

## THE NEW CANON: USING OR MISUSING FOREIGN LAW TO DECIDE DOMESTIC INTELLECTUAL PROPERTY CLAIMS

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### INTRODUCTION

In recent decades, statutory interpretation has sparked a number of spirited disagreements in the United States. But these disagreements have been waged almost exclusively on a domestic battleground – over such questions about the use of legislative history, statutory purpose, and other interpretive tools, all of domestic origin.<sup>1</sup> The relevance of foreign authorities to interpret or apply a domestic statute was scarcely, if ever, considered.<sup>2</sup> Indeed, even today, a leading casebook on legislation in the United States makes nary a mention of the possible use of foreign authorities to decide issues involving domestic statutes,<sup>3</sup> while a leading casebook on comparative law appears to cast doubt on, if not reject, that possibility.<sup>4</sup> And perhaps to many, this absence of discussion may seem not an oversight, but a manifestation of the basic insight that interpreting or applying a domestic statute is a question of domestic, not foreign, law.

This exclusively domestic view of statutory interpretation may have made sense in the past, but it can no longer be an unquestioned assumption. The globalization of our markets and communication, the growing importance of international agreements and treaties in a host of areas ranging from intellectual property to human rights, and the rise of lawsuits involving transnational disputes all have made the practice of law much more international in scope. In today's interconnected world, it is increasingly more common to see litigants and courts citing foreign authorities to decide issues of domestic law.

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<sup>1</sup> [cites]

<sup>2</sup> Early American statutes that borrowed or derived in part from English law antecedents provide a notable exception. [cite]

<sup>3</sup> See WILLIAM N. ESKRIDGE, JR. & PHILIP P. FRICKEY, *CASES AND MATERIALS ON LEGISLATION: STATUTES AND THE CREATION OF PUBLIC POLICY* (YEAR).

<sup>4</sup> See RUDOLF B. SCHLESINGER, HANS W. BAADE, PETER E. HERZOG & EDWARD R. WISE, *COMPARATIVE LAW: CASES, TEXT, MATERIALS* (6<sup>th</sup> ed. 1998) (“A court is not always free to use foreign materials for the solution of domestic legal problems. Such freedom exists only in cases such as those . . . which are not plainly governed by local statute or binding domestic precedent.”).

Indeed, this past year, the use of foreign authorities appeared to reach a watershed moment in the United States. Justice Kennedy, writing for the majority in *Lawrence v. Texas*,<sup>5</sup> relied on European law of human rights in overruling *Bowers v. Hardwick*<sup>6</sup> and recognizing a right of privacy for adults engaged in homosexual sodomy.<sup>7</sup> And, in *Grutter v. Bollinger*,<sup>8</sup> Justice Ginsburg relied on international law to support the constitutionality of affirmative action in her concurrence. As an institution, though, the Supreme Court appears deeply divided<sup>9</sup> over whether it is even proper for

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<sup>5</sup> 123 S. Ct. 2472, 2481 (2003) (relying on European Court of Human Rights decision that ban on homosexual conduct violated fundamental rights under European Convention on Human Rights).

<sup>6</sup> 478 U.S. 186 (1986).

<sup>7</sup> Specifically, Justice Kennedy used the European case to cast doubt on the historical premise of *Bowers* that “[c]ondemnation of [homosexual] practices is firmly rooted in Judaeo-Christian moral and ethical standards.” *Id.* at 196; see *Lawrence*, 123 S. Ct. at 2480.

<sup>8</sup> 539 U.S. – (2003) (Ginsburg, J., concurring) (citing International Convention on the Elimination of All Forms of Racial Discrimination); see also Ruth Bader Ginsburg, *Looking Beyond Our Borders: The Value of Comparative Perspective in Constitutional Adjudication*, 40 IDAHO L. REV. 1 (2003); Ruth Bader Ginsburg & Deborah Jones Merritt, *Affirmative Action: An International Human Rights Dialogue*, 21 CARDOZO L. REV. 253, 282 (1999) (“In my view, comparative analysis emphatically is relevant to the task of interpreting constitutions and enforcing human rights.”).

<sup>9</sup> Justices O’Connor, Kennedy, Ginsburg, and Breyer appear to be clearly in favor of the practice. See *supra* notes []; Sandra Day O’Connor, *Keynote Address Before the Ninety-Sixth Annual Meeting of the American Society of International Law*, 96 AM. SOC’Y INT’L L. PROC. 348, 350 (2002) (“Although international law and the law of other nations are rarely binding upon our decisions in U.S. courts, conclusions reached by other countries and by the international community should at times constitute persuasive authority in American courts.”); *Knight*, 120 S. Ct. at 464 (Breyer, J., dissenting from denial of cert) (“[w]illingness to consider foreign judicial views in comparable cases is not surprising in a Nation that from its birth has given a ‘decent respect to the opinions of mankind’”); *Printz*, 521 U.S. at 977 (Breyer, J., dissenting) (foreign material “may nonetheless cast an empirical light on the consequences of different solutions to a common legal problem”);

Justices Scalia and Thomas appear to be clearly against it. See *Atkins v. Virginia*, 536 U.S. 304, 347-48 (2002) (Scalia, J., dissenting) (“the Prize for the Court’s Most Feeble Effort to fabricate ‘national consensus’ [goes] to its appeal (deservedly reserved to a footnote) to the views of ... the so-called ‘world community’”); *Printz v. United States*, 521 U.S. 898, 921 n.11 (1997) (Scalia, J.) (“such comparative analysis [is] inappropriate to the task of interpreting a constitution, though it was of course quite relevant to the task of writing one”); *Thompson v. Oklahoma*, 487 U.S. 815, 869 n.4 (1988) (Scalia, J., dissenting). See *Foster v. Florida*, 123 S. Ct. 470, 472 (2002) (Thomas, J., concurring in denial of cert) (“While Congress, as a legislature, may wish to consider the actions of other nations on any issue it likes, this Court’s Eighth Amendment jurisprudence should not impose foreign moods, fads, or fashions on Americans.”); *Knight v. Florida*, 120 S. Ct. 459, 459 (1999) (Thomas, J., concurring in denial of cert) (“were there any such support in our own jurisprudence [for petitioner’s claim], it would be unnecessary for proponents of the claim to rely on the European Court of Human Rights, the Supreme Court of Zimbabwe, the Supreme Court of India, or the Privy Council”).

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the court to rely on foreign authorities in interpreting the U.S. Constitution.<sup>10</sup> And these recent cases have sparked considerable attention to the use of foreign authorities, and in some corridors, outright hostility. A cadre of Republican lawmakers even introduced a bill stating that foreign authorities should not be used at all for U.S. cases, except in the special case where foreign authorities “inform an understanding of the original meaning of the laws of the United States.”<sup>11</sup>

Thus far, this recent debate over foreign authorities has focused on constitutional interpretation. Much less discussed,<sup>12</sup> but no less important is the question of the relevance of foreign authorities to interpreting or applying domestic statutes. While constitutional cases carry greater glamour, statutory cases raising this question can be expected to fill much more the dockets of courts.

Perhaps nowhere is this truer today than in the area of intellectual property (IP). Under the Agreement on Trade Related Aspects of Intellectual Property (TRIPs),<sup>13</sup> the over 140 countries in the World Trade Organization (WTO)<sup>14</sup> agree to have certain common features—minimum standards—for intellectual property protection. Because of these minimum standards, intellectual property laws among WTO countries resemble each

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Chief Justice Rehnquist’s view has been more equivocal. Compare William Rehnquist, *Constitutional Courts—Comparative Remarks*, in *Germany and Its Basic Law: Past Present and Future—A German-American Symposium* 411, 412 (Paul Kirchof & Donald P. Kommers eds., 1993) (“now that constitutional law is solidly grounded in so many countries, it is time that the United States courts begin looking to the decisions of other constitutional courts to aid in their own deliberative process”) with *Atkins v. Virginia*, 306 U.S. 304, 321 (2002) (Rehnquist, C.J., dissenting) (“defects in the Court’s decision to place weight on foreign law”; “if it is evidence of a national consensus for which we are looking, then the viewpoints of other countries simply are not relevant”).

<sup>10</sup> Jurists and legal scholars have begun to take note. See Claire L-Heureux-Dube, *Globalization and the International Impact of the Rehnquist Court*, 34 TULSA L.J. 15, 38-40 (1998); Anne-Marie Slaughter, *Judicial Globalization*, 40 VA. J. INT’L L. 1103, 1116-17 (2000); Peter J. Spiro, *Treaties, International Law, and Constitutional Rights*, 55 STAN. L. REV. 1999, 2026 (2003); Mark Tushnet, *Transnational/Domestic Constitutional Law*, LOYOLA (L.A.) LAW REVIEW (forthcoming); Mark Tushnet, *The Possibilities of Comparative Constitutional Law*, 108 YALE L.J. 1225, 1232-33 (1999); J. Clifford Wallace, *Globalization of Judicial Education*, 28 YALE J. INT’L L. 355, 360 (2003); see also Donald E. Childress III, Note, *Using Comparative Constitutional Law to Resolve Domestic Federal Questions*, 53 DUKE L.J. 193 (2003).

<sup>11</sup> H. Res. 568, 108<sup>th</sup> Cong. (March 17, 2004).

<sup>12</sup> The discussion of this issue in the statutory context is scant. For example, Mark Tushnet suggests, without exploring, the importance of examining the “interpretive principles” courts use in deciding whether to rely on foreign authority in deciding U.S. law under a treaty or statute. See Tushnet, *supra* note [], at 21.

<sup>13</sup> Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994.

<sup>14</sup> The member countries are listed on the WTO’s website, at [http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/org6\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm).

other in their broad features. As a result, it becomes fairly common for an issue raised under domestic IP law to have a foreign law counterpart presenting the same or similar issue under a different country's IP law.

Consider the case of the Harvard oncomouse. In late 2002, the Supreme Court of Canada held, in a 5-4 decision, that Harvard's genetically-engineered mouse was not patentable subject matter under Canada's Patent Act.<sup>15</sup> The Court found that the relevant language of the Patent Act—"manufacture" and "composition of matter"—did not encompass higher life forms, and, given the tremendous controversy over the issue, desired a clearer statement from Parliament than the general language in the Patent Act, which was drafted well before genetic engineering was even feasible.<sup>16</sup> The dissent disagreed, however, relying heavily on foreign law authorities.<sup>17</sup> The dissent emphasized the fact that Harvard had already obtained patents in the U.S., European Union, and Japan, a total of 17 different countries.<sup>18</sup> The dissent believed that the court's responsibility was to try to harmonize Canada's patent law with the respective patent laws of other countries that are, like Canada, members of TRIPs.<sup>19</sup> The dissent also argued that the U.S. Supreme Court's interpretation of the U.S. Patent Code to allow the patenting of a genetically engineered bacterium<sup>20</sup> was particularly persuasive authority for interpreting the Canadian Patent Act, since it borrows language from an earlier U.S. patent act.<sup>21</sup>

The Harvard oncomouse case is a good example of a phenomenon that is becoming more common in IP cases generally: foreign authorities are being cited by parties and sometimes used by courts to help resolve claims arising under domestic IP statutes.<sup>22</sup> Thus far, U.S. courts and commentators have failed to formulate any general principles for deciding when, if at all, foreign authorities are relevant to deciding a claim of domestic statutory law, apparently leaving the resolution of the question up to the discretion and predilection of the judge. This ad hoc approach may prove to be less tenable as courts face arguments based on foreign authorities with greater frequency. Without more guidance from courts, litigants will be invited to expend more resources to search foreign authorities in an attempt to find greater support for their position. And, in

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<sup>15</sup> Harvard College v. Canada (Commissioner of Patents), 2002 SCC 76 (2002).

<sup>16</sup> *Id.* at

<sup>17</sup> *Id.* at

<sup>18</sup> *Id.* at

<sup>19</sup> *Id.* at

<sup>20</sup> *Id.* at

<sup>21</sup> *Id.* at

<sup>22</sup> Part IV discusses some of these cases in greater depth.

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considering the relevance of such authorities, courts may face greater demands to determine foreign law, perhaps relying on greater use of experts to opine on questions of foreign law. In evaluating the weight of such authority, courts may also be called upon to analyze how foreign jurisdictions differ (or not) from the domestic country in terms of their system of law, governance, culture, politics, or economic standing. Or, perhaps worse, domestic courts may bypass such an inquiry and fall into the trap of citing foreign authority simply when it supports their decision, while ignoring it when it doesn't.

This Article examines when and to what extent a U.S. court should rely on foreign authorities in deciding issues related to domestic IP statutes. The aim is to provide greater guidance to both courts and litigants about the appropriate use of foreign authorities in deciding claims that arise from domestic IP statutes. The Article does not attempt to speak to areas outside of IP. While one could undertake a broader project of deriving such principles for all domestic statutes generally, I leave that possibility open for future inquiry. The Article is also limited in its focus on primarily United States courts, although some preliminary thoughts are sketched out on how these issues may play out in other countries in the area of IP.<sup>23</sup>

Part I explains why IP provides an especially good field of study for examining whether foreign authorities are relevant to deciding issues arising under a domestic statute. It explains how the overall framework established by TRIPs and the other major international conventions for intellectual property, along with the globalization of markets, increases the likelihood that (i) a single item of intellectual property will possess protection under both domestic and foreign laws; (ii) a dispute over intellectual property will involve activity that occurs in several countries; and (iii) a legal question presented under domestic IP law will recur in foreign jurisdictions. The combination of these factors, in turn, makes it much more likely that litigants will cite to or rely on foreign authorities in arguments involving issues of domestic IP law.

Part II evaluates the justifications for and drawbacks of using foreign law in domestic IP cases. This Part also criticizes the current ad hoc approach to using foreign authorities to decide issues involving domestic statutory claims. The lack of guiding principles in this area increases litigation and administrative costs, while inviting unprincipled or selective use of foreign authorities.

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<sup>23</sup> Besides U.S. cases, I rely on a few cases from the Canadian Supreme Court that implicate the foreign authority issue. I use these Canadian cases for heuristic purposes (much like a court would with persuasive authority), but do not necessarily prescribe my framework for Canadian courts.

Part III sets forth a framework by which courts and litigants can better assess when foreign authorities may play a legitimate part in deciding an IP claim under a domestic statute. The framework consists of (i) two clear statement rules governing harmonization with and incorporation of foreign law, and (ii) a sliding scale governing the relevance of foreign law for domestic IP claims. (For ease of reference, the framework is attached as an Appendix to this Article.) My framework recognizes a legitimate role for courts to use foreign authorities, but sets forth a hierarchy of different types of uses and levels of relevance of foreign law based on its relationship with domestic law. Part IV applies the framework to several cases, to illustrate how it would operate in practice.

Part V addresses some anticipated concerns with my framework, as well as its application beyond the U.S. context. My article limits its focus to examples from the United States and Canada, two countries that recognize a common law tradition and the use of case law as authority. While I do not preclude the possibility that my framework can be adapted to other contexts, the suggestions I offer are intended specifically for the U.S. context. I offer preliminary thoughts on whether my approach might be transferable to other countries, as well as on how my approach might fit within the emerging international intellectual property system.

## I. INTERNATIONALIZING INTELLECTUAL PROPERTY

At first blush, it may seem odd, or unlikely, that a court would ever find the need to rely on foreign law sources to interpret a domestic statute or to decide a claim that arises under a domestic statute. The starting point of statutory interpretation is always the words of the statute. Beyond that, courts may look to canons of construction, statutory purpose, and, to varying degrees, the legislative history if ambiguity in the text exists.<sup>24</sup> How foreign law could possibly be relevant to decide a claim created by a domestic statute, such as an employment discrimination claim under Title VII, or an antitrust claim under the Sherman Act, is not immediately apparent. To interpret or apply Title VII or the Sherman Act presents issues that arise under a domestic statute that should be decided as a matter of domestic law. To rely on foreign law in deciding such domestic claims and issues would seem anomalous, if not completely misguided. It takes no knowledge of German antitrust law, for example, to determine if Microsoft violated the U.S. Sherman Act.<sup>25</sup>

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<sup>24</sup> Some jurists, like Justice Scalia, disagree with the use of legislative history at all. *See Conroy v. Aniskoff*, 507 U.S. 511, 519-20 (1993) (“The greatest defect of legislative history is its illegitimacy.”).

<sup>25</sup> *See U.S. v. Microsoft*, 253 F.3d 34 (D.C. Cir. 2001).

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No doubt in the good number of statutory cases decided in the U.S. today foreign law is not even considered, and rightfully so. These cases might be described as “heartland” statutory cases involving a purely domestic approach. But departures from the heartland exist, and increasingly so in the context of intellectual property. This Part describes the reasons why foreign law is becoming more relevant (or, at least perceived to be so) in deciding IP claims created by domestic statute.

#### **A. The World of IP: Territorial Laws of Different Countries Within an International Framework**

Over the past decade, intellectual property law has become increasingly international in dimension. The globalization of markets and the concerted effort among developed countries to secure intellectual property protection globally culminated in the signing of the Agreement on Trade Related Aspects of Intellectual Property (TRIPs) in 1994.<sup>26</sup> TRIPs now obligates the over 140 countries in the World Trade Organization to provide certain minimum standards of intellectual property protection under each member country’s domestic law. These minimum standards do not require uniformity of IP laws among countries. Rather, they establish a baseline or floor of intellectual property protection among different countries.<sup>27</sup>

Under this regime, IP laws in the WTO countries are still territorial in nature: each country enacts its own IP laws, typically by statute.<sup>28</sup> And, in one of the true innovations of TRIPs over previous IP conventions, failure to comply with a minimum standard may open a country to trade sanctions imposed by a panel of the Dispute Settlement Body of the WTO.<sup>29</sup> TRIPs dictates much of the basic framework of IP laws around the world—e.g., what subject matter is generally entitled to a copyright, trademark, or patent,

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<sup>26</sup> Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994.

<sup>27</sup> See J.H. Reichman, *Universal Minimum Standards of Intellectual Property Protection Under the TRIPs Component of the WTO Agreement*, in *INTELLECTUAL PROPERTY AND INTERNATIONAL TRADE: THE TRIPs AGREEMENT* 21-23 (Carlos M. Correa & Abdulqawi A. Yusuf eds., 1998). TRIPs has two other basic requirements: (1) national treatment, which requires each country to grant IP protection to the works of foreign nationals that is no less favorable than it accords its own nationals; and (2) most favored nation protection, which obligates a country to extend to all countries any favorable treatment with respect to IP it has extended to another country. See *id.* at 25-26; TRIPs arts. 3-4.

<sup>28</sup> TRIPs mimics the basic approach taken by the major international IP agreements that preceded it, a number of which TRIPs incorporates as substantive provisions. See Reichman, *supra* note [], at 23-24.

<sup>29</sup> See Understanding on Rules and Procedures Governing the Settlement of Disputes, WTO Agreement, annex 2 (1994).

and what minimum exclusive rights those forms of IP entail. As a result, the broad, general features of IP laws in different countries will often resemble each other in areas governed by minimum standards. For issues that are not governed by a minimum standard, however, TRIPs allows countries to differ completely in approach.

