

International Intellectual Property Rights

BRUCE HOROWITZ, MELVYN J. SIMBURG, AND DAVID W. MAHER*

I. Introduction

In the international arena, copyright laws and fair use concepts have struggled with the far-reaching effects of the Internet, issues of jurisdiction, and laws designed to protect copyright-protection devices rather than the copyrights themselves. This review highlights some of the controversy and excitement involving these issues in 2002.

The debate continued on compulsory licensing of certain pharmaceutical patents with no final resolution in sight.

Holders of famous marks, because they can afford to fight for international protection, traditionally tend to fight trademark issues. This year was no different. In addition to those interesting cases, legislative and administrative bodies made significant decisions affecting the registration and protection of trademarks. Some of the more important developments in the United States, European Union, and Andean Community are summarized below.

A. INTELLECTUAL PROPERTY RIGHTS AND THE INTERNET: AUSTRALIA ASSERTS JURISDICTION OVER U.S. PUBLISHER

One case, which has been widely criticized in the United States and other countries, is the decision by the High Court of Australia upholding the lower court decision in *Gutnick v. Dow Jones*.¹ The Australian lower court asserted jurisdiction over the U.S. company that publishes the *Wall Street Journal*. The company had posted an allegedly defamatory article on its Web site, *WSJ.com*. The High Court affirmed on the grounds that publication of the article occurred in Australia because it was downloaded there.² Critics argue that the

*Bruce Horowitz is the Managing Partner at Paz Horowitz, a law firm in Quito, Ecuador, which serves international clients, particularly in the areas of Intellectual Property, Anti-Corruption Compliance, Natural Resources and Environment, Licensing, Franchising and Communications Law. Mr. Horowitz is also Co-Chair of the ABA International Section Committee of International IP Rights, was the founder of the State Capital Law Firm Group Intellectual Property Section, and recently was an INTA Panel Member on Use and Cancellation in South America; Melvyn J. Simburg is a partner in the law firm of Simburg, Ketter, Sheppard & Purdy, LLP in Seattle, Washington. David W. Maher, a graduate of Harvard College, '55 and Harvard Law School, '59, is a registered patent attorney, partner in the Chicago office of Sonnenschein Nath & Rosenthal, and General Counsel to the Better Business Bureau of Chicago.

1. *Gutnick v. Dow Jones & Co.* [2001] V.S. Ct. 305.

2. *Dow Jones & Co. v. Gutnick*, 77 A.L.J.R. 255, para. 44 (2002).

ruling forces publishers everywhere to take account of the defamation laws of every country in the world when publishing any article. In its decision, the High Court referred to this criticism but rejected it.³

B. USE OF GAMING SYSTEM IN UNITED KINGDOM IS BASIS FOR JURISDICTION OVER PATENT INFRINGEMENT CLAIM

In a United Kingdom case, the England and Wales Court of Appeals upheld a lower court decision regarding the jurisdictional reach of an interactive gaming patent. In *Menashe Business Mercantile v. William Hill Org.*,⁴ the defendant, an alleged patent infringer, argued that its gaming programs were offered on a server, which was located outside the United Kingdom, and therefore the United Kingdom patent was unenforceable against it.⁵ The Court held that the location of the server was not relevant to the jurisdiction question and that the relevant issue was where the gaming system was being used, namely, in the United Kingdom.⁶

C. BREAKING ENCRYPTION CODE CAN BE FAIR USE

In Norway, the global reach of copyright law was tested in a case not solely based on jurisdictional issues. A teenage computer whiz was prosecuted at the instigation of copyright owners for breaking an encryption system and publishing his discovery, the DeCSS utility.⁷ The defendant argued that the encryption prevented him from playing his legitimately purchased DVDs on his UNIX computer. The Norwegian court agreed that this was a legitimate reason to develop the utility and acquitted him.

D. OFFERING A PRODUCT THAT COULD BE USED TO VIOLATE COPYRIGHT LAWS FOUND NOT WILLFUL VIOLATION OF DMCA

In the United States, the reach of the Digital Millennium Copyright Act (DMCA)⁸ and its criminal sanctions were tested in a case against a Russian company, Elcomsoft, which also involved the publication of an encryption-breaking program.⁹ The case was widely publicized when the author, a Russian citizen, was arrested when he came to speak at an academic conference in the United States. He was later released in return for a promise to testify at the trial of his employer, ElcomSoft. In December 2002, a U.S. jury acquitted ElcomSoft of charges of willful violation of the DMCA.¹⁰

3. *Id.* para. 54.

