CHAPTER 3: JURISDICTIONAL ISSUES IN TRADEMARK VIOLATION: ASPECTS OF PRIVATE INTERNATIONAL LAW

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Trademarks being an important tool of revenue generation cross borders easily due to the global nature of trade and commerce. Especially in the era of internet this requires just a click of a button. Although the world in the age of cyberspace has become a global village, the trademark rights are still, for most of the countries national rights. The owner of any trademark right holds a national right instead of one super national common right. Therefore in case of disputes the litigator has to litigate multiple countries to enforce one’s rights. The financial and economic costs apart from other difficulties are enormous and the outcome in most of the situations varies from country to country due to incongruent national laws on trademark protection.

It is worthy to note that Intellectual Property Rights especially trademark rights are in the Private Law regime and a subject matter of conflict. Within the municipal law of a State the issue can be settled either in accordance with the particular trademark statute or with the help of municipal procedural laws. At the international arena with multiple players in the field there are no specific guidelines available except those available at WIPO and principles of Private International Law.

THE FRAME

The present chapter is set within the broad framework of Private International Law. Human transactions that have a foreign element become a part of Private International Law. The territorial issues form jurisprudential problems about jurisdiction of courts and the law that is to be applicable in the case. In areas of contract, trade and business in addition to jurisdictional issues other technical issues like starting of the business, place of breach and infringements are involved. This complex scenario forms the frame of this chapter.

THE FOCUS

This chapter focuses only on matters related to jurisdictional aspects of international disputes in trademark cases. There are many questions related to the exercise of court jurisdiction: jurisdiction over in personam; jurisdiction over the merits; the relationship between in personam and jurisdiction over the merits (subject-matter jurisdiction); the court’s authority to hear disputes in situations where the defendant is not resident in the forum state; coordination of parallel proceedings; and jurisdiction to order (cross-border) provisional and protective measures.
THE OBJECTIVE

Considering the existing conflicting situations the objective of this chapter is to explore the interface between Intellectual Property Rights and Private International Law in order to propose certain solutions for streamlining the adjudication of multi-territorial IP disputes by establishing rules on international jurisdiction, choice of law and the recognition and enforcement of foreign judgments in IP cases.


3.1 TRINITY OF TRADEMARK VIOLATIONS, JURISDICTIONAL ISSUES AND PRIVATE INTERNATIONAL LAW IN CROSS BORDER TRADEMARK DISPUTES:

3.1.1 CROSS BORDER TRADEMARK DISPUTES AND JURISDICTIONAL ISSUES:

In an age where trade and commerce are technology-driven trademark protection has become a challenging task. Though trademark has become an international feature the national dimension cannot be overlooked. Though it seems that the development of trademark laws appear to be more on the international front, the fact remains that the tools provided for the protection of trademark rights are national by nature. Multiplicity of disputes involving trademark infringement in multiple countries leads to newer and complex issues of jurisdiction. Most of the trademark disputes involve complex issues of
jurisdiction which further leads to the issues of choice of law and enforcement of judgments. International trademark disputes will arise where one producer seeks to expand into the territory of the other, or where the goods of one producer travel into the market of the other.\(^1\) As further explained by WIPO: For example, Mr. X is a registered proprietor of a mark applied to watches in India. The same mark is separately used (may be owned and registered) in China by Mr. Y. In the given situation both parties have legitimate rights and no issues will come to the surface till both producers operate in their individual markets. The conflicting situation will arise when they enter the international market by expanding the territory which in turn spills over into the other producer’s territory. Each country has a separate set of legal rules defining the scope of protection granted to a mark. In a given illustration, Mr. X is the registered proprietor of a mark in India which is used by the defendant in China. The use by defendant is not giving rise to any likelihood of confusion. However, such use would certainly dilute the distinctiveness of the mark of plaintiff. If the scope of protection is not enlarged in India to incorporate dilution as a form of infringement the plaintiff will not have recourse to remedy. Sometimes conflicting situations arise when one country grants the right to use a mark but the same mark is not protected in another country due to different criteria for assessing the validity of the same. It happens when the term which is distinctive in one country is not considered to be the same in another country for registration. Thus the varying scope of rights attached to the mark in one or two states may result due to factual differences existing in the different states.

### 3.1.2 INTERFACE BETWEEN JURISDICTIONAL ISSUES AND PRIVATE INTERNATIONAL LAW

Jurisdictional problems have their roots in Private International Law. Hence it is essential to understand the concept of this very important branch. Private International Law is increasingly evolving to be a very important branch of Law. It is not in the form of any code, statute or legislation. It is an anthology of rules that has evolved in our legal system.

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to deal with the cases involving foreign elements. Private international Law is also referred to as Conflicts of laws, which means a branch of Indian laws applied by Indian courts whenever a dispute before it involves a foreign element. The issues of private international law would arise in case if a Korean company uses a trademark of Indian company through internet. It may also come into play in case where work protected in one country under copyright is uploaded on internet which is now available to the entire world.

It has acquired great significance in the recent past due to enormous growth in trade and commerce. The rapidly evolving technology has transformed the world into a global village which in turn has contributed towards increasing complexities in the field of Private International Law. Rules of private international Law in India are not codified and are scattered in different enactments such as the Civil Procedure Code, the Contract Act, the Indian Succession Act, the Indian Divorce Act, and the Special Marriage Act etc.

At present there is no comprehensive treaty on intellectual property and the rules of private international law. There may be some scattered and episodic provisions in form of substantive rules of public international law. The issue of jurisdiction assumes complex proportions in case of multiple plaintiff and multiple defendants on the other side with dispute involving different places of operations. Therefore the court has to act cautiously and consciously to assume jurisdiction or to abandon the same.

The interface between Private International Law and trademark rights has recently come to surface. The large number of trademark disputes implicating the issues of private international law is limitless. Private International Law at times seem to be more complex compared to the simpler rules such as the principle of territoriality and the *lex loci protectionis*. It is imperative for the researcher to analyse trademark and Private International Law from the perspective of the peculiarities of the adjudication of multi-state Intellectual Property disputes. Due to the emergence of borderless technology it has become more difficult to regulate trademark disputes with disparate domestic laws. Despite the prospected increase in intellectual property (IP) disputes beyond national borders, there are no established global rules on international jurisdiction, applicable law, and recognition

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4 *lex loci protectionis* (Latin: "[the] law of the place where the protection is [claimed]"") is a choice of law rule applied to cases concerning the infringement of intellectual property (IP) rights, such as trademark.
and enforcement of foreign judgments. The increasing efficacy of media and technology makes the issues of jurisdiction more complex.

In absence of specific internationally harmonized regime in this area rules of Private International Law are followed. It becomes imperative to discuss the aspects of Private International Law as the issue of jurisdiction further leads to the issue of choice of law and enforcement of judgments.

### 3.2 INTERNATIONAL TRADEMARK INSTRUMENTS AND PRIVATE INTERNATIONAL LAW

Various international instruments have been in place since 18th century for the purpose of harmonization of law of trademarks. From Paris Convention to TRIPS issue of creation and existence of trademark are addressed. It is worthy to note that the international instruments on trademarks contain little on the aspects of private international law i.e., questions of jurisdiction, choice of law and enforcement of judgments. There are no substantive rules under any of the international instruments that provide for international mechanisms to deal with issues of jurisdiction in trademark violations.

#### 3.2.1 HAGUE CONVENTION ON CHOICE OF COURT

In order to prepare an international treaty to provide harmonized rules on international jurisdiction and recognition of foreign judgments, the first initiative was taken in 1992 known as ‘Hague Judgments Project”. This project was initiated under the auspices of Hague Conference on Private International Law5 and was organized by the United States. The "Judgments Project” refers to the work undertaken by the Hague Conference since 1992 on two key aspects of private international law in cross-border litigation in civil and commercial matters: the international jurisdiction of courts and the recognition and enforcement of their judgments abroad. Initially, the Judgments Project focused on developing a broad convention, which was subsequently scaled down to focus on international cases involving choice of court

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5The Hague Conference on private international law is an intergovernmental organisation, the purpose of which is "to work for the progressive unification of the rules of private international law. For further details see http://www.hcch.net/index_en.php?act=text.display&tid=4 accessed 12 January 2015
agreements. This led to the conclusion of the *Hague Convention of 30 June 2005 on Choice of Court Agreements* ("Choice of Court Convention"). The convention is aimed at ensuring the effectiveness of choice of court agreements (also known as "forum selection clauses") between parties to international commercial transactions. By doing so, the Convention provides greater certainty to businesses engaging in cross-border activities and therefore creates a legal environment more amenable to international trade and investment.\(^6\)

**SCOPE OF THE CONVENTION**

The Convention applies to the international cases of exclusive choice of court agreements “concluded in civil or commercial matters” (Art. 1). The Convention excludes consumer and employment contracts and certain specified subject matters (Art. 2). As per article 2, the cases of infringement of intellectual property rights other than copyright and related rights, except where infringement proceedings are brought for breach of a contract between the parties relating to such rights, or could have been brought for breach of that contract are excluded from the scope of this convention. Considering the scope of the convention which excludes the cases of infringement of intellectual property more particularly trademark infringement, detailed discussion is not found to be suitable considering the scope of the research.

