Edited by
ANNETTE KUR
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The Structure of Intellectual Property Law

Can One Size Fit All?

ATRIP Intellectual Property

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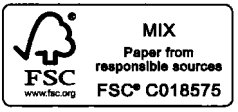

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Foreword

This book is the fruit of two congresses held in Munich (2008) and Vilnius (2009) under the common theme 'Can One Size Fit All?'. Whereas the first year focused on the commonalities in the structure of intellectual property (IP) throughout the various disciplines, the second year addressed specific topics which were analysed in the same horizontal manner. Selected contributions from both years are joined together in this volume, in a deepened and expanded form.

The congresses were arranged by the International Association for the Advancement of Teaching and Research in Intellectual Property (ATRIP, www.atrip.org), which is a unique community of IP scholars from all parts of the world, congregating annually so as to exchange ideas, receive inspiration, and gather information in a truly academic atmosphere and environment. The editors were involved in the organisation of the congresses as president of ATRIP and as local host. It is their wish to express their sincere gratitude to those persons and institutions without whose support a successful arrangement of the meetings would not have been possible, among them the World Intellectual Property Organisation (WIPO), the International Association for the Protection of International Property (AIPPI), and the International Federation of Patent Agents (FICPI). Generous support was further provided by the Academy of the European Patent Office (EPO) and by a number of sponsors from private practice. Special thanks also go to the academic institutions acting as co-organisers of the meetings, namely the Max Planck Institute for Intellectual Property and Competition Law in Munich and the Faculty of Law at the University of Vilnius. Last but not least, we are deeply indebted to the many persons who dedicated time and effort, with much enthusiasm, to the plethora of tasks behind the scenes, so as to ensure that the events took place smoothly and efficiently.

It has always been a crucial part of ATRIP's work to distribute the harvest gathered at the annual congresses to its members in the form of publications. Nevertheless, this book marks a new phase in those activities, as it is the first volume in an ATRIP series edited under the auspices of Edward Elgar Publishing. It is our hope that the series will find its place in the market, so as to attract a new and broader array of persons interested in topical issues of contemporary IP. In full awareness of this

ambitious goal, the book has been given a concise structure and theme, so as to resemble a handbook rather than a mere compilation of congress papers. Our ultimate thanks go to the contributors who have understood and acted according to those ambitions. The last word on this, of course, needs to be spoken by the reader.

Munich and Vilnius, July 2010

Annette Kur and Vytautas Mizaras

Introduction

Annette Kur*

Is there a coherent system underlying the entire field of intellectual property (IP), or are the different constituent areas only loosely connected with each other? Have the foundations on which the different rights were originally grounded converged, or are they drifting apart? Does the fact that the law must react to a host of problems characterised by an ever-increasing degree of sophistication necessarily entail fragmentation ultimately leading to inconsistency, or are the principles informing legal choices sustainable enough to provide a solid and resilient frame? Vice versa – are those principles too rigid and inflexible, and therefore incapable of responding to novel challenges? To what extent, and where, should the system make room for more differentiation? Which tools does the law provide for the adjustment of protection to different needs and circumstances, and how much flexibility exists in employing those tools? *Can One Size Fit All?*

The idea of focusing on these and other issues at ATRIP meetings was born out of the *Intellectual Property of Transition* project, to which Graeme Dinwoodie refers in the first chapter of this book. The clue was taken from two seemingly antagonistic tendencies that were considered characteristic of contemporary IP law. As their overall coverage broadens, legal fields such as patent and copyright law become increasingly compartmentalised: pharmaceutical patents have little in common with patents in 'classical' technical fields such as machinery, and copyright in works of fine art is quite another discipline than copyright in news articles or computer programs. In order to attain and keep up expert status on a particular subject, a high degree of specialisation is needed, which may impede a full view on IP as one coherent field. On the other hand, there is also an increasing inclination towards overlaps, both as regards the way in which one and the same object may attract cumulative protection under different laws, and regarding the legal objectives underlying the different fields.

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While patent and copyright protection were originally based on quite distinct motives and concepts, patent law – in some parts of the world – has ventured out of the field of technology, while copyright long ago left the sphere of purely artistic creations. Although traditional rhetoric may still convey more idealistic views, legal developments in all fields are predominantly driven by utilitarian motives. Protection and encouragement of financial investment have become the primary rationale for the creation of new and extension of existing rights. Protection is frequently tailored so as to prevent third parties from taking commercial advantage of achievements made by the first investor, irrespective of whether or not a risk of market failure is created thereby. The problem with that approach is that it lacks an inherent balancing element, and that it tends to respond in an ad hoc fashion to needs and demands which are voiced strongly enough to create political pressure.

