

Choice of Law in Intellectual Property Matters: The Role of the International IP Conventions

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I. Introduction

For many years intellectual property rights have been dealt with on a country by country basis. It was not surprising that in such a context the private international law and particularly the choice of law aspects of these rights received little or no attention. The national treatment principle in substantive intellectual property law was taken to lead to the inevitable application of the domestic law of the forum, especially since a case could, under the same principle, only be brought in the country that had granted the right in the first place. Recent international developments have, rightly, put into question this simplistic approach. To give but one example, the EU is currently looking into the proper application of private international law to its harmonised provisions on intellectual property law.

It is submitted that any application of private international law in the area of intellectual property rights should start from the existing international intellectual property Conventions. It is the aim of this article to examine the value of the provisions of these Conventions in determining appropriate choice of law rules for issues that involve intellectual property rights. Our analysis will start from a United Kingdom point of view, but most aspects of it are equally valid for all other countries.

1. How do Choice of Law issues Arise?

As explained earlier, intellectual property rights have been regulated internationally by many Conventions for many decades and these Conventions are the obvious places to start the search for choice of law rules. They might contain a harmonised uniform set of rules for the protection of intellectual property rights. It will soon become clear that such a system, that removes the need for choice of law rules, never was a realistic goal for the draftsmen of these Conventions. But maybe the Conventions contain choice of law rules or elements that may facilitate the choice of such rules. When the Conventions deal for example with the exclusive rights that are granted to the patent-holder, they might, in the absence of a single

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harmonised rule that covers this substantive point, contain a rule which decides which national patent law will decide which exclusive rights the French owner of a German patent will receive when he applies in Germany on the back of his original French patent. If the connecting factor is the origin of the patent, French law might be applied, while German law might be applied if the connecting factor is the place of registration of the patent. Do the relevant Conventions contain a choice of law rule to solve this issue?

2. Why Look at International Conventions?

A preliminary point that should retain our attention, though, is concerned with the justification for looking at the Conventions. From a theoretical perspective we could point out that English law does not allow us to look at and give value to international Conventions, because such Conventions do not have force of law¹ in the absence of implementing legislation's. Maybe our analysis ought to focus immediately on the relevant domestic statutes, while leaving the provisions of the Conventions temporarily on one side, before coming back to them when interpretative difficulties arise. It is suggested that there are good reasons to depart from this approach and discuss the provisions of the Conventions first, since most domestic statutes are in part based on these Conventions and are supposed to implement their provisions.

Intellectual property is almost international by definition. The vast majority, for example, of patents, such as those for new drugs, are exploited world-wide. The same goes for copyright. Copies of most books are now sold in many different countries. It is vital in this context that the owner of the patent in a new drug can stop a foreign company from copying the drug, while the owners of the copyright in this book might want to claim royalties for each copy that is sold abroad too. On the other hand, most national intellectual property statutes seem to ignore the international dimension. They only contain substantive rules. The national statutes are supposed to be the national implementation of the provisions of the Conventions. Parliament has taken upon itself an obligation under public international law to implement the Conventions. If we accept that it lived up to its obligation when it drafted the national intellectual property statutes², we are allowed to turn to the Conventions' provisions for clarification on how to interpret the domestic provisions in an international context. We suggest that it is worthwhile to discuss first in detail which system is concealed in the provisions of the Conventions. And as the provisions of the Conventions are implemented in various

1 See e.g. *Att.-Gen. for Canada v Att.-Gen. for Ontario* [1937] A.C. 326 (P.C.) and *British Airways Board v Laker Airways Ltd.* [1985] 58, at 83; Dicey and Morris, *The Conflict of Laws*, Stevens (11th ed., 1987), at 8.

2 Dicey and Morris, n 1 above, at 10.

countries, a desirable uniform interpretation³ can only be achieved if proper attention is paid to the provisions of the Conventions. A uniform set of conflicts rules would also be beneficial for the international exploitation of intellectual property rights.

All the international Conventions which will be analysed below have been implemented by statute. The text of the Conventions, though, was not included in these statutes, but that no longer stops the courts from looking at these Conventions when interpreting the provisions of the statute, even if the statute does not refer to the Conventions and even if it is not ambiguous.⁴

3. No Straightforward Answers in the Conventions

However, the Conventions do not address the issue straightforwardly, and it is fair to say in advance that they do not contain any specific and complete choice of law rules. They only address the issue partially. Good examples are the national treatment rules in most of the Conventions. They are not complete choice of law rules that are needed to solve the choice of law issues, but their obligation to treat nationals and foreigners in the same way gives a first indication of the situations in which the domestic national law will apply.⁵ Private international lawyers could turn this into a unilateral conflicts rule and try to bilateralise it afterwards. We now turn to the analysis of these "partial" convention rules.

II. The Berne Convention 1886

1. Qualification Rules

The Berne Convention deals with copyright and it does not require any registration or other formalities for copyright to exist. An important issue is to know which authors and which works will qualify for protection under the Convention's provisions, because in spite of the large number of countries adhering to the Berne Union not all countries are Member-States. Intellectual property lawyers are familiar with this point and describe it as qualification. An author or a work has to meet the qualification requirements before any copyright can be granted. These requirements are really criteria of eligibility for protection. The Convention provides for a number of connecting factors that link the author and/or his work to a Member-State. Protection can be claimed if one of these connecting factors is satisfied.

3 Dicey and Morris, n 1 above, at 9.

4 Ibid; *James Buchanan & Co. Ltd. v Babco Forwarding and Shipping (U.K.) Ltd.* [1978] A.C. 141, at 152 per Lord Wilberforce; *Salomon v Commissioners of Customs and Excise* [1967] 2 Q.B. 116, at 141 and *The Banco* [1971] P. 137, at 151 both per Lord Denning M.R..