**3.3 CONFLUING NATURE OF TERRITORIALITY**

The roots of the complex issues of trademark violations and private international law lies in the principle of territoriality. The concept of territoriality is inseparable from jurisdiction. It is often said that intellectual property rights are territorial by nature which is specifically true in case of trademarks. By the territoriality principle it is meant that the trademark rights are limited to the territory of the state that grants it. Such territorially limited rights are independent of each other and they are available at the same time for the same distinctive mark in more than one country. Some aspects of territoriality are rooted in social and commercial practices while other aspects are a function of political or policy making authority. The principle of territoriality as rooted in the municipal and international law create a complex situation in case of protection and infringement of trademark rights. The

\(^6\) Full test of the convention is available at <www.hcch.net> accessed 12 January 2015.
principle of territoriality is being questioned with the advent of digitalization and globalization of trade and commerce, where the scope of protection is not limited to a particular territory. The principle of territoriality has remained almost constant since Paris Convention. However, in recent past the developments that took place both at the national as well as international level have posed several challenges. Territorial nature of trademark has its roots in the understanding of sovereignty. One state must respect the other sovereign state and it has the ultimate power to deal with internal matters.

The territorial nature of the trademark provides that the nature of the right and its enforcement depends on the substantive laws of the state. Thus in cases of trademark rights the subject matter of protection differs from country to country. What is distinctive for India may not be the same for the other country. Not only the registration aspects but elements of infringement also differ. As provided by the substantive laws the litigation procedure and the available remedies are varied at the global level.

The law of trademark historically has permitted two firms to retain the same identities as long as they operate in the separate geographical regions. This flexibility is questioned in the virtual world. Such type of concurrent existence creates confusion not only in the virtual world but also in real world. The common conflict that is created here is regarding the idea of legal jurisdiction for operation of rights as well as protection in case of future infringement. Legal jurisdiction—the circumstances under which a juridical body can assert authority to adjudicate or apply its legal norms to a dispute. And, in each of these cases, the question is complicated by the fact that jurisdiction may be asserted in one physical location over activities or parties located in a different physical location. Thus, the issue of jurisdiction is deeply enmeshed with precisely the fixed conception of territorial boundaries that contemporary events are challenging. The problem, of course, is that local communities are now far more likely to be affected by activities and entities with no local presence. Cross border interaction obviously is not a new phenomenon, but in an electronically connected world the effects of any given action may immediately be felt elsewhere with no relationship to physical geography at all. Thus, although it is not surprising that local communities might feel the need to apply their norms to extraterritorial activities based simply on the local harms such activities cause, assertions of jurisdiction
on this basis will almost inevitably tend toward a system of universal jurisdiction because so many activities will have effects far beyond their immediate geographical boundaries. The principle of territoriality has been the source of many controversies often arising in disputes concerning cross-border enforcement of IP rights. In the field of private international law, the principle of territoriality denotes the territorial boundaries of state jurisdiction. Namely, territoriality of state jurisdiction has been understood that states have full competence to regulate legal matters domestically by adopting legal statutes and establishing institutions which function to assure the enforcement of these statutes. Over centuries many theories have been developed putting forward novel arguments in what circumstances state courts should exercise international jurisdiction over cases with a foreign element as well as trying to find justifications why laws of other countries should be applied slightly different understanding of the territoriality principle has evolved in the field of IP. The first examples of exclusive IP rights could be traced back to the middle ages when sovereigns and princes granted exclusive monopoly rights on an individual basis. However, as the time passed, such royal concessions became more institutionalized when special statutes establishing a system of grant of IP rights were adopted. In the mid-nineteenth century, most Western countries had their own domestic statutes dealing with IP rights.

Yet, differences among domestic legislation often resulted in situations where creators were not equally protected in other countries. This inadequacy was one of the reasons for the proliferation of bilateral agreements among states; the purpose of which was to assure mutual protection of creators in other contracting states. By the end of the nineteenth century these bilateral agreements gradually transformed into multilateral agreements for the protection of IP rights(namely, 1883 Paris Convention for the Protection of Industrial Property and 1886 Berne Convention for the Protection of Literary and Artistic Works).

In the struggle to find an answer to jurisdictional question in protecting trademarks cannot overlook the fact that trademark rights are tied with territoriality of a state.

3.4 KEY ISSUES IN A CROSS BORDER TRADEMARK DISPUTES

It has been observed that in recent years the cross border cases are growing in number and increasing in proportion to the total number of cases on trademark violations that has been filed. Such cross border issues inevitably involve aspects of private international law which
have gained little attention considering the continuous and significant efforts in the direction of harmonization of rules of trademark registration and protection.

Main issues that are discussed by the researcher in this chapter in detail are:

- Jurisdiction
- Choice of Law
- Recognition and Enforcement of judgments

### 3.4.1 JURISDICTION:

First issue that the court dealing with an international dispute has to decide is whether it has jurisdiction to hear the case or not. The court can deal with the matter only in case it has jurisdiction. Under international law, the concept of jurisdiction is generally divided into three categories: (1) jurisdiction to prescribe, i.e., to apply a community’s norms to a dispute; (2) jurisdiction to adjudicate, i.e., to subject persons or things to legal process; and (3) jurisdiction to enforce, i.e., to induce or compel compliance with a determination reached. Each state and its legal system is essentially responsible for determining the court with jurisdiction to decide on matters with an international element, even where these issues are also the subject of international treaties. The general jurisdiction of domestic court in such issues is the first thing to be identified. It is commonly accepted in almost all jurisdiction that courts would have international jurisdiction to adjudicate the case if the defendant is domiciled or resident of the forum state.

#### a. LEGAL FRAMEWORK ON RULES OF JURISDICTION IN INDIA

Rules on jurisdiction fall in the domain of procedural laws. In India jurisdictional rules are prescribed by the Code of Civil Procedure, 1908 (CPC). The general rule regarding jurisdiction is prescribed under section 9 of the CPC which says that the Courts have

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9. Section 9: Courts to try all civil suits unless barred.

The Courts shall (subject to the provisions herein contained) have jurisdiction to try all suits of a civil nature excepting suits of which their cognizance is either expressly or impliedly barred.

1. [Explanation I].- A suit in which the right to property or to an office is contested is a suit of a civil nature, notwithstanding that such right may depend entirely on the decision of questions as to religious rites or ceremonies.

2. [Explanation II].- For the purposes of this section, it is immaterial whether or not any fees are attached to the office referred to in Explanation I or whether or not such office is attached to a particular place.
jurisdiction to try all suits of a civil nature excepting suits of which their cognizance is either expressly or impliedly barred. This general rule is applied and place of suing is determined based on several important considerations like territorial and pecuniary limits, subject matter of the dispute, cause of action, place of business and residence on part of the defendant etc. Section 15 to 20 prescribes the rules on place of suing. According to section 15,\textsuperscript{10} which prescribes the general rule on the forum for the institution of suit, the plaintiff is required to file a suit in the court of the lowest grade competent to try it. This rule refers to the pecuniary jurisdiction of the court. With regard to territorial jurisdiction the rules are divided into four classes\textsuperscript{11}i.e., suits in respect of immovable property, suits in respect of movable property, suits for compensation of wrong (Tort) and other suits. Sections 16 to 18 are applicable to the jurisdiction in case of immovable property. It is worthy to note here that these sections are applicable to only those immovable properties that are situated in India.\textsuperscript{12} Section 19\textsuperscript{13} deals with jurisdiction in case of a suit for wrong to movable property. It gives an option to the plaintiff to file a suit either at a place where the wrong is committed or where the defendant resides, carries on business or personally works for gain. The provisions as laid down in section 19 are defendant-centric. It is important to mention that section 19 is limited to actions in torts committed in India and to defendants residing or carrying on business or personally working for gain in India.\textsuperscript{14}

With regard to the fourth category of suits that is specified to be ‘other suits’ cover the suits of infringement and passing off of trademark. Thus, Section 20 being relevant for the discussion here is reproduced in the following paragraph.

\textbf{Section: 20. Other suits to be instituted where defendants reside or cause of action arises.}

\textsuperscript{10}CPC 1908 s 15. Court in which suits to be instituted. Every suit shall be instituted in the Court of the lowest grade competent to try it.

\textsuperscript{11}For further details see C. K. Takwani, \textit{Civil Procedure}, (5th edn, Eastern Book Company, 2006).

\textsuperscript{12}CPC 1908 s 16 Explanation: In this section “property” means property situate in [India].

\textsuperscript{13}CPC 1908 s 19. Suits for compensation for wrongs to person or movables. Where a suit is for compensation for wrong done to the person or to movable property, if the wrong was done within the local limits of the jurisdiction of one Court and the defendant resides, or carries on business, or personally works for gain, within the local limits of the jurisdiction of another Court, the suit may be instituted at the option of the plaintiff in either of the said Courts.

\textsuperscript{14}Govindan Nair v. Schyutha Menon (1916) ILR 39 Mad 433.
Subject to the limitations aforesaid, every suit shall be instituted in Court within the local limits of whose jurisdiction-

(a) the defendant, or each of the defendants where there are more than one, at the time of the commencement of the suit, actually and voluntarily resides, or carries on business, or personally works for gain; or

(b) any of the defendants, where there are more than one, at the time of the commencement of the suit actually and voluntarily resides, or carries on business, or personally works for gain, provided that in such case either the leave of the Court is given, or the defendants who do not reside, or carry on business, or personally work for gain, as aforesaid, acquiesce in such institution; or

(c) The cause of action, wholly or in part, arises.

[Explanation].-A corporation shall be deemed to carry on business at its sole or principal office in [India] or, in respect of any cause of action arising at any place where it has also a subordinate office, at such place.

This section provides for a provision covering all personal actions. This section is considered to be a residuary section and enacts the rule as to the forum in all cases not falling within the limitations of section 15 to 19. The scope and principle of section 20 is well defined by the Learned Author Sir D.F. Mulla in his scholarly book on the Code of Civil Procedure.