One possible response to those trends would be to embark on a quest for a 'One Right' system, which could provide the groundwork for establishing a well-calibrated IP regime. The task would be to identify the features of a core right which extends from a nucleus of unconditional power to exclude others from accessing and using the protected subject matter over various forms and degrees of attenuation to full accessibility and free use for everyone. The architecture of such a system would have to be elaborated on the basis of a holistic approach, investigating the commonalities in the foundations as well as in the existing and/or desirable limitations of different types of rights. For instance, an attempt could be made to draw up a charter of 'users' rights' forming the baseline for third-party conduct which must regularly be deemed permissible, irrespective of the kind of right invoked.

Of course, the outcome of that exercise would be deplorable if it left less room than at present for the finetuning of protection. However, depending on the details of implementation, the system might even allow for an optimum of flexibility and differentiation, with the appraisal being based on a common catalogue of evaluation factors interacting with each other. In its ideal form, the system could be compared to a tree, where one strong and massive trunk grows out of a meshwork of roots, then separates into different branches which sprout a large number of twigs, and finally end up in smaller and smaller sprigs which are too numerous to be counted. Translated into law, this means that full room is given for consideration of the specificities found in individual cases, while nevertheless, all solutions must respond, and must conform to, the common objectives and principles that provide the backbone of the system, so as to avoid arbitrary and inconsistent decisions.

While flexibility would thus be preserved or even enhanced, an obvious

drawback of such a system would be that it tends to reduce legal certainty and foreseeability, and that it imposes a very high burden on those who are responsible for its application. It would also require the revisiting and, where necessary, the adaption of the legislative techniques traditionally employed in intellectual property law in order to give more room to individual evaluations.

Apart from such ambitious goals, a modest and probably more realistic aim for a holistic approach towards IP would be to promulgate an enhanced form of an Intellectual Property Code, which contains common rules on (administrative) procedures and sanctions as well as, for example, on IP rights as objects of property, where that is feasible. This might also help to sharpen the perception of the common features of legal fields which have remained separate up till now, and of the need for more differentiated treatment in others.

The contributions in this book address various aspects on the spectrum of issues arising from one or another form of a 'One Right' approach. They look into the underlying policies and economic foundations of intellectual property right, the principles governing limitations and exceptions, ownership, transfer and other contractual matters. Finally, they also address the question of whether one size can fit all with regard to its implications for intellectual property law. The conclusions drawn and suggestions made may differ in their potential to question current legal concepts and solutions. However, they are all proof of the fact that to conceive of intellectual property as one common area lending itself to horizontal thinking is a valuable exercise in legal analysis, and may foster new insights.

Contents

PART I

The general framework: foundation and limits of IP protection

1. Remarks: 'one size fits all' consolidation and difference in intellectual property law

Graeme B. Dinwoodie*

1. INTRODUCTION

This volume is dedicated, like the two ATRIP congresses on which it is based, to the overall theme of whether 'one size fits all' in intellectual property law. Are there sufficient commonalities among the component parts of our field that we could realistically construct a unitary body of intellectual property law?

More specifically, this contribution will consider whether the 'one size fits all' inquiry might be informed by an assessment of changes in the objectives or purposes of intellectual property protection. Have such changes made a 'one size fits all' solution more or less likely, and more or less desirable?

2. ONE SIZE FITTING ALL

Before getting to the specific questions of 'purpose' and 'objectives', I would like first to introduce the different dimensions to the overall question of 'one size fitting all', which will be explored in greater detail in later chapters.

There are a number of different inquiries that might be subsumed by the question of whether 'one size fits all' in intellectual property law.

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2.1. A Single Intellectual Property Right?

First, as perhaps best reflected in a project undertaken by the Intellectual Property in Transition team,[1] who starting in 2001 sought to develop a 'one-right-system', we might ask whether the historically distinct regimes of patent, copyright and trademark law have developed sufficient commonality that a single notion of an 'intellectual property right' can be formulated. This unified right, so the argument goes, would provide a greater economy of doctrine and thus greater certainty than the current mish-mash of separate, but increasingly overlapping, intellectual property rights that often provide multiple layers of protection to the same commercial product.

