably be justified for registered IP rights. Instead, the place where IPR is registered should be decisive for allocation jurisdiction with a full scope.

In contrast, online infringements concerning unregistered IP rights might arguably share a similar jurisdictional approach which was adopted for personality rights infringements. Copyright is a subject to protection in all Member States without the requirement of registration. This makes it arguably similar to personality rights (at least in terms of jurisdiction). However, the legal nature of IPRs, which is strongly linked to territoriality, has currently become an obstacle to grant an EU-wide compensation for the harm suffered from online cross-border infringements.

In this frame, the present thesis supports the proposals which aim at adopting additional restrictive criteria to the “online accessibility” approach and would permit concentrating the full damage suffered in one court. Let us consider different supportive factors which may supplement an “online accessibility” for the purpose to enlarge the jurisdictional scope under Art. 7(2) BRR.

8.8.3. “Targeting:” from a substantive law concept to a popular jurisdictional test

In a response to the difficulties which “online accessibility” causes, alternative proposals have been submitted, for instance, to restrict it by employing the “targeting” test for

²⁰³¹ XALABARDER R. (2014), “Jurisdiction and applicable law issues...,” *op. cit.*, LUNDSTEDT L. (2018), “Putting Right Holders in the Centre...,” *op. cit.*, TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...,” *op. cit.*

trademark online infringements (in *Wintersteiger*). The CJEU, however, refused it as a premature analysis of the case substance.

The “targeting” test therefore was rejected for the purpose of jurisdiction, but it may apply at further procedural levels (as a test for a substantive trademark law). Initially, the concept of “targeting” has been employed for the purpose of applicable law, while in a capacity of jurisdictional test it works mostly for consumers’ jurisdiction²⁰³² (under Art. 17 BRR). Further it applied by analogy in other areas for delimiting applicable law. An extension of “targeting” to define jurisdiction for online IP infringements has been inspired by the CJEU case law for consumers’ jurisdiction.²⁰³³

The concepts of “targeting” or “directed to” activities were also suggested by the CLIP Principles. The scope of jurisdiction was claimed to be full when “ubiquitous” infringements are at stake. According to Art. 2:202:

In disputes concerned with infringement of an intellectual property right, a person may be sued in the courts of the State where the alleged infringement occurs or may occur, unless the alleged infringer has not acted in that State to initiate or further the infringement and her or his activity cannot reasonably be seen as having been directed to that State.²⁰³⁴

Indeed, the “targeting” test has become popular among scholars²⁰³⁵ and has been considered by national courts.²⁰³⁶ Nevertheless, it is expressly rejected for IP online infringements for allocation of jurisdiction under Art. 7(2) BRR.²⁰³⁷

This allows to submit that the notion of “targeting” is used in the context of applicable law, jurisdiction or as an independent concept. Due to different roles that “targeting” may play, the following features of this test may be recognised: an intention of defendant (objective or subjective), factual-specific character and flexibility.

With regard to the defendant’s intention to direct his activities to a particular territory, two levels of “targeting” may be distinguished. As it was explained, for instance, by M. Bogdan,²⁰³⁸ the “subjective targeting” test concerns a subjective intention of an alleged

²⁰³² See also OECD (2016), *Consumer Protection in E-commerce...*, *op. cit.*, the World Intellectual Property Organization (WIPO) (2001), *Joint Recommendation Concerning Provisions on the Protection of Marks and Other Industrial Property Rights in Signs, on the Internet*, September 24 to October 3.

²⁰³³ Joined Cases C-585/08 and C-144/09 *Pammer and Hotel Alpenhof* (2010).

²⁰³⁴ European Max-Planck Group on Conflict of Laws in Intellectual Property (2007), *Principles Governing Jurisdiction, Choice of Laws in Intellectual Property*, Oxford, Oxford University Press, p. 284. Moreover, CLIP also suggests a similar “de minimis” rule at a substantive law level, see Art. 3:602 CLIP Proposal, FAWCETT J. J., TORREMANS P. (2011), “Intellectual Property and Private International Law...”, *op. cit.*, paragraph 17.25.

²⁰³⁵ It was defined as “[...] un concepto autónomo del Derecho internacional privado de la Unión Europea, determinar sus elementos definitorios y delimitar las materias en las que resulta aplicable,” see at LOPEZ-TARRUELLA MARTINEZ A. (2017), “El criterio de las actividades dirigidas...”, *op. cit.*

²⁰³⁶ For example, in the national case law of the UK in the context of “targeting:” *Tesam Distribution Ltd v Schuh Mode Team GmbH* (1990) ILRP 149 CA; *Mülhnycke AB v Procter & Gamble Ltd ABKCO Music & Records Inc v Music Collection International Ltd*.

²⁰³⁷ In the context of Art. 7(2) BRR.

²⁰³⁸ For example, at BOGDAN M. (2013), “Jurisdiction in Disputes about Infringements...”, *op. cit.*, SAVIN A. (2016), “Jurisdiction Over Cybertorts ...”, *op. cit.*

infringer to target at users of the *forum* by means, for instance, of use of the specific languages on the web site or currency. Accordingly, the “objective targeting” test is based on the objective factors, such as the number of times or “hits” the website has been accessed from the forum Member State, the residence or nationality of the victim, or some other objective circumstances.²⁰³⁹

The “targeting” test in the “subjective” contexts is more traditional understanding of this concept.²⁰⁴⁰ It was adopted by the CJEU in the rulings in *Pammer, L'Oréal*,²⁰⁴¹ *Football Dataco* and was advocated by Advocate General Jääskinen in *Pickney*. It is also popular at national level, when applying Art. 7(2) BRR.²⁰⁴² The “targeting” test in the “objective” contexts, on the contrary, is grounded on the content of a website.²⁰⁴³ This type of intention has been introduced in legal literature²⁰⁴⁴ and has become a solution for personal data claims.

The “targeting” test in its version form *Pammer* has been extensively advocated²⁰⁴⁵ to become an efficient alternative to the “online accessibility” approach. The scope of “targeting” in this context would depend on the non-exhaustive set of factual requirements which would include, for instance: the international nature of the business, the mention of telephone numbers with the international code, the use of a top-level domain name other than that of the defendant’s own country, the description of itineraries from the country of the consumer, and the mention of an international clientele.²⁰⁴⁶ Since the BRR does not offer any definitive guidance in how to approach “targeting” in the jurisdictional context, an absence of legal definitions leaves a room for its extensive interpretation.

The strong dependency of the “targeting” test on factual circumstances of particular case may arguably become the core obstacle to its implementation for establishing jurisdiction. Deciding if defendant’s activity was directing at the particular territory may become the same as to *dive* into the case substance and decide the merits of particular case. This effect is highly unwelcome by the CJEU.

Currently, the “targeting” test may be considered an autonomous concept with rather restricted area of its application.²⁰⁴⁷ Art. 7(2) BRR does not contain an application of any

²⁰³⁹ *Ibid.*

²⁰⁴⁰ BOGDAN M. (2013), “Jurisdiction in Disputes about Infringements...”, *op. cit.*

²⁰⁴¹ C-324/09, *L Oréal SA, v eBay International AG* (2011).

²⁰⁴² See more at the previous chapters.

²⁰⁴³ As it was described in the previous chapters, “targeting” was the test in the US case in *Zippo Manufacturing Co. v. Zippo Dot Com, Inc.* (1997).

²⁰⁴⁴ See more, for instance, at KOHL U. (2007), *Jurisdiction and the Internet...*, *op. cit.*, p. 50-62, also Geneva Internet Disputes Resolution Policies, Université de Genève, p. 26.

²⁰⁴⁵ For instance, SAVIN A. (2016), “Jurisdiction Over Cybertorts ...”, *op. cit.*, LOPEZ-TARRUELLA MARTINEZ A. (2017), “El criterio de las actividades dirigidas...”, *op. cit.*, at MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...”, *op. cit.*

²⁰⁴⁶ Joined Cases C-585/08 and C-144/09 *Pammer and Hotel Alpenhof* (2010), paragraph 83 (for example, by presenting accounts written by such customers).

²⁰⁴⁷ The “targeting” test is arguably wide-accepted criterion at the level of substantive and applicable law.

additional requirement (as to target the court's territory) to establish special jurisdiction for IP infringements.²⁰⁴⁸

The CJEU arguably avoids the “targeting” test application when establishing special jurisdiction, as there are several differences between applying the “targeting” approach at the jurisdictional and at the substantive law levels. If “targeting” applies at the level of jurisdiction, the court has to apply this approach *ex officio*. In comparison, if it is applied at substantive law level, it will be up to the parties (mainly to the defendant) to raise the issue of “targeting.”²⁰⁴⁹

The question of burden of proof would also be answered differently: if “targeting” is implemented at the jurisdiction level, the *lex fori* would determine who bears the burden of proof. Accordingly, if “targeting” is applied at the substantive law level, it will be determined by the substantive law.²⁰⁵⁰

Therefore, the settled case law for online IP infringements was argued²⁰⁵¹ to have a different outcome if “targeting” as a jurisdictional criterion was adopted. In particular, after the CJEU's interrelation in *Wintersteiger*, the Austrian court accepted jurisdiction, but further the claim was rejected because of the lack of “targeting and commercial effects” in Austria.²⁰⁵² In this context, (in an absence of targeting activities at the court's territory) current interpretations of Art. 7(2) BRR may arguably allow bringing *empty* jurisdictional claims which could be rejected after the case examination. Nevertheless, the thesis supports an independent interpretation of Art. 7(2) BRR from the case merits when the fundamental principle of *access to justice* should prevail.

The supporters of the “targeting” approach advocate balancing interests of ISPs and IP right holders,²⁰⁵³ which would guarantee more legal certainty for big online businesses where they can be sued. The “string balancing effect” was argued²⁰⁵⁴ to be felt in so-called “asymmetrical” litigation, between legal entities and individuals.

In comparison to individual IP right holders, big companies are often considered as “repeat players.”²⁰⁵⁵ In this frame, when applying in combination with other criteria at *forum actoris*,

²⁰⁴⁸ For instance, at NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, p. 207.

²⁰⁴⁹ See, for example, KUNDA I. (2016), “Jurisdiction for copyright infringements...,” *op. cit.*, p. 121.

²⁰⁵⁰ *Ibid.*

²⁰⁵¹ *Ibid.*, p. 97, when commenting on the ruling in *Pinckney*.

²⁰⁵² As it was also commented, for example, at MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...,” *op. cit.*

²⁰⁵³ For instance, at LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*, LOPEZ-TARRUELLA MARTINEZ A. (2017), “El criterio de las actividades dirigidas...,” *op. cit.*, MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...,” *op. cit.* (at substantive law level though).

²⁰⁵⁴ In particular, it was argued at KOHL U. (2007), *Jurisdiction and the Internet...*, *op. cit.*, LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*

²⁰⁵⁵ On the other hand, it was argued that the exception from liability should not become possible only because the online trader did not know “were the wind will blow.” In other words, online businesses have to take the risks. More to this extent see, for instance, at SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*

“targeting” was argued²⁰⁵⁶ to favour a “structural weaker” party: when the claimant individual would bring a claim at his home court, instead of suing a company at the its place of domicile.

On the other hand, “targeting” may arguably complicate a procedural position of the claimant who will need to prove the defendant’s targeting activities at the jurisdictional level. This may arguably bring more obstacles to effective online IP enforcement.²⁰⁵⁷ “Online accessibility” is limited by the “mosaic” doctrine and does not allow the claimant to accumulate the whole damage suffered in one court. Since the power of the court to grant an EU-wide compensation is limited to the damage occurred in its territory, suing at *forum actoris* may become inconvenient if no substantial damage occur there. In other words, in the absence of a full jurisdictional scope, the so-called “balancing effect” of “targeting” may be rather doubtful.

Which version of “targeting” may respond to the purpose of concentrating the full jurisdictional scope at one court of the “place of the damage”? For instance, a full scope of jurisdiction at *forum actoris* may be fairly balanced by the requirement of “targeting,” when the claimant’s home court would receive a full jurisdiction if its territory was “targeted” by defendants. It would allow IP right holders to benefit from concentration of a full scope of the damage at the one court, at the same time, bringing legal certainty for online businesses. They would have to make sure that their activity does not target audiences in these places.²⁰⁵⁸

The approach of *forum actoris* with a full jurisdictional scope was already adopted for personality rights infringements and personal data protection claims. The combination of the claimant’s forum when it is targeted by infringing defendant’s activities with the possibility to claim the overall relieve may arguably become an effective alternative to general jurisdiction and would effectively restrict the “online accessibility” approach.

An inspiration for such approach may be found²⁰⁵⁹ in academic proposals and the CJEU’s case law concerning the IP law substantive aspects. Since “targeting” renders applicable the laws of a state that has a close connection to the case in question, it may help to overcome a negative effect of “mosaic.”

The approach of supplementing “online accessibility” with the “targeting” test at the *forum actoris* (with a full jurisdictional scope) would be more appropriate for copyright online infringements where the effect of territoriality is not strong. By contrast, online infringements of registered IP rights are allocated due to the fact of registration and the scope of jurisdiction

²⁰⁵⁶ “Targeting” as a limitation test in addition to “country-of-origin approach” was suggested at LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*, p. 23.

²⁰⁵⁷ Wether such balancing effect may be effective in the light of rather doubtful advantages of the “mosaic/accessibility” approach is questionable. The “online accessibility” approach limited by “mosaic” doctrine does not benefit the claimant.

²⁰⁵⁸ However, a geo-blocking may be incentivised, see also at Regulation on Addressing unjustified Geo-Blocking and other Forms of discrimination based on consumers’ nationality, place of residence or place of establishment within the internal market 2018/302, 3 December 2018 (Geo-Blocking Regulation).

