

INTERNATIONAL JURISDICTION IN EU TRADEMARK INFRINGEMENTS ON THE INTERNET – IS IT POSSIBLE TO COMPLICATE THINGS EVEN FURTHER?*

COMPETENCIA JUDICIAL INTERNACIONAL EN MATERIA DE INFRACCIONES DE MARCA EUROPEA COMETIDAS EN INTERNET – ¿ES POSIBLE COMPLICAR LAS COSAS TODAVÍA MÁS?

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Abstract: The volume of judgments of the CJEU in the field of EU trademarks has increased dramatically in the latest years. While the drafting of the grounds of jurisdiction in the EU Trademark Regulation is quite similar to those of the Brussels I Regulation, their interpretation varies substantially. This divergent interpretation affects legal certainty of companies identifying their products and services in the Internal market using parallel national trademarks and EU trademarks and increases the complexity of litigation in those cases where both categories of industrial property rights are at stake. To reduce these problems, the present work proposes the adoption of a uniform interpretation of the grounds of jurisdiction of the EU trademark Regulation and the Brussels I Regulation.

Keywords: International jurisdiction, EU trademarks.

Resumen: El número de sentencias del TJUE en materia de marcas europeas se ha incrementado dramáticamente en los últimos años. Si bien la redacción de los foros de competencia en el Reglamento de marca europea y del Reglamento Bruselas I es similar, su interpretación varía de manera sustancial. Esta divergente interpretación afecta a la seguridad jurídica de las compañías que identifican sus productos y servicios en el mercado interior haciendo uso de marcas nacionales y europeas paralelas; e incrementa la complejidad a la hora de litigar en aquellos casos en los que ambas categorías de derechos de propiedad industrial están en disputa. Para reducir estos problemas en el presente trabajo se propone la adopción de una interpretación uniforme de los foros de competencia del Reglamento de marca europea y del Reglamento Bruselas I.

Palabras clave: Competencia judicial internacional, marca europea.

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I. Introduction

1. Nobody doubts that the creation of unitary industrial property rights is a great achievement of the European Union. They have become a cornerstone of the Internal market. Thanks to them, a company is granted protection of its trademarks, designs and, hopefully in the near future, patents in a market composed of 27 Member States and 500 millions of people. Making business in Europe is thus facilitated.

However, when it gets to enforce these rights in court, things are becoming more and more complicated due to the increasing cross-border dimension of disputes. This becomes particularly apparent from the judgments adopted by the Court of Justice of the European Union (hereinafter CJEU) in relation to the jurisdiction or applicable law in disputes concerning Community Trademarks (now EU Trademarks) or Community Designs. From 1996 to 2013, the CJEU adopted just two decisions¹. From 2014 to present, nine decisions². In this latter period, the decisions concerning national IP rights were five³.

2. Regulation 2017/1001 on the EU Trademark (hereinafter EUTMR) include special rules on jurisdiction and on applicable law⁴. As explained in section II, rules referred to the first issue differ with those established in Regulation 1215/2012 (Brussels I Regulation) for disputes concerning national IP rights⁵, in particular in cases where the defendant is domiciled in a third State. However, the drafting and concepts used in those grounds of jurisdiction are similar to those used in the Brussels I Regulation. This should be welcome because cross-border disputes in relation to a unitary industrial property right also usually involve a “parallel” national IP right (i. e. a national right in one or several Member States granted to the same distinctive sign that is registered as a EUTM) and actions for unfair competition. *Prima facie*, the use of the same grounds of jurisdiction ensure that these interrelated complaints can be filed before the courts of the same Member State. Unfortunately, this is not the case because, as addressed in Section III, the CJEU’s interpretation of the concepts used in the grounds of jurisdiction of the EUTMR (and the CDR) differs from the interpretation adopted for the same concepts in the framework of the Brussels I Regulation. The CJUE justifies this divergent interpretation in the *lex specialis* character of the rules of jurisdiction in the EUTMR. It is my understanding that the need to autonomously interpret these rules is not sufficiently grounded and that it complicates the cross-border enforcement of IP rights in Europe.

II. Coincidences and divergences in the grounds of jurisdiction in the EUTMR and in the Brussels I Regulation

3. Art. 123 EUTMR establishes the obligation for the Member States to designate within their respective judicial systems a limited number of courts (the EUTM Courts) with exclusive competence to

¹ CJEU Judgments of 14 December 2006, C-316/05, “Nokia” (ECLI:EU:C:2006:789) and of 12 April 2011, C-235/09, “DHL Express” (ECLI:EU:C:2011:238).