5 See F. Locher, *Das Internationale Privat- und Zivilprozessrecht der Immaterialgüterrechte aus urheberrechtlicher Sicht*, Schulthess Polygraphischer Verlag (1993), at 7.

a. The Scope of the Convention

These provisions primarily determine the scope of the Convention. "The factors linking the author to a *country* of the Union are in no respect connecting principles as regards the applicability of the *law* of that country."⁶ When confronted with a work the first issue that is to be determined is whether it comes within the scope of the Berne Convention and will as such attract copyright protection. This is what is being done at this qualification stage. Once the work comes within the scope of the Berne Convention the Convention will guarantee it a minimum level of protection.

i. The Relevant Connecting Factors

a. Nationality

The nationality of the author is the first connecting factor that is mentioned in Article 3 of the Convention. Copyright protection is granted to all the works of an author who is a national of one of the Member-States of the Berne Union. These works even include works which are published in a country that is not a Member-State and unpublished works.⁷ The nationality rules have been revised at the Stockholm Revision Conference. Authors who have their habitual residence in a Member-State are now assimilated to nationals if they do not possess the nationality of one of the Member-States.⁸ The connecting factor can now be redefined as nationality or habitual residence. The Convention does not deal with the issue when nationality or habitual residence is determined. Does the existing work of an author who abandons his nationality of a non-Member-State in favour of that of a Member-State, or who at least becomes habitually resident in a Member-State, qualify for protection from that moment onwards for example? And does it lose its protection when the author gives up the nationality of and habitual residence in a Member-State? All these issues are left to the national courts and the law that they will apply, although they may wish to be guided by the Report on the Work of the Main Committee at the Stockholm Revision Conference which seems to prefer that the existence of nationality or habitual residence is determined at the time when the work was first made available to the public.⁹ This interpretation is to be supported as it creates legal certainty for the users of the work. They can determine at the time when the first use of the work becomes possible whether they have to take account of copyright, and that certainty cannot be undermined by later changes in the nationality or habitual residence of the

6 Boytha, (1988) 24 Copyright 399, at 407.

7 Art 3(1)(a) Berne Convention.

8 Art 3(2) Berne Convention.

9 Report on the Work of the Main Committee I, paras 29 and 30, Stockholm Conference 1967. This does not even have to involve first publication as defined by the Convention.

author of which users are not necessarily aware and which they cannot reasonably be expected to keep track of.

b. First Publication of the Work in a Member-State

First publication of the work in a Member-State forms the second connecting factor that is mentioned in Article 3. Simultaneous publication in a non-Member-State and in a Member-State within a 30 day period is assimilated to first publication in a Member-State.¹⁰ This connecting factor operates independently and no further requirements, for example related to nationality, have to be satisfied. The Convention defines what amounts to publication by describing published works as "works published with the consent of their authors, whatever may be the means of manufacture of the copies, provided that the availability of such copies has been such as to satisfy the reasonable requirements of the public, having regard to the nature of the work".¹¹ It needs to be added though that the scope of this second connecting factor is restricted significantly by the fact that the Convention goes on to exclude from the definition of publication "[t]he performance of a dramatic, dramatico-musical, cinematographical or musical work, the public recitation of a literary work, the communication by wire or the broadcasting of a literary or artistic work, the exhibition of a work of art and the construction of a work of architecture".¹²

c. Headquarters or Habitual Residence of the Maker of a Cinematographic Work

Article 4 of the Convention adds two narrow connecting factors, which can apply even when the criteria of article 3 are not met. The first of these is that the authors of a cinematographic work will enjoy protection if the maker of that cinematographic work has either his headquarters or his habitual residence in a Member-State.

d. Headquarters or Habitual Residence of Architects etc

Article 4 goes on to provide the same protection to authors of works of architecture if the work has been erected in a Member-State and to authors of artistic works that have been incorporated in a building or another structure that is located in a Member-State. This is the second narrow connecting factor.

ii. Which Connecting Factor Takes Priority?

The above four connecting factors establish a link between the work and a Member-State of the Berne Union. A connecting factor will indeed select a

10 Art 3(1)(b) Berne Convention.

11 Art 3(1)(3) Berne Convention.

12 Ibid.

particular Member-State each time it is applicable. That Member-State is the country of origin of the work. There are, of course, cases in which more than one connecting factor is applicable and as it is desirable to determine a single country of origin for each work, the Convention contains rules as to which connecting factor will take priority.¹³ It is necessary to determine first of all whether a work has been first published in a Member-State. If that is the case, the country of first publication will be the country of origin of that work, regardless of the fact that the author of the work may be a national of another Member-State or that he may be habitually resident in another Member-State. In cases of simultaneous publication, priority is given to the Member-State whose legislation grants the shortest term of protection. It is obvious that the country of origin will be the Member-State country in those cases in which the other country of simultaneous publication is a non-Member-State. Only if the work has not been published or if it has been published in a non-Member-State, without there being any simultaneous publication in a Member-State, does the Convention turn to nationality and habitual residence. Even then the two narrow connecting factors that are contained in Article 4 take priority if their requirements are met. The preference for the work-orientated publication connection is fully justifiable and has been summarised neatly by Schack in the following terms:

"...the author's right in his published work becomes a distinct subject of legal relations, separated from the person in whom it has been vested; the work-orientated connection (with a particular country) corresponds to this fact. The personal statute¹⁴ of the author is largely unknown to the public, to which it is the use of the work that comes into prominence."¹⁵

It is indeed much easier for those using the copyright work to determine where it was first published. This enhances legal certainty and it facilitates the exploitation of the work.

b. How Choice of Law Problems Arise

Once the work comes within the scope of the Berne Convention and is given an entitlement to protection, the next step is to know the exact format the protection will take in each of the Member-States and it is only here that the real

13 Art 5(4) Berne Convention.

14 Which depends on factors such as nationality or habitual residence.

15 Translated from German by Boytha (1988) 24 Copyright 399, at 408 the original German quote "... dass ein solches Urheberrecht ein von der Person seines Trägers losgelöster selbständiger Gegenstand des rechtsverkehrs ist. Die Person des Urhebers tritt demgegenüber zurück. Dieser Tatsache entspricht eine werkbezogene Anknüpfung. Das Personalstatut des Urhebers ist der Öffentlichkeit weitgehend unbekannt; für sie steht die Nutzung des Werkes im Vordergrund." has been taken from H. Schack, *Zur Anknüpfung des Urheberrechts im internationalen Privatrecht*, Duncker & Humblot (1979), at 50.

choice of law issue arises. After having dealt with qualification in Articles 3 and 4 the Convention turns to this next step in Article 5.

