

Article 5 (3) of the Brussels I Regulation and Its Applicability in the Case of Intellectual Property Rights Infringement on the Internet

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Abstract—Article 5(3) of the Brussels I Regulation provides that a person domiciled in a Member State may be sued in another Member State in matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful events occurred or may occur. For a number of years Article 5 (3) of the Brussels I Regulation has been at the centre of the debate regarding the intellectual property rights infringement over the Internet. Nothing has been done to adapt the provisions relating to non-internet cases of infringement of intellectual property rights to the context of the Internet. The author's findings indicate that in the case of intellectual property rights infringement on the Internet, the plaintiff has the option to sue either: the court of the Member State of the event giving rise to the damage: where the publisher of the newspaper is established; the court of the Member State where the damage occurred: where defamatory article is distributed. However, it must be admitted that whilst infringement over the Internet has some similarity to multi-State defamation by means of newspapers, the position is not entirely analogous due to the cross-border nature of the Internet. A simple example which may appropriately illustrate its contentious nature is a defamatory statement published on a website accessible in different Member States, and available in different languages. Therefore, we need to answer the question: how these traditional jurisdictional rules apply in the case of intellectual property rights infringement over the Internet? Should these traditional jurisdictional rules be modified?

Keywords—Intellectual property rights, infringement, Internet, jurisdiction.

I. ARTICLE 5 (3) OF THE BRUSSELS REGULATION: INTRODUCTION

ARTICLE 5(3) of the Regulation on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (Brussels I Regulation) derogates from the general rule under Article 2 of the Brussels I Regulation and allows trial in the courts of a Member State other than the one in which the defendant is domiciled. Article 5 (3) of the Brussels I Regulation states that: "A person domiciled in a Member State may, in another Member State, be sued in matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred or may occur"[1].

Indeed, identifying "the place where the harmful event occurred" is very important question for understanding on how this jurisdictional rule apply with respect to an alleged infringement of intellectual property rights on the Internet.

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The first case where the ECJ was requested to interpret this concept was *Handelskwekerij G. J. Bier BV v Mines de potasse d'Alsace SA* according to the expression "place where the harmful event occurred" in Article 5 (3) of the Brussels I Regulation must be understood as establishing the jurisdiction of two separate courts: the courts for the place where the damage actually occurred and the courts for the place of the event giving rise to that damage [7]. As a result, the claimant may sue the defendant in the court of either of those places.

However, there is an approach that this duality of jurisdiction is not appropriate in intellectual property matters, where one single connecting factor should be used, namely the act of infringement [40]. Indeed, according to the principle of territoriality, intellectual property rights would have no operation beyond the territory of the State under whose laws it is granted and exercised [8]. The infringement of intellectual property rights could only be on the territory of the country where there is a right to protection, and this territory would necessarily coincide with the place where the damage is left [39]. Therefore, jurisdiction under Article 5 (3) of the Brussels I Regulation would necessarily lie within the territory of the protection state, namely at the place where the right is protected under local law.

On the other hand, as noted by Pansch, the proposed reduction of the choice of the plaintiff cannot be followed [51]. In particular, when the *Bier* decision has been issued, it has never deviated from the principle that there is a duality of jurisdiction under this provision [39]. Indeed, there is a possibility that the two connecting factors designate the same Member State, but that is not an exception to the principle that there are two different connecting factors [39]. Thus, the dual approach has been applied by the ECJ in *Shevill and Others v Presse Alliance SA* in the case of defamation through newspaper article [9]. The only one exemption from the principle of duality of jurisdiction is provided by the ECJ in *Réunion Européenne SA v Spliethqfl's Bevrachtungskantoor BV* case in the situation, where the place "where the event giving rise to the damage occurred may be difficult or indeed impossible to determine"[10]. In such case Article 5(3) of the Brussels I Regulation would only allocate jurisdiction to the place where the damage occurred.

According to *Shevill and Others v Presse Alliance SA* the plaintiffs, domiciled in England, sued in England the publisher of a French newspaper alleging that an article had falsely insinuated that the plaintiff had knowingly facilitated the laundering of drug money through a bureau de change they

operated in Paris. France Soir had a limited circulation in England and several other European countries, but its main distribution was in France [9].

The ECJ in *Shevill and Others v Presse Alliance SA* ruled that the expression “place where the harmful event occurred is intended to cover both “the place of the event giving rise to the damage and the place where the damage occurred” [9]. Indeed, the court has found that the victim has two options for bringing an action for compensation against the publisher: in France, the place of publication, and in the United Kingdom, the place of loss of reputation [46].