² CJEU Judgments of 5 June 2014, C-360/12, “Coty Germany” (ECLI:EU:C:2014:1318); 18 May 2017, C-617/15, “Hummel Holding” (ECLI:EU:C:2017:390); 13 July 2017, C-433/16, “Bayerische Motoren Werke” (ECLI:EU:C:2017:550); 22 September 2016, C-223/15, “combit Software” (ECLI:EU:C:2016:719); 27 September 2017, Joined Cases C-24/16 and C-25/16, “Nintendo” (ECLI:EU:C:2017:724); 19 October 2017, C-231/16, “Merck”; 19 de October 2017, C 425/16, “Raimund” (ECLI:EU:C:2017:771); 5 September 2019, C-172/18, “AMS Neve” (ECLI:EU:C:2019:674); 21 November 2019, C-678/18, “Procureur-Generaal bij de Hoge Raad der Nederlanden” (ECLI:EU:C:2019:998).

³ CJEU Judgments of 14 July 2016, C-230/15, “Brite Strike Technologies” (ECLI:EU:C:2016:560), 5 October 2017, “Hanssen Beleggingen BV” (ECLI:EU:C:2017:738); 3 April 2014, C-387/12, “Hi Hotel” (ECLI:EU:C:2014:215); 22 January 2015, C-441/13, “Hedjuk” (ECLI:EU:C:2015:28); 22 April 2016, C-572/14, “Austro-Mechana” (ECLI:EU:C:2016:286).

⁴ This is also the case for the Regulation 6/2002 on the Community Design (hereinafter CDR). Since the wording of the provisions in each Regulation is similar, the conclusions of this commentary in relation to the EUTMR apply *mutatis mutandi* to the CDR.

⁵ See T. B. LARSON, *Intellectual Property Jurisdiction Strategies (Where to Litigate Unitary Rights vs. National Rights in the EU)*, Cheltenham, Edward Elgar, 2017.

hear the categories of actions listed in Art. 124 EUTMR⁶. The international jurisdiction of these courts to hear about those actions is established in Art. 125⁷.

According to this provision, in the absence of a choice of forum agreement (something that in these categories of disputes is generally the case) and of tacit submission (meaning, the defendant appears before the court but does not challenge its jurisdiction), the EUTM court will declare jurisdiction:

- a) if the defendant is domiciled in that Member State;
- b) in the absence of domicile in the EU, if the defendant has an establishment in that Member State;
- c) in the absence of the above, if the plaintiff is domiciled in that Member State;
- d) in the absence of the above, if the plaintiff has an establishment in that Member State;
- e) in the absence of the above, if the complaint is filed before the EUTM courts of the Member State where the Office (EUIPO) has its seat (i. e. Alicante, Spain)⁸.

In any of these situations, with the exception of actions for a declaration of non-infringement of a EUTM, Art. 125 (5) allows the plaintiff to alternatively file the complaint before the EUTM Courts “of the Member State in which the act of infringement has been committed or threatened, or in which an act referred to in Article 11(2) has been committed”. This is the classic ground of jurisdiction known as *forum delicti commissi*. However, while the courts designated in the previous grounds can hear of an infringement committed in any State, the competence of the court based on the application of this latter ground of jurisdiction is limited to infringements within the territory of the Member State where the complaint is filed (Art. 126).

Additionally, Art. 131 EUTMR allows a plaintiff to ask for provisional measures before the court that is hearing of the main complaint or, as an alternative, before the court of any other Member State in which the measure is to be enforced⁹.

4. The comparison between these grounds on jurisdiction with those applicable to disputes on national IP Rights allows the identification of certain parallels. To start with, when the defendant is domiciled in a Member State, the complaint can be brought before the courts of that State (Art. 4 Brussels I Regulation, Art. 125 (1) EUTMR), or before the courts of the *forum delicti commissi* (Art. 7 (2) Brussels I Regulation, Art. 125 (5) EUTMR). The CJEU has interpreted that, similar to what Art. 125 (5) says, the courts of *forum delicti commissi* can only hear about complaints concerning IP right infringements committed in the territory of that Member State¹⁰. In relation with provisional measures, the Brussels I Regulation (Art. 35) establishes a double-option system similar to the one provided for in Art. 131 EUTMR.

5. This comparison allows the identification of certain differences as well. These divergences derive from the particularities that surround unitary titles¹¹ and the clear intention of the EU legislator to strengthen the protection of EUTM¹².

⁶ For actions not listed in this provision, the Brussels I Regulation remains fully applicable.

⁷ See C. HEINZE, “Unitary Intellectual Property Rights and Jurisdiction”, in J. BASEDOW, G. RÜHL, F. FERRARI AND P. DE MIGUEL ASENSIO (eds.), *Encyclopedia of Private International Law*, vol. 2, Cheltenham, Edward Elgar, 2017, p. 1792.

