



TELSTRA CORPORATION LIMITED

Attorney-General's Department
Hague Conference Judgements Project

27 April 2018



Telstra Corporation Limited (**Telstra**) welcomes the opportunity to respond to the Attorney-General's Department's Consultation on the Hague Conference Judgements Project.

This submission addresses only those aspects of the Consultation Paper which relate to intellectual property ('IP') matters, and are of particular interest or concern to Telstra and our customers.

QUESTION 1

Have you experienced any problems with seeking to recognise or enforce a foreign judgment? If so, what have the main problems been? What are the benefits for Australian parties in the recognition and enforcement of foreign judgments abroad, and what are the risks for Australian parties if foreign judgments are recognised and enforced in Australia or overseas?

In the context of IP matters, Telstra believes that the mechanisms currently in place in relation to the enforcement of foreign judgments are generally adequate.

In the absence of appropriate limitations and clear safeguards, there will be a number of risks for Australian parties if foreign judgments relating to IP are recognised and enforced in Australia and overseas. The territorial nature of intellectual property rights, differences in the law relating to the validity and enforcement of intellectual property rights across jurisdictions and differences in the availability and scope of relief for intellectual property infringement, are all factors which support a cautious approach to the inclusion of intellectual property rights within the Convention. For example:

- Recognition and enforcement of foreign judgments for IP matters could lead to increased litigation and forum shopping. For example, a party may be more inclined to litigate in a jurisdiction in which it is most likely to receive a favourable judgment (if it is able to do so) or higher award of damages, and have that judgment enforced in another jurisdiction if necessary.
- IP is territorial, and laws are not harmonised across jurisdictions. Conduct which is infringing in one jurisdiction may not be infringing in another (for example, due to the availability of a defence, or looser requirements to be able to establish a defence). There is no provision for a review of the judgment on its merits, so without appropriate limitations and adequate safeguards a court may be required to enforce a judgment which conflicts with the laws of its jurisdiction. Clearly, given these territorial considerations, there can be no basis for permitting the enforcement of foreign judgments in IP matters to the extent that those judgments impose non-monetary relief (e.g. injunctions or delivery up).
- The issues above will lead to greater uncertainty for all parties to a litigation if IP matters are included in the Convention.

QUESTION 7

Should intellectual property matters be included or excluded in the draft Convention (see Article 5(3) and Article 2, respectively)? To what extent should the circulation of intellectual property judgments be treated differently to that of other judgments under the Convention?



The current mechanisms for enforcement of foreign judgments in IP matters are sufficient.

Given the territorial considerations discussed above, and in the absence of clear evidence that the current regime for the enforcement of foreign judgments in IP matters is inadequate, we support the **exclusion** of IP matters from the Convention.

We're not aware of any issues with cross-border enforcement of judgments for compensatory damages or accounts of profits in IP matters. In the absence of clear evidence that enforcement of such judgments is problematic under the current regulatory regime (and given the territorial nature of IP rights) there is no clear basis for their inclusion in the Convention.

If it's determined that IP matters should be included in the Convention, as discussed in response to Question 10 below, we believe that the Convention should:

- only apply to enforcement of judgments in IP matters for compensatory damages or accounts of profits, subject to appropriate safeguards; and
- not apply to enforcement of judgements in IP matters for additional damages, exemplary damages, or non-monetary relief (e.g. injunctions).

QUESTION 8

If included in the draft Convention, what are your views on the scope of intellectual property rights as currently defined and categorised?

If it's determined that IP matters should be included in the Convention, Telstra considers that the scope of IP, as currently defined in the draft Convention, is appropriate.

QUESTION 9

Are the suggested discretionary safeguards in the draft convention adequate for intellectual property matters?

As discussed, Telstra's position is that IP matters should be **excluded** from the Convention.

However, if it's determined that IP matters should be included in the Convention, we don't believe that the discretionary safeguards set out in the draft Convention are sufficiently clear or certain (even if enforcement is limited to monetary judgments). For example:

- The jurisdictional filters are discretionary. A party to a litigation would not know whether or not a court in a given jurisdiction would apply any of the safeguards before commencing the enforcement process. Further, different courts in the same jurisdiction may apply the discretionary safeguards differently.
- Courts in different jurisdictions may interpret '*furthering the infringement*' or '*targeting an activity*' to a relevant State in different ways. Interpretation could depend on local public policy considerations, local laws, or simply different views as to what these terms mean. For example, a court in one jurisdiction may find that an infringing website is targeting a particular State because it is available to users in that State; whereas a court in another jurisdiction may find that the same infringing website does not target a particular State unless it is expressly directed at users in that



State. Such uncertainty means that a party may spend additional money attempting to enforce a judgment in a difficult jurisdiction which is ultimately unsuccessful.

QUESTION 10

What are your views on the recognition and enforcement of monetary vs non-monetary judgments for infringement in intellectual property matters? Are there any other issues relating to intellectual property that should be addressed by the draft Convention?

As discussed, Telstra's primary position is that IP matters should be excluded from the Convention.

However, if it's determined that IP matters should be included in the Convention, we support the Convention only applying to enforcement of judgments for compensatory damages or accounts of profits, and not to judgments for additional or exemplary damages, or to any other non-monetary forms of relief (such as injunctive relief).

With respect to non-monetary relief, we refer to our response to Question 1 above in relation to the territorial nature of IP rights. In light of these factors, it would be inappropriate to permit the cross-border enforcement of non-monetary judgments (e.g. injunctions) in IP matters.

Even if enforcement is limited under the Convention to monetary judgments, safeguards will still need to be applied. Different jurisdictions apply vastly different principles in assessing damages for IP infringement. For example:

- Australian courts are entitled under legislation to award additional (non-compensatory) damages in flagrant cases of copyright, trade mark, patent or design infringement. Courts in other jurisdictions may not do so.
- In some jurisdictions (most notably the United States) IP matters may be heard before a jury, which can result in a damages awards far in excess of what a judge in Australia would order.

Telstra submits that even if the enforcement of money judgments in IP matters is permitted under the Convention, it would not be fair or equitable to permit the enforcement of a monetary judgment which is far greater than what would be awarded in the jurisdiction in which enforcement is sought. Appropriate safeguards should be adopted to prevent this scenario.

Further, enforcement of monetary judgments for additional or exemplary damages should be precluded.