The elaborate framework established by TRIPs—an international overlay governing territorially based IP laws among different countries—should be contrasted with the United Nations Convention on Contracts for the International Sale of Goods (CISG),<sup>30</sup> another important treaty intended to promote trade.<sup>31</sup> Signed by the United States and 60 countries, CISG attempts to establish a uniform body of law governing international sales of goods.<sup>32</sup>

In contrast with TRIPs, CISG provides the actual source of law, displacing the territorial laws of different countries, in order to create a unique and uniform body of CISG law. CISG sets forth interpretive principles to guide courts in member countries in their interpretations of CISG.<sup>33</sup> One of those principles requires courts to strive to make a uniform body of CISG law, cognizant of CISG's "international character."<sup>34</sup> Thus, foreign decisions are undoubtedly relevant to a domestic court's application of CISG, because the cases, whether foreign or domestic, are all interpreting and applying one common body of CISG law in an effort to make it uniform.<sup>35</sup>

TRIPs is much different. There is no uniform body of law, or single instrument establishing the rule of decision among countries for private IP disputes. Instead, countries have their own IP laws, which need not strive to uniformity with other laws in WTO countries. In contrast with CISG's principle of establishing a uniform body of law, TRIPs provides no interpretive principles of any kind for countries to decide their own IP laws. The possible relevance of foreign IP decisions to domestic IP statutes is simply not addressed.

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<sup>30</sup> CISG (The United Nations Convention on Contracts for International Sale of Goods, U.N. Doc. A/Conf.97/19 (1981); 19 I.L.M. 668 (1980).

<sup>31</sup> See James E. Bailey, *Facing the Truth: Seeing the Convention on Contracts for the International Sale of Goods as an Obstacle to a Uniform Law of International Sales*, 32 CORNELL INT'L L.J. 273, 274 (1999).

<sup>32</sup> See Louis F. Del Duca & Patrick Del Duca, *Selected Topics Under the Convention on International Sale of Goods (CISG)*, 106 DICKINSON L. REV. 205, 207 (2001).

<sup>33</sup> CISG art. 7(1) ("In the interpretation of this Convention, regard is to be had to its international character and to the need to promote uniformity in its application and the observance of good faith in international trade.").

<sup>34</sup> *Id.*

<sup>35</sup> See Bailey, *supra* note [], at 289 ("Article 7(1) requires courts to examine all CISG case law without restriction to any one nation's courts").

## B. The Recurring Pressures in the World of IP

To understand why foreign law may be growing in relevance to domestic IP cases, one must examine the recurring pressures created within the current IP framework. These pressures distinguish the field of IP from the heartland statutory cases, in which foreign law has little, if any, relevance at all.

### 1. *Seeking and enforcing global protection through accumulation of territorial IP rights in the global market*

The first pressure starts with the globalization of markets. In a global market, there is increased incentive for entities to seek IP protection not just domestically, but in different countries around the world. What is a valuable commodity in one place—say, the latest blockbuster movie or life-saving prescription drug—is likely to be a valuable commodity in other places around the world. But, to obtain IP protection around the world, entities do not have the luxury of obtaining a single grant of IP that applies universally. Instead, entities must piece together and accumulate a collection of patents, copyrights, or trademarks created under the respective IP laws of different countries.

Take, for example, Harvard's oncomouse. Harvard genetically engineered a mouse that is helpful to cancer research. The oncomouse is a valuable commodity that Harvard will seek to license to researchers around the world. To do so, Harvard must obtain patents not just from the United States, but also from all those countries where it seeks intellectual property. Although this process is expensive, it has become considerably easier under the Patent Cooperation Treaty, which establishes a standard application, timeline, and set of administrative requirements for obtaining patents from over 120 countries.<sup>36</sup>

A similar, streamlined process now exists also for obtaining multiple trademark registrations under the Madrid Protocol,<sup>37</sup> which has

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<sup>36</sup> See Patent Cooperation Treaty, June 19, 1970, 28 U.S.T. 7645, 9 I.L.M. 978. As of January 2004, 123 countries were signatories to the PCT. See List of Contracting States, at <http://www.wipo.int/pct/en/treaty/about.htm>.

<sup>37</sup> See Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, June 28, 1989. The United States enacted provisions in 2003 to implement the Madrid Protocol. See Madrid Protocol Implementation Act, Pub. L. 107-273, 116 Stat. 1758, 1913-1921 (2003) (codified at 15 U.S.C.A. §§ 1141- 1141n).

been adopted by over 60 countries.<sup>38</sup> If Harvard developed a trademark for its mouse—say, “The Harvard oncomouse”—it could obtain registrations for the trademark in Madrid Union countries around the world, potentially within 2 years. Just as in the case of patents, the ease of administrative burden in collecting trademarks granted by different countries greatly increases the likelihood that parties will seek IP rights under the laws of foreign countries.

Obtaining multiple copyrights around the world for works of authorship, such as books, songs, and movies, is even easier. Unlike patent and trademark, the grant of copyright does not depend—indeed, under the Berne Convention, cannot depend<sup>39</sup>—on the filing of any application. Copyrights potentially exist for a work as soon as an author has created and fixed the work in a tangible medium of expression. Thus, once J.K. Rowling penned the latest book on Harry Potter, the book can potentially claim a copyright from all the countries in the WTO immediately, and without any administrative formality.<sup>40</sup>

Thus, the globalization of markets increases the likelihood that a single item of IP will obtain protection under the laws of numerous countries. And, as the accumulation of territorial IP rights from different countries becomes the norm for each item of IP, entities are increasingly exposed to foreign IP laws as a routine matter. No longer is the copyright, patent, or trademark attorney in the U.S. concerned only with U.S. law. Instead, attorneys in the U.S. must concern themselves with IP laws of Europe, Japan, and numerous other countries.

Along with the initial obtaining of IP rights around the world, parties also seek to enforce those rights in litigation. As each item of IP accumulates rights from numerous countries, we should expect a growth of transnational IP disputes. The reason is the same as for the rise in obtaining

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<sup>38</sup> See <http://www.wipo.int/madrid/en/index.html>.

<sup>39</sup> Berne Conv. art 5(2).

<sup>40</sup> In order to obtain IP protection in a foreign jurisdiction, one must establish what is often called a “point of attachment.” A point of attachment is a connecting factor that qualifies the particular work for IP protection in foreign countries. For example, under the Berne Convention, a point of attachment exists in Berne Union countries for (a) “authors who are nationals of one of the countries of the Union, for their works, whether published or not”; (b) “authors who are not nationals of one of the countries of the Union, for their works first published in one of those countries, or simultaneously in a country outside the Union and in a country of the Union”; and (c) authors who are not nationals of Berne Union countries “who have their habitual residence in one of them.” Berne Conv. art. 3.

Under the U.S. Copyright Act, this article of Berne is implemented by § 104(b), which extends copyright protection to works of authors who are nationals of a “treaty party” (which includes Berne countries, 17 U.S.C. § 101), or who first published in a foreign nation that is a treaty party. *Id.* § 104(b).

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global protection of IP: in a global market, entities have greater incentive to market their goods not just domestically, but in other countries around the world. Some of these entities may be would-be infringers who have knowingly pirated works without authorization. Other entities, however, may involve legitimate owners of IP who have a dispute with other owners of IP over who has the rightful claim to the intellectual property. In either case, an allegedly infringing product may be sold in several different countries, raising claims of infringement under the laws of each of those countries.

For example, a distributor begins selling copies of the movie *Jungle Book* in parts of Latin America, including Chile, Costa Rica, Ecuador, Panama, and Venezuela.<sup>41</sup> A London based motion picture studio that produced the film alleges that the distributor has infringed its copyrights under the laws of each of these countries.<sup>42</sup> The dispute is transnational because it involves alleged infringing activity that occurred in several countries and because resolution of the claims will involve application of the laws of each of those countries.<sup>43</sup>

2. *Recurring issues under the IP laws of different countries*

The accumulation of IP rights and the rise of transnational IP disputes increase the likelihood that an issue of IP law in one country will recur under the laws of multiple countries, either for a specific work or more generally. For example, in the case involving *Jungle Book*, the issues of copyright ownership, infringement, and public domain status of the work could have been raised under the laws of at least five different countries.

As the same or similar issue recurs from jurisdiction to jurisdiction, albeit under each country's laws, the possible relevance of foreign law becomes more apparent. A foreign jurisdiction may well have already decided under its own IP law an issue that is parallel or equivalent to one that is now presented under domestic IP law. Even if foreign law can only provide persuasive authority, a domestic court may find it helpful to consider the foreign authority, particularly if the legal issue is novel or complex. For example, as Harvard seeks to patent its mouse around the world, each country is asked to determine if a genetically engineered mouse is patentable subject matter under its domestic law. By the time the

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<sup>41</sup> See *London Film Productions Ltd. v. Intercontinental Communications, Inc.*, 580 F. Supp. 47, 48 (S.D.N.Y. 1984).

<sup>42</sup> *Id.*

<sup>43</sup> *Id.* at 50 n.6.

Supreme Court of Canada decided the issue under Canadian law, the patent offices of the U.S., European Union, and Japan had already decided the exact issue under their respective patent laws.<sup>44</sup>

A case need not involve the same underlying invention or work to raise a recurring issue of IP law among different countries. Sometimes the parties and disputes will be different, but two cases in different countries will raise parallel issues. For example, different courts in different countries may be asked to decide what an “original” work of authorship is under copyright law.<sup>45</sup> Because the minimum standards imposed by TRIPS frames the general contours of IP rights among the WTO countries, issues are likely to recur among different countries over similar features of IP laws. All of these factors make it more likely that an IP issue under domestic law may have foreign law counterparts in many other countries. In such a global world of IP, foreign IP laws have much greater relevance for domestic IP issues than they did a decade ago.<sup>46</sup>

### 3. *The Growth of the Internet*

The growth of the Internet has also added to the internal pressures of the world IP system and the increased awareness of foreign IP laws. First, the sheer ability of the Internet to store and disseminate vast amounts of information, worldwide and instantaneously, has facilitated the greater awareness of foreign IP laws. For example, the controversial decision of a Canadian court holding that downloading music for personal use was not copyright infringement under Canadian law became available, perhaps fittingly, to all on the Internet virtually immediately with its issuance.<sup>47</sup> Moreover, international organizations devoted to IP protection, such as the World Intellectual Property Organization (WIPO) and the WTO, have spent

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<sup>44</sup> See *Harvard College v. Canada (Commissioner of Patents)*, 2002 SCC 76 (2002).

<sup>45</sup> See *infra* notes and accompanying text [].

<sup>46</sup> An interesting comparison may be drawn between (1) the greater use of foreign law to decide domestic IP claims, which is occurring today, and (2) the more traditional use of domestic law to decide foreign law claims in the past. Some jurisdictions have recognized a presumption that foreign law is *identical* to domestic law in resolving foreign law claims, unless the plaintiff can establish the relevant foreign law elements. See Neil Wilkof, *Copyright, Moral Rights and the Choice of Law: Where Did the Dead Sea Scrolls Court Go Wrong*, 38 HOUSTON L. REV. 463, 467 (2001). This presumption conveniently allowed domestic courts to displace foreign law with domestic law in deciding foreign claims. Today, the opposite may be occurring: domestic courts may be asked to displace domestic law with foreign law in deciding domestic claims.

<sup>47</sup> See <http://www.fct-cf.gc.ca/bulletins/whatsnew/T-292-04.pdf>.

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considerable effort to publicize international IP laws on the Net<sup>48</sup> and to respond to the fast developing advances in technology.<sup>49</sup>

The Internet has played a role not just in spreading information, but in *creating* transnational disputes over intellectual property. Because the Internet is a global, borderless medium, disputes over IP rights on the Net typically implicate the laws of numerous countries. As the controversy over music file sharing demonstrates, if someone posts or makes available on the Internet someone else's intellectual property, people around the world may make copies of it. And, if alleged infringing activity occurs in more than one jurisdiction, then, under the current territorial approach,<sup>50</sup> the copyright laws of all those countries where downloading occurs are implicated – not just the United States or Canada, but countries in Europe, Asia, Africa, South America, and Australia.

Thus, the Internet increases exponentially the number of jurisdictions that may be involved in a typical IP dispute. Place an item of IP on the Internet for infringement, whether it be an invention, work of authorship, trademark, or trade secret, and you may face a lawsuit involving infringement claims under the laws of over 140 countries. The borderless and global nature of the Internet puts tremendous pressure on the very foundation of the current system of territorial IP laws.<sup>51</sup> With a click of a mouse (instigating the copying of a work), the Internet can implicate the IP laws of virtually all countries around the world.

## II. THE CURRENT AD HOC APPROACH TO FOREIGN LAW

Thus far, U.S. courts have failed to articulate any guiding principles to decide when foreign law may be relevant to adjudicate a domestic statutory IP claim. The current approach to this issue could best be described as ad hoc, with courts left with considerable discretion to consider (or not) foreign authorities in adjudicating a domestic IP dispute. In *Eldred*,

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<sup>48</sup> See <http://www.wipo.int/>; <http://www.wto.org/>.

<sup>49</sup> See Graeme Dinwoodie, *Introduction: Constructing International Intellectual Property Law: The Role of National Courts*, 77 CHICAGO-KENT L. REV. 993, 1000 (2002).

<sup>50</sup> Locating where infringing activity occurs based on Internet use is not always easy to determine. See Jane C. Ginsburg, *The Cyberarian Captivity of Copyright: Territoriality and Author's Rights in a Networked World*, 15 SANTA CLARA COMPUTER & HIGH TECH L.J. 347 (1999); Charles R. McManis, *Taking TRIPs on the Information Superhighway: International Intellectual Property Protection and Emerging Computer Technology*, 41 VILL. L. REV. 207 (1996).

<sup>51</sup> And, in some cases, IP protection may be vitiated if the infringer can post allegedly infringing material on the Internet, but move off-shore to a jurisdiction in which its conduct is legal. See Pamela Samuelson, *Intellectual Property Arbitrage: How Foreign Rules Can Affect Domestic Protections*, 71 U. CHI. L. REV. (forthcoming 2003).

for example, the Supreme Court relied on the European Union's extension of copyright terms to support its conclusion that the U.S.'s own extension had a rational basis.<sup>52</sup> But, in *Dastar*,<sup>53</sup> decided in the same term, the Court rejected, without even discussing, Fox Film's argument that European concepts of moral rights should inform the Court's interpretation of the Lanham Act, in order to make the U.S. approach consistent with the European approach.<sup>54</sup> Currently, the whole question of what relevance foreign law should have in domestic IP cases, if any, is glaringly undertheorized. Although this ad hoc approach may be workable for the time being,<sup>55</sup> it is unlikely to provide an adequate response to the issue in the long run. This Part discusses the justifications for greater use of foreign law as authority and the problems such practice creates for our legal and intellectual property system.

#### **A. The Justifications for Allowing Courts to Rely on Foreign Law in Deciding Domestic IP Cases**

In evaluating whether courts should consider foreign laws, we must first consider the possible justifications such consideration may have in

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<sup>52</sup> *Eldred v. Ashcroft*, 123 S. Ct. 769, 781 (2002); *see id.* at 780 n.13 (citing Graeme Austin, *Does the Copyright Clause Mandate Isolationism?*, 26 COLUM.-VLA J.L. & ARTS 17, 59 (2002) (cautioning against "an isolationist reading of the Copyright Clause that is in tension with ... America's international copyright relations over the last hundred or so years"). *Eldred* does not fall entirely within the focus of my Article, since it involves the use of foreign law in analyzing a constitutional, not statutory, claim.

<sup>53</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 123 S. Ct. 2041 (2003).

<sup>54</sup> *See* Brief for Respondents, 2003 WL 1101321, at\*22 (U.S., Mar. 10, 2003) *Dastar Corp. v. Twentieth Century Fox Film Corp.*; *see also* Brief Amici Curiae of the Directors Guild of America, Writers Guild of America, East, Writers Guild of America, West, Inc. and Screen Actors Guild, Inc. in Support of Respondents, 2003 WL 1101049, at\*8-\*12 (U.S., Mar. 10, 2003) *Dastar Corp. v. Twentieth Century Fox Film Corp.*

<sup>55</sup> Because the phenomenon of foreign authorities being used or cited by courts or litigants in domestic IP cases is still incipient and undertheorized, it is difficult to assess the magnitude of the practice domestically, let alone internationally. One might conjecture that U.S. courts will be comparatively more resistant to the practice, given (1) a certain historical unreceptiveness to foreign law, and (2) the simple fact that many new IP developments, for which there is no authority on point, occur first in the U.S., such as in the case of the new copyright laws to protect digital rights management. *See* *Universal City Studios, Inc. v. Corley*, 273 F.3d 429, 445 (2d Cir. 2001) (applying Digital Millennium Copyright Act). However, these factors, even if present in the U.S., do not diminish the substantial pressures within the international IP system that make foreign laws appear to be more relevant for domestic IP issues. Along with these pressures in the IP area, the growing debate over the use of foreign law in U.S. constitutional cases will add to the need for greater discussion of the issue of the relevance of foreign law. As both *Eldred* and *Dastar* demonstrate, it is not uncommon for issues of domestic IP law to implicate an international component.

deciding domestic IP claims. In the following section, three justifications are considered: (1) judicial dialogue, (2) development of international norms, and (3) harmonization of IP laws. One need not agree with all three goals in order to agree with the relevance of foreign law.

1. *Judicial dialogue and cross-fertilization of ideas*

A primary justification for having domestic courts consider foreign law in interpreting or applying a domestic law is to promote judicial “dialogue”<sup>56</sup> and “cross-fertilization”<sup>57</sup> of ideas among courts in different countries. This justification applies not just to IP, but also to the law in general. In fact, this justification has received its most ardent defense in the context of constitutional law and the area of human rights, rather than IP or statutory law.<sup>58</sup>

Drawing from ideals of the comparative law method, the justification for judicial dialogue is based on the belief that “multiplying the sources of law means multiplying the sources of legal dialogue.”<sup>59</sup> Promoting such dialogue among courts in different countries is seen, in turn, as a way to “both contribute to a nascent global jurisprudence on particular issues and improve the quality of particular national decisions, sometimes by importing ideas and sometimes by insisting on an idiosyncratic national approach.”<sup>60</sup> The basic idea is that courts from different countries can all contribute to articulation of sound and in some cases *shared* legal principles, say, for instance, in the area of human rights.

Although calls for greater use of comparative law reasoning have long existed, they appear to be gaining greater recognition and support in today’s environment of Internet communication, global markets and trade, and worldwide travel.<sup>61</sup> Justice O’Connor’s keynote address in 2002 before the American Society of International Law Proceedings added substantial credibility to the comparative law movement. In her address, Justice O’Connor provided a compelling case for the greater recognition of foreign law among domestic courts:

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<sup>56</sup> See Harding, *supra* note [], at 423.

