



Reports of Cases

Case C-566/22

Inkreal s.r.o.

v

Dúha reality s.r.o.

(Request for a preliminary ruling from the Nejvyšší soud České republiky)

Judgment of the Court (First Chamber) of 8 February 2024

(Reference for a preliminary ruling – Judicial cooperation in civil matters – Jurisdiction and the recognition and enforcement of judgments in civil and commercial matters – Regulation (EU) No 1215/2012 – Scope – Article 25 – Agreement conferring jurisdiction – Parties to a contract established in the same Member State – Jurisdiction of the courts of another Member State to settle disputes arising from that contract – International element)

Judicial cooperation in civil matters – Jurisdiction and the enforcement of judgments in civil and commercial matters – Regulation No 1215/2012 – Scope – Existence of an international element – Prorogation of jurisdiction – Agreement conferring jurisdiction – Parties to a contract established in the same Member State – Conferral of jurisdiction on the courts of another Member State to settle disputes arising from that contract, which has no other connection with that other Member State – Included

(European Parliament and Council Regulations No 1896/2006, Art. 3(1), and No 1215/2012, recitals 3 and 26 and Art. 25(1))

(see paragraphs 17-25, 28, 32, 33, 39, operative part)

Résumé

In a dispute concerning a conflict of international jurisdiction, the Court of Justice has ruled on the applicability of the Brussels Ia Regulation¹ to agreements conferring jurisdiction, from the perspective of the existence of an international element.

Between 2016 and 2017, FD, residing in Slovakia, and Dúha reality, a company governed by Slovak law and domiciled in Slovakia, concluded two pecuniary loan contracts including an agreement conferring jurisdiction according to which any dispute which cannot be resolved by negotiation 'shall be settled by a court of the Czech Republic having substantive and territorial jurisdiction'.

¹ Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (O) 2012 L 351, p. 1; 'the Brussels Ia Regulation'.

In 2021, FD assigned the receivables arising from the pecuniary loan contracts to Inkreal, a company governed by Slovak law and domiciled in Slovakia. Since Dúha reality had not repaid the pecuniary loans, Inkreal brought an action before the Nejvyšší soud (Supreme Court, Czech Republic) seeking, among other things, the determination of a court having territorial jurisdiction to rule on the merits. That action was on the basis of the agreement conferring jurisdiction contained in the pecuniary loan contracts which Inkreal believes to be valid under the Brussels Ia Regulation.

That Supreme Court points out that, according to the case-law of the Court of Justice, the applicability of the Brussels Ia Regulation is subject to the existence of an international element. By its reference for a preliminary ruling, that first court requests the Court to determine whether that regulation is applicable to the situation at issue in the main proceedings, where the international element is limited to an agreement conferring jurisdiction on the courts of a Member State other than that in which the parties have their seat.

Findings of the Court

First, the Court notes that the wording of Article 25(1) of the Brussels Ia Regulation concerning agreements conferring jurisdiction² does not preclude an agreement, by which the parties to a contract which are established in the same Member State agree on the jurisdiction of the courts of another Member State to settle disputes arising from that contract, from being covered under that provision, even if that contract has no other connection with that other Member State.

Next, as regards the context of that provision, it is settled case-law that for the jurisdiction rules of the Brussels Ia Regulation to apply, the existence of an international element is required, even though that is not defined in the regulation.

By relying on the equivalent concept of ‘cross-border litigation’, defined by Article 3(1) of Regulation No 1896/2006³ as ‘one in which at least one of the parties is domiciled or habitually resident in a Member State other than the Member State of the court seised’, the Court states that, first, the dispute in the main proceedings meets that definition, since the parties to that dispute are established in a Member State other than the Member State of the court which was seised on the basis of the agreement conferring jurisdiction at issue. Secondly, in accordance with the case-law of the Court on the existence of an international element, the dispute in the main proceedings raises a question relating to the determination of international jurisdiction, more specifically whether the courts having jurisdiction to settle that dispute are those of the Czech Republic, or those of the Slovak Republic.

In those circumstances, the existence of an agreement conferring jurisdiction on the courts of a Member State other than that in which the parties are established in itself demonstrates the cross-border implications of the dispute in the main proceedings.

² That provision reads: ‘If the parties, regardless of their domicile, have agreed that a court or the courts of a Member State are to have jurisdiction to settle any disputes which have arisen or which may arise in connection with a particular legal relationship, that court or those courts shall have jurisdiction, unless the agreement is null and void as to its substantive validity under the law of that Member State. ...’

³ Regulation (EC) No 1896/2006 of the European Parliament and of the Council of 12 December 2006 creating a European order for payment procedure (OJ 2006 L 399, p. 1).

Finally, the Court pointed out that the interpretation of Article 25(1) of the Brussels Ia Regulation, according to which an agreement conferring jurisdiction such as the one at issue in the main proceedings is covered under that provision, meets the aim of legal certainty pursued by that regulation. By contrast, the aim of legal certainty would be compromised if that provision were applicable only on condition that, over and above the agreement conferring jurisdiction on the courts of another Member State, there were additional elements capable of demonstrating the cross-border impact of the dispute concerned. Not only would the predictability for the contracting parties of the court having jurisdiction to settle their dispute be reduced, but the examination by the court seised of its own jurisdiction would be made more complex.

The Court therefore concludes that Article 25(1) of the Brussels Ia Regulation applies to an agreement conferring jurisdiction by which the parties to a contract which are established in the same Member State agree on the jurisdiction of the courts of another Member State to settle disputes arising from that contract, even if that contract has no other connection with that other Member State.