4. *Menashe Bus. Mercantile v. William Hill Org.*, 1 All E.R. 279 (2002).

5. *Id.* para. 4.

6. *Id.* para. 33.

7. The DeCSS allows a person to produce a non-protected copy of a DVD movie. Electronic Frontier Foundation, *Jon Johansen Court Decision*, at http://www.eff.org/IP/Video/DeCSS_prosecutions/Johansen_DeCSS_case/20030109_johansen_decision.html (last visited Feb. 10, 2003).

8. 17 U.S.C.A. § 1201 (West Supp. 2002).

9. Matt Richtel, *Russian Company Acquitted of Digital Piracy* (Dec. 18, 2002), at <http://www.nytimes.com/2002/12/18/technology/18digi.html>.

10. *Id.*

E. SPANISH TRADEMARK LAW CONTROLS USE OF SPANISH TRADEMARK UNDER U.S. ACPA RULING

During 2002, trademark law issues also involved questions of jurisdiction across national boundaries. The United States trademark statute dealing with domain names, the Anticybersquatting Consumer Protection Act (ACPA), provides for in rem jurisdiction over certain disputes involving domain names where the registry or registrar is located in the United States.¹¹ U.S. courts have interpreted this to authorize their determination of disputes involving other nations' laws. In *Barcelona.com Inc. v. Excelentísimo Ayuntamiento de Barcelona*,¹² the U.S. Federal District Court for the Eastern District of Virginia ordered the transfer of a domain name. The court held that the ACPA applied to non-U.S. trademarks and that the U.S. court could apply Spanish trademark law to the dispute.

F. WIPO SURVEY ON INTELLECTUAL PROPERTY AND THE INTERNET

The World Intellectual Property Organization (WIPO) provides the last word on the relationship of intellectual property laws and the Internet. WIPO publishes a comprehensive survey of Internet IP issues.¹³

G. BEYOND COMPULSORY LICENSING OF PATENTS IN THE HEALTH AREA

Following the realization that the Trade-Related Aspects of Intellectual Property Rights (TRIPS)¹⁴ provisions for obligatory licensing would not help the poorest countries, who lack the capacity to internally produce needed medicines even if they have the power to compel licensing of the medicinal patents, the World Trade Organization (WTO) Ministers, at the Doha Conference, proposed to extend the powers of the poorest countries at the end of 2001.¹⁵ They set a December 2002 deadline for reaching agreement. That deadline came and went for the WTO Member Governments to agree on "special and differential treatment for developing countries and access to essential medicines for poor countries lacking capacity to manufacture such drugs themselves."¹⁶ The current position of the U.S. government is to recognize the need, but to limit the scope of these additional powers under TRIPS.

H. U.S. ACCESSION TO THE MADRID PROTOCOL

On November 2, 2002, President Bush signed the Madrid Protocol into law as part of the 21st Century Department of Justice Appropriations Authorizations Act.¹⁷ It should take

11. 15 U.S.C.A. § 1125(d)(2)(A) (West Supp. 2002).

12. *Barcelona.com, Inc. v. Excelentísimo Ayuntamiento de Barcelona*, 189 F. Supp. 2d 367 (E.D. Va. 2002).

13. World Intellectual Property Organization (WIPO), *Intellectual Property on the Internet: A Survey of Issues*, available at <http://ecommerce.wipo.int/survey/html/index.html> (last visited Jan. 29, 2003).

14. Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Legal Instruments—Results of The Uruguay Round vol. 31, 33 I.L.M. 81 (1994), available at http://www.wto.org/english/docs_e/legal_e/27-trips_01_e.htm.

15. World Trade Organization, *Doha WTO Ministerial Declaration* (Nov. 14, 2001), available at http://www.wto.org/english/thewto_e/minist_e/min01_e/mindecl_e.htm.

16. World Trade Organization, *Supachi Disappointed Over Governments Failure to Agree on Health and Development Issues* (Dec. 20, 2002), available at http://www.wto.org/english/news_e/pres02_e/pr329_e.htm.

17. 15 U.S.C.A. § 1141 (West Supp. 2002).

effect in the United States by the end of 2003. Under the Madrid Protocol, one filing in one language, with a single filing fee, will be sufficient to initiate the registration of a trademark in member countries around the world.¹⁸ There will also be just one registration number, one registration date, and one renewal date and fee. Legal representation for an individual country will be necessary only when there is an official action in a designated member country.