Qualification only leads to a distinction between two categories of works: those works that come within the scope of the Convention and those works that fall outside that scope. The Convention no longer deals with the latter category of works, but we now have to see how it will deal with those works that come within its scope. One option which would have excluded all choice of law problems, would have been the introduction of a harmonised uniform statute on copyright, but the Convention did not chose that option. The Convention contains instead guidelines for the provisions of the national copyright statutes and an attempt to create an international system of copyright protection is made through rules that guarantee works some form of protection in all Member-States. The next step is to determine which law will apply to the exact format of that protection, as there are differences between the copyright statutes of the Member-States. Choice of law issues that arise include the question what amounts to a work and the question of which exclusive rights are given to the owner of the copyright in the work. Does the creation have to be original, and does "original" mean "of artistic value", before a creation amounts to a work and before it will be given copyright protection? A clear example of a situation in which it does matter which national copyright law is applicable is found in the *Warner Brothers Inc. v Christiansen* case¹⁶ that came before the Court of Justice. The case was concerned with the rental of a videocassette that contained the latest James Bond movie "Never say never again". At that time English copyright law did not give the owner of the copyright in the work any right in the rental of the work (financial compensation whenever the cassette is hired by a customer at a videoshop), while the Danish copyright statute provided the owner with a right to authorise or refuse rental and a right to a royalty whenever the cassette was hired out. Mr Christiansen bought the cassette in London and used it for rental in his shop in Denmark. Could Warner Brothers stop him from doing so? And could they claim royalties? It is obvious that the answer to these questions will be different depending on whether English or Danish copyright law is applied.¹⁷

2. Which Law Applies to Qualifying Works?

a. Does the Qualification Rule Include a Choice of Law?

The qualification round left us with the country of origin of the work. The work is first of all granted protection in that country. This protection is granted under the provisions of the domestic law of the country of origin. These provisions

¹⁶ Case 158/86 [1988] E.C.R. 2605.

¹⁷ This example leaves on one side the exhaustion issue that arose in this context in the Court of Justice.

apply in the same way to an author who is not a national of that country, but whose work has that country as its country of origin, as they do to national authors.¹⁸ It is perhaps tempting to derive from this rule the proposition that the work will enjoy the same copyright protection in all other Member-States because the full level of protection has now been determined¹⁹, but this interpretation is irreconcilable with the presence and the wording of Article 5(1). Article 5(1) takes us indeed one step further once we have determined that the work qualifies and once the level of protection in the country of origin has been determined. On the back of these first two steps the Convention goes on to grant the work protection in all other Member-States. The level of protection in all those states is not to be determined by the law of the country of origin. That law is not even referred to in article 5(1). Instead, the text of that article refers to the fact that the work will in each of these countries benefit from the same level of protection that is granted to national authors²⁰ under their respective laws. Also the fact that there was a need to add another specific rule in article 5(1) demonstrates that another law or other laws will be applicable outside the country of origin.

b. Determination of the Applicable Law

How will this applicable law or laws be determined? Article 5(2) points towards the law of the protecting country (*lex loci protectionis*) when it provides that "... apart from the provisions of this Convention, the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed by the laws of the country where protection is claimed". This law of the protecting country is the law of the country in which the work is being used,²¹ in which the exploitation of the work takes place.²² This follows from the logic of the Convention. What is being determined in Article 5 is the substantive level of protection for those works that have previously qualified for protection under the Convention. The substantive right and the conditions under which the work can be used have to be determined first. The Convention was not concerned primarily with enforcement, it set out to establish an international comprehensive legal system of lawful uses of works. Obviously, once the content and the extent of the right in a particular country have been defined, the infringing acts follow logically,

18 Art 5(3) Berne Convention.

19 See e.g. Koumantos, [1979] *Il Diritto di Autore*, 616 and (1988) 24 *Copyright* 415; H. Schack, *Zur Anknüpfung des Urheberrechts im internationalen Privatrecht*, Duncker & Humblot (1979).

20 This reference to nationality needs to be seen in the light of the heavy emphasis the original version of the Convention placed on nationality as a connecting factor (e.g. habitual residence was only added in 1967).

21 See E. Ulmer, *Intellectual Property Rights and the Conflict of Laws*, Kluwer & Commission of the European Communities (1978), at 11.

22 See also Ginsburg [1994] *La Semaine Juridique* 49 (Doctrine 3734).

as do the sanctions that go with them. All this constitutes a unity.²³ The alternative minority interpretation that the law of the protecting country refers to the country where the author is involved in legal proceedings²⁴ and the suggested link with the law of the forum cannot be accepted in the light of these facts. Neither can the law of the protecting country be seen as an application of the law of the place where the tort was committed (*lex loci delicti commissi*) rule²⁵, as we are not primarily concerned with infringement, but rather with any form of exploitation or use of the copyright work.

Where would all this lead us in a practical case? If, for example, a book was first published in Germany, it will be protected under German copyright law in Germany because this is the country of origin of the work. When copies of the book are subsequently sold in England, English law will be applicable, for example to the issue whether the sale of copies of the work forms part of the exclusive right of the copyright owner, because it constitutes the law of the protecting country.²⁶ English law will also apply to the infringement issue when substantial parts of the book are copied in England and this will even be the case if the Dutch defendant is sued in the Dutch court of his domicile. If the infringing works are to be seized, this seizure should take place according to the English law of the protecting country. The latter point is the logical solution and is expressly contained in Article 16 of the Berne Convention.