“This is a general section embracing all personal actions. At common Law actions are either personal or real. Personal actions are also called transitory because they may occur anywhere, such as actions for tort to persons or to movable property or suits on contracts. Real actions are actions against the res or property and are called local because they must be brought in the forum res sitoe that is the place where the immovable property is situated. An action may also be a mixed action being partly real and partly personal. Torts to immovable property such as trespass and nuisance are mixed action and are referred to in s. 16 (e). Otherwise section 16 deals with real and local actions, while sections 19 and 20 deal with personal or transitory actions. Thus a suit for a declaration that certain documents are void as having been obtained fraudulently and for injunction restraining the defendant from using them is one of the personal reliefs
falling under this section and not for section 16(d) as it is not for determining any right to or interest in an immovable property though such property is the subject matter of the impugned documents. The principle underlying section 20(a) and 20(b) is, that the suit is to be instituted at the place where the defendant can defend the suit without undue trouble.”

The section provides four alternative jurisdictions for instituting a suit:

a. Where the defendant Actually and voluntarily resides; or

b. Where the defendant carries on business; or

c. Where the defendant personally works for gain; or

d. Where the cause of action wholly or partly arises.

This clearly shows that the expressions used in the section are intended to cover all possible eventualities in which a person, sued in a civil court is found. The jurisdictional alternatives are again defendant centric.

b. Specific jurisdiction under the Trademarks Act, 1999

Special provisions with regard to jurisdiction under section 134 are prescribed under the Trade Marks Act, 1999 for instituting suit in an appropriate court of jurisdiction in case of infringement.

134. Suit for infringement, etc., to be instituted before District Court.—

(1) No suit—

(a) For the infringement of a registered trade mark; or

(b) Relating to any right in a registered trade mark; or

(c) for passing off arising out of the use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiff’s trade mark, whether registered or unregistered, shall be instituted in any court inferior to a District Court having jurisdiction to try the suit.

(2) For the purpose of clauses (a) and (b) of sub-section (1), a “District Court having jurisdiction” shall, notwithstanding anything contained in the Code of Civil Procedure, 1908 (5 of 1908) or any other law for the time being in force,


include a District Court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or proceeding, or, where there are more than one such persons any of them, actually and voluntarily resides or carries on business or personally works for gain.

Explanation.—for the purposes of sub-section (2), “person” includes the registered proprietor and the registered user.

In case of intellectual property rights, where the property rights vest in the plaintiff, an advantage has been given to the plaintiff to file a suit under Section 62(2) of the Copyright Act and Section 134(2) of the Trade Marks Act wherever he resides or carries on business. As per this section the plaintiff has an option to file suit where he resides, carries on business or personally works for gain.

Therefore under section 134(2) of the new Act, notwithstanding anything contained in the Code of Civil Procedure or any other law for the time being in force, the plaintiff can move the District Court within whose jurisdiction he actually and voluntarily resides or carries on business. In other words, under sub-section (2) of section 134 of the new Act, the plaintiff has option- to go before the court within whose jurisdiction he is carrying on business - that being the sole cause of action or before any other court, where the cause of action has arisen. Such an option was not available under section 105 of the old Act i.e. the Trade and Merchandise Marks Act, 1958. Section 134 of the Trade Marks Act which is similar in its sweep to Section 62 of the Copyright Act gives the plaintiff the advantage of filing the suit at a place convenient to him instead of taking the dispute to the doorstep of the defendant. Section 134 which is available to the plaintiff for filing a suit wherein he actually or voluntarily resides or carries on business or personally works for gain is a forum in addition to Section 20 of the CPC. The Court further in this regard held that, “The Trade and Merchandise Marks Act, 1958 did not contain a provision akin to Section 134(2) of the Trade Marks Act, 1999 enabling the plaintiff to enjoy the convenience of filing a suit at the place where he resides or carries on business etc. The extant provisions are indeed

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17M/s ST. Ives Laboratories Inc. v. M/s Arif Perfumers and Anr. 2009 (40) PTC 104 (Del).
salutary in purpose and effect, since otherwise the legal remedy available for a breach of copyright or an infringement of trademark often remains illusory.”¹⁹

In Section 134(2) of the Trade Marks Act, 1999, a deliberate departure is made from Section 20 of the C.P.C to enable the plaintiff to sue one who infringed his right in the court within whose local limit he carried on business at the time of the institution of the suit or other proceedings.²⁰ Section 134 of the Trade Marks Act, 1999, that it contemplates three types of suits viz., (a) suit for infringement of a registered trademark (b) suit relating to any right in a registered trademark and (c) suit for passing off.²¹ In view of the provision under this section, only a court not inferior to District Court shall have jurisdiction to try such types of suits. Sub-section (2) of Section 134, defines the expression 'District Court having jurisdiction' found in sub-section (1), to include a District Court within whose jurisdiction the plaintiff resides or carries on business at the time of institution of the suit, if the suit is in respect of a registered trademark²². Therefore, a special privilege is conferred upon the Proprietor of a registered trademark to institute a suit for infringement or a suit relating to any right in a registered trademark, in the District Court within whose jurisdiction, he resides or carries on business. Section 134 of the Trade Marks Act has carved out an exception to the general rule and it allows filing of a suit for infringement of trade mark at the District Court within whose local limits the person instituting the suit actually or voluntarily resides or carries on business.

Provisions with regards to jurisdiction under section 20 of the CPC and section 134 of the Trade Marks Act, 1999 have been considered by the apex court as well as various High Courts in different cases. It has been held that the Trade Mark Act, 1999 is a special Act. It provides a special forum under section 134 to initiate action in case of infringement of trade mark in addition to the provision on place of suing as prescribed under section 20 of the CPC. The provisions of Section 134 of the Trade Marks Act, 1999 do not whittle down the provisions of Section 20 of the CPC but only provide an additional forum and place for filing a suit in the case of any trade mark violation.²³ The CPC, however, constitutes a

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¹⁹ ibid.
²⁰ Wipro Limited v. Oushadha Chandrika Ayurvedic, AIR 2008 Mad 165.
²¹ Arvind Laboratories v. Hehnemann Laboratory Pvt. Ltd. 2007 (35) PTC 244 (Mad).
²² ibid.
grundnorm, the ethos and essence of which percolates through all other statutes.\^{24} It is essential to note that The Trade and Merchandise Marks Act, 1958 did not contain any provision on special forum for instituting suit in case of infringement of trade mark. This provision which has been newly incorporated in the Trade Marks Act, 1999 is a special provision as it enables the plaintiff to enjoy the convenience of filing a suit at the place where he resides or carries on business.

3.4.2 CHOICE OF LAW: BY WHAT SYSTEM OF LAW SHOULD THE SPECIFIC ISSUE BE DECIDED?

Having resolved the question of jurisdiction the next issue to be addressed in all transnational disputes is the question of ‘Choice of Law’. Various indicators like domicile, nationality, place of incidence and site of the property are available to resolve this. However, the ultimate decision is dependent on whether the quest is for a rule to govern the distribution of a person’s movable estate, his capacity to marry, transfer of property, validity and infringement of intellectual property rights etc.

In case of Intellectual Property disputes particularly in trade mark disputes involving contacts with several countries, more than one state may have possible claim to apply its law. In some of the cases in order to determine the unauthorized use of a mark international commerce, the court might consider applying the trade mark law of state other than its own.

The dilemma in modern trademark law has become intense due to effect of ubiquity of the internet as well.

The multi-state trademark disputes presents various connecting factors for choice of law like (a) the law of the country where infringement is claimed, (b) the law of the country where the infringement occurred, (c) the law of the country where the mark is registered (d) the Law of the country of the plaintiff’s residence. An attempt is required to be made to identify the choice of law applicable in such cases.

In matters of choice of law much depends on the nature and intensity of the link between the law under the consideration and the case at hand. The concept of territoriality is at the heart when it comes to intellectual property and issues of private international law. It plays a pivotal role in all three pillars of private international law i.e. jurisdiction, choice of law

\^{24}Archie Comic Publications Inc v. Purple Creations Pvt. Ltd., 2010 (44) PTC 520 (Del).
and enforcement of judgments. In case of the choice of law, the law applicable is the law of the state where the court having jurisdiction is situated. In case of choice of law the following options are generally available:

*Lex fori* (law of the place of forum)

*Lex loci delicti* (law of the place of tort)

*Lex loci protectionis* (law of protecting country)

*Lex originis* (place of origin of the work)

In the modern trademark law regime, the dilemma on choice of law has become more intricate due to certain inevitable issues. Such issues have arisen due to globalization of trade and commerce and the ubiquity of the internet. In case of trademark violations in virtual world, several countries have adopted expansive interpretations of the domestic legislative principles. Some courts have reasoned that the accessibility in their country of a foreign web site that contains trademarks involves use of those marks in their country.\(^{25}\)

The most novel problem with regard to trademark protection is not in the disparities of laws on its protection post infringement but it is on the factual question of different persons satisfying the same test in different countries. The conflict here is between two persons with undisputed legitimate ownership of different national properties. In such cases the conventional wisdom of applying the principle of *lex loci protectionis* is also not of much assistance. It does not even address the issues that take place in the virtual world.