In addition, the ECJ in *Shevill and Others v Presse Alliance SA* made clear that Article 5(3) of the Brussels I Regulation applies not only to claims seeking to establish the liability of the defendant for personal injury or damage to physical property, but also for damage to an intangible property. Indeed, the ECJ in *Shevill v Presse Alliance SA* explained that Article 5(3) of the Brussels I Regulation is also applicable to cases of infringement of personality rights: an “international libel” through the press [9]. It is widely accepted that Article 5 (3) of the Brussels I Regulation also applies to proceedings relating to the infringement of intellectual property rights, which constitute another kind of intangible property [44].

Therefore, the duality of jurisdiction adopted in *Shevill and Others v Presse Alliance SA* would apply equally to other cases concerning the infringement of intangible property. This idea was applied by the French Cour de Cassation in *Wegmann v Societe Elsevier Science Ltd* in which the court held that the plaintiff could pursue its claim for damage either before the court of the place where the author of the counterfeiting publications was established or before the court where the counterfeited goods are distributed [11].

II. IMPACT OF ARTICLE 5(3) OF THE BRUSSELS I REGULATION FOR INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT OVER THE INTERNET

For a number of years Article 5 (3) of the Brussels I Regulation has been at the centre of the debate regarding the intellectual property rights infringement over the Internet [36], [45]. Nothing has been done to adapt the provisions relating to non-internet cases of infringement of intellectual property rights to the context of the Internet [37].

Thus, taking into account the interpretation of Art. 5 (3) of the Brussels I Regulation given by the ECJ in *Shevill and Others v Presse Alliance SA* in the case of intellectual property rights infringement on the Internet, the plaintiff has the option to sue either: at the place of the event giving rise to the damage and at the place where the damage occurred [9].

Therefore, under *Shevill*-based approach the plaintiff could bring claims for the infringement of intellectual property rights either before:

- the court of the Member State of the event giving rise to the damage: where the publisher of the newspaper is established;
- the court of the Member State where the damage occurred: where defamatory article is distributed.

However, it must be admitted that whilst infringement over the Internet has some similarity to multi-State defamation by means of newspapers, the position is not entirely analogous [45] [552] due to the cross-border nature of the Internet. A simple example which may appropriately illustrate its contentious nature is a defamatory statement published on a website accessible in different Member States, and available in different languages. Now we need to answer the question: how these traditional jurisdictional rules apply in the case of intellectual property rights infringement over the Internet? Should these traditional jurisdictional rules be modified?

III. THE PLACE OF THE EVENT GIVING RISE TO THE DAMAGE: WHERE THE PUBLISHER OF THE NEWSPAPER IS ESTABLISHED

According to *Shevill and Others v Presse Alliance SA*, the ECJ held that the place of the event giving rise to the damage is the place where the publisher of the newspaper in question is established, since that is the place where the harmful event originated and from which the libel was issued and put into circulation [9]. In this case in order to identify the place for the event giving rise to the damage, the ECJ implied a reference to the place where the person who has committed the wrongful act is established.

The question of establishment is regulated by Article 5 (5) of the Brussels I Regulation which provides that as regards disputes arising out of the operations of a branch, agency or other establishment, the competent courts are the courts for the place in which the branch, agency or other establishment is situated [1]. An “establishment” encompasses a branch office or agency [45] [411]. In that connection, the ECJ in *Somafer SA v Saar-Ferngas AG* held that the disputes arising out of the operation of the establishment according to Article 5 (5) of the Brussels I Regulation covers actions relating to both contractual and non-contractual obligations [12]. Thus, in the case of intellectual property rights infringement by branch, agency or other establishment, it can be sued on the basis of the Article 5 (5) of the Brussels I Regulation in the courts for the place in which the branch, agency or other establishment is situated. For example, a New York incorporated company with an establishment in England can be sued in England when the dispute is concerned with the operation of the branch, agency or other establishment in England.

In the case of intellectual property rights infringement over the Internet the question is arise: whether the *Shevill* reasoning can be transferred to a “harmful event” that results from a global accessibility of a website [39] [139].

The ECJ in joined cases *eDate Advertising GmbH v X* and *Olivier Martinez v MGN Ltd* ruled that the findings made in *Shevill* could also be “applied to other media and means of communication” [13].

In the first case, *eDate Advertising GmbH v X*, an Austrian website operator eDate Advertising, had published information about a German citizen who had been imprisoned for life for the murder of a well-known German actor. The claimant brought an action in Germany seeking an injunction to prohibit the defendant from publishing any further information about him.

In the second case *Olivier Martinez v MGN Ltd* the claimants, a French actor Oliver Martinez and his father Robert Martinez, bought a claim in France against the defendant, the British newspaper Sunday Mirror in relation to the publication of an article on its website entitled "Oliver Martinez is back with Kylie!". The complaint based on "interference with their private lives" and "breach of Oliver Martinez's image rights".