⁸ An example of the application of this ground of jurisdiction can be found in the Judgement of the Appellate Court of Alicante 1089/2014 of 1 July 2014 (ECLI: ES:APA:2014:1089). The action for infringement of two EUTM (“BREEZES” and “Superclubs Breezes”) was filed by VRL International LTD, with domicile in Cayman Islands, against Nova Hotels LTD, a legal entity from Tanzania that runs a hotel in the city of Bewjuu, Zanzibar, under the name of BREEZES.

⁹ In this regard, it should be recalled the CJEU Judgement of 21 November 2019, C-678/18, “*Procureur-Generaal bij de Hoge Raad der Nederlanden*”. The Court states “that the courts and tribunals of the Member States with jurisdiction to order provisional measures, including protective measures, in respect of a national design also have jurisdiction to order such measures in respect of a Community design”.

¹⁰ CJEU Judgement of 19 April 2012, C-523/10, “*Wintersteiger*”

¹¹ See CJEU Judgment of 5 June 2014, C-360/12, “*Coty Germany*”, par. 36: “the origin and the context of Regulation No 40/94 confirm the intention of the EU legislature to derogate from the rule on jurisdiction provided for in Article 5(3) of Regulation No 44/2001 in the light, in particular, of the inability of the rule on jurisdiction to respond to the specific problems relating to the infringement of a Community trade mark”.

¹² This is confirmed in CJEU of 18 May 2017, C-617/15, “*Hummel Holding*”, pars. 27 y 28.

First of all, in relation with a EUTM, it is not possible to bring non-infringement declaratory actions before the courts of the *forum delicti commissi*. This is expressly banned in Art. 126 (2) with the purpose of avoiding or at least reducing so-called *torpedo actions*¹³. On the contrary, for national IP rights, CJEU Judgment of 25 October 2012, C-133/11, “*Folien Fischer*” states that “an action for a negative declaration seeking to establish the absence of liability in tort, delict, or quasi-delict falls within the scope of [present Art. 7 (2) Brussels I Regulation]”.

More importantly, in the case of the EUTMR, the EUTM Courts can only declare jurisdiction on the basis of the rules provided for in the Regulation. They cannot refer to their national rules of jurisdiction in any case. On the contrary, for disputes concerning national IP rights, in the absence of tacit or express submission, when the defendant is domiciled in a third State, the Brussels I Regulation establishes that the court where the complaint is brought shall declare jurisdiction on the basis of its national rules of jurisdiction (Art. 6). These rules may vary from one Member State to the other. As a consequence, litigants in national IP rights are subjected to a higher degree of legal uncertainty in relation to jurisdiction. This obliges them to incur in higher costs when designing their litigation strategy to determine in which Member States they can bring the lawsuit¹⁴.

Another important advantage of the EUTMR rules on jurisdiction is that, when the alleged infringer is domiciled in a third state, the trademark holder can initiate a pan-European infringement action (i. e. an action in relation to the infringement committed anywhere in the territory of the EU) before the Courts of its domicile or establishment – art. 125 (2); or, if it does not have a domicile or establishment in the EU, before the EUTM Courts in Alicante – art. 125 (3). In the case of national IP rights, the jurisdiction to hear pan-European actions is only granted to the courts of the Member State or the defendant’s domicile – art. 4 Brussels I Regulation¹⁵. When the defendant is domiciled in a third State such possibility depends on each Member State’s rules on jurisdiction, but this is highly unlikely due to the lack of a reasonable connection between the court and the facts of the dispute that took place abroad.

6. Besides these advantages, it is worth to mention that some of the grounds of jurisdiction established in Art. 125 EUTMR may be problematic due to their possible exorbitant character. In particular, this might be the case when the complaint is filed before the courts of the Member State where (1) the plaintiff is domiciled, or where (2) the plaintiff has an establishment, or where (3) the Office has its seat and the infringement did not occur in any of those places. The judgments adopted by these courts may find obstacles for their recognition and enforcement in third states where the defendant is domiciled or where he has assets. This is due to the fact that national systems of recognition and enforcement of foreign judgments contain a ground for denial based on the exorbitant character of the head of jurisdiction that the court of origin applied to declare jurisdiction.

