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INTELLECTUAL PROPERTY: PARALLEL CHOICE OF LAW RULES

K. LIPSTEIN*

I. ENGLAND

IN a previous article[1] it was contended that for the purpose of the conflict of laws the structure of immaterial property law (which term is used here to include patents and the like) is exceptional. Due to its privileged character accorded by the sovereign local authority it is territorial in the dual sense that such laws are strictly confined in their operation to their country of origin and that within that territory the application of foreign immaterial property law is excluded by its inherent limitation.[2] In English and Commonwealth law this insight was concealed until recently by the assertion that the courts could only exercise jurisdiction in respect of claims based on their own national intellectual property law. Jurisdiction was thus functionally linked to the exclusive sphere of the applicable law.[3]

Two factors have changed this conclusion. First, the Brussels Convention of 1968 does not restrict proceedings concerning immaterial property to the courts of the country of origin, *i.e.*, of registration of patents as well as in the case of copyrights, except when the validity of the right is in issue (art. 16(4)), now art. 22(4) of Reg. 44/2001. Second, it is now being contended that in its inception a question of a particular choice of law is involved. The first has not, however, changed the territorial and substantively restricted character of intellectual and industrial property law as Laddie J. seems to suggest.[4] The second is ruled out by the parallel existence of mutually exclusive rules of substantive law with the result that the court seized must dismiss the claim in the absence of

* Clare College, Cambridge
[1] "Intellectual Property: Jurisdiction or Choice of Law?" [2002] C.L.J. 293
[2] See generally K. Lipstein "Inherent Limitations in Statutes and the Conflict of Laws" (1977) 26 I.C.L.Q. 884, 885
[3] *Fort Dodge Animal Health Ltd.* v. *Akzo Nobel NV* [1998] F.S.R. 222, 226 *per* Laddie J., but see the Court of Appeal on other grounds *ibid* 251, [1998] ILPr 732, 741 [22]. For an example outside the law of immaterial and industrial property in England see the German *Rabattgesetz* as interpreted by the OLJ. Munich IPRspr 1995 no. 129; German Law on Unfair Competition: OLG Frankfurt *ibid* 1995 no. 125; for France: P. Véron, "Trente Ans d'Application de la Convention de Bruxelles" (2001) 128 Clunet 805, 808.
[4] [1998] F.S.R. 222, 227.

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an enforceable cause of action. The court is incompetent *i.e.*, indirectly it has no jurisdiction.

While choice of law instead of jurisdiction confers its special imprint on claims when local or foreign immaterial property rights are raised in English courts, the jurisdictional aspect has not been eliminated completely. It has changed: while effectiveness was the consideration previously which guided the courts to the proper jurisdiction the substantive law of which applied, now the *lex originis* and the *lex protectionis* determine the jurisdiction of the court which applies its own law. To initiate proceedings elsewhere than in the courts of the *lex originis*, means to rely on the *lex protectionis* of the court addressed which applies its own intellectual or industrial property law in virtue of treaty obligations. As Kekewich J. realized in 1895,[5] English courts cannot apply English law to claims based on a violation in Germany of an English immaterial property right and German courts cannot do so either if a German immaterial property right is alleged to have been infringed in England.[6] It is not a matter of convenience as Aldous J. assumed in the *Plastus* case (at 447) but of necessity, given the special character of immaterial property law.

Influenced by the extension of jurisdiction rendered possible by the Brussels Convention which eliminated the rule in the *Moçambique* case[7] in respect of trespass to land, previously also applied by way of analogy to the infringement of immaterial property rights, and by the abolition of the rule in *Chaplin* v. *Boys*[8], the practice changed. Lloyd J. in *Pearce* v. *Ove Arup Partnership*[9] accepted jurisdiction based on the defendant's domicile in England in respect of a breach of copyright in the Netherlands, despite the fact that the relevant Dutch and UK legislation was territorial and substantively exclusive. In his words, the court would otherwise be in the "quixotic position" of accepting jurisdiction, but denying a remedy.[10] In fact this situation is not unusual. In denying a remedy in England the court supports the defence, which normally relies on an exclusive jurisdiction elsewhere, but which in

[5] "*Morocco Bound" Syndicate Ltd.* v. *Harris* [1895] Ch. 535; also *Norbert Steinhardt & Son* v. *Meth* (1961) 105 C.L.R. 440, 443–444; Roch LJ. in *Pearce* v. *Ove Arup* [1999] 1 All E.R. 769, 797.

[6] *Def Lepp Music* v. *Stuart Brown* [1986] R.P.C. 273, 275; *Apple Corporation Ltd.* v. *Apple Computer Inc.* [1992] F.S.R. 431, 470; *Mölnlycke AB* v. *Procter & Gamble Ltd.* [1992] 1 W.L.R. 1112, 1117–1118; *Plastus Kreativ AB* v. *Minnesota Mining and Manufacturing Co.* [1995] R.P.C. 438, 444, 447

[7] Civil Jurisdiction and Judgments Act 1982, s. 30

[8] [1971] A.C. 35C

[9] [1997] Ch. 393; upheld on this point by the Court of Appeal [2000] Ch. 403; W. Cornish, "Intellectual Property Infringement and Private International Law: Changing the Common Law Approach" [1996] Gewerblicher Rechtsschutz und Urheberrecht, 285–289. For the Dutch practice see P. Véron, "Trente Ans d'Application de la Convention de Bruxelles", 809ff.

[10] But see Vinelott J. in *Tyburn Productions Ltd.* v. *Conan Doyle* [1991] Ch. 75, 89.

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the case of immaterial property relies on its territorial and substantive restriction to the country of its origin,[11] unlike in an action based on a civil tort such as passing off.

Laddie J. followed suit in *Coin Controls Ltd.* v. *Suzo International (UK) Ltd.*[12] in proceedings against a group of UK, Dutch, German and Spanish companies by assuming jurisdiction in respect of related actions by complying with art.6(1) of the Brussels Convention. This allowed him to join the Dutch defendant which had participated in the infringement in England, but the assertion that art.6(1) may perhaps also permit the assumption of jurisdiction in respect of the violation by another defendant of a foreign patent identical in substance with the UK patent is open to doubt.[13]

To call Private International Law in aid is admissible when the infringement in England of English immaterial property is the result of an act committed abroad with effect in England,[14] for in this case it is committed in England and only English law is involved. It is quite another matter if it is alleged, without questioning the validity of the alleged right, that an infringement has occurred abroad affecting foreign immaterial property law and that according to English Private International Law the *lex loci delicti* is applicable. Such was the situation in *Pearce* v. *Ove Arup* faced by Roch LJ. in the Court of Appeal[15] as to whether the application of foreign immaterial property law is possible irrespective of a foreign territorial and substantive restriction.[16] While it is acknowledged that English immaterial property law cannot apply in respect of an infringement abroad and that foreign immaterial property law is restricted to acts within its own territorial sphere of operations, the question was put squarely by the Court of Appeal in *Pearce* v. *Ove Arup*,[17] nevertheless, as to whether an English court can entertain an action when according to English Private International Law a foreign immaterial property right has been infringed in the country of its origin.

