Book review:

Dário Moura Vicente, La propriété intellectuelle en droit international privé, Brill Academic Pub 2009 (Les Livres de Poche de L'Academie de Droit International de la Haye), 516 p., ISBN-10: 9004179070, ISBN-13: 978-9004179073

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1 The private international law of intellectual property is currently high on the agenda in Europe and abroad. Art. 8 of the Regulation (EC) No 864/2007 of 11 July 2007 on the law applicable to non-contractual obligations (Rome II), which codifies a territorial approach for the infringement of intellectual property and the associated remedies, has provoked an intensive discussion in Europe whether the lex loci protectionis is still appropriate for intellectual property litigation in the age of worldwide networks. A condensed outcome of this debate is summarized in the „Principles for Conflict of Laws in Intellectual Property" (CLIP Principles) drafted by the European Max Planck Group on Conflict of Laws in Intellectual Property (CLIP), which have been published recently in a second preliminary draft.1 On the international scale, the American Law Institute's „Intellectual Property: Principles Governing Jurisdiction, Choice of Law, and Judgments in Transnational Disputes" of 2007 (ALI Principles)2 are the focal point of the debate. A Japanese project („Transparency proposal") has been finalized in 2009.3 All three projects, if one sets aside some remarkable differences in specific rules, confirm the general tendency to stick with the territorial approach both for industrial property and copyright but to allow for moderate deviations for certain infringement cases in the Internet („ubiquitous infringement").

2 Against this background, Dário Moura Vicente, Professor at the University of Lissabon and author of a long list of contributions both on private international law and intellectual property, has now published in the French language his Hague Lecture held in 2008. After a short introduction, chapter 1 presents a comparative overview of the different types of intellectual property on the level of substantive law. The main purpose of the chapter is to demonstrate the diversity of intellectual property protection in some of the main jurisdictions worldwide. For the most part, France, Germany, the US, the UK and, what is added value as such to the ongoing debate, Portugal are briefly analyzed. For copyright and neighboring rights, the two main traditions of „copyright" and „droit d'auteur" are

presented for some of the most crucial issues such as initial ownership for works created in the course of employment, moral rights, scope of economic rights, duration, transferability, collecting societies, neighboring rights and remedies. The description of the differences is accompanied by a thoughtful analysis of the factors determining this diversity (n° 20). The parts on trademark, patent law and unfair competition, although shorter, follow a similar structure. A basic understanding of the sources and the different concepts applied on a substantive law level is indispensable for understanding the conflicts of law issues that are the main subject of the book. Given the didactic concept of the lecture underlying the book, it may be justified to provide the reader (or class participant) with the basic sources and concepts. Specialist of intellectual property may skip the chapter and start reading with chapter 2.

3 Chapter 2 continues with an analysis of the system of international conventions in the field. Regarding copyright and neighboring rights, the Berne Convention is explained in detail. Although it may be technically correct that the minimum rights of the Berne Convention are only applicable to foreigners and not „uniform law" stricto sensu (n° 52), it has to be emphasized that these minimum rights have led to a remarkable approximation of the substantive rules among the Berne member states since the discrimination of a state's own nationals as against foreigners is hard to justify for lawmakers. Regarding the integration of copyright in the international trade negotiations that have lead to the adoption of the TRIPS agreement in 1994, one may add that the US have since the late 1990s shifted their foreign trade policy away from multilateral to bilateral negotiations. The result is a growing network of Free Trade Agreements that often provide „TRIPS-plus" rules. The secret negotiations on an Anti-Counterfeiting Trade Agreement (ACTA) between the US, Europe and a small number of other states currently taking place will further undermine the drafting of new (or different) multilateral standards in the framework of WIPO or WTO. Chapter 2 also summarizes the harmonization of copyright law in the European Union in the case law of the ECJ and the multiple Directives in the field. The same pattern is used for the description of the international and European framework for the protection of industrial property and against unfair competition. Of special interest are the well-balanced remarks on the protection of subject matters different from copyright and typical industrial property, summarized as „sui generis" protection (n° 87), including database protection, domain names, plant breeder's rights, traditional knowledge and folklore.

4 Chapter 3 is the most voluminous of the book. It examines the core question of the law as applicable to intellectual property cases. In a preliminary remark, the question of whether courts should apply international substantive law rules on intellectual property instead of choice of law principles is answered in the negative. Also, the author is not convinced that a lex mercatoria may be applied as the law governing the case in intellectual property matters. However, an interpretation of the applicable national law in the light of international custom should be allowed (n° 112-114).