Creation, protection and subsequent enjoyment of the trademark creates problems with regard to choice of law. The relation between trademark and choice of law is first to be understood at the strategic and conceptual level rather than to suggest the appropriate choice of law rules. The issue on the selection of the choice of law process is dependent on the distinctive nature of the trademark as intellectual property. Trademark being a form of intellectual property is essentially a private right protected for public as well as personal interest. It is unquestionable that the intellectual property protection has a public character. The right granted to the trademark proprietor is essentially territorial by nature. Protection of trademark under national law is essentially based on the harmonized norms provided

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under international instruments. Thus, the law that governs the issues of trademark inevitably depend on these considerations.

3.4.3 ENFORCEMENT OF JUDGMENT: BY WHAT TESTS WILL THE COURTS DECIDE WHETHER THE JUDGMENT OF A FOREIGN COURT SHOULD BE RECOGNIZED OR ENFORCED?

Recognition and enforcement of foreign judgment is an essential part of the Private International Law. In the current context of increasing globalization of economic relationships and exploitation of IP rights, fostering international enforceability of judgments is necessary to ensure effective and adequate protection of IP rights. In case of transnational disputes when a decision rendered by one court is to be recognized and enforced in another state, it leaves the domestic court with the question on recognition and enforcement of foreign judgment. This situation is not new to the rules of private international law. Therefore countries have established norms and legislative rules on it.

a. LEGAL FRAMEWORK ON RULES OF RECOGNITION AND ENFORCEMENT OF JUDGMENTS IN INDIA:

Rules on recognition and enforcement of foreign judgments are embodied in the Code of Civil Procedure in Ss. 13, 14 and 44. These provisions provide for a principle of Private International Law that a judgment delivered by a foreign court of competent jurisdiction can be enforced by the Indian court. Foreign court is defined as a court situated outside India and not established or constituted by the authority of the Central Government. The term foreign judgment is also defined under the code which says that a foreign judgment means a judgment of a foreign court.

The rules of private international law of each State must therefore in the very nature of things differ, but by the comity of nations certain rules are recognised as common to civilised jurisdictions. Through part of the judicial system of each State these common rules have been adopted to adjudicate upon disputes involving a foreign element and to

27CPC 1908 s. 2(5).
28ibid s. 2(6).
effectuate judgments of foreign courts in certain matters, or as a result of international conventions.29

Under Section 13 of the Code of Civil Procedure, a foreign judgment is not conclusive as to any matter thereby “directly adjudicated upon” “between the parties” if:

(a) It has not been pronounced by a Court of competent jurisdiction; or
(b) It has not been given on the merits of the case; or
(c) It is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; or
(d) The proceedings are opposed to natural justice, or
(e) It is obtained by fraud, or
(f) It sustains a claim founded on a breach of any law in force in India.

It is thus clear that in order to make a foreign judgment conclusive in India; it must be shown that it complies with all the above mentioned six conditions. If there is no compliance of any one of these conditions, the foreign judgment will not be conclusive and consequently not legally effective and binding. A decree of a foreign Court is normally recognised by a Court in another jurisdiction as a matter of comity and public policy. But no country is bound to recognise and give effect to a decree of a foreign Court if it is repugnant to its own laws and public policy. So far as India is concerned, a judgment of a foreign Court creates estoppel or res judicata between the same parties provided such judgment is not subject to attack under any of the Clauses (a) to (f) of section 13 of the Code.30

Section 14 of the Code of Civil Procedure 1908, provides for presumption as to foreign judgments. It declares that the Court shall presume upon the production of any document purporting to be a certified copy of a foreign judgment that such judgment was pronounced by a Court of competent jurisdiction, unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction. It is a well-established that one of the principle on which the foreign courts are recognized to be internationally competent is voluntary submission of the party to the jurisdiction of such foreign court.31

A foreign judgment which is conclusive under section 13 of the Code of Civil Procedure, 1908 can be enforced in India in the following ways:

i. By instituting a suit on such judgment; or

ii. By instituting execution proceedings.

“Under S. 44A of the Code of Civil Procedure, 1908, a decree of any of the Superior Courts of any reciprocating territory are executable as a decree passed by the domestic Court. In case the decree does not pertain to a reciprocating territory or a superior Court of a reciprocating territory, as notified by the Central Government in the Official Gazette, the decree is not directly executable in India and a fresh suit will have to be filed in India on the basis of such a decree or judgment, which may be construed as a cause of action for the said suit. In the fresh suit, the said decree will be treated as another piece of evidence against the defendant. This section is an independent provision. However in both cases the decree has to pass the test of S. 13 CPC which specifies certain exceptions under which the foreign judgment becomes inconclusive and is therefore not executable or enforceable in India. The Supreme Court held that a foreign judgment which does not arise from the order of a superior court of a reciprocating territory cannot be executed in India. It ruled that a fresh suit will have to be filed in India on the basis of the foreign judgment.”

The rules for the recognition and enforcement of foreign judgment as discussed above are not merely procedural by nature. It lays down substantive provisions whereby the conclusiveness of the foreign judgment will be judged as a pre-condition to its enforcement.

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32 CPC s. 44A: Execution of decrees passed by Courts in reciprocating territory.
(1) Where a certified copy of decree of any of the superior Courts of any reciprocating territory has been filed in a District Court, the decree may be executed in [India] as if it had been passed by the District Court.
(2) Together with the certified copy of the decree shall be filed a certificate from such superior Court stating the extent, if any, to which the decree has been satisfied or adjusted and such certificate shall, for the purposes of proceedings under this section, be conclusive proof of the extent of such satisfaction or adjustment.
(3) The provisions of section 47 shall as from the filing of the certified copy of the decree apply to the proceedings of a District Court executing a decree under this section, and the District Court shall refuse execution of any such decree, if it is shown to the satisfaction of the Court that the decree falls within any of the exceptions specified in clauses (a) to (f) of section 13.

3.5 PRIVATE ORDERING REGIME ON SETTLEMENT OF CROSS BORDER IP DISPUTES

Several international non-legislative initiatives have been taken to regulate settlement of cross border IP disputes. For the purpose of this chapter, ALI (American Law Institute) Principles Governing the Jurisdiction, Choice of Law and Judgment in Transnational Disputes, as adopted on 14th May 2007; The Principles for Conflict of Laws in Intellectual Property, prepared by the European Max-Planck Group, published on 31st August, 2011, popularly known as CLIP Principles; The Transparency of Japanese Law Project, known as Transparency Proposal on Jurisdiction, Choice of Law, Recognition and Enforcement of Foreign Judgment in Intellectual Property finalized in 2009; and Principles of Private International Law on Intellectual Property Rights Joint Proposal drafted by Members of the Private International Law Association of Korea and Japan known as Waseda Project, published on 14th October, 2010 are discussed elaborately.

3.5.1 AMERICAN LAW INSTITUTE: REPORT ON INTELLECTUAL PROPERTY: PRINCIPLES GOVERNING JURISDICTION, CHOICE OF LAW, AND JUDGMENTS IN TRANSNATIONAL DISPUTES

American Law Institute (ALI) Principles is a non-legislative initiative taken by the American Law Institute in 2002 by establishing the group of reporters and advisors to work on the project, IP: Principles governing Jurisdiction, Choice of Law and Judgments in Transnational Disputes. In 2008, the principles were published following successive discussions and deliberations. ALI Principles cover Judicial Competence, Legislative Competence and Recognition and Enforcement of Judgments. The principles are drafted in such an elaborate manner that they are as good as a complete code.

Part one of the ALI Principles is divided into three chapters dealing with personal jurisdiction, subject matter jurisdiction and jurisdiction over simplification: coordinating with multi-territorial actions. The first part dealing with personal jurisdiction provides that the defendant’s habitual place of residence is accepted to be the general forum for

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35 ALI Principles: s. 201.
jurisdiction under the ALI principles. In case of natural and judicial person it is provided that a person may be sued in any court that the parties have agreed will have jurisdiction with respect to the dispute in question, and, unless the parties’ agreement clearly provides otherwise.\textsuperscript{36} A choice of-court agreement is held to be valid as to form and substance if it is valid under the law of the designated forum State.\textsuperscript{37} In case of selection of forum through agreement the ALI Principled followed Hague convention on Choice of Court Agreements, 2005. In case of a choice-of-court clause in a mass-market agreement its validity depends on the choice-of-law clause which was reasonable and readily accessible to the no drafting party at the time the when agreement was concluded, and is available for subsequent reference by the court and the parties.\textsuperscript{38}

Section 204 reaffirms the traditional criteria for jurisdiction over claims for the tort of infringement which is the place from which the harmful conduct originated or the place of impact of the injury. It adapts this traditional criterion to the digital environment as well. It applies to violations of any intellectual property right covered by these Principles, including moral rights and claims of secondary liability.

Section 204(1) addresses the case in which the forum is a staging area for the non-resident defendant’s activities. Through this provision the courts are allowed to hear all claims arising out of these activities, without geographic limitation. Thus, a non-resident defendant who operates a website in a forum on which it has placed infringing material, or who maintains broadcast facilities from which it makes infringing transmissions, is amenable to suit in that forum for damages arising out of the worldwide communication of the infringement. Section 204(2) deals with non-resident defendants whose connection to the forum is somewhat more attenuated. It covers the situation in which the non-resident defendant may not have regular contacts with the Forum State, but has intentionally directed an infringement into the Forum State from outside and causes harm. In such cases, the scope of jurisdiction is limited; it reaches only injuries sustained in the Forum State. Section 204(3) confronts potential forum-shopping by defendants who situate themselves

\textsuperscript{36} ibid s. 202.
\textsuperscript{37} ibid s. 202(2).
\textsuperscript{38} ibid s. 202(3).
and their businesses in States whose procedural and substantive guarantees are inconsistent with international norms. The Principles use membership in a WTO State as a proxy for procedural and substantive fairness. Thus, if the defendant is not subject to the authority of a court in a WTO Member based on its residence or consent or its substantial activities in furtherance of the alleged infringement, the provision permits a plaintiff to sue in a State to which the defendant as directed infringing activities, and with which it has regular contacts. In such cases, the scope of jurisdiction extends to all infringement claims immaterial to their impact, which arise out of the conduct out of State that led to the alleged in-State infringement.

