STUDIES IN PRIVATE INTERNATIONAL LAW

INTELLECTUAL PROPERTY AND PRIVATE INTERNATIONAL LAW

Comparative Perspectives

Edited by
Toshiyuki Kono

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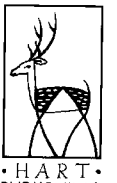

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INTELLECTUAL PROPERTY AND PRIVATE INTERNATIONAL LAW

Intellectual property and private international law was one of the subjects discussed at the 18th International Congress of Comparative Law held in Washington (July 2010). This volume contains the General Report and 20 National Reports covering Canada, the United States, Japan, Korea, India and a number of European countries (Austria, France, Germany, the United Kingdom, Spain etc). The General Report was prepared on the basis of the National Reports.

The national reporters not only describe the existing legal framework, but also provide answers for up to 12 hypothetical cases concerning international jurisdiction, choice-of-law, and recognition and enforcement of foreign judgments in multi-state IP disputes. Based on their answers, the main differences between legal systems as well as the shortcomings of the cross-border enforcement of IP rights are outlined in the General Report.

The Reports in this volume analyse relevant court decisions as well as recent legislative proposals (such as the ALI, CLIP, Transparency, Waseda and Korean Principles). This book is therefore a significant contribution to the existing debate in the field and will be a valuable source of reference in shaping future developments in the cross-border enforcement of IP rights in a global context.

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SERIES EDITORS' PREFACE

The relationship between intellectual property and private international law has attracted attention amongst academics, legislators and practitioners around the world in recent years. The problems which can arise in this field can be very challenging, given the complex interaction between principles of property law, contract and tort law and the traditionally territorial nature of disputes relating to intellectual property rights. They can be especially acute where it is necessary to reconcile national traditions and the approaches to be taken in interpreting and applying international conventions and regulations; and, of course, the advent of new forms of technology tends to de-localise the focus on the location of property rights and the occurrence of events.

Against this background, this book offers a valuable and timely resource. It contains the General and National Reports arising from the 18th International Congress of Comparative Law. As such, rather than focusing on one, or a small number of legal systems, it offers a comparative law perspective on a range of core issues spanning more than 20 countries across North America, Europe (include both EU and non-EU states) and Asia. These states have divergent legal traditions and, often, widely divergent legal rules for regulating the private international law aspects of intellectual property. The reports, authored by experts in the various legal systems, explain the legal regimes in force in those jurisdictions and relevant case law based on a questionnaire which sought information on the national legal rules and international instruments to which the State in question was party. Respondents were also asked to consider a number of hypothetical case studies. The authors were asked to explain the position in respect of copyrights, patents, trademarks and other intellectual property rights. In this way, and under the skilled editorship of Professor Toshiyuki Kono, a renowned expert in this field, the reader is able to see clearly the differences between the various regimes, both in theory and in practice.

The topics covered in this book range from issues of personal and subject-matter jurisdiction to provisional and protective measures; from contractual rights (including those created in the course of employment) to the law applicable to the creation and transfer of intellectual property rights and their infringement; and from the problems raised by parallel and concurrent proceedings to the recognition and enforcement of foreign judgments. Along the way, provisions considered include the CLIP proposals, the ALI Principles, the reform of the Brussels I Regulation and the potential impact of the Hague Choice of Court Convention, as well as recent national reforms in various jurisdictions, including Japan. The book begins with a fascinating, detailed and rigorous general report which skilfully reviews the law in these various jurisdictions, analyses the results of the questionnaires and provides an invaluable resource for understanding the application of the law in this field at both national and international levels and for reflecting upon its possible reform.

We believe that *Intellectual Property and Private International Law* makes a very important contribution to comparative law learning in the field and are delighted to welcome it to the *Studies in Private International Law* series.