This might be particularly problematic in the relations with Norway, Iceland and Switzerland. These countries are party to the Lugano Convention 2007 (hereinafter LC) alongside the EU. When the defendant is domiciled in any of these States, special rules of jurisdiction in the EUTMR are not appli-

¹³ In the context of disputes related to a cross-border infringement of IP rights, a *torpedo* action consists on the alleged infringer taking on ahead of the right holder and filing an action for declaration of non-infringement before the courts of the Member State that is the most convenient for his interests. From that moment, if the right holder wants to file an action for infringement of the same IP right, he will need to do so before the same court. Due to the *lis pendens* rule in Art. 29 R. Brussels I Regulation, if he files the action before the court of any other Member State, such court shall stay the proceedings until the court first seize determine jurisdiction. In certain Member States, this determination may take a long time. See M. FRANZOSI, “Worldwide Patent Litigation and the Italian Torpedo”, *EIPR*, 1997, pp. 382 – 385.

¹⁴ It is generally the case that those rules establish the *forum delicti commissi* – the courts of a Member State have jurisdiction if the infringement has been committed in the territory of that State. See, for instance, Art. 22 *quinquies* b) of the Organic Law 6/1985 of the Judicial Power in Spain. Nevertheless, national systems may establish other grounds of jurisdiction, in certain cases of an exorbitant character – i. e. grounds that show little connection between the dispute and the court with jurisdiction.

¹⁵ CJUE of 19 April 2012, C-523/09, “*Wintersteiger*”; 22 January 2015, C-441/13, “*Hedjuk*”; 3 October 2013, C-170/12, “*Pinckney*”; of 21 December 2016, C-618/15, “*Concurrence*”. While these judgments can be interpreted as granting pan-European jurisdiction to the courts of the “place where the act giving rise to the alleged infringement occurred or may occur”, such place will generally coincide with the location of the defendant’s domicile or place of establishment.

cable. According to Art. 64 (2) LC, international jurisdiction is governed by the Convention. It shall be interpreted that the reference in this provision to the Brussels I Regulation extends to the EUTMR on the basis of the general referral to the Brussels I Regulation in Art. 122 EUTMR. In a situation where a EUTM Court of a Member State disregards this provision, its decision might not be enforceable in any of the non-EU parties of the LC (Norway, Iceland or Switzerland). The reason is that according to Art. 64 (3) LC the courts of these States can deny *exequatur* of a judgment adopted by the courts of a Member State “if the ground of jurisdiction on which the judgment has been based differs from that resulting from [the Lugano] Convention and recognition or enforcement is sought against a party who is domiciled in a State where this Convention but not an instrument referred to in paragraph 1 of this Article applies, unless the judgment may otherwise be recognised or enforced under any rule of law in the State addressed”.

This is not a mere theoretical problem. Judgment 87/19 of the EUTM Court of Alicante (Spain) is referred to an action for infringement filed by the US firm Lyft against a Norwegian company in relation to the use of the term “Letlift” in a mobile application that could be downloaded in several Member States. The Alicante Court based its jurisdiction in art. 125 (3) – i. e. the place where the Office has its seat, thus a ground different from those established in the LC. If the defendant would not voluntarily comply with the judgment, the plaintiff might find problems to enforce the judgement in Norway due to art. 64 (3) LC. These problems would not appear to recognize the part of the judgement related to the infringement committed in Spain. This is so because for this part of the judgement the Alicante Court based its jurisdiction on the *forum delicti commissi* in Art. 125 (5), a ground of jurisdiction that LC establishes in Art. 5 (3).

III. The CJEU *Lex Specialis* characterization of the EUTMR jurisdiction rules: evolution and challenges

7. As previously mentioned, from 2014 to present, the CJEU has adopted nine decisions about the Private International Law (PIL) aspects of EUTM and CD. Some of these judgments provide an interpretation of the rules of jurisdiction in the regulations that is aligned with the one given to the rules in the Brussels I Regulation for disputes concerning national IP rights. This is the case of “*Nintendo*”, concerning the ground for complaints against multiple defendants – Art. 8 (1) Brussels I Regulation, or “*Merck*” in relation to the rules governing situations of *lis pendens*. The use of the same criteria followed in the framework of the Brussels I Regulation for the interpretation of the provisions in the EUTMR and CDR guarantees the coherence of the system of IPR litigation in Europe, thus facilitating the cross-border civil enforcement of IP rights.

Despite this advantage, in other decisions, a specialization in the interpretation of the rules of jurisdiction in the EUTMR (and CDR) is sustained. To my understanding the characterization of these rules as *lex specialis* is not sufficiently grounded, and it entails incoherence in the litigation system, creating obstacles to the cross-border enforcement of IP rights. This is the case of “*Coty Germany*”, adequately revised in “*AMS Neve*”, and “*Hummels Holding*”.