Thus, the Intellectual Property in Transition project explanatory memorandum from 2005 suggested that market actors no longer differentiated among IP rights along the lines suggested by formal legal doctrine. Indeed, the drafters of that memorandum went so far as to suggest that 'the only significant difference between modern copyright and patent law is the droit moral'.[2]

In the abstract, the idea of pursuing a one-size-fits-all philosophy, and collapsing the mélange of existing intellectual property systems into a single, clean IP right, might be attractive. Certainly, guaranteeing commercial actors that their rights in the products of their innovative activity, and their dealings with respect to the products of others, would be regulated by a single set of principles would substantially reduce the uncertainty and the compliance costs caused by multiple layers of protection.[3] It might also minimize the circumvention of legislative intent that often

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[1] This project, with a heavy Nordic leadership, met in Stockholm in November 2005 with Friends of the Project, in connection with which a memorandum detailing proposed revisions of the TRIPS Agreement was prepared. *See* IPT Conference, 11–12 November 2005: TRIPS Amendments – Explanatory Memorandum (copy on file with author) ('Stockholm 2005 Memorandum'); IPT Conference, 11–12 November 2005 Intellectual Property in Transition Research Programme – Background ('IPT Background'). The project was the subject of a further conference in Helsinki in October 2008, the proceedings of which will be published; the project's findings relating to the TRIPS are published in Kur, A., and Levin, M. (eds) (2011), *Intellectual Property Rights in a Fair World Trade System: Proposals for Reform of TRIPS*, Edward Elgar.

[2] *See* ibid. at 2.

[3] The US Supreme Court is particularly aware of these concerns. *See, e.g., TrafFix Devices, Inc. v Marketing Displays, Inc.*, 532 US 23 (2001); *Dastar Corp. v Twentieth Century Fox Film Corp.*, 539 US 23 (2003); *see generally* Dinwoodie, Graeme B. (2004), 'The Trademark Jurisprudence of the Rehnquist Court', 8 *MARQ. INTELL. PROP. L. REV.*, p. 187.

accompanies opportunistic exploitation of the slight differences among intellectual property regimes.

And, to be sure, there have been theoretical, doctrinal and strategic convergences that might suggest such a possibility. Let me give only a few examples. Theoretically, expansions in the scope of trademark protection, to cover both confusion as to association and endorsement,[4] on the one hand, and non-confusing dilution,[5] on the other, have changed the nature of trademarks. Once essentially defensive devices used to preclude rival traders from appropriating one's goodwill, trademarks have been transformed into commercial assets to be used affirmatively to create and control new, secondary markets.[6] Historical assertions that trademarks do not confer rights in gross might appear somewhat tenuous. Very often, trademark claims closely resemble those that one might typically have found in copyright law or patent law: the defendant has 'reproduced' my mark or is 'selling, or making use of' my mark.[7]

And one can pursue this assimilationist line of thought in some degree of detail: for example, the protection of trademarks on so-called 'related goods' could be reconceptualized as a variant on the adaptation right in copyright law;[8] the moral right of integrity can likewise be seen as an alternative formulation of the adaptation right (as indeed it was by the US courts, allowing the United States to fake adherence to the Berne Convention);[9] attribution rights can, to some extent, be protected through recasting the lack of attribution as an act of passing off.[10]

Likewise, as I mentioned above, the drafters of the Intellectual Property in Transition project suggested that 'the only significant difference

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[4] *See* 15 USC § 1125(a)(1)(A)(2009); Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to Approximate the Laws of the Member States Relating to Trade Marks (codified version), OJ (L 299) 25 (8 Nov. 2008) ('Trade Mark Directive'), art. 5(1)(b); *see also* Directive 2008/95/EC of the European Parliament and the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (codified version).

[5] *See* 15 USC § 1125(c) (2009); Trade Mark Directive, art. 5(2).

[6] *See* Dinwoodie, Graeme B. (2009), 'The Ninth Annual Distinguished IP Lecture: Developing Defenses in Trademark Law', 13 *Lewis & Clark L. Rev.*, pp. 99, 120.

[7] *Cf. Boston Professional Hockey Ass'n, Inc. v Dallas Cap & Emblem Mfg., Inc.*, 510 F.2d 1004 (5th Cir. 1975).

[8] *See* McKenna, Mark P. (2009), 'Testing Modern Trademark Law's Theory of Harm', 95 *Iowa L. Rev.*, p. 63.

[9] *See Gilliam v American Broadcasting Co.*, 538 F.2d 14 (2d Cir. 1976).

[10] *But see Dastar Corp. v Twentieth Century Fox Film Corp.*, 539 US 23 (2003); *see generally* Ginsburg, Jane C. (2004), 'The Right to Claim Authorship in U.S. Copyright and Trademarks Law', 41 *Hous. L. Rev.* p. 263.