

Intellectual Property and Private International Law

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A marriage between intellectual property and private international law seems to have instant status as an 'odd couple'. Private international law has for some time been the poor man of the legal academy, given its tendency to meander between relentless doctrinalism and chaotic theorisation. At a conference recently, one of us was asked what areas he researched; when conflicts was mentioned, the response was 'Why do you bother?'. Intellectual property, however, is the discipline of the hour, uniquely emblematic of the information age. It has attracted the attention of every grouping of scholars, from post-structuralists to lawyer-economists.

One is therefore inclined to wonder why, in the preface of this vast work, its authors assert that their aim is to address the crossover of these areas by 'emphasis[ing] ... private international law rather than ... intellectual property law' (p vii). Surely that's the wrong way around? The most obvious reason for such an enterprise and such emphasis is simply the vacuum in the conflicts literature. Even the most comprehensive treatises never accord intellectual property subjects much more than a few pages. This book certainly bridges this gap in a thorough, detailed way. Its arrival should be greeted with acclaim by scholars and practitioners.

The book is divided into three sections, dealing with jurisdiction, choice of law and judgment recognition. The third section is very short, as a consequence of the operation of particular jurisdictional doctrines as applicable to litigation on intellectual property rights (p 721). Within each of the first two sections, there is a common sequence of subject matter. The authors look first at issues of the creation of valid intellectual property rights, followed by issues of exploitation of intellectual property rights. A treatment of infringement follows, which includes chapters devoted to a range of causes of action that complement suits for infringement. These include breach of confidence, passing off and rights arising under competition law. This sequence maps onto a life cycle on an intellectual property right (creation, recognition, use and infringement), as well as the principal units in the private law trinity — property, contract, and tort.

There are no surprises in the use of the jurisdiction, choice of law and recognition framework — both the distinction and the order of discussion are canonical in conflicts. The authors properly accept that choice of law and jurisdiction are not hermetically sealed from each other (p 4), although the inter-relation between these areas does not, unfortunately, receive as much attention as it deserves. The logic behind the separation of jurisdiction and recognition of judgments with a discussion of choice of law is elusive, given that at common law the major determinant of a plaintiff's right to recognition is that the court rendering the judgment has international jurisdiction. More importantly, multinational conventions invariably address the two themes together by establishing acceptable jurisdictional bases as a means of simplifying the recognition process.

The old ordering reflects a litigation-centred view of the world — a court decides if it has jurisdiction, ascertains rights and makes a judgment, which other states may then recognise. Alternative views of the process, which recognise that few disputes result in litigation, and that few litigated disputes proceed beyond the jurisdictional point, would look quite different. For example, a game theoretic approach to the subject would ask, first, what credible threats the originator of an idea could make to potential infringers, and what courses of action the originator could credibly commit to. Given that many jurisdictional doctrines limit the ‘rights’ that the originator can assert in particular courts (which Fawcett and Torremans discuss in detail), choice of law and jurisdiction principles have simultaneous and related roles to play in defining the originator’s strategy space. Thus, we think it a pity that the sequencing of issues within each section was not itself used as the basis for sections, so that choice of law and jurisdiction principles could be considered together as the basis for understanding the rights in issue. That’s the opportunity cost of emphasising private international law over intellectual property law.

This suggests our major criticism of this book — it would have benefited from an introduction which addressed a range of theoretical issues relevant to intellectual property and its regulation in a multi-state world. This would have greatly facilitated attempts to resolve the uncertainties of current doctrine and to analyse issues of reform.

Many of the chapters nonetheless enable the reader to connect the discussion to practice. A section early in each chapter illustrates how particular problems (say, jurisdiction problems in exploitation of intellectual property cases) arise in practice. The authors draw on their detailed knowledge to give simple examples that help the reader to fix the context of the discussion as a prelude to doctrinal analysis. This is a useful feature, and likely to be particularly welcomed by those who are not specialists in intellectual property. The doctrinal analysis is comprehensive in its scope, typically discussing specific intellectual property conventions first, relevant private international law conventions second, and common law issues last. Although the focus is on England, the authors review a wide range of law, from both common law and continental jurisdictions. Comparative analysis is in general helpful.

The text includes a discussion of issues related to intellectual property infringements that occur in the context of the Internet (pp 158–61, 236, 248–9). The discussion is a valuable one, laudably free (and appropriately critical (p 236)) of the more histrionic approach sometimes found in the US law review literature discussing the Internet. One issue, however, not fully explored in the book is the subject of ‘rights management’ — the replacement of the rights allocated by intellectual property regimes by common law rules of property and contract. The argument is that the Internet permits substantial reductions of transaction costs, which enables direct contracting between owners of ideas and potential infringers; intellectual property rules should at best be treated as default rules, subject to variation and extermination by contracts. Contract allows the rights owner

to maximise his or her control over the property, compared to the limits and qualifications imposed by intellectual property law.¹ This in turn encourages the creation of new works. If this argument is right — a proposition that cannot be explored here — its success may become crucially dependent on choice of law and jurisdiction. If some states permit such contracts to be entered, a question arises as to whether rights owners will be able to use choice of law and forum selection clauses to opt into such regimes. This is a complex question.

Fawcett and Torremans do not shirk the challenge of addressing the need for reform of many issues arising in international intellectual property litigation. Although this normative analysis is short, compared to the extensive consideration of positive law, they criticise both conventions and traditional law in the course of their comprehensive statement of the present law. On the whole, most critique tends to be of the doctrine's operation in practice, where for instance it is uncertain, or impractical, or indeterminate. One wishes occasionally that these questions could be examined by way of the use of the interdisciplinary approaches brought to bear on substantive intellectual property law. For instance, are the subject matter constraints on jurisdiction over infringements of foreign intellectual property rights (pp 279–99) better explained by territorialism or as the equilibrium of a prisoner's dilemma played between self-interested states?² Are the mandatory rules applicable to exploitation of intellectual property rights (pp 577–88) better explained by paternalism concerns, third party effects or the activities of rent-seeking interest groups.³ Should different explanations effect our willingness to treat these rules as operating in an internationally mandatory way?⁴ Here, too, a more substantial discussion of theory might have been helpful.

Of course, answering these questions would need a much bigger book — or substantial omissions of the current material. The concern should be that as conflicts scholarship currently stands, no one may ever answer them. Hopefully, the arrival of this excellent work will play a part in the maturation of private international law as a scholarly domain.

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- 1 For an appraisal of rights management, see J Cohen, 'Lochner in Cyberspace: The New Economic Orthodoxy of "Rights Management"' (1998) 97 *Mich LR* 462. See also G Evans and B Fitzgerald, 'Information Transactions Under UCC Article 2B: The Ascendancy of Freedom of Contract in the Digital Millennium?' (1998) 21 *UNSWLJ* 404.
- 2 See generally J Setear, 'An Iterative Perspective on Treaties: A Synthesis of International Relations and International Law' (1996) 37 *Harv Intl LJ* 139.
- 3 I Ayres and R Gertner, 'Filling Gaps in Incomplete Contracts: An Economic Theory of Default Rules' (1989) 99 *Yale LJ* 87, pp 88–9; B Kobayashi and L Ribstein (1999) 'Contract and Jurisdictional Competition' in FH Buckley (ed) *The Fall and Rise of Freedom of Contract*, Duke University Press.
- 4 M Whincop and M Keyes, 'Statutes' Domains in Private International Law: An Economic Theory of the Limits of Mandatory Rules' (1998) 20 *Syd LR* 435.