In order to resolve the global disputes, the Principles urge courts to extend their authority beyond their traditional limits to create an efficient means. The jurisdictional insufficiencies listed in § 207 apply only to transnational disputes as defined by §§ 101-102: disputes raising claims or defences under the intellectual property rights of a State other than the forum, or disputes that arise out of activities occurring, at least in part, outside the forum. In other cases, courts will presumably apply domestic law. Thus, the main significance of this provision is in connection with enforcement under Part IV. Nonetheless, a court may use it to guide jurisdiction decisions in domestic cases of equivalent complexity.

Chapter two of Part IV deals with subject matter jurisdiction and provides that a court is competent to adjudicate claims and defences arising under foreign law pertaining to intellectual property rights including trademark infringement. It is further provided that a court may determine all claims and defences among the parties arising out of the transaction, occurrence, or series of transactions or an occurrence on which the original claim is based, regardless of the territorial source of the rights at issue or of the party that asserts them. However, with respect to each asserted claim, the court must have subject-matter jurisdiction under its local law and personal jurisdiction under §§ 201-207. ALI principles establishes a general rule that an action for a declaratory judgment may be brought on the same terms as an action seeking substantial relief. However an action to obtain a declaration of the invalidity of a registered right may be brought in the State of

39 ibid s. 213(1).
registration.\textsuperscript{40} The sovereignty of the granting State is upheld through this provision and at the same time restrictions are imposed against the potential abuse through negative declarations as well.\textsuperscript{41} The court in any State in which intellectual property is registered or in which tangible property is located have jurisdiction to order any provisional or protective measure with respect to that property.\textsuperscript{42} ALI principle has accepted coordination of litigation as a means to meet with the challenges of multistate intellectual property litigation. Coordination can take two forms: the first is consolidation of several actions; the second is cooperation between courts in different States.\textsuperscript{43} Detailed rules are laid down in section 221 to 223 with regard to coordination authority of the court first seized and possible ways of coordinating related actions pending before various courts. Several stages involved in coordinating such related disputes are identified by the ALI Principles. Firstly it is required to identify the court first seize.\textsuperscript{44} Second important stage is to establish that the actions are sufficiently connected i.e., arising out of the same transaction, occurrence or series of transactions or occurrences. Once it is determined that related actions can be coordinated the court can either choose to coordinate or to consolidate or a combination of both. The Principles further provides for the factors to be taken into consideration while deciding on making choice on part of the court with regard to a form of coordinating related claims.\textsuperscript{45}

\begin{itemize}
  \item \textsuperscript{40}ibid s. 213(2).
  \item \textsuperscript{41}ibid s. 213(3).
  \item \textsuperscript{42}ibid s. 214(2).
  \item \textsuperscript{44}ALI Principles s. 221(4) A court is “seized”:
    \begin{enumerate}
      \item when the document instituting the action, or an equivalent document, is filed with the court, provided that the plaintiff subsequently takes the required steps to provide notice to the defendant; or
      \item if the document has to be served before being filed with the court, when it is served or received by the authority responsible for service, whichever is earlier, provided that the plaintiff subsequently files the document with the court.
    \end{enumerate}
  \item \textsuperscript{45}ibid s: 222 (1) If the court designated by § 221 decides that related actions will be coordinated, it then determines whether coordination should proceed through cooperation, consolidation, or a combination of the two. Considerations bearing on this matter include:
    \begin{enumerate}
      \item the convenience and efficiency of centralized adjudication versus the convenience and efficiency of cooperation;
      \item the cost of pursuing related actions in multiple courts;
      \item the need for specific expertise in light of the complexity, familiarity, and novelty of the legal issues;
      \item the time required to resolve all the claims;
      \item the relative resources of the parties;
      \item whether there is a court with adjudicatory authority over all the parties under §§ 201-207;
      \item whether adjudication by multiple courts could result in inconsistent judgments; and
    \end{enumerate}
\end{itemize}
In case the court designated under s: 221 decides to assert coordinating authority, courts in which related actions are pending should suspend proceedings awaiting a determination by the designated court that the suit falls within the purview of the ALI Principles and also a decision on part of the designated court in which way the dispute shall be resolved, whether there should be coordination or by consolidation.

According to the ALI Principles the infringement for intellectual property rights and the remedies should be governed by the *lex protectionis*. First, the Principles allow the parties to choose the law that will apply to certain aspects of their relationship. Second, the Principles designate a single law to determine initial ownership of certain rights, such as copyright, which do not arise out of registration. Third, the Principles envision the possibility that in cases where infringement is ubiquitous, circumstances may most closely connect a case to a particular State, or to a small set of specific States, despite its apparently multinational character. In addition, in order to achieve efficient adjudication, the parties may choose to forego some claims within the scope of the alleged harm. Finally, the Principles incorporate the universally recognized public-policy (or “order public”) exception permitting courts to refuse to apply foreign laws that conflict with fundamental norms. The Principles on choice of law are addressed to the courts whose jurisdiction is invoked to resolve the merits of a transnational intellectual property dispute within the meaning of § 102. The court where enforcement is sought should, however, verify that the law chosen was not inconsistent with these rules. The reference to a foreign law in Part III includes only substantive law and not the designated State’s administrative or procedural law or its choice-of-law rules.

Chapter one of part VI of the ALI Principles sets out the criteria for recognizing and enforcing foreign judgments in transnational cases. It deals with the situation in which a judgment has been rendered under these Principles by a court of one jurisdiction and the winning party then seeks enforcement in the court of another jurisdiction, or one of the parties then seeks to rely on the judgment for claim- or issue-preclusion purposes in another jurisdiction. It leaves to domestic law general questions regarding enforcement, such as

(h) whether the judgment resulting from consolidated proceedings will be enforceable in other States.
jurisdictional requirements for entertaining enforcement actions. It also leaves to domestic law the question of enforcing domestic judgments. Chapter Two expands the enforcement court’s options by giving it some flexibility regarding the scope of its remedial obligation. This flexibility is consistent with international norms.

CONCLUSION ON ALL PRINCIPLES

The ALI principles cover all types of intellectual properties including the less travelled areas like trade secrets and unfair competitions. It is the first set of principles to consider the significance of the internet and the need to sustain the growth of the whole economy by offering avenues to facilitate the administration of worldwide intellectual property portfolio. ALI principles are more interesting and unique compared to its counter parts as developed in the other parts of the world, as it allows broader jurisdiction, suggests mechanism for consolidation of claims in a single forum for the purpose of promoting efficiency and whittles out better ways for recognition and enforcement of foreign judgments. Furthermore it was approved after a wide range of reviews by judges, practicing lawyers and academicians within the American Law Institute and a thorough examination by advisors from the five continents. From the methodological point of view it combines both European as well as American approach to conflicts. From European perspective it addresses the conflict by giving solutions as to the applicable law by general rules defining whole categories of cases and assuring predictability and the practical American approach to jurisdiction is also considered.

3.5.2 THE CLIP PRINCIPLES: AN OVERVIEW

Parallel to the American Law Institute’s project, in 2004 a group of scholars in the fields of Intellectual Property and Private International Law known as the European Max-Planck Group on Conflict of Law in Intellectual Property (CLIP)\(^{46}\) was established. Since then the group met regularly to discuss the issues of Intellectual Property and Private International Law and jurisdiction. The final draft prepared by the group is a significant contribution in the form of a policy paper on the complex issues of jurisdiction, choice of Law and enforcement of judgments. The CLIP principles have been prepared to serve either as an interpretative tool and supplement to international and domestic rules or as a set of model

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provisions for the countries to adopt. It was also envisaged that these principles can be used by the private parties while shaping their dispute resolution agreements.

The CLIP principles are naturally rooted in the European legal thinking. Hence the proposal is based on European legislation i.e., Brussels I Regulation on jurisdiction and enforcement,\textsuperscript{47} and the Rome I\textsuperscript{48} and Rome II\textsuperscript{49} Regulations regarding applicable law. Coinciding with the other parallel projects, CLIP group has also provided for a set of provisions specifically addressing issues with potentially ubiquitous character resulting from internet communication. The aims underlying these principles are clearly stated in its preamble. The CLIP principles aims at reducing distortions and impediments to international trade involving intellectual property rights and facilitating the flow of information and cultural exchange across borders taking into account the development of digital communication technologies. It further aims at fostering judicial co-operation with regard to international disputes concerned with intellectual property rights, based on international comity and mutual trust and improving the legal situation of plaintiffs and defendants to enforce, and to defend themselves against, claims concerned with intellectual property rights on an international scale. It acknowledges the need to provide legal certainty and predictability as to the jurisdiction of courts and the applicable law as well as to facilitate the recognition and enforcement of the judgments concerned with intellectual property. With this it recognizes the need to consider and balance all interests involved, including the interests of owners of intellectual property rights, their contracting partners, and other users of intellectual property, and the broader public interest, in particular in access to, and use of, information as well as other public interests. The principles have recognized the Intellectual Property Rights being limited in their exercise and enforcement to specific territories. It is further provided in the preamble that each sovereign State is free, subject to international obligations, to regulate whether and under which conditions intangible goods shall enjoy legal protection. The freedom of private parties to choose the

competent court and the applicable law to the largest extent possible is also duly recognized in the preamble itself.