I. EUROPEAN COURT OF JUSTICE INTERPRETS TRIPs ART. 50(6) ON PRELIMINARY INJUNCTIVE RELIEF

In a case regarding the use of the ROUTE 66 trademark,¹⁹ the Court of Justice of the European Communities clarified for its members some issues surrounding preliminary or interim injunctive relief. For instance, unless the member state determines otherwise, the interim relief does not lapse until and unless the Defendant requests it to lapse following the prescribed injunctive time period.

J. MOST FAVORED NATION TREATMENT NULLIFIED BY ANDEAN HIGH COURT

On February 1, 2002, the Andean Community Tribunal of Justice held that the Commission of the Andean Community (CAN) did not have the power to grant privileges to member nations of the WTO or of the Paris Convention.²⁰ Holding that the Commission can determine only the rights and obligations among the CAN members (Ecuador, Colombia, Venezuela, Peru, and Bolivia), the Tribunal partially nullified Articles 1 and 279, and totally nullified Article 2 of Andean Community Decision 486,²¹ which controls Intellectual Property laws in CAN countries. How this affects the scope and source of evidence, and the powers of CAN countries to grant most-favored-nation treatment, remains to be seen.

K. GOOD FAITH USE CLAIM OF COMPANY'S OWN NAME REJECTED WHEN IDENTICAL TO FAMOUS MARK

The Federal Court of Australia ruled that a Czech company could not place its good faith and geographically significant company name Budweiser Budvar, even in small letters, on the lower part of its labels for BUDEJOVICKY BUDVAR beer, because it knew that the BUDWEISER trademark is a famous mark in Australia.²²

L. WHEN TITANS CLASH: WWF vs. WWF

Both the World Wildlife Fund (Fund) and the World Wrestling Federation had registrations for the WWF trademark, with the Fund having earlier use and registration. After

18. International Trademark Association, *A Short Primer on the Madrid Protocol for U.S. Trademark Owners and Counsel*, available at http://www.inta.org/policy/madrid_primer.shtml (last visited Feb. 3, 2003).

19. *Schieving-Nijstad v. Groeneveld*, 1999 O.J. (C 136) 22.

20. Nullification Action by Attorney César Moyano Bonilla against Articles 1, 2, and 279 of Decisión 486, Andean Community Tribunal of Justice, Process 14-AN-2002, February 1, 2002, available at <http://www.comunidadandina.org/normative/sent/14-AN-2001.htm>.

21. *Common Intellectual Property Regime*, Comm'n Andean Comty., Decision 486 (Sept. 14, 2000).

22. *Anheuser-Busch, Inc. v. Budvar*, 2002 F.C.R. 390.

years of litigation, settlement, and then more litigation in Switzerland and England, the England and Wales Court of Appeals, on February 27, 2002, affirmed its order requiring the World Wrestling Federation to stop using the WWF trademark in almost all cases. The Federation has now changed its name to World Wrestling Entertainment, and uses the mark WWE.²³

M. EUROPEAN UNION ADOPTS REGULATIONS ON COMMUNITY DESIGN

On March 6, 2002, the European Union put into force its regulations for designs.²⁴ This is the first EU recognition of a design right for either registered or unregistered designs. Of particular importance is the right of proprietors of unregistered designs to obtain protection against counterfeits. The definition of “design” is broad enough for a design mark or packaging mark applicant to apply for injunctive relief and seizure of infringing goods, even before registration of the mark.

N. USE OF TRADEMARK AS A METATAG INFRINGES IP RIGHTS

This case could still take some unexpected turns, but the Paris Court of First Instance has ruled that invisibly placing another person’s trademark as a metatag on one’s web page is an unauthorized use of the trademark. In this case, searching for the word ODIN on the Internet would take the searcher to the Le Ludion Web site, thus “taking advantage of the reputation of the ODIN trademark to become known and to broaden its [Le Ludion’s] clientele.”²⁵

23. Internet.com, *Wildlife Fund Pins Wrestling Federation* (May 7, 2002), available at <http://boston.internet.com/news/article.php/1039141>.

24. *Council Regulation 6/02*, Index, 2002 O.J. (L 3) 1.

25. *Odin v. Le Ludion*, Paris Court of First Instance, Chamber 3, Sect. 3, Oct. 29, 2002.

