

## International Intellectual Property

- Slides for module 2
- International Law and Institutions



## Int'l Law & Institutions

- “International Law” versus “law of nations” versus “customary international law”
- Restatement of Foreign Relations Law
  - (1) A **rule of international law** is one that has been accepted as such by the international community of states
    - (a) in the form of customary law;
    - (b) by international agreement; or
    - (c) by derivation from general principles common to the major legal systems of the world.
  - (2) **Customary international law** results from a general and consistent practice of states followed by them from a sense of legal obligation.
  - (3) International agreements create law for the states parties thereto and may lead to the creation of customary international law when such agreements are intended for adherence by states generally and are in fact widely accepted.
  - (4) General principles common to the major legal systems, even if not incorporated or reflected in customary law or international agreement, may be invoked as **supplementary rules of international law** where appropriate.



## Restatement of Foreign Relations §102



- Practice as customary law (Type 2: RS §102(1)(a) & §102(2))
  - Duration? How widespread? Effect of declared dissent?
  - *Opinio juris*
    - For practice to become customary law, states must follow it from a sense of legal obligation
  - Dissenting views and new states
  - General and special custom
- Peremptory norms – jus cogens (Type 4: RS §102, comment k)
  - permitting no derogation
  
- Conflict between int'l agreement and customary law
  - equal authority as int'l law, unless customary law is jus cogens



## Restatement of Foreign Relations §102



- Int'l agreements as a source of law (Type 1: RS §102(1)(b))
  - multilateral agreements open to all states are increasingly used for general legislation, or to codify developing customary law
  - Bindings resolutions of international organizations
  - Int'l agreements codifying or contributing to customary law
    - Some multinational agreements may come to be law for non-parties that do not actively dissent
- General principles as a secondary source of law (Type 3: RS §102(1)(c) & §102(4))



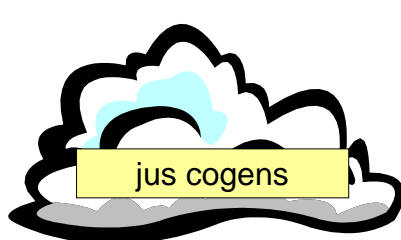
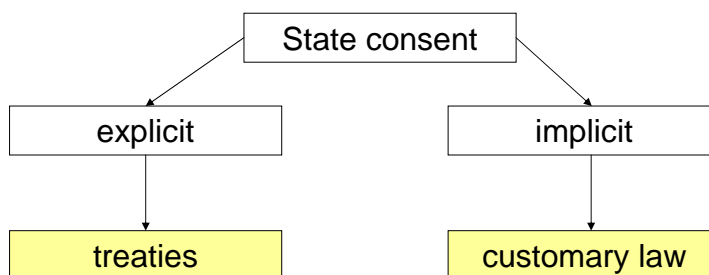
## Vienna Convention on the Law of Treaties

- Article 26 – performed in good faith
- Article 27 – don't invoke internal law as justification for failure to perform a treaty
- Article 31 – interpretative rules
  - Ordinary meaning of terms in light of object and purpose
  - Context for interpretation includes preambles, annexes, and other agreements/instruments under certain conditions in connection with the conclusion of the treaty
  - In addition to context, interpretative meaning comes from subsequent
    - Agreement on interpretation
    - Practice in application
    - Relevant rules of int'l law applicable to the parties' relation
- Article 32 – supplementary means of interpretation (preparatory work & circumstances) to be used when under Article 31 the meaning is
  - ambiguous, obscure
  - manifestly absurd or unreasonable



## Another way to think about the basis of Int'l law

(vastly oversimplified, but hopefully illustrative)



## Multilateral Agreements – Int'l IP Instruments



- Multilateral Agreements replacing bilateral agreements
  - Why?
- Joining a treaty
  - Administering a treaty
- Process of updating multilateral agreements via “Acts”
  - Creation of different requirements to which states have agreed to be bound
  - Effect of TRIPS on this?
- Influences driving multilateral treaty membership
  - Balance of trade considerations
  - “Most Favored Nation” status