<sup>57</sup> See Slaughter, *supra* note [], at 193.

<sup>58</sup> See Harry A. Blackmun, *The Supreme Court and the Law of Nations*, 104 YALE L.J. 39 (1994) (“International law can and should inform the interpretation of various clauses of the Constitution, notably the Due Process Clause and the Eighth Amendment prohibition against cruel and unusual punishments.”).

<sup>59</sup> H. Patrick Glenn, *Persuasive Authority*, 32 MCGILL L.J. 261, 297-98 (1987).

<sup>60</sup> Slaughter, *supra* note [], at 195.

<sup>61</sup> See Wallace, *supra* note [], at 357.

[W]hy does information about international law matter so much? Why should judges and lawyers who are concerned about the intricacies of ERISA, the Americans with Disabilities Act, and the Bankruptcy Code care about issues of foreign law and international law? The reason, of course, is globalization. No institution of government can afford now to ignore the rest of the world.<sup>62</sup>

Pointing to the “large array of international agreements and organizations” as well as the events of September 11 as examples, Justice O’Connor explained that globalization has made “the fate of nations ... more closely intertwined than ever before.”<sup>63</sup> To promote world harmony and to avoid the pitfall of powerful nations imposing their preferences on the rest of the world, courts and other governmental bodies in the U.S. should develop a greater understanding of foreign law.<sup>64</sup> Even further, the “conclusions reached by other countries and by the international community should at times constitute persuasive authority in American courts.”<sup>65</sup>

Although Justice O’Connor (who openly disclaimed any expertise in international law) stopped short of elaborating what “times” are appropriate to use foreign law as persuasive authority, her comments seem open to the possibility of using foreign authority “in interpreting our own Constitution and related statutes.”<sup>66</sup> Whether a “related” statute means related to the Constitution or to foreign law is little unclear, although it seems more likely the latter. Regardless, Justice O’Connor articulated a strong defense of judicial dialogue among courts in different countries as a part of judicial decisionmaking in today’s global world.<sup>67</sup>

## 2. *Possible development of international IP norms*

Judicial dialogue can be used to facilitate not just greater awareness of different approaches in the world, but even the development of emerging international norms. Courts might use judicial dialogue to fashion new “international” approaches to transnational IP disputes, which implicate conduct across several countries.

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<sup>62</sup> O’Connor, *supra* note [], at 349.

<sup>63</sup> *Id.*

<sup>64</sup> *Id.*

<sup>65</sup> *Id.* at 350.

<sup>66</sup> *Id.* at 350.

<sup>67</sup> *Id.* (“While ultimately we must bear responsibility for interpreting our own laws, there is much to learn from other distinguished jurists who have given thought to the same difficult issues that we face here.”). *But see* [cites criticizing this approach].

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Professor Graeme Dinwoodie has argued in favor of domestic courts using foreign law as a way to develop international copyright norms in cases involving transnational disputes. Although this proposal emanates from choice of law concepts, the issue to me still presents the same basic question of how to apply a domestic IP statute. The rubric of “choice of law” does not diminish the fact that a court is being asked to interpret and apply a domestic IP statute for a domestic IP claim, with some resort to foreign law.<sup>68</sup>

Under Dinwoodie’s approach, domestic courts would formulate an international rule based on both domestic and any foreign law that is implicated.<sup>69</sup> Instead of applying domestic law to the domestic claim, and the relevant foreign law to the respective foreign law claims, Dinwoodie’s approach would allow domestic courts to fashion unique international norms in transnational disputes based on both domestic and foreign law. Adopting Dinwoodie’s method would allow a domestic court not only to consider foreign law in deciding a domestic copyright claim, but even to adopt a rule that was potentially different from what may be prescribed by either the domestic or foreign statutes.

This source of international norm creation would fill a gap Dinwoodie sees in the current system. The TRIPs apparatus is largely backward-looking, reflecting the minima that countries could agree upon at the time of the agreement.<sup>70</sup> Although future WTO panel decisions involving disputes under TRIPs have the potential to create some new international norms, they also carry serious risks if the decisions of WTO panels lock in poorly crafted or deleterious norms.<sup>71</sup> “[I]f WTO panels adopt too activist an approach to TRIPs interpretation, the fruits of cultural and economic diversity may be threatened, the copyright norms that are generated may be insufficiently reflective of the assorted philosophical underpinnings of copyright, and the role of national legal systems as

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<sup>68</sup> True, under a conflicts analysis, the court’s use of foreign law may be characterized as an “incorporation” or “substitution” of foreign law to provide a rule of decision for an issue otherwise controlled by the domestic statute. A conflicts approach does not involve the same of kind of interpreting of the domestic statute as in cases that focus only on the meaning of the statute. But even in a conflicts case, the court must interpret the domestic statute to allow the use of foreign law for a claim brought under the domestic statute.

<sup>69</sup> See Graeme B. Dinwoodie, *The Development and Incorporation of International Norms in the Formation of Copyright Law*, 62 OHIO ST. L.J. 733 (2001); Graeme B. Dinwoodie, *A New Copyright Order: Why National Courts Should Create Global Norms*, 149 U. PA. L. REV. 469 (2000).

<sup>70</sup> Dinwoodie, *International Norms*, *supra* note [], at 740, 747-48.

<sup>71</sup> *Id.* at 772-73.

laboratories in the international lawmaking process may prematurely be curtailed.”<sup>72</sup>

Private IP suits in different countries provide, however, a more modest avenue for international norm creation. Dinwoodie argues that his substantive law approach will promote more dynamic creation of international copyright norms that could, in the long run, lead to convergence on an accepted international standard in areas in which none currently exists.<sup>73</sup> And, at the same time, norm creation in the context of private litigation allows other countries to take a diversity of approaches to IP, unlike a decision of a WTO panel.<sup>74</sup>

### 3. *Harmonizing IP laws*

Another justification for allowing courts to consider foreign law is to achieve greater harmonization and uniformity among different IP laws. This would take judicial dialogue even beyond international norm creation to the substantive goal of achieving greater harmonization of IP laws. Of all the reasons for allowing domestic courts to rely on foreign laws in domestic IP cases, this is the most controversial. It rests on the substantive policy choice that harmonization of IP laws is the preferred goal among countries.

Greater harmonization of IP laws would facilitate the ability of entities to obtain protection for their intellectual property internationally. In order to obtain international protection for a work, entities must piece together IP rights from different countries. It is far easier to accumulate such rights if most, if not all, of the requirements to qualify for IP are substantially the same among countries. If, however, there is substantial disagreement among countries, then obtaining international protection is considerably more difficult as the entity must comply with different requirements in different countries.

In the Harvard mouse case, the dissent viewed one of its interpretive goals “to harmonize [Canadian] concepts of intellectual property with other like-minded jurisdictions.”<sup>75</sup> The dissent based this principle on Canada’s signing of TRIPs and several other international agreements or conventions governing intellectual property, although it should be pointed out that none of these conventions obligate countries to seek harmonization of their IP laws outside of the minimum standards required by the conventions. While acknowledging that differences do exist in IP laws among countries within

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<sup>72</sup> *Id.* at 736.

<sup>73</sup> Dinwoodie, *New Copyright Order*, *supra* note [], at 27.

<sup>74</sup> Dinwoodie, *International Norms*, *supra* note [], at 781.

<sup>75</sup> [cite]

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TRIPs, the dissent argued that “[t]he mobility of capital and technology makes it desirable that comparable jurisdictions with comparable intellectual property legislation arrive (to the extent permitted by the specifics of their own laws) at similar legal results.”<sup>76</sup>

Promoting harmonization builds on the more general goal of judicial dialogue and cross-fertilization. Dialogue among courts, including consideration of foreign law, is encouraged in order to further the ultimate goal of harmonizing differences in IP laws among countries. Without dialogue, courts cannot harmonize.

## **B. The Trade-offs and Concerns With Using Foreign Law**

In evaluating whether courts should rely on foreign law in domestic cases, we must also examine the potential drawbacks. While judicial dialogue, the development of international norms, and greater harmonization each possess a certain amount of intuitive appeal, they also raise concerns.

### *1. Disabling diversity*

My biggest concern is with the third justification and the use of foreign law to achieve greater harmonization. Such a principle of harmonization undervalues, if not forecloses, a diversity of approaches in IP laws. If domestic courts view it their role to harmonize domestic IP law with foreign IP law, then eventually the world intellectual property system will lose any semblance of allowing a diversity of approach. Harmonization for harmonization’s sake will yield homogenization, which may be good for milk, but not necessarily for IP.

Neither TRIPs nor any of the major IP conventions recognizes, much less requires, such a principle of harmonization. In fact, TRIPs and the major IP conventions leave much to each country to decide as a matter of its own legislation. The required minimum standards set only a floor of protection: countries are free to go above and beyond that level. And for many other issues TRIPs sets no minimum standard at all.

Thus, to view TRIPs as establishing a general principle of harmonization in interpreting domestic IP laws is simply wrong. Although harmonization of some aspects of IP laws among countries is certainly desirable, the case has yet to be made for complete harmonization or uniformity. The current approach of minimum standards in some areas of IP, while none in other areas, allows for at least some diversity in the scope of protection among countries.

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<sup>76</sup> Harvard College v. Canada (Commissioner of Patents), 2002 SCC 76 (2002).

Permitting a diversity of approaches to the scope of IP protection around the world has several advantages. First, different countries are likely to have different views of the appropriate level of IP protection depending on whether they are net-exporters or -importers of IP, and whether they are developed or developing countries. There is always a danger that the banner of harmonization may “become simply a tool for imposing the preferences of powerful nations, such as our own, on the rest of the world.”<sup>77</sup>

Countries may also diverge in their views of the scope of IP protection based on their cultural, social, and constitutional traditions. The U.S., for example, may place a greater importance in copyright law on the fair use doctrine, given the relationship it has in serving as a First Amendment “safety valve.”<sup>78</sup> Continental European countries may value more highly the notion of moral rights, given their social and cultural views of authors and rewards for creation.<sup>79</sup> African countries, in contrast, may value more highly the collaboration involved among the community in folklore passed down from one generation to the next.<sup>80</sup>

As Professor Graeme Austin has argued, preserving “domestic self-determination” among countries in their IP laws is desirable.<sup>81</sup> Austin cautions against the adoption of the belief that the current international IP regime is based on an “upward harmonization” agenda, under which all IP law eventually and necessarily moves to some kind of “standardized international norm[.]”<sup>82</sup> Instead, “the benefits of supranational standards need to be balanced against the claims that can be made for the ability of domestic nations to do some things differently in the intellectual property context, as their individual circumstances require.”<sup>83</sup>

Another reason for allowing diversity in the scope and substance of IP laws among countries is for experimentation. Professor Shubha Ghosh aptly describes TRIPs as establishing “a federated participatory structure,” in which “member states have room to shape the structure of rights and

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<sup>77</sup> O'Connor, *supra* note [], at 349.

<sup>78</sup> See Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539, 558-59 (1985); see also Melville B. Nimmer, *Does Copyright Abridge the First Amendment Guarantees of Free Speech and Press?*, 17 UCLA L. REV. 1180 (1970); Lawrence Lessig, *Copyright's First Amendment*, 48 UCLA L. REV. 1057 (2001).

<sup>79</sup> See Adolf Dietz, *The Moral Right of the Author: Moral Rights and the Civil Law Countries*, 19 COLUMBIA-V.L.A. J. L. & ARTS 199 (1995).

<sup>80</sup> See Paul Kuruk, *Protecting Folklore Under Modern Intellectual Property Regimes: A Reappraisal of the Tensions Between Individual and Communal Rights in Africa and the United States*, 48 AM. UNIV. L. REV. 769 (1999).

<sup>81</sup> See Graeme W. Austin, *Valuing “Domestic Self-Determination” in International Intellectual Property Jurisprudence*, 77 CHL.-KENT L. REV. 1155, 1160 (2002).

<sup>82</sup> *Id.* at 1156.

<sup>83</sup> *Id.*

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powers within the general contours of TRIPs.”<sup>84</sup> This federated structure allows a diversity of IP approaches within the minimum standards of TRIPs. As Ghosh writes:

To borrow a phrase from United States constitutional law, member states are “laboratories of experimentation.”...The importance of experimentation should not be overlooked. Instead of being a confining document that mandates uniformity, the TRIPs agreement provides a playing field in which law can be shaped to meet the political, social, economic, and other policy goals of member states.<sup>85</sup>

Diversity provides insurance against poorly calibrated IP laws. Just as diversification can diminish the risk of loss in an investment portfolio,<sup>86</sup> so too with intellectual property laws a diversity of approaches can diminish the risk of over- or under-regulation of IP.<sup>87</sup> A single bad rule that applies worldwide carries much greater potential harm than a single bad rule that applies to one or a few countries.<sup>88</sup> Because gathering empirical data to assess the costs and benefits, or proper calibration, of any IP system is notoriously difficult, if not impossible, policymakers cannot be certain how well or poorly a particular system of IP is functioning to achieve its goals. The decisionmaker must apply a rough balancing of the private interests of the IP rights holders and the public interests of society at large based on what amounts to guesswork. Faced with such uncertainty and lack of information, IP policymakers would be better served in allowing countries to make different calibrations in the scope of IP. This provides a kind of insurance or diversification policy against the worst-case scenario that the level is poorly calibrated.

Thus, even if all countries were the same in terms of their economic standing, and social, cultural, and constitutional traditions, a single, monolithic approach to IP would be undesirable. Allowing for a diversity of approaches in the level of IP protection can reduce the harmful effects of an IP law that is too draconian in over-protecting or under-protecting IP. In a world of complete harmony of IP laws, a poorly calibrated IP law gets replicated in all countries. In a world of some diversity in IP approaches, a poorly calibrated IP law is localized.

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<sup>84</sup> See Shubha Ghosh, *Globalization, Patents, and Traditional Knowledge*, 17 COLUM. J. ASIAN L. 73, 81 (2003).

<sup>85</sup> *Id.*

<sup>86</sup> See [cite].

<sup>87</sup> See [cite].

<sup>88</sup> Cf. Edward Lee, *Rules and Standards for Cyberspace*, 77 NOTRE DAME L. REV. 1275, 1309 (2002).

2. *Courts displacing, ignoring, or making legislative or executive judgments*

The next set of concerns applies more generally to the use of foreign law to decide domestic IP claims, whether for judicial dialogue, the development of international norms, or harmonization.

One worry is that foreign law may sidetrack the court's attention from the primary task at hand: interpreting or applying the legislature's enactment. Often, courts have difficulty in understanding the complexities of domestic IP statutes.<sup>89</sup> To start adding foreign IP statutes into the mix may, in the end, do more harm than good if it takes away the court's focus from analyzing the domestic statute, or creates even more confusion about the issue. Unless there is a special relationship between the domestic statute and foreign law (an issue discussed in depth below), foreign law has no relevance to divining the legislature's intent (assuming, of course, intent matters). At best, foreign law can serve only as persuasive authority in these cases.

But there is a danger if a domestic court starts using foreign law without limit, especially if foreign authority is given greater precedence than the domestic law. Were a court to adopt a principle of harmonization with foreign law, it would deprive the legislature and the executive of the option of maintaining a difference with foreign laws. As explained above, all of the major IP conventions, including TRIPs, specifically allows for a diversity of approaches in IP laws above and beyond, or apart from, the minimum standards. Thus, the legislature's approval of a country's signing of TRIPs cannot be read, in itself, as an endorsement of a general principle of harmonization with IP laws in other countries. If a domestic court were to embrace the goal of harmonization with foreign IP laws, that decision would involve matters of politics, international relations, and economic and social policy more suited to the legislature's and executive's competence.

A domestic court that adopts a foreign law approach that is different from domestic law also runs the risk of undermining the executive's trade bargaining power. What is critical to understand is that differences in IP laws among countries are often used as bargaining chips in trade negotiations. Indeed, if there were complete harmonization of IP laws, the well of bargaining chips would run dry.

To understand the importance of differences in IP laws for trade bargaining power, consider the standard for determining who is an inventor. Neither TRIPs nor the Paris Convention specifies how to determine who is

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*See* Judge Stanley Birch quote.

entitled to the rights for an invention. Under U.S. law, the first person to invent is entitled to the patent rights to the invention. By contrast, in virtually the rest of the world, the first person to file for the patent is entitled to the invention.<sup>90</sup> The U.S. has been resistant to changing its patent system to a first-to-file system unless it can “obtain[] a favorable harmonization ‘package’ which, on the whole, provides a net positive benefit to U.S. inventors around the world.”<sup>91</sup> If a U.S. court, on its own initiative, were to seek harmonization of U.S. patent law with the rest of the world, it would usurp the Executive’s ability to use the difference in the American patent system as a bargaining chip in obtaining a “favorable harmonization package.”

Another danger with using foreign law in domestic cases is that courts may upset the balances struck by the legislature in the domestic IP system. IP statutes typically reflect the collective judgment of the legislature on how best to calibrate the IP system. The different provisions of the statute are enacted as part of one unitary IP system, with the legislature’s balancing of interests of the IP rights holders and society. If a court were to substitute foreign law in place of one of those domestic law provisions in deciding a domestic claim, it may upset the balance of the IP system.

### 3. *Cherry picking and the problem of selective use of foreign law*

In the IP context, there also is a serious risk that courts may selectively rely on certain foreign law authorities while ignoring others to justify a particular decision. The problem of “cherry picking” of foreign law authorities is considerable when litigants now have the IP laws of over 140 countries in the WTO from which potentially to choose. Moreover, because courts probably have less time and resources to locate relevant foreign law authorities, what foreign law sources find their way into a decision may hinge on fortuitous factors, such as selective citation or the quality of research by the litigants. Because foreign law is proffered usually as persuasive authority, a litigant is not obligated to find or cite contrary foreign law authority.

In the Harvard mouse case, the problem of cherry-picking or selective consideration of foreign law authority is evident in the dissenting opinion. Emphasizing that 17 countries had allowed patents for Harvard’s mouse, Justice Binnie made much of the fact that “we were not told of any

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<sup>90</sup> See PAUL GOLDSTEIN, INTERNATIONAL INTELLECTUAL PROPERTY 323 (2001).

<sup>91</sup> Advisory Comm’n on the Patent Law Reform, A Report to the Secretary of Commerce.

country with a patent system comparable to Canada's (or otherwise) in which a patent on the oncomouse had been applied for and been refused."<sup>92</sup>

The dissent gives the impression, however, that all countries would allow patenting of animals. That is certainly not the case. For example, the Community of Andean Nations (Bolivia, Columbia, Ecuador, Peru and Venezuela), which collectively possess 25 percent of the biological diversity in the world, have agreed since December 1, 2000 that plants and animals (other than microorganisms) are not patentable.<sup>93</sup> Also, China, now an important trading partner in the WTO, does not allow the patenting of new plant and animal species.<sup>94</sup>

Cherry picking of foreign law authorities is always a potential problem when a court relies on foreign law authority from one jurisdiction, but does not consider other foreign jurisdictions. Since the TRIPs agreement governs the IP laws of over 140 countries, the choice of just one or even several foreign jurisdictions from among those countries can hardly provide the imprimatur of a prevailing international view.