1. “*Coty Germany*”: a poorly grounded specialization and an inconclusive precision of the *forum delicti commissi* adequately revised in “*AMS Neve*”

8. The relevance of “*Coty Germany*” lies in two aspects. On the one hand, it is the first decision where the CJEU states that the grounds of jurisdiction of the EUTMR are *lex specialis* in relation to the rules of the Brussels I Regulation. On the other, it develops how to apply the *forum delicti commissi* in cases where the infringing activities are located in multiple states. Both aspects are subject to criticism.

9. The *lex specialis* character of the rules of jurisdiction of the EUTMR is grounded on a literal interpretation of Art. 122 EUTMR. According to the first paragraph of this provision, international jurisdiction in EUTM disputes is governed by the Brussels I Regulation. However paragraph (2) expressly

excludes the application of certain provisions of that Regulation, including Art. 7 (2) which states the *forum delicti commissi*. Therefore, the CJEU states that the rules of jurisdiction of the EUTMR do not need to follow the same interpretation than those of the Brussels I Regulation¹⁶. Additionally, the Court refers to the genesis of the EUTMR and the inability of the rule on jurisdiction in present Art. 7 (2) Brussels I Regulation to respond to the specific problems relating to the infringement of a EUTM¹⁷. However, in my opinion, the Court does not sufficiently explain which are those specific problems or the reasons why such genesis necessarily leads to a special interpretation of its rules on jurisdiction. Having in mind the consequences of establishing a *lex specialis* character, the grounds provided by the Court to sustain this interpretation are very poor, although the Court had the chance to complement them some years later in “*Hummels Holding*”.

10. In relation to the second aspect, the *lex specialis* character of the rules of jurisdiction of the EUTMR is in itself the argument provided by the Court to sustain an interpretation of the *forum delicti commissi* in Art. 125 (5) that departs from the interpretation granted to the same ground of jurisdiction in Art. 7 (2) Brussels I Regulation. According to the Court, when the infringing activity and the damages of such activity occur in different Member States, “the concept of ‘the Member State in which the act of infringement has been committed’ implies [...] that that linking factor relates to active conduct on the part of the person causing that infringement. Therefore, the linking factor provided for by that provision refers to the Member State where the act giving rise to the alleged infringement occurred or may occur, not the Member State where that infringement produces its effects”¹⁸. The ruling is problematic for two reasons.

As abovementioned, the CJEU departs from its very own interpretation regarding infringements of national IP rights. For these categories of rights, the Court understands that in cases where the infringing activity and the damages occur in multiple Member States, the courts of any of these Member States can declare jurisdiction on the basis of Art. 7 (2), even if the complaint aims to determine the liability of a person that did not directly intervene in the infringement¹⁹. This flexible interpretation of *forum delicti commissi* is confirmed in other judgments where the Court states that the mere accessibility of a website from the territory of a Member State is enough for the courts of that State to declare jurisdiction²⁰. The existence of a different interpretation of grounds of jurisdiction with similar wordings does not facilitate the work of international litigators.

Additionally, the judgement reduces the *effet utile* of *forum delicti commissi* in Art. 125 (5) EUTMR. This is particularly so in infringements committed on the Internet. In these cases, the place of the act giving rise to the alleged infringement is located where the infringing information is uploaded on the Internet²¹. Most of the times, such place coincides with the defendant’s domicile or establishment thus *forum delicti commissi* becomes futile²².

11. Fortunately, the CJEU had the chance to revise and precise this interpretation in “*AMS Neve*”. In this case, a company domiciled in Spain was offering in its website products to consumers in the United Kingdom that infringed the EUTM and UK trademark of a British company. According to the CJEU case law, English courts have jurisdiction to hear the complaint about the UK trademark – Art. 7 (2) Brussels I Regulation but, having in mind the interpretation in “*Coty Germany*”, the court was hesitant about the jurisdiction in relation with the EUTM. Despite its previous decision, the Court states that, for the

¹⁶ Paragraphs. 27-28.

¹⁷ Par. 36.

¹⁸ Par. 34.

¹⁹ CJEU Judgement of 3 April 2014, C-387/12, “*Hi Hotel*”.

²⁰ CJEU Judgements of 22 January 2015, C-441/13, “*Hedjuk*”; of 3 October 2013, C-170/12, “*Pinckney*”; of 21 December 2016, C-618/15, “*Concurrence*”.

²¹ CJEU Judgement 27 September 2017, “*Nintendo*”, par. 108: “it must be held that the event giving rise to the damage is the conduct by which an operator offers for sale allegedly infringing goods, inter alia by placing an offer for sale on its website. Accordingly, the place where the event giving rise to the damage occurred within the meaning of Article 8(2) of Regulation 864/2007 is the place where the process of putting the offer for sale online by that operator on its website was activated”.