²⁰⁵⁹ Indeed, the jurisdiction for online torts were argued to become unrestricted if the damage is substantial and the territory is targeted. See, for example, at CLIP Proposal (European Max-Planck Group on Conflict of Laws in Intellectual Property (2007)-(2013), *Principles Governing Jurisdiction...*, *op. cit.*

covers all territories of IPR registration. “Targeting” as a supplementing test already works effectively at substantial stage here.²⁰⁶⁰

At the same time, the “targeting” test should be better developed in order to respond the needs for allocation jurisdiction. Precisely, there is a lack of a coherent definition of “targeting.” The concepts of “targeting” and “intention to target” are not self-explaining. They are based on very fact-specific circumstances that may invite various manipulations and can be rather easily circumvented.²⁰⁶¹ Also, “targeting” may incentivise a potential for a possible discrimination: applying “targeting” at the jurisdictional level may provoke a splitting of the internal market and indirect discrimination on grounds of nationality.²⁰⁶²

This solution was argued²⁰⁶³ to be unsuitable for infringements of copyright of internationally known persons: when particular websites offer music for download in an unauthorised way, a targeted public may amount to a global auditory. Thus, the “targeting” test alone (without the possibility to claim a full relieve) may be ineffective and potential compensation of damage may constitute only a small part of the global effects of the online activities.

While this solution may leave room for several grey areas, these would be significantly less felt in comparison to those that already exist under the “online accessibility” approach (in absence of accumulation of a EU-wide relieve).

A coherent list of requirement for establishing “targeting” most probably will depend on merits and will be decided on the case-by-case basis. The situation for internationally known persons may be approached by analogy with personality rights claims. *Forum actoris* supplemented by “targeting” would balance world-wide potential fora. All these disadvantages might be tolerated as less damaging than “online accessibility” is its version for unregistered IP rights.

Noteworthy that the “online accessibility” approach and the “targeting” test have different policy purposes. In comparison to “targeting,” “online accessibility” allows the country to maintain wider control over its territory.²⁰⁶⁴ The location of the damage for internationally famous persons together with online accessibility of a website was argued²⁰⁶⁵ to give the claimant various possibilities to choose a convenient court. However, since “online accessibility” is limited by the “mosaic” principle, it, unfortunately, benefits nobody.

Needless to say that there is a strong need in incentive to support copyright holder with effective instruments to protect their creativity. The *forum* with restricted scope of jurisdiction grants rather limited possibilities due to the “mosaic puzzle.” It brings us to the very idea of

²⁰⁶⁰ To the same extent see at SAVIN A. (2016), “Jurisdiction Over Cybertorts ...”, *op. cit.*

²⁰⁶¹ See more, for example, at TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...”, *op. cit.*

²⁰⁶² For instance, at BOGDAN M. (2013), “Jurisdiction in Disputes about Infringements...”, *op. cit.*

²⁰⁶³ See, for example, at METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...”, *op. cit.*, p. 257, also BOGDAN M. (2013), “Jurisdiction in Disputes about Infringements...”, *op. cit.*

²⁰⁶⁴ As it was commented at KOHL U. (2007), *Jurisdiction and the Internet...*, *op. cit.*, p. 140-141 with the reference to case law of the US.

²⁰⁶⁵ *Ibid.*, p. 125.

universal social contract theory at the time of Savigny, claiming the equity of all countries.²⁰⁶⁶ Jurisdictional rules are ought to be a part of a single international system and not purely a part of domestic law. In this frame, the effects on other territories must be taken into consideration. In a capacity of a supportive test, “targeting” can be justified as a “middle path” solution.²⁰⁶⁷ It would benefit both sides: the claimants individuals (supporting them as structurally weaker parties) and online businesses (bringing legal certainty were they may be sued).

If the *forum actoris* is coupled with the “targeting” test, it may allow to reveal the intention of the infringer and set the link between the court and damages. The focus should be on the active role of the defendant, as soon as he can adjust his conduct to affect whether the tort will occur. Courts would apply more restrictive criteria instead of “online accessibility,” reducing the number of potential jurisdictions.²⁰⁶⁸

Therefore, it may be submitted that “targeting” could be justified as a supportive factor to “online accessibility” with a purpose to bring a balancing effect to the *forum actoris* with a full scope of jurisdiction. At the same time, its extension to all other scenarios (in a capacity of independent jurisdictional criterion and where no concentrating effect of the damage is considered) should not be welcome, as soon as it may overload the jurisdictional level by the need to prove additional circumstances, switching the procedural balance in a favour of alleged infringers. The “targeting” test has been already rejected for online sales,²⁰⁶⁹ and should not apply for online infringements of registered IPRs, where the “online accessibility” approach is limited by the fact of registration.

8.8.4. Declining the damage at the “causal event” approach

The so-called the “causal event” approach²⁰⁷⁰ has emerged in a response to the difficulties which online accessibility often causes. In particular, Advocate General Cruz Villalón in *Hejduk* has suggested²⁰⁷¹ to overrule the interpretation in *Pinckney* and decline the “place of the damage” ground under Art. 7(2) BRR for online copyright infringements. This approach has been justified by the challenges when localising the damage in the online context. According to Advocate General Cruz Villalón, if it is difficult to apply this jurisdictional ground, it is better to not apply it at all. Instead, Art. 7(2) BRR should be based on the “place of the event” alone. In a broad sense, the “causal event” approach rejects dual jurisdictional grounds under Art. 7(2) BRR. Although in the majority of cases both Art. 7(2) BRR and Art. 4 BRR would lead to the same court, that was argued to not always be so.²⁰⁷²

This approach has its supporters when it comes to IP online infringements. For instance, legislative basis for concentrating the claim at the “place of infringement” may be found in the context of EU trademarks and designs infringements since the duality of jurisdictional grounds (as the “place of the event” and the “place of the damage”) was not adopted for this

²⁰⁶⁶ PEARI S. (2014), “Savigny’s Theory of choice-of-law as a principle of “voluntary submission,”” *the University of Toronto Law Journal*, Vol. 64, No. 1, p. 106-151.

²⁰⁶⁷ See more at SCHULTZ T. (2015), “Carving up the Internet...,” *op. cit.*, ZITTRAIN J.(2003), “Be careful what you ask for....” *op. cit.*

²⁰⁶⁸ See, for example, at METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*, p. 257, also BOGDAN M. (2013), “Jurisdiction in Disputes about Infringements...,” *op. cit.*

²⁰⁶⁹ C-618/15, *Concurrence SARL v Samsung Electronics* (2016).

²⁰⁷⁰ For example, at MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...,” *op. cit.*

²⁰⁷¹ Opinion of Advocate General Cruz Villalón in C-441/13, *Pez Hejduk v EnergieAgentur* (2015).

²⁰⁷² *Ibid.*

type of infringements. After the ruling in *AMS Neve*, the “place of a targeted territory” (instead of the “place of defendant’s establishment”),²⁰⁷³ was implemented for online infringements of EU registered trademarks.

Along with “causal event,” the so-called the “country of origin”²⁰⁷⁴ approach has been advocated.²⁰⁷⁵ It arguably constitutes a specific version of the “causal event” approach as it also supports an exclusion of the “place of the damage” jurisdictional ground for online torts (by analogy with Opinion of Advocate General Cruz Villalón in *Hejduk*).

The “country of origin” approach has been aligned with Art. 3(2) E-Commerce Directive and the purpose to limit applicable laws to the national law of the ISP’s country of establishment.²⁰⁷⁶ It concerns allocating jurisdiction and applicable law at the ISP’s “country of origin.” The “targeting” test has been suggested²⁰⁷⁷ to apply as a supplementary test for the claims from natural persons,²⁰⁷⁸ aiming at facilitation the claimant’s litigation position and reducing *forum shopping*.

In a broad sense, the jurisdictional grounds under Art. 7(2) BRR would be simplified. The “place of the event” under Art. 7(2) BRR, the “place of an establishment” under Art. 7(5) BRR and the concept of “defendant’s domicile” under Art. 4(1) BRR would be treated equally. As these places often coincide with the “defendant’s establishment” under E-Commerce Directive,²⁰⁷⁹ it could allow allocating the competent court in accordance to Art. 3(2) E-Directive, and safeguarding a consistent application of jurisdictional and substantive regulatory standards to “[...] incentivise further market integration and substantive harmonisation within the EU.”²⁰⁸⁰

While there is a strong need for clear and easy applicable jurisdictional grounds under Art. 7(2) BRR, if this purpose can be met through diminishing alternative nature of this provision is highly doubtful. The present thesis claims that limiting jurisdictional grounds under Art. 7(2) BRR only to the “place of the causal event” would make special jurisdiction meaningless,²⁰⁸¹ as the “country-of-origin” approach would often make an IP right holder to sue at the *forum* of the defendant. While it may bring legal certainty for ISPs, it may arguably complicate litigation possibilities for IP right holders. The procedural balance and the fundamental principle of sound of administration of justice would be undermined, making IP litigation not effective strategy.

Regardless the fact that a full scope of jurisdiction will be granted at the defendant’s establishment (as a result of the “country-of-origin” approach), Art. 7(2) BRR would be

²⁰⁷³ See more to this extent at the previous chapter.

²⁰⁷⁴ For instance, LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*

²⁰⁷⁵ *Ibid.*

²⁰⁷⁶ However, we should bear in mind that this provision covers only activities at “coordinated field.” According to recital (19), a service provider is ‘established’ in the country where they pursue ‘an economic activity through a fixed establishment for an indefinite period’; if they have several establishments in this sense, the place from where the service in question is provided is decisive.

²⁰⁷⁷ For instance, LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*

²⁰⁷⁸ By analogy with consumer jurisdiction.

²⁰⁷⁹ Further see at LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*

²⁰⁸⁰ *Ibid.*

²⁰⁸¹ See also at Opinion of Advocate General Darmon, in C-68/93, *Shevill v Press Alliance SA*, 14 July 1994 (ECLI:EU:C:1994:303).

transformed into a general jurisdiction rule (under Art. 4(1) BRR), failing to bring an alternative litigation possibility for a claimant.

Moreover, this approach can hardly respond to the challenges when applicable law applies. The *lex loci protectionis* rule does not allow a IP right holder to claim a EU-wide relieve, under a single applicable law. Instead of helping to facilitate this process, the national court under the “country-of-origin” approach would still need to decide the “mosaic puzzle.”²⁰⁸² The court having international jurisdiction over the dispute, would have to apply various national laws for the same online infringement.²⁰⁸³ In the light of “regulatory race”²⁰⁸⁴ between the Member States, a coherent application of Art. 3(2) E-Directive itself is not undebatable.²⁰⁸⁵ The national courts need to compare the law of the country of ISP’s establishment and general choice-of-law rules, which may deprive the claimants from relying on the laws of the country of their habitual residence.

As a whole, the “causal event” approach tends to generalise and simplify jurisdictional grounds for different online torts. Although at first glance, it could bring legal certainty, specific nature of different types of online infringements are unreasonably left aside.

In this frame, as an exception to the “country-of-origin” approach, *forum actoris* has been suggested²⁰⁸⁶ to align “asymmetrical relationships between a strong and a weak party.” Accordingly, jurisdiction could be established at the court of the claimant-individual, if the ISP directed its activities to its territory.²⁰⁸⁷ This analogy has inspired the current proposal for establishing jurisdiction for online infringements of copyright at *forum actoris* coupled with the “targeting” test. This jurisdictional solution may arguably be efficient once the “targeting” test is developed to the sufficient extent of clarity and predictability for the jurisdictional purposes.

Therefore, it may be submitted that the “casual event” approach (in its different versions) may significantly reduce alternative possibilities for IPR holders under Art. 7(2) BRR. A simplification of jurisdictional grounds for all IP online infringements would undermine an effective IP enforcement in the online context. A coherent jurisdictional approach would need to reflect every specific type of IP online infringement, depending on its legal nature.

8.8.5. The centre of victim s interests:” a challenging transportation

In addition to “online accessibility” and “targeting” that cover previous online infringements cases, the CJEU in *eDate* has generated a new criterion of the “centre of victim’s interests” for allocating jurisdiction under Art. 7(2) BRR. Further, the Court has attempted to overcome

²⁰⁸² This so called “*lex loci protectionis*” rule means that national IP law applies only in respect of infringement occurring inside the territory of a particular state. Therefore in order to get EU-wide remedies, the national laws of each EU Member State would need to be applied.

²⁰⁸³ For example, at MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...,” *op. cit.*, a single-law approach to multi-state copyright disputes was suggested. Therefore, the alternatives to territoriality are highly welcome.

²⁰⁸⁴ Further see at LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*

²⁰⁸⁵ Despite the fact that it is a regulatory standard and not jurisdictional rule, *de facto* it influences the choice of law and court extensively.

²⁰⁸⁶ Further see at LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*

²⁰⁸⁷ In the context of a “structurally weaker party.”

uncertainty as to exact scope of this concept²⁰⁸⁸ and has extended it to online infringements of legal person's personality rights²⁰⁸⁹ (in *Bolagsupplysningen*).²⁰⁹⁰

While the opponents²⁰⁹¹ to this approach have been stressing the challenges which it may arise, a number of supporting proposals has emerged in favour of implementing the “centre of victim's interests” for establishing jurisdiction in other types of online infringements (for copyright claims, in particular).²⁰⁹²

The solution of “centre of victim's interests” is arguably very attractive as it more desirable for claimants to rely on it instead of the “online accessibility” approach to obtain a full scope of the harm suffered. While the rejection of the “centre of interest” criterion for online trademark infringements may be justified, jurisdiction for online infringements of copyright could be reasonably established at the place of author's interests.

Copyright involves a moral right aspect which may essentially link it with the personality of an author. This arguably brings copyright closer to personality rights (by contrast to other registered IPRs).²⁰⁹³ Copyright and personality rights face similar challenges in quantifying the damage suffered in online context. Placing infringing content gives a rise to larger extent of potential *fora*, in comparison to online sales, concerning registered IP rights.