#### 4. *Increased administrative and litigation costs*

Encouraging greater use of foreign authorities to decide domestic IP claims will also increase the cost of litigation and adjudication of those claims. Some of the costs will be borne by litigants, as attorneys expand their search of relevant authorities beyond domestic sources and make more arguments based on foreign law, which can potentially involve over 140 jurisdictions, in many different languages. Relatedly, this may exacerbate issues of unequal access to legal resources, with poorer litigants unable to marshal the same kind of foreign law research as big corporations or the more powerful litigants.

Part of the increased costs will be borne by courts, as they may be called upon to expend judicial resources to determine or verify aspects of foreign law through translations, expert testimony, and searches of their own. The increase in administrative costs can be significant if courts must conduct mini-trials to determine foreign law issues.<sup>95</sup>

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<sup>92</sup> [cite]

<sup>93</sup> CAN Decision 486, art. 20.

<sup>94</sup> See Ruay Lian Ho, *Compliance and Challenges Faced by the Chinese Patent System Under TRIPs*, 85 J. PAT. & TRADEMARK SOC'Y 504, 509 (2003); Ke Geng, *Should China Provide Intellectual Property Protection for Genetically Modified Animals*, 23 NORTHWESTERN J. INT'L L. & BUS. 467, 476 (2003).

<sup>95</sup> See Fed. R. Civ. P. 44.1 (describing procedure to determine foreign law, including the hearing of testimony and "any relevant material or source").

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Moreover, to avoid the problem of cherry picking, administrative and litigation costs most likely will have to rise with the consideration of a greater number of relevant foreign authorities. And in considering each foreign law authority, courts may be called upon to consider not only the text of the foreign statute (and translation), but also any differences in the respective country's views of IP that may be relevant.

In the Harvard mouse case, the dissent relied on the fact that 17 countries had patented the oncomouse. But the dissent failed to examine the respective patent acts of those countries (except the United States), and whether the statutes had comparable provisions to Canada's as well as any differences. A more careful approach would examine not only (i) the bare result of the decisions of different patent offices to grant patents to the oncomouse, in all likelihood with varying levels of scrutiny by those patent offices, but also (ii) the relevant language in the patent acts under which the patents were granted and (iii) the reasoning of any courts or patent offices that had considered the validity of such patents.

Thus, as the quality and comprehensiveness of judicial dialogue increases, so too does the cost on the judicial system. Although future advances in technology and the Internet may eventually make researching and translating foreign law just as easy as domestic sources, such advancement will necessarily increase the *scope* and *cost* of research. Researching case law for 1 domestic statute is much less expensive and burdensome than researching case law for 20 or more foreign statutes, even discounting for possible technological advances.

### C. The Need for Greater Guidance on the Relevance of Foreign Law

In evaluating the tradeoffs involved with the use of foreign law, we can consider several different approaches.

First, we could adopt a complete bar to foreign law and stick with the heartland, pure domestic approach. The heartland approach is not necessarily predicated on a complete rejection of any possible benefit from allowing courts to rely on foreign law. Instead, one might strictly adhere to the heartland approach in all cases if one determines that the costs of foreign law usage outweigh its benefits and potential advantages in domestic cases. Increasing administrative and litigation costs, perhaps dramatically as the quality and scope of research of foreign sources goes up, may be too great an expense.

Unfortunately, it's difficult, if not impossible, to perform such a cost-benefit analysis. All we have are different factors and our rough estimate of their probability, magnitude, and relative weight. In my

estimation, though, a complete bar to foreign law is not desirable for our international IP system. The practice of using foreign law as authority in domestic IP cases has already started. And it is an understandable reaction to the internal pressures of the world IP system. In today's environment of globalization, judicial dialogue is valuable, particularly for recurring issues involving novel or complex questions of law. To adopt the complete bar approach without trying to see if courts can reduce the problems that may arise with greater use of foreign law would be akin to the ostrich sticking its head in the sand, oblivious to the world around it.

Even Justice Scalia, one of the most ardent critics of using foreign authorities for domestic constitutional issues, has found occasion to rely upon a foreign example to support his dissent in *Locke v. Davey*.<sup>96</sup> Justice Scalia disagreed with the majority's conclusion that a state statute that granted scholarships to academically gifted students, except if they majored in devotional theology, was constitutional. Justice Scalia argued that such discrimination against religious students violated the Free Exercise Clause's requirement of government neutrality with respect to religion.<sup>97</sup> In concluding his dissent, Justice Scalia mused:

What next? Will we deny priests and nuns their prescription-drug benefits on the ground that taxpayers' freedom of conscience forbids medicating the clergy at public expense? This may seem fanciful, but recall that France has proposed banning religious attire from schools, invoking interests in secularism no less benign than those the Court embraces today.<sup>98</sup>

Justice Scalia's use of a French law example illustrates that, at least in some cases, reference to a foreign authority can add to the court's analysis. Justice Scalia might argue that a dissent is entitled to more leeway in relying on foreign authorities, and that, in any event, his use was just an example of a horrible that might occur following the Court's decision, not the actual basis for his interpretation of the Free Exercise Clause. Even if both points are conceded, I believe Justice Scalia's use of an example from French law nevertheless casts some doubt on a complete bar approach. Foreign authorities may help judicial reasoning about domestic law issues. Courts should not be barred from relying on them.

A second approach would be to continue with the current *ad hoc* approach. Courts have not articulated any guiding principles about the relevance of foreign law to interpreting or applying domestic IP statutes, and

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<sup>96</sup> 124 S. Ct. 1307 (2004).

<sup>97</sup> *Id.* at 1318 (Scalia, J., dissenting).

<sup>98</sup> *Id.* at 1320.

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different courts may adopt different views of the relevance of foreign laws. We might continue with the current ad hoc approach, in order to gain more time to assess the pros and cons of different uses of foreign law.

However, the current ad hoc approach is, I believe, less than desirable. An ad hoc approach would make sense if we were completely unable to discern any recurring types of uses of foreign law in domestic cases. In such case, any attempt to formulate guiding principles would fail miserably, due to the welter of situations that arise. But, as I show in Part III, we do not face such a predicament. Recurring types of uses can already be discerned.

Moreover, leaving courts with no guidance about the use of foreign law may lead to serious harms. First, in terms of institutional authority, the court may end up harmonizing or recalibrating the domestic IP system in line with a foreign approach in an area that is more appropriate for the legislature or executive. Or the court could end up squandering an important trade bargaining chip by making domestic law look more like foreign law, without proper appreciation for the Executive's exploitation of a difference in domestic law for trade negotiations. Or the court could embrace the principle of harmonization with foreign laws at the expense of diversity of approach in the world IP system.

In addition, the lack of guiding principles about the appropriate uses of foreign law may lead to an increase in administrative and litigation costs, while doing little to ensure that the quality of decisionmaking does not worsen, given the several pitfalls that relying on foreign law may precipitate. Foreign authorities may be selectively cited, with little, if any, attention to the nuances of different foreign laws. What may result is sloppier judicial reasoning.

Given these dangers, I believe it is important that we at least begin to provide courts and litigants with greater guidance about which uses of foreign law are proper, and which are not. Part III attempts to develop a framework to analyze the uses of foreign law in domestic IP cases.

### **III. THE FRAMEWORK**

This Part lays out my framework for deciding when and to what extent U.S. courts should rely on foreign law in deciding a claim that arises under a domestic intellectual property statute. This basic problem sometimes arises in the context of interpreting the domestic statute, and other times in the context of applying the domestic statute while relying on foreign law under the rubric of choice of law. In formulating this framework, I have used a pragmatic process of reflective equilibrium, going back and forth between the general principles adopted in the framework and

the actual cases that have sparked my thinking. In this Part, I set forth these general principles, saving my discussion of some of the cases that precipitated my thinking for Part IV.<sup>99</sup>

The framework consists of: (1) *two clear statements rules* governing active harmonization with and/or incorporation of foreign law to decide a domestic statutory claim, and (2) *a sliding scale* for using foreign law as primary and persuasive authority to decide a domestic statutory claim. The two clear statement rules require a clear statement from Congress before U.S. courts actively attempt to harmonize domestic law with foreign law, or use foreign law as a rule of decision when applying a domestic IP statute. They are designed to diminish the possibility that U.S. courts will use foreign law for a domestic IP claim in a way that undermines Congress's enactment or the Executive's trade negotiation position, or that attempts to harmonize domestic law with foreign law at the expense of a diversity of approaches. The sliding scale recognizes, though, that courts *should* be able to use foreign law in domestic cases, mainly as persuasive authority and sometimes even as a rule of decision. But the sliding scale sets forth parameters on the different types of uses of foreign law.

#### A. The Two Clear Statement Rules for Active Harmonization With and Incorporation of Foreign Law

I believe there are two kinds of uses of foreign law that we should discourage domestic courts from using, absent a clear statement from Congress. First is the use of foreign law to pursue harmonization of laws as an end in itself in interpreting domestic law, as suggested by the dissent in the Harvard mouse case. Second is the use of foreign law to provide a rule of decision for a claim that arises under a domestic IP statute, such as in the Second Circuit's decision in *Itar-Tass*, discussed later in Part IV.<sup>100</sup> My clear statement rules would require Congress to expressly indicate by statute that courts can use foreign law either (1) as a way to achieve harmonization between domestic and foreign law as an end in itself or (2) as a rule of decision to decide an aspect of a domestic IP statutory claim.

A clear statement rule is a canon of construction that typically is based on a substantive value judgment, as opposed to some convention of language or grammar.<sup>101</sup> For example, the Supreme Court has required that

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<sup>99</sup> Thus, the need for the different elements of my framework may not become entirely apparent until Part IV and its discussion of the relevant cases. I have opted to posit my framework first and then elucidate it with examples later.

<sup>100</sup> *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, 153 F.3d 82 (2d Cir. 1998).

<sup>101</sup> See William N. Eskridge, Jr., & Philip P. Frickey, *Quasi-Constitutional Law: Clear Statement Rules as Constitutional Lawmaking*, 45 VAND. L. REV. 593, 595 (1992).

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any congressional abrogation of a state's Eleventh Amendment immunity be "unmistakably clear in the language of the statute,"<sup>102</sup> a requirement that is perceived to serve federalism interests.<sup>103</sup> Although some clear statement rules focus on the protection of individual rights,<sup>104</sup> the Rehnquist Court has more ardently recognized such rules to serve federalism and separation-of-powers interests.<sup>105</sup>

As with other canons of construction, clear statement rules are usually formulated to apply generally and not to any specific kind of statute.<sup>106</sup> But the usual clear statement rule is not targeted or limited to a specific statute or area of law; instead, it sweeps broadly and globally across all statutes. The clear statement rules I propose, however, are more narrowly tailored to intellectual property statutes. I believe such "statute-specific" canons can work more effectively in areas of law that face recurring kinds of problems, such as in intellectual property law.<sup>107</sup>

I. *First Clear Statement Rule: Against Active Harmonization With Foreign Law*

The first clear statement rule I propose is as follows:

In deciding a claim that arises under a domestic IP statute, a court should not consider its role to actively harmonize domestic IP statutes with foreign IP laws, absent a clear statement by the legislature to the contrary.

This rule is intended to prevent courts from using an "active harmonization" method of interpreting domestic IP statutes, such as the kind proposed by the dissent in the Harvard mouse case.

Two caveats should be noted. First, this clear statement rule should not be interpreted to mean that, in deciding domestic IP claims, courts should adopt the interpretive goal of creating *disharmony* with foreign IP laws. Rather, the clear statement rule simply places the whole question of whether the domestic IP statute should adopt the same approach as a foreign law *for the sake of creating harmony* beyond the ambit of the court's

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<sup>102</sup> *Atascadero State Hospital v. Scanlon*, 473 U.S. 234, 242 (1985).

<sup>103</sup> Eskridge & Frickey, *supra* note [], at 621.

<sup>104</sup> *Id.*

<sup>105</sup> *Id.* at 612-28.

<sup>106</sup> One might categorize the canons of construction into 3 types: (1) tiebreakers, (2) presumptions, and (3) clear statement rules. Of the three, clear statement rules are the most recent in origin and the most controversial. *See id.*

<sup>107</sup> *See generally* Louis Kaplow, *Rules Versus Standards: An Economic Analysis*, 42 DUKE L.J. 557, 577 (1992).

interpretive focus. Neither harmony nor disharmony with foreign law should be a consideration of the court in interpreting or applying the domestic statute, absent a clear indication of the legislature to the contrary that such factors are relevant.

Second, the first clear statement rule does not preclude a domestic court from considering foreign law altogether. As will be explained below, my sliding scale would allow the use of foreign authorities mainly as persuasive authority. Thus, a U.S. court might well end up relying on a foreign law approach as persuasive authority in deciding U.S. law in a manner that turns out, in the end, to be consistent with foreign law. But, under the first clear statement rule, the court's reason for doing so cannot be based on its own judgment to create harmony with foreign law. Instead, the court's interpretation of domestic law must ultimately rest on reasons other than the court's affirmative judgment in favor of harmony or disharmony with foreign law.

2. *Second Clear Statement: Against Incorporation of Foreign Law*

My second clear statement rule is:

A court should not rely on foreign law to provide a rule of decision for a claim that arises under a domestic IP statute, absent a clear statement by the legislature to the contrary.

This rule is designed to prevent courts from incorporating or using elements of foreign IP laws in adjudicating claims that arise under domestic IP statutes, absent a clear statement to the contrary from the legislature. Under this rule, all elements of such domestic IP claims are to be decided by the applicable domestic statute. Resort to a foreign IP law as a rule of decision for a domestic IP claim, whether under the rubric of choice of law or statutory interpretation, would be improper absent a clear expression by Congress that foreign law could be used to decide part of the domestic IP claim.<sup>108</sup>

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<sup>108</sup> This clear statement rule would not encompass *purely contractual issues* related to the transfer or licensing of IP rights that are not governed by the domestic statute. In such cases, the law governing the license or transfer of domestic IP rights could be the law of a foreign jurisdiction with the most significant relationship, or a jurisdiction that the parties had designated by a choice of law provision. See GOLDSTEIN, *supra* note [], at 55-57. However, if the domestic statute regulates the alienability of domestic IP rights, the domestic law should control that issue, notwithstanding any contrary provision in a contract. Cf. *Consorts. Huston et autres v. Ste Turner Entertainment*, Court of Cassation, 1<sup>st</sup> Civ. Chamber, May 28, 1991, 149 R.I.D.A. 197 (1991).

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3. *Justifications for the Two Clear Statement Rules*a. *Substance of International Agreements in IP Area*

The first clear statement rule is based on a full appreciation for the basic norms embodied in IP international agreements. A well-accepted canon of construction recognizes that an international agreement is “in the nature of a contract between nations to which general rules of construction apply.”<sup>109</sup> Accordingly, courts should begin “with the text of the treaty and the context in which the written words are used.”<sup>110</sup>

Focusing on the text and context of the TRIPs agreement precludes the adoption of a general principle of harmonization with other countries’ laws based merely on a country’s entry into TRIPs, as suggested by the dissent in the Harvard mouse case. The dissent’s interpretive approach oversimplifies the difficult political and diplomatic process in which many international agreements are struck.

The TRIPs agreement reflects the many compromises reached among the countries in the WTO, with many significant divisions between the developed and developing countries, and even some differences within the developed countries, such as the United States’s hostility to the European notion of author’s moral rights. The compromises, reflected in the principle of national treatment and the minimum standards of TRIPs, define those specific areas in which the countries could agree. But outside these defined areas, TRIPs itself does not expect, much less require, countries will take the exact same approach to intellectual property law. In a number of instances, TRIPs even expressly allows for countries to decide for themselves how they go about fashioning their intellectual property laws. And for those areas governed by minimum standards, the standards only set a floor of protection, leaving countries the discretion to provide greater levels of protection and in some cases even to provide exceptions going below the floor.

This same approach is, in fact adopted by all the major international intellectual property agreements – the Berne Convention, the Paris Convention, and the Rome Convention. None of these conventions sets forth an interpretive principle of active harmonization of intellectual property laws for all countries to follow. And the context in which these international agreements were hashed out illuminates another stark fact: the

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<sup>109</sup> *Societe Nationale Industrielle Aerospatiale v. United States District Court*, 482 U.S. 522, 533 (1987) (quoting *Trans World Airlines, Inc. v. Franklin Mint Corp.*, 466 U.S. 243, 253, 262 (1984) (internal citations and quotations omitted)).

<sup>110</sup> *Id.* (quoting *Air France v. Saks*, 470 U.S. 392, 397 (1985)).

only areas in which countries could reach agreement to harmonize their IP laws are contained in the text of the agreement, in the minimum standards and principle of national treatment. Yet both of these facets of TRIPs presuppose the ability of countries to differ in many areas of their intellectual property laws.

This is what Professor Ghosh calls the *federated participatory structure* of TRIPs,<sup>111</sup> and Professor Austin, *domestic self-determination*.<sup>112</sup> TRIPs allows for diversity and differences in IP laws, apart from the minimum standards. This diversity is every bit as important as the elements of harmonization contained in TRIPs.

Thus, courts cannot justify adoption of a principle of active harmonization with foreign law based on TRIPs or the major international IP conventions. The question then becomes whether a court should unilaterally embrace such an interpretive principle on its own. In the next two sections I explain why the answer is no.

*b. Separation of powers considerations in the U.S.*

While the last section discussed a justification for the first clear statement rule, this section discusses a justification for both clear statement rules based on the concept of separation of powers. Principles of separation of powers militate against U.S. courts adopting (i) the active harmonization of domestic law with foreign law, and (ii) the use of foreign law as a rule of decision to decide a domestic claim, without clear guidance from Congress.

In the United States,<sup>113</sup> both Congress and the Executive play a “premier role” in our foreign relations and trade.<sup>114</sup> Under Article I, Congress has the power to “regulate Commerce with foreign Nations.”<sup>115</sup> Under Article II, the President “shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two thirds of the Senator present concur.”<sup>116</sup> The Supreme Court has long recognized: “In this vast external realm, with its important, complicated, delicate and manifold problems, the President alone has the power to speak or listen as the representative of the nation.”<sup>117</sup> The President “manages our concerns with foreign nations and must necessarily be most competent to determine when, how, and upon what subjects negotiation may be urged with the

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<sup>111</sup> Ghosh, *supra* note [], at 81.

<sup>112</sup> Austin, *supra* note [], at 1160.

<sup>113</sup> [c]

<sup>114</sup> Japan Whaling Ass’n v. Am. Cetacean Soc’y, 478 U.S. 221 (1986).

<sup>115</sup> U.S. CONST. art I, § 8, cl. 3.

<sup>116</sup> *Id.* art II, § 2.

<sup>117</sup> United States v. Curtiss-Wright Export Corp., 299 U.S. 304, 319 (1936).