In each case the defendant contended that the court in which the proceedings had been brought lacked jurisdiction and the national court referred to the ECJ questions concerning the interpretation of the expression "the place where the harmful event occurred or may occur" used in Article 5 (3) of the Brussels I Regulation in relation to an alleged infringement of personality rights by means of content placed on a website. In particular, one of the questions was whether the person concerned may bring an action for an injunction against the operator of the website, irrespective of the Member State in which the operator is established, in the courts of any member state in which the website may be accessed? [13]

The ECJ held, that Article 5 (3) of the Brussels I Regulation should be interpreted in the meaning that a person who considered that his personality rights had been infringed by means of content placed online on an Internet website could bring an action in respect of all the damage caused in the court of the Member State in which the publisher of the content is established [13].

However, in the case of intellectual property right infringement over the Internet, there are some problems in applying as jurisdictional basis the place where the publisher has its establishment.

In particular, the place of the establishment of the publisher may not be the place where the harmful event originated and from which the material was issued and put into circulation. For example, in the case of copyright infringement on the Internet, the defendant may have its place of establishment in UK, where it composes and edits an online journal [45] [586]. However, the defendant uploads copyright material on a web server in Sweden. In such circumstances, copyright material originates in UK, but issued and put into circulation from Sweden, where it is uploaded. The place of uploading is where the harmful event originated and from which the copyright material was issued and put into circulation [45] [553]. Therefore, the place of the event giving rise to the damage should be regarded as being in Sweden, the place of uploading. However, if a place of establishment rule is adopted, the plaintiff may be unable to bring proceeding in Sweden.

In addition, it is unclear how the interpretation of Article 5 (3) of the Brussels I Regulation (the place where the publisher of the content is established) is to be read in the context of Article 2 (1) of the Brussels I Regulation (the place of the defendant's domicile) [54]. Indeed, the ECJ in *Shevill and Others v Presse Alliance SA* correctly observed that the competence of the courts of the place where the event giving rise to the damage took place will very often coincide with the

head of jurisdiction set out in the Article 2 (1) of the Brussels I Regulation [39].

In particular, in the case of copyright infringement by a defendant, established in Sweden which uploads copyright material on a Swedish website, the place of defendant's establishment will coincide with the place of uploading. In this connection it is difficult to imagine that the concept of establishment go beyond the notion of domicile [48]. Indeed, as noted by Pazdan and Szpunar, the establishment for the purpose of Article 5 (3) of the Brussels I Regulation should mean the same as the domicile for the purpose of interpretation of Article 2 (1) of the Brussels I Regulation [48]. Therefore, it is inconceivable that this part of Article 5(3) of the Brussels I Regulation adds any value for a plaintiff who would be better advised simply to use Article 2 of the Brussels I Regulation.

The *Shevill* – based approach also has been upheld by the ECJ in a case of trademark infringement over the Internet. According to *Wintersteiger AG v Products 4U Sondermaschinenbau GmbH*, the ECJ has held that an action for trade mark infringement based on use of advertising keywords may be brought either before the courts of the Member State in which the trade mark is registered or the courts of the Member State of the place of establishment of the advertiser [14].

Wintersteiger, which is established in Austria, made and sold worldwide ski and snowboard servicing tools, together with replacement parts and accessories had held the Austrian trade mark Wintersteiger since 1993. That trade mark is protected in Germany too. Products 4U which is established in Germany sold accessories for the tools manufactured by Wintersteiger. Wintersteiger did authorize the sale of its products by Products 4U. In spite of that, Products 4U registered the AdWord 'Wintersteiger' on a Google in respect of searches carried out via the top-level domain for Germany ('.de').

When an Internet user entered the keyword 'Wintersteiger' on the google.de search engine an advertising link with the heading 'Advertisement' appeared on the right-hand side of the screen in addition to a link to Wintersteiger's website. Clicking on the link directed the user to a section of the Products 4U website entitled 'Wintersteiger Accessories'. While Google ran an Austrian top-level domain ('.at'), the internet site www.google.de could also be accessed in Austria. This is significant if you bear in mind that the two countries share the same language.

Wintersteiger brought an action for an injunction in Austria, together with an application for protective measures, requiring Products 4U to stop using the trade mark Wintersteiger as an AdWord on the google.de search engine.

The Austrian court sought guidance from the ECJ on the determination of *the place or places where the damage occurred or may have occurred* for the purposes of Article 5(3) of the Brussels I Regulation in a situation in which the activity allegedly infringing a national trade mark was carried out via the medium of the Internet [14].