On proof in the English court of the applicable foreign law, its territorial and substantive character, which restricts its application to courts of its origin, must result in its failure to be applied in an English court: can this result be avoided by relying on the fiction admitted by English Private International Law that the court in

[11] See *Coin Controls Ltd.* v. *Suzo* [1997] 3 All E.R. 45, 58, 59; see also C. von Bar, *Internationales Privatrecht II* (Munich 1991), no. 707.
[12] [1997] 3 All E.R. 45, [1997] F.S.R. 660.
[13] See also *Mölnlycke* v. *Procter & Gamble* [1992] 1 W.L.R. 1112, 1117–1118.
[14] *Abkco* v. *Music Collection* [1995] R.P.C. 657, 660; see also BGH 16 June 1994, BGHZ 126, 252, 256 with literature.
[15] [2000] Ch. 403, 439, 440.
[16] [2000] Ch. 403, 437, 438, 441.
[17] [2000] Ch. 403, 423, 436, 437, 438, 440.

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England is sitting as a foreign court or that foreign law is applied as a fact in English courts?[18] The answer must be negative. The fiction developed in *Collier* v. *Rivaz* served to introduce foreign private international law to supplement foreign domestic law, but the forum remains the same. And foreign law is only treated as a fact for the purposes of proof. Nor can any abstention from proving foreign law, resulting in the application of English law, assist. If English immaterial property law applies, its territorial and substantively restricted nature precludes its application to the infringement abroad of a foreign immaterial property right.

A distinction has been sought to be drawn between disputes in which the complaint of an infringement is linked to doubts concerning the validity of the immaterial property rights and infringements. This point was raised by Laddie J. in *Coin Controls Ltd.* v. *Suzo*[19] quoted with approval by Lord Woolf M.R. (as he then was).[19a] Relying on the test developed first in *Potter* v. *Broken Hill*, a case involving the validity of a patent, it has been stated that the courts of the country granting the right alone can determine its validity by virtue of the *lex originis* and equally in proceedings for an infringement, if the validity of the immaterial property right is questioned incidentally. In simple cases of infringement no such exclusive jurisdiction is said to exist. Since it is accepted that immaterial property law is strictly territorial and inherently limited it is not surprising that the courts of the country of origin must have exclusive jurisdiction to determine its existence and extent, a principle now reiterated by art. 16(4) of the Brussels Convention (now art. 22 Reg. 44 2001), except for copyrights if the uniform protection in all the Convention countries is to be assured. The exclusive jurisdiction of the courts of the country of origin is a means to an end. When infringement alone is in question in any one of the Convention countries, protection available there is based upon a parallel local law, but does not constitute a universal protection based upon the *lex originis* in any one of them. The territorial and substantively limited character of the local law restricts protection geographically and qualitatively. Substance and jurisdiction go hand in hand. Foreign intellectual and industrial property law excludes itself, and the local court, relying on its own law, must determine the measure of local protection, except, it is believed, insofar as the claimant's title to the right is concerned.[20]

[18] *Collier* v. *Rivaz* (1842) 2 Curt. 855; *Re Annesley* [1926] Ch. 692.
[19] [1997] 3 All E.R. 45.
[19a] *Fort Dodge Animal Health* v. *Akzo Nobel* [1998] ILPr at 742 [29].
[20] See also Cornish, "Intellectual Property Infringement and Private International Law", esp. 288, 289.

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II. France

Neither French nor German practice relies expressly on the test of jurisdiction or attaches much importance to the territorial and the inherent limitation of immaterial and industrial property.[21] At the same time the ordinary rules of choice of law are not applied.[22] Despite this silent abstinence the same factors of territoriality and inherent limitation reappear in another guise. In France the leading case concluding the development over a century is the decision of the Court of Cassation dated 20 December 1959, *Soc Fox Europa* v. *Soc Le Chant du Monde*.[23] Filling what was perceived as a gap in the Berne Convention by relying on French *droit commun* to supplement it, holders of foreign intellectual property rights created in the country of their origin (*i.e.*, published or created there[24]) were held to enjoy in France in accordance with French law the protection of such rights for infringements committed there.

This brought to an end an evolution which had begun by a grant of local protection for publications in France by French nationals. Alien title owners had been excluded, and foreign intellectual property law had been irrelevant.[25] After a relaxation in 1810 in favour of French assignees of rights of foreign owners of works to be published in France, a judgment of 20 August 1852 removed the incapacity of aliens to enjoy French intellectual property rights.[26]

By eliminating the aspect of discrimination against aliens in respect of works published in France,[27] only the problem of contact with a foreign country remained limited to whether protection extended to works of foreign origin. This protection was conceded in 1857[28] except for musical works, until the Franco-Italian Treaty

[21] But see *e.g.*, Bartin, Clunet 1934, 780, 783, 787; Holleaux (below n. 23) 95.

[22] Cass 21 January 1936, Rev. crit. d.i.p. 1936, 510, 514, 515 note Niboyet, S. 1937, 81, note Niboyet; GP 1936, I, 445 Paris; TGI Rev. crit. d.i.p. 1974, 112, note Bonet.

[23] Rev. crit. d.i.p. 1960, 361, note Terré, Clunet 1961, 420, note Goldman, D 1960, 93, note Holleaux on appeal from Paris 13 January 1953, Rev. crit. d.i.p. 1953, 739, JCP 1953 II 7667, note Loussouarn, GP 1953 1 191. It was followed for design by Paris 14 March 1991, Clunet 1992 148, 150, 151, 153 note Pollaud-Dulian 168, and for models note Ginsburg, JCP 1992 II 21780.

For a similar approach previously by Trib. civ. Seine, 14 February 1931, Clunet 1932, 420; 6 December 1933, Clunet 1934, 97; Rev. crit. d.i.p. 1934, 420, foreshadowed Cass. 14 December 1857, S. 1857 1 145; D 1858 1 161 (Verdi). A. Lucas and H.-J. Lucas, *Traité de la Propriété Littéraire et Artistique* (2nd ed., Paris 2001), nos. 928, 933.

[24] In the absence of publication and therefore of a local connection, attempts have been made to refer to the author's personal law: Lucas and Lucas, *Traité de la Propriété Littéraire et Artistique*, nos.979–982.

[25] Terré (n. 23 above) 363.

[26] Cass crim 20 August 1852, D 1852 1 335, S 1853 1 234, reiterated by Cass 27 July 1948, D 1948, 535, Rev. crit. d.i.p. 1949 75, note Batiffol.

[27] Law of 22 March 1852.

[28] Cass req 14 December 1857, S. 1858.1.145, D 1858.1.161 (Verdi).

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of 29 June 1862,[29] followed by others, ensured the reciprocal recognition of the right to all types of intellectual creations.[30] The recognition of the foreign privilege, not its local application, coupled with the concession of the available local remedies marks the insight that immaterial property rights, whether foreign or local, and therefore rights created by them, are strictly territorial.[31] This substantive territorial limitation eliminates reliance on choice of law rules.[32] Instead, immaterial property laws operate side by side with incidental regard to the law of the place of origin. This incidental regard manifested itself in the requirement that in the country of origin a *droit privatif* must have come into existence.[33] The requirement assumed a fundamental role, being a right to the work, its title or attribution, combined with the grant of the remedies accorded by the law of the country where protection is sought. Now the combination of a foreign *lex originis* with a local *lex protectionis* raised the question as to which of these aspects of a claim affecting immaterial property fell within the sphere of either of these laws.[34] The former is concentrated on the place of first publication, creation or registration, the latter on the *lex fori* if it coincides with the *lex loci delicti*.[35]

The parallel jurisdiction of more than one country facilitates proceedings in more than one of them, if the infringement took place in several. If the same infringement affects two jurisdictions, one of which relies on the tortious act, the other on the tortious effect, a duplication becomes inevitable.