5 Regarding protected subject matter and scope of protection in the field of copyright, three possible approaches are discussed: the lex originis, the lex fori and the lex loci protectionis. According to the author, the lex loci protectionis is the preferred approach because it is „mostly in harmony with the nature of copyright and the interests at stake." (n° 118) Because copyright restricts competition and access to information and culture, it is up to each state to decide about the creation and scope of exclusive rights in works. However, according to the author, one should not equate to easily the lex loci protectionis and the territoriality principle. If territoriality should mean that no effect whatsoever may be given to foreign copyright legislation, the principle would interfere with the lex loci protectionis principle since the latter does not prevent pleading before the competent court, especially the natural forum, for the infringement of foreign copyrights. However, the lex loci protectionis principles is compatible with a „relative" concept of territoriality that allows for certain extraterritorial effects (n° 118). Besides the substantive arguments, the author refers to Art. 5 para. 2 Berne Convention, which may be interpreted, although this line of argument is controversial, as a reference to the lex loci protectionis and to

more recent national legislation, especially to Swiss, Italian and Belgian law and to German case law. For copyright infringement on the Internet, however, a deviation from the lex loci protectionis is suggested. Here the court should limit the number of applicable laws by either referring only to jurisdictions with a real and substantial connection to the case or, in analogy to the Satellite Directive, to the law of the state where the server is located if it coincides with the habitual residence of the responsible person or, as proposed by the ALI Principles, to the law with the closest connection the case.

6 For the initial ownership of copyright, the author pleads for the application of the lex originis. This is in line with French, Greek, Portuguese and Romanian law. The author can also refer to US case law but also admits that in Germany the lex loci protectionis is governing the initial title. There are good arguments for the latter approach since courts, when applying the lex originis, often invoke the national order public or internationally mandatory rules to cushion the far-reaching consequences of this approach.4 This is one of the reasons why the CLIP Principles and the Japanese „Transparency Proposal" suggest sticking with a territorial approach.5

7 For industrial property, according to the author, the lex loci protectionis principle may be found in several provisions of the Paris Convention and in the Madrid Agreement. In addition to the arguments put forward for its application in copyright cases, the „act of state"-doctrine may be invoked when it comes to registered rights (n° 131). However, also for patents and trademarks it is emphasized that certain extraterritorial effects may result from the recognition of an industrial property right for one jurisdiction, e.g. regarding famous trademarks under Art. 6bis Paris Convention or „telle quelle"-protection under Art. 6quinquies Paris Convention. Regarding the right to a patent in case of an employee's invention, the solution put forward is to apply the law governing the employment contract including freedom of choice, a solution that is only compatible with Art. 60 para. 1 of the European Patent Convention if the rule is interpreted as referring both to substantive and to conflict rules, which is doubtful. For trademark infringements on the Internet, the approach adopted by the WIPO and Paris Union Joint Recommendation is supported.6 Finally, for „sui generis"-rights, specific rules may be of interest. This is e.g. the case for Art. 11 of the European Database Directive according to which only nationals of EU member states, persons with their habitual residence within the Union or companies having their seat or being otherwise closely connected with a member state may rely on the sui generis-protection afforded by the Directive. Again, the approach of the book to give special attention to such „sui generis"-rights should be applauded.

8 For contracts having as object the transfer or license of intellectual property rights, the book takes into account the Regulation (EC) No 593/2008 of 17 June 2008 on the law applicable to contractual obligations of 2008 („Rome I"). For the law applicable in the absence of choice, the solution suggested is a flexible approach, applying the law of the licensee, e.g. the editor, if he is performe the characteristic performance or of the licenser, if the agreement resembles an outright sale (n° 146). For contracts covering only one country of protection, the lex loci protectionis is put forward as an alternative that can be applied under the rebuttal of Art. 4 para. 3 „Rome I". Of special interest is the analysis of employment contracts since, according to the author, initial title to these works is also governed by the lex contractus. Here the general principles of Art. 8 „Rome I" are decisive, including freedom of choice. In the absence of choice, the lex loci laboris is applicable.

9 The question that remains to be answered is, which questions are to be characterized as contractual. One crucial issue is the transfer of the right as such, which according to the author should be characterized as an intellectual property issue and therefore governed by the lex loci protectionis. In this respect it seems that Art. 14 „Rome I" may better be used as an argument for the application of the lex contractus. By contrast, transferability should be governed by the lex loci protectionis. A final point of main interest is the law applicable to the activities of collecting societies (n° 154-158). The author's arguments for the application of the lex originis to all questions concerning the business organization of these entities deserve support – at least if the place of establishment is within the European Union. By contrast, for

the contractual relationship of the collecting society with rightholders and users, the conflict rules on agency or contracts may be applied.

10 Art. 8 para. 1 „Rome II" – which determines the lex loci protectionis as the governing law for the non-contractual obligations arising from infringement – has provoked a lively debate in Europe. One point of criticism refers to Recital 26 of the Regulation, which justifies the application of the lex loci protectionis as the application of a „universally acknowledged principle". The book rightly emphasizes that some jurisdictions, e.g. France and Portugal, have traditionally applied the lex loci delicti commissi to the remedies of an infringement, especially the calculation of damages. However, allowing for a dépeçage for the issues of infringement and remedies may lead to practical problems, as the author rightly points out (n° 161). In addition, one may put forward the main arguments pleading for the application of the lex loci protectionis when it comes to remedies. The amount of damages is a crucial element of national policy concerning the protection of intellectual property. With regard to Art. 8 para. 3 „Rome II", which excludes party autonomy, the author's criticism seems to be in line with the majority opinion. Art. 8 para. 2 „Rome II" is analyzed in detail; for multistate infringements of unitary Community rights, the author pleads for party autonomy or the application of the law governing a pre-existing relationship, especially a contract (n° 163). Regarding the scope of the applicable law according to Art. 8 and 15 „Rome II", the book suggests a rather restrictive approach (n° 164). It must be confessed that Art. 8 and 15 „Rome II" should not be interpreted as covering the issues of existence and ownership of intellectual property rights. However, a dépeçage of the question of whether the right has been infringed, in other words the scope of protection, and the limitations and exceptions (see Art. 15 lit. b) is hardly conceivable and should be avoided. The chapter on the applicable law ends with remarks on the law applicable to unfair competition (n° 167-173) and preliminary measures (n° 174-176).

