INTELLECTUAL PROPERTY - NETHERLANDS

Competence of district courts in summary proceedings relating to EU community designs

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Legal background

Article 81 of the EU Community Designs Regulation (6/2002) (CDR) provides, among other things, that the Community design courts (as appointed in the individual jurisdictions) have exclusive jurisdiction for infringement actions.

Article 90(1) of the CDR states that an application may be made to an EU member state court, including Community design courts, for provisional measures, including protective measures, in respect of a Community design as may be available under the law of said state in respect of national design rights even if, under this regulation, a Community design court of another EU member state has jurisdiction as to the substance of the matter.

In the Netherlands, Article 3 of the Law implementing the CDR and designating the Community design court provides as follows:

> *In respect of all actions referred to in Article 81 of [Regulation No 6/2002], the* rechtbank Den Haag *(District Court, The Hague, Netherlands) shall have exclusive jurisdiction at first instance, and, in interim proceedings, the* voorzieningenrechter *(judge dealing with applications for interim measures) of that court.*

This regime and its effects were at the heart of a debate in proceedings before the European Court of Justice (ECJ), which rendered its judgment on 21 November 2019.

Facts

Spin Master Ltd is a Canadian company that operates in the toy sector. Spin Master holds a Community design registered for a specific use. High5 Products BV, a Dutch company, distributed a toy that Spin Master considered to be infringing its design. Spin Master brought an application for interim relief before the Amsterdam District Court judge, by which it sought an order prohibiting the marketing of the toy distributed by High5 Products.

A plea of lack of jurisdiction was raised in respect of that application. On 12 January 2017 the Amsterdam District Court held that it had jurisdiction to deal with the application for interim relief which had been submitted. It considered that Article 3 of the Law implementing the CDR does not mean that the court did not have jurisdiction in interim proceedings.

On 31 August 2018 the Supreme Court procurator general lodged an appeal in the interest of the law against that decision before the Supreme Court on the grounds that The Hague District Court, as the court designated under Article 80(1) of the CDR, has exclusive jurisdiction in Community design matters, including provisional and protective measures.

The referring court stated that the question raised before it was whether Article 90(1) of the CDR precludes the legislation of an EU member state from providing that the exclusive jurisdiction of the courts designated under Article 80(1) of the CDR also extends to provisional measures, including protective measures, within the meaning of Article 90(1).

The referring court pointed out that, by adopting Article 3 of the Law implementing the CDR, the legislature had sought to make use of the specific IP expertise of The Hague District Court and The Hague Court of Appeal. It observed that the question of the exclusive jurisdiction of the courts

designated under Article 80(1) of CDR in respect of provisional measures, including protective measures, has given rise to divergent assessments in case law and academic legal writing, including in EU member states other than the Netherlands.

The referring court had been uncertain as to the proper interpretation of Article 90(1) of the CDR. The referring court also contemplated the possibility that, insofar as Article 81 of the CDR establishes on a mandatory basis the domestic jurisdiction of the Community design courts for the claims referred to in that article, Article 90 applies only to provisional measures, including protective measures, of another kind.

In those circumstances, the Supreme Court decided to stay the proceedings and refer the following question to the ECJ for a preliminary ruling:

> *Must Article 90(1) CDR be interpreted as requiring the mandatory granting, to all courts and tribunals of a Member State referred to therein, of jurisdiction to grant provisional and protective measures, or does it leave the Member States — in full or in part — free to delegate jurisdiction to grant such measures exclusively to the courts and tribunals which, in accordance with Article 80(1) CDR have been designated as courts (of first and second instance) for Community design?*

Decision

The ECJ decided as follows:

> *Article 90(1) CDR must be interpreted as meaning that the courts and tribunals of the Member States with jurisdiction to order provisional measures, including protective measures, in respect of a national design also have jurisdiction to order such measures in respect of a Community design.*

Comment

In the Netherlands, The Hague District Court has no exclusivity as to the rendering of provisional measures, including protective measures, in respect of national designs (hereinafter 'provisional measures'). In fact, all 20 district courts in the Netherlands may order provisional measures in respect of national designs.

A situation arose in which, as set out by the Supreme Court procurator general, the judiciary held that The Hague District Court had exclusive jurisdiction in Community design matters, including provisional and protective measures.

From a private practitioners perspective, this is an unwanted situation. First, the judiciary's opinion that The Hague District Court had exclusive jurisdiction in Community design matters, including provisional and protective measures, is not universally shared. Second, experience demonstrates that The Hague District Court – at least its IP section – is overloaded, causing long delays in proceedings and the rendering of judgments in proceedings on the merits. The ability to address other courts to obtain a provisional measure is helpful. However, The Hague District Court undeniably has a high level of expertise in IP matters; however, this is not the case in the majority of the other 19 district courts.

The referring court pointed out that, by adopting Article 3 of the Law of 4 November 2004, the Netherlands legislature sought to make use of the specific IP expertise of The Hague District Court and for appeals of the expertise of The Hague Court of Appeal. However, the ECJ considered – in Paragraph 41 of its judgment – that the pursuit of that objective of uniform interpretation is entirely justified in the case of court proceedings, the substance of which concerns infringement or invalidity actions. It also considered that the EU legislature pointed out, in Recital 29 of the CDR, that the exercise of the rights conferred by a design must be enforced in an efficient manner throughout the European Union. The EU legislature was therefore able to ensure that, in the case of requests for provisional measures (including protective measures) concerning infringement or invalidity, the requirements of proximity and efficiency should prevail over the objective of specialisation.

An important consideration is that a provisional measure eventually is limited in time. A review of the provisional measure will always be conducted by The Hague District Court, which continues to have exclusivity in proceedings on the merits. This will avoid a divergence in assessment of EU law.

Now that more courts will be able to provide provisional measures, it is important that courts outside The Hague work on education in the field of intellectual property – in particular, Community designs and EU trademarks.

An immediate consequence of the ECJ's decision is that district courts other than the one in The Hague will be unable to provide provisional measures in cases relating to EU trademarks. The regime

following from Articles 81 and 90 of the CDR is the same as the one provided for EU trademarks in Articles 124 and 131 of EU Regulation 1001/2017 on the European Union Trademark (EUTMR).

However, while it is an attractive thought that more courts have jurisdiction in provisional measure proceedings, there is a downside to seeking a provisional measure outside the courts of The Hague. Both the CDR and the EUTMR provide that a court whose jurisdiction is based on Article 125 of the EUTMR and Article 80 of the CDR will have jurisdiction to grant provisional and protective measures which are applicable in the territory of any EU member state. No other court will have such jurisdiction.

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