The ECJ held that Article 5(3) of the Brussels I Regulation had to be interpreted as meaning that an action relating to infringement of a trade mark registered in a Member State through the use, by an advertiser, of a keyword identical to that trade mark on a search engine website operating under a country-specific top-level domain of another Member State might be brought before the courts of the Member State in which the trade mark was registered or the courts of the Member State of the place of establishment of the advertiser [14]. The ECJ confirms that in the case of keyword advertising, the relevant event would be 'the activation by the advertiser of the technical process displaying, according to pre-defined parameters, the advertisement [14] (i.e., the reservation of the AdWord). On that basis, the place of the event giving rise to a possible infringement of trade mark law would be the place of establishment of the advertiser and not of the provider of the referencing service. Indeed, the service provider is a natural or legal person providing an information society service [2], rather than the advertiser who runs his business [14]. In *Bunt v Tilley*, the court confirmed that Internet Service Providers are facilitators of information and not publishers [15]. The same approach was taken in relation to the global search engine Google in *Netropolitan International Schools Ltd v Designtecnica Corporation Google UK Ltd Google Inc*, in which the court stated that Google was not a publisher under English common law and therefore was not liable for defamatory statements contained in websites accessed through its search results [16]. Therefore, Internet Service Provider cannot be considered as a "publisher" but only as facilitator of information. Thus, the ECJ in *Wintersteiger AG v Products 4U Sondermaschinenbau GmbH* had determined the event giving rise to the damage in the terms of the place of establishment of the advertiser. This is a mandatory interpretation in spite of the fact that it is only "likely" will facilitate the taking of evidence and the conduct of the proceedings [14].

However, as a jurisdictional basis, the place where the defendant has its establishment could lead to indirect copyright infringement by intermediaries which supply peer-to-peer software. Article 8 (3) of the Directive on the enforcement of intellectual property rights refers both to the infringer and to any other person who provides services used in infringing activities or is indicated as being involved in the distribution of infringing goods [3]. In particular, in *EMI Records Ltd v British Sky Broadcasting Ltd*, the court held that the service providers were jointly liable for the infringements committed by the users [17].

In addition, the place where the defendant has its establishment as a jurisdictional basis is not applicable in relation to a Community trade mark. A Community Trade Mark is any trademark which is protected in each of the Member countries of the European Union through single registration procedure. The basic rule is Article 96 of the Community Trade Mark Regulation which grants exclusive jurisdiction to Community trade mark courts in respect of infringement of the Community trademarks [4]. Article 97 (1) of the Community Trade Mark Regulation states that the

plaintiff must start the case before the Community trade mark court of the Member State where the defendant is domiciled or, if he is not domiciled in an EU State, where he is established [4]. Therefore, such Member States should avoid as far as possible "forum shopping". Indeed, the ECJ ruling affects only national trade mark. Even in the situation when ECJ findings were applied by analogy to a Community trade mark, a court is unlikely to recognize special jurisdiction according to Article 5 (3) of the Brussels I Regulation if the choice of forum does not satisfy the requirements of foreseeability and sound administration of justice.

Therefore, we can make a conclusion that jurisdictional concept based on the place in which the defendant is established has not been yet fully clarified. Indeed, the effect of the defendant's establishment as a jurisdictional basis is simply to add additional forum to the one provided in Article 2 (1) of the Brussels I Regulation [38]. Thus, this provision is not going to be of particular significance in the case of intellectual property rights infringement on the Internet [38].

IV. THE PLACE WHERE THE DAMAGE OCCURRED: WHERE DEFAMATORY ARTICLE IS DISTRIBUTED

The *Shevill and Others v Presse Alliance SA* adopted the definition of the place where the damage occurred in terms of the place of distribution of a defamatory article in several Member States [45] [554]. Indeed, as stated in *Shevill and Others v Presse Alliance SA*: "the injury caused by a defamatory publication to the honor, reputation and good name of a natural or legal person occurs in the places where the publication is distributed, when the victim is known in those places" [9]. In such situation the holder of personality rights would be entitled to bring a claim in that jurisdiction only in respect of damage suffered in that state [9]. Under English law; courts have taken jurisdiction over defamatory content even if only a few copies of a foreign newspaper are distributed in England [43]. For example, in *Berezovsky v Michaels*, a Russian businessman (Mr. Berezovsky) sued a US magazine (Forbes) in England on the basis of a few copies which had been distributed in England [18]. The magazine had a circulation of 785000 in the US, 13 in Russia and around 2000 in England. The House of Lords decided that the plaintiffs had reputations in England and there had been a significant distribution of the defamatory material in England. The magazine was also placed on the defendant's website which was also available to be read by users in England and Wales and elsewhere. However, the Court of Appeal made a decision without reference to the availability of the article on the Internet. The court stated that it was unnecessary to discuss this issue in the present case. According to the court, the England was the appropriate forum to hear the action as the tort had been committed in England through the distribution of the magazine.