²² See A. KUR, “Abolishing Infringement Jurisdiction for EU Marks? – The Perfume Marks Decision by the General Federal Court of Justice”, *IIC*, vol 49, 2018, pp. 452-465, esp. 455.

purpose of present Art. 125 (5), an infringement EUTM is committed in the place “of the Member State within which the consumers or traders to whom that advertising and those offers for sale are directed are located”. The decision looks like a 180-degree turn of the “*Coty Germany*” case law. However, the different interpretation is sustained in the differences that exist between the factual situations of both cases. In “*Coty Germany*”, the infringing products had not been introduced or offered by the defendant in the Member State where the complaint was filed. Such introduction was due to resales by a third party. On the contrary, in “*AMS Neve*”, the defendant was offering the infringing products in the Member State where the complaint was filed. Both decisions thus are not in contradiction although a clarification was needed²³.

12. The decision should be highly welcomed for reactivating the *effet utile* of *forum delicti commissi*. Thanks to the ruling, EUTM owners may sue before the courts “of the Member State within which the consumers or traders to whom that advertising and those offers for sale are directed are located, notwithstanding that that third party took decisions and steps in another Member State to bring about that electronic display”. This is highly convenient for EUTM owners because this place will usually coincide with the place where he is domiciled and where he carries out its main commercial activities.

However, to my understanding, the judgment is not entirely satisfactory. Depending on the category of rights under dispute, the divergences on the interpretation of the *forum delicti commissi* still remain. For disputes concerning EUTM, the decision introduces the so-called “targeting activities” criterion: for the EUTM Court of a Member State to declare jurisdiction, it needs to be shown that the defendant targets its commercial activities to that Member State’s market. For disputes concerning national IP rights or claims of unfair competition, this criterion is not applicable. On the contrary, there is a consolidated case law of the CJEU favoring the application of the “mere accessibility” criterion: the simple fact that the web site of the alleged infringer can be accessed or an app can be downloaded from a Member State where the IP right is protected or where the activity can be considered unfair is sufficient to trigger the jurisdiction of the Courts of that Member State in accordance with *forum delicti commissi* in Art. 7 (2) Brussels I Regulation²⁴. Therefore, the complexity deriving from the different interpretation of the ground of jurisdiction does not completely disappear.

This complexity increases in those cases where the EUTM owner has a parallel national trademark – i. e. a national trademark covering the same distinctive sign that is protected as a EUTM, and he decides to sue for infringement of both trademarks in the same complaint. Additionally, the trademark owner may add to the complaint a claim based on unfair competition. If so, situations may still appear where the courts of the *forum delicti commissi* can declare jurisdiction to hear the part of the complaint referred to the infringement of the national trademark and of unfair competition, but not the one concerning the EUTM.

The solution to this complexity should not come from an amendment of the CJUE case law in “*AMS Neve*”, but from a reform of the case law concerning jurisdiction on actions of infringement of national IP rights and of unfair competition. This is so, because the “mere accessibility” criterion is a source of legal uncertainty to any company carrying out commercial activities on the Internet. These companies cannot foresee where they can be sued in case they voluntarily or involuntarily infringe a trademark. *Forum delicti commissi* in Art. 7 (2) Brussels I Regulation should only give jurisdiction to the courts of the Member State where a company is targeting its commercial activities. As abovementioned, this not the case at present. To my understanding this creates a high degree a legal uncertainty on companies making business in the Internet. Finally, it is also worth mentioning that the “targeting activities” criterion is respectful of the due process right since the defendant would not be forced to defend himself before the courts of a Member State that lacks connection with the case and that may imply important economic costs.

²³ In fact, in the “*Parfummarken*” case, the General Federal Court of Justice (BGH) applied the interpretation in “*Coty Germany*” to deny the jurisdiction of the German Courts in a case concerning a trademark infringement committed in the Internet: “The defendants’ online presence in German does not justify the assumption that the act of infringement within the meaning of Art. 97(5) CTMR was committed in Germany (par. 30). Decision of 9 November 2017, case No I ZR 164/16, IIC, vol. 49, 2018, pp. 485-493.