[29] (1862–1863) 126 Parry, Consolidated Treaty Series 115. For a list of similar treaties concluded by France see Clunet 1878, 454–456; France-Russia (1911–1912) 215 Parry Cons. Treaty Ser. 91.

[30] *Grus* v. *Ricaldi* (Donizetti) Cass 25 July 1887, S 1888.1.17 note Lyon-Caen, D 1888 1 5, Clunet 1888, 245, 246, 248, 267–268 note Célica; Paris 22 November 1888, S 1890.2.121, Clunet 1890, 673; Cass 22 December 1959 at 362 and note Holleaux D 1960, 95; Cass 7 April 1998, Rev. crit. d.i.p. 1999, 76, 81 note Bergé; see also Trib. civ. Seine 20 December 1929, Clunet 1930, 681, 683; Paris 28 July 1932, Rev. crit. d.i.p. 1932, 671, 673 note Trachtenberg, Clunet 1934, 64, D 1934 2 139 note Lepointe; Cass 15 December 1975, Rev. crit. d.i.p. 1976, 575, Clunet 1976 421, Paris 14 March 1991, Clunet 1992, 148, note Pollaud-Dulian, JCP 1992.II.21780 note Ginsburg; Cass crim 29 March 1924, Clunet 1924, 708, 711, GP 1924.I.684, D Hebd 1924, 322; Cass 4 January 1964, D 1964, J. 321 (Furtwängler); Pollaud-Dulian, Juriscl. dr. internat. Fasc 563–60 nos. 44, 62, 67; Lucas and Lucas, *Traité de la Propriété Littéraire et Artistique*, no. 906; generally Renault, Clunet 1878, 117, 454, 463.

[31] Note 30 above, esp. Paris 14 March 1991 (Almak) Clunet 1992 133, 148, 150, note Edelmann, JCP 1992.I.21780 note Ginsburg; CA Rennes 17 June 1996; Cass 7 April 1998, Rev. crit. 1999, 716, Lucas and Lucas, *Traité de la Propriété Littéraire et Artistique*, no. 976

[32] H. Schack, "Kolorierung von Spielfilmen: Das Persönlichkeitsrecht des Filmregisseurs im IPR" 1993 IPRax, 46, 48

[33] Trib. corr. Seine 20 December 1929, Clunet 1930, 681, 683; Trib. civ. Seine 14 February 1931, Clunet 1932, 113, 140; same 6 December 1933, Clunet 1934, 907, Rev. crit. d.i.p. 1934, 420, 423; Cass 29 April 1970, Clunet 1970, 936 note Francçon; Lucas and Lucas, *Traité de la Propriété Littéraire et Artistique*, no. 906; see also no. 42.

[34] Goldman, Clunet 1962, 985 (2) note to Lyon 16 February 1961; Paris 3 June 1961, Rev. crit. d.i.p. 1962, 299, 307, 309 note Desbois.

[35] Lucas and Lucas, *Traité de la Propriété Littéraire et Artistique*, nos. 976 ff, 987–991.

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In reaching this stage little attention was paid to the reasons why in the case of immaterial property law two legal systems are to be taken into account and why the ordinary rules of private international law do not apply. The answer is to be found in the particular structure of intellectual as well as industrial property law. It is the uniquely territorial character of immaterial property law. It is not only exclusive in the positive sense that it applies always in the country where it is in force, but also in the negative sense that it cannot operate in any other country side by side with its local equivalent.[36] By its nature an immaterial property right is not a right in a movable or an immovable but an exclusive privilege of a temporary kind conceded by local public law[37], the creation of a statute.[38] However, the demand for protection abroad has led to unsuccessful attempts to rely on choice of law and jurisdiction rules. Instead modern needs have led to foreign immaterial property rights being given effect either in virtue of treaties or of local law by a novel technique. An equivalent local parallel right was conceded which provides local protection in the absence of the possibility of giving effect directly to foreign immaterial property law with the help of Private International Law. This protection is accorded not because it supports a right under foreign law (which is strictly territorial and cannot be applied elsewhere) nor because a new right is brought into being by local law. Instead the foreign claimant is accorded protection in accordance with the form and the extent of the remedies of local law in favour of the holder of the comparable foreign right or privilege. This ensures that, despite the parallel treatment of intellectual and industrial

[36] For an early insight see Celliez, cited by Renault, Clunet 1878 at 465; for a later view Bartin, Clunet 1934 781, at 788, 794, 801; for a comparable approach in Germany see Staudinger—von Hoffman, BGB vol.10 (3rd ed., Berlin 1998)—nach art.38 Anhang II Rz 13 n. 29; Soergel-Kegel, BGB vol.10 (12th ed., Stuttgart 1996) Anhang vor art.12 Rz 16, 17.

[37] Cass 25 July 1887 Grus, Trib. corr. Seine 20 December 1929, Clunet 1930, 681, 684, GP 1930. I.376, 377; Trib. civ. Seine 14 February 1931 Clunet 1932, 113, 140; same 6 December 1933 Rev. crit. d.i.p. 1934, 420, note Niboyet at p. 425: "like a bird the right settles in many places": *i.e.*, the right remains the same, but the remedies are local; Cass 21 January 1936, Rev. crit. d.i.p. 1936, 510 note Niboyet; see also Terré, note to Cass 22 December 1959, Rev. crit. d.i.p. 1960, 361, 367; Holleaux note DP 1960, 95 (ii) and the pungent remarks by Renault, Clunet 1878 at 466, but see E. Bartin, *Principes de Droit International Privé, III* (Paris 1935), nos. 379–383; Clunet 1934 (above n. 36) at 791, 800; Lucas and Lucas, *Traité de la Propriété Littéraire et Artistique*, nos. 961, 982–85. For a conflict in time see Trib. civ. Seine 14 February 1931, Clunet 1932, 114.

[38] It is a different question whether for the purpose of certain aspects of domestic law an intellectual property bears a proprietory or a personal character. See *Campbell Connelly* v. *Noble* [1963] 1 W.L.R. 252; whether on the death of the owner such a right is to be treated as property falling within the matrimonial property regime of community of goods or as a personal right falling into the succession: Paris One February 1900 S. 1900.2.121 note Salleiles, Cass 25 June 1902, S. 1902.1.103, note Lyon-Caen; also Trib. corr. Seine 20 December 1929, GP 1930.1.376; Mazeaud D 1959 Chron. 139.

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immaterial property in several jurisdictions according to local law, uniformity is safeguarded.[39]

It could be argued—and has recently been suggested again[39a]—that in order to provide protection in France (or for that matter in any country) according to local law it is only necessary to show either publication abroad or at least the creation of an original work.[40] Such was the position before the requirement of a *droit privatif* was established in 1887 by the *Verdi* case. Only French immaterial property law was believed to be in issue, and no need existed to face the question of foreign law. More recently the same tendency reappeared when it was said that in fact the differences between existing legal systems are not fundamental, leading to a gradual convergence.[41]

However, the task of the courts, as the French courts rightly perceived, is not to apply and enforce a foreign immaterial property right, but only to recognize a foreign title, its limits and extensions and to accord to the holder of a foreign title the same procedural and substantive protection as a local title holder would receive.[42] In other words, the ordinary rules of choice of law do not apply, since foreign immaterial property rights cannot apply. The foreign *lex loci delicti* ousts the jurisdiction of the court seized (see I above) and renvoi cannot apply. Therefore the Court of Cassation required as early as 1857 evidence of a *droit privatif* (an exclusive privileged title according to the law at the place of literary or industrial creation before protection could be made available in France). In the words of the Court of Cassation, the protection of foreign copyrights "presupposes pre-existing rights and only provides authors the means to enforce those which they have acquired in the country of origin". However, in recent times a general shift away from the *lex originis* has been observed towards the *lex loci delicti* as the *lex protectionis*.[43]

The *lex originis* assumed a function in forming the basis for an award of judicial protection in France (here *lex protectionis*).[44] The

[39] Lucas and Lucas, *Traité de la Propriété Littéraire et Artistique*, no. 1060 ff.

