

No. 21-1043

IN THE
Supreme Court of the United States

ABITRON AUSTRIA GMBH, ET AL.,
Petitioners,

v.

HETRONIC INTERNATIONAL, INC.,
Respondent.

**On Writ of Certiorari
to the United States Court of Appeals
for the Tenth Circuit**

**BRIEF OF PROFESSOR
GUIDO WESTKAMP AS *AMICUS CURIAE* IN
SUPPORT OF PETITIONERS**

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INTEREST OF *AMICUS CURIAE*¹

Professor Guido Westkamp is a Professor of Intellectual Property and Comparative Law at Queen Mary University of London School of Law. His research has focused on topics including conflicts of laws

¹ Pursuant to Rule 37.6, no counsel for any party authored this brief in whole or in part; no such counsel or party made a monetary contribution intended to fund the preparation for submission of the brief; and no person other than *amicus* or his counsel made such a contribution. Petitioners filed a blanket consent to *amicus curiae* briefs and Respondent's counsel consented to the filing of this brief.

in intellectual-property and trademark law in the United Kingdom and the European Union. As a scholar of comparative intellectual property law, Professor Westkamp has a strong interest in the sound development and harmonization of trademark law in situations that involve multiple jurisdictions. He submits this brief to underscore that a ruling in Respondent's favor would depart from the territoriality principle fundamental to trademark law in the United Kingdom and elsewhere.

SUMMARY OF ARGUMENT

Territoriality is a fundamental principle of intellectual-property law, including trademark law, in the United Kingdom. Neither statute nor case law endorses trademark damages under U.K. law for foreign sales. To the contrary, courts emphasize that trademark and other intellectual-property laws do not govern abroad: U.K. courts award damages under U.K. law only for U.K. infringements. Situations in which courts might consider foreign conduct—applying foreign substantive law to alleged foreign infringements, for example, or inquiring whether lost foreign sales were caused by domestic patent infringement—only underscore the centrality of the territoriality principle.

The incorporation of European Union legislation into U.K. law only confirmed the territoriality of intellectual property law. And there is no indication that U.K. trademark law will be applied extraterritorially in the future—if anything, Brexit may give U.K. courts occasion to limit their involvement in disputes focused abroad. For these reasons, upholding the judgment below would be in tension with longstanding legal principles in the United Kingdom.

ARGUMENT

The judgment below contravenes the territoriality principle that is fundamental to U.K. trademark law. Because “providing a private civil remedy for foreign conduct creates a potential for international friction,” *RJR Nabisco, Inc. v. European Community*, 579 U.S. 325, 346-47 (2016), the Court should consider this context in determining the Lanham Act’s reach.

I. TERRITORIALITY IS A FUNDAMENTAL PRINCIPLE OF INTELLECTUAL-PROPERTY LAW IN THE UNITED KINGDOM

Territoriality is fundamental to the scope of trademark and other intellectual property law in the United Kingdom, whose law does not provide remedies for the infringement of a U.K. mark committed abroad.

The primary U.K. trademark statute in force today is the Trade Marks Act 1994. Neither that statute, nor any of its predecessors dating back to the nineteenth century, references extraterritorial application. To the contrary, the United Kingdom has long been party to the Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, as revised July 14, 1967, [1970] 21 U.S.T. 1583, which provides that a “mark duly registered in a country * * * shall be regarded as independent of marks registered in the other countries,” *id.* art. 6(3).

Nor have U.K. courts extended trademark law extraterritorially to award damages for the foreign infringement of a U.K. mark. Instead, courts treat it as a first principle that, “[b]ecause trade marks are territorial in effect, those who are doing business exclusively outside the United Kingdom should not have their dealings subjected to the trade mark law of

the United Kingdom.” *Argos Ltd. v. Argos Sys. Inc.* [2018] EWCA Civ 2211, [48].

Territoriality is similarly fundamental to other branches of intellectual-property law. For example, the U.K. Supreme Court has noted that “United Kingdom copyrights are purely territorial and do not, by United Kingdom law, confer any rights abroad.” *Lucasfilm Ltd. v. Ainsworth* [2011] UKSC 39, [78]. And in the patent arena, the same court has cited with approval a decision of the Australian High Court which stated in no uncertain terms:

A patent for an invention gives a monopoly within the territory of the country which grants it. Outside that territory it has no force or effect. The English Patents Act relates exclusively to English patents * * *. In the same way, the Australian Patents Act relates exclusively to Australian patents * * *. If, therefore, an Australian patentee sues in Australia for an infringement alleged to have been committed in England, and it is asked whether the act complained of was actionable in England, the answer must be: No. For his Australian patent gives him no monopoly in England, and what the defendant has done in England is perfectly lawful according to English law.