The parallels between this scenario and the online scenario are unmistakable [52]. However, online is much easier to "circulate" fewer copies to many more States [52]. Indeed, it is easy to say where a newspaper is distributed in the offline reality but it is not easy to ascertain this place in the cases of

intellectual property rights infringement over the Internet [45] [554]. Internet adopts a method of “distribution” which is radically different from that required by conventional media [42]. Unlike the press, distribution on the Internet is global and instantaneous [42]. The fact that intellectual property right infringer has downloaded digitized intellectual property rights, such as digital books and online journals as well as software programs, onto hard drive of his computer, does not mean that the relevant *situs* is the place where the computer is located [41].

Indeed, the ubiquity of the Internet raises the controversy of whether distribution requirement under *Shevill*-based approach should be adapted. In the Australian case *Gutnick v Dow Jones*, the High Court stated that whilst it was “undesirable” for legal rules to be developed for particular technologies, it was necessary to take account of the reach of information disseminated by the Internet [19]. This is also true in the light of joined cases *eDate Advertising GmbH v X and Olivier Martinez v MGN Ltd* in which the ECJ turned its attention to the distinction to be made between “the placing online of content on a website” ... “from the regional distribution of media such as printed matter” [13]. According to the court, the distribution of content placed online is in principle universal, since it may be instantly consulted throughout the world by an unlimited number of internet users [13]. In that regard, Internet reduces the usefulness of the criterion relating to distribution and therefore, a *Shevill*-based approach must be “adapted” [13].

However, what “distribution” means in relation to the Internet?

The term “Digital distribution” [55] describes the delivery of content such as books, music, software, movies and games without the use of physical media usually over online delivery mediums, such as the Internet [56]. According to the WIPO Copyright Treaty right of distribution is the author’s exclusive right to authorize making their works available to the public (Article 6) in such a way that members of the public can access these works from a place and at a time individually chosen by them (Article 8) [5]. The ECJ in *eDate Advertising GmbH v X and Olivier Martinez v MGN Ltd* confers that for the purpose of Article 5 (3) of the Brussels I Regulation, distribution means that material is “distributed” wherever it is or has been accessible, an interpretation which coincides with that of the English Court of Appeal in *King v Lewis* [13]. Indeed, according to *King v Lewis*, the place of publication is the place of download [20].

This means that the intellectual property right owner has the right to authorize distribution of a particular lawful content. However, the distribution of unlawfully made copy will subject any distributor to liability for infringement [6]. For example, as stated in US case *Playboy Enterprises Inc. v Frena*: “public distribution of a copyrighted work is a right reserved to the copyright owner, and usurpation of that right constitutes infringement...” [21].

Therefore, intellectual property rights infringement on the Internet by distribution means that intellectual property right infringer who is connected to the Internet can make digital

works available for download by posting it on a website [57], or can distribute it using peer-to-peer file-sharing applications [58].

The second important question is the clarification of the place where the damage occurred in the case of online distribution of intellectual property content? This depends on the right that has been infringed. In particular, in relation to copyright infringement over the Internet in *Sony Music Entertainment (UK) Ltd v Easyinternetcafe Ltd* the High Court held that Easy internet cafe were guilty for copyright infringement by allowing customers to download music without permission of the right holder [22]. In *Richardson v Schwarzenegger*, the court also confirms that “an Internet publication takes place in any jurisdiction where the relevant words are read or downloaded” [23].

Therefore, in the case of copyright infringement by online distribution of content, the place where the damage occurred is where the publication is downloaded. This is also true in relation to patent infringement over the Internet, as distribution means availability for download of a “digitalized” product (such as software) that is protected by a patent.

However, in the case of trade mark infringement over the Internet, distribution should be regarded as taking place where the foreign website can be accessed [45] [556]. In this connection the question has arisen whether the mere availability of a trade mark on a website in a certain jurisdiction automatically means that the courts of that country will have jurisdiction over the trade mark infringement case [45] [549]. Indeed, most websites are accessible to Internet users without any geographical limitation, i.e., all over the world including all EU Member States.

In relation to the question of accessibility of a website as a basis of jurisdiction, the ECJ in *eDate Advertising GmbH v X and Olivier Martinez v MGN* confers jurisdiction on courts in each Member State in the territory of which content placed online is or has been accessible [13]. Therefore, with respect to cyber-torts, the courts of all Member States where the website is or was accessible have jurisdiction as countries of the place where the damage was suffered but only to compensate for the harm caused on those forums’ territory [53].

However, as truly noted by Kohl, accessibility of a website cannot justify an assertion of jurisdiction [52]. For example, US courts in Internet cases have used “purposeful availment of the jurisdiction principles” which is based on US Constitution requirement of “minimum contacts” to hold that the mere availability of a website, with nothing more, does not found jurisdiction [43]. In particular, in *Playboy Enterprises Inc v Chuckleberry Publishing Inc.*, the judge held that the defendant “cannot be prohibited from operating its Internet site merely because the site is accessible from within one country in which its product is banned. To hold otherwise would be tantamount to a declaration that this court, and every other court throughout the world may assert jurisdiction over all information providers on the global World Wide Web... which would have a devastating impact on those who use this global service” [24]. The accessibility of a website as a basis

of jurisdiction was also rejected by the Australian High Court in *Dow Jones & Company Inc v Gutnick* [25].