[39a] See p. n. 41, 45 below.

[40] See the defendant's argument in TGI Seine 19 March 1964, Rev. crit. 1965, 89, 93; TGI Lyon, 3 June 1961, Clunet 1962, 974, note Goldman 985 (2): Global application of local law, Paris 14 March 1991, Clunet 1992, 148, 150, note Pollaud-Dulian, Rev. crit. d.i.p. 1962, 299, note Desbois at 310; Cass 29 March 1924 DH 1924, 332, Clunet 1924, 707: GP 1924.1.684

[41] Goldman (n. 40 above); Desbois (n. 34 above); Lucas and Lucas, *Traité de la Propriété Littéraire et Artistique*, nos. 977, 978.

[42] Cass 25 July 1887 (Grus), n. 30 above); Cass 22 December 1959 (n. 23 above), Paris 14 March 1991, Clunet 1992, 148, note Pollaud-Dulian, JCP 1982 I 21780 note Ginsburg; Paris 22 November 1888, S. 1896 2 221, Clunet 1890, 673, 675 (Chopin); Trib. civ. Seine 20 December 1929, GP 1930 1 376, Clunet 1930, 681, 683; also Cass crim. 15 June 1899, Clunet 1899, 818, 821; Cass 29 March 1924 (n. 40 above); Desbois, note Rev. crit. d.i.p. 1965, 97.

[43] Note Goldman (n. 34 above).

[44] See the cases cited at n. 42 above.

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strictly territorial character of intellectual property law was not breached since the foreign title was only recognized and the remedies are provided locally in parallel proceedings arising out of a local infringement. Thereby the foreign immaterial property right is not translated into a local one; at the same time regard to the *lex originis* does not pose a Preliminary Question since the existence of parallel proceedings constitutes a unity of proceedings.[45]

The reference to a *droit privatif* according to a foreign *lex originis* is not a reference to a foreign *lex causae* by observing ordinary rules of Private International Law followed by procedural protection by the *lex fori*, if it is the *lex loci delicti*. Instead it is a reference to a concrete statutory concession or privilege. After acknowledging the territoriality of the French *lex protectionis*, the question became how to ascertain the range *ratione personae* and *ratione materiae* of the privilege according to the foreign *lex originis* which requires protection, if the protection is not to be equated with the same personal and material privileges of the *lex protectionis* and thereby substituting a local privilege for a foreign one. In the words of Niboyet, the foreign intellectual property right had to be nationalized.[45a]

While thereby the *lex originis* was assured a place in the process of protecting foreign intellectual property rights, it became necessary to observe the range of the foreign *droit privatif*. In the words of one commentator, "all that is necessary is that a state recognizes a certain exclusive right over the work".[46] In the practice of the courts this recognition covers title (*titularité*) to the work,[47] its duration,[48] the right to translate the work[49] (which however, involve a contract assigning this right), the capacity to

[45] Paris 14 March 1992, Clunet 1992, 148, 160–161, 162, note Pollaud-Dulian.

[45a] J.P. Niboyet, *Traité de Droit International Privé Françcais*, IV (Paris 1947), no. 1315 p. 733.

[46] Goldman (n. 34 above); Trib. civ. Seine 20 December 1929, Clunet 1930, 681, 684, GP 1930.I.376 ca Gautier Rev. crit. d.i.p. 1989, 379, Lucas and Lucas no. 971, 10 63, Trib. civ. Seine Six December 1933, Clunet 1934, 907, Rev. crit. d.i.p. 1934, 424.

[47] Paris, 14 March 1992, Clunet 1992, 148, 151, 160–161, note Pollaud-Dulian, Cass 7 April 1998; Rev. crit. d.i.p. 1999, 76 ff, for the early development see Renault, Clunet 1878, 454, 462, but see 465 unless the work is unpublished; note Desbois Rev. crit. d.i.p. 1962, 299, 308, 309 pleading for the application of the personal law.

[48] TGI Seine 19 March 1964, Rev. crit. d.i.p. 1965, 89, note Desbois, at 92, 93, 97; Cass 15 February 1975, Rev. crit. d.i.p. 1976, 515, note Bonet, Clunet 1976, 440; JCP 1976.II.18394, note Francçon on appeal from Paris 24 April 1974, D 1975, 67, Rev. crit. d.i.p. 1975, 440, 449, 450, note Bonet; also Cass 25 July 1887 (above n. 30); Paris 21 November 1888, Clunet 1890, 673; see also Renault, Clunet 1878, 454, 463; Goldman, Clunet 1960 at 149, note to Paris 29 April 1959; Bartin (above n. 36); Berne Convention, art.7(8), 18(1); Law 27 March 1997 art.123(12), Lucas and Lucas, *Traité de la Propriété Littéraire et Artistique*, no. 958.

[49] Cass 29 April 1970, Clunet 1970, 936, 938 B, note Francçon, Rev. crit. d.i.p. 1971, 270, 272, note Batiffol; TGI Lyon, 16 February 1961, Clunet 1962, 974, 983(1), note Goldman, Rev. crit. d.i.p. 1962, 299, note Desbois, 305, 307, 411.

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assign the right[50], an employer's right to assign copyrights arising from work by employees[51] and the right to succeed to the privilege.

While therefore the measure of the protection of a foreign immaterial property right is determined exclusively by the *lex protectionis*, aspects of the *locus standi* of the claimant are determined by the *lex originis*.[52] By these means the country where protection is sought makes it clear that the protection is not offered to a right created by the *lex fori* or *delicti* but in parallel proceedings to a privilege created abroad.

However, when the foreign privilege is identical with the concession granted by the holder to translate the work or to have it assigned, a trend can be noted to rely on the law most closely connected with the transaction, which, however, happens to be identical with the *lex originis*[53] or, in the case of a *droit moral* with the *lex protectionis*.[54] However, the Court of Cassation, on 7 April 1998 has affirmed the original bifurcated principle.[55] Difficulties were created by the author's *droit moral* described as the enjoyment of his "droit au respect de son nom, de sa qualité et de son oeuvre".[56] It embraces the right to control new issues of the work, to modify it or to alter it completely. The author's thought remains alive, attached to the person coupled with some material interests, even if the intellectual property right has been assigned.[57]

The *droit moral* is part of the *droit privatif* by representing one aspect of the statutory privilege or concession or, more precisely, by representing either a *quality of title* determined by the *lex originis* or part of the *extent* of an author's right to be defined and enforced by the lex protectionis. It has long been recognized that a copyright embraces both personal and material interests.[58]

[50] Paris, 3 January 1961, Clunet 1962, 981, 983; GP 1962, 16; Trib. civ. Seine 6 December 1933, Rev. crit. d.i.p. 1934, 421, 422; Cass. crim. 29 March 1924, Clunet 1924, 708, 709, GP 1924.I.684 (n. 30 above) and distinguish the contract to assign: Trib. civ. Seine 15 February 1958, Clunet 1959, 146, GP 1958.1.421; JCP 1958.2.11193, Calice, Clunet 1924, 616 and *cp. Campbell Connelly Noble* (n. 38 above); Pollaud-Dulian (n. 30 above) nos. 53, 54–59.