Norbert Steinhardt & Son Ltd. v. Meth (1961) 105 C.L.R. 440, 443-44, cited in *Lucasfilm* [2011] UKSC 39, [78]. Under the same logic, a suit in England alleging foreign infringement of an English trademark must fail.

The only branch of U.K. intellectual property law where damages might theoretically be awarded for foreign sales has arisen exclusively in the patent

arena, requires a causal nexus to *domestic* infringement, and has no logical corollary in trademark law. Some judges have reasoned that patent damages could hypothetically be based on foreign sales proximately caused by infringement *within the United Kingdom*, such as through the sale abroad of “convoyed,” non-patented products associated with a patented product. See *Anan Kasei Co. v. Neo Chems. & Oxides (Eur.) Ltd.* [2022] EWHC 708 (Ch.), [87]-[109]; *IPCom v. HTC* [2020] EWHC 2914 (Pat.), [17]. But such damages would be recoverable only if the claimant satisfied strict causation requirements ensuring that the remedy addresses *domestic* infringement. See *Anan Kasei* [2022] EWHC 708, [185]-[196] (rejecting for lack of proximate causation claim that supply of infringing samples in the United Kingdom caused patentholder to lose subsequent sales abroad); *IPCom* [2020] EWHC 2914, [42] (striking damages claim for foreign sales that were not “caused by the acts of infringement in the UK”). In all events, the damages “must result from infringement in the jurisdiction” where the patent was obtained. *Kirin-Amgen v. Transkaryotic Therapies (No. 2)* [2002] RPC 3, [57]; see Patents Act 1977, c. 37, § 60(1) (“[A] person infringes a patent for an invention *if, but only if* * * * he does any of the following things *in the United Kingdom* * * * .” (emphasis added)).²

² As the High Court of Justice has explained, this rule is consistent with *WesternGeco v. Ion Geophysical*, 138 S. Ct. 2129 (2018), where this Court permitted damages for lost foreign profits caused by *domestic* infringement—“suppl[ying]’ certain components of a patented invention ‘*in or from the United States*’ with the intent that they ‘will be combined outside of the United States in a manner that would infringe the patent if such combination occurred within the United States,” *id.* at 2137-38

As *amicus* understands it, there is no such claim in this case that domestic trademark infringement proximately caused Petitioners' foreign sales. And it is difficult to imagine a trademark situation where that causation requirement would be satisfied: the situation of "convoyed" goods mentioned above, for instance, has no equivalent in trademark. Respondent's position therefore runs counter to a territoriality principle that is fundamental to U.K. intellectual-property law, and to trademark law in particular.

II. EUROPEAN UNION LAW APPLICABLE IN THE UNITED KINGDOM CONFIRMS THE TERRITORIAL NATURE OF TRADEMARK LAW

The incorporation of European Union legislation into U.K. law while that country was a member of the body confirms the centrality of territoriality to trademark law.

There are two types of E.U. legislation binding on member states: (1) *regulations*, apply in their entirety in all member countries; and (2) *directives*, which set mandates but leave the implementation up to each country. See European Union, *Types of Legislation*, https://european-union.europa.eu/institutions-law-budget/law/types-legislation_en (last accessed Dec. 26, 2022). In 1988, the European Economic Community (predecessor to the E.U.) enacted a "Trade Marks Directive," which the United Kingdom implemented through the aforementioned Trade Marks Act 1994.

(emphasis added) (quoting 35 U.S.C. § 271(f)(2)); see *Anan Kasei* [2022] EWHC 708, [104]-[108] (discussing *WesternGeco* and affirming that "patent protection under the Patents Act 1977 is limited to the territory of the UK").

See generally Council Directive 89/104, 1989 O.J. (L 40). As discussed, that statute does not contemplate extraterritorial application.

Regulations enacted during the United Kingdom's E.U. membership further reinforced the territorial nature of intellectual-property rights, both jurisdictionally and substantively. For example, under Article 24(4) of the Brussels I Regulation, the courts in the country where a trademark is registered have "exclusive jurisdiction" over any proceeding in which the registration or validity of that mark is raised, even "as a defence." Council Regulation No. 1215/2012, art. 24(4), 2012 O.J. (L 351) 1, 11.