## Leading Institutions & Actors



- WIPO: Paris & Berne and many others
  - Mission: “promoting the protection of [IP] . . . through cooperation among states . . .”
  - Specialized agency of UN
  - drafting, discussion, revision and conclusion of new IP treaties, and less formal norm building
- WTO: TRIPS
  - TRIPS agreement is an annex to the agreement establishing WTO
  - GATT (Uruguay) -> WTO -> TRIPS
  - “non-IP related incentives for certain states to join the community of IP respecting nations”
  - WTO dispute resolution system
  - TRIPS Council
    - Operate TRIPS agreement
    - Monitoring compliance
      - Members can raise an issue of another member's compliance
      - Systemic review of member's implementing legislation, obligation to “notify” (Art. 63.2) of implementing law to facilitate review (avoids some formal dispute resolution, beneficial ex ante effects, identifies deficiencies and differences in interpretation)

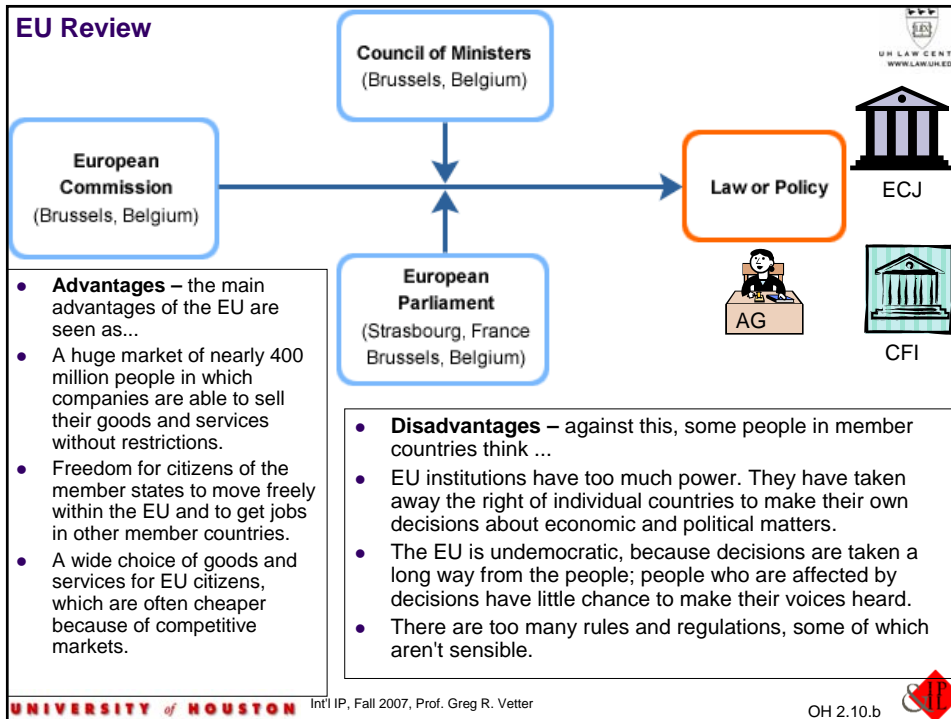


## EU

- Growing importance as a player in Int'l IP debate and implementation
- Future growth of EU
- Influence on member states and multinational organizations
- Directives
  - Drive harmonization effort within EU
  - Influence debate elsewhere (database directive)
  - Echoed in other countries systems (CTEA)
    - Commentator on this "echo" effect in US:
      - Congress needs to investigate to "free US innovation law from the grip of unelected [captured?] foreign bureaucrats . . ."



## EU Review



- **Advantages** – the main advantages of the EU are seen as...
  - A huge market of nearly 400 million people in which companies are able to sell their goods and services without restrictions.
  - Freedom for citizens of the member states to move freely within the EU and to get jobs in other member countries.
  - A wide choice of goods and services for EU citizens, which are often cheaper because of competitive markets.