[51] Paris, 1 February 1989, Clunet 1989, 1005, note Edelman.

[52] Paris, 22 November 1888, S. 1890.2.121, Clunet 1890, 673; Trib. civ. Seine 20 December 1929, Clunet 1930, 681, 683, 684, GP 1930.1.376; Cass 7 April 1998 at 150 (above n. 47); also Cass. crim. 28 May 1875, DP 1875 1 329, 334; Rouen, 25 February 1876, DP 1876 2 67; Cass. req. 20 November 1877, DP 1878 1 309; Cass 20 February 1882, DP 1882.1.465.

[53] Paris, 29 April 1970 (n. 49 above); Lucas and Lucas no. 966, 967, 968.

[54] See the cases cited by Lucas and Lucas, *Traité de la Propriété Littéraire et Artistique*, no. 968 n. 183 and n. 63 below.

[55] See n. 47 above.

[56] It is an "enumeration of the author's personality": *Fox Europe* v. *Luntz*, D 1973, 363, 366 (ii B), note Edelman, Lucas and Lucas, *Traité de la Propriété Littéraire et Artistique,* no. 927 p. 740, no. 1108.

[57] Paris, 1 February 1989, Clunet 1989, 1005, 1008–1009, note Edelman: for the comparable right of a performer; 4 January 1964, D 1964.J.321, note Pleyette (Furtwängler); TGI Seine 10 January 1990, D 1991, J.206, 207 (Rostropovich), Lucas and Lucas, *Traité de la Propriété Littéraire et Artistique,* nos. 812, 906, 1026.

[58] Paris, 1 February 1900, S. 1900.2.121, 122, 126, note Saleilles, Trib. civ. Seine 15 February 1958, D 1958, 682, 684 (The Kid), note Lyon-Caen and Lavigne at 687 (ii), Clunet 1959, 146,

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Huston v. *Turner*[59] offers the most recent example. A claim by the heirs of an American copyright owner against film producers in France, assignees of the copyright, based on the right to prohibit alterations of the original was allowed by the TGI Paris[60] on the strength of French law as the *lex protectionis*, even if no comparable right existed under the *lex originis*. The relevant French provision was held to apply always. Such provisions may therefore either be described as specific "règles d'application immediate" (Francescakis),[61] called in the case discussed here "lois d'application impérative" or as general rules of public policy. On appeal the claim was dismissed by the Court of Appeal of Paris[62] on the ground that no such right existed in the United States, the *lex originis*, but it was allowed by the Court of Cassation.[63]

The outcome is not clear since reliance on a *droit moral* of French law, the *lex protectionis*, in the absence of such a right by the *lex originis* does not appear to exclude the recognition of such a right, had it existed according to the *lex originis*. It seems to affirm, however, that the *droit moral* is treated, at least in principle, as constituting an aspect of the privilege itself as created by the *lex originis* and does not merely focus on the extent of the protection of the intellectual property right, which is always determined by the *lex protectionis*. The latter applies only in a substitution for the *lex originis*, if the latter fails to include it. Doubts have, however, been expressed as to whether a *droit moral* according to the *lex protectionis* is to be recognized if it does not exist by the *lex originis*.[64]

GP 1958.I.421, JCP 1959.III. 11 113, note Lavigne, and Lyon-Caen; on appeal Paris, 29 April 1959, Rev. crit. d.i.p. 1959, 484 note Loussouarn; Clunet 1960, 129, 137, note Goldman 147, D 1959, 402, 406(b), note Lyon-Caen and Lavigne, S. 1959, 185; GP 1959, 624, note Gombaldieu; Cass 28 May 1963, Clunet 1963, 1005; D 1963.J.677 on other grounds; see also Pollaud-Dulian n. 45 above.

[59] See below n. 60–63 for the judgments in the various instances. For the previous practice see Paris 28 July 1932 DP 1934.2.139, 141 B, 145, note Lepointe; and the cases cited n. 58 above. Pollaud-Dulian, Jurisclasseur de droit international, no. 61; Schack, "Kolorierung von Spielfilmen" 1993 IPRax, 46

[60] 22 November 1988, Rev. crit. d.i.p. 1989, 372, 379, note Gautier, Clunet 1989, 67, note Edelman, DS 1989, 343 note Audit.

[61] Ph. Francescakis, *La Théorie du Renvoi* (Paris 1958) nos. 7, 10, 12, 13, 26–39, Rev. crit. d.i.p. 1966, 1.

[62] 6 July 1989, Rev. crit. d.i.p. 1989, 706, 708, note Gautier; Clunet 1989, 979, 992, note Edelman; DS 1990 J. 152, note Audit; JCP 1990.II.21410, note Francçon, foreshadowed by Goldman, note to TGI Lyon 16 February 1961, Clunet 1962 at p. 984(2).

[63] 28 May 1991, Rev. crit. d.i.p. 1996, 752, note Gautier, Clunet 1992, 133 note Edelman; DS 1993.J.197, note Raynard, JCP 1991.II.21731, note Francçon; Lucas and Lucas, *Traité de la Propriété Littéraire et Artistique,* nos. 959, 1001.

[64] Goldman note to Paris, 29 April 1959, Clunet 1960, 128 at 146; Bergé note to Cass, 7 April 1998, Rev. crit. d.i.p. 1999, 85; Ginsburg note to Paris, 14 March 1991 (above n. 47) JCP 1992.I.21780 II; Lucas and Lucas, *Traité de la Propriété Littéraire et Artistique,* nos. 973–975, 1108; Berne art.6 bis; Schack, "Kolorierung von Spielfilmen", 49 (n. 32 above).

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III. Germany

It has been stated by courts[65] and by writers[66] in Germany that in matters of intellectual and industrial property the ordinary rules of Private International Law do not apply. Instead the *lex protectionis* (the law of the state where redress is sought) applies. The question remained whether such law takes the place which the *lex loci delicti* occupied in Private International Law or whether it was restricted territorially.

As early as 1914 the court stated that in the matter of patents there are "as many patent areas as there are states".[67] The court concluded that in respect of the same invention the right to a patent for the invention in Switzerland is independent of the right to the patent in Germany, even if vested in the same person. Therefore a product lawfully manufactured in one country must not be introduced or used in another, even if the same person enjoys the patent in both countries, except in virtue of a licence. The court said "The effects of a right granted by a patent are restricted to the territory of the country the competent authorities of which have conferred it ... each of these rights operates locally independently of all others." The same was ultimately also acknowledged for trademarks.[68]

This conclusion follows from the nature of immaterial property law, which is territorial in the dual sense, that positively it has exclusive application locally and negatively that foreign law cannot be considered.[69] The territorial character of immaterial property laws results in their parallel operation, if admitted in several states[70] but cannot lead to the application of the law of A to infringements in B or law of B to infringements in A.[71] Thus a "bundle of local rights" protects the same immaterial property interest originally

[65] BGHZ 118, 394, 397; 126, 252, 255; 136, 380, 385–386; Schack, "Anmerkung zu BGH 2.10.1997—I ZR 88/95—Spielbankaffaire (zum IPR des Filmurheberrechts)", 1998 JZ 1018; Martiny (1967) 40 Rabels Z 218, 220 with lit. at n. 7.