Therefore, in this connection another question has arisen: is mere accessibility of a website from a Member State enough to found jurisdiction in the sense of Article 5 (3) of the Brussels I Regulation [50]?

In the European context, different national courts appear to have reached different conclusions in relation to website accessibility as basic for jurisdiction. For example, in the trade mark infringement on the Internet case *Bonnier Media Ltd v Greg Lloyd Smith*, the Scottish court held that it was not willing to take jurisdiction under Article 5 (3) of the Brussels I Regulation on the basis of mere accessibility of a website in Scotland [26]. The main argument made in *Bonnier Media Ltd v Greg Lloyd Smith* was that the mere putting up (or “uploading”) of material on to a website which was accessible in Scotland, but not physically located in Scotland, was not enough to constitute a wrong which would occur in Scotland and that accordingly jurisdiction should not be founded [26]. Indeed, since any website can in principle be accessed anywhere in the world, it is unfair and puts too great a business risk on traders who utilize the Internet, to expose them to possible suit anywhere in the world merely on the grounds of that universal accessibility [47].

The German Federal Court of Justice also held that the German courts had no international jurisdiction in proceedings concerning infringements of personality rights by publications accessible on the Internet [27]. On the view of the Federal Court of Justice, the mere fact that the infringing content was accessible from Germany was not sufficient for jurisdictional purpose as there was no special relationship between the case and Germany. Indeed, as stated in another German case, if jurisdiction were to depend only on the mere accessibility of the website, the website operators would be exposed to the incalculable risk of being sued in every Member State and jurisdiction would be limitless [28].

Therefore, mere accessibility of the website alone is not sufficient to support jurisdiction. The mere accessibility of a website as a basis of jurisdiction may be incompatible with the sound administration of justice, an objective explicitly referred to in the Preamble to the Brussels I Regulation. Indeed, in the situation like *Olivier Martinez v MGN Ltd*, the mere fact that information about a public figure is directly accessible in every member state would expose the publisher of the media outlet concerned to a situation which is difficult to manage, since any member state would potentially have jurisdiction if proceedings were brought [35]. Indeed, such an approach does not promote predictability for either the applicant or the defendant.

In order to apply accessibility approach in relation to intellectual property rights infringement on the Internet additional connection requirements should be taken into account. In particular, according to the US case practice, the following connection requirements can be taken into account: targeting or directing activities approach [29], interactivity of the website [30]-[32], effect of the website in the State [33].

In turn, the ECJ will soon have to interpret Article 5 (3) of the Brussels I Regulation in cases involving an alleged violation of an author’s right through the online publication of content [34]. The first question is whether the victim can go before the courts of each Member State in the territory of which content placed online is or has been accessible, or whether it is also required that the content be directed towards at the audience located in the territory of that Member State, or yet again whether another connection should exist. The second question is whether the response to the first question would be different where the infringement results from an online offer to sell the infringing materials offline, not from the online publication of the infringing material.

V. CONCLUSION

Therefore, we can make a conclusion that according to the *Shevill*-based approach which is applicable in the case of intellectual property rights infringement on the Internet the person who considers that his rights have been infringed has the option of bringing an action for liability, either before the courts of the member state in which the publisher of that content is established in respect of all the damage caused or before the courts of each member state in the territory of which content has been distributed.

However, jurisdiction based on the place of the establishment of the publisher may not be the place where the harmful event originated and from which the material was issued and put into circulation. For example, in the case of uploading of copyright material on a web server, the place of the event giving rise to the damage should be the place of uploading. Therefore, if a place of establishment rule is adopted, the plaintiff may be unable to bring proceeding in the place of uploading. On the other side, the place of defendant’s establishment may coincide with the place of uploading. In such situation the establishment for the purpose of Article 5 (3) of the Brussels I Regulation should mean the same as the domicile for the purpose of interpretation of Article 2 (1) of the Brussels I Regulation. In that connection a plaintiff would be better advised to use Article 2 of the Brussels I Regulation than Article 5 (3) of the Brussels I Regulation.

The main disadvantage of suing at the place of distribution of a defamatory article is that it may lead to the multiplication of jurisdictions under the Brussels I Regulation. In particular, if the mere availability of the website were enough to apply Article 5 (3) of the Brussels I Regulation, then the potential claimant would have a choice of litigating in any Member State, where the website is accessible. The same approach in relation to the place of download as jurisdictional basis. Indeed, if the mere fact that a user can download content from the Internet would be sufficient to grant jurisdiction, then the right holder would have a great number of competent courts to bring suit [49]. As a result, jurisdiction would be unpredictable for the defendant. Therefore, one of the possible solutions in such situation is limiting the scope of jurisdiction of the courts of the country where the website is accessible. Indeed, the following criteria may be used: targeting approach; directing activates approach; centre of interest approach.

