

## Int'l IP

- Module 6
- Int'l Enforcement of Intellectual Property Rights

## Commercial Piracy

- Apex MNE hypothetical
  - Role of organized crime
- Copyright piracy
- Trademark piracy
  - the most serious form of piracy
- Patent piracy?
  - deemphasized as commercial piracy
- Comparison to narcotics trafficking for the above
- Trading partners and border seizure

### Measures Protecting IP in China (WTO Panel, 2009)

- TRIPS Art. 61
- China's criminal law for IP-based counterfeiting
- Need for the U.S., as challenger, to show counterfeiting "on a commercial scale"

Number and Domestic Value of IPR Seizures 673

| Fiscal Year | Value of Seizures | Number of Seizures |
|-------------|-------------------|--------------------|
| 2010        | \$188,125,346     | 19,959             |
| 2009        | \$260,697,937     | 14,841             |
| 2008        | \$272,728,879     | 14,992             |
| 2007        | \$196,754,377     | 13,657             |
| 2006        | \$155,369,236     | 14,675             |
| 2005        | \$93,234,510      | 8,022              |

Source: Intellectual Property Rights 2010 Seizure Statistics—Final Report, U.S. Customs Office.

U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement 673  
FY 2009 Top Trading Partners for IPR Seizures

| Trading Partner | Domestic Value | Percent of Total Seizures |
|-----------------|----------------|---------------------------|
| China           | \$204,656,093  | 79%                       |
| Hong Kong       | \$26,887,408   | 10%                       |
| India           | \$3,047,311    | 1%                        |

Major Distributors and Manufacturers of Counterfeit Goods in China



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### London Film v. ICI (S.D.N.Y. 1984)

- Locations
  - London a UK plaintiff
  - ICI a NY defendant
  - Alleged infringement in Chile and South America
- ICI specializes in distributing "public domain" works
- ICI claims the NY district court should abstain from exercising jurisdiction
  - Alien treaty rights
  - Forum non conveniens
  - Complex foreign law for many countries
  - Act of state doctrine
- Comity
  - Difficulty of determining foreign IP rights validity
  - But, validity not as large an issue in copyright
  - No good alternative forum

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### **Sarl Louis Feraud Int'l v. Viewfinder Inc. (S.D.N.Y. 2005)**

- French fashion clothing companies
- Viewfinder fashion websites
- Default judgment in France in favor of French companies
- Comity
- Source of law to determine if foreign judgment is enforced
  - NY state law via uniform act
- Copyright law analysis
  - Fashion designs not copyrightable under U.S. law
  - Even if copyrightable, Viewfinder's use was fair use
  - But, French copyright law isn't "repugnant"
- Freedom of expression under the U.S. Constitution
  - Against this, the French copyright law is "repugnant"
  - Commercial speech is still protected speech
- But, the French companies argue . . .
  - Not action by Viewfinder to send a message
  - Not news

### **IHT Int'l Heinztechnik v. Ideal Standard (ECJ 1994)**

- TM in "Ideal Standard"
  - France
    - 1984, IDSA (subsidiary of American Standard) assigns in France to SGF who assigns to CICh for heating equipment
    - IDSA keeps the mark for sanitary equipment; continues to sell sanitary equipment under the mark in France
  - Germany
    - IHT, a "corporate sibling" of CICh, imports CICh-made (in France) heating equipment into Germany
    - IDG (also a subsidiary of Am. Standard) objects to use of the mark on heating equipment in Germany; IDG sells sanitary and heating equipment in Germany under the mark
- EC treaty article 30 – free movement of goods
- EC treaty article 36 – exceptions from article 30
- EU regional exhaustion invoked by consent from economically linked entity
  - LicEE/LicOR; parent; subsidiary; exclusive distributor (possibility of control)

### **Kmart v. Cartier 486 U.S. 281 (1988)**

- 1930 Tariff Act
- Prohibit parallel importation unless
  - common control
  - authorized
- Inconsistent with §526 of 1930 Tariff Act?
  - “owned” and “merchandise of foreign manufacture”
  - “authorized” is not ambiguous
- Parallel Importation
  - Case 1 (foreign mfg with US TM LicEE/AssignEE)
  - Case 2 (foreign affiliated mfg and US mfg)
    - Foreign firm sets up US subsidiary and it registers a US mark identical to foreign mark [who owns the mark?]
    - US company sets up a subsidiary or division abroad to make and sell goods overseas [“merchandise of foreign manufacture”]
  - Case 3 (foreign LicEE) [“authorized use”]

### **Lever Bros. v. U.S. (D.C. Cir. 1993)**

- Shield soap and Sunlight liquid in the US and in the UK
- Lever US and Lever UK
- Is common control and ownership exception compatible with Sec. 42 of the Lanham Act?
  - Materially and physically different gray market goods
  - If goods are the same . . . common control provision still applies
- “Trademarks applied to physically different foreign goods are not genuine from the viewpoint of the American consumer.”

### Quality King v. L'anza 523 US 135 (1998) [not assigned]

- Copyright distribution right – 17 U.S.C. § 106(3)
- §602(a) copyright act importation right
  - Limited by §107 to §120?
    - Is §109(a) “first sale” applicable to imported copies
- Dist. Ct. and Circuit Ct. - §602 is meaningless if limited by §109
- Reversing . . .
  - “the literal text of §602(a) is simply inapplicable to both domestic and foreign owners of L'anza's products who decide to import them and resell them in the United States.”



### Kirtsaeng v. John Wiley (2013)

- Kirtsaeng is obtaining books printed abroad and sold abroad with the copyright owner's authorization, and then selling those books in the U.S.
- “lawfully made under this title”?
  - Geographic sense?
  - Authorization sense (in accordance with, in compliance with) independent of geography?
- Disagreeing with the two courts below, the Supreme Court notes:
  - “under” doesn't mean “where”
- Various additional statutory construction and effects arguments
  - “. . . reliance upon the “first sale” doctrine is deeply embedded in the practices of those, such as booksellers, libraries, museums, and retailers, who have long relied upon its protection.”