Paul Beaumont (University of Aberdeen)
Jonathan Harris (King's College, London)

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General Report

TOSHIYUKI KONO* and PAULIUS JURČYS**

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Introduction

The emergence and development of global business activities, and the inception of the Internet have resulted in the creation of a new field of legal studies concerning cross-border enforcement of intellectual property (IP) rights. This novel area of law is known as *private international law and intellectual property.* It has attracted much attention from lawyers within the fields of both private international law and intellectual property law. Several landmark decisions have caught the interest of legal practitioners as well as scholars engaged in deeper research activities. So far, several edited books[1] have been published, and a greater amount of legal articles have been written on the subject.

The object of private international law and intellectual property is mainly related to the private enforcement of intellectual property rights. In this context, 'private' enforcement is understood to mean legal measures taken by private parties (eg, proprietors of IP rights, persons exploiting IP rights with or without authorisation). Such legal measures taken by private parties would usually be determined by the law of the country where the protection is sought. In this report the private enforcement of IP rights refers to legal actions brought before national judicial or administrative authorities. Hence, public administrative acts upon which certain preventive acts are taken (eg, customs control, seizure of counterfeited goods etc) are not analysed here. Private international law and intellectual property could also be considered a special area of private international law dealing particularly with the enforcement of IP rights. Accordingly, legal problems which arise in the course of the enforcement of IP rights are mainly related to the exercise of international jurisdiction of the court seised, the applicable laws, and the recognition and enforcement of foreign court judgments rendered in disputes over IP rights.

This General Report draws upon 21 national reports received from countries with very divergent legal traditions. National reports were collated from three continents: North America (Canada and the United States), Europe (14 EU Member States, Switzerland and Croatia) and Asia (India, Taiwan, Korea and Japan). The national reports were drafted on the basis of a questionnaire[2] containing two main sections. The first section required national reporters to provide a general legal and institutional framework concerning the enforcement of IP rights in their respective countries. National reporters were then asked to indicate: a) international and regional legal instruments which have been ratified or are applicable in their countries, and b) national statutory instruments pertaining to the enforcement of IP rights.

The second section of the questionnaire was based on hypothetical cases. Instead of providing a list of questions asking for a description of certain legal matters, it was decided to incorporate those questions into hypothetical cases in order to provide a better illustration of their legal situation. Such methodology, whereby the questionnaire is partly based on

[1] JJ Fawcett and P Torremans, *Intellectual Property and Private International Law*, 2nd edn (Oxford, Oxford University Press, 2011); J Drexl and A Kur (eds), *Intellectual Property and Private International Law: Heading for Future* (Oxford, Hart Publishing, 2005); J Basedow, J Drexl, A Kur, and A Metzger (eds), *Intellectual Property in the Conflict of Laws* (Tübingen, Mohr Siebeck, 2005); A Nuyts (ed), *International Intellectual Property and Information Technology* (Alphen aan den Rijn, Kluwer Law International, 2008); S Leible and A Ohly (eds), *Intellectual Property and Private International Law* (Tübingen, Mohr Siebeck, 2009); J Basedow, T Kono, and A Metzger (eds), *Intellectual Property in the Global Arena: Jurisdiction, Applicable Law, and the Recognition of Judgments in Europe, Japan and the US* (Tübingen, Mohr Siebeck, 2010).

[2] See Appendix I.

hypothetical cases, was inspired by the recent initiatives to draft the European Civil Code (eg security rights in immovable property or condominiums in European private law). However, given that the scope of the project is related to international aspects of IP, national reporters were asked to consider these hypothetical cases as mere examples, so as to not restrict possible answers to questions posed. Hence, reporters were encouraged to provide further analysis of any issues not covered in the hypothetical case. In the same vein, national reporters were also asked to provide analysis of IP rights other than those addressed in a particular hypothetical case (eg, if the hypothetical case concerned copyright, the national reporters were asked to indicate whether, and if so, how the answers would differ in disputes related to other IP rights such as patents, trade marks, etc). Furthermore, national reporters were asked to structure their answers into two sections: operative rules and descriptive formants.

In October 2009, due to certain logistic considerations and with the objective to receive national reports from as many legal jurisdictions as possible, a shorter version of the questionnaire[3] was created (national reports of Switzerland and the United States were prepared on the basis of the shorter version of the questionnaire). Therefore, although the form of the national reports might differ, from a substantive point of view they cover identical legal issues as they were in the summer of 2010.