- **Disadvantages** – against this, some people in member countries think ...
  - EU institutions have too much power. They have taken away the right of individual countries to make their own decisions about economic and political matters.
  - The EU is undemocratic, because decisions are taken a long way from the people; people who are affected by decisions have little chance to make their voices heard.
  - There are too many rules and regulations, some of which aren't sensible.



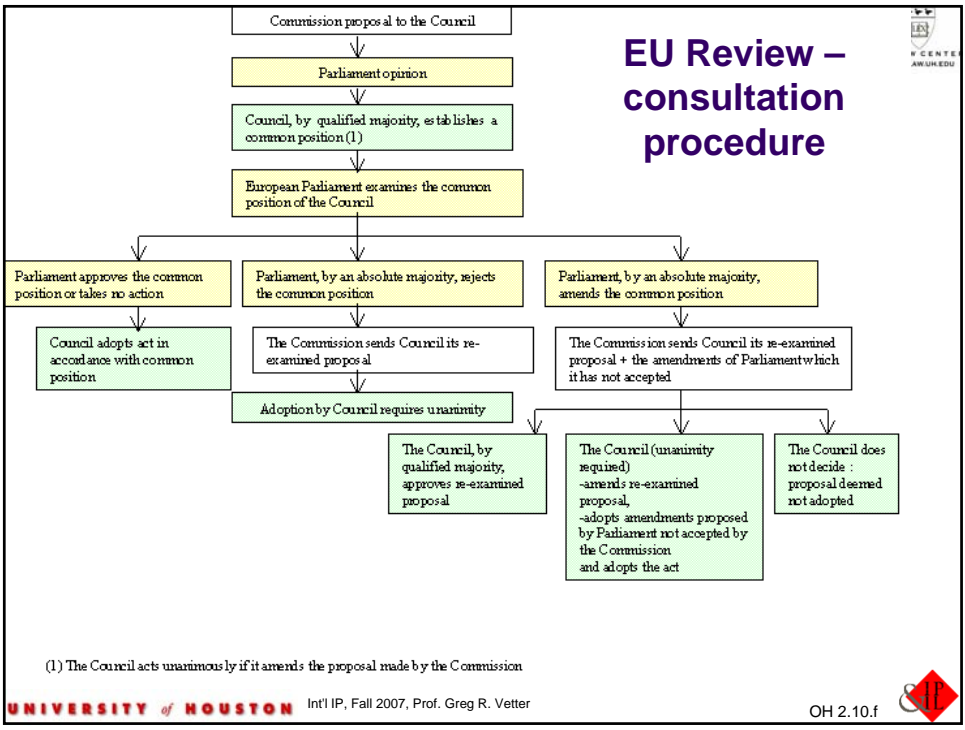
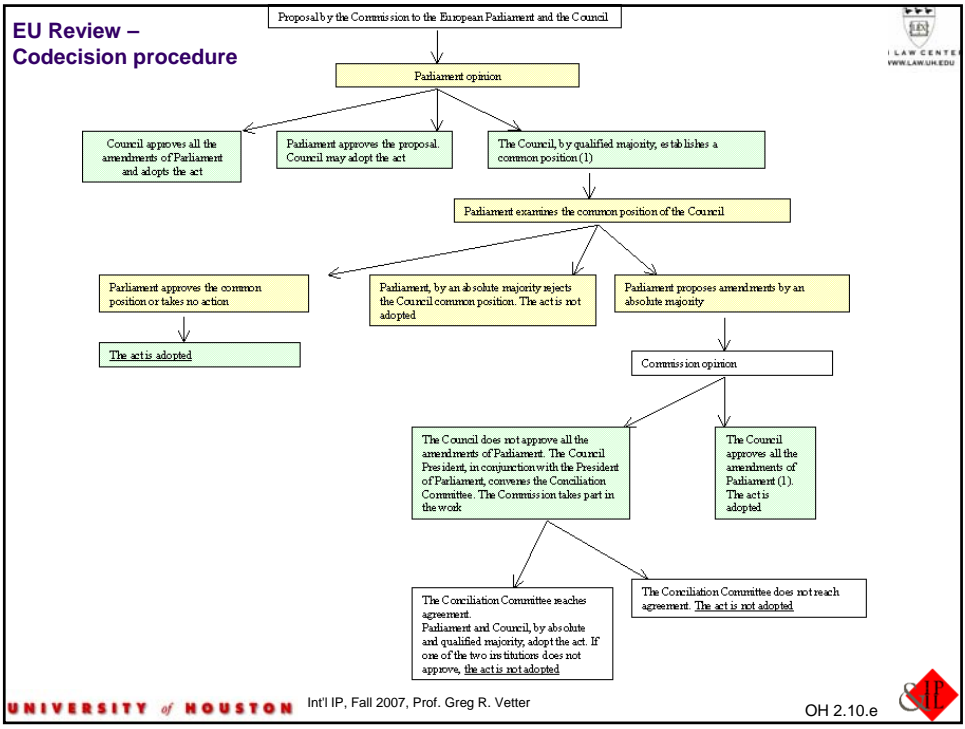
## EU - Commission