As already mentioned the CLIP principles are rooted in European legislation and therefore the part on jurisdiction deals with the distinction between general, special and exclusive jurisdiction. As provided in Brussels regime and the ALI Principles, the CLIP principles also offer multiple bases of jurisdiction. The bases are the habitual residence\textsuperscript{50}, the Court chosen by the party\textsuperscript{51}, the court where the defendant enters an appearance\textsuperscript{52}, the place of performance of the contract\textsuperscript{53}, the place where infringement occurred or may occur, which includes both place of conduct and place of effect\textsuperscript{54} and the place where the co-defendant resides.\textsuperscript{55} (Article 2:206)

The CLIP principle under Article 2:203(2)\textsuperscript{56} provided for a specific provision on extent of jurisdiction in case of acts committed through internet. A court of a country where an infringement occurred has jurisdiction based on the place of infringement over a defendant who acted on the internet, even if that court is not the court of defendant’s habitual residence, the court of a place of infringement can exercise jurisdiction with respect to infringement everywhere as long as the infringement has no substantial effect in the country of the defendant’s habitual residence. Another special provision deals with the injunctions on the internet extending them to all countries where the signals can be received, unless the activity at issue is strictly limited to countries whose laws were not applied by the court imposing the injunction.

CLIP principles provide autonomy to the party with regard to prorogation of jurisdiction.\textsuperscript{57}

\textsuperscript{50} The CLIP Principle art 2:101.
\textsuperscript{51} ibid art 2:301.
\textsuperscript{52} ibid art 2:302.
\textsuperscript{53} ibid art 2:201.
\textsuperscript{54} ibid art 2:202.
\textsuperscript{55} ibid art 2:206.
\textsuperscript{56} ibid art 2:203: Extent of jurisdiction over infringement claims.
\textsuperscript{(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.
\textsuperscript{57} ibid art 2:301 and article 2:302
APPLICABLE LAW

The principles of *lex fori*\(^{58}\) are applied in case of procedural matters.\(^{59}\) The law applicable to existence, registration, validity, scope and duration of an intellectual property and all other matters concerning the right as such is the law of the State for which protection is sought\(^{60}\) i.e., principles of *lex protectionis*\(^{61}\) are applicable. Parties are also given freedom to choose the applicable law to the disputes.\(^{62}\) The issues of initial ownership particularly of copyrighted work and entitlement of intellectual property rights arising out of registration\(^{63}\) and transferability\(^{64}\) of the rights are governed by the Law of the State for which protection is sought. Transfer, license agreements and other contracts relating to intellectual property rights shall be governed by the law chosen by the parties.\(^{65}\) In absence of such choice the law of the State with which the contract is most closely connected will be applicable.\(^{66}\)

The law applicable to the infringement is the law of each State for which the protection is sought. The *de minimis*\(^{67}\) rule as suggested primarily allows courts to find an infringement only in the country where there is a substantial conduct or substantial effects, unless the court exceptionally decides to derogate from this rule when “reasonable” under the circumstances of the case. The rule is formulated as a substantive law rule rather than an applicable law rule.

In case of ubiquitous infringement\(^{68}\) when it takes place in every State in which the signals can be received, the law of the State having the closest connection with the infringement will be applicable. Factors like the infringer’s habitual residence, principal place of business, the place where substantial activities in furtherance of the infringement in its entirety have been carried out, the place where the harm caused by the infringement is substantial in relation to the infringement in its entirety are to be considered in determining

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58 The law of the place of forum.
60 ibid 3:302.
61 The law of protecting country.
62 ibid art 3:103.
63 ibid art 3:201.
64 ibid art 3:301.
65 ibid art 3:501.
67 ibid art 3:602.
68 ibid art 3:603.
which State has the closest connection with the infringement.\textsuperscript{69} In case any party may prove that the rules applying in a State or States covered by the dispute differ from the Law applicable to the dispute in aspects which are essential for the decision, the court shall apply the different national laws unless this leads to inconsistent results.\textsuperscript{70} Further the CLIP principles provides for freedom of choice for remedies. Part four of the principles deals with the recognition and enforcement. In this part the term judgment is defined broadly. It covers judgment given by a court or tribunal of any State, provisional measures and determination of costs or expenses by an officer of the court. In order to be recognized a judgment must have in the State of origin the effect whose recognition is sought in the requested State. In order to be enforceable the judgment must be enforceable in the State of origin. Lack of jurisdiction of the rendering court is one of the major grounds on which the recognition and enforcement can be denied. Apart from the lack of jurisdiction of the rendering court, recognitions and enforcement of foreign judgment can be denied in case where such enforcement and recognition is manifestly incompatible with the public policy of the requested state, serious procedural deficiencies like right to be heard and irreconcilability with a previous judgment between the parties in the same state or another state if the later judgment fulfils the requirements for recognition and enforcement in the requested state.

\textbf{3.5.3 WASEDA\textsuperscript{71} PROJECT}

In most of the East Asian countries the statutory legal system allows less room for discretion. Considering this very nature of the statutory legal framework, this project is aimed at creating a model law with minimum statutory influence in these countries. These principles are greatly influenced by the already developed ALI and CLIP principles. Members of the Private Law Association of Japan and Korea have developed this proposal on private international law on intellectual property rights. These principles apply to jurisdiction, choice of law and foreign judgment of transnational cases of intellectual property rights.\textsuperscript{72}

\textsuperscript{69} ibid art 3:603(2).
\textsuperscript{70} ibid art 3:603(3).
\textsuperscript{72} The Waseda GCOE Project art 101.
The general rule on jurisdiction provides for the defendant’s habitual residence. Further a person who has a business office or other office may be sued in the State in which the person has such business office or other office only with respect to the business conducted at such business office or other office. In case of jurisdiction over infringement of intellectual property rights, a person may be sued in any state in which infringement activity takes place. Where injuries occur in multiple States, all the claims respecting all the injuries arising out of those activities to initiate the alleged infringement may be filed in the State in which the major part of those activities occur, which means the State in which the essential and substantive part takes place. Where an alleged infringement is directed towards a particular State, the court of that State may have international jurisdiction. It is important to note here that such provisions of centralized jurisdiction are found in the CLIP principles as well. However they are applicable only to the infringement carried out through ubiquitous media. The parties under this proposal enjoy freedom to agree that a court or courts of a State are to have international judicial jurisdiction to settle any disputes which have arisen or may arise in connection with a particular legal relationship involving intellectual property right. Conditions for the choice of law agreement to be valid are also provided. The court selected will have exclusive jurisdiction unless there is an express provision otherwise. It is further explicitly provided that the disputes concerning acquisition, registration, validity, renunciation or revocation or registered intellectual property right are not the subject matter of the agreement on jurisdiction because such disputes are exclusively governed by the State of registration under Art. 209. In case of multiple claims on part of the plaintiff against the same defendant, the court that has the international judicial jurisdiction over one of those

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73 ibid art 201.
74 ibid art 202.
75 ibid art 203(1).
76 ibid art 203(2).
77 The CLIP Principles art 2:203(2).
78 The Waseda GCOE Project art 205(1).
79 ibid art 205(3).
80 ibid art 209: Exclusive international judicial jurisdiction over disputes arising out of registration and validity of registered intellectual property rights.
(1) Any dispute arising out of acquiring, registering, disclaiming or revoking and validity of intellectual property rights is exclusively resolved in the state of registration.
(2) The provision of preceding paragraph does not apply where such dispute arises in a context of a preliminary or incidental question. The decisions resulting from those disputes do not affect later claims.
claims may have the same over any other claim that closely connects with the former.\textsuperscript{81} However, any claim arising out of transnational or infringement occurring in any State other than the Forum State may not be consolidated. With regard to subjective consolidation of claims, a number of defendants may be sued in the State in which any of those defendants has a habitual residence, provided that those claims against the person and any other defendants are so closely connected that they should be adjudicated together to avoid a risk of inconsistent judgments resulting from separate proceedings.\textsuperscript{82} The rule of exclusive jurisdiction is followed in case of any dispute arising out of acquisition, registration, validity, disclaiming or revocation of registered intellectual property rights.\textsuperscript{83} Apart from the court which has international judicial jurisdiction under these principles, a court in any State in which the property to be seized or in dispute is located is also empowered to order provisional and protective measures which will be limited to the territory of that State.\textsuperscript{84} The proposal also sets down a few circumstances on account of which an action may be dismissed partly or wholly. Such special circumstances are such that will be harmful to fairness between the parties and prevent due process or prompt trial.\textsuperscript{85} Referring to article 207 of the ALI Principles, this proposal also sets down the basis upon any one or more of which jurisdiction over transactional disputes may not be established. Substantial connection between the forum court and the given dispute is always a requirement for establishing due jurisdiction. The article dealing with coordination of multi territorial actions among states provides that where actions involving the same cause of action and between the same parties are brought in the courts of the different states, the court later seized shall stay its proceedings if the judgment from the court first seized will be recognized under these Principles.\textsuperscript{86} Paragraph (2) of the same article further regulates the measures that should be taken by a subsequent court when the first court to be seized renders judgment. It draws upon the theory of the doctrine of foreseeable recognition. Where the plaintiff fails to proceed within a reasonable time or the court first seized fails to proceed within a reasonable time, any court other than that first

\textsuperscript{81} ibid art 207(1).
\textsuperscript{82} ibid art 208(1).
\textsuperscript{83} ibid art 209.
\textsuperscript{84} ibid art 210.
\textsuperscript{85} ibid art 211.
\textsuperscript{86} ibid art 213(1).
seized court may resume its proceedings. This is an exceptional situation hence it ought to be applied very carefully.