In this frame, it may be submitted that the limitation of the “online accessibility” approach by the fact of IP right registration reasonably corresponds the situation of online trademark infringements. By contrast, for copyright as unregistered IP right, “online accessibility” coupled with the “mosaic” principle has become an ineffective solution: a scope of jurisdiction is restricted, which makes copyright litigation rather unattractive strategy.²⁰⁹⁴ The “online accessibility” approach thus fails to meet legitimate parties expectations: the defendants suffer from legal uncertainty, the copyright holders cannot be awarded a full scope of the damage suffered.

The rationale behind the current rejection of the “centre of interests” (with a full jurisdictional scope) for online copyright infringements is territoriality. The *lex loci protectionis* rule does not allow a copyright holder to claim a full compensation under a single applicable law, but number of national copyright laws may simultaneously apply²⁰⁹⁵ (that is highly undesirable).²⁰⁹⁶ A coherent jurisdictional approach for online copyright infringements

²⁰⁸⁸ With respect to the localisation of a victim's centre of interests it is still unclear whether a victim carries out economic activities mainly in a certain Member State. The circumstances of the actual dispute (or the case substance) arguably should not be taken into account.

²⁰⁸⁹ As it was described in the previous parts, this case concerned the claims of deleting incorrect information in relation to a company, published on a web site and the payment of compensation.

²⁰⁹⁰ C-194/16, *Bolagsupplysningen and Ilsjan*, (2017).

²⁰⁹¹ For instance, see at LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*, SAVIN A. (2016), “Jurisdiction Over Cybertorts ...,” *op. cit.*, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*

²⁰⁹² As it was suggested, for example, at XALABARDER R. (2014), “Jurisdiction and applicable law issues...,” *op. cit.*, HESS B. (2014), “The CJEU's Decision in eDate Advertising...,” *op. cit.*

²⁰⁹³ For instance, at XALABARDER R. (2014), “Jurisdiction and applicable law issues...,” *op. cit.*

²⁰⁹⁴ See also at OTCHENASH M. (2018), “Suing online platform for Copyright...,” *op. cit.*, OTCHENASH M. (2017), “Allocating jurisdiction and applicable law...,” *op. cit.*,

²⁰⁹⁵ The question arises as to which national law such cross-border infringement could be adjudicated when EU-wide remedies granted.

²⁰⁹⁶ In that connection, see at the CLIP Principles and Commentary (2013), *Conflict of Laws in Intellectual Property*, Oxford, OUP, p. 560, commented by KUR A. at Art. point 2:203.C10.

should allow a realistic possibility of obtaining a full scope of the damage suffered without strict territorial restrictions.

The main obstacles for adopting a full jurisdictional scope for IP online infringements constitute the current challenges at the applicable law level. Art. 1(2)(g) Rome II Regulation excludes from its material scope “[...] non-contractual obligations arising out of violations of privacy and rights relating to personality, including defamation.” Accordingly, the court seized applies its national conflict rules for personality rights’ infringements, and application of a single law eventually responds to the solution of concentrating the overall damage suffered at the claimant’s *forum*.

According to Art. 8 EU Rome II Regulation, the law applicable to ubiquitous infringements of IP rights is the laws of the countries for which protection is claimed on country-by-country grounds.²⁰⁹⁷ Notwithstanding the fact that these rights are automatically protected in all Member States, the protection conferred by each Member State is territorially limited.

These differences between IP and personality rights at the stage of defining applicable law appear to be the most striking. Since the principle of territoriality essentially affects the choice of jurisdiction, the “centre of interests” coupled with a full jurisdictional scope was decided to be inconsistent with applicable IP law.

This thesis claims that the link with applicable law level may be a premature one. In particular, Art. 7(2) BRR was not designed to ensure that only one law is applicable. On contrary, in the context of jurisdiction, this alternative rule may provide for more than one forum.²⁰⁹⁸ Determination of the applicable law is thus to be solved at further procedural levels and not at the level of jurisdiction.

Also, in the case of EU registered IPRs, the CJEU stated that: “[...] the need to ensure that only one law is applicable does not exist in the context of rules concerning which court has jurisdiction, such as those contained in Regulation No 44/2001 and in Regulation No 207/2009 [...]”.²⁰⁹⁹

The “initial act of infringement” (which normally coincides with the place of defendant’s establishment) has become a decisive factor for defining the law applicable to various acts of infringement, concerning EU registered IP rights. In other words, to give rulings on acts of infringement committed within any Member State (an EU-wide relieve), a court should apply the law of the Member State where “the initial act of infringement” took place (or the law of the Member State where defendant has its seat). Thus, even if the possibility of *forum actoris* with a full jurisdictional scope was available for IP claims, the court would need to

²⁰⁹⁷ See also XALABARDER R. (2014), “Google Books and Fair Use...,” *op. cit.*

²⁰⁹⁸ C-172/18 *AMS Neve Ltd* (2019), paragraph 64, C-24/16 and C-25/16 *Nintendo Co. Ltd v BigBen* (2017), paragraphs 103 and 104.

²⁰⁹⁹ C-172/18 *AMS Neve Ltd* (2019), paragraph 64.

apply the law of defendant's home State (instead of *lex fori*). Whether this option is more attractive than the current "mosaic" law puzzle is rather arguable.

The national case law has faced the problem of diminishing territorial borders in online IP claims.²¹⁰⁰ A judgment given in one Member State must be enforced in another Member State.²¹⁰¹ If the court at the place of right holder's interests applies its law with effects in other Member States, this might raise difficulties when the judgment is enforced in another Member State, especially when the proceeding involves non EU based defendants.²¹⁰² For instance, the German court may order the US defendant to block the access to copyright infringing content even though the use of the work is legal in the US.²¹⁰³ Such judgement may be hardly enforceable at the country of destination.

Besides, the concept of "the claimant's centre of interests" has not been clearly defined so far. Although the problems of its scope have been initially claimed in *eDate* and further addressed in *Bolagsupplysningen*, this criterion for establishing jurisdiction is still under ongoing discussion.

On the one hand, the "centre of interests" may amount to the claimant's habitual residence or the place where professional activities are conducted. The relevant factors to find the "centre of interests" depend upon the circumstances of the actual dispute: it may be linked to the type of harm, the defendant's activities and the content, which may affect the person's private or professional sphere. For the legal person it may be localised in the Member States where the main part of its activities is carried out, and the place "where economic activities are mainly carried out of" is decided on the case-by-case basis. On the other hand, if in particular circumstances it appears difficult to identify any certain place as the "centre of interests," this ground for jurisdiction may not apply at all.²¹⁰⁴ Therefore, since the "centre of interests" has become more factual dependent, the threshold for invoking this jurisdictional criterion has become higher in comparison to the one, adopted in *eDate*.²¹⁰⁵

The present thesis makes an attempt to propose a solution which could overweight mentioned challenges and would give a room for the *forum actoris* in IP litigation with a full jurisdictional scope.

First of all, posing limits on the territoriality principle may arguably respond to this task. The need for the principle of territoriality may be questioned in two aspects: in the context of online infringements of registered IPRs and online copyright infringements.

In the context of registered IPRs, territoriality was claimed to benefit an alleged infringer.²¹⁰⁶ For example, in a situation of trademark infringements, the strategy of consolidation all actions at the place of defendant's domicile may be undermined by raising the trademark validity as a defence.²¹⁰⁷ Art. 25 BRR has extended the exclusive jurisdiction to issues

²¹⁰⁰ For instance, at OTCHENASH M. (2018), "Suing online platform for Copyright...", *op. cit.*

²¹⁰¹ Due to Art. 39 BRR, with only a few limited grounds for refusal.

²¹⁰² Rome II Regulation 864/2007, Art. 16. Similarly, the exception for the public policy rule protects only the public policy of the forum Member State, Rome II Regulation 864/2007, Art. 26.

²¹⁰³ More to this extent, see at XALABARDER R. (2014), "Google Books and Fair Use...", *op. cit.*

²¹⁰⁴ BOGDAN M. (2018), "Regulation Brussels Ia and violations of personality rights on the internet," *Nordic Journal of International Law*, 87(2), p. 212-221, stating that an example where a legal person's centre of interests in a Member State cannot be identified would be when the legal person has its centre of interests outside of the EU.

²¹⁰⁵ See more at the precious chapters.

²¹⁰⁶ TREPPOZ E. (2014), "Jurisdiction in Internet-related intellectual property...", *op. cit.*

²¹⁰⁷ Brussels Regulation Recast 1215/2012, Art. 22 and 25.

related to validity, irrespective of whether the issue is raised as an action or as a defence.²¹⁰⁸ Therefore, by requiring suing in any jurisdiction where an infringement occurred, strict territoriality may often prevent any claims consolidation for registered IPRs and incentivises a multiplication of *fora*.

An extensive application of territoriality (in sense of the “tyranny”²¹⁰⁹ or as unjustified “dogma”)²¹¹⁰ should be avoided for establishing jurisdiction for unregistered IP rights. In copyright claims no validity defence is generally available and the court of defendant’s domicile may grant international jurisdiction. While for registered IPRs, exclusive jurisdiction and the law of the title may arguably justify the strict reading of the principle of territoriality (considering it as a natural consequences of registration),²¹¹¹ when it comes to copyright, an influence of this principle should arguably be excluded.²¹¹²

Secondly, no strict restriction to allow a full jurisdictional scope under Art. 7(2) BRR can be found in the current legislation. Instead, it has been reasonably adopted by the settled case law of the CJEU. Following the interpretation in *Shevill*, it is possible to benefit from an extra territorial jurisdiction under Art. 7(2) BRR at the “place of the event” and, under particular circumstances of online infringements (in *eDate*), also at the “place of the damage.” The *Shevill* approach has been modified for online infringements in *eDate*, when taking into account the specificity of the Internet and the harm created by the Internet, the CJEU has decided to grant a full scope of jurisdiction to a *forum actoris*.

This arguably means that the very fact of approaching an IP infringement from a dual perspective (in the context of the “place of the event” and the “place of the damage”) may give an effect to limiting the influence of territoriality. If the CJEU has adopted the *forum actoris* with the full scope of jurisdiction for online personality infringements, it technically allows the possibility to extent this solution to online copyright infringements (as the matter of the case law consistency). In other words, if the territoriality of copyright was not an obstacle for adopting dual jurisdiction grounds under Art. 7(2) BRR for online copyright infringements,²¹¹³ it should not be invoked further.²¹¹⁴ Otherwise, the unitary theory²¹¹⁵ with the strict reading of territoriality and no “place of the damage” recognition would have been applied for all possible IP infringements.²¹¹⁶

Last but not least, territoriality should arguably be treated as a substantive law concept. Various commentators submit that both territoriality and IPR’s registration are the aspects of the case substance: making references to the territoriality of IP rights is the same as to

²¹⁰⁸ See also, for example, at LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*

²¹⁰⁹ SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 38-40.

²¹¹⁰ TREPPOZ E. (2014), “Jurisdiction in Internet-related intellectual property...,” *op. cit.*

²¹¹¹ When the principle of territoriality is linked with the operation of a public service.

²¹¹² For example, at XALABARDER R. (2014), “Jurisdiction and applicable law issues...,” *op. cit.*, HESS B. (2014), “The CJEU’s Decision in *eDate Advertising...*,” *op. cit.*, TREPPOZ E. (2014), “Jurisdiction in Internet-related intellectual property...,” *op. cit.*

²¹¹³ C-441/13, *Pez Hejduk v EnergieAgentur* (2015).

²¹¹⁴ To the same extent, see at NUYTS A., HATZIMIHAIL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.* TREPPOZ E. (2014), “Jurisdiction in Internet-related intellectual property...,” *op. cit.*

²¹¹⁵ If we come back to the unitary theory, previously discussed above, an IP infringement is considered as a bundle of local infringements due to the strict affect of territoriality. The unique way to consolidate IP litigation in these cases is to sue at the general forum of defendant’s domicile.

²¹¹⁶ For example, as it was done for Art. 125(5) EUTMR in C-172/18, *AMS Neve Ltd* (2019), see also at KUR A. (2018), “Abolishing Infringement Jurisdiction for EU Marks...,” *op. cit.*

look to far beyond jurisdictional stage, as to the case merits.²¹¹⁷ The CJEU, however, has explicitly rejected an involvement of any substantive law elements when establishing jurisdiction under Art. 7(2) BRR.

This thesis supports the proposals to *deviate* from the strict territoriality principle in scenarios where IP right is not subject to registration. The references to the territorial nature of copyright laws should be considered as a matter of substance, which should not be addressed at the jurisdictional level. Ongoing debate over the role of territoriality inspired the solution to adopt the “centre of interest” criterion for copyright online infringements for the purpose of achieving a “concentrating effect” in such claims.

8.8.6. A concentrating effect of a forum actoris in copyright litigation

Copyright shares similar features with IP registered rights and personality rights. On the one hand, by analogy with trademarks, copyright protection is effected by territoriality, on the other hand, copyright is generally not subject to registration²¹¹⁸ and may be infringed in all the Member States (like personality rights).²¹¹⁹

The “centre of interests” criterion with a full jurisdictional scope has been adopted for online infringements of personality rights. Also, for instance, the US case law adopted a *forum actoris* with a full jurisdiction for online copyright infringements.²¹²⁰ Unfortunately, in the EU, this possibility for online copyright infringement claims has been rejected. The territorial nature of copyright has become an obstacle to the full damage concentration at the court of the claimant’s interests.

Along with economic rights of copyright, author’s moral rights may significantly resemble personality rights. In this context, relying on author’s moral rights have been advocated²¹²¹ as an attempt to reduce copyright territoriality and extend the “centre of the interests” approach to online copyright infringements. The court at the place of the author’s centre of interests would have jurisdiction for all damage to the author’s moral rights.²¹²² The law of

²¹¹⁷ For example, it was commented that in comparison to the fact of registration, territoriality is a substantive law concept, which should not be taken into account when deciding jurisdiction. See more, for instance, at NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*

²¹¹⁸ According to Directive 2001/29/EC on the harmonisation of certain aspects of copyright and related rights in the information society, 22 May 2001, OJ L 167, copyright is protected Europe-wide without the need of registration.