[66] Von Bar, *Internationales Privatrecht II,* no. 705 with cases at note 362; Kreuzer in Münchener Kommentar zum BGB vol.10 nach Art.38, Anhang II Rz 7–15, 26, Von Hoffman, Stoll. Staudinger Kommentar zum BGB (12th ed.) Article 38 Rdz 591, 592, Siehr IPRax 1992, 29, 31 n. 16, note to LG Düsseldorf 31 October 1990 now BGHZ 126, 252 (n. 65 above).

[67] RGZ 84, 371, 375, previously RGZ 30, 52, 54, 55, BGHZ 16 April 1975, GRUR 1975, 361, 364.

[68] RGZ 118, 76, 80–82 overruling RGZ 18, 28; 45, 145; 51, 267; 108, 9 which had envisaged suits in Germany for violations abroad by a German of a foreign patent, subject to the effect of exhaustion: BGHZ 41, 84, 88(a).

[69] See section II, above.

[70] RGZ 118, 76, 81; BGHZ 41, 89, 91, subject to the proviso that foreign acts may affect local trademarks—see above n. 68.

[71] RGZ 118, 71, 81; BGHZ 49, 331, 334 (a); also BGHZ 41, 84, 89; 126, 255, 256: L. Raape, *Internationales Privatrecht* (5th ed., Berlin 1961) para. 64 II, p. 641; A. Nussbaum, *Internationales Privatrecht* (1932), 338 n. 2.

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established in one country.[72] Only acts within the territorial range of the local immaterial property law (the "*Schutzland*") are subject to it.[73]

The absence in German law of recourse to the *lex originis* to determine the nature and extent of what French law described as the "*droit privatif*" forming the core of the immaterial property right appears to be due to the difference in approach to the function of the "bundle of rights" representing the local effect of a foreign immaterial property right. It would seem that at one time the territorial character of foreign immaterial property law was also thought to exclude the *recognition* of such laws by the country of protection.[74] By excluding the *lex originis* to circumscribe the nature and limits as distinct from the effects (governed by the *lex protectionis*), the "bundle" of parallel rights[75] consists of a conjunction of immaterial property rights which may differ not only in the measure of protection provided in several countries but also in the quality of the rights sought to be protected.[76] In short, protection is provided not for the same immaterial property right, albeit with different effects in different countries, but for different immaterial property rights. Such a right in one country may trigger off protection in another country which differs not only in extent but also in substance from the original right.

It is therefore not surprising that some learned commentators[77] regretted the omission to isolate the original immaterial property right and instead to delegate the questions of authorship, assignability and title in general to the basic *lex originis*. However it would seem that, in respect of the related right given in German law to a performing artist the German Federal Constitutional Court may have recognised that a performer has a "*droit moral*" which constitutes a proprietary right[78] limited territorially by the *lex protectionis*. The practice of the German Federal Supreme Court, as formulated in 1914 observing strict territoriality, suffered a change when the Court treated an infringement in Norway of a Norwegian trademark by a German defendant[79] subject to German jurisdiction

[72] BGHZ 18, 1, 13; 22, 1, 14; 49, 331, 334 (a); OLG Frankfurt 27 January 1966, IPRspr 1968–69 no. 166a; B Verf G 23 January 1990; GRUR 1990, 438, 441 IV (1), (2).
[73] BGHZ 49, 331, 334–335; Siehr, IPRax 1992, 29, 32 (b).
[74] OLG Hamburg 27 March 1958, IPRspr 1958–59 no. 152, Kreuzer, n. 66 above Rz 17, 20.
[75] Eg OLG Koblenz 14 July 1967, IPRax 1966–1967 no. 182; OLG Hamburg 27 March 1958 (n. 74 above); OLG München 29 January 1959 *ibid* no. 153 p. 512.
[76] Siehr IPRax 1992, 29, 31 (b).
[77] Drobnig (1974) 40 Rabels Z 195, 200, but see Ulmer *ibid* (1977) 41, *ibid* 479, 481; H. Schack, "Zur Qualifikation des Anspruchs auf Rechnungslegung im internationalen Urheberrecht" 1991 IPRax 347, 348 and "Kolorierung von Spielfilmen", 48 (b).
[78] B Verf G 23 January 1990, GRUR 1990, 438 I 1, 439 III, 440 II, 1 a, 441 b, aa, bb, 2 III 3 a.
[79] RGZ 129, 385, 386–387, JW 1931, 428 note Nussbaum; also OLG Hamburg 12 May 1933, IPRspr 1933 no. 102: LG Munich 4 July 1972, IPRax 1973 no. 108.

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as a tort to which a German court could apply the German rules of Private International Law relating to torts (art. 12 EGBGB then in force). According to art. 12 such claims addressed to a German defendant were not to be entertained by German courts to a greater extent than German law would have allowed. Since no German trademark existed in the name of the defendant, for which it could have demanded exclusive territorial application, and although the Norwegian trademark legislation was territorial and the judgment obtained in Norway against the defendant could not be enforced in Germany, the German defendant who had infringed the foreign trademark abroad could be sued in Germany for a tort committed abroad. Thus, while the court recognised the exclusive territoriality of German immaterial property law, even if in the particular case no equivalent German trademark existed, it was prepared to disregard the same character of Norwegian trademark law—which should have precluded its application in Germany—and was willing to apply the latter in German proceedings as a result of a reference to Norwegian law by the German rule of Private International Law relating to torts.[80]

In 1956 the Federal Supreme Court sought to improve on this practice.[81] Assuming that the court had jurisdiction, the objection that the German court was dealing with a foreign (Portuguese) trademark of a territorial character was dismissed on the ground that the effect of the judgment could only be felt in Germany and did not violate foreign sovereignty (*i.e.* the exclusive territoriality of Portuguese law).

In fact Portuguese sovereignty was not in issue, but the German court failed correctly to interpret Portuguese law, which is territorially restricted. While referred to as the *lex loci delicti* it would appear that Portuguese law was not applied. In the view of the German court the question was whether in the light of article 12 of the Introductory Law to the Civil Code a claim against a German defendant for an infringement of Portuguese law was justified to the extent assessable if a German trademark corresponding to that abroad had been violated. The court held on the strength of the German choice of law rule (art. 12 of the Introductory Law to the Civil Code) that a claim for an infringement abroad of a foreign trademark was admissible in Germany to the extent that such a claim was actionable in Germany. What was designed as a choice of law rule including a comparator was turned into a rule of substantive law by way of

[80] RGZ 129, 385, 386, 387, esp. 388.
[81] BGHZ 22 1 13–14; the question had remained outstanding in RGZ 118, 76, 81.

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what appears to be a fiction.[82] This made it possible to treat an infringement of a foreign immaterial property right as a tort committed in Germany, thus avoiding the territorial limitation of *the foreign law*.

After the German Federal Supreme Court had relied in 1956[83] indirectly on the assistance of the German choice of law rule in tort the balance was restored in 1994[84] when the court returned to the practice followed in 1927.[85] The competent legal system to deal with immaterial property law is the law of the country in respect of whose territory protection is sought (*Schutzland*), given its exclusive territorial character having only limited effect. This law (the *lex protectionis*) embodies the "unfettered economic law" of the country concerned.[86] The necessary connecting factor consists in the alleged act of infringement which took place in the country where protection is sought.[87] The court of protection's jurisdiction is identical with the *lex fori* (which is normally the *lex loci delicti*), subject to possible exceptions to be considered later on. However in BGHZ 136, 381 (1997) the *lex fori* was not identical with the *lex protectionis* (the law of the *Schutzland*) which was Luxemburg.