With regard to applicable law the principle of *lex protectionis* is followed which means all matters concerning intellectual property rights shall be governed by the law of the State for which protection is sought.  

Parties are given freedom to choose a law that will govern all or any part of their dispute. It is clarified through Art. 303 that procedural matters will be governed by the law of the forum State. In case of infringement and remedies, the law of each State for which protection is sought is applicable. With regard to recognition of infringement due to extraterritorial activities the proposal sets down the requirements that ought to be satisfied when the court in the state for which protection is sought exceptionally acknowledges the existence of the infringement occurring partly or wholly outside of the territory of the state of protection. Only when (i) the activity initiating the alleged infringement is directed against the state of protection; and (ii) such activity causes the direct infringement or threatens to cause the direct and substantial injury in that state, the court may acknowledge the existence of the infringement. In case of ubiquitous infringement special provisions are made under this proposal as well. The law of the State that has the closest connection with the infringement will be applicable in its entirety in case of infringement that occurs in unspecific and multiple States. Closest connection is to be judged taking into consideration the infringer’s habitual residence; or the infringer’s particular place of business in case of infringement activity occurring in its business operation; the state in which the infringement activity mainly occurs; the state against which the infringement activity is directed, and the state in which a substantial injury occurs; and the state in which the owner of such right has principal interests. Further in absence of any contractual agreement on applicable law, the contract shall be governed by the Law of the State with which the contract is most closely connected at the time of its conclusion. Initial ownership of intellectual property is also governed by the Law of the State for which protection is sought. Transferability of intellectual property is equally important and the same is addressed as being governed

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87 ibid art 301.
88 ibid art 306.
89 ibid art 308.
by the law of each State for which protection is sought. Section 321 of the ALI Principles and Article 3:803 of the CLIP Principles deal with *renvoi*, too. In accordance with Article 9 of Korean *Private International Law*, *renvoi* is accepted in general but the law applicable to the contract, chosen by the parties or otherwise designated, does not include conflict rules while in Japan, under Article 41 of *Act on General Rules for Application of Laws*, *renvoi* is permitted only if *lex partiae* is applied. Due to differences in application of *renvoi* between East Asian states, if *renvoi* were accepted into these Principles, the law actually governing a foreign civil relationship could possibly not be the right one designated by these Principles. Permitting *renvoi* would run counter to the purpose of these Principles. For that reason, *renvoi* is refused. Further the application of rules of foreign law under these Principles may be excluded if such application leads to a manifestly repugnant consequence for public policy in the forum state.

Part VI of the proposal deals with recognition and enforcement of foreign judgments. The foreign judgment shall not be recognized if the international judicial jurisdiction of the foreign judicial body is not recognized under these principles. It is further provided that a foreign judgment may not be recognised and enforced if the defendant has not received a service of a summons or orders necessary for the commencement of the proceedings of a suit. Therefore, prior and proper information of the commencement of proceedings is required for a valid judgment. However, the Article makes an exception as it allows the judgment where the defendant submits himself to the foreign court without even the prior information either accidently or intentionally. In this case the judgment of such nature will be recognised. In case the content or procedure of the judgment violates the public policy of the requested State then the foreign judgment is not to be acceptable. The foreign judgment should not be reviewed as to its substance or merits by the local courts. This provision is in line with the Japanese Civil Enforcement Code. The draft recognises that depending on the fact and circumstances of the case a foreign judgment may be recognised.

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90 It’s a French term, ‘*ren-voy*’. The doctrine under which the court is resorting to foreign law adopts as well the foreign law’s conflict-of-laws principles which may in turn refer the court back to the law of the forum.
91 The term *lex patriae* is Latin for the law of nationality in the conflict of laws which is the system of public law applied to any lawsuit where there is a choice to be made between several possibly relevant laws and a different result will be achieved depending on which law is selected.
92 The Waseda GCOE Projects art 313.
93 ibid art 401(iii).
94 ibid art 401(2).
or enforced partly if it is not possible to enforce full judgment.\textsuperscript{95} In transnational intellectual property disputes, injunctive reliefs as well other remedies are so important that they may be recognized and enforced at an international level. Article 403 requires enforcement of foreign awards. According to it a foreign judgment regarding seizure, destruction of infringing article etc. will be recognised and enforced if the same equitable measures are available under the same conditions in enforcing State. Otherwise, it will not be enforced fully but may be done partly. According to Article 405 the provisional and protective measures is given to both the States that have the jurisdiction to hear the merits and another in which the disputed property is located. A protective measure ordered by a foreign court that has jurisdiction over the dispute at hand ought to be recognised because it helps the requested court to easily judge the necessity of protection and probability of success. A protective measure ordered by the court in a State in which the property in dispute is situated ought to be recognised because it is enforced within the state. A judgment need not to be recognised if it is (1) inconsistent with prior local judgment of the recognising State, (2) inconsistent with prior foreign judgment of same cause of action between the same parties and which can be enforced. A foreign judgment which awards punitive damages or monetary relief exceeding the compensatory damages shall not be recognised. Lastly the recognition and enforcement procedure should be according to the law of the requested State.

\textbf{3.5.4 TRANSPARENCY PROPOSAL}

This proposal is applicable to international civil disputes involving intellectual property rights. The general ground for international jurisdiction under Transparency proposal are greatly influenced and based on the principles and practice of Japanese Courts. A court shall make a specific finding as to whether a dispute before it falls within the scope of the proposal. Domicile and residence of the defendants are taken as consideration in identifying jurisdiction \textsuperscript{96}In case of defendant being juridical person or any other association or foundation Japanese court shall have international jurisdiction if the defendant’s principle office or establishment is in Japan.\textsuperscript{97} Japanese court will have

\textsuperscript{95} ibid art 402.
\textsuperscript{96} Transparency Proposal art 101.
\textsuperscript{97}ibid art 102.
jurisdiction over actions concerning the existence, registration, validity or ownership of intellectual property rights prescribed under the Japanese law. Japanese court will also exercise jurisdiction on the same rights prescribed under the foreign law as well provided there is a ground to affirm the jurisdiction of Japanese court. 98 Japanese courts shall have jurisdiction over intellectual property infringement claims of, when the results of an intellectual property infringement occurred or are to occur in Japan, or when an infringing act took place or is to take place in Japan, excluding “ubiquitous infringement” claims except the case where the results of an “ubiquitous infringement” are maximized or to be maximized in Japan.99 In case of an agreement to the effect of giving jurisdiction to Japanese court is in existence the court will have jurisdiction under this proposal. The proposal makes it mandatory for the agreement to be in writing.100 Even if Japanese court can exercise its jurisdiction, the Japanese court may dismiss claims, when the claims are so closely related to other countries’ public-interest policy and the proceeding in these countries is manifestly more appropriate than in Japan.101 With regard to applicable law the proposal suggest that the law applicable to an intellectual property infringement shall be the law of the place where the results of the exploitation of intellectual property occur or are to occur.102 Intellectual property infringements where the alleged infringement act is “ubiquitous” shall be governed by the law of the place where the results of the exploitation of intellectual property are or to be maximized.103 The existence, primary ownership, transferability and effects of intellectual property rights shall be governed by the law of the country that granted the intellectual property right. Any choice of law agreement by the parties concerning these matters shall be null and void.104 As provided by the proposal, a final and binding judgment of a foreign court shall be recognized or enforced when the foreign court would have international judicial jurisdiction in light of the provisions of the Legislative Proposal and the purposes of the recognition and enforcement of foreign judgments105; the defeated defendant has received a service of a summons or order.

98 ibid art 103.
99 ibid art 105.
100 ibid art 107.
101 ibid art 109.
102 ibid art 301(1).
103 ibid art 302(1).
104 ibid art 305.
105 ibid art 402(i), (ii).
necessary for the commencement of the suit, or has appeared in the action without receiving such service. It is further provided explicitly that if any convention on judicial assistance concluded between Japan and the country of the foreign court is to be applicable, service shall be effected in a manner set out in that convention. The enforceability of the judgment is further dependent on the fact that the content of the judgment and the court proceedings are not contrary to the public policy in Japan.106

3.5.5 WIPO: DRAFT CONVENTION ON JURISDICTION AND RECOGNITION OF JUDGMENT IN INTELLECTUAL PROPERTY MATTERS107

WIPO draft is prepared to cover most fields of private litigation especially related to intellectual property. Many are aware that the Hague convention has run into numerous difficulties due to which it is feared that the same may not be promulgated at all. Even if it is enforced, the scope may be narrowed down further and will cover only selected areas of private litigation. At present it seems that in those selected areas of private litigation, IP will not feature as an area of private litigation to which the convention will be applicable. In this backdrop of facts, it seems to be desirable to create an international enforcement regime for intellectual property laws. Even if the proceedings at Hague go forward and the same is enforced with the required international cooperation, it is at all times appropriate to have an exclusive instrument aimed at enforcement of intellectual property matters. An exclusive instrument over an instrument of general scope ensures effective enforcement. With this consideration an alternative draft dealing exclusively with intellectual property matters was prepared under the auspices of the World Intellectual Property Organisation. The draft report was prepared by Prof. Rochelle C. Dreyfuss of the New York University and Prof. Jane C. Ginwoodie of Columbia University, US. The convention proposes to be open to only the TRIPS implementers. This proposal is adapted from the October 30, 1999 text of the Hague Conference Draft Convention on