3. National Treatment

Articles 5(1) and 5(3) add an additional instrument of protection by securing national treatment for the foreign author both in the country of origin and in the country where protection is sought. National treatment is enjoyed for each work which qualifies for protection under the Convention. This comes on top of the fact that the law of the protecting country applies in each case.²⁷

The difference between the situation in the protecting country and that in the country of origin is that Article 5(1) requires that in the protecting country the substantive harmonised rights that are contained in the Convention itself are applied to foreign works on top of the national treatment that is given to them and

23 See the expertise ("Stellungnahme des Max-Planck-Institut für ausländisches und internationales Patent-, Urheber- und Wettbewerbsrecht zur Ergänzung des Internationalen Privatrechts ausservertragliche Schuldverhältnisse und Sachen") of the Max Planck Institute for Foreign and International Patent, Copyright and Competition Law, [1985] GRUR Int. 105, at 106.

24 See Koumantos, [1979] Il Diritto di Autore, 616, at 635-636 and (1988) 24 Copyright 415, at 426.

25 See Koumantos, (1988) 24 Copyright 415, at 426.

26 Compare R. Plaisant's summary in Juris-Classeur, Fasc. 23, N. 37: "... l'oeuvre donne naissance à un droit d'auteur dans chaque pays où elle est exploitée, et ce droit est exclusivement régi par la loi de ce pays ...".

27 In the country of origin the domestic law is in ultimate analysis also the law of the protecting country, see Boytha, n 15 above, at 409.

of the law of the protecting country that is applied to them. Article 5(3) contains no such rule in relation to the country of origin. This leads to two conclusions. First, the substantive rights granted by the Convention cannot be claimed, as such, in the country of origin and the domestic works could eventually be given a lower level of protection. And secondly, the Convention does not regulate the situation where the country of origin is dealing with a work whose author is a national of the country of origin or is habitually resident in that country.

Returning to national treatment, it can be seen that Article 5 of the Convention applies this principle in practice by granting the same rights to foreign authors as to national domestic authors. The use of the word "rights" has certain implications. In practice, it means that the author is given a separate right in each protecting country, and one in the country of origin as well. These rights are identical to the national right which each country grants to its own authors. These various rights which the author is granted are independent of each other and the author ends up with a bundle of national (copy-)rights. International exploitation of the work, such as the international distribution of computer programs or films, will have to take all these separate national rights into consideration. Another implication of the use of the term "right" is the exclusion of *renvoi* and private international law in general. The author is granted rights, whereas rules of private international law do not grant rights to the national and/or the foreign author. They just determine the jurisdiction of the courts and the applicable law. Any use of *renvoi* would indeed have made the practical operation of this area of law in cases of international exploitation, such as those mentioned above, unduly complicated and burdensome. The normal exploiter would be unable to determine quickly which rights he had to take into account.²⁸

The undeniable consequence of this analysis is that the proposition, that the national treatment requirement is also met solely by applying the same choice of law rules to all creators,²⁹ has to be rejected. This clearly does not go far enough. The same substantive "rights" have to be given to the creators.

4. Restrictions on the Application of the Law of the Protecting Country

a. A Role for the Law of the Country of Origin

The Member-States to the Berne Convention were not prepared to agree to full national treatment without retaining some corrective mechanism in the situation where one of them offered much lower national standards of protection. The old principle of reciprocity, which had blocked the efficient international protection of copyright works, was not abandoned fully. In this exceptional

²⁸ Art 5(1) Berne Convention; see also Boytha, n 15 above, at 410.

²⁹ As advocated by Walter (1976) 89 RIDA 45, at 47.

situation the law of the protecting country is still applied, but it is applied as amended in the light of the extent of protection granted by the law of the country of origin (*lex loci originis*). The existence of some form of protection under the law of the country of origin does not become the most important point that is decisive for the grant of any protection in the other Member-States under their respective laws (of the protecting country). The law of the protecting country operates at a later stage to take away or reduce the protection that is available under the law of the protecting country.³⁰

A first example of this approach is found in Article 2(7) in relation to industrial designs and models. The Convention leaves it to its individual Member-States to decide whether or not they will offer a special regime of protection for industrial designs and models. Irrespective of the situation in the country of origin, the law of the protecting country will apply. No foreign author is entitled to any right that does not exist nationally under the law of the protecting country.³¹ This special situation arises when the country of origin grants protection only under a special regime and excludes general copyright protection. In such a case the work will only receive the special protection which is available in the protecting country. If no special regime exists though, it will receive copyright protection as an artistic work.³² The alternative would have been no protection at all, but that would have been an unduly harsh decision especially as the Convention aims to expand the international protection of works. That major aim should not be jeopardised due to the lack of agreement on harmonising to a greater extent the area of industrial designs and models.

A second and even clearer example deals with the term of copyright protection. This matter of the duration of the right granted to the author clearly comes under the law of the protecting country. But some Member-States may grant under their national laws a longer term of protection than the minimum term imposed by the Convention. This improvement in the protection of authors and their works should not be stopped by the unwillingness of other Member-States to join this development, whilst the Member-States that extend the duration of the protection might not want to grant this extension to foreign authors without receiving anything in exchange for its own authors.³³ The Convention provides for

30 See Bergé [1996] *Revue Critique de Droit International Privé* 93 (annotation of the judgment of 19th September 1994 of the Court of Appeal Paris, *Masseaut and another v Interidées*, reported immediately above on pp. 90-93), at 95.

31 *Ibid.*

32 See in France judgment of 12th October 1971 of the Court of Appeal Lyon, *Thomasson*, [1972] *Revue Critique de Droit International Privé* 482 (with annotations by Françon); judgment of 14th March 1991 of the Court of Appeal Paris, *Almax International*, [1992] *JCP éd G II* 21780 (with annotations by Ginsburg) and [1992] *Clunet* 148 (with annotations by Pollaud-Dulian).