- Administrative branch of EU
- Propose legislation
- Appointed, 20 members
- Divided into “directorates-general”
- Two are particularly relevant for Int'l IP

## EU – Other Institutions & Items

- Council(s)
  - Membership depends on subject matter
  - Twenty-five subject matter areas
    - IP dealt with by the Internal Market Council
- Parliament
  - Sits in France, not Brussels
- Legislative Instruments
  - Regulation (federal law of Europe)
  - Directive
    - Binding in result to be achieved
    - Requires “transposition”
- Legislative Process
  - Consultation Procedure
  - Codecision (joint legislative) Procedure

<http://www.uc.pt/CDEUC/CDEUC19.HTM>  
(this web address contains links to the flowcharts on the next two slides)



(1) The Council acts unanimously if it amends the proposal made by the Commission

## EU – Judicial Process

- EJC
  - CFI
  - Advocates-general
    - Opinion in advance of court decision
- No stare decisis
  - Jurisprudence constante for uniformity in the application of the law
- Important jurisdiction for IP
  - Enforcement actions
  - Preliminary Reference Procedure
    - Analogous to “certifying” a state law question from federal court to a state supreme court
- Relationship w/ national law of member states
  - Early jurisprudence suspicious of broad IP rights because the hindered free movement of goods among member states
  - Strictly speaking, jurisprudence arises from conflict of “supreme” Community law and national implementation
  - Increasing case load to assist national courts in implementing directives



## Other Players

- UNESCO
  - Administers the Universal Copyright Convention
- OECD
  - As to IP, primarily focused on e-commerce
- Hague Conference on Private Int'l Law
  - draft convention on enforcement of foreign judgments contains provisions targeted particularly at Int'l IP litigation





## Negotiation of Treaties

- WIPO
  - Treaty subject matter “peculates” at WIPO
    - Standing committees of experts for three areas of IP
  - Private sector role via NGO participation
- WTO
  - IP agreements part of general “round” of trade talks
  - No NGOs, documents cloistered
- Effect of treaties on Int’l IP?
- How does Int’l IP lawmaking process differ within each institution?
- Role of national law?