²⁴ CJUE of 19 April 2012, C-523/09, “*Wintersteiger*”; 22 January 2015, C-441/13, “*Hedjuk*”; 3 October 2013, C-170/12, “*Pinckney*”; of 21 December 2016, C-618/15, “*Concurrence*”

13. There is one last factor that increases the complexity of the IPR cross-border litigation system in the EU. It refers to the interaction between the “*AMS Neve*” and the “*Nintendo*” judgements²⁵. The latter decision concerns the interpretation of art. 8 (2) Rome II Regulation²⁶ in relation to the law applicable to the aspects of an infringement of community designs which are not regulated in the CDR. According to the Court, the concept of “country in which the act of infringement was committed [...] refers to the country where the event giving rise to the damage occurred”²⁷. In a case where a person offers for sale allegedly infringing goods by placing an offer for sale on its website, such place is located “where the process of putting the offer for sale online by that operator on its website was activated”²⁸. As a consequence, while “*AMS Neve*” allows the courts of the place where the online offers for sale are directed to hear an action for EUTM infringement, such courts would need to apply a foreign law to the aspects of the complaint not directly regulated by the EUTMR²⁹ – i. e. the law of the State where the information was uploaded to the website³⁰. Such aspects include, for instance, the remedies and measures available to the trademark owner in case of infringement.

2. “*Hummels Holding*”: specialization extends to the concept of “establishment”.

14. The second judgment where the *lex specialis* character of the EUTMR grounds of jurisdiction is asserted is “*Hummels Holding*”. In this decision, besides the reinforcement of the arguments in favor of the specialization, the Court adopts a concept of “establishment” that departs from the one sustained in the framework of Brussels I Regulation and opens the door to *forum shopping* practices.

15. In relation to the *lex specialis* character, the judgement refers to the different objectives of the rules of jurisdiction in the EUTMR and of the rules in the Brussels I Regulation. While the formers are aimed at guaranteeing a proper administration of justice and, in certain cases, the protection of the weaker party of the relationship, the main objective of the latter is to reinforce the protection of the EUTM, to reduce the risk of incompatible judgments and to avoid the harm to the unitary character of the title³¹. In my opinion, these arguments can be criticized. Despite the fact that certain exceptions are provided, Art. 122 (1) clearly states that jurisdiction concerning EUTM is governed by the Brussels I Regulation. One of the main principles that inform such Regulation is the defendant’s due process right³². Therefore, when interpreting the rules of jurisdiction of the EUTMR, this principle should at least have the same weight that the objectives identified by the CJEU. Unfortunately, as “*Hummels Holding*” shows, this is not the case.

16. In relation with the second aspect, the factual situation in the origin of the judgment needs to be reminded: an action for infringement filed by Danish company Hummels against Nike US before the courts of Germany, a Member State where the latter has a second-tier subsidiary, Nike Deutschland

²⁵ P. de MIGUEL ASENSIO, *Conflict of Laws and the Internet*, Cheltenham-Northampton, Edward Elgar, 2020., par. 5.105.

²⁶ Regulation 864/2007 on the law applicable to extracontractual obligations.

²⁷ The judgement precises that “where the same defendant is accused of various acts of infringement in various Member States, the correct approach for identifying the event giving rise to the damage is not to refer to each alleged act of infringement, but to make an overall assessment of that defendant’s conduct in order to determine the place where the initial act of infringement at the origin of that conduct was committed or threatened by it”.

²⁸ Par. 108.

²⁹ It should be recalled that in several Member States, the content of a foreign law is not accredited by the court on its own motion, but it must be proved by the interested party.

³⁰ In those cases where the complaint also includes claims in relation to the infringement of national trademarks or acts of unfair competition, the application of that law should be combined with the law of the country where protection is claimed – art. 8 (1), and the law of the affected market – art. 6 (2) Rome II Regulation. In both cases, such laws will coincide with that of the courts of the *forum delicti commissi*.

³¹ CJEU of 18 May 2017, C-617/15, “*Hummel Holding*”, pars. 27 y 28.

³² CJEU Judgements of 13 July 2016, C-4/03, “*GAT*” (ECLI:EU:C:2006:457), par. 28; and C-539/03, “*Roche Nederland-en*” (ECLI:EU:C:2006:458), par. 37.

GmbH³³. The CJEU was asked whether this subsidiary could be considered an “establishment” of the defendant for the purpose of Art. 125 (1) so that the courts of Germany could declare jurisdiction in relation to the commercialization of the infringing products in several Member States. In this respect, it should be recalled that Art. 7 (5) Brussels I Regulation uses the concept of “establishment” as synonym to “branches or agencies”, i. e. entities without its own legal personality³⁴. On the contrary, while they may act under the instructions of a parent company, subsidiaries are considered autonomous legal entities that are liable for their own acts. In this regard, a reference should be made to a classic judgement in this field, “*Roche Nederlanden*”: in this case, the plaintiff was forced to sue each of the subsidiaries that committed the alleged infringement in their respective Member States of domicile. The plaintiffs were not allowed to file the complaint before the courts of The Netherlands, where the parent company had its seat³⁵.