The Federal Supreme Court in an action for the infringement of a copyright (acquired in accordance with the law of the former German Democratic Republic) and a licence thereunder to exercise the right in Luxemburg, held that Luxemburg law was applicable as the *lex protectionis* and not German law.[88] The court stated expressly that in relying in German proceedings on Luxemburg law as the law of the (foreign) State of Protection, the German court was not applying Luxemburg law as the *lex loci delicti* by following the German rules of private international law, but as the foreign *lex protectionis*.

The *explanation* for the deviation from the normal practice which identifies jurisdiction with the *lex protectionis* (which is the *lex loci delicti* of the specific local right) must be found in the Brussels Jurisdiction Convention which enables the court to assume jurisdiction on the defendant's residence (in Germany). Thereby the main problem of the present study was being touched, which is whether rules of foreign immaterial property law can be applied by courts elsewhere as part of the *lex protectionis* or *lex loci delicti* notwithstanding their territorial character which restricts their effect

[82] Kreuzer, *Münchener Kommentar* Rdz 114 with lit.
[83] See n. 81 above.
[84] BGHZ 126, 252, 255 with lit, also 118, 394, 397; Katzenberger, IPRax 1983, 158; Ulmer (1973) 37 Rabels Z 499.
[85] RGZ 118, 76, 81.
[86] BGHZ 126, 252, 256; Siehr, IPRax 1992, 219, 220.
[87] BGHZ 126, 252 at 256, 258 (4).
[88] BGHZ 136, 386, 385(1), 386(1) citing BGHZ 118, 394, 397; 126, 250, 255 with lit. at p. 256.

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to the country of their enactment. The only difference between the BGH 136, 386 case and *Pearce* v. *Ove Arup*[89] is that in the latter English Private International Law served to determine the applicable law expressly to support the application, while in the case under consideration Luxemburg Law was purported to be taken into account as the *lex protectionis* (the *Schutzland*)—which was also the *lex loci delicti*. In both cases the parallel operation of immaterial property legislation was disregarded in favour of a reference to foreign law where the infringement had taken place. However, while an infringement of a protected interest, such as by way of passing off, may attract the operation of the local private law rules of tort and their application by courts elsewhere in virtue of their rules of private international law, an infringement of an immaterial property is an illegal act incapable of being prosecuted outside the country where protection is sought. In BGHZ 136, 380 the German court referred to the "*Schutzland*" and its law as the *lex protectionis*—which was also the *lex loci delicti*. In *Pearce* v. *Ove Arup* a rule of English Private International Law had the same effect. Although the territorial nature of Luxemburg law did not conflict in substance with the corresponding German law, the problem remains the same. It is whether with the extension of jurisdiction by the Brussels Convention the application of foreign territorial law has been accepted and is possible. However, the reference by the German Federal Supreme Court[90] to the control to be exercised in applying foreign (*i.e.*, Luxemburg) law may perhaps indicate that the court had doubts whether Luxemburg immaterial property law could be applied in Germany.

If the nature of the foreign law involved precludes its application by courts in other countries, the courts in these countries are unable to adjudicate in the absence of a local cause of action. Local law cannot be substituted in view of its own territorial nature. Expressed in procedural terms, local (German) courts lack jurisdiction of necessity.

IV

The foregoing survey shows that while French courts strictly observe the territorial character of immaterial property law, English and German courts have shown a willingness to assume jurisdiction and to apply foreign immaterial property law alleged to have been infringed abroad. In England, and to a certain extent in Germany, the extension of jurisdiction by the Brussels Convention had this

[89] [2000] Ch. 403.
[90] BGHZ 136 at p. 386.

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effect, and the foreign *lex protectionis*, being also the *lex loci delicti*, was applied without expressly referring to the relevant choice of law rule.[91] In Germany in BGHZ 136, 380 local jurisdiction existed in virtue of art.2 of the Brussels Convention and the foreign (Luxemburg) *lex protectionis* was applied, which was also the *lex loci delicti*, but the court brushed aside this consideration (at p. 386). On the other hand in BGHZ 22 1 at 13 the court relied on a choice of law rule (art. 12 EGBGB) as a means to apply German law by way of a fiction although the *lex protectionis* was foreign.

It emerges, therefore that the time honoured territoriality of immaterial property law and its parallel enforcement on the strength of the Berne and Paris Conventions and the Madrid Agreement or of "droit commun" is being undermined by its trans-country protection, based on the Brussels and Lugano Conventions (now Reg 44/2001) with or without reliance on Private International Law. At present this development appears to be impeded by the combined positive and negative character of territorially limited legislation. The question is whether this character will be lost, and with it the structure of the relevant treaties.[92]

Recent practice has not deviated from the general observance of the territoriality of immaterial property rights, and the extension of jurisdiction in *Pearce* v. *Ove Arup*[93] to infringements of domestic immaterial property rights abroad has remained unique. In an action in another country the courts in the country of protection can therefore only succeed if the local law is applied as the *lex loci delicti*.

The classic treatment by Ulmer[94] starts from the position that the protection of immaterial property rights in countries other than that of the country of origin is determined by an infringement (*Eingriffshandlung*)[95] which alerts the local law. This law is not to be identified with the *lex fori*, including possibly, the rules of the conflict of laws, but with the *lex loci delicti*,[96] in the sense that the action is for damages, not to enforce a right based on foreign[97] territorial law, but a local, territorially limited right provided that a

[91] *Pearce* v. *Ove Arup* [2000] Ch. 403.
[92] Approving Staudinger 2 rz 594; but see 595.
[93] [2000] Ch. 403.
[94] E. Ulmer, *Die Immaterialgüterrechte im Internationalen Privatrecht* (Munich 1975).
[95] Ulmer, *Immaterialgüterrechte*, p. 13 para. 22, p. 15 para. 26.
[96] *Ibid*, p. 15 para. 27, p. 68 para. 29. This disability cannot be overcome by an artificial extension of jurisdiction, *e.g.* by reliance on the Brussels Convention: Lipstein, "Intellectual Property: Jurisdiction or Choice of Law?".
[97] This disposes of the problem whether in reality a tort has been committed—see Sir Peter North and J.J. Fawcett, *Cheshire and North's Private International Law* (13th ed., London 1999), p. 618 n. 13 with lit.

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sufficient connection exists between the country of the *forum* and the infringement.[98]

A distinct feature is, however, that unlike in the conflict of laws in general, where choice of law and jurisdiction operate independently of each other, the territoriality of immaterial property law[99] precludes its application elsewhere than in the country of origin. Since it cannot apply elsewhere, courts in other countries cannot either apply other than their own rules, and on the failure of foreign immaterial property law to apply, the local court must of necessity cease to exercise jurisdiction in the absence of a cause of action, unless its own law provides any relevant remedies.

The legal basis of the support offered by the country of protection is stated to be that the infringement constitutes a local tort. However, the protection by the law of tort in the country of protection is dependent on the violation of a protected right (which in the case of a copyright is the law where the work was first published) and the territoriality of this type of right cannot support an action in tort elsewhere.