²¹¹⁹ *Ibid.*

²¹²⁰ The U.S. case law offered a similar *forum actoris* for online copyright infringement in *Penguin (USA) Group Inc. v. American Buddha*, 2011 NY Slip Op 02079 16 NY3d 295 (N.Y. Mar. 24, 2011). The New York Court of Appeals narrowed and reformulated the question to: “[... In copyright infringement cases involving the uploading of a copyrighted printed literary work onto the Internet, is the situs of injury for purposes of determining long-arm jurisdiction under N.Y. C.P.L.R. § 302(a)(3)(ii) the location of the infringing action or the residence or location of the principal place of business of the copyright holder?” The court issued its answer, holding that the situs of injury in this case was New York, the location of the copyright holder’s principal place of business, reasoning that the location of infringement is a less important matter for cases that happen on the Internet since any material, no matter from where it is uploaded onto the Internet, becomes immediately available to anyone with Internet access.

²¹²¹ For example, at XALABARDER R. (2014), “Jurisdiction and applicable law issues...,” *op. cit.*, TORREMANNS P. (2016), “Jurisdiction for cross-border intellectual property...,” *op. cit.*, LUNDSTEDT L. (2018), “Putting Right Holders in the Centre...,” *op. cit.*

²¹²² LUNDSTEDT L. (2018), “Putting Right Holders in the Centre...,” *op. cit.*

the country where author's centre of the interests is located would protect moral rights with respect to ubiquitous infringements.²¹²³

Author's moral rights are subject to protection throughout all EU Member States²¹²⁴ and concern "[...] objection to any distortion, mutilation, any modification or other derogatory action to his work, which would be prejudicial to his honour or reputation."²¹²⁵ The object of protection for both personality rights and author's moral rights is the person. In that respect, moral rights of copyright are definitely similar to personality rights, which could arguably allow to extent the jurisdictional approach that was taken by the CJEU for the victim of online personality infringements (in *eDate*) to moral rights' claims.

The analogy between author's moral rights and personality rights has been also inspired by the national case law from a number of the Member States. For instance, in Sweden²¹²⁶ the court applied the reasoning from *eDate* in the case of author's moral rights. Also, in Barcelona, international jurisdiction for copyright infringement was found at the "centre of interests," with the references to author's moral rights.²¹²⁷

As this possibility has not been explicitly closed by the CJEU when interpreting jurisdiction for copyright online infringements, it could allow to adopt the "centre of interests" criterion and to obtain the full scope of the damage without territorial restrictions within the EU. In the light of *Bolagsupplysningen*, this solution would be also acceptable for legal persons, however, in rather limited version and with a higher threshold for localising the "centre of interests."²¹²⁸

At the same time, author's moral rights could hardly constitute an independent ground for jurisdiction. These *quasi-copyrights* have mostly a derivative nature (only an author of copyright work may enforce them), complementing copyright as a unitary concept. Besides, an effect of territoriality is still significantly felt which tights them strongly with economic rights of copyright.²¹²⁹

Rome II does not explicitly exclude author's moral rights from its scope, mentioning only privacy and rights relating to personality, including defamation.²¹³⁰ In this frame, applicable law would be decided in the same way as for economic rights of copyright²¹³¹ and may not

²¹²³ An exception for the ubiquitous infringement of moral rights is considered. Infringements of moral rights should be localised to the country where the author has his/her habitual residence, and that this law should protect the author with respect to infringements taking place everywhere.

²¹²⁴ Berne Convention for the Protection of Literary and Artistic Works, Art. 6bis.

²¹²⁵ LUNDSTEDT L. (2018), "Putting Right Holders in the Centre...", *op. cit.*

²¹²⁶ *Ibid.*, p. 483, when it was commented on the Swedish case: Swedish Supreme Court, NJA 2012, concerning copyright infringement over the internet. The Swedish Supreme Court held that it had jurisdiction under the Art. 5(3) Lugano Convention (similar to Art. 7(2) Bla) at the "place of the damage" for all damage to the author's moral rights because the author had his centre of interests in Sweden.

²¹²⁷ The Spanish case, Barcelona el Auto de 12 de marzo de 2015 de la sección 15 de la Audiencia Provincial de Barcelona (AAP Barcelona 32/2015), as it was explained at DE MIGUEL ASENSIO P. (2010), "Preliminary Draft. The networked information society...", *op. cit.*: "[...] La Audiencia Provincial estimó el recurso de apelación contra la resolución del Juzgado de lo Mercantil n. 2 de Barcelona de 9 de octubre de 2013, que revoca, desestimando la declinatoria ejercitada por las demandadas (resolución ésta objeto de análisis en I. Heredia Cervantes, "Competencia...", loc. cit. en nota 4, supra."

²¹²⁸ These moral rights would arguably be limited to certain moral rights, as it was commented at LUNDSTEDT L. (2018), "Putting Right Holders in the Centre...", *op. cit.*

²¹²⁹ DE MIGUEL ASENSIO P. (2015), "El lugar del daño como fundamento...", *op. cit.*

²¹³⁰ See also Berne Convention for the Protection of Literary and Artistic Works, Art. 5(2) which states that protection shall be governed exclusively by the laws of the country where protection is claimed.

²¹³¹ Rome II Regulation 864/2007, Art. 8(1).

coincide with the law at the place of the “centre of the interests.” If copyright in several states is affected, several laws will be applicable.²¹³²

The challenges at the level of applicable law may arguably become an obstacle to the equal treatment of personality rights and moral rights of author. If *eDate* is extended to author’s moral rights, the claim in its entirety will be subject to *forum* law.²¹³³ Both the law of first publication or the personal law of the author are likely to correspond with the Member State of the author’s centre of interest.²¹³⁴ This would permit to export *forum* law to the other Member States. As every Member States regulates the level of protection for author’s moral rights by its national law,²¹³⁵ a lack of moral rights harmonisation may also become an obstacle.²¹³⁶

The thesis claims that the present level of harmonisation of national copyright law may arguably permit sufficient foreseeability of jurisdiction and allow to overcome the applicable law “mosaic.” The substantial similarity (identity) between national copyright laws in different EU Member States have been confirmed by the settled case law of the CJEU.²¹³⁷ Moreover, the full damage concentration at the court of the author’s interests may also (ironically) enhance copyright territoriality, as it potentially supports local protection of copyright.²¹³⁸ The localisation of the main audience could effectively correspond to the copyright holder’s centre of interests, ensuring proximity between a court and dispute.

In comparison to other jurisdictional criteria, the “centre of interests” can be considered as more predictable, adequate and flexible approach. By contrast to an “online accessibility,” it would narrow down the plaintiffs’ possibilities for *forum* shopping as there are less jurisdictions with potential centres of interests. Although the “centre of interest” concept may be a rather factual based,²¹³⁹ foreseeability for the defendant should not be overestimated (especially, when it comes to global online companies). International companies when acting globally should manage the risks of being sued cross-borders.

An effective copyright protection essentially encourages innovation. However, the copyright monopoly is not absolute and any preferences for copyright holders should be justified.²¹⁴⁰ By contrast with consumers’ or the data subject’s jurisdictional rules, the criterion of the “centre of victim’s interest” not necessarily should be viewed as a protection of a weaker party. In *Bolagsupplysningen*, this jurisdictional ground was justified by purpose to meet

²¹³² In other words, if moral rights infringements are characterised as copyright under EU private international law and fall within the scope of Rome II Regulation 864/2007, forum law still applies, because the author seeks protection for the forum Member State’s territory.

²¹³³ *Ibid.*

²¹³⁴ For example, at XALABARDER R. (2014), “Jurisdiction and applicable law issues...,” *op. cit.*, p. 176–177.

²¹³⁵ XALABARDER R. (2014), “Jurisdiction and applicable law issues...,” *op. cit.*, p. 176-177, BOGDAN M. (2018), “Regulation Brussels Ia and violations of personality rights...,” *op. cit.*, p. 20.

²¹³⁶ Directive 2001/29/EC on the harmonisation of certain aspects of copyright and related rights in the information society, 22 May 2001, Recital 19.

²¹³⁷ C-145/10, *Eva-Maria Painer v. Standard Verlag GmbH* (2011), paragraph 80.

²¹³⁸ In order to align specific jurisdictional criterion with copyright territoriality, it was suggested to define its location on the basis of the work, instead of the author. More to this extent see, for instance, at LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*, SAVIN A. (2016), “Jurisdiction Over Cybertorts ...,” *op. cit.*, SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*

²¹³⁹ But how to draw the line remains debatable.

²¹⁴⁰ The goal of IP is now challenged by other values, as the tension with personality rights and freedom of expression, illustrated in the previous chapters.

legal certainty²¹⁴¹ and the sound administration of justice²¹⁴² (instead of protecting the claimant).²¹⁴³

Therefore, it may be submitted that general jurisdiction at the domicile of the defendant should be balanced by a realistic alternative under Art. 7(2) BRR. Adopting a *forum actoris* for online copyright infringements may arguably constitute such effective alternative. The “centre of interests” criterion as the *forum actoris* with a full scope of jurisdiction would respond to the fundamental jurisdictional principles as well as facilitate copyright online enforcement.

8.9. Summary

In the ideal world, a high discretion of jurisdictional grounds does not affect the substantive outcome. Indeed, the fundamental purpose of jurisdictional stage is to solve the dispute by the court which is best placed to do it and for the interest of both justice and parties.

Unfortunately, the real life stands far from perfection. Of course, the chances to win significantly affect the choice of a court and make the matter of jurisdiction allocation highly dependent on substantial law.

When choosing of where to sue for online IP torts, the right holder needs to take into account the broad landscape of factual circumstances of a claim. Among others the decisive factors are the possibility to bring a proceeding at home jurisdiction, the threshold to establish it, the power of a court to grant the damages, the choice of applicable law, the level of burden of proof and the case merits.²¹⁴⁴ The list of the criteria is not exhaustive and depends on the nature of IPRs which are at stake.

The claimant will almost always prefer to bring a proceeding at *home*. It responds to the opposite expectation of the defendant to be sued at the territory of its seat. A balance of these interests is rather unstable.

As can be seen, different lines of reasoning are taken for different types of online torts, depending on their particular features. Unsurprisingly, IP infringements are treated to some extent in a specific way. The reason for this is territoriality. Moreover, online torts of different IP rights are approached with the distinction, depending on the fact of registration. These outcome transforms the provision of Art. 7(2) BRR in a flexible and rather fact-specific rule, questioning however its effectiveness.

According to mentioned above analysis, it may submitted that Art. 7(2) BRR may bring a real alternative to general jurisdiction if the possibility of an unrestricted relief will be granted. It is already the scenario for online infringements where personality rights and personal data are considered. This inspires the solution for unregistered IPRs, where territoriality is not firmly established.

By adopting the “online accessibility” criterion, the CJEU tried to stay in lines with both a specific nature of IPRs and an alternative role of Art. 7(2) BRR. For the area of registered

²¹⁴¹ C-194/16, *Bolagsupplysningen and Ilsjan*, (2017).

²¹⁴² *Ibid.*

²¹⁴³ It contrasts with the reasoning of the Art. 79 GDPR, which aims to support the data subject as a weaker party in personal data protection claims.

²¹⁴⁴ See more at LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*

IPRs, an “online accessibility” coupled with an extended scope of jurisdiction may arguably bring an expected alternative to general defendant’s *forum*.

The area of unregistered IPRs is more problematic. Courts are rather reluctant to qualify which part of the damage has been caused by online accessibility of the content in their jurisdictions. Once the territoriality principle is read strictly, a potential to benefit from a EU-wide relief here is highly doubtful.²¹⁴⁵ The right holders need to go separately to each of Member State to claim virtually divided damages. This is a time-consuming and, eventually, unaffordable task.

In this frame, it may be claimed that the very purpose of Art. 7(2) BRR as an alternative provision may be met when it provides a possibility of granting a EU-wide relive. In other words, a coherent solution to IP claims should be evaluated from the perspective of the power of a court to grant the overall damage.

This aim may arguably be achieved by restricting the influence of territoriality for the IP claims, where this principle is not firmly established. The effect of this principle is supposed to be transported to further procedural stages, when the applicable law is decided. Hence, territorial nature of IPRs should be taken into consideration at the stage when the law (instead of jurisdiction) is decided.

At the same time, applicable law is still subject to *lex loci protectionis*. The mosaic “puzzle” cannot be resolved completely, but tolerated and adjusted to the need of enhancing an alternative nature of Art. 7(2) BRR.

Instead of focusing mostly on finding the best jurisdictional criterion, the role of the scope of jurisdiction should be enhanced. The *forum actoris* at Art. 7(2) BRR (as a result of the “centre of interests” criterion) with the full jurisdictional scope would arguably become a real and effective alternative to the defendant’s domicile rule (Art. 4(1)). In its version for personality rights, the “centre of interests” criterion it is the best suited in determining the delocalised damage in the online context. It would effectively restrict the negative effect of both “mosaic” principle and the “online accessibility” criterion with regard to IP claims.

Under these concerns, adapting the *forum actoris* shall not be viewed as problematic *per se*. To avoid multiplication of *fora* and irreconcilable decisions, one single claim may be brought in one court which would rule upon the full scope of damages. Is not this what the principle of sound administration of justice about?

Once *forum actoris* is invoked, Art. 7(2) BRR is expected to recover its special jurisdiction feature (with regard to general jurisdiction under Art. 4(1) BRR) and will become an attractive opportunity when considering IP litigation strategies. This provision will bring the opportunity to give right holders an advantage for claims concerning online infringements of unregistered IP rights.