33 E. Ulmer, n 21 above, at 29, goes as far as to state that this involves a partial reference to the law of the country of origin on top of the basic reference to the law of the protecting country in conflict of law terms.

the application of the law of the protecting country to the issue of the term of protection, but it allows Member-States to limit the term of protection to the term granted in the country of origin.³⁴ Such a rule might also encourage other Member-States to grant a longer term of protection as their own authors will want to benefit from the extended protection abroad and they may put pressure on their national authorities. The rule does not apply when the term of protection under the law of the protecting country is shorter than the one granted by the law of the country of origin. In the latter case, the basic rule that the law of the protecting country governs the term of protection applies without restrictions. More importantly, this rule only touches upon the term of certain rights and not upon the existence or grant of these rights. This means that Article 7(8) cannot be used to argue that the term of protection should be reduced to zero in cases where there is no identical right in the country of origin.³⁵

A third example concerns the provision on the *droit de suite*.³⁶ This right basically gives the author of an original work of art or a manuscript a right to share in the return of any later sale of the original copy of the work. The law of the protecting country is applicable, as the right is integrated into copyright by Article 14ter of the Berne Convention.³⁷ In practice this means that the author will only be granted a *droit de suite* if the law of the protecting country creates one, which is not obligatory under the Convention, and the extent of the *droit de suite* will be the extent given to it by the provisions of the *lex loci protectionis*. This is all just an application of the normal rule. There is though an additional requirement in respect of the *droit de suite* that is to be given to a foreign author in the situation where the law of the protecting country contains a *droit de suite*: the law of the country to which the author belongs must permit this.³⁸ In the situation where no *droit de suite* can be claimed in the latter country, the author will not be entitled to a *droit de suite*.³⁹ Once more, a reciprocity rule is added to the principle of national treatment and the applicability of the law of the protecting country.⁴⁰

b. Minimum Protection granted by Substantive Rules

The Berne Convention also imposes a minimum level of protection through the introduction of certain substantive rules.⁴¹ Examples of the latter include the

34 Art 7(8) Berne Convention; see also Ginsburg, n 22 above, at 49.

35 The independence of the rights is not affected; see also Boytha, n 15 above, at 411.

36 Art 14ter Berne Convention.

37 See C. Doutrelepon, *Le droit et l'objet d'art: le droit de suite des artistes plasticiens dans l'union européenne. Analyse juridique, approche économique*, Bruylant and LGDJ (1996), at 69-74.

38 Art 14ter(2) Berne Convention.

39 See E. Ulmer, n 21 above, at 29.

40 See also Katzenberger [1983] IPRax 158, at 160.

41 See e.g. Arts 2, 2(6), 2bis, 3(3)(4), 5(4), 6bis, 7, 7bis 8, 9, 10, 11, 11bis, 11ter, 12, 14, 14bis, 14ter(1), 15, 16(1), 18 and 21 Berne Convention.

standard minimum term of protection for the life of the author plus fifty years (Article 7(1)) and the exclusive right for authors of literary and artistic works to authorise translations of their work during that term of protection (Article 8). This move should not be seen as restricting the application of the law of the protecting country.⁴² When the law of the protecting country goes further and offers a higher level of protection than the minimum level set out in the Convention, the law of the protecting country applies unreservedly and without any restriction.⁴³

5. An Alternative Interpretation

a. Bilateralisation of the Unilateral Conflict Rules

Problems arise because the Berne Convention does not contain specific and clear choice of law provisions. Its provisions could be seen as unilateral conflict rules⁴⁴ which only determine when domestic law applies to foreigners. These rules leave open the question of which law will be applied when the domestic law is not applicable. The next step then is to examine how these unilateral conflict rules can be turned into multilateral or true choice of law rules which would also deal with the latter issue.⁴⁵ This can generally be done by means of bilateralising the unilateral choice of law rule. Thus, if the rule is that all works produced nationally are protected by the domestic law, then this rule can be bilateralised, leading to the conclusion that the applicable law is the law of the country where the work was produced.⁴⁶ Accordingly, the country of origin becomes the main connecting factor and the applicable law is the law of the country of origin. Under the Berne Convention the unilateral choice of law rule is found in Article 5(3), which leads to the application of the law of the country of origin.

Special rules which lead to the application of other laws in relation to specific issues should then be seen as exceptions to this basic choice of law rule. In relation to issues of infringement of the author's rights the law of the country where the infringement takes place should exceptionally be applied and the law of

42 Bergé (n 30 above, at 98) argues in this respect that the original importance in the Berne Convention of the law of the country of origin was based upon the fact that a right could only be exercised in a third state once it had been granted in the state of origin. A certain logic leads in such a situation to the law of the country of origin defining the content of the right. That logic is no longer valid after the various revisions of the Berne Convention granted more and more minimum substantive rights. The rights in a third country depend now to a far lesser extent on the law of the country of origin than they do on the minimum substantive rules. These minimum rules form de facto part of the law of the protecting country. All this clearly reduces the strength of the arguments that favour the choice of the law of the country of origin as the applicable law.

43 Art 19 Berne Convention.

44 These rules answer the question, "When does the system of law of which the statute forms part apply?", Dicey and Morris, n 1 above, at 17.