Where a U.K. court might have jurisdiction over alleged infringement abroad, such as when the defendant is domiciled in the United Kingdom, *id.* art. 4(1), at p. 7, the substantive law to be applied is that of the place of infringement—not U.K. law as *lex fori*. The "Rome II" regulation, enacted in 2007, expressly sought to "preserve[]" the "universally acknowledged principle of the *lex loci protectionis*" for "infringements of intellectual property rights." Council Regulation No. 864/2007, 2007 O.J. (L 199), 40, 42. That regulation further provides: "The law applicable to a non-contractual obligation arising from an infringement of an intellectual property right shall be the law of the country for which protection is claimed." *Id.* art. 8(1), at p. 45. Even where a "unitary Community intellectual property right is infringed," the substantive law is that "of the country in which the act of infringement was committed." *Id.* art. 8(2), at p. 45. These rules cannot be displaced by private agreement. *Id.* art. 8(3), at p. 45; cf. *id.* art. 14, at p. 46 (sanctioning choice-of-law agreements in other contexts). Thus, in

keeping with the territoriality principle, a U.K. court seized with a trademark dispute must apply the substantive law of the jurisdiction where the infringing act allegedly occurred. Although distinct from the issue before this Court, these jurisdictional and choice-of-law provisions reinforce the solicitude for territoriality inherent in both U.K. and E.U. law.

It follows as a matter of logic—and practice—that no damages can be awarded for actions in a foreign country where no trademark is registered, even if the mark is registered and valid in the United Kingdom. This is consistent with the general tort rule, also embodied in Rome II, that “the law applicable to a non-contractual obligation arising out a tort/delict shall be the law of the country in which the damage occurs * * * irrespective of the country or country in which the indirect consequences of that event occur.” *Id.* art. 4(1), at p. 44. Respondent’s position stands in tension with these longstanding principles of tort and intellectual-property law.

III. THE TERRITORIALITY PRINCIPLE REMAINS FUNDAMENTAL POST-BREXIT

The United Kingdom’s departure from the European Union in 2020 does not change the analysis. Nothing suggests that U.K. courts will depart from the centuries-old territoriality principle. If anything, U.K. courts could become even more reluctant to handle cross-border trademark disputes.

By way of background, E.U. law generally has been retained in the United Kingdom post-Brexit. In particular, the Rome II choice-of-law principles specific to intellectual property, see *supra* p. 7, have been reaffirmed as part of domestic U.K. law by the Law Applicable to Contractual Obligations and Non-

Contractual Obligations (Amendment etc.) (EU Exit) Regulations 2019, SI 2014/421, ¶ 11. And although the Brussels Regulation is no longer in force in the United Kingdom because it governs judicial cooperation between E.U. members, the United Kingdom has applied to join the Lugano Convention, which has identical rules limiting jurisdiction over certain foreign intellectual-property claims. See Convention on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters, art. 22(4), 2007 O.J. (L 339) 3, 10.

Because of Brexit, however, U.K. courts now have greater latitude on justiciability and prudential considerations in cross-border cases. Although *amicus* declines to speculate generally on how U.K. courts might in the future depart from E.U. legislation, there is reason to think they may be less apt to entertain intellectual-property disputes focused abroad. For example, the discretionary doctrine of *forum conveniens*, which permits courts to decline jurisdiction of suits more appropriately tried elsewhere, was eroded by E.U. law. The doctrine was ruled inapplicable under the Brussels Regulation where the defendant is domiciled in a forum E.U. member state. See *Owusu v. Jackson* [2005] E.C.R. I-1383, [45]-[46]; *Vedanta Res. PLC v. Lungowe* [2019] UKSC 20, [16]. The same E.U. law had been relied on by the U.K. Supreme Court in reversing or disapproving rulings that foreign copyright issues were not justiciable in England. See *Lucasfilm Ltd. v. Ainsworth* [2011] UKSC 39, [88]-[93], [109]-[111]. The Brussels Regulation is no longer binding in the United Kingdom, and as a result *forum conveniens* or justiciability doctrines may in the future be applied more liberally

to decline adjudication of foreign conduct, including in intellectual-property cases. In any event, there is no reason to think post-Brexit courts will take the unprecedented step of applying U.K. trademark law to award damages for foreign conduct.

CONCLUSION

The decision below contravenes the territoriality principle fundamental to trademark law in the United Kingdom and elsewhere, and the judgment of the United States Court of Appeals for the Tenth Circuit should be reversed.

Respectfully submitted.

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