At the same time, the question of procedural balance is left open. In particular, whether the *forum actoris* should be supplemented by some additional requirement to meet legal certainty for defendants.

²¹⁴⁵ It may be stated that unregistered and well-known trademarks may arguably be similar to personality rights and copyright in terms of allocation of jurisdiction.

There is an ongoing tendency to restrict the *forum actoris* for claims concerning other online torts.²¹⁴⁶ The “targeting” test may be a *middle path* solution only if its restricting effect is used for the choice of applicable law. Otherwise, the very initial procedural stage would be complicated significantly: when jurisdiction is established on the ground of an unrestricted list of factual circumstances (like “targeting”), the court becomes an active *participant* in the litigation (instead of maintain neutrality). The jurisdictional stage may become the stage where the case substance will be decided.

Taking into account the case law for the EUTM field, refusing “targeting” for national IPRs should be welcome. An opposite conclusion would ruin a procedural balance under Art. 7(2) BRR, undermining its alternative and neutral nature.

As a whole, the specific and multilayered features of different types of online torts should be taken into account when approaching international jurisdiction. What is good for registered IP rights, may not work effectively for the areas, where the registration is not a requirement.

Jurisdictional criterion of “online accessibility” together with limited scope of jurisdiction works enough for the area of IP registered rights. It safeguards an access to justice and meets legitimate parties’ expectations. Legal certainty for online business should not be overestimated.

An optimistic solution for copyright claims is to provide the potential for a full jurisdictional scope (Art. 7(2) BRR). The possibility to accumulate the proceedings at the *forum actoris* would arguably safeguard an effective alternative litigation path. The copyright holder would receive an efficient instrument for enforcing his rights online. The provision of Art. 7(2) BRR has become flexible enough to permit its adaption to new challenging scenarios. The question of online damage consolidation is expected to be revisited by the CJEU.

²¹⁴⁶ Similar proposals were generated in the context of E-commerce and online infringements of personality rights. For instance, ILA in Art. 4 (2) establishes limitation to the “centre of the interest” criterion for personality rights claims, also at JAYME E., SYMEONIDES S. C. (2019), *Resolution on the Internet and the Infringement of Privacy: Issues of Jurisdiction, Applicable Law and Enforcement of Foreign Judgments: Injuries to Rights of Personality Through the Use of the Internet: Jurisdiction, Applicable Law and Recognition of Foreign Judgments*, Institut de Droit International, Session of the Hague – 2019, Eight commission, p. 249-327.

9. Chapter IX: Conclusion

9.1. The legal nature of Art. 7(2) BRR for online IP infringements

The *heart* of the present thesis is Art. 7(2) BRR. It confers jurisdiction on a court other than that of the defendant's domicile (Art. 4(1) BRR). This provision received various interpretations from the CJEU and as a result, it may apply in the specific versions for different types of online torts.

9.1.1. *The fundamental principles*

Art. 7(2) BRR gives rise to a tension between two fundamental jurisdictional principles: legal certainty and access to justice. Which one should prevail?

Legal certainty is preserved when jurisdiction is foreseeable²¹⁴⁷ and not connected to the allocation of the respective roles of claimant and defendant or to the protection of either.²¹⁴⁸ The primary question to be answered is whether there is a close connection with the Member State in which the court seised is established.

Due to these concerns, Art. 7(2) BRR should be *neutral* to at least two matters: the roles of the parties in a proceeding and to applicable law of a particular case. While the first point of neutrality (i.e. which avoids benefiting any party) may be achieved to some extent, the second one (i.e. which provides independent treatment from applicable law) remains rather problematic so far.

On the one hand, Art. 7(2) BRR has the potential to respond to both the claimant's and the defendant's expectations. It was enlarged to a sufficient extent to have a *mirror* effect, benefiting both parties in litigation,²¹⁴⁹ while staying in lines with its neutral legal nature. On the other hand, the distinction between jurisdictional and applicable law aspects has been left unresolved in the current legal practice.

The CJEU took a rather ambiguous approach to enhance legal certainty by taking into account territoriality (as the applicable law criteria) when deciding jurisdiction. As a result, for IP claims, Art. 7(2) BRR works in a rather *deviated* version: while the first *limb* of this provision often leads to the defendant's seat, the second one is usually defined without any clear distinction from applicable law. Besides, in comparison to the field of personality rights, the full scope of jurisdiction is hardly invocable in these cases.

There is always a need to balance the desire of being awarded unrestricted damage and the risk of being refused access to the court.²¹⁵⁰ Nevertheless, the principle of legal certainty

²¹⁴⁷ See more to the tension between the concepts of foreseeability and predictability at SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 55.

²¹⁴⁸ For example, C-523/10, *Wintersteiger* (2012), paragraph 45.

²¹⁴⁹ The proceedings were between, Folien Fischer (Switzerland) and Ritrama (Italy), relating to a negative declaration and the absence of liability in tort or delict in competition matters.

²¹⁵⁰ According to the *forum non conveniens* doctrine, courts may refuse to take jurisdiction over matters where there is a more appropriate forum available to the parties.

should not be overestimated. In addition to it, Art. 7(2) BRR should also respond to the sound of the administration of justice, legal functionality,²¹⁵¹ procedural economy and fairness. This provision should safeguard access to justice.

The need to enhance the sound of administration of justice (instead of “protecting” the claimant)²¹⁵² was a *ratio* of implementing the criterion of the “centre of interests” at Art. 7(2) BRR. Its attractiveness lies in the possibility to claim the full relief in the claimant’s *forum*. However, it works only for online infringements of personality rights.

The lack of a similar option for IP claims impacts litigation strategies and the relevance of Art. 7(2) BRR as a procedural choice for IP rights holders. The effect of the “mosaic” doctrine (which does not allow bringing the claim for the full damage suffered), discourages enforcement of copyright online. A significant part of infringements is left undetected. Since the IP right holder has not caused the infringement, he or she should be granted this possibility.

Eventually, a too expansive reading of legal certainty may become an obstacle to access justice, diminishing also procedural economy and functionality. These essential jurisdictional principles should not be put aside. Instead, a delicate balance must be struck to respond to the need for effective protection of IPRs in the online environment.

The present thesis argues to depart from the principle of territoriality for the purpose of establishing jurisdiction in copyright online torts under Art. 7(2) BRR. Jurisdiction should be conferred on transparent and easily understandable criteria relatively distinct from those used to determine applicable law. While supporting jurisdictional *neutrality*, the research does not intend to completely isolate jurisdiction from applicable law, but to avoid strict jurisdictional dependency on the applicable law rules instead. This perspective responds to the initial purpose of the thesis as to overcome the territoriality principle (which is essentially based on the existing confusion between jurisdictional and applicable law aspects) and to renew an ongoing academic discourse.

9.1.2. An alternative

An interplay between the defendant’s domicile rule (Art. 4(1) BRR) and special jurisdiction (Art. 7(2) BRR) is pretty nebulous. Although any derogations from the defendant’s domicile are to be strictly interpreted, a detailed analysis of the CJEU’s interpretations may lead to the opposite conclusion.

The CJEU has introduced a rather broad reading of Art. 7(2) BRR, frequently enlarging its scope. This rule is designed to provide alternatives to the defendant’s *forum*. Accordingly, if the alternative nature of Art. 7(2) BRR is undermined, the most proficient and efficient way to deal with torts will be impeded and limited.

Art. 4(1) BRR may be often diminished by the disadvantages of suing from a distance, in a foreign jurisdiction. The need for a more neutral *forum* with the full jurisdictional scope was

²¹⁵¹ ŽUPAN M., PORETTI P. (2015), “Concentration of jurisdiction - is functionality of judiciary becoming an obstacle to access to justice?” *Josip Juraj Strossmayer University of Osijek, Faculty of Law*, p. 297-323, p. 311.

²¹⁵² C-194/16, *Bolagsupplysningen and Ilsjan*, (2017).

supported.²¹⁵³ While Art. 7(2) BRR has this potential as an alternative rule, under present interpretations it unfortunately brings rather limited possibilities for copyright holders. When a court has jurisdiction over the dispute based on the defendant's domicile, the court will have the full scope of international jurisdiction. In contrast, this is not necessarily the case when the jurisdiction is based on Art. 7(2) BRR.

Needless to say that the full jurisdictional scope affects a court's attractiveness from a litigating perspective. If the court may rule over all alleged infringements occurring anywhere in the world²¹⁵⁴ (in general, and in the EU, in particular) it provides the plaintiff a rather effective procedural tool.

The thesis advocates an extension of the possibility of granting the EU-wide relief under Art. 7(2) BRR for online copyright infringements. This jurisdictional ground would become a reliable alternative to the defendant's *forum* rule and, thus, an effective one. In light of broad interpretations given by the CJEU, this proposal is arguably viewed as a rather realistic one and there is no legislative restriction to it.

9.1.3. A rubber rule

Art. 7(2) BRR has received a specific feature of flexibility, as the scope of this provision was been enlarged on several occasions by the CJEU. Among them, the possibility to grant overall relief (i.e. when the jurisdictional scope is full).

Starting from an early interpretation in *Bier v Mines de Potasse (Bier)* (in 1976),²¹⁵⁵ the CJEU's interpretations gave and continue giving a broad meaning to this provision. For instance, it was extended to cover an action to prevent a threatened wrong.²¹⁵⁶ Art. 7 BRR was concluded to apply on *presumed* domicile,²¹⁵⁷ covering a potentially large number of tort cases.²¹⁵⁸ Accordingly, a wide range of claims may be grounded on this provision (including defamation and IP infringements) and it was further followed in the subsequent case law.²¹⁵⁹

While in its early case law, the CJEU focused mostly on the description of general concepts of Art. 7(2) BRR (such as: "the event," "the damage," etc.), more recent rulings have enlarged the scope of this provision to a wide spectrum of claims,²¹⁶⁰ including compensation for damage from a breach of a legal obligation (other than arising from a contractual relationship).²¹⁶¹

²¹⁵³ See, for example, at METZGER A. (2009), "Jurisdiction in Cases Concerning Intellectual Property ...," *op. cit.*, p. 250, where the author questions, why a worldwide infringement claim should be decided precisely by the court of defendant's domicile, and not by a more neutral forum.

²¹⁵⁴ For example, at FAWCETT J. J., TORREMANS P. (2011), "Intellectual Property and Private International Law...", *op. cit.*, METZGER A. (2009), "Jurisdiction in Cases Concerning Intellectual Property ...," *op. cit.*, p. 143.

²¹⁵⁵ 21/76, *Bier v Mines de Potasse* (1976).

²¹⁵⁶ C-167/00, *Henkel* (2002).

²¹⁵⁷ C-292/10, *G v Cornelius de Visser* (2017), paragraphs 40-41.

²¹⁵⁸ See also SAVIN A. (2016), "Jurisdiction Over Cybertorts ...," *op. cit.*

²¹⁵⁹ Folien Fischer (Switzerland) and Ritrama (Italy), relating to a negative declaration Besides, the scope of Art. 7(2) BRR has been enlarged to action for a negative declaration, concerning national patent rights.

²¹⁶⁰ METZGER A. (2009), "Jurisdiction in Cases Concerning Intellectual Property ...," *op. cit.*, p. 254-255.

²¹⁶¹ C-189/87, *Kalfelis v Schröder and Others* (1988), paragraphs 16-18. However, the present research is limited to torts only.

One may agree that this was the very purpose of the legislator since no legal description of Art. 7(2) BRR was given. This *rubber* rule often may mean whatever the CJEU chooses it to mean. After *Shevill*,²¹⁶² the CJEU's case law had focused on developing very different conceptual solutions for online infringements of personality rights and for infringements of intellectual property rights.

Therefore, Art. 7(2) BRR has become flexible enough to permit its adaptation to new challenging scenarios and it may be adjusted to the specific needs of different online activities. As potential legislative changes would be hardly realistic, any effective adjustments within Art. 7(2) BRR can only be accomplished by the CJEU.

9.1.4. Jurisdictional neutrality

Needless to say that the very purpose of jurisdiction is to identify the court which is best placed to solve the dispute for the interest of both justice and parties. Its allocation should not affect the substantive outcome.²¹⁶³ Instead, a close connection with the Member State and the claim should be a core. Nevertheless, the feature of jurisdictional neutrality is predominantly an aim but not a reality. The CJEU has implemented different jurisdictional criteria for personality rights and IP claims, often leaving jurisdictional neutrality aside.

The thesis advocates that Art. 7(2) BRR as a special jurisdictional rule should be neutral to the case merits and be vested regardless of the choice of applicable law. Territoriality as the specific feature of IPRs should not be taken into account at the initial stage of defining the competent court. The same is true about the “targeting” test which predominantly serves the purpose of defining applicable law but not jurisdiction.

According to the “targeting doctrine” (or the “theory of focalisation”),²¹⁶⁴ jurisdiction should be vested in the courts of those Member States towards which the harmful activity has been directed. This implies an intent to target a specific audience, which is a matter to be addressed at the level of applicable law.²¹⁶⁵ Therefore, the implementation of the “targeting” test and the impact of the territoriality principle should be avoided for the purpose of defining jurisdiction.

The present thesis supports the proposal to avoid adopting common concepts for allocation of jurisdiction and the choice of applicable law. The restriction of the territoriality effect to the applicable law level may arguably respond to this objective and would strengthen jurisdictional neutrality.

9.2. Lessons from personality rights cases

The interpretations for personality rights claims, indeed, provided a solid ground for setting decisive jurisdictional criteria under Art. 7(2) BRR. The separation line between the rules of

²¹⁶² C-68/93 *Shevill and others v Presse Alliance* (1995).

²¹⁶³ HARVEY D. (2011), *Internet.law.nz...*, *op. cit.*, paragraphs 2.2 -2.7.

²¹⁶⁴ Opinion of Advocate General Cruz Villalón in C-441/13, *Pez Hejduk v EnergieAgentur* (2015).