45 On the distinction between unilateral and multilateral conflict rules, see *ibid.*

46 See Koumantos, (1988) 24 Copyright 415, at 418.

the country of which the author is a national should be applied to the issue of the content of moral rights⁴⁷ and to the issue of unpublished works for which, in the absence of any publication, no country of origin can be determined in the normal way.⁴⁸

If it is accepted that the correct interpretation of the provisions of the Berne Convention is to start from the unilateral rule in Article 5(3) and bilateralise it to arrive at a basic choice of law rule that the law of the country of origin is normally the applicable law⁴⁹, then the national treatment rule and the rule in Article 5(2) must be given a different interpretation to the one given above. National treatment means that foreigners are assimilated to nationals. If one emphasises and sticks to this principle and ignores the use of the word "right" in Article 5(1), one can arrive at the conclusion that complete assimilation includes subjecting foreigners to the rules of private international law⁵⁰ although these rules strictly do not grant any rights. This would mean that the national treatment rule does not influence the determination of the applicable law, but rather stipulates only that the law applicable to foreigners and nationals should be determined in the same way by the law of the forum when a dispute arises.⁵¹

b. A Restrictive Interpretation of Art 5(2)?

i. The Arguments in Favour

Turning to Article 5(2) an attempt can be made to give this provision a restrictive interpretation. According to the wording of the Convention, the main rule in Article 5(2) is that there will be no formalities for the enjoyment and the exercise of the rights that are granted on the basis of the Berne Convention. Directly linked to that is then the rule in the same article of the Convention that the existence of protection will be independent from the existence of protection in the country of origin. This independence could be restricted to the formalities point, as that point is made in the first part of the sentence in which the independence point is mentioned. Protection in all other Member-States would then, following such a restrictive interpretation, exist independent of formalities that might be required in the country of origin. The third rule in Article 5(2) then refers to the application of the law of the country where protection is claimed in relation to the extent of protection and the means of redress. The use of the word "consequently" seems to indicate that this flows from the two previous rules, but that link is denied by those

47 At least if one accepts that they are linked to the author's personality rights, rather than constituting an element of copyright; see Koumantos, (1988) 24 Copyright 415, at 427.

48 In the absence of publication an identification of the country of first publication, leading to the determination of the law of the protecting country, is impossible.

49 See Schack, [1985] GRUR Int. 523, at 525.

50 See H. Schack, n 15 above, at 33.

51 Koumantos, (1988) 24 Copyright 415, at 419 and 426-427.

who advocate this alternative interpretation of Article 5(2).⁵² They deny any proper meaning to the connecting word "consequently".⁵³ In their view the applicability of the law of the protecting country is by no means a consequence of the first two paragraphs of Article 5. According to this view a general choice of law rule pointing towards the law of the protecting country does not exist.

More important in their view is the full text of this third rule. The law of the country where protection is claimed applies to two issues, the means of redress and the extent of protection. The meaning of the latter term is seen as different from the word "right" or the words "extent of rights".⁵⁴ It seems to assume that a right exists and that its scope, term and owner have been defined. Extent of protection would then refer to the sanctions that are available for the infringement of this right. This is different also from the conditions under which protection is made available, as it refers only to the consequences of copyright infringement.⁵⁵ "Means of redress" refer in this view solely to rules of procedure in relation to the means available for the copyright owner to bring a claim in the courts of a country.⁵⁶ Article 5(2) and its reference to the country where protection is claimed can in this interpretation be seen as a provision dealing with the situation where infringement of copyright takes place. Any reference to rules of procedure must clearly lead to the law of the forum being the law of the country where protection is claimed and that would fit in with the interpretation given to the term "extent of protection".⁵⁷ This view leads to the conclusion that Article 5(2) does not contain a general conflict of laws rule, which deals with more than just sanctions and enforcement, and that the only remaining general rule must be that the law of the country of origin is applicable.⁵⁸ However, it is necessary to add that both points require the bilateralisation of the unilateral conflicts rules that are contained in the Convention.

ii. The Arguments against this Restrictive Interpretation

It is submitted that this restrictive interpretation cannot be accepted. The text of Article 5(2) is clearly not confined only to dispute related situations. For example the term "enjoyment of right" cannot be restricted to cases where the right is in dispute, it must also include the conditions under which peaceful enjoyment of the right can take place. There is also the interpretation given to the national treatment provision and the word "right". Rules on private international law are not "rights" granted to the author and cannot be included. And national treatment does not go further, according to Article 5 itself, than the grant of certain rights. It is

52 See e.g. H. Schack, n 15 above, at 28 and Koumantos, (1988) 24 Copyright 415, at 424.

53 Koumantos, *ibid*, at 424.

54 H. Schack, n 15 above, at 28-29.

55 H. Schack, *ibid*, at 30.

56 H. Schack, *ibid*, at 28-29.

57 H. Schack, *ibid*, at 30.

58 Koumantos, (1988) 24 Copyright 415, at 424.

submitted that the interpretation outlined above is more in conformity with the text and purpose of Article 5.

It might be argued that the alternative restrictive interpretation has the advantage that it would lead to the application of the law of the country of origin to a work, irrespective of the place of its exploitation. Thus the same law would govern the work all over the territory of the Member-States of the Berne Union. Even if one were to accept for the sake of argument that this outcome would not be affected seriously by the many exceptions to the law of the country of origin rule that are contained in the Convention, it must be doubted whether the application of a single law to a work is really an advantage. Indeed, it would lead to a situation where different copyright systems would govern different works in the same country depending on their respective countries of origin. This, in turn, would lead to substantial problems for those who exploit these rights as they need to know the country of origin of each work and they need to have a detailed level of knowledge of a potentially very large number of national copyright regimes.

This is clearly born out by the experiences under the Montevideo Convention. This Convention was signed in 1889 and its membership was not limited to American states, as several European states became members too. Article 2 is relevant for the purpose of the present analysis. It gives rights to authors which they enjoy in each Member-State and it does so on the basis of the country of first publication of the work (the law of the country of origin). This law should be applied *ex officio* by the judge hearing the case and Member-States undertake to exchange copies of their respective laws. Nevertheless, it is fair to say that the system never worked and the Convention has in practical terms been abandoned and most Member-States have now joined the Berne Convention.⁵⁹

The law of the country of origin approach, which in relation to the Berne Convention is the outcome of the restrictive interpretation outlined in the previous paragraphs, might initially seem attractive from a theoretical point of view. It is clear, however, that it causes great practical problems and it is based on an interpretation of the text of the Berne Convention which is arguably wrong⁶⁰ or at least artificial in nature.