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greatest prospect of success.”<sup>118</sup> In the area of international trade, congressional-executive agreements, which only require a simple majority vote of Congress, have been a common way of implementing trade policy, such as in the case of NAFTA and TRIPs.<sup>119</sup>

In none of this constitutional design is the court granted the power to set foreign affairs or trade policy. A court’s proper role is to review the constitutionality of a treaty or international agreement,<sup>120</sup> but beyond that, a court’s role is extremely limited.

To take the opposite approach, and permit courts to decide unilaterally to seek harmonization with or incorporation of foreign law in deciding domestic claims, would diminish the Executive’s power in negotiating international agreements. In the area of international intellectual property, the Executive negotiated for and agreed to the terms of the TRIPs Agreement, and Congress debated and ratified the U.S.’s entry into TRIPs. TRIPs sets forth all that the Executive bargained for and agreed with.

Thus, for a U.S. court to go beyond the obligations of TRIPs and seek harmonization with or incorporation of foreign law in deciding domestic claims may result in the court’s unilateral adoption of a policy that neither the Executive nor Congress approved. Intellectual property today is every bit an issue of trade policy<sup>121</sup> as it is a matter of domestic policy for innovation and progress. Sometimes, the Executive and Congress might prefer an approach in intellectual property that is different even from the rest of the world.<sup>122</sup> If a court were to seek harmonization with foreign law as a general interpretive principle, or to start incorporating parts of foreign law to decide domestic claims, the court could end up surrendering important bargaining chips for the Executive in negotiating intellectual property agreements.

Moreover, a U.S. court’s use of foreign law as a rule of decision for an IP claim arising under U.S. law may upset the balance struck by Congress in delineating the scope of the IP statute. Whether a court does so under conflicts-of-laws or in an effort to achieve harmonization does not

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<sup>118</sup> *Id.* at 319.

<sup>119</sup> Scholars have much debated the constitutionality of the congressional-executive agreement. *See, e.g.*, Bruce Ackerman & David Golove, *Is NAFTA Constitutional?*, 108 HARV. L. REV. 799, 805 (1995); Peter J. Spiro, *Treaties, Executive Agreements, and Constitutional Method*, 79 TEX. L. REV. 961, 965 (2001); John C. Yoo, *Laws as Treaties?: The Constitutionality of Congressional-Executive Agreements*, 99 MICH. L. REV. 757, 768 (2001);

<sup>120</sup> *See, e.g.*, *Reid v. Covert*.

<sup>121</sup> [cites]

<sup>122</sup> For example, the United States has long used (1) a first-to-invent system for patents, and (2) a trademark system based on use of a trademark.

alter the fact that the court may be overriding the delicate balance struck by Congress in the domestic IP statute.<sup>123</sup>

*c. Judicial competence in trade related decisions*

The two clear statement rules can also be justified on the ground of judicial competence. Courts are poorly equipped to decide whether the U.S.'s interest lies in achieving harmony with another country's IP law or not, or whether the internal balance struck by a domestic IP statute should be altered by the use of foreign law instead of domestic law to decide part of a domestic IP claim.

So much depends on the country's trade and negotiating position with other countries, as well as the social, economic, and political dynamics that underlie the IP law. Courts usually do not have the necessary information, policy-making power, and political backing to make such decisions. Because courts usually depend on evidence submitted by the parties, courts are limited in their ability to gather information related to trade. Even if they could perform fact-finding of their own, courts would inevitably have to seek information from the Executive's trade representatives who deal with the foreign countries first-hand. Should a court unilaterally decide an issue under negotiation by trade representatives, the court could undercut the Executive's ability to speak with one voice to foreign nations or to bargain favorable trade deals.

**B. Sliding Scale: Relying on Foreign Authorities**

Although my two proposed clear statement rules disallow the use of foreign law in two respects, they do not preclude courts from using foreign law altogether. To the contrary, my framework specifically embraces the use of foreign authorities by domestic courts in IP cases.

In this section, I propose a sliding scale in which foreign law authorities have varying degrees of relevance depending on the relationship between the foreign law and domestic law. Foreign law authorities become more relevant in deciding a domestic law claim when a special relationship can be established between the foreign law and the domestic law, such as when the domestic law expressly incorporates or was specifically modeled on the foreign law. In the absence of a special relationship, the relevance of foreign authorities is limited.

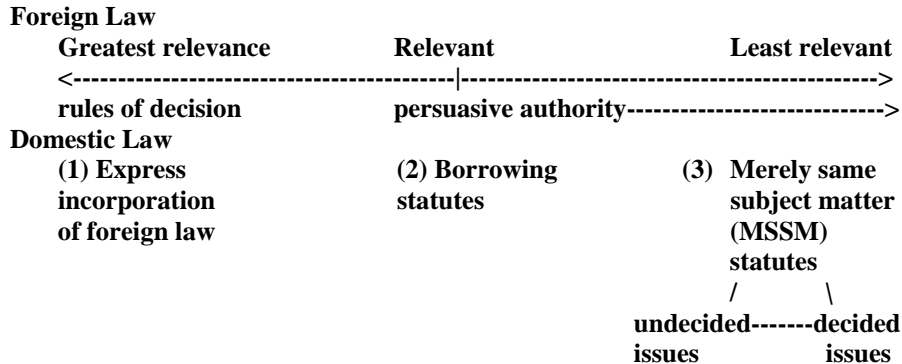
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<sup>123</sup> See *infra* notes [] and accompanying text.

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**Diagram 1: The Sliding Scale for Relying on Foreign Authorities**

On one end of the spectrum are (1) *express incorporation statutes*, for which the relevance of foreign law is the greatest. Here, the legislature expressly incorporates foreign law into the domestic law. If the legislature intended foreign law to be used as primary authority, foreign law authorities will actually provide the rules of decision for domestic law. For example, under the copyright restoration provision, which “restores” U.S. copyrights to certain foreign works that had been in the public domain in the U.S., Congress expressly left the question of initial ownership of the copyright to be “determined by the law of the source country of the work.”<sup>124</sup> My two proposed clear statement rules work hand-in-hand with the sliding scale to funnel courts to use foreign authorities as rules of decision only if there is an express provision incorporating foreign law, such as in § 104A of the Copyright Act.<sup>125</sup>

In the middle of the spectrum are (2) *borrowing statutes*. Here, the domestic law borrows statutory language or structure from foreign law, thus establishing at least a claim of possible relevance of foreign law authorities on areas of common text or structure. The early United States’s reliance on English copyright and patent statutes provides a prime example of borrowing, one that has been frequently noted by U.S. courts and one to which I will return in Part IV.<sup>126</sup> Here, the foreign law authorities may

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<sup>124</sup> 17 U.S.C. § 104A(b).

<sup>125</sup> *Id.*

<sup>126</sup> In the early history of this country, courts turned to English statutes and law to help interpret U.S. statutes that were thought to be modeled in some way on English law. For example, in *Pennock v. Dialogue*, the Supreme Court relied on English interpretation of the public use bar in the Statute of Monopolies to interpret a comparable bar in the U.S. Patent

provide persuasive authority in order to understand the legislative history of the domestic statute. This category of borrowing statute, therefore, requires the use of legislative history to help determine if the legislature had in fact relied on the text of a foreign statute to help draft the domestic statute.<sup>127</sup> Of course, even where such borrowing is present, that would not necessarily establish that Congress intended to follow the foreign approach in all or perhaps any respects. Yet it would at the very least make the foreign law of possible relevance, and worthy of the court's consideration.

On the other end of the spectrum, for (3) *statutes with merely the same subject matter* (MSSM), the domestic law and foreign law cover the same area of law, without borrowing of text or structure specifically from the foreign law. The over 140 countries in the WTO are all eventually required to have, for example, copyright, patent, and trademark statutes, each following certain minimum standards. Under my framework, the mere fact that each of these countries has a statute for the same subject matter does not establish a special relationship among the all of these statutes. Foreign authorities are less relevant for statutes with merely the same subject matter than they are for borrowing statutes.

Within the MSSM category, one can provide two additional poles along the spectrum: (i) *decided (or closed) issues*, where the words of the statute appear to resolve the issue,<sup>128</sup> and (ii) *undecided (or open) issues*, where the words of the statute do not appear to resolve the issue or present an open question of the proper interpretation or application. Foreign authorities will likely have less relevance for decided issues related to a domestic statute, than for undecided issues. Put differently, foreign authorities may be more helpful to assist courts for undecided issues, particularly if they are issues of first impression under domestic law or raise

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Act. In the opinion of the Court, Justice Story acknowledged that “[t]he words of our statute are not identical with those of the statute of James,” but concluded that Congress had the English statute and interpretations of it in mind when drafting the U.S. Patent Act.

<sup>127</sup> My acceptance of the use of legislative history for borrowing statutes may appear to be in tension with my two clear statement rules, which are more aligned with a textualist approach. I did not propose the two clear statement rules, however, based on a disapproval of the use of legislative history. Instead, the rules are based on substantive policy regarding separation of powers, competencies of the court, and diversity of IP approaches.

<sup>128</sup> I use the word “appear” because I recognize that some may doubt whether a statute ever “decides” an issue, since courts ultimately have the final say on its interpretation. A court could find an exception even for a statute that appears clear on its face, to avoid, for instance, an absurd result. At the same time, however, I believe the extent to which the words of a statute specifically address an issue (e.g., a law that says “marriage is between a man and a woman”) does make a difference from statutes that are written more generally (e.g., a law that says “marriage is between two adults”). I do not mean to imply that “decided issues” do not ever admit the possibility of a court interpretation that seems to depart from the language of the statute.

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difficult or complex problems that have already been faced by foreign courts.

I believe the first two categories – (1) express incorporation statutes and (2) borrowing statutes – present little controversy. The case for relying upon foreign law in either case is established by either an express connection between the statutes, or some indication of borrowing or modeling on foreign law in the legislative history. In the former case, the legislature has expressly decided the relevance of the foreign law. In the latter, the relevance of foreign law is less strong or direct, but nevertheless is still established by the use of the foreign law as a model for drafting the domestic law.

My treatment of the MSSM category of statutes is more controversial. Some of my earlier criticisms of the current ad hoc approach to the courts' uses of foreign law may also apply under my proposed system. Because the sliding scale still allows courts the discretion to rely on foreign authorities as persuasive authorities, the sliding scale may do little to stem the increased litigation and administrative costs associated with greater use of foreign law, or ad hoc uses of foreign law by different courts, one might contend.

Granted, I cannot completely escape this criticism. The only foolproof way to avoid these problems would be to bar completely the use of any foreign authority for MSSM statutes. Such a complete bar, however, strikes me as a drastic measure that would unnecessarily tie the courts' hands in deciding cases. Greater judicial awareness of foreign approaches to comparable MSSM statutes may enhance the courts' understanding of the issues raised under domestic law. For example, the issue may be one of first impression under domestic law, but already decided under foreign law – as was the case in the Harvard mouse case. Greater judicial dialogue in the area of IP can be beneficial as long as courts have guidance about the relevance and permissible uses of foreign law.

My framework ameliorates at least some of the concerns I raised earlier about the ad hoc use of foreign law. First, the two clear statement rules diminish the possibility of courts making decisions that encroach upon the executive's or legislature's province. Second, under my framework, the uses of foreign law would be more systematic and less ad hoc. Courts would know the general principles governing the use of foreign law for (1) active harmonization, (2) a rule of decision, (3) borrowing statutes, and (4) MSSM statutes involving (a) undecided and (b) decided issues. To be certain, courts still retain discretion under my framework to use foreign law as persuasive authority for MSSM statutes. That discretion, however, is cabined by the priority given to undecided issues. The sliding scale is meant

to train the courts' attention on how strongly to rely on foreign authorities when deciding a domestic law claim.

Third, although it's difficult to predict how administrative and litigation costs would compare under my system and the current system, I believe there is at least a respectable argument that my framework could reduce the costs over the long term. The economic literature associated with the establishment of rules supports the view that rules decrease administrative and litigation costs.<sup>129</sup> The two clear statement rules in my framework would preempt arguments for active harmonization with or incorporation of foreign law, thereby removing them from litigation (unless a clear statement from the legislature existed). And, although the sliding scale is not a rule, it may operate to diminish the costs of litigating the threshold question of whether foreign law should be considered relevant, since in some, if not all, cases the sliding scale will provide the answer.

The one concern that my framework addresses less well is the problem of cherry-picking and selective use of foreign laws. My two clear statement rules will ameliorate this problem, to some extent, by removing in some cases the prospect of courts having to use foreign laws in the first place. For example, since active harmonization with foreign laws is not an interpretive goal, a court will not be asked to canvas all the approaches of the 140 odd countries in the WTO in order to determine which foreign law establishes the majority approach with which to harmonize. Admittedly, my framework does little to curb cherry-picking of foreign laws as persuasive authority for MSSM statutes. But the selective use of foreign authority here is less worrisome, since it is used only as persuasive authority. If courts properly apply my framework, they should focus more heavily on the domestic statute than on foreign authorities.

#### IV. APPLICATION OF THE FRAMEWORK

Part IV applies my framework to several cases, which are meant to be illustrative, not exhaustive, of the kinds of intellectual property issues faced by courts in which foreign law is implicated. By applying my framework to these cases, I hope to illustrate how courts can decide more systematically and rigorously the extent to which foreign law authorities are relevant to decide domestic IP claims.

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<sup>129</sup> See Kaplow, *supra* note [], at [].

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**A. First Clear Statement Rule for Active Harmonization with Foreign Law**

The first set of cases involves situations in which courts were asked to actively harmonize the domestic law with certain foreign law. In each case, the principle of active harmonization was rejected – I believe correctly, given the absence of an act of the legislature indicating the adoption of such a principle for intellectual property law.

*1. Harvard mouse case*

Let us first reconsider the Harvard mouse case. Writing for the dissent, Justice Binnie argued forcefully for a principle of active harmonization. In a section entitled the “International Scope of Intellectual Property Law,” Justice Binnie contended:

Intellectual property law has global mobility, and states have worked diligently to harmonize their patent, copyright and trademark regimes. In this context, the Commissioner’s approach to this case sounds a highly discordant note. Intellectual property was the subject matter of such influential agreements as the...Paris Convention as early as 1883. International rules governing patents were strengthened by the European Patent Convention in 1973, and, more recently, the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) in 1994. Copyright was the subject of the Berne Convention...in 1886, revised by the Berlin Convention of 1908 and the Rome Convention of 1928. The Universal Copyright Convention was concluded in 1952. Legislation varies, of course, from state to state, but broadly speaking Canada has sought to harmonize its concepts of intellectual property with other like-minded jurisdictions.

The mobility of capital and technology makes it desirable that comparable jurisdictions with comparable intellectual property legislation arrive (to the extent permitted by the specifics of their own laws) at similar legal results.<sup>130</sup>

Justice Binnie’s dissent is striking. It understands that none of the international agreements it cites ever sets forth a principle of active harmonization. Openly acknowledging that “legislation varies ... from state

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<sup>130</sup> 2002 SCC at [cite].

to state,” the dissent infers a principle of harmonization based, *ipso facto*, on the existence of the international agreements. But the dissent can only speak about those agreements at a high level of generality, “broadly speaking,” not a specific provision with such a principle of harmonization. In the end, the principle of active harmonization Justice Binnie advances rests on nothing more than a policy decision to facilitate the “mobility of capital and technology” in “comparable jurisdictions with comparable intellectual property legislation.” But, even then, the justice concedes such harmonization would be proper only “to the extent permitted by the specifics of their own laws.”

Writing for the majority, Justice Bastarache did not even entertain the possibility of adopting the active harmonization principle, or of formulating a decision that would be in line with the patent decisions of 17 other countries under their own patent codes. The majority opinion follows the more traditional tools of statutory interpretation by focusing on the text of the Canadian statute and dictionary definitions for its key terms (“manufacture” and “composition of matter”).<sup>131</sup> The majority does consider an early U.S. Patent Act, on which the Canadian Parliament had modeled its patent act, but that is the extent of the majority’s reliance on foreign law.<sup>132</sup> (The Canadian patent act can be considered a borrowing statute, which I discuss in greater depth below.)

Application of my framework supports the majority’s interpretive approach, putting aside the ultimate merits of the case, which I believe presented a close question. The majority rejected the active harmonization principle and instead focused on the Canadian patent act. Although one might disagree with its interpretation, the Court viewed the legislature’s role to decide in the first instance whether higher life forms should be patentable in Canada. The Court’s focus on the language and history of Canada’s patent act made it sensitive to the possibility that Canada’s Parliament might take a different approach than some of the other countries that had decided to allow patents for the oncomouse. “If higher life forms are to be patentable, it must be under the clear and unequivocal direction of Parliament,” the Court concluded.<sup>133</sup> Thus, active harmonization, if it should occur, was left for the legislature to decide.

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<sup>131</sup> *Id.*

<sup>132</sup> *Id.*

<sup>133</sup> *Id.*

## 2. Author's Moral Rights

*Dastar Corp. v. Twentieth Century Fox Film Corp.* provides another good case to examine.<sup>134</sup> In *Dastar*, the Court considered whether § 43(a) of the Lanham Act, which creates a federal cause of action for unfair competition, forbids the distribution of copies of a work in the public domain without attribution of the author.<sup>135</sup> The plaintiff, Twentieth Century Fox Film Corp., asserted such a claim for an old television series about General Eisenhower that Fox had produced, but whose copyright had since expired.<sup>136</sup> *Dastar* made and sold copies of the series, which had fallen into the public domain, but without giving credit to the original producer of the series on the copies sold.<sup>137</sup>

Fox Film argued that § 43(a) prohibited *Dastar*'s selling of such unaccredited work. Fox Film and its amici asserted<sup>138</sup> that a contrary reading of the Lanham Act might render the U.S. in violation of the Berne Convention, which requires the recognition of the moral right of attribution among member countries.<sup>139</sup> Under the concept of moral rights, authors possess certain inherent rights, such as to attribution of the work and to the maintenance of the work's integrity from alteration and mutilation.<sup>140</sup> The U.S. has long been resistant to formal recognition of moral rights, except for a limited class of works of visual art not applicable here.<sup>141</sup>

One might wonder how Fox could even suggest it would be proper to interpret the Lanham Act to recognize something equivalent to a European moral right. After all, the Lanham Act is mainly a trademark statute; it does not speak to authors. True enough, but twenty-five years

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<sup>134</sup> 123 S. Ct. 2041 (2003).

<sup>135</sup> *Id.* at 2043.

<sup>136</sup> *Id.* at 2044.

<sup>137</sup> *Id.*

<sup>138</sup> See Brief for Respondents, 2003 WL 1101321, at\*22 (U.S., Mar. 10, 2003) *Dastar Corp. v. Twentieth Century Fox Film Corp.*; see also Brief Amici Curiae of the Directors Guild of America, Writers Guild of America, East, Writers Guild of America, West, Inc. and Screen Actors Guild, Inc. in Support of Respondents, 2003 WL 1101049, at\*8-\*12 (U.S., Mar. 10, 2003) *Dastar Corp. v. Twentieth Century Fox Film Corp.*

<sup>139</sup> See Berne Convention art. 6*bis*(1).