11 Chapter 4 is devoted to issues of international civil procedure, especially the jurisdiction of courts in intellectual property cases. The book describes, after introducing the main sources, for most part the jurisdiction rules of the Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters („Brussels I")7 and of the Lugano Convention of 30 October 2007.8 The unlimited competence of the courts at the domicile of the defendant under Art. 2 „Brussels I", which may decide on the infringement of domestic and foreign intellectual property rights, is described as an extraterritorial or universal effect of these rights – which makes sense if contrasted to older English and recent US case law, which denies jurisdiction in these cases with reference to the territoriality principle.9 The chapter also gives an outline of other grounds for jurisdiction and of the rules on exclusive jurisdiction under Art. 22 n° 4 „Brussels I", including the necessary criticism on the recent case law of the ECJ10 (n° 185-186). Special emphasis is given to the jurisdiction of the forum delicti commissi according to Art. 5 n° 3 „Brussels I". In this regard, it is rightly pointed out that only activities conducted in the country for which protection is sought may give rise to jurisdiction under Art. 5 N ° 3. Nevertheless, for internet cases it may seem excessive to grant jurisdiction to the courts of each state where contents can be downloaded and possibly infringe intellectual property rights. Therefore, the author pleads for a limitation of the possible fora, especially to the courts of the states that have been targeted by the alleged infringer or where the activities have caused a substantial impact. A point of main interest is that the author pleads against the application of the ECJs ruling in Shevill v. Presse Alliance11 for the unlimited jurisdiction of the forum deliciti commissi as long as the claim is brought before the courts of the state to which the service has been primarily directed (n° 183). This is as a well-balanced approach and goes beyond the current proposal of the CLIP Principles (Art. 2:203).

12 A clear added value to most other volumes on the subject published recently is the analysis of arbitration and other alternative dispute resolution mechanisms in chapter 5. Neither ALI Principles or CLIP Principles nor the „Transparancy Proposal" provide rules for such extrajudicial procedures, although their growing importance in the field can hardly be denied. The book provides an analysis of

whether intellectual property cases may be settled in arbitration proceedings, what law should govern such proceedings and whether the awards may be recognized and enforced. In addition, mediation as well as more intellectual property-specific procedures like the Uniform Dispute Resolution Settlement Procedure of ICANN for domain name disputes and the Dispute Settlement of the WTO are taken in account.

13 In summary, this is a highly valuable and comprehensive study of the current state and of the reform perspectives of the private international law of intellectual property. Reading the book, one would have liked to have participated in the Hague Lecture underlying the published text. The book is rich in ideas and sources – among them many from southern European countries often neglected in the international discussion – and provides a coherent concept for the many detailed and complex questions raised by the subject. There can be no doubt that it will have an impact on the ongoing debate in Europe and worldwide on how to shape a well-balanced system of conflict rules for intellectual property in the age of worldwide media and communication services.

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1 European Max Planck Group on Conflict of Laws in Intellectual Property (CLIP), Principles for Conflict of Laws in Intellectual Property, Second Preliminary Draft (6 June 2009), available at http://www.cl-ip.eu.

2 Intellectual Property: Principles Governing Jurisdiction, Choice of Law, and Judgments in Transnational Disputes, 2007.

3 Transparency Proposal on Jurisdiction, Choice of Law, Recognition and Enforcement of Foreign Judgments in Intellectual Property (October 2009, in Basedow/Kono/Metzger (eds.), Intellectual Property in the Global Arena - Jurisdiction, Applicable Law, and the Recognition of Judgments in Europe, Japan and the US, forthcoming 2010.

4 See e.g. French Court of Cassation, 28 May 1991, D. 1993, jur. 197 – John Huston.

5 Art. 3:201 CLIP-Principles, Art. 305 Transparency Proposal.

6 Joint Recommendation Concerning the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet of 24 September-3 October 2001, WIPO Pub. No. 845.

7 OJ L 12, 16.1.2001, p. 1-23.

8 OJ L 339, 21.12.2007, p. 3-41.

9 See Voda v. Cordis, 476 F.3d 887 (Fed. Cir. 2007)

10 See ECJ, 13.07.2006, C-4/03, ECR 2006-I, 6509 – GAT/LuK and ECJ, 13.07.2006, C-539/03, ECR 2006-I, 6535 – Roche Nederland/Primus.

11 ECJ, 07.03.1995, C-68/93, ECR 1995-I, 415 - Shevill/Press Alliance.