III. The Rome Convention 1961

The Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations 1961 deals, as its title indicates, with the rights in performances and those of broadcasting organisations. These rights are closely linked to traditional copyright and in the UK the implementing provisi-

⁵⁹ See Boytha, n 15 above, at 406.

⁶⁰ See also Bergé's point that the influence of the law of the country of origin is declining, n 30 above.

ons are found in the Copyright, Designs and Patents Act 1988. It is therefore not surprising that the Convention's provisions which touch upon the conflict of laws are very similar to those of the Berne Convention. The interpretation advocated above in that context applies here too. The present analysis will therefore be restricted to a brief overview of the relevant provisions.

1. Qualification

Article 4, which needs to be read in conjunction with articles 5 and 6 of the Convention, deals with the issue of qualification. The starting point is always the performance, and special rules apply for performances which are incorporated in a phonogram and performances which are not fixed on a phonogram but which are carried by a broadcast.

2. National Treatment and the Law of the Protecting Country

Performers will be entitled to national treatment. In practice, this means that foreign performers will be treated the same way as national performers in relation to performances that take place or are broadcast or first recorded on the territory of that country. Foreign producers of phonograms are to be treated the same way as national producers in relation to phonograms that are first recorded or first published in that country and foreign broadcasting organisations are to be treated the same way as broadcasting organisations which have their headquarters in that country in relation to broadcasts that are transmitted from transmitters that are located in that country.⁶¹

Article 2 makes it also clear that the basic rule is that the domestic law of the country where protection is claimed will be applied. Following the interpretation given above in relation to the almost identically worded provision in Article 5 of the Berne Convention, this must mean that the applicable law will be the law of the protecting country, the law of the country where the right in the performance is used. This conclusion is reinforced by the absence in the text of the Rome Convention of any reference to the country of origin and the law of that country of origin.

IV. Paris Convention for the Protection of Industrial Property 1883

This Convention mainly deals with patents and trade marks, but also with unfair competition and industrial designs. For the purposes of the present analysis, though, it is not necessary to distinguish between the various rights involved, as the relevant provisions, i.e. Articles 2 and 3, apply to all the rights without distinction.

61 Art 2 Rome Convention 1961, see also Art 4.

1. National Treatment

Foreign nationals are given the same rights as own nationals.⁶² The national treatment principle applies here too. Article 2(1) specifies that foreign nationals are entitled to the same advantages. However, is this necessarily a reference to the substantive domestic law? It is submitted that it must indeed be interpreted as referring to national trade mark, patent etc. laws, because the text of Article 2(3) makes it clear that the provision does not apply to rules of jurisdiction and procedure. In respect of the latter point, the law of the forum applies. The fact that this forms the subject of a special rule which is phrased in term of an express reservation or exception indicates clearly that the law of the forum is not generally applicable. It must be added that on top of the national treatment rule the parties concerned are also entitled as a minimum standard to those substantive rights which the Paris Convention itself provides for.⁶³

2. The Law of the Protecting Country

The fact that Article 2(2) not only covers the use of intellectual property rights in contentious circumstances, but also in non-contentious circumstances, becomes even clearer when it is pointed out that a distinction is made between protection and remedies against infringement. This brings us back to the line of argument that was pursued in relation to the Berne Convention. Each country applies its domestic law to foreign and national parties alike. The law of the protecting country is applicable.⁶⁴ This is almost self-evident for those rights for which a registration is in operation. If A applies for the registration of his patent in Germany and in the United Kingdom, it seems logical to assume that national treatment means that the German authorities will apply German law in examining A's application, while the Patents Act 1977 will be applied by the UK Patent Office. Government agencies always operate under their own national law and always apply their own national procedure.⁶⁵ Article 2 does not distinguish between the phase of the application procedure and the phase after the grant of the patent and it can thus be assumed that, in the latter phase as well, German patent law will apply in Germany, whilst UK patent law will apply in the UK.

This system leads to a patchwork of national protections. Articles 4bis and 6(2) reinforce that conclusion by stipulating that the various national rights are independent of each other.⁶⁶ What happens to one of them has no influence on the

62 The term "national" is defined widely, as Art 3 Paris Convention also includes those persons who have a real and effective industrial or commercial establishment in the Member-State concerned, while not having the nationality of that State.

63 Art 2(1) Paris Convention.

64 See E. Ulmer, n 21 above, at 55-56 and 66.

65 This is confirmed by Art 6(1) Paris Convention in relation to trade mark applications.

66 See E. Ulmer, n 21 above, at 56.

other rights. If one national patent is revoked that fact as such has no influence on all other parallel patents in other Member-States of the Paris Union. It seems to follow logically from this system that the national legislations only apply within their respective national territories. If one State's legislation would also extend to another State the rule in Article 2, which dictates that the law of the latter country should be applicable there as the law of the protecting country, would be infringed. The territorial scope of national intellectual property statutes and the rights granted under these statutes are restricted to the territory of the state concerned. This is the territoriality principle that has been derived from the text of Article 2.

The application of the law of the protecting country as a general rule⁶⁷ also extends to the non-registration rights. The law of the protecting country applies in relation to the protection against unfair competition which the Member-States, by becoming a Party to the Convention, undertook to provide.⁶⁸ But, as this issue will only arise in a contentious case, the law of the protecting country is almost necessarily also the law of the forum.

V. International Co-Operation Agreements

When co-operation agreements concerning the international application, examination and registration process apply, the identification of the law of the protecting country can cause problems.⁶⁹ Examples of such agreements are the Madrid Agreement and the Protocol to it concerning the international registration of trade marks, and the Patent Co-operation Treaty and the European Patent Convention in relation to patents.