The General Report consists of four main parts. Parts I and II provide a brief overview of private enforcement of IP rights as well as the related institutional framework. Part III deals with various jurisdictional issues which arise in cross-border IP litigation and provides an analysis of the jurisdictional approaches which exist in the countries covered. More specifically, Part II deals with jurisdiction over parties, jurisdiction in contractual and non-contractual disputes, subject-matter (exclusive) jurisdiction, available possibilities for consolidating multiple claims/proceedings, treatment of international parallel proceedings, and choice of court agreements in IP disputes. Part IV is mainly devoted to analysing various choice-of-law problems that arise in cross-border IP disputes. Namely, it provides an overview and analysis of the approaches concerning the applicable law to the proprietary aspects of IP rights, choice-of-law problems arising in IP infringement cases and contracts for the transfer of IP rights. A further aim of Part III is to depict choice-of-law problems which arise in the context of IP finance. Lastly, Part V focuses on the recognition and enforcement of foreign judgments rendered in IP-related disputes. An Epilogue concludes.

Parts III, IV and V were drafted on the basis of the national reports and are structured geographically: each chapter begins with an introduction outlining the main problems subject to discussion. The analysis commences with an overview of the law in two North American countries – Canada and the United States – and deals with the approach established in the ALI Principles on Intellectual Property. Then the current legal situation in the European Union and several other countries (namely, Switzerland and Croatia) is introduced in conjunction with an analysis of the legislative proposals made by the CLIP working group and other legislative initiatives concerning the modification of the Brussels I Regulation. Finally, an overview of the law in four Asian countries (India, Taiwan, Korea and Japan) is provided. Further attention is given to recent legislation in Asian countries (for example, Japan's Act amending its Code of Civil Procedure (2011), as well as several legislative proposals such as Transparency and Waseda Principles. In addition, the Korean proposal which was drafted together with the Waseda working group is briefly introduced.

[3] See Appendix II.

The authors would like to express their gratitude to a number of persons without whose assistance the preparation of this report would not have been possible: especially Ruben Pauwels, Steven Van Uytsel, Stefan Wrbka and Claire Wan-Chiung Cheng. The authors of the General Report are also grateful to the national reporters for their close collaboration and devotedness in drafting and updating their reports: Howard Abrams, Marie-Elodie Ancel, Joost Blom, Nerina Boschiero, Amelie Charbon, Dick van Engelen, Anastasia Grammaticaki, Marie-Christine Janssens, Ivana Kunda, Gyooho Lee, Tattay Levente, Ulf Maunsbach, Axel Metzger, Pedro de Miguel Asensio, Damjan Možina, Alexis Pereira, Thomas Petz, Ming-Yan Shieh, Iris Sidler, Vandana Singh, Tatiana Synodinou, Benedetta Ubertazzi, Dai Yokomizo and Christopher Wadlow.

Part I General Overview

1. Intellectual Property and Private International Law: Legal and Institutional Background

1.1 IP and Private International Law: Legal Framework in Different States

All 21 states from which the national reports were assembled belong to the World Trade Organization. This means that these countries are bound by the TRIPS (Trade-Related Aspects of Intellectual Property Rights) Agreement[4] which entered into force in 1995. The states had ratified many international conventions concerning the protection of IP rights before the establishment of the WTO (namely, Paris Convention for the Protection of Industrial Property (1883)[5] and Berne Convention for the Protection of Literary and Artistic Works (1886)[6]). All represented states are also members of the World Intellectual Property Organization and are bound by the WIPO Performances and Phonograms Treaty (WPPT)[7] and WIPO Copyright Treaty (WCT).[8] Most of the states participate in international IP protection systems: the Patent Cooperation Treaty,[9] the Madrid system concerning international trade mark registration, the Hague system concerning international industrial design registration and the Lisbon system concerning international registration of the appellations of origin.[10] These international conventions have significantly influenced the development of national legal regimes for the protection of IP rights.[11]

Regional economic integration has also facilitated the harmonisation of different aspects of IP rights. This is particularly noticeable in the EU, where the domestic legislation of

[4] Agreement on Trade-Related Aspects of Intellectual Property Rights, 15 April 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C (1994) 33 *International Law Materials* 1197.