²¹⁶⁵ *Ibid.*, C-523/10, *Wintersteiger* (2012) and Opinion of Advocate General Jääskinen in C-170/12, *Peter Pinckney v KDG Mediatech* (2013), paragraph 21. However, it applies under national PIL and substantive law.

general and special jurisdiction had become clearer, attributing more importance to the damage than to the infringing act itself.

The interpretation in *eDate* has adapted previous case law (in *Shevill*) to new demanding circumstances, strengthening the second limb of Art. 7(2) BRR as “the place of the damage.” Otherwise, this provision would become equivalent to the general rule of the defendant’s domicile. If the Court focused only on the domicile of the publisher²¹⁶⁶ as the place where the “event giving rise to harm” occurred, Art. 7(2) BRR could not constitute a special ground for jurisdiction (other than the general one under Art. 4(1) BRR).

Besides, the ruling in *eDate* was groundbreaking for the scope of jurisdiction of the court may have. The ruling in *Shevill* was “[...] adapted in such a way that a person who has suffered an infringement of a personality right by means of the internet may bring an action in one forum in respect of all of the damage caused [...]”²¹⁶⁷

By empowering a court to grant an overall relief, it addressed the problem of the “mosaic” principle resulting from *Shevill* (which does not allow courts to hear proceedings for compensation of damages arising in other Contracting States).²¹⁶⁸ While the approach adopted for offline defamation claims concerned the limited scope of jurisdiction, for online defamation, the court added one more criterion for granting full scope of jurisdiction.

Last but not least, an “online accessibility” was also established. According to it, since the allegedly harmful information is accessible in all Member States, the court may establish its jurisdiction *automatically*.²¹⁶⁹ However, the scope of jurisdiction under this criterion is limited: damages claimed are restricted to the territory of that particular Member State.

Therefore, the interpretation of *eDate* allows invoking Art. 7(2) BRR:

- (1) At two *fora* with full jurisdictional scope (i.e. at the “place of defendant’s establishment” according to the “place of the event” limb or at the “centre of interests” criterion according to the “place of the damage” limb) or
- (2) At *fora* with limited scope of jurisdiction (i.e. at the place where information is accessible online, according to the “place of the damage” limb).

The “centre of interest” criterion has eventually undermined the “online accessibility” approach, as soon as it has become a real and effective alternative to the defendant’s domicile rule (Art. 4(1) BRR). Currently, the “centre of interest” may be considered as the best suited in determining the place where damage caused by online content occurs.²¹⁷⁰

Seeing of potential advantages, attempts to extent this criterion to IP online infringements are rather logical and understandable.²¹⁷¹ Such an extension would make it unnecessary to

²¹⁶⁶ Opinion of Advocate General Bobek in C-194/16, *Bolagsupplysningen and Ilsjan* (2017), paragraph 94.

²¹⁶⁷ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraph 48.

²¹⁶⁸ Opinion of Advocate General Darmon, in C-68/93, *Shevill v Press Alliance SA*, 14 July 1994 (ECLI:EU:C:1994:303), paragraph 71.

²¹⁶⁹ Opinion of Advocate General Cruz Villalón in C-441/13, *Pez Hejduk v EnergieAgentur* (2015), paragraph 56.

²¹⁷⁰ C-194/16, *Bolagsupplysningen and Ilsjan* (2017), paragraph 39.

²¹⁷¹ For instance, XALABARDER R. (2014), “Jurisdiction and applicable law issues...,” *op. cit.*, TORREMANS P. (2016), “Jurisdiction for cross-border intellectual property...,” *op. cit.*, HESS B. (2014), “The CJEU’s Decision in *eDate Advertising*...,” *op. cit.*, TREPPOZ E. (2014), “Jurisdiction in Internet-related intellectual property...,” *op. cit.* on whether that new approach could also be applied to intellectual property cases. The opponents, on the contrary, refuse it by implementing one more criterion that would allow for a concentration of jurisdiction and applicable law is the country of origin by analogy with Art. 3(2) e-Commerce Directive (for instance, at LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*, p. 5-15).

distinguish between personality right infringements and other torts, providing courts with an easily identifiable criterion. Although this thesis supports the rationale for most of these proposals, distinction should be made between the infringements of registered and unregistered IP rights.²¹⁷²

9.3. Lessons from the GDPR

Before moving to an IP-focused scenario, let us look at a few lessons from personal data jurisdiction. On the one hand, there is a lack of consistent interpretation of Art. 7(2) BRR for personal data protection claims. On the other, the interaction between the GDPR and the Brussels Regulation Recast 1215/2012 is not synchronised.²¹⁷³

The GDPR has adopted an alternative to Art. 7(2) BRR for data protection claims, suggesting two jurisdictional criteria: the controller's or processor's establishment and the data subject's habitual residence (Art. 79(2) GDPR). The data subject is considered as the *weaker* party in a litigation.²¹⁷⁴

Jurisdiction on the ground of habitual residence may be established without any additional requirement.²¹⁷⁵ Here the role of the "targeting" test is made clear: instead of defining jurisdiction, it applies to define the territorial scope of the GDPR (*Weltimmo*²¹⁷⁶ and *Verein für Konsumenteninformation v Amazon EU Sàrl*).²¹⁷⁷ This approach brings personal data protection claims closer to jurisdiction established for consumers and employees.²¹⁷⁸

Before the GDPR, data protection issues were rather underestimated. Consumer protection law was viewed as "[...] more robust than data protection law, when victims relied on the former when claiming damages."²¹⁷⁹ The area of personal data protection also lacked procedural fairness as compared to consumers protection.

In order to overcome such a *procedural injustice*, the legislator in the GDPR has provided the data subject with the possibility to file claim for all the damage caused in the forum of his or her habitual residence. It arguably echoes with the "centre of interest" approach in personality rights cases (as it was interpreted in the *eDate* ruling).

Several legislative proposals mention both the "centre of interests" and "habitual residence" as identical criteria,²¹⁸⁰ and, in most cases, these places may coincide. Nevertheless, taking into account the specialities of personality rights infringements, the CJEU has adopted the

²¹⁷² See more at paragraph 9.4 of this chapter.

²¹⁷³ General Data Protection Regulation (GDPR), Art. 99.

²¹⁷⁴ For instance, at BRKAN M. (2015), *Data Protection and European Private International Law...*, *op. cit.*, p. 24.

²¹⁷⁵ For instance, as "direct to" test or "targeting" that are applicable in trademark or database's protection cases. Also, Joined cases C-585/08 and C-144/09, *Peter Pammer v Reederei Karl Schlüter GmbH & Co. KG* and C-144/09, *Hotel Alpenhof GesmbH v Oliver Heller* (2010).

²¹⁷⁶ C191/15, *Verein für Konsumenteninformation v Amazon EU Sàrl* (2016), paragraphs 41, 60, paragraph 29.

²¹⁷⁷ *Ibid.*, paragraphs 41, 60.

²¹⁷⁸ Section 4 and 5 of the Brussels Regulation Recast 1215/2012.

²¹⁷⁹ See for example, at: BOARDMAN R., MOLE A. (2016), *Guide to the GDPR: Scope, timetable and new concepts*, *Bird&Bird*, p. 75.

²¹⁸⁰ The International Law Association (ILA) (2018), Conference on Privacy, Art. 4: "Jurisdiction based on conduct" "(1) A defendant may be sued in the courts of the State where the act directly causing the harm occurred, irrespective of where the damage arose." "(2) A defendant may also be sued at the plaintiff's centre of main interest, unless the defendant could not have reasonably foreseen substantial consequences of his or her act occurring in that State. The person's centre of main interest is presumed to be at his or her place of habitual residence."

criterion of “the centre of interests,” as for such types of torts any damage to reputation is relevant.

By contrast, the data subject’s “habitual residence” criterion addresses data subject as a natural person and, therefore, excludes other supplementary factors (such as a professional activity). In this frame, Art. 79(2) GDPR should not be grounded on the existence of a particularly close link with the court’s territory (as it is the case with Art. 7(2) BRR).

Last but not least, the data subject *forum* was implemented despite existing differences in the legal regimes on the processing of data in the different Member States.²¹⁸¹ The GDPR’s harmonisation is not complete and leaves a room for some divergences among the Member States in various areas.²¹⁸²

Under these concerns, adapting analogous jurisdictional criterion under Art. 7(2) BRR should not be viewed as a problem *per se*. The possibility to bring one single claim in one court (which is best seized to rule upon the full scope of the damage) would meet the fundamental principles of jurisdiction, effectively avoiding multiplication of *fora* and irreconcilable decisions.

Therefore, it may be submitted that the interplay of these two criteria (the “centre of interests” and the data subject habitual residence) may provide a relevant input for drafting a coherent version of a neutral *forum* for copyright litigation which would have the full scope of jurisdiction.²¹⁸³

9.4. An IP-focused scenario

The present thesis concludes that the doctrine of *Shevill*, as it was adopted for online torts in *eDate*, should be also transported into the IP litigation.²¹⁸⁴ Under distinct versions for online torts of registered and unregistered IPRs, the CJEU has already tried to be consistent when interpreting Art. 7(2) BRR, and giving relevance to specific features of IP rights.

9.4.1. IPRs registered at the national level

For online infringements of national trademarks, the first limb of Art. 7(2) BRR (“the place of the harmful event”), amounts to the place of establishment of the advertiser. This location was chosen because it is relatively easy to identify. While the term “establishment” should not be confused with the concept of “domicile,” both criteria almost always amount to the same court (to the *forum* of the defendant’s domicile at Art. 4(1) BRR).

On the one hand, this interpretation transforms the first limb of Art. 7(2) BRR into a jurisdictional ground that gives the court jurisdiction to grant compensation for overall

²¹⁸¹ General Data Protection Regulation (GDPR), Art. 99 (2): “It shall apply from 25 May 2018. This Regulation shall be binding in its entirety and directly applicable in all Member States.”

²¹⁸² General Data Protection Regulation (GDPR), Art. 86.

²¹⁸³ See more at paragraph 9.4.4 of this chapter.

²¹⁸⁴ See, for example, at MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...,” *op. cit.*, p. 22, 34, NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, KUNDA I. (2016), “Jurisdiction for copyright infringements...,” *op. cit.*, p.78.

harm.²¹⁸⁵ On the other hand, in the absence of the second limb (“the place of the damage”), this provision would lose its alternative nature.

According to the second limb (“the place of the damage”), Art. 7(2) BRR may be invoked at the country of the trademark registration, because the infringing activity is normally accessed online on this territory.

It may be claimed that the jurisdictional approach of “online accessibility” (first introduced in *eDate*) was also extended to trademark online infringements, however, *restricted* by the requirement of trademark registration.²¹⁸⁶ Moreover, the court at the country of trademark registration has the full scope of international jurisdiction,²¹⁸⁷ but this is not undisputed (due to the principle of territoriality).²¹⁸⁸

Jurisdiction for national patent and registered design rights has not been subject to the CJEU’s case law yet. The current analysis allows submitting that Art. 7(2) BRR may be invoked also for online infringements of these rights, according to common criteria (at the place of the defendant’s establishment and at the territory of IPR’s registration in addition to online accessibility of a website). Also, it can be suggested that this interpretation may be transported to online infringements of registered IPRs concerning unfair practices. They are covered by the scope of BRR and an uniform treatment of all registered IP rights should be enhanced.²¹⁸⁹

9.4.2. IPRs registered at the EU level

The CJEU’s interpretations of jurisdiction may vary when it comes to EU registered IP rights, covered by specific law (precisely, EUTMR and Community Design Regulation). Unlike IPRs registered at the national level, EU and Unitary registered IPRs may enjoy a completely different solution for jurisdiction.

First, *Coty* linked Art. 125(5) EUTMR with the concept of the “place of the event” (at Art. 7(2) BRR). However, later, the CJEU in *AMS Neve* interpreted this provision as a cumulative notion of “an act” and “an effect.” After this ruling, infringing acts within the meaning of Art. 125(5) EUTMR may be localised in the Member State, where consumers and/or traders are targeted by advertising and/or offers for sale. The CJEU adopted a specific rule for ubiquitous torts deviating from the traditional territorial connecting factors. It has endorsed a transformation of jurisdictional criteria for online infringements of EUTM.²¹⁹⁰

Due to a rather identical wording of Art. 125(5) EUTMR and Art. 83(5) CDR, the interpretation of *AMS Neve* (which was adopted for online EUTM infringements), will most

²¹⁸⁵ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraph 42, as it was supported, for example, at NITSEVICH N. (2015), *Intellectual property rights...*, *op.cit.*, LUTZI T. (2017), “Internet cases in EU PIL...,” *op. cit.*

²¹⁸⁶ See more to this at Chapter 7 (paragraph 7.4) of the present thesis.

²¹⁸⁷ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraphs 28, 29, also at OHLY A., MAXIMILIAN L. (2018), *The jurisdiction of European courts...*, *op. cit.*, and C-523/10, *Wintersteiger* (2012).

²¹⁸⁸ See, for example at METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*

²¹⁸⁹ See more at LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*, paragraph 9.40-9.50.

²¹⁹⁰ According to this logic, it becomes rational why findings in *Coty* were not followed in *AMS Neve*.

likely be extended to the area of Community design rights. Accordingly, jurisdiction for online infringements of Community design rights may also depend on proving the targeting activity.

In comparison, a patent court should follow the ruling in *Wintersteiger*, when the proceedings concern a European patent.²¹⁹¹ In the same manner Art. 7(2) BRR can be invoked for complementary torts²¹⁹² that involve registered IPRs at the EU level.²¹⁹³ This allows us to conclude that distinct doctrinal approaches were adopted for offline and online EUTM infringements, and those are also distinct from national trademark infringements.

