

ENFORCEMENT OF IP JUDGMENTS IN FOREIGN COUNTRIES: GOVERNMENT SEEKS INPUT FOR INTERNATIONAL CONVENTION

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Legal Briefings - By **Philippa Bergin-Fisher**

Key points:

- A convention is being negotiated on the enforcement of foreign judgments.
- Key issue is whether intellectual property judgments should be included.
- The Australian Attorney-General's Department seeks input on this 'controversial' issue by 27 April 2018.

Through the Hague Conference on Private International Law, the Australian Attorney-General's Department (**AGD**) has been participating in negotiations for an international convention on the enforcement of foreign judgments on civil and commercial matters (the **Convention**).

Currently in Australia, foreign judgments may be enforced through the common law, the Foreign Judgments Act (which only applies to 33 countries and does not include the US or China) or the Trans-Tasman Proceedings Act (for Australia and New Zealand only). The enforcement of an Australian judgment overseas depends on the specific legal position in the other country.

The Convention is expected to provide a uniform and lower-cost way to enforce judgments in foreign countries which sign up to the Convention. The Hague Conference on Private International Law has 83 members including the US and China - although it is not known which countries would ultimately sign up to the Convention.

Negotiations for the Convention are well-progressed and a draft Convention exists. The meeting of a Hague Special Commission from 24-29 May 2018 may be the last opportunity for negotiations about the drafting and content of this Convention.

Yet an important outstanding issue is whether IP judgments should be included. The AGD has described the inclusion of IP as 'contentious'. IP rights are territorial in that they are limited to the territory of the country which granted the right.

Accordingly, the AGD seeks input to inform Australia's negotiating position on this issue. One option being negotiated is that IP judgments are not included at all. Another option is that IP judgments are included but that safeguards are built into the Convention.

The current drafting of the Convention provides that judgments on infringement and/or validity of IP can be enforced in other countries through the Convention. However:

1. if the judgment concerns the validity of registered IP, it can only be enforced if the IP was registered in the country in which judgment was given (unless the question of validity was only a 'preliminary question' and then this safeguard does not apply);
2. enforcement of a judgment may be refused if the court ruled on infringement of an IP right and applied to that right a law other than its own; and
3. orders for punitive damages will not be enforced.

If IP is included in the Convention, it appears agreed that judgments on IP infringement could be enforced if they rule on a monetary remedy. This would allow an order for damages due to IP infringement to be enforced in a foreign country where the defendant's assets are located.

However, even if IP is included in the Convention, it is still up for negotiation whether non-monetary orders, such as an injunction or Anton Pillar order, could also be enforced in a foreign jurisdiction.

If your business would like to make a submission to the AGD, see:

<https://www.ag.gov.au/Consultations/Pages/Recognition-and-enforcement-of-foreign-judgments.aspx>

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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