This kind of agreement results in the grant of national intellectual property rights, which means that after grant the normal rule concerning the application of the law of the protecting country does not cause problems. Indeed, the situation is identical to the one resulting from a strictly national application and all these agreements operate within the scope of the Paris Convention. However, the harmonised single application process rules might present differences from the national ones. In the situation where the issue arises before the intellectual property right is granted this might cause problems. The law of the protecting country must clearly be the law of the country for which protection is requested. This flows from the rules under the Paris Convention which are still applicable. But in cases where an international application is involved, the law of the protecting country includes, or is at least to be taken as it would have been after it had been amended by, the text of the co-operation treaty. It might, indeed, be the case that the co-operation agreements also contain substantive provisions which regulate the problem with

67 See E. Ulmer, *ibid*, at 55-56 and 66.

68 Art 10bis Paris Convention.

69 See E. Ulmer, *ibid*, at 59-66.

which we are concerned. Ulmer suggested that "where protection may be claimed in a state by virtue of both a national and an international application, to the extent to which the provisions differ, those provisions are to be regarded as the rules of the protecting country which apply in respect of the right claimed by virtue of the application",⁷⁰ and it is suggested that this is the appropriate solution.

VI. Supra-National Intellectual Property Rights

How is the law of the protecting country to be determined in relation to a supra-national intellectual property right? Two examples of such supra-national rights come to mind. The Benelux trade mark system was put in place by a convention to which a uniform trade mark act was attached. This Act has been implemented in the three countries concerned.⁷¹ Also, the European Community now operates a single Community Trade Mark, the scope of which extends to the whole territory of the Community.⁷²

It is important to note that these supra-national rights fit in with the Paris Convention and the Madrid Agreement and the Protocol to it and are for these purposes treated as if they constituted a right granted by one Member-State. The applicable law of the protecting country is therefore the law common to those countries or the uniform law, as contained in the Regulation or the Benelux Trade Marks Act. It may, of course, be that the uniform law refers to the national law on a few points.⁷³ This does not mean that the uniform law is no longer the law of the protecting country. The uniform law is applicable and it is only when applying its provisions that certain rules of national law may be taken into account too by way of supplement.⁷⁴

A similar system will operate under the Community Patent Convention, should that Convention ever come into force.⁷⁵

VII. The Trips Agreement

The Agreement on Trade-related Aspects of Intellectual Property Rights was concluded in 1994 and covers all the intellectual property rights that were discussed earlier. Its provisions refer specifically to the Paris and Berne

70 E. Ulmer, *ibid.*, at 67 and 100-101.

71 See for example for Belgium *Eenvormige Beneluxwet van 19 maart 1962 op de merken*, [1969] *Belgisch Staatsblad* 14th October.

72 Council Regulation (EEC) 40/94 of 20 December 1993 on the Community trade mark [1994] OJ L11/1.

73 See e.g. Art 97(2) Council Regulation (EEC) 40/94 of 20 December 1993 on the Community trade mark [1994] OJ L11/1.

74 See E. Ulmer, n 21 above, at 67.

75 *Ibid.*

Conventions and Member-States are required to implement all Articles of those Conventions which were discussed above in relation to private international law, and this is irrespective of whether or not the individual Member-State concerned has signed up to these Conventions.⁷⁶

National Treatment

The agreement covers all intellectual property rights that come within the scope of the agreement. The agreement also contains the national treatment rule.⁷⁷ Under this rule foreigners are given the same protection as nationals. The interesting feature of this rule is that the term "protection" has been defined fairly precisely in a note to Article 3. It is said to include "matters affecting the availability, acquisition, scope, maintenance and enforcement of intellectual property rights as well as those matters affecting the use of intellectual property rights specifically addressed in this Agreement". This means that the same substantial rights are to be granted to foreigners and nationals. This can only be achieved through the application of the law of the protecting country.

The definition of protection does not solely refer to the contentious exercise of intellectual property rights in the context of infringement procedures and remedies. Non-contentious use is also included, otherwise the availability and acquisition issue, for example, would not have been included in the definition. This means that the alternative restrictive interpretation which was discussed above, and which refers to the application of the law of the country of origin and/or the law of the forum, is no longer sustainable as this relies on the restriction of the scope of the term protection to contentious issues only. The fact that there is no such restriction is reinforced by the second paragraph of Article 3 TRIPs Agreement which provides a specific exception to the rule that the law of the protecting country is applicable. This exception relates to administrative and judicial procedural issues. The law of the forum can be applied, within firm limits, to these issues, but of course such an exception would not have been necessary if, as a general rule, the law of the forum was already the applicable law.

VIII. Conclusion

It must be emphasised that the TRIPs Agreement, being the most recent Agreement and indirectly incorporating the relevant articles in the Paris and Berne Conventions, has a decisive influence on the interpretation issue. It is now clear that all Convention provisions must be interpreted as adhering to the general rule

⁷⁶ Art 2 and 9 TRIPs Agreement.

⁷⁷ Art 3 TRIPs Agreement.

that the law of the protecting country is the applicable law.⁷⁸ Specific issues may exceptionally be governed by a different law, but only on the basis of a specific provision in the TRIPs Agreement⁷⁹, or on the basis of a specific provision in any of the other Convention if that provision has been sanctioned by the TRIPs Agreement.⁸⁰ Any alternative interpretation favouring the application of the law of the country of origin or the law of the forum as a general rule is no longer acceptable as it would be in breach of Article 3 of the TRIPs Agreement.⁸¹

78 For further details on the relationship between private international law and intellectual property rights see J.J. Fawcett and P.L.C. Torremans, *Intellectual Property and Private International Law*, Clarendon Press (1998).

79 See e.g. Art 3(2) TRIPs Agreement.

80 See e.g. Art 3(1) TRIPs Agreement.

81 And as even more countries have now signed up to the TRIPs Agreement than there are Contracting States to the Paris, Berne and Rome Conventions, the alternative interpretation is no longer acceptable, because all these countries undertook to implement the provisions of the TRIPs Agreement when they signed up to it.