The present thesis claims that the “targeting” test may not respond to the purposes of EUTM jurisdiction better than the “online accessibility” approach. The additional requirement of proving “targeting” may rise the jurisdictional threshold, by contrast to online infringements of the national trademarks. The need to prove rather vague criteria at an early procedural stage may make suing under Art. 125(5) EUTMR less attractive. Besides, the scope of jurisdiction under Art. 125(5) BRR will be limited.²¹⁹⁴

By contrast, a court may be rather easily defined when infringing content is accessible online. “Online accessibility” should apply together with an additional requirement of a trademark validation, making the jurisdictional threshold higher (by analogy with national trademark online infringements). The potential negative effect of “online accessibility,” as a too broad jurisdictional criterion, should not be felt in the area of registered rights. This approach would better respond to both the principle of procedural fairness and access to justice in online trademark cases.

9.4.3. If it is not broken, do not fix it

Registration of IP rights makes them different from unregistered IP rights in terms of jurisdiction. The requirement of registration works as a restricting factor for the purpose of allocation jurisdiction and prevents bringing too broad jurisdictional claims merely based on “online accessibility” of an infringing website. At the same time, the requirement of registration should be distinguished from territoriality which is a specific feature of IP rights. Territoriality is to be evaluated at the level of applicable law, instead of jurisdiction. The CJEU, however, often does not delimit these two different procedural stages.²¹⁹⁵

According to case law concerning EUTM infringements, the “targeting” test should be refused for accessing jurisdiction for national IPR infringements. The opposite conclusion would undermine procedural balance of Art. 7(2) BRR. Despite the tendency to eliminate (or at least to limit) the influence of applicable law on establishing jurisdiction, the current thesis illustrates a territorial dependence in intellectual property claims. Especially, the expansion of the Internet leads to conflicts between territorial IP rights.

²¹⁹¹ OHLY A., MAXIMILIAN L. (2018), *The jurisdiction of European courts...*, *op. cit.*, LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*

²¹⁹² For example, unfair imitation of a sign protected by a trademark, passing off, commercial disparagement, defamation, the right to one's name, etc.

²¹⁹³ See more to this extent, for example, as it was commented at LUNDSTEDT L. (2018), “Putting Right Holders in the Centre...,” *op. cit.* An adoption of “centre of interests” had been suggested for the claims, concerning author's moral rights and specific complementary torts.

²¹⁹⁴ For example at METZGER A. (2009), “Jurisdiction in Cases Concerning Intellectual Property ...,” *op. cit.*

²¹⁹⁵ C-172/18 *AMS Neve Ltd* (2019), C-24/16 and C-25/16 *Nintendo Co. Ltd v BigBen* (2017).

The owner of a national trademark cannot prevent the use and/or registration of its trademark by a third party abroad.²¹⁹⁶ While a registered trademark is enforceable only within the territory of the country where it is registered, a web page is online accessible across the world. Therefore, trademarks that previously co-existed peacefully, covering different territories, have started to conflict when they are used online.²¹⁹⁷ In this frame, the “online accessibility” approach should be essentially rejected as the sole criterion to allocate jurisdiction so as to avoid expansive jurisdictional claims, which could prevent a legitimate use of foreign trademarks. Accordingly, the criterion of “online accessibility” is usually supplemented by registration. The court (where the infringing website is accessible online and where the trademark is registered) should have jurisdiction to decide all infringements and full damages concerning this trademark.

9.4.4. Unregistered IPRs

The CJEU continues to confirm “online accessibility” as a valid approach to establish jurisdiction (Art. 7(2) BRR). “Online accessibility” was adopted in *Wintersteiger* and transported to copyright cases in *Pinckney* and *Hejduk*. “Targeting” and the “centre of the victim’s interests” were both rejected as neither reliable nor evidentiary²¹⁹⁸ criteria to allocate jurisdiction for online copyright infringements.

The level of jurisdictional threshold for copyright infringements is currently different from the one for registered IPRs. The requirement of registration is irrelevant for accessing the court and the scope of jurisdiction based on “online accessibility” is always limited.

Although the CJEU gave the interpretation only in the area of copyright, this version of the “online accessibility” approach may be also extended to online infringements of other unregistered IP rights²¹⁹⁹ which often share significant similarities with copyright due to the common principle of territoriality.²²⁰⁰ In particular, the “online accessibility” approach may be coupled with some relevant recognition of unregistered design rights, unregistered trademarks and well-known marks in the protecting Member State. The same analogy may be extended to database protection and complementary IP online infringements.²²⁰¹ Since these rights are not subject to registration, the scope of jurisdiction based on “online accessibility” would be limited by “mosaic.”

The “mosaic” doctrine and the “mosaic” of applicable laws pose an obstacle to the accumulation of the overall damage in one single court (that is different from the defendant’s domicile). By contrast, in personal data protection cases (according to the GDPR), the data

²¹⁹⁶ A company normally should apply for a trademark in each country or a number of countries (using the EUTM), according to its business expansion strategy.

²¹⁹⁷ See, for instance, the above mentioned French case in *SG2 v. Brokat Informationssysteme GmbH* (1996) and the US case in *Zippo Manufacturing Co. v. Zippo Dot Com, Inc.* (1997).

²¹⁹⁸ Opinion of Advocate General Cruz Villalón in C-441/13, *Pez Hejduk v EnergieAgentur* (2015).

²¹⁹⁹ C-173/11, *Football Dataco Ltd and Others* (2012).

²²⁰⁰ For instance, it was pointed, for example, at XALABARDER R. (2014), “Jurisdiction and applicable law issues...,” *op. cit.* p.175-177, LUNDSTEDT L. (2018), “Putting Right Holders in the Centre...,” *op. cit.*, LARSEN T.B. (2017), *Intellectual Property Jurisdiction Strategies...*, *op. cit.*

²²⁰¹ For instance, see at LUNDSTEDT L. (2018), “Putting Right Holders in the Centre...,” *op. cit.* Complementary torts may arguably include selective distribution, unfair competition practices, however, this examples were illustrated in the in context of author’s moral rights discussion.

subject forum was implemented despite existing differences in the legal regime on the processing of data in the Member States.²²⁰²

Forum actoris was adopted for personality rights online infringements and consumers' claims. The claimant's forum in these cases balances an unequal procedural power between parties and opens a potential for personal data claims (that were previously overshadowed by consumers jurisdiction).²²⁰³ Some essential lessons from the interaction between personality rights, personal data and consumer jurisdiction thus may be taken for copyright.

In copyright litigation, the following principles should be balanced: on the one hand, procedural fairness and access to justice and, on the other hand, legal certainty.²²⁰⁴ The effect of this imbalance is especially felt when a copyright holder (an individual or a small business entity) sues online platforms or a company that operates on a worldwide basis. In particular, it is the case when one of the parties acts as a "repeat player,"²²⁰⁵ applying significant resources and taking fewer risks. As a result, online protection of copyright may become an unaffordable task.²²⁰⁶

Similarly to personal data protection (with regard to consumer claims), copyright *values* have often been left behind (with regard to privacy).²²⁰⁷ For instance, In *Promusicae v Telefónica*, the Court ruled that there was no obligation on Internet service providers to disclose the personal data of their customers if they are involved in online copyright infringements.²²⁰⁸ Privacy rights thus generally prevail over copyright.

Consequently, a significant part of copyright online infringements is left undetected and/or tolerated.²²⁰⁹ A copyright holder would rather prefer to *camouflage* the real legal nature of the claim, suing for personality rights or moral rights infringements²²¹⁰ as playing the role of the victim of a personality right infringement is more effective than the copyright one in the jurisdictional context.

In this frame, it may be submitted that the claimant's *forum* for online copyright infringements should be justified to this extent.²²¹¹ Adopting the analogous jurisdictional criterion of the "centre of interests" to copyright claims under Art. 7(2) BRR should not be viewed as problematic. One single claim would be brought in one court which would be best seized to rule upon the full scope of the damage, effectively aiming at avoiding multiplication of fora and irreconcilable decisions.

²²⁰² General Data Protection Regulation (GDPR), Art. 99 (2): "It shall apply from 25 May 2018. This Regulation shall be binding in its entirety and directly applicable in all Member States."

²²⁰³ See more to this at chapter 5 of the present thesis.

²²⁰⁴ In particular, the definition of the "power imbalance," the situation with undetected (or replaced) infringements and the lack of full harmonisation.

²²⁰⁵ HÖRNLE J. (2009), *Cross-border Internet dispute...*, *op. cit.*, p.19.

²²⁰⁶ For instance, at OTCHENASH M. (2018), "Suing online platform for Copyright...", *op. cit.*, also OTCHENASH M. (2017), "Allocating jurisdiction and applicable law...", *op. cit.*

²²⁰⁷ C-275/06, *Productores de Música de España (Promusicae) v Telefónica de España SAU*, (2008), paragraphs 29-30. The CJEU concluded that the Directives on personal data do not exclude an obligation of ISPs to disclose the personal data of their customers if they are involved in infringement activities. However, the Directives on copyright do not require such an obligation, and thus it is up to the member states to judge whether such an obligation is necessary, based on the principle of proportionality.

²²⁰⁸ *Ibid.*, paragraph 41.

²²⁰⁹ For example, at TRIMBLE M. (2016) "Undetected Conflict-of-Laws Problems...", *op. cit.*

²²¹⁰ For example, LUNDSTEDT L. (2018), "Putting Right Holders in the Centre...", *op. cit.*

²²¹¹ For instance, at OTCHENASH M. (2018), "Suing online platform for Copyright...", *op. cit.*, OTCHENASH M. (2017), "Allocating jurisdiction and applicable law...", *op. cit.*

9.5. An overall proposal

A borderless online environment is an illusion. There are indeed borders on the Internet. Parties are real and located in a tangible reality. Effective jurisdictional rules for online infringements, therefore, may be built only with a coherent understanding of a legal context of specific online activities. The multilayered nature of online torts should be taken into account.

A transnational standard for determining jurisdiction is a long way to go. It requires essential policy sacrifices which countries not willing to make. Instead, rather granular and flexible case law interpretations from the CJEU will arguably be more efficient. Specific rulings should address an uneasy interaction between applicable law concepts and jurisdiction under Art. 7(2) BRR in order to overcome a strict reading of territoriality principle for online IP infringements.

This thesis has made an attempt to submit both arguments in favour and against the CJEU's approaches to Art. 7(2) BRR when IP online infringements are considered. On the one hand, allocation jurisdiction for online infringements of national registered IP rights is rather satisfactory, since it is aligned with the specific features of registered rights.

On the other hand, allocation jurisdiction for online infringements of unregistered IP rights, copyright in particular, is dissatisfactory, because it does not offer a possibility to obtain full damages and results in an expensive and time-consuming copyright litigation.

For the purposes of litigation consistency and procedural fairness, no additional burden should not be placed at the initial stage of jurisdiction. The copyright holder should not be obliged to prove facts concerning applicable law at the very first stage when allocating jurisdiction. In other words, Art. 7(2) BRR should be a neutral jurisdictional rule. This means that this provision cannot depend on the case merits and the choice of applicable law, hence, the concepts (like "targeting") should be irrelevant here.

Instead of protection the weaker party, the justification of the claimant's *forum* under Art. 7(2) BRR should be based on other principles, such as, for example: procedural economy, procedural fairness, functionality and access to justice. The court of the claimant's centre of interests would have the closest connection to the dispute, and could facilitate collecting of evidence in its territory. A crucial advantage of such jurisdictional approach is the possibility to access courts that have the necessary expertise in greatly factual IP litigation.

9.6. The proposal for copyright online infringements

Unlike for registered IPRs, an "online accessibility" may bring significant practical problems for copyright claims²²¹² as it arguably provides too much wide discretion to potential *fora*. Jurisdiction may be allocated on a rather low threshold, leading to courts with too low connection to the dispute. Since this jurisdiction will have a limited scope, there may be a challenge in defining the part of the online damage that was suffered in one particular

²²¹² For instance, a XALABARDER R. (2002), "Copyright: Choice of Law and Jurisdiction...", *op. cit.*, p. 7.

Member State alone.²²¹³ As a result of the “mosaic” principle, the jurisdictional scope for copyright claims is restricted, making copyright litigation ineffective and unattractive strategy.²²¹⁴ Hence, the “online accessibility” approach essentially benefits nobody: defendants suffer from legal uncertainty, copyright holders cannot be awarded the full relief. Although this criterion may work for the registered IP rights, for copyright its negative effect is damaging.

Various solutions have been proposed to restrict the “online accessibility” approach and enlarge the jurisdictional scope.²²¹⁵ The problem thus is not so much in selecting the best jurisdictional criterion, but rather in determining the scope of relief which the court may grant. Is there any realistic possibility to obtain full damage compensation without territorial restrictions? Would the *forum actoris* (at the copyright holder’s seat) facilitate it?

The “centre of interests” criterion with a full jurisdictional scope is generally not applicable to copyright. The reason for this is territoriality. The *lex loci protectionis* rule does not allow a copyright owner to claim, under a single applicable law, the EU-wide scope of the damage. Instead, the court must apply various national copyright laws for the same online infringement.²²¹⁶

On the one hand, the *forum actoris* is *de facto* already available to copyright infringements. An IPR holder may virtually sue at his or her domicile (habitual residence or the centre of interests) if a web site is online accessible there and the IP right is protected (registered or validated). On the other hand, the barrier is the applicable law “mosaic” approach. The court will need to apply foreign laws to establish an EU-wide infringement and grant remedies.²²¹⁷ Therefore, one of the main obstacles in adopting unrestricted jurisdictional scope for copyright infringements is eventual challenges regarding applicable law.

To overcome these challenges when granting a EU-wide compensation for copyright infringements under Art. 7(2) BRR (the “place of the damage” limb), the following line of reasonings could be taken into account. First, the influence of the territoriality principle when allocation jurisdiction should be minimised. Second, the literal meaning and the legal nature of Art. 7(2) BRR allows sufficient level of discretion in terms of jurisdictional scope. Third, the current level of copyright laws’ harmonisation in a near future may enable copyright holders bringing a claim under Art. 7(2) BRR in respect of all the damage suffered.