[5] Paris Convention for the Protection of Industrial Property, as last revised at the Stockholm Revision Conference, 14 July 1967, 828 UNTS 303.

[6] Berne Convention for the Protection of Literary and Artistic Works, 9 September 1886, as last revised at Paris on 24 July 1971, 1161 UNTS 30.

[7] (1997) 36 *International Law Materials* 76.

[8] (1997) 36 *International Law Materials* 65.

[9] (1970) 9 *International Law Materials* 978.

[10] www.wipo.int/services/en/.

[11] For a more detailed overview, the reader is recommended to refer to the national reports of particular countries.

Member States has been to a large extent affected by harmonisation activities at the EU level. Numerous regulations and directives were adopted with the objective of aligning domestic statutes and ascertaining that minimum standards of protection are established. In the area of copyright, these include directives related to the legal protection of computer programs,[12] rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission,[13] legal protection of databases,[14] harmonisation of certain aspects of copyright and related rights in the information society,[15] resale rights[16] as well as the term of protection of copyrights and related rights.[17]

Further, many legislative instruments were adopted with regard to industrial property rights in the EU: for example, directives to approximate the laws of the Member States relating to trade marks;[18] legal protection of designs;[19] or the protection of biotechnological inventions.[20] On the basis of two legal instruments, Community trade marks[21] and Community design rights became available.[22] As regards patents, the European Patent Convention which entered into force in 1977 laid a solid foundation for the regional protection of patent rights.[23] It is worth noting that negotiations concerning the creation of an 'EU Patent litigation system' are taking place.[24] In addition, the following instruments regarding patents have to be mentioned: the Regulation concerning the creation of a supplementary protection certificate for medicinal products,[25] and the Regulation concerning the creation of a supplementary protection certificate for plant protection products.[26] In 2004 an additional directive was adopted requiring Member States to establish procedures concerning the protection of IP rights.[27]

Further regional cooperation occurs among a specific number of European states. For instance, the Swedish Report notes that major legislative developments in the area of IP in

[12] Council Directive 91/250/EEC of 14 May 1991 on the legal protection of computer programs, replaced by Directive 2009/24/EC of the European Parliament and of the Council of 23 April 2009 on the legal protection of computer programs (Codified version) [2009] OJ L111/16.

[13] Council Directive 93/83/EEC of 27 September 1993 on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission [1993] OJ L248/15.

[14] Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases [1996] OJ L77/20.

[15] Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society [2001] OJ L167/10.

[16] Directive 2001/84/EC of the European Parliament and of the Council of 27 September 2001 on the resale right for the benefit of the author of an original work of art [2001] OJ L 272/32.

[17] Directive 2006/116/EC of the European Parliament and of the Council of 12 December 2006 on the term of protection of copyright and certain related rights (codified version) [2006] OJ L 372/12.

[18] Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks [1989] OJ L40/1.

[19] Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs [1998] OJ L289/28.

[20] Directive 98/44/EC of the European Parliament and of the Council of 6 July 1998 on the legal protection of biotechnological inventions [1998] OJ L213/13.

[21] *Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark [1994] OJ L11/1.*

[22] Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs [2002] OJ L3/1.

[23] Convention on the Grant of European Patents (European Patent Convention) of 5 October 1973 as revised by the Act revising Article 63 EPC of 17 December 1991 and the Act revising the EPC of 29 November 2000.

[24] Belgian Report, nn 62 and 63.

[25] Council Regulation (EEC) No 1768/92 of 18 June 1992 concerning the creation of a supplementary protection certificate for medicinal products [1992] OJ L182/1.

[26] Regulation (EC) No 1610/96 of the European Parliament and of the Council of 23 July 1996 concerning the creation of a supplementary protection certificate for plant protection products [1996] OJ L198/30.

[27] Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights [2004] OJ 195/16.