Therefore, we can make a conclusion that as jurisdictional basis the place of defendant's establishment and the place of distribution of a defamatory article have not been yet fully clarified in relation to intellectual property rights infringement on the Internet.

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- [8] *Potter v The Broken Hill Proprietary Company Ltd*, [1906] CLR 476, 494.
- [9] Case C-68/93 *Shevill and Others v Presse Alliance SA* [1995] ECR I-415, at 29-31. In France the newspaper has a circulation in excess of 200,000 copies daily and a smaller daily circulation of approximately 15,500 copies outside France. In relation to this latter circulation only 230 copies have been sold in England and Wales, and of these 5 in West Yorkshire, where Ms Shevill was living.
- [10] Case 51/97 *Réunion Européenne SA v Spliethqfl's Bevrachtungskantoor BV* [1998] ECR I-6511, para 46: "It must be observed that the objective of legal certainty pursued by the Convention would not be attained if the fact that a Court in a contracting State had accepted jurisdiction as regards defendants not domiciled in a contracting State made it possible to bring another defendant, domiciled in a contracting State, before that some Court in cases other than those envisaged by the Convention, thereby depriving him of the benefit of the protective rules laid down by it".
- [11] *Wegmann v Societe Elsevier Science Ltd* [1999] IL Pr 379.
- [12] Case 33/78, *Somafer SA v Saar-Ferngas AG* [1978] ECR 2183, at 5.
- [13] Case C-509/09 *eDate Advertising GmbH v X and Olivier Martinez v MGN Ltd* [2012] E.M.L.R. 12 at 24, 42-46, 51.
- [14] Case C 523/10 *Wintersteiger AG v Products 4U Sondermaschinenbau GmbH* [2012] at 16, 30-39.
- [15] *Bunt v Tilley* [2007] 1WLR 1243.
- [16] *Metropolitan International Schools Ltd v Design Technica Corporation Google UK Ltd Google Inc* [2009] EWHC 1765 (QB).
- [17] *EMI Records Ltd v British Sky Broadcasting Ltd* [2013] EWHC 379 (Ch).
- [18] *Berezovsky v Michaels* [2000] 2 All E.R. 986, HL.
- [19] *Gutnick v Dow Jones* (2002) 201 CLR 575, 631.
- [20] *King v Lewis* [2004] EWCA Civ 1329. The English Court of Appeal accepted jurisdiction over a libel action brought by a plaintiff resident in Florida against a defendant resident in New York in respect of statements which had been downloaded in England from website based in California. The court held that the publication has taken place in England. The text on the Internet is published at the place where it is downloaded. The defendant is "targeted" in every jurisdiction where his text may be downloaded.
- [21] *Playboy Enterprises Inc. v Frena* 839 F. Supp. 1552 (M.D. Fla. 1993).
- [22] *Sony Music Int'l (UK) Limited v. Easyinternetcafe Limited* [2003] EWHC 62 (Ch).
- [23] *Richardson v Schwarzenegger* [2004] EWHC 2422 (QB)
- [24] *Playboy Enterprises Inc v Chuckleberry Publishing Inc.* 939 F Supp 1032, 1039 (SDNY 1996).
- [25] *Dow Jones & Company Inc v Gutnick* (2002) 210 CLR 575, 633.
- [26] *Bonnier Media Ltd v Greg Lloyd Smith and Trading Corp* [2002] ScotCS 347.
- [27] *Re* (VI ZR 111/10) [2012] I.L.Pr. 11 (BGH (Ger)).
- [28] *Bundesgerichtshof (Rainbow.at)* (VI ZR 218/08) Unreported November 10, 2009 (Germany).
- [29] *Zippo Manufacturing Co. v Zippo Dot Com Inc.*, 952 F Supp 1119 (WD Pa 1997).
- [30] *Toys "R" Us Inc. v Step Two SA*, 318 F 3d 446 (3rd Cir. 2003);
- [31] *Sanitec Industries Inc v Sanitec Worldwide Ltd*, 376 F Supp 2d 571 (D Del. 2005);
- [32] *ITP Solar Technologies Inc. v TAB Consulting Inc.*, 413 F Supp 2d 12 (DNH 2006).
- [33] *Panavision Intern Lp v Toeppen*, 141 F 3d 1316 (1998).
- [34] Case C-170/12 *Peter Pinckney v KDG Mediatech AG*, Cour de cassation (France) 11 April 2012
- [35] Opinion of Mr Advocate General Cruz Villalón delivered on 29 March 2011. *eDate Advertising GmbH v X (C-509/09)* and *Olivier Martinez and Robert Martinez v MGN Limited (C-161/10)*. Available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:62009CC0509:E N:HTML> accessed 31 July 2013, at 51.