With these precedents in mind, one might have felt inclined to bet that the CJUE would understand that Nike Deutschland GmbH could not be considered an “establishment” for the purpose of Art. 125 (1) and that the German court should decline jurisdiction in favor of the courts of the Member State where the plaintiff was domiciled, i. e. Denmark – Art. 125 (2). However, the Court adopted a completely different interpretation. According to its decision, whether the entity has legal personality or not is not relevant³⁶. “[A] legally distinct second-tier subsidiary, with its seat in a Member State, of a parent body that has no seat in the European Union is an ‘establishment’, within the meaning of that provision, of that parent body if the subsidiary is a center of operations which, in the Member State where it is located, has a certain real and stable presence from which commercial activity is pursued, and has the appearance of permanency to the outside world, such as an extension of the parent body”.

17. As previously mentioned, in my opinion there are at least two reasons to criticize the decision. On the one side, it affects the coherence of the system and increases the complexity to the cross-border enforcement of IP right. Litigants should be aware that the concept of “establishment” has a different meaning in disputes concerning IP rights where Art. 7 (5) Brussels I Regulation applies, than in disputes concerning EUTM, where Art. 125 (1) applies. It should be assumed that the meaning in the EUTMR would also apply to disputes concerning CD.

On the other side, the decision widely opens the door to *forum shopping*. To start with, the Court states that the defendant may have establishments in different Member States and that the courts of any of these States can declare jurisdiction on the basis of Art. 125 (1). But even more, the Court states that the establishment of the defendant is part of the general ground of jurisdiction in the EUTMR, i. e. defendant’s domicile, thus the decision favors an extensive interpretation of the concept. It also establishes that, contrary to the interpretation provided in the framework of the Brussels I Regulation, the participation of the establishment in the infringing acts that give raise to the dispute is not necessary³⁷. Finally, this interpretation may also be used to practice *forum shopping* on the application of Art. 125 (2) EUTMR that grants jurisdiction to the courts of the Member State of the plaintiff’s establishment. To sum up, the interpretation of “establishment” provided by the CJEU may offer an extremely high number of alternatives to litigants to practice *forum shopping*. This is incompatible with the need to guarantee the predictability of the grounds of jurisdiction and with the defendant’s due process right.

³³ It is a second-tier subsidiary because it belongs to Nike Retail, a Dutch company that, at the same time, is a subsidiary of Nike US.

³⁴ According to the CJEU case law, four conditions need to be met for the application of this ground of jurisdiction: a) the establishment is a place of business which has the appearance of permanency in the Member State where it is located; b) it is an entity capable of being interlocutor for third parties following the instructions of the parent company; c) the establishment acts on behalf of the parent company; d) the acts giving rise to the disputes must have been committed by the establishment. (CJEU Judgments of 22 November de 1978, 33/78, “*Somafer c. Saar-Ferngas*” (ECLI:EU:C:1978:205), of 18 March 1981, 139/80, “*Blanckaert & Willems c. Trost*” (ECLI:EU:C:1981:70), 6 April 1995, C- 439/93, “*Lloyd’s c. Campenon Bernard*” (ECLI:EU:C:1995:104)

³⁵ CJEU Judgment 13 July 2006, C-539/03, “*Roche Nederlanden c. Primus*”

³⁶ Par. 38

³⁷ Par. 40.

IV. Final remarks

18. The establishment of special rules on jurisdiction in the EUTMR and the CDR is justified on the particularities that surround unitary IP rights. However, contrary to the opinion of CJEU, I do not think these particularities justify the *lex specialis* character of these rules. Or, at least, the judgments covered in this short commentary do not adequately reflect the need to adopt an interpretation that departs from the one provided to the same concepts in Brussels I Regulation.

A direct consequence of this divergent interpretation is the complexity it introduces when litigating in Europe: a concept may have a different meaning depending on whether the litigation refers to national IP rights – the interpretation for the Brussels I Regulation applies, or to unitary IP rights – the interpretation for the EUTMR or CDR applies. This complexity increases when, as it is usually the case, a single dispute concerns unitary rights, national IP rights and acts of unfair competition.

An indirect consequence is the legal uncertainty that it creates to companies making business in the Internal Market regarding the places where they can be sued in case of IP infringement. In particular, the judgement in “*Hummels Holding*” favors the practice of *forum shopping* due to the extremely wide interpretation it provides of the concept of “establishment” for the purpose of the EUTMR.

But not everything should be criticized. The “*AMS Neve*” judgment introduces an interpretation of *forum delicti commissi* that guarantees an adequate balance between the effective enforcement of IPR and the defendant’s right to a due process. Hopefully the CJEU would expand this interpretation to disputes concerning national IP right and unfair competition as a first step to recover the coherence of the cross-border litigation system in Europe.