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106 ibid art 402(iii).
Jurisdiction and Foreign Judgments in Civil and Commercial Matters.\textsuperscript{108} The convention further requires membership in the New York Convention on Arbitral Awards. This requirement is due to the recognition received by arbitration as one of the most preferred methods of dispute resolution in case of intellectual property disputes. As provided in Article 3,\textsuperscript{109} the convention recognizes the habitual residence of the defendant to be the place of suing. The habitual residence of a defendant other than the natural person will be determined based on the factors like: 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 principle place of business.\textsuperscript{110} Like art. 4 of the 1999 Hague Draft, this provision permits the parties to select a forum for dispute resolution. The chosen court must be one that has subject matter jurisdiction under local law. Unless otherwise specified, choice of court clauses will be read as creating exclusive jurisdiction, in derogation of the power otherwise vested in other courts by this Convention.\textsuperscript{111}

This provision adds two features to The Hague draft. First, recognizing the growing importance of resolution of intellectual disputes through arbitration, contractual choice of an arbitral forum is included. Second, recognizing that the choice of forum may in fact be unilateral when the contract is a mass market form contract, this draft provides several safeguards toward ensuring the reasonableness of the contractual forum, as well as its relationship to the parties or the dispute. The provisions under the draft are designed to channel cases to the forum most suited to deciding the substantive issues arising in the dispute: a court whose law is likely to apply to a substantial part of the litigation, and-in the case of trademark [and patent] rights-the court best positioned to deal with questions involving registration and the consequences of an invalidity finding. Article 6 of the draft deals with the main provisions on jurisdiction. It provides that the plaintiff may bring an infringement action in the courts of any State where defendant substantially acted (including preparatory acts) in furtherance of the alleged infringement, or any State to which the alleged infringement was intentionally directed, including those States for which


\textsuperscript{109} WIPO draft art 3 Defendant’s forum.

\textsuperscript{110} ibid art 3(2)

\textsuperscript{111} ibid art 4
defendant took no reasonable steps to avoid acting in or directing activity to that State, or any State in which the alleged infringement was foreseeable and occurred, unless the defendant took reasonable steps to avoid acting in or directing activity to that State.

It further provides that 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. 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. Notwithstanding arts. 6.1(b) and (c), and 6.2, an Internet service provider shall not be subject to jurisdiction on the basis of claims arising out of activity occurring outside the forum State, if the activity is solely related to the provider's transmitting, routing, or providing connections for material through a system or network controlled or operated by or for the service provider, or if the activity solely concerns the intermediate and transient storage of that material in the course of such transmitting, routing, or providing connections, if:

a. The transmission of the material was initiated by or at the direction of a person other than the access provider;

b. The transmission routing, provision of connections or storage is carried out through an automatic technical process without selection of the material by the service provider;

c. The service provider does not select the recipients of the material except as an automatic response to the request of another person;

d. No copy of the material made by the service provider in the course of such intermediate or transient storage is maintained on the system or network in a manner ordinarily accessible to anyone other than anticipated recipients, and no such copy is maintained on the system or network in a manner ordinarily accessible to such anticipated recipients for a longer period than is reasonably necessary for the transmission, routing, or provision of connections; and
e. The material is transmitted through the system or network without modification of its content.

It is provided\(^{112}\) further that in case of multiple defendants, a plaintiff bringing an action against a defendant in a court of the State in which that defendant is habitually resident may also proceed in that court against other defendants not habitually resident in that State if (a) the claims against the defendant habitually resident in that State and the other defendants are so closely connected that they should be adjudicated together to avoid a risk of inconsistent judgments; (b) as to each defendant not habitually resident in that State, there is a substantial connection between that State’s intellectual property rights and the dispute involving that defendant; or (c) as between the States in which the other defendants are habitually resident, and the *forum*; the *forum* is the most closely related to the entire dispute, and there is no other *forum* in which the entire dispute could be adjudicated. One of the most important aspects on consolidation of territorial claims is based on the practice contemplated by the Brussels Convention.\(^{113}\) The purpose of this Article to bring all actions irrespective of the territorial source of the rights and relief sought, the claims arise out of the same transaction or series of transactions or occurrence. The guidelines on how to consolidate the claims are provided in the same article in the manner as to (a) which court has jurisdiction over the greatest number of parties with claims relating to the action; (b) in general, whether consolidating would promote efficiency and conserve judicial resources and the resources of the parties; (c) whether or not inconsistent judgments would result if multiple courts adjudicated the related claims. It is noteworthy that the issue of consolidation must be raised no later than at the time of the first defence on the merits. If there is no consolidation of related actions, the judgment in one action shall not be preclusive of the other.

The denial of jurisdiction, which is akin to the US practices of *forum non conveniens* and transfer, is also possible under the circumstances when the jurisdiction of the court seized is not founded on an exclusive choice of court agreement valid under Article 4, [or on Article 8] the court may, on application by a party, suspend its proceedings if in that case a

\(^{112}\) ibid art 10.

court of another State has jurisdiction and is clearly more appropriate to resolve the dispute. Such application must be made no later than at the time of the first defence on the merits. The draft also enlists the prohibited grounds of jurisdiction in detail.\textsuperscript{114}

With regard to enforcement and recognition of judgments, based on a ground of jurisdiction provided for in Articles 3 to 8 or 19 or which is consistent with any such ground, shall be recognised or enforced. In order to be recognized, a judgment must have the effect of \textit{res judicata} in the State of origin. Further, in order to be enforceable, a judgment must be enforceable in the State of origin. However, recognition or enforcement may be postponed if the judgment is the subject of review in the State of origin or if the time limit for seeking a review has not expired.

3.6 \textbf{CHAPTER CONCLUSION}

It is unquestionable that in today’s globalized world one of the most common problems being faced by each State is about multi-jurisdictional violations of trademarks. A number of problems related to the enforcement of multi-territorial IP rights arise before the courts: Which court should hear the case? What is the scope of a court’s competence in adjudicating such multi-territorial IP dispute? If a court’s jurisdiction can be asserted, which law should be applied to the dispute? A number of proposals were drafted in various continents with an intention to address these problems related to the transnational enforcement of IP rights. All of them aim to propose certain solutions for streamlining the adjudication of multi-territorial IP disputes by establishing rules on international jurisdiction, choice of law and the recognition and enforcement of foreign judgments in IP cases. The comparative analysis of all these set of principles show that ‘habitual residence’ is acceptable as a ground of jurisdiction in the international arena. Most of the private international law instruments contain a rule of general jurisdiction according to which a defendant can be sued in the state in which that person is habitually resident. Habitual residence of the defendant provides for a solid basis of jurisdiction in multi-state IP cases as well.

\textsuperscript{114} ibid (n 3) art 16.
It is very clear from the discussion that though the existing proposals were drafted with an aim to streamline the adjudication of multistate intellectual property disputes, the approaches among them significantly differ. Various proposals as part of the private ordering regime are developed on the premise that countries wish to maintain differences among their laws and resist the creation of unitary rights for multiple countries. The solutions being developed both in form of set of principles as well as institutional solutions require countries to accept the proposition that their intellectual property right might be adjudicated by a foreign court applying foreign rules. In case of institutional solutions, countries are required to acquiesce to the creation of new unitary procedural rules to be applied in new courts. High degree of cooperation among the courts of various States remains a precondition for implementation of common norms for adjudication of multistate trademark disputes. Such high degree of cooperation would require an orchestrated efforts on part of States and their judiciary to achieve the necessary compatibility of procedures and success would necessitate the building of a strong mutual trust and reliable cum flexible channels of communication among such States. In the present world where communication channels are multiplying every minute, mutual trust and exchange of information may not be a major impediment in case of developed countries. However, the same may not be possible for all countries to achieve.

It can be concluded that a set of principles, proposal or any other form of non-legislative initiative is not an appropriate vehicle for achieving the goal of streamlining the adjudication of multi state trademark disputes. Considering the complex and conflicting issues of private international law being inevitably involved in all multistate trademark disputes, an international convention would be necessary to establish functioning system with such degree of cooperation worldwide.

From the Indian perspective, the current territorially based rules for jurisdiction (and conflict of laws) were developed in an era when physical geography was more meaningful than it is today. Restriction of territorial jurisdiction being placed by codified laws, further expansion of personal jurisdiction beyond those lines require appropriate amendments in Section 19 and 20 of the Code of Civil Procedure to incorporate the Objective territoriality principle, i.e. the Effects test. This is so because judicial precedents of lower courts and foreign courts do not have binding authority on the Indian Courts and considering the
growing involvement of non-residents in cases of trademark infringement, passing off and domain name sowed to the ever-increasing horizon of globalization of businesses and internet connectivity, definitive law in this matter is needed. Continued dependence on case laws and International law principles, without incorporation in domestic law will keep the law regarding this matter vulnerable to dismissal by the higher courts and leave unprotected the valid interests of the members of the society.

It can be specifically concluded from the detailed discussion in this chapter that,

- There exists a significant difference in national legal systems protecting trademarks. This difference is the main source of uncertainty in addressing and resolving multi territorial trademark disputes.
- The rules on conflict of laws also differ from country to country.
- The international instruments though have harmonized many issues for protecting trademark globally; it still has to address the issue of trademark violations from-the perspective of private international law.
- The private ordering regime has failed to achieve the desired goals and success in harmonizing the norms on jurisdiction, choice of law and recognition and enforcement of judgments.

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