<sup>140</sup> See PAUL GOLDSTEIN, INTERNATIONAL COPYRIGHT § 5.4.2, at pp. 283-84 (2001). Roberta Rosenthal Kwall, [Copyright and the Moral Right: Is an American Marriage Possible?](#), 38 *Vand. L. Rev.* 1, 5 (1985). See generally 1 Stephen P. Ladas, The International Protection of Literary and Artistic Property §§ 272-287 (1938); 2 Melville B. Nimmer & David Nimmer, Nimmer on Copyright § 8.21[A], at 8-249 (1978); Martin A. Roeder, *The Doctrine of Moral Right: A Study in the Law of Artists, Authors and Creators*, 53 *HARV. L. REV.* 554, 559-72 (1940).

<sup>141</sup> See 17 U.S.C. 106A.

earlier in the celebrated case of *Gilliam v. ABC, Inc.*, the Second Circuit suggested just an interpretation of the Lanham Act.<sup>142</sup>

*Gilliam* involved ABC's unauthorized editing of Monty Python shows for American television. Writing for the majority, Judge Lumbard suggested that the writers of Monty Python had a likelihood of success in proving a Lanham Act violation for ABC's "mutilation" of their shows, much akin to a cause of action for the moral right of integrity.<sup>143</sup> Although recognizing that U.S. copyright law, "as presently written, does not recognize moral rights," Judge Lumbard believed that the Lanham Act's unfair competition provision could be read to "vindicate the author's personal right to prevent the presentation of his work to the public in a distorted form."<sup>144</sup>

Later, when the U.S. eventually joined the Berne Convention, members of Congress gave some life to Judge Lumbard's suggestion. Several members indicated in legislative history the view that U.S. law need not formally recognize moral rights to comply with Berne, based on the conclusion that U.S. law approximated moral rights by a medley of laws, such as the Lanham Act's prohibition of false designation of origin.<sup>145</sup>

Since *Gilliam*, however, the precise status of a moral right claim under the Lanham Act has remained uncertain.<sup>146</sup> The *Dastar* Court had an opportunity to clear away some of the uncertainty, but instead chose to bypass the issue altogether. The Court, in an opinion by Justice Scalia, an ardent textualist,<sup>147</sup> focused on the language of the Lanham Act and its relationship with the Copyright Act, and concluded that the Lanham Act did not require attribution of the author for works whose copyrights have expired. Justice Scalia reasoned that a false designation of "origin" under the Lanham Act did not imply the "author" of a work in the copyright sense, but instead, the "producer of the tangible product sold in the marketplace" more in the ordinary trade sense.<sup>148</sup>

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<sup>142</sup> 538 F.2d 14 (2d Cir. 1976).

<sup>143</sup> *Id.* at [cite].

<sup>144</sup> *Id.* at [cite]. However, Judge Gurfein disagreed in a separate concurrence, concluding that the Lanham Act "is not a substitute for *droit moral* which authors in Europe enjoy." *Id.* at [cite] (Gurfein, J., concurring). The Lanham Act "only goes to misdescription of origin and the like," not to an author's moral right.

<sup>145</sup> See [cite].

<sup>146</sup> See *Halicki v. United Artists Communs., Inc.*, 812 F.2d 1213, 1214 (9<sup>th</sup> Cir. 1987) (rejecting moral right approach suggested in *Gilliam*); *Weinstein v. Univ. of Illinois*, 811 F.2d 1091, 1095 n.2 (7<sup>th</sup> Cir. 1987); *U.S. v. Microsoft*, No. 98-1232, 1998 WL 614485, at \*16 (D.D.C. Sept. 14, 1998); *Paramount Pictures Corp. v. Video Broad Sys., Inc.*, 724 F. Supp. 808, 820 (D. Kan. 1989).

<sup>147</sup> [cite]

<sup>148</sup> 538 F.2d at 2047.

Under my first clear statement rule, the *Dastar* Court's rejection of Fox's moral rights argument was correct. First of all, Fox's claim of a possible Berne violation had no merit. The Berne Convention only requires moral rights for the length of the copyright for a particular work.<sup>149</sup> In *Dastar*, the copyrights of Fox had already expired.

So what Fox's argument boiled down to was the contention that the U.S. should follow the particular approaches of some countries in Europe, such as France, that recognize moral rights that are perpetual.<sup>150</sup> This, however, ignores that moral rights are traditionally for natural persons, not corporations like Fox.<sup>151</sup>

Moreover, Congress has not indicated that courts should actively harmonize U.S. laws with continental European notions of moral rights. Congress did enact a very limited moral rights provision for works of visual art, but not a more general provision for all works.<sup>152</sup>

And the history of the TRIPs agreement strongly suggests that the Executive and Congress do not favor any expansion of the notion of moral rights in the U.S. In drafting the TRIPs agreement, the U.S. specifically obtained a carve-out of the moral rights provisions of Berne from the obligations of TRIPs.<sup>153</sup> In so doing, the U.S. effectively obtained a way to shield itself from enforcement proceedings for violations of the Berne moral rights provisions, since the Berne Convention itself does not have any practicable enforcement mechanism. The TRIPs carve-out makes apparent that the Executive intended to preserve the United States's flexibility in not formally recognizing moral rights in the European style.

But had the *Dastar* Court made harmonizing U.S. law with European notions of moral rights a priority in interpreting the Lanham Act, it might well have diminished the Executive's ability to use moral rights again as a bargaining point in international agreements. A statement by the Supreme Court that the Lanham Act should be interpreted to recognize moral rights or something of its equivalent may well have signaled to lower courts to recognize other moral rights under federal law equivalent to European notions of moral rights. But, without a clear statement from

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<sup>149</sup> Berne Conv. art. 6*bis*(2).

<sup>150</sup> See Adolf Dietz, *The Moral Right of the Author: Moral Rights and the Civil Law Countries*, 19 COLUM.-V.L.A. J. OF L. & THE ARTS 199, 213 (1995).

<sup>151</sup> See Kenneth L. Port, *Japanese Intellectual Property Law in Translation: Representative Cases and Commentary*, 34 VAND. J. OF TRANSNATIONAL L. 847, 854 (2001).

<sup>152</sup> See 17 U.S.C. § 106A.

<sup>153</sup> TRIPs art. 9(1). See PAUL GOLDSTEIN, *INTERNATIONAL COPYRIGHT* § 2.3.2.1, at 55 (2001) ("Yielding to strenuous objections from the United States, the Agreement expressly excluded the Berne Convention's moral right obligations from the obligations enforceable under the TRIP's Agreement.").

Congress, such an interpretation of the Lanham Act would have been improper.<sup>154</sup>

**B. Second Clear Statement Rule for Using Foreign Law as a Rule of Decision**

The next set of cases involve situations in which courts were asked to use foreign law as a rule of decision for claims arising under domestic law.<sup>155</sup> My second clear statement rule would bar such use of foreign law unless Congress clearly authorized it.

*1. Itar-Tass*

The second clear statement rule would prohibit the court from using foreign law as a rule of decision for an IP claim brought under domestic law. At first blush, such a possibility might seem remote, if not completely far-fetched. Why would a court ever use foreign law to decide part of a claim arising under domestic statutory law? Well, the short answer is that the Second Circuit has already done so.

In *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*,<sup>156</sup> the Second Circuit used Russian law to determine the question of ownership of a copyright that arose under U.S. law. In the case, *Kurier* literally cut and pasted some 500 Russian articles first published by *Itar Tass* and several Russian newspapers in Russia (“the Russian publishers”), and published the articles in New York without authorization—a clear case of copyright infringement. *Itar-Tass* and the newspapers sued *Kurier* in New York

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<sup>154</sup> The Lanham Act and European laws protecting author’s moral rights do not even fall on my sliding scale for permissible uses of foreign law in related statutes. The Lanham Act is primarily a trademark statute, whereas European laws protecting author’s right are more akin to our concept of copyright. As such, the statutes do not even involve merely the same subject matter (MSSM), which is the only category on my sliding scale that might conceivably. Thus, the *Dastar* Court’s failure to discuss the European moral rights argument can be explained under my framework as perfectly justified: the European laws do not even fall in the same category of a MSSM statute with the Lanham Act.

<sup>155</sup> The U.S. federal system raises an analogous situation in which federal courts are sometimes asked to use state law as a rule of decision for a federal claim. *See* [cite]. Although the issue goes beyond the scope of this Article, I believe the coexistence of federal and state laws within our federal system may make a stronger case for more frequent borrowing or incorporation of state law.

<sup>156</sup> 153 F.3d 82 (2d Cir. 1998).

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asserting infringement of their U.S. copyrights for Kurier's infringing activity in the U.S.<sup>157</sup>

At trial, the district court disposed easily of the U.S. copyright claims brought by the Russian publishers for the works that had been registered in the U.S. Copyright Office. The defendant Kurier's copying of these works was blatant copyright infringement.<sup>158</sup>

But, for the Russian publisher's copyright claims for works that had not been registered in the U.S. Copyright Office, the court had to consider whether the works constituted, under then-existing U.S. copyright law, Berne Convention works.<sup>159</sup> Since the Berne Convention bars member countries from conditioning the grant or enjoyment of copyright on any formality, such as registration,<sup>160</sup> the United States exempted works of foreign authors protected in Berne countries from the U.S. requirement that copyright holders must register their works in the Copyright Office as a prerequisite to file a suit for infringement.<sup>161</sup>

In a lengthy and perhaps overly complicated analysis of Russian law, the district court concluded that (i) the Russian publishers had valid Russian copyrights in their works that were infringed; (ii) the works were Berne Convention works under U.S. law; and, therefore, (iii) the U.S. copyrights for those works, too, had been infringed.<sup>162</sup>

Although the result reached by the court was ultimately correct, its reasoning was, I believe, dubious. The court appeared to base its finding of (iii) a U.S. copyright violation, on the showing of (i) a corresponding Russian copyright violation.<sup>163</sup> This kind of conditioning of a domestic copyright claim on the establishment of a foreign copyright claim finds no basis in the definition of Berne Convention work in the then-existing U.S. Copyright Act.<sup>164</sup> Nor is it consistent with the Berne Convention's requirement of national treatment, which is designed to bar consideration of

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<sup>157</sup> *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, No. 95 Civ. 2144 (JGK), 1997 WL 109481, at \*5 (March 10, 1997) ("The plaintiffs' claims arise under the Copyright act of 1976, as amended, 17 U.S.C. § 101 *et seq.*").

<sup>158</sup> *Id.* at \*6.

<sup>159</sup> *Id.* (citing definition of "Berne Convention work"); Pub. L. No. 100-568, 102 Stat. 2853 (1988).

<sup>160</sup> [cite]

<sup>161</sup> 17 U.S.C. § 411 (1994).

<sup>162</sup> 1997 WL 109481, at \*10.

<sup>163</sup> *See id.* at \*7 ("Thus, protection as Berne Convention works depends on the protection of copyright law of Russia affords these works."); *id.* at \*10 ("Thus, the Russian publisher plaintiffs have established that they have valid copyrights under Russian law to the articles that were republished by the defendants. The defendants violated these Russian copyrights and therefore, because the works are Berne Convention works, they have also violated United States copyright law.").

<sup>164</sup> Pub. L. No. 100-568, 102 Stat. 2853 (1988).

reciprocity of copyright protection from a foreign country as a basis for affording protection to foreign authors.<sup>165</sup> Protection in the domestic country is to be granted to foreign nationals *irrespective* of what protection is afforded in the foreign country. Nevertheless, the result was correct, I believe, because the Russian publishers owned the rights to the works under U.S. law and those works qualified as Berne Convention works, which had been infringed by Kurier.

On appeal, however, the Second Circuit took a much different tack to the U.S. copyright claims, focusing on an issue “not initially considered by the parties”<sup>166</sup> for which the court of appeals asked supplemental briefing. In an opinion by Judge Jon Newman, the court ambitiously attempted to rewrite the law governing resolution of U.S. copyright disputes involving transnational elements.

“Choice of law issues in international copyright cases have been largely ignored in the reported decisions and dealt with rather cursorily by most commentators,” the court began.<sup>167</sup> In the court’s view, even the influential Nimmer copyright treatise mistakenly posited that conflicts of law issues “have rarely proved troublesome in the law of copyright” based on the assumption that national treatment requires the same protections of domestic law to apply to foreign authors.<sup>168</sup> The court was not persuaded by the view of another commentator that national treatment necessarily meant that domestic law applied to all issues of a domestic copyright claim, such as ownership.<sup>169</sup>

Finding the Copyright Act silent on the use of conflicts principles to this kind of case, the court took it upon its own to “fill the interstices of the Act by developing federal common law on the conflicts issue.”<sup>170</sup> The court then divided up the issues of ownership and infringement for separate conflicts analysis, using the “most significant relationship” test for the question of ownership and the law of the place of the wrong for the question of infringement.<sup>171</sup> From there, the court concluded that Russian law had the most significant relationship “[s]ince the works at issue were created by

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<sup>165</sup> See PAUL GOLDSTEIN, INTERNATIONAL COPYRIGHT § 3.2, at pp. 72-73 (2001).

<sup>166</sup> 153 F.3d at 88; see also David E. Miller, *Finding a Conflicts Issue in International Copyright Litigation: Did the Second Circuit Misinterpret the Berne Convention in Itar-Tass?*, 8 CARDOZO J. INT’L & COMP. L. 239 (2000) (“the court held that the Berne Convention created a previously unrecognized conflicts issue regarding the proper law to apply in resolving each of these issues”).

<sup>167</sup> 153 F.3d at 88.

<sup>168</sup> *Id.* at 89.

<sup>169</sup> *Id.*

<sup>170</sup> *Id.* at 90.

<sup>171</sup> *Id.* at 90-91.

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Russian nationals and first published in Russia.”<sup>172</sup> But U.S. law applied to the question of infringement, since the United States was where the U.S. copyright had allegedly been infringed.<sup>173</sup>

Thus, even though the Russian publishers were asserting a U.S. copyright claim,<sup>174</sup> the Second Circuit essentially cut and pasted Russian law into U.S. law. The use of Russian law to decide the issue of ownership made a world of difference. The articles were written by Russian reporters, but the reporters themselves were not plaintiffs in the U.S. lawsuit. Under Russian law, the work-made-for-hire doctrine apparently did not apply to newspapers, so the Russian reporters, not the newspaper, owned the Russian copyright to the articles. The newspapers therefore would have no standing to assert a copyright infringement claim in Russia, if this were a Russian copyright claim for infringement in Russia.<sup>175</sup>

But, of course, this was not a Russian claim filed in Russia for alleged infringement in Russia. The Russian publishers were invoking the protections of U.S. copyright law for Kurier’s infringing activity in the U.S. The Second Circuit’s use of Russian law to decide the publishers’ U.S. copyright claim raises several very troublesome questions that the court unfortunately did not even attempt to address.

First, it is questionable for a court to splice up different issues related to a *statutory* claim to decide them under the laws of different countries. Although conflicts of laws principles do recognize that a court may apply the laws of different jurisdictions to different legal issues raised in a case under the concept of *depeceage* (meaning “dismemberment”), such splicing of issues has traditionally arisen for claims arising in common law tort.<sup>176</sup> I am aware of no other case in which a federal court deemed it appropriate to use *depeceage* to issues arising from a federal claim and to use foreign law to decide one of those issues, even though the federal statute contained an express provision governing that issue.<sup>177</sup> Certainly, with respect to the licensing or transfer of IP rights, the contract law of a foreign jurisdiction may be applied to the *contractual* issues, provided that the

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<sup>172</sup> *Id.* at 90.

<sup>173</sup> *Id.* at 90.

<sup>174</sup> *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, No. 95 Civ. 2144 (JGK), 1997 WL 109481, at \*5 (March 10, 1997) (“The plaintiffs’ claims arise under the Copyright Act of 1976, as amended, 17 U.S.C. § 101 *et seq.*”).

<sup>175</sup> *Id.* at 92-93.

<sup>176</sup> *See Plante v. American Honda Motor Co.*, 27 F.3d 731, 741 (1<sup>st</sup> Cir. 1994) (tort); Reese, *Depeceage: A Common Phenomenon in Choice of Law*, 73 COLUM. L. REV. 58 (1972); Christian L. Wilde, *Depeceage in the Choice of Tort Law*, 41 SO. CALIF. L. REV. 329 (1968).

<sup>177</sup> *Cf. Galapagos Corporacion Turistica “Galatours,” S.A. v. The Panama Canal Comm’n*, 190 F. Supp. 2d 900, 907 (E.D. La. 2002) (holding that *depeceage* does not apply to a claim brought under U.S. statute).

domestic statute does not expressly regulate the contractual issue or attempt to preempt contract laws. But, if the domestic statute does regulate a contractual issue related to the transfer of IP rights, such as in the case of the Copyright Act's requirement of a signed written transfer of copyright,<sup>178</sup> then it would be entirely inappropriate for a court to override that requirement by using *depeçage* to apply the law of a foreign jurisdiction. Neither contract law nor choice of law should be used to alter the domestic law's express regulation of the terms and conditions of IP rights created by domestic statute.<sup>179</sup>

The absence of cases applying *depeçage* to federal statutory claims can be explained by good sense: a statute that creates a cause of action presumably will provide the law governing that cause of action. The statute decides who is entitled to bring what claim, based on what showing, and entitled to what relief. The Copyright Act provides all these.<sup>180</sup>

Next, the Second Circuit's use of Russian law may also violate the principle of national treatment recognized by both TRIPs and the Berne Convention.<sup>181</sup> Under national treatment, the Russian publishers in *Itar-Tass* have a right to be treated no worse than publishers in the United States with respect to U.S. copyrights. In other words, because of Berne and TRIPs, the Russian publishers are entitled to at least the same benefits of U.S. copyright as U.S. publishers would receive. But, under the Second Circuit's ruling, the Russian publishers, who cannot invoke the work-made-for-hire doctrine under U.S. law, are treated *worse* than U.S. publishers, who can invoke the doctrine. The Russian publishers appear to have lost their right to invoke the U.S. work-made-for-hire doctrine, simply because they were Russians publishing in Russia.

Third, the Second Circuit's ruling lies in tension with the principle that intellectual property laws are territorial in nature. Although the territoriality principle is not a formal requirement of an international agreement, it does provide the backdrop to how TRIPs, the Berne

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<sup>178</sup> See 17 U.S.C. § 204(a).

<sup>179</sup> This principle explains John Huston's famous case against Turner Entertainment for its colorization of his movie *Asphalt Jungle*. The French Court of Cassation applied French law of moral rights to determine the inalienability of John Huston's French moral rights to the movie. Cf. *Consorts. Huston et autres v. Ste Turner Entertainment*, Court of Cassation, 1<sup>st</sup> Civ. Chamber, May 28, 1991, 149 R.I.D.A. 197 (1991). Huston had in fact assigned his intellectual property rights in the movie to Turner by a contract that was apparently governed by U.S. law. But, under French law, Huston could not assign away his French moral rights in the movie, because the French code made moral rights inalienable. The French court's decision is perfectly consistent with the principle that the law of the country that creates the territorial IP rights can decide how those rights are to be owned.