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- [37] A. Nuyts, K. Szychowska, N. Hatzimihail "Cross-border litigation in intellectual property matters in Europe" (EC Project on Judicial Cooperation in IP/IT Matters. Heidelberg Background Paper. 21.10.2006) p.32.
- [38] *Andrej Savin, EU Internet Law* (Edward Elgar Publishing Ltd, Cheltenham 2013), p.60.
- [39] *Arnaud Nuyts, Suing at the place of infringement: the application of Article 5 (3) of Regulation 44/2001 to IP Matters and Internet Disputes. International Litigation in Intellectual Property and Information Technology*, (Kluwer Law International, the Netherlands 2008), pp. 115 -116, 139.
- [40] E. Jooris, "Infringement of Foreign Copyright and the Jurisdiction of English Courts" [1996] 3 EIPR 127, pp. 139-140.
- [41] *Faye Fangfei Wang, Internet Jurisdiction and choice of Law: Legal practices in the EU, US and China.* (Cambridge University Press, Cambridge 2010), p. 53.
- [42] *Geraldine Fainer, "eDate Advertising GmbH v X Martinez and another v MGN Ltd"* [2012] Q.B. 654.
- [43] *Graham J. H. Smith, Internet Law And Regulation* (Fourth edition, Sweet and Maxwell, London 2007), pp. 462, 469.
- [44] *J. J. Fawcett and P. Torremans, Intellectual Property and Private International Law* (Oxford, Clarendon 1998), p.150.
- [45] *James J. Fawcett FBA, Paul Torremans, Intellectual Property and Private International Law* (Second Edition, Oxford University Press 2011), pp. 411, 549, 551-554, 556, 586.
- [46] *Leigh Smith "CJEU clarifies jurisdiction to award damages for the infringement of "personality rights" online"* Ent. L.R. 2012, 23(2), pp. 34-35.
- [47] *Lilian Edwards, "The Scotsman, the Greek, the Mauritian company and the Internet: where on earth do things happen in cyberspace?"* Edin. L.R. 2004, 8(1), 99-111
- [48] *Maksymilian Pazdan and Maciej Szpunar, "Cross-Border Litigation of Unfair Competition Over the Internet "in Arnaud Nuyts, International Litigation in Intellectual Property and Information Technology* (Kluwer Law International, The Netherlands 2008), p.142.
- [49] *Metzger Axel, "Jurisdiction in Cases concerning intellectual property infringements on the Internet: Brussels I Regulation, ALI Principles and Max-Planck Proposals"* (Tübingen, Mohr/Siebeck 2009), p. 255.
- [50] *Nuyts, Szychowska, Hatzimihail, "Cross-Border Litigation in IP/IT Matters in the European Union: The Transformation of the Jurisdictional Landscape"* in *Arnaud Nuyts, International Litigation in Intellectual Property and Information Technology* (Kluwer Law International, The Netherlands 2008), pp. 39-46.
- [51] *R. Pansch, "The Proper Forum for illicit acts in cases of cross-border infringement of proprietary commercial rights"* *European Law Forum* [2000] pp. 353- 354.
- [52] *Uta Kohl, Jurisdiction and the Internet. Regulatory Competence over Online Activity* (Cambridge University Press 2007), pp. 8, 123.
- [53] *Yasmine Lahlou, Laurence Sinopoli and Philippe Guez, "Chronicle on conflict of laws in business matters"* I.B.L.J. 2013, 3, 217-241
- [54] Article 2 (1) of the Brussels I Regulation grants jurisdiction to the courts of member states in which defendants are domiciled. The concept of domicile in Article 2 (1) of the Brussels I Regulation (according to the

rules of Articles 59 and 60) is quite wide and include three connecting factors: statutory seat, central administration, principal place of business.

- [55] Also called content delivery, online distribution, or electronic software distribution.
- [56] From Wikipedia, the free encyclopaedia available at <http://en.wikipedia.org/wiki/Digital_distribution> (accessed 31 July 2013).
- [57] Streaming involves downloading the content to a hard drive and using content “on-demand” as it is needed. From Wikipedia, the free encyclopaedia. Available at <http://en.wikipedia.org/wiki/Digital_distribution> (accessed 31 July 2013).
- [58] Peer-to-peer file sharing is the distribution and sharing of digital documents and computer files using the technology of peer-to-peer (P2P) networking. From Wikipedia, the free encyclopaedia. Available at <http://en.wikipedia.org/wiki/Digital_distribution> (accessed 31 July 2013).