9.6.1. Minimising the influence of territoriality

Territoriality should be treated as an applicable law concept. Accordingly, references to the territorial nature of copyright laws could be *tolerated* at the jurisdictional stage. Otherwise, taking into account applicable law aspects at the stage of establishing jurisdiction would be

²²¹³ As was mentioned at Opinion of Advocate General Cruz Villalón in C-441/13, *Pez Hejduk v EnergieAgentur* (2015).

²²¹⁴ See also, for instance, at OTCHENASH M. (2018), “Suing online platform for Copyright...”, *op. cit.*, OTCHENASH M. (2017), “Allocating jurisdiction and applicable law...”, *op. cit.*

²²¹⁵ Also the need to revise the “online accessibility” approach was discussed, for instance, at XALABARDER R. (2014), “Jurisdiction and applicable law issues...”, *op. cit.* p.175-177, LUNDSTEDT L. (2018), “Putting Right Holders in the Centre...”, *op. cit.*, TREPPOZ E. (2014), “Jurisdiction in Internet-related intellectual property...”, *op. cit.*, MATULIONYTE R. (2015), “Enforcing Copyright Infringements Online...”, *op. cit.*

²²¹⁶ The question arises as to which national law may apply to such online infringements when EU-wide remedies granted.

²²¹⁷ In that connection, see at the CLIP Principles and Commentary (2013), *Conflict of Laws in Intellectual Property*, Oxford, OUP, p. 560, commented by KUR A. at Art. point 2:203.C10.

contrary to the most fundamental jurisdictional principles. Art. 7(2) BRR does not explicitly prescribe any applicable law requirements.²²¹⁸ As the CJEU had already allowed a full scope of jurisdiction under Art. 7(2) BRR for online personality infringements, and as a matter of consistency, this solution technically may be extended to other online infringements.

In other words, if the territoriality was not an obstacle for adopting dual head jurisdiction under Art. 7(2) BRR for online IP infringements, it should not be taken into account for the purpose of jurisdiction.²²¹⁹ Otherwise, instead of dual jurisdictional grounds, the unitary approach could be adopted (i.e. jurisdiction allocation exclusively at the “place of the infringing act”).²²²⁰

The unbalanced approach virtually takes place concerning IP litigation in the context of Art. 7(2) BRR. Although jurisdiction can be allocated at two places (“where the damage occurred” and at the “place of the event giving rise to such damage”), in a lack of a full jurisdictional scope, Art. 7(2) BRR does not constitute an effective alternative to the general jurisdictional rule of the defendant’s domicile (Art. 4(1) BRR).

In this frame, it may be submitted that the very purpose of Art. 7(2) BRR as special jurisdictional rule may be achieved when it provides a possibility of granting EU-wide relief. An efficient solution for IP online infringements should be assessed from the perspective of the power of a court to grant overall damages. This aim may arguably be achieved by restricting the influence of the principle of territoriality to IP claims. The territorial nature of copyright should be taken into consideration at the stage of applicable law, but not for jurisdiction. The “mosaic” applicable law *puzzle*, however, will not be solved completely, instead tolerated and adjusted to the need of enhancing an alternative and neutral nature of Art. 7(2) BRR.

9.6.2. A reasonable balance

Trademark owners may have a significant advantage to bring a claim in respect of EU-wide damage²²²¹ to the courts of the Member State in which the trademark is registered.²²²² While the same is true for online infringements concerning personality rights and personal data protection, online copyright is an exception.

It has been proposed that the “centre of interest” criterion (with a full jurisdictional scope) should also apply to copyright online infringements so as to restrict multiple “online accessibility” *fora* and achieve a concentrating effect for such claims.

The legislator allows sufficient discretion as to a full jurisdictional scope under Art. 7(2) BRR. Although effective protection to copyright owners will encourage innovation, the copyright monopoly is not absolute, and any preferences for copyright holders should be justified.²²²³

²²¹⁸ For instance, it was stated in C-170/12, *Peter Pinckney v KDG Mediatech AG* (2013).

²²¹⁹ To the same extent, see at NUYTS A., HATZIMIHAİL N., SZYCHOWSKA K., EMMANUEL N. (2008), “Cross-Border Litigation...,” *op. cit.* TREPPOZ E. (2014), “Jurisdiction in Internet-related intellectual property...,” *op. cit.*

²²²⁰ For example, as it was done for Art. 125(5) EUTMR in *AMS Neve*, see also at KUR A. (2018), “Abolishing Infringement Jurisdiction for EU Marks...,” *op. cit.*

²²²¹ Joined Cases C-509/09 and C-161/10, *eDate Advertising and Others*, (2011), paragraph 42.

²²²² C-523/10, *Wintersteiger* (2012).

²²²³ The goal of IP is now challenged by other values, see the tension with personality, freedom of expression, illustrated in the previous chapters

At this point, it may be argued that a reasonable balance should be struck between the need for legal certainty (for the development of e-commerce) and the adequate protection of copyright holders (for an effective enforcement). Jurisdictional criteria under Art. 7(2) BRR should be further developed, aiming at minimising an imbalance between the structurally *weak* copyright holder and big online companies as “repeat players” in copyright litigation.²²²⁴

Online companies may also suffer from the “mosaic” multiplicity in potential *fora* and a lack of legal certainty. “Online accessibility” makes it rather complicated for an online business to foresee any potential litigation in every single EU Member State, however, legal certainty should not be overestimated and big businesses should not be treated the same as ordinary defendants.

There is no coherent regulatory approach to “weaker party” protection in European PIL.²²²⁵ This principle is based on granular adopted provisions, which deal with specific groups such as consumers, employers, data subject. It remains unclear why only certain groups are granted weaker party protection as soon as there are also other vulnerable groups.²²²⁶

By contrast, the criterion of the “centre of victim’s interest” should not necessarily be viewed as supporting a weaker party. In *Bolagsupplysningen*, this jurisdictional ground was justified to meet legal certainty and the sound administration of justice²²²⁷ (instead of protecting the claimant).²²²⁸ The threshold for invoking the “centre of interests” was raised (by contrast to the threshold adopted in *eDate*): when it is difficult to identify any certain place as the centre of interests, this criterion should not be invoked.²²²⁹

Thus, the “centre of interests” is arguably well suited to determine the “place of the damage” for online infringements.²²³⁰ It is narrower than the “online accessibility” approach and leads to fewer potential *fora* with possible “interests.” It would better respond to online copyright claims than both the “mosaic” principle and the “online accessibility” approach.

In this frame, *forum actoris* with a full scope of jurisdiction for online copyright infringements may essentially enhance the fundamental principles of jurisdiction under Art. 7(2) BRR. The criterion of the “centre of the interest” would be the most suitable, posing limits to “online accessibility” and giving the power for the court to grant damages outside its territory.²²³¹ The higher the jurisdictional threshold, the wider scope of jurisdiction is may be granted. Thus, instead of focusing mostly on finding the best jurisdictional criterion, the scope of jurisdiction should be accessed as well.

²²²⁴ HÖRNLE J. (2009), *Cross-border Internet dispute...*, *op. cit.*, p. 29.

²²²⁵ ŽUPAN M., PORETTI P. (2015), “Concentration of jurisdiction...”, *op. cit.*

²²²⁶ RÜHL G. (2014), “The protection of Weaker Parties in the Private International of the European Union: A Portrait of Inconsistency and Conceptual Truancy,” *Journal of Private International Law*, Vol. 10, p. 335-358, p. 340, see also at KOHL U. (2007), *Jurisdiction and the Internet...*, *op. cit.*, referring to “structural weak parties.”

²²²⁷ C-194/16, *Bolagsupplysningen and Ilsjan* (2017), paragraph 38.

²²²⁸ It contrasts with the reasoning of Art. 79 GDPR, which aims to support the data subject as a weaker party in personal data protection claims.

²²²⁹ BOGDAN M. (2018), “Regulation Brussels Ia and violations of personality rights...”, *op. cit.*, p. 677, stating that an example where a legal person’s centre of interests in a Member State cannot be identified would be when the legal person has its “centre of interests” outside of the EU.

²²³⁰ C-194/16, *Bolagsupplysningen and Ilsjan* (2017), paragraph 39.

²²³¹ “Online accessibility” for copyright is limited by the principle of territoriality.

9.6.3. Overcoming the applicable law mosaic

It is unpopular truth that jurisdiction has become highly dependant on applicable law. Because of the need to take into account national copyright laws of different EU countries, the “mosaic” *puzzle* leads to a restricted application of a full jurisdictional scope under Art. 7(2) BRR.

Nevertheless, national copyright laws, are getting closer. The current level of harmonisation of national copyright laws in the EU may soon permit a highly desired foreseeability of jurisdiction.²²³²

If “targeting” test brings a *balancing* effect to the *forum actoris*, it may be used as a supportive test for the choice of applicable law. By contrast, its extension to jurisdictional scenarios (as an independent jurisdictional criterion, where no concentrating effect of the damage is considered) is not desirable. Otherwise, the *shaky* procedural balance would be switched in a favour of potential defendants, making online IPR protection more challenging.

Allowing the possibility of a full jurisdictional scope under Art. 7(2) BRR would make it a realistic and effective alternative to the defendant’s domicile rule (Art. 4(1) BRR). The *claimant-friendly forum* would bring a high awaited balancing effect. It is expected to meet legitimate parties’ expectations, as well as to be effective, predictable, neutral and flexible.²²³³

9.6.4. Summary

The present analysis of the CJEU’s case law illustrates that different rationales are taken for different types of online torts, depending on their particular features, while transforming Art. 7(2) BRR into a flexible and fact-specific rule.

Art. 7(2) BRR may bring an effective alternative to general jurisdiction if a full jurisdictional scope may be granted. This is already so for online infringements when personality rights and personal data are considered. It inspires an analogous solution for unregistered IPRs (where the requirement of registration is not established). For registered IPRs, an “online accessibility” coupled with a full scope of jurisdiction may arguably bring an alternative to the general defendant’s *forum*.

In legal practice, courts are reluctant to qualify which part of damage has been caused by “online accessibility” of infringing content in their jurisdictions. Under strict reading of the territoriality principle, an EU-wide relief is highly doubtful.²²³⁴ Copyright holders need to bring a claim to each Member State for territorial damages. This is a time-consuming and, eventually, unaffordable task.

Instead, once a *forum actoris* invoked, Art. 7(2) BRR may recover its alternative feature and become an attractive opportunity for IP litigation, giving right holders essential advantages in the litigation concerning online infringements of unregistered IP rights.

²²³² C-145/10, *Eva-Maria Painer v. Standard Verlag GmbH* (2011).

²²³³ SVANTESSON D. J. B. (2012), *Private international law...*, *op. cit.*, p. 55., p.80.

²²³⁴ It may be stated that unregistered and well-known trademarks seem to be similar to personality rights and copyright in terms of jurisdiction.

It is rather doubtful whether the *forum actoris* should be supplemented by some additional requirement to meet the standard of legal certainty for defendants. While “targeting” test might be a “middle path” solution, it should apply for applicable law purposes.²²³⁵ Moreover, this test is rather factual-dependent and would complicate the jurisdiction allocation to the point that the claims’ substance is already decided. Taking into account the case law on the EUTM infringements, refusing the “targeting” test for national IPRs infringements should be welcome. The opposite conclusion would brake the procedural balance under Art. 7(2) BRR, undermining its alternative and neutral nature.

As a whole, the specific and multilayered features of different types of online torts should be taken into account when deciding international jurisdiction. Art. 7(2) BRR has become flexible enough to permit its adaption to new challenging online tort scenarios and the question of online damage consolidation should be revisited by the CJEU.

9.7. Further research

There is a strong need of further research on the interplay of PIL and IP issues. The importance of this interplay has been often undermined due to their complexity in legal practice. However, a lack of its proper analysis may still bring larger problems.

As observed, the CJEU often rules around its own case law instructions when it comes to applying the Brussels Regime to IP claims.²²³⁶ Also, national courts have been reluctant to deal with international jurisdiction for intellectual property claims, addressing the question of court allocation rather *automatically*, directly turning to applicable law.²²³⁷ Consequential confusion between the two fields points to the need of policy and law to address them further.

The effect of territoriality (as an applicable law criterion) should be limited at the jurisdictional stage. Although this dogmatic principle essentially affects jurisdiction, the process the cross-border protection of intellectual property calls for new solutions. Currently, digitalisation is transforming the role of the territoriality principle, questioning its efficiency in the future.

While there are numerous examples which use the “targeting” test with different descriptions,²²³⁸ it still requires further development. Consequently, there is a need to provide further empirical analysis of it in different IP infringements scenarios to develop a doctrinal distinction between the concept of “targeting” for purposes of applicable law and “targeting” for allocation of jurisdiction.

²²³⁵ Similar proposals were generated in the context of E-commerce and torts against personality rights committed over the internet. For instance, ILA in Art. 4 (2) establishes limitation to the “centre of the interest” criterion for personality rights claims, also at JAYME E., SYMEONIDES S. C. (2019), *Resolution on the Internet...*, *op. cit.*

²²³⁶ More to the same see, for instance, at Law blog by VAN CALSTER G., at <https://gavclaw.com>.

²²³⁷ For instance, at CHRISTIE A. F. (2015), *Private International Law...*, *op. cit.*

²²³⁸ In relation to a possible confusion as to “targeting” the jurisdictional test, see more, for example, at ROSATI E. (2017), “International jurisdiction in online EU trade mark...”, *op. cit.*

The overall qualitative and quantitative landscape of international online IP infringement claims, with the particular focus on the EU jurisdiction, has not been presented yet, so the present thesis is an attempt to contribute to that endeavour.

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15. Annex

You can see the annex in the next link:

[Special Jurisdiction Art. 7 \(2\) Brussels Regulation Recast \(TableThesisSummary\)](#)