<sup>180</sup> See, e.g., 17 U.S.C. §§ 201-205, 501-505.

<sup>181</sup> See Berne Conv. art 3; TRIPs art. 3.

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Convention, and other conventions have operated.<sup>182</sup> A territorial approach recognizes that each territory (country) as a sovereign establishes the terms of its intellectual property rights.

Some might defend the court's decision as a way to create uniformity of treatment for the issue of copyright ownership to the same articles. The Russian authors should own all copyrights from every country to the articles published in the Russian newspapers, one might contend, in the interest of uniform treatment.

Perhaps in the abstract, "uniformity" sounds good. But it runs counter to the very apparatus of territorial IP laws. If "uniformity" were the rule by which courts decided ownership questions, then U.S. courts would be required to rewrite not just our copyright law, but our patent and trademark laws as well. In patent and trademark law, a person seeking a patent or trademark in several different countries must obtain patents or trademarks according to the laws of each respective country. This territorial approach allows different countries to take different approaches to intellectual property, within the minimum standards of TRIPs and the other IP conventions. It is conceivable, for example, that a person who obtained a patent in Europe may not qualify as the "inventor" under U.S. patent law, since Europe bases its patent laws on the first-to-file system whereas the United States base its law on the first-to-invent system. To apply the *Itar-Tass* approach to the patent context would mean U.S. courts could start using the European first-to-file approach to inventorship for European inventors to decide who owned the U.S. patent rights to an invention, even if the putative inventor did not satisfy the U.S. requirement of first-to-invent. No federal court has ever suggested that such use of *depeceage* for a U.S. patent, applying European law to ownership and U.S. law to rights, would be acceptable.<sup>183</sup>

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<sup>182</sup> See Goldstein, *supra* note [], at § 3.1, pp. 63-64.

<sup>183</sup> A greater case for *depeceage* may perhaps be made in a reverse *Itar-Tass* problem: a foreign court is asked to decide a U.S. copyright claim, but does not have or is not accustomed to the same procedures or remedies as U.S. law, such as a jury trial or statutory damages. A foreign court's lack of institutional capability or familiarity with U.S. procedures or remedies might present an arguable basis for its reliance on the approach of the forum law as to those procedural or remedial issues, assuming it had proper jurisdiction over the U.S. claim.

But, even then, a foreign court's use of *depeceage* with respect to procedures or remedies for a U.S. copyright claim may be subject to enforcement problems if a U.S. court determined that the foreign procedures violated the Constitution, such as the denial of the party's Seventh Amendment right to jury trial. See *Feltner v. Columbia Pictures Television, Inc.*, 523 U.S. 340, 353 (1998) (right to jury trial applies to statutory damages). Moreover, as a practical matter, I suspect that the reverse *Itar-Tass* problem will occur far less frequently than the *Itar-Tass* type problem, meaning that domestic IP claims are more frequently litigated in domestic courts than foreign IP claims.

What's more, the *Itar-Tass* decision was hardly a victory for the Russian authors of the articles. The Russian authors probably have fewer resources to litigate copyright infringement cases in the United States than the Russian publishers. Arguably, allowing the Russian publishers to enforce the U.S. copyrights for the articles would have served the Russian authors' interest much better than the Second Circuit's decision.

Finally, the Second Circuit's self-described attempt to "fill the interstices of the [Copyright] Act by developing federal common law" runs perilously close to judicial rewriting of the statute. As the court noted in a footnote, in only one instance in the Copyright Act has Congress expressly authorized the use of foreign law to decide an issue of ownership.<sup>184</sup> That provision states: "A restored work vests initially in the author or initial rightholder of the work *as determined by the law of the source country of the work.*"<sup>185</sup> This provision, however, applies only to restored copyrights, and not to the ordinary copyright claim brought by the Russian publishers in *Itar-Tass*. Based on the *expressio unius* canon, the Supreme Court has long recognized that where Congress has expressly recognized a practice or exemption in one part of a statute, the lack of such recognition for the practice or exemption in a different part of the statute indicates that Congress did not intend for the practice to apply in the second part.<sup>186</sup> Here, Congress has expressly recognized the use of foreign law for ownership issues involving restored copyrights, but not other copyrights such as the one in *Itar-Tass*.

Upon what authority, then, does a U.S. court decline to apply a provision of the U.S. Copyright Act for a U.S. copyright claim and to substitute in its place Russian law, which requires a completely different outcome than U.S. law? The Second Circuit offers none, other than the putative authority to develop "federal common law."<sup>187</sup> But this was not a case in which there was a gap in the Copyright Act. Under U.S. law and the work-made-for-hire provision,<sup>188</sup> the Russian publishers owned the U.S. copyrights to the infringed works. And there was absolutely no suggestion that Congress ever intended this kind of substitution of Russian law for U.S. law in deciding a U.S. copyright claim.

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<sup>184</sup> *Id.* at 90 n.10 (citing 17 U.S.C. § 104A (2000)).

<sup>185</sup> 17 U.S.C. 104A(b) (emphasis added).

<sup>186</sup> *See, e.g.*, *FCC v. NextWave Personal Communications, Inc.*, 537 U.S. 293, 302 (2003) ("where Congress has intended to provide regulatory exceptions to provisions of the Bankruptcy Code, it has done so clearly and expressly, rather than by a device so subtle as denominating a motive a cause.").

<sup>187</sup> *Id.* at 90.

<sup>188</sup> 17 U.S.C. §§ 101, 201 (definition of work-made-for-hire).

My second clear statement rule would require a different result in *Itar-Tass*. Absent clear approval from the legislature, a court's use of conflicts-of-laws or other analysis to decide parts of a domestic IP claim under foreign law would not be allowed.<sup>189</sup>

## 2. Section 44 of the Lanham Act

My second clear statement rule would also resolve a circuit split over the meaning of § 44 of the Lanham Act that has been festering for some time. This section was added to the Lanham Act in order to implement the U.S.'s obligations in joining the Paris Convention, an international treaty governing patents, trademarks, and unfair competition.<sup>190</sup> Courts have split over whether § 44(h) creates a cause of action (i) that

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<sup>189</sup> I should note that I may be in the minority of intellectual property scholars who question the soundness of the *Itar-Tass* decision. Most appear to either support or not to question the use of depeceage in *Itar-Tass*. See, e.g., 3 PAUL GOLDSTEIN, COPYRIGHT, at 16:5-16:6 (Supp. 2002); Austin, *supra* note [], at 1210 & n.74; Graeme W. Austin, *Social Policy Choice and Choice of Law for Copyright Infringement in Cyberspace*, 79 Or. L. Rev. 575, 579 n.19 (2000); Paul S. Berman, *The Globalization of Jurisdiction*, 151 U. PENN. L. REV. 311, 421 (2002); Richard A. Epstein, *Smoothing the Boundary Between Foreign and Domestic Law: Comments on Professors Dodge, Golove, and Stephan*, 52 DEPAUL L. REV. 663, 671 (2002); Jane C. Ginsburg, *The Cyberarian Captivity of Copyright: Territoriality and Authors' Rights in a Networked World*, 20 SANTA CLARA COMPUTER AND HIGH TECH. L.J. 185, 189 n.9 (2003); Peter S. Menell, *Envisioning Copyright Law's Digital Future*, 46 N.Y.L.S. L. REV. 63, 67 n.7 (2003). The Second Circuit adopted the approach of William Patry, whom the court asked to brief the issue. See William Patry, *Choice of Law and International Copyright*, 48 AM. J. COMP. L. 383, 412-16 (2000).

Some, though, including the author of the Nimmer treatise, have questioned the decision on different grounds. See 10 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* §170.05[B], at 17-42 to 17-44 (2003); Graeme B. Dinwoodie, *International Intellectual Property Litigation: A Vehicle for Resurgent Comparativist Thought*, 49 AM. J. COMP. L. 429, 400 (2001) (arguing for a substantive law approach to choice of law, allowing even more flexibility for courts to fashion transnational solutions to transnational disputes); Graeme B. Dinwoodie, *The Development and Incorporation of International Norms in the Formation of Copyright Law*, 62 OHIO STATE L.J. 733, 754-59 (2001); Miller, *supra* note [], at 247-57; Paul B. Stephan, *Institutions and Elites: Property, Contract, the State, and Rights in Information in the Global Economy*, 10 CARDOZO J. INT'L & COMP. L. 305, 316 (2002) ("the U.S. approach to copyright, which makes a right to exploit in the United States dependent to some degree on the law of place of first publication, may induce jurisdictions where origination, but very little exploitation, occurs to produce suboptimal ownership regimes"); Paul B. Stephan, *A Becoming Modesty—U.S. Litigation in the Mirror of International Law*, 52 DEPAUL L. REV. 627, 636 (2002) ("The core problem with the Second Circuit's new approach to choice of law in copyright is that it induces foreign jurisdictions with underdeveloped legal systems to decide questions that will have significant economic consequences in the more prosperous parts of the world, the United States first among them.").

<sup>190</sup> Protection of Industrial Property, the Paris Convention (July 14, 1967).

incorporates a broad international standard of unfair competition embodied in the Paris Convention<sup>191</sup> or (ii) that merely extends the limited U.S. standard of unfair competition to foreign nationals consistent with the principle of national treatment.<sup>192</sup>

The disagreement over the meaning of § 44(h) stems from an ambiguity in Article 10bis of the Paris Convention. The article requires countries “to assure to nationals of [member] countries effective protection against unfair competition.”<sup>193</sup> Subsection (2) then states: “Any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition.”<sup>194</sup>

The court in *GM v. Lopez* interpreted this provision to adopt “the more liberal construction [of unfair competition] of the European countries such as France, Germany and Switzerland,” specifically that unfair competition is a “broad” concept that applies to whatever is deemed to be “inconsistent with currently accepted standards of honest practice.”<sup>195</sup> This interpretation of Article 10bis would presumably make relevant the unfair competition laws of European and other countries in the Paris Convention, in order to determine what is “contrary to honest practices in industrial or commercial matters.”<sup>196</sup> The result in the U.S. would be quite revolutionary: unfair competition laws in Europe runs the gambit of regulating a wide assortment of business conduct well beyond the U.S. focus on “passing off.” European unfair competition laws regulate everything from advertising, the packaging of goods, low pricing, special offers and discounts, to more nefarious forms of commercial bribery.<sup>197</sup>

Under my second clear statement rule, the *Lopez* court’s interpretation would be incorrect. Although § 44 of the Lanham was no doubt enacted to implement the U.S.’s obligations under the Paris Convention, the complicated provision does not contain a clear statement by

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<sup>191</sup> See *General Motors Corp. v. Lopez*, 948 F. Supp. 684 (E.D. Mich. 1996).

<sup>192</sup> See *L’Aiglon Apparel v. Lana Lobell, Inc.*, 214 F.2d 649, 651 (3d Cir. 1954); *Kemart Corp. v. Printing Arts Research Lab.*, 269 F.2d 375, 389 (9<sup>th</sup> Cir. 1959); *Mattel v. MCA Records*, 28 F. Supp. 2d 1120 (C.D. Cal. 1998); *Eli Lilly v. Roussel Corp.*, 23 F. Supp. 2d 460 (D. N.J. 1998); *Majorica S.A. v. Majorca Int’l. Ltd.*, 687 F. Supp. 92, 95 (1988).

<sup>193</sup> Paris Conv. art. 10bis(1).

<sup>194</sup> *Id.* art 10bis(2).

<sup>195</sup> 948 F. Supp. At 688 (quoting 4A RUDOLF CALLMANN, *THE LAW OF UNFAIR COMPETITION, TRADEMARKS, AND MONOPOLIES* § 2610 (4<sup>th</sup> ed. 1994)).

<sup>196</sup> The *GM* court equivocated on what substantive laws may be relevant, leaving that issue unresolved while suggesting that it would incorporate European notions of unfair competition. *Id.* 690 & n.4. Cf. *Majorica S.A.*, 687 F. Supp. at 95 (rejecting claim that Spanish law of unfair competition should apply in the U.S. under Paris Convention).

<sup>197</sup> See Aidan Robertson & Audrey Horton, *Does the United Kingdom or the European Community Need an Unfair Competition Law*, 17 *European Intell. Prop. Rev.* 568 (1995).

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Congress authorizing the incorporation of foreign laws of unfair competition. Subsection (b) states:

Any person whose country of origin is a party to any convention or treaty relating to trademarks, trade or commercial names, or the repression of unfair competition, to which the United States is also a party, or extends reciprocal rights to nationals of the United States by law, shall be entitled to the benefits of this section under the conditions expressed herein to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of a mark is otherwise entitled by this chapter.<sup>198</sup>

Subsection (h) then states:

Any person designated in subsection (b) of this section as entitled to the benefits and subject to the provisions of this chapter shall be entitled to effective protection against unfair competition, and the remedies provided in this chapter for infringement of marks shall be available so far as they may be appropriate in repressing acts of unfair competition.<sup>199</sup>

Although, as the *GM* court noted, several features of § 44 appear to suggest that Congress was creating rights “in addition to” rights already protected by the Lanham Act,<sup>200</sup> the language of the statute is hardly clear in stating that unfair competition under this section of the Lanham Act is to be defined by foreign law standards or otherwise incorporates European standards of unfair competition. Absent such a clear statement, § 44(h) should not be interpreted to incorporate foreign laws of unfair competition.

### C. The Sliding Scale

My framework also includes a sliding scale for considering the relevance of foreign authorities. Although my two clear statement rules prohibit two kinds of uses of foreign law, many other kinds of uses are permitted. The sliding scale is designed to give courts greater guidance than the general principle that foreign authorities may be used as persuasive authorities (or sometimes even as primary authorities). The key is defining

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<sup>198</sup> 15 U.S.C. § 1126(b).

<sup>199</sup> *Id.* § 1126(h).

<sup>200</sup> 948 F. Supp. at 687. *See also* 4A RUDOLF CALLMANN, THE LAW OF UNFAIR COMPETITION, TRADEMARKS, AND MONOPLIES § 2610 (4<sup>th</sup> ed. 1994); Patricia Norton, *The Effect of Article 10bis of the Paris Convention in American Unfair Competition Law*, 68 FORDHAM L. REV. 225 (1999). *But cf.* William Denham, *No More than Lanham, No Less than Paris?: A Federal Law of Unfair Competition*, 36 TEX. INT’L L.J. 795 (2001).

more systematically the kinds of situations in which foreign authorities may be relevant.

1. *Express Incorporation of foreign law*

On one end of the scale, foreign authorities have the greatest relevance when they provide the rules of decision. My two clear statement rules and sliding scale operate together to require that Congress expressly indicate the incorporation of foreign law within the terms of the domestic statute, in order for a court to use foreign law as a primary authority. Section 104A of the Copyright Act provides one such example, leaving the question of initial ownership of the rights to restored copyrights to foreign law.<sup>201</sup> Express incorporation of foreign law is a special case in which a domestic court uses foreign law as a rule of decision to decide an issue arising under domestic law.

2. *Borrowing Statutes*

Foreign authorities probably will be used more often, though, as persuasive authorities. Here, foreign authorities have the greatest relevance if the domestic statute was modeled on or borrowed from a foreign statute – a category of statutes I will call *borrowing statutes*. By borrowing statute, I do not mean simply that a domestic statute has common features with a foreign statute. Today, nearly every single domestic intellectual property statute will have common features with foreign intellectual property statutes, given the minimum standards of TRIPs. By borrowing statute, I mean that the domestic legislature modeled domestic law on a specific foreign law when it drafted the domestic legislation.<sup>202</sup>

Determining whether a domestic statute has “borrowed” from a foreign statute will require a court to consider legislative history. We already have seen one such example of a borrowing statute in the Harvard mouse case. Canada’s first Patent Act of 1869 was modeled on the-then existing U.S. Patent Act of 1836,<sup>203</sup> which defined invention in terms of

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<sup>201</sup> 17 U.S.C. § 104A.

<sup>202</sup> My use of “borrowing statute” should be distinguished from another, perhaps more common use of the term to describe statutes that expressly incorporate provisions of another statute, such as a federal statute “borrowing” or incorporating the state statute of limitations. See *Plaut v. Spendthrift Farm*, 514 U.S. 211, 250 n.3 (1995). I have categorized these kinds of statutes as “express incorporation” statutes.

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“manufacture” and “composition of matter.”<sup>204</sup> But this borrowing occurred well before any genetic engineering, or the U.S. Supreme Court’s interpretation of the same words in the U.S. Patent Act of 1952 to allow patents for “anything under the sun that is made by man”<sup>205</sup> in the view of a House committee report. Thus, one would be hard pressed to argue that Canada’s borrowing of words from the U.S. Patent Act of 1836<sup>206</sup> necessarily meant that Canada’s legislature intended to adopt all *subsequent* U.S. interpretations of those words, even in subsequent acts.

The early copyright and patent acts in the United States were borrowing statutes in their own right. Although they did not mirror English statutes in every respect, the early U.S. Copyright Act borrowed from the Statute of Anne, and the early U.S. Patent Act from the Statute of Monopolies. (And, of course, the framing of the Copyright Clause derived in large measure from the lessons the Framers learned from the abuses of monopoly grants in England.<sup>207</sup>)

U.S. courts understood the special history between the U.S. and English copyright and patent laws, and routinely discussed English authorities when interpreting early U.S. intellectual property laws. For example, in *Pennock v. Dialogue*,<sup>208</sup> Justice Story interpreted an early U.S. patent code to bar the granting of a patent if the invention had been in public use before the patent application. The language of the U.S. patent allowed patents for inventions “not known or used before the application.”<sup>209</sup> But this bar could not mean any “use” whatsoever, even those by the inventor or an associate, in Justice Story’s view.<sup>210</sup>

Justice Story turned to the English Statute of Monopolies to interpret the U.S. Patent Act. The English statute allowed “letters patent ...

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<sup>204</sup> See ROGER T. HUGHES & JOHN H. WOODLEY, HUGHES AND WOODLEY ON PATENTS § 1, 315-2 (1984); 1 HAROLD G. FOX, CANADIAN PATENT LAW AND PRACTICE 26-27 (1948).

Justice Binnie placed the derivation earlier to the pre-Confederation patent statutes borrowing from the U.S. Patent Act of 1793. *Harvard Coll. v. Canada* (Commissioner of Patents), [2002] SCC 76, 219 D.L.R. (4th) 577, at 3 (Binnie, J., dissenting). (“The Canadian definition of what constitutes an invention, initially adopted in pre-Confederation statutes, was essentially taken from the United States *Patent Act of 1793*, a definition generally attributed to Thomas Jefferson.”); see Patent Act of 1793, ch. 11, 1 Stat. 318.

<sup>205</sup> [cite]

<sup>206</sup> [cite].