The answer why protection is granted nevertheless is to be found for copyrights in art. 5(1) of the Berne Convention which provides that, leaving aside the protection provided by the country of origin, the benefit of protection accorded in each Convention country is that of the local law (as the *lex loci delicti*), with exceptions in favour of the law of the country of origin for the period of protection and the *droit de suite*.[100] Outside the range of the Berne Convention the creation, effect and extinction of a copyright is similarly governed by the law of the protecting country,[101] including its vesting in the author.[102]

As stated before, the territoriality of a foreign copyright precludes its application as a protected interest in support of an action *in a country of protection* for damages in connection with an infringement. The choice of the *lex originis* is precluded by its territorial character, and the ordinary rules of the conflict of laws fail to support an action *in the country of origin* for damages for the violation of the copyright elsewhere. An action in another country—the country of protection—can therefore only succeed if

[98] J. Carrascosa González, "Conflict of Laws in a Centenary Convention: Berne Convention 9th September 1886 for the Protection of Literary and Artistic Works", in H.-P. Mansel *et al.*, (eds.), *Festschrift für Erik Jayme, I* (Munich 2004), 105, 111 (23), 112 (26), 116 (37) with lit. at 110 n. 16, 17, 18, p. 116 n. 31.

[99] Ulmer, *Immaterialgüterrechte,* p. 50 para. 68.

[100] Ulmer, *Immaterialgüterrechte,* p. 31 para. 41, p. 39 para. 53; see also p. 32 para. 42; p. 33 para. 43.

[101] Ulmer, *Immaterialgüterrechte,* p. 37 para. 50.

[102] Ulmer, *Immaterialgüterrechte,* p. 39 para. 54, p. 40 para. 55.

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the *local* law is applied as the *lex loci delicti*. However, this raises the problem outlined before: the local immaterial property law of the country of protection applies only to violations of local immaterial property law and what is required here is the protection of what is in substance a foreign right.

The solution adopted by the Convention and by national choice of law rules is this: a unilateral choice of law rule of the country of origin referring to its own copyright law with territorial effect is bilateralized by another which *introduces the same law in the country of protection in the guise of the corresponding law of the country of protection*. In other words: A parallel remedy is introduced. In contrast to the classic solution of conflict of laws whereby the *forum* introduces foreign law as the law governing the tort abroad by assuming a broad jurisdiction, the specific choice of law solution for the infringement of immaterial property law is to assume exclusive jurisdiction and to apply the law of the country of protection as reflecting the *lex originis*. While the classic solution favours the importation of foreign law, *the specific solution for copyright is to export the lex originis by giving it effect within the framework of the lex protectionis by a parallel remedy*. Choice of law and territoriality have been reconciled. With justification Ulmer has stressed that the ordinary principles of the conflict of laws do not apply in the area of immaterial property law.

For patents the Paris Convention, art. 2(1) offers the same remedy as the Berne Convention art. 5(1), but unlike in the latter, the existence of the same patents in several countries is reflected in the local treatment.[103] The law of the country of protection alone governs the acquisition, the effect and the cessation of the right in question.[104]

Thus the two Conventions provide a remedy for copyright holders by offering parallel protection in other Convention countries and for patent holders, if the remedy sought in the *forum* other than the *forum originis* is a procedural one, such as discovery,[105] probably if the patent granted by the law of the country of *origin* is identical with that in the country of protection,[106] as in the case of copyrights, or if the joint action by two or more alleged infringers represent a common design resulting in a common law tort.[107] It would seem that in the absence of

[103] Ulmer, *Immaterialgüterrechte,* p. 61 para. 86.
[104] Ulmer, *Immaterialgüterrechte,* p. 74 para. 110, p. 75 para. 112.
[105] *Mölnlycke* v. *Procter & Gamble* [1992] 4 All E.R. 47, 58.
[106] The jurisdictional aspects of art. 21 and 22 of the Brussels Convention are not being considered here; see *Coin Controls* v. *Suzo* [1997] 3 All E.R. 45, 53.
[107] *Mölnlycke* v. *Procter & Gamble* [1992] 4 All E.R. 47, 53.

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conventional or statutory provisions, references to the *lex originis* are ruled out for copyrights.

V. Conclusion

In all three countries it was realised early that the law of copyright and industrial property is territorial in character in the sense that within the same country only the local law of immaterial property can hold sway and that consequently equivalent foreign legislation is precluded. Protection in a country other than that of origin must rely on parallel protection in accordance with local law, if any such protection is sanctioned by international agreement or by local law. The ordinary rules of the conflict of laws do not assist since a reference to foreign immaterial property law is to law which is self-limiting territorially. In France, but not in England or Germany, the law of the country where the immaterial property right came into existence (*lex originis*) determines the right in a broad sense, such as title, leaving the law of the country where protection is sought to furnish the remedies available there.

It is believed that this limited reliance by the *lex protectionis* on the *lex originis* serves a necessary function, if it is to be maintained that a foreign immaterial property right is being protected and not a local right in substitution for a foreign right.

In recent times the notion that the infringement of an immaterial property right constitutes a tort, so that the system of conflict of laws includes the protection of such claims arising from torts committed abroad, has inspired the enforcement by the forum of claims concerning infringements of immaterial property rights abroad, for tort laws are not territorially exclusive and are capable of application in other jurisdictions. As a result the long established insight was disregarded that the infringement of immaterial property rights is sanctioned by laws which are strictly territorial and incapable of application by courts abroad, and with it the refusal to assume jurisdiction by courts in countries other than that where the infringement occurred refuse to assume jurisdiction (the country of protection).

The absence of jurisdiction on the ground of *necessity* and not, as it is usually justified, on grounds of procedural convenience, has been disturbed by the enlarged jurisdiction offered by the Brussels and Lugano Conventions, now Reg. 44/2000. Can the extended jurisdiction apply where foreign exclusively procedural or political territorial law is involved? The answer must be: Foreign territorial law is exclusive in a positive sense in being the only law applicable within its bounds. In a negative sense it is excluded elsewhere by

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the existence of equivalent local law. Consequently the use of Private International law, resulting in a total application of foreign immaterial property law or of the right of the state concerned to make an equivalent protection available must be ruled out.

The fact that the exclusive character of immaterial property law precludes proceedings abroad for the enforcement of claims for infringements elsewhere can result in considerable inconvenience, especially if the same activity constitutes identical infringements in several countries. It is suggested here that the drafters of the Berne and Paris Conventions sought to provide one or several other effective remedies when Private International Law is unable to offer assistance, if the infringement of an immaterial property right in one country cannot support an action in another having regard to the territorial character of the law pleaded in support of the claim.

While Private International Law serves to introduce a claim based on foreign law in proceedings brought in another country, the Berne and Paris Conventions seek to ensure *parallel* protection of the identical course of action. This operates without difficulty if the jurisdiction and law of the protecting country coincide with one *lex loci delicti*.

If the infringement has occurred elsewhere or in several countries the vexed question of territoriality might be thought to arise again. However, the Conventions would seem to aim at the *parallel protection* of an identical right. They seek to achieve this when either a single or a multiple infringement in one or several foreign countries is sought to be remedied without resort to multiple jurisdictions. In the case of multiple infringements in more than one country it is suggested that art. 28 of Reg. 44/2001 provides the means on the basic assumption that no choice of law is involved, if the country of protection assumes jurisdiction in respect of all of them and therefore also on the strength of the local *lex protectionis*.

Instead of relying on the foreign *lex loci delicti* the Conventions start in this case, by way of parallel protection of the foreign claim, by identifying it with an identical claim arising from a local infringement.[108]

[108] It is an entirely different matter if *in personam* proceedings involve a contract concerning an immaterial property right by a purchaser with notice of a prior equitable interest. In this case choice of law is affected, but not jurisdiction. See *Griggs Group Ltd.* v. *Evans* (2000) F.S.R. 939, paras. 28, 57, 60, 110.

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