## Treaties Under US Law

- Int’l meaning of “treaty”
  - any “international agreement concluded between two States in written form and governed by international law”
  - From Report to Senate Committee:
    - (1) The parties intend the agreement to be legally binding and the agreement is subject to international law;
    - (2) The agreement deals with significant matters;
    - (3) The agreement clearly and specifically describes the legal obligations of the parties; and
    - (4) The form indicates an intention to conclude a treaty, although the substance of the agreement rather than the form is the governing factor.
- US law meaning of “treaty”
  - one kind of international agreement that becomes law within the US because it is an agreement that is made “by and with the advice and consent of the Senate”
  - Self-executing or not?
    - Sometimes not clear on the face of the treaty
    - An interpretation issue for executive branch or courts
    - If self-executing, supremacy clause means that it overrides state law



## Executive Agreements

- Three types:
  - Congressional – Executive Agreements
    - Explicitly or implicitly authorized by Congress, or submitted to it for approval
  - Agreements pursuant to treaties
    - Express authorization or reasonably inferred
  - Presidential or Sole Executive Agreements
    - Five areas (pg. 63): (i) general executive authority; commander in chief; treaty clause for agreements that are part of negotiating a treaty; authority to receive ambassadors; duty to “take care” that the laws are faithfully executed
    - Executive agreements in the President’s independent constitutional authority can supersede conflicting state law
    - Opinions differ as to superceding a prior act of Congress
- Increasing use
  - In 1980s, US entered into 300-400 Executive Agreements per year as opposed to 8-26 treaties
- Trade Agreements
  - Tariff related treaties must be in the form of legislation passed by both houses (pg. 65, note 1)
  - These are not eligible for “advice and consent” of the Senate
- Fast Track



## Robertson v. GE

- Paris convention and foreign priority
- Section 308 of the Versailles Treaty (“VT”)
  - “six months after the coming into force”
- Nolan Act
  - Last date to file is 9/3/1921
- Treaty of Berlin (“TofB”)
  - Took effect on 11/11/1921 upon exchange of ratifications
  - Without mentioning section 308, TofB stated that periods of time from Versailles Treaty shall run from the date of coming into force of the TofB
- If TofB extends the effect of section 308 by 6 months, the inventor, Stoffregen, filed the day before the deadline (5/10/1922)
  - If the Nolan Act sets the deadline, the inventor was over 14 months late in filing



## Robertson v. GE

- Test for self-executing treaty:
  - when the terms of the stipulation import a contract-when either of the parties engages to perform a particular act, the treaty addresses itself to the political, not the judicial department; and the Legislature must execute the contract, before it can become a rule for this court
- Section 308:
  - uses “shall,” implying futurity, and
  - further says that the parties shall implement the extension rather than the instrument itself
    - HYPOTHESIS – imagine that section 308 says that the “time is hereby extended . . .”
- Patent rights:
  - differ from many other rights because they are dependent on statutes that only Congress has the power to enact
  - are territorial and depend on complicated & detailed administrative machinery
  - while a treaty respecting patent rights may be drafted to be self executing, there must be a **clear statement** that compels this interpretation
- Paris Convention itself was not self-executing
  - Use of “shall;” creation of reciprocal agreement/obligations
  - US patent officials and most other interpreting states concluded that it was not self-executing
- The Paris Convention provisions are a closer case than section 308, and they were all held to be not self-executing



## GM Corp. v. Ignacio Lopez De Arriortua

- GM suing Mr. Lopez and others (including Volkswagen) for various counts, including Lanham act and copyright claims, and unfair competition claims when Mr. Lopez left GM and went to work for Volkswagen
- Lanham act prohibits two types of unfair competition:
  - TM infringement (15 USC §1114)
  - False designation of origin (15 USC §1125)
- And, the Lanham act provides rights stipulated by international conventions, as noted by §1127
  - “intent . . . is to **provide rights and remedies** stipulated by treaties and conventions . . .”
  - and implemented in Lanham Act sections 44(b), (h) & (i) [15 USC §1126]
- The Paris Convention has a broad definition of unfair competition
  - “contrary to honest practice”
- So, if the Paris Convention standard is incorporated by the Lanham Act as the substantive standard by which to judge Mr. Lopez’s behavior, then GM has the greatest chance to withstand a motion to dismiss by Mr. Lopez



## GM Corp. v. Ignacio Lopez De Arriortua



- Possibilities
  - National Treatment
    - Effect of incorporation of Paris Convention by Lanham Act is that of affording rights of domestic law to foreign nationals
    - Vanity Fair Mills Second Circuit
      - No extraterritorial effect of US trademark law in Canada
  - Lanham Act incorporates international agreements
    - Toho Ninth Circuit
      - Int'l agreement was incorporated, but its terms merely provided for national treatment
  - The Lanham Act incorporates the substantive provisions of the Paris convention
    - Maison Lazard, a district court following the Ninth, reasoned that the Paris Convention concept of unfair competition was incorporated
- Holding – agreement with Toho/Maison Lazard
  - 44(b) says foreigners are entitled to benefits “to the extent necessary to give effect to any provision of a convention”
  - 44(h) says that foreigners are entitled “to protection against unfair competition”
  - 44(i) says that US citizens have the same rights as foreigners
  - Other statutory construction and legislative history arguments



## National Treatment & MFN



- Bilateral reciprocity approach
  - Burdensome to apply (must determine other country's law)
  - Discrimination against foreign rights holders
  - Scope of protection for same type of IP in a particular country became a function of its source country
- National treatment
  - Solved reciprocity problems – substitutes “non-discrimination”
  - Give nationals of other member countries same treatment as your own nationals
    - Cornerstone of Paris and Berne; used in NAFTA and TRIPS
    - Byproduct of national treatment is a desire for some minimum standards of protection in member countries



## National Treatment & MFN

- Two general non-discrimination principles
  - National treatment
  - “Most Favored Nation” treatment
    - Benefits extended to even one in the trade system will be extended to all
      - Classic application is with tariff rates – for example, once a country offers a specific tariff rate to one country in the trade system (say, GATT) then that country must offer the same rate to all countries in the system
  - Unconditional and immediate MFN is cornerstone modern multilateral trading system, starting with GATT in 1948
- Until 1986, IP not included in GATT’s requirement of immediate and unconditional extension of MFN status to all nations in the system
- GATT Article XX(d) allows some discriminatory treatment in order to “secure compliance” with IP laws
- However, TRIPS incorporated MFN principle for certain aspects of Int’l IP system



## National Treatment & MFN

- TRIPS implementation of MFN
  - Applies at least to seven enumerated types of IP (pg. 81)
  - May apply more broadly depending on interpretation of “intellectual property” in TRIPS
  - For example, will EU regime to protect databases fall within the “IP” definition?
- Besides MFN and national treatment, TRIPS members must meet minimum IP protection standards



## Murray v. BBC

- Does Mr. Murray have IP claims against the BBC for Mr. Blobby?
- Analyzing the dismissal of Murray's claims:
  - Strong presumption in favor of P's choice of forum, but less when a foreign P
  - Forum non conveniens permits a court to "resist imposition upon its jurisdiction even where jurisdiction is authorized by the letter of a general venue statute" if dismissal would "best serve the convenience of the parties and the ends of justice."
    - Balancing of interests test
  - Murray says Berne dictates that he receives the same deference as a domestic P – National Treatment principle from Berne



## Murray v. BBC

- Irish treaty is distinguishable from Berne, because its provisions directly provided
  - "national treatment with respect to . . . having access to the courts of justice."
- It is long established practice to provide equal access to courts explicitly
  - Looks like a "clear statement" rule
- Alternative forum is available – financial hardship in alternative forum is just of the factors in balancing of interests
- Balancing of interests
  - Murray argues US has interest in seeing its local laws enforced elsewhere
  - Court says that the central issue is the circumstances of creation of Mr. Bobby
    - Once resolved, right to exploit the character is easily resolved
    - Crux of matter is dispute between British citizens over events that took place exclusively in the UK, under UK contract law
    - US has virtually no interest in resolving the truly disputed issues
    - No US infringement yet
  - Lack of contingent fees in the UK is of little import