<sup>207</sup> This is a matter of constitutional interpretation, and presents an example for which I doubt that any of the Justices of the Supreme Court would object to the consideration of English authorities relevant to the framing of the Copyright Clause.

<sup>208</sup> 27 U.S. 1 (1829).

<sup>209</sup> *Id.*

<sup>210</sup> 27 U.S. at [page].

for fourteen years or under, for the sole working or making any manner of new manufactures within this realm, to the true and first inventor and inventors of such manufactures, *which others, at the time of making such letters patent ... shall not use.*<sup>211</sup> According to Lord Coke's treatise, the English statute barred public use.<sup>212</sup>

While acknowledging that "[t]he words of our statute are not identical with those of the statute of James," Justice Story concluded that the English bar for public use "must have been within the contemplation of" the early Congress that enacted the U.S. patent act.<sup>213</sup> The laws have "similar objects" and "policy" that supported the adoption of a similar public use bar for patents.<sup>214</sup>

Justice Story's consideration of English patent law can be defended because the U.S. Patent Act borrowed from the English Statute of Monopolies. Although neither act expressly stated a prior "public" use barred the grant of a patent for an invention, the common words "use" or "used" in the two acts, and the same animating policy of patent law in regulating the government's grants of monopolies, supported the interpretation of "use" as referring to public uses.

The point of my sliding scale, however, is not to say whether the particular interpretation adopted by a court was necessarily right. My sliding scale speaks only to the relevance of foreign authorities. In the Harvard mouse case, the Canadian Supreme Court declined to adopt the U.S. approach to patenting life forms, notwithstanding the fact that an early Canadian patent act borrowed the language of an early U.S. patent act. In *Pennock*, the U.S. Supreme Court embraced the English approach to the public use bar, while recognizing that the language borrowed from the English act was not exactly the same in the U.S. act. Had the outcomes come out differently in the two cases, the analysis under my sliding scale would not change. Whatever the outcome on the merits, it was entirely appropriate for the courts to consider foreign authorities as *persuasive* authorities in interpreting domestic statutes that had borrowed from foreign counterparts.

This is not to suggest that consideration of foreign law for borrowing statutes should dictate that courts follow foreign law in interpreting the domestic law. One might argue that the legislature merely borrowed the statutory language from a foreign law, but without intending to adopt all the foreign interpretations of the adopted foreign law.<sup>215</sup> My

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<sup>211</sup> *Id.* (quoting Statute of Monopolies).

<sup>212</sup> *Id.*

<sup>213</sup> *Id.*

<sup>214</sup> *Id.*

<sup>215</sup> See generally Eskridge & Frickey, *supra* note [], at 786-87.

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sliding scale does not attempt to preclude that possibility. Nor, however, does the sliding scale preclude the argument that, for borrowing statutes, a presumption should be recognized that the legislature intended to adopt the authoritative interpretations of the foreign law then in existence for those domestic provisions that have exactly the same text as the foreign law.<sup>216</sup> Both sides are essentially free to marshal arguments why and how the foreign authority is relevant or not as persuasive authority. Under my sliding scale, though, foreign law for this class of borrowing statutes has greater potential relevance than for statutes that are merely the same subject matter (MSSM) because of the special relationship of borrowing between statutes.

### 3. *MSSM Statutes*

On the other end of the sliding scale is the category of statutes I call *MSSM statutes*, or *merely the same subject matter statutes*. Here, foreign authorities for comparable IP statutes may also be considered as persuasive authorities, but the relevance is less compelling than it is for borrowing statutes. If courts do wish to rely upon foreign sources for MSSM statutes, they should exercise even greater care in trying to discern any relevant differences between domestic and foreign law. Additionally, unlike the case of borrowing statutes, it would not be improper for a court to reject the use of foreign authorities for MSSM statutes altogether.

#### a. *Decided Issues in MSSM Statutes: Foreign prior art and patenting neem in U.S. and Europe*

The U.S. Patent Code of 1952 and the European Patent Convention are examples of laws that involve merely same subject matter (MSSM) – patents. Although both laws share similar features that comport with the minimum standards of TRIPs, the two patent systems share no special relationship of borrowing or modeling on the other. In fact, as already mentioned, the European system gives priority to the first-to-file, whereas the U.S. system gives priority to the first-to-invent.

Another key difference between the two systems is their treatment of what constitutes prior art that can invalidate a person's claim to a patent. If prior art exists that already discloses the invention, one cannot later claim a patent for it since it is no longer novel. In the United States, prior art does

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<sup>216</sup> Cf. *Zerbe v. State*, 583 P.2d 845 (1978) (for borrowing statutes, “the settled interpretations of the highest court of the other jurisdiction which are presumptively intended by the lawmaker to be adopted with the statute”).

not encompass foreign uses of the invention by others outside of the U.S. Prior art is expressly limited to such prior public uses “in the United States”; foreign uses may be invalidating only if “patented or described in a printed publication . . . in a foreign country.”<sup>217</sup> As Donald Chisum explains, this geographical limitation to public uses “was based on a convenient presumption of inaccessibility” to foreign uses that had not been described in print, as well as evidentiary concerns for proving foreign uses.<sup>218</sup> Although one might question the continuing validity of that assumption in today’s world of global communication and the Internet,<sup>219</sup> Congress has not chosen to alter the prior art provision.

By contrast, the European Patent Convention<sup>220</sup> contains a much broader understanding of prior art: “everything made available to the public by means of a written or oral description, by use, or in any other way, before the date of filing of the European patent application.”<sup>221</sup> No geographical limitation is made.

This difference in understanding of prior art played a significant part in the controversy over W.R. Grace’s patenting of pesticides derived

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<sup>217</sup> See 15 U.S.C. § 102(b). The limitation of public use to the United States dates back to the Patent Act of 1836, ch. 357, 5 Stat. 117. Such a geographical limitation to public use has existed in U.S. law for close to 170 years.

The Patent Acts of 1790, 1793, and 1800, however, did not contain such a limitation. See Patent Act of April 10, 1790, ch. 7, § 1, 1 Stat. 109-11; Patent Act of Feb. 21, 1793, ch. 11, § 1, 1 Stat. 318, 319. In *Shaw v. Cooper*, the Supreme Court interpreted the 1793 and 1800 acts to bar the grant of a patent for an invention that been in public use in England and France. See 32 U.S. (7 Pet.) 292, 320 (1833) (“they say, that the use, in this case, was not an American, but a foreign use, and therefore, not a use by the public who contest their exclusive right. This distinction is directly opposed to the act of 1800, which uses the language ‘known or used, in this or any foreign country;’ and it is equally opposed to the intent and meaning of the act of 1793.”).

<sup>218</sup> See Donald S. Chisum, *Foreign Activity: Its Effect on Patentability Under United States Law*, 11 INT’L REV. INDUS. PROP. & COPYRIGHT 26, 36 (1980).

<sup>219</sup> See *id.* at 48 (criticizing rationale for limitation of public uses to the United States); Bagley, *supra* note [], at 718-20., 708-24 (arguing that the advances in technology make the prior art limitation unconstitutional under the Patent Clause because it would allow patenting of things already in the public domain and accessible to people in the U.S.). *But cf.* William LaMarca, *Reevaluating the Geographical Limitation of 35 U.S.C. § 102(b): Policies Reconsidered*, 22 U. DAYTON L. REV. 25, 50-52 (1996).

<sup>220</sup> The European Patent Convention (EPC) creates a “European patent” that can provide protection for inventions in every country within the European Union. European Patent Conv. art 2(2). The European patent functions as a collection of national patents from the European Union countries that is granted based on one application; each country can thereafter decide patentability standards according to its own law, subject to the minimum standards of the EPC. See PAUL GOLDSTEIN, INTERNATIONAL INTELLECTUAL PROPERTY 360 (2001); Margo A. Bagley, *Patently Unconstitutional: The Geographical Limitation on Prior Art in a Small World*, 87 MINN. L. REV. 679, 730 n.197 (2003).

<sup>221</sup> European Patent Convention art. 54. See also Japan.

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from the neem plant in the U.S. and Europe. The neem plant grows in India and is reputed to possess many valuable curative and other beneficial attributes, so much so that it has been called “curer of all ailments,” the “village pharmacy,” “free tree,” and “tree of the 21<sup>st</sup> century.”<sup>222</sup>

The patents for neem-related products sparked an outcry among those living in India who attacked the patents as “biopiracy,” or the taking of indigenous plants and organisms without regard for the people in the country where the organisms are found.<sup>223</sup> Some claim that it is completely hypocritical for the United States to condemn piracy of music, movies, and pharmaceuticals in foreign countries, while itself engaging in biopiracy of plants and organisms from foreign countries.<sup>224</sup>

In 1995, a group of two non-governmental organizations from India and the Belgian Health and Environment Minister – the so-called “Neem Team” – successfully obtained the invalidation of W.R. Grace’s European patent.<sup>225</sup> Crediting the testimony of an Indian researcher, the European Patent Office concluded that neem had already been in public use as a fungicide in India at least since 1985 or 1986.<sup>226</sup>

Such evidence, however, could not be used to invalidate W.R. Grace’s U.S. patent,<sup>227</sup> since § 102(b) of the Patent Code does not recognize a prior public use in a foreign country as prior art.<sup>228</sup> The U.S. Patent and Trademark Office accordingly denied the request to cancel Grace’s patent for the neem-derived pesticide.<sup>229</sup>

The result in these two cases illuminates the territorial nature of intellectual property laws, and the possibility of differences in IP laws of countries within TRIPs.<sup>230</sup> The European Patent Convention and the U.S. Patent Code involve merely the same subject matter (MSSM), and contain key differences on the issue of prior art. The invalidation of Grace’s European patent was as every bit as justified under European patent law as was the upholding of Grace’s U.S. patent under U.S. law, given the clear terms of each respective governing patent code. In such a situation, for each

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<sup>222</sup> See Bagley, *supra* note [], at 680.

<sup>223</sup> See *id.* at 725 (discussing biopiracy);

<sup>224</sup> *Id.* (“this aggressive stance on piracy has generated significant ill will against the United States, especially when U.S. inventors and multinational corporations are committing what some developing countries see as ‘biopiracy’ in the very countries the USTR is chastising”).

<sup>225</sup> *Id.* at 682-83.

<sup>226</sup> *Id.* at 681 n.17.

<sup>227</sup> *Id.* at 681.

<sup>228</sup> 15 U.S.C. § 102(b).

<sup>229</sup> Reexamination certificate, U.S. Patent No. 5,124,349 (issued Oct. 20, 1998); see Bagley, *supra* note [], at 681 n.11.

<sup>230</sup> See Shubha Ghosh, *Globalization, Patents, and Traditional Knowledge*, 17 COLUM. J. ASIAN L. 73, 107 (2003).

jurisdiction to consider how the other treated prior art would have little, if any, relevance to deciding the ultimate issue of a prior foreign use under the respective patent code.

Perhaps one might question whether my framework is of any worth for a case such as the neem case. Since the terms of the respective patent codes established what constitutes prior art, why would the patent office or a court even consider foreign law? A court won't need a sliding scale approach for these kinds of cases because the parties won't be citing foreign law.

In a simpler world, I believe that hunch would be true. But we already know from the *Itar-Tass* case that foreign law may creep into domestic law issues, even where the domestic law sets forth a clear provision. What would prevent a court, for example, from applying the most significant relationship test adopted by the Second Circuit in *Itar-Tass* to the neem case? Certainly, the same argument can be made about the U.S. Patent Code as was accepted by the Second Circuit regarding the Copyright Act: the statute is "silent" on the issue of conflict of laws. And, because the neem plant is indigenous only to India, it arguably has the most significant relationship to any patents of materials derived from neem. (The whole "biopiracy" charge stems from a belief in protecting the wildlife indigenous to an area.) By the reasoning of *Itar-Tass*, assuming it were correct, Indian law should apply to the question of whether neem had been in public use and in the prior art before Grace's putative invention. And, under Indian law, neem would not have been patentable, and thus the U.S. patent should have been invalidated.

Conversely, it is certainly possible to read into the European Patent Convention a limitation of prior art in European countries. The text of the provision is simply silent on the issue of geography.<sup>231</sup> Given the territorial nature of the European patent, a respectable argument could be made that the prior art provision, too, was meant to be territorial in nature. To make Europe in line with the U.S., a European court should therefore adopt the American way, one might argue.

My framework, however, is designed to remove active harmonization from consideration by courts for MSSM statutes. Although foreign authorities may be considered, their relevance diminishes for already decided issues. In the case of neem, a U.S. court would have been wrong to ignore § 102(b) to harmonize U.S. law with the European understanding of

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<sup>231</sup> See European Patent Convention art. 54. By contrast, since 1999, Japan's patent law specifically indicates a world geography in its definition of prior art. See Japan Patent Law No. 220 art 29, <http://www.jpo.go.jp/shoukaie/patent.htm> ("publicly known in Japan or elsewhere").

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prior art.<sup>232</sup> The U.S. government has considered broadening its concept of prior art (particularly recognizing foreign patent applications, which are not recognized now under the Hilmer rule<sup>233</sup>), but the Executive appears to be waiting for a “harmonization package” that “provides advantages to U.S. inventors.”<sup>234</sup> For a U.S. court to intervene would be inappropriate, since the United States government appears to be using the U.S.’s different approach to prior art “as a bargaining chip, to achieve other concessions from negotiating parties.”<sup>235</sup>

Conversely, a European court would have been wrong to ignore the established interpretation of the European concept of prior art,<sup>236</sup> simply to harmonize the European approach with the U.S. approach. On the sliding scale, prior art falls into the category of a decided issue for two MSSM statutes. Here, the relevance of foreign law is least.<sup>237</sup>

b. *Undecided Issues in MSSM statutes: “Original” Works in Copyright Law*

Sometimes the difference in respective laws will not be as expressly contained in the relevant statutes or codes as it was in the case of prior art in the neem case. In these kinds of cases involving *undecided issues*, one can expect a greater likelihood that litigants and courts may use foreign authorities. For undecided issues, foreign authorities have greater possible relevance.

Take, for example, the question of originality in copyright law. A central question that arises in copyright law is whether copyright should be granted based on the industriousness of the putative author under the so-

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<sup>232</sup> Professor Bagley argues that the exclusion of foreign public uses from prior art should be considered to violate the Patent Clause. *See* Bagley, *supra* note [], at 719-20. Although I find her argument intriguing, my first impression is that the Supreme Court would weigh heavily the fact that the limitation has existed for over 170 years in U.S. law. *Cf.* *Eldred v. Ashcroft*, 123 S. Ct. 769, 778-79 (2003) (counting “significant” the past copyright term extensions enacted by Congress in upholding the constitutionality of the Copyright Term Extension Act).

<sup>233</sup> [explain]

<sup>234</sup> Advisory Comm’n on Patent Law Reform, A Report to the Secretary of Commerce, at 65-66 (1992).

<sup>235</sup> Bagley, *supra* note [], at 735.

<sup>236</sup> *See* Bagley, *supra* note [], at 731 (“evidence of foreign public knowledge or use has been admissible in EPO proceedings and infringement litigation over two decades”).

<sup>237</sup> This is not to suggest I favor the U.S.’s continued exclusion of foreign uses from the definition of prior art. Given the inclusion of foreign patents and printed publications in prior art, and the advances in global communication and travel, I believe the exclusion is no longer tenable. The duty to change the law rests, though, with Congress, not the courts, absent a constitutional violation.

called “sweat of the brow” theory, or whether copyright requires something more.

In 1991, the U.S. Supreme Court in *Feist*<sup>238</sup> rejected the “sweat of the brow” approach in favor of a requirement of a minimal degree of creativity embodied in the work to qualify for a copyright under U.S. copyright law. The Copyright Act states that “[c]opyright protection subsists . . . in original works of authorship fixed in any tangible medium of expression.”<sup>239</sup> To the surprise of some, the U.S. Supreme Court held that originality was not just a statutory requirement, but it was “the sine qua non of copyright” – a “constitutional requirement” under the Copyright Clause.<sup>240</sup> In order to qualify as an “Author” of a “Writing,” a person has to (i) independently create a work that (ii) possesses a minimal degree of creativity.<sup>241</sup> In rejecting the “sweat of the brow” theory, the Court stressed that “[t]he primary objective of copyright is not to reward the labor of authors, but [t]o promote the Progress of Science and useful Arts.”<sup>242</sup> Thus, the white pages telephone directory at issue could qualify for a copyright if “the selection and arrangement of facts [were not] so mechanical or routine as to require no creativity whatsoever.”<sup>243</sup>

Most countries can be expected to face this same type of issue under their own copyright laws if they have not already. The Berne Convention requires member countries to allow copyright for “[c]ollections of literary or artistic works such as encyclopaedias and anthologies which, by reason of the selection and arrangement of their contents, constitute intellectual creations.”<sup>244</sup> But the Convention stops short of providing a definition or standard for “intellectual creation,” and countries have differed in what it requires, with the United States recognizing one of the highest standards in the originality requirement.<sup>245</sup>

Canada is the latest country to decide the issue. In *The Law Society of Upper Canada v. CCH Canadian Limited*, the Canadian Supreme Court held that the standard of originality is somewhere in between (i) the sweat-of-the brow theory and (ii) a requirement of creativity “in the sense of being novel or unique.”<sup>246</sup> What is required is that the work embody “an exercise

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<sup>238</sup> *Feist Publ'ns., Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345 (1991).

<sup>239</sup> 17 U.S.C. § 102(a).

<sup>240</sup> 499 U.S. at 348-49.

<sup>241</sup> *Id.* at 345.

<sup>242</sup> *Id.* at 349.

<sup>243</sup> *Id.* at 362.

<sup>244</sup> Berne Conv. art. 2(5).

<sup>245</sup> PAUL GOLDSTEIN, INTERNATIONAL COPYRIGHT § 5.1.1.1, at 177 (2001).

<sup>246</sup> 2004 SCC 13, p 16 (2004).

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of skill and judgment.”<sup>247</sup> Skill means “the use of one’s knowledge, developed aptitude or practiced ability to form an opinion or evaluation by comparing different possible options in producing the work.”<sup>248</sup> Judgment means “the use of one’s capacity for discernment or ability to form an opinion or evaluation by comparing different possible options in producing the work.”<sup>249</sup> To qualify for a copyright, “[t]he exercise of skill and judgment required to produce the work must not be so trivial that it could be characterized as a purely mechanical exercise.”<sup>250</sup> But “creativity” is not required.<sup>251</sup>

The Canadian Supreme Court’s opinion is a good example of how courts can use foreign authorities to enhance their analysis of undecided issues for MSSM statutes. The Court began with the language of the Canadian Copyright Act, which states that copyright shall subsist “in every original literary, dramatic, musical and artistic work.”<sup>252</sup> “Every original literary ... work” is defined as “every original production in the literary ... domain.”<sup>253</sup> Although the Court discussed cases from the U.S. and France that dealt with the comparable issue under their respective laws, there was no contention that the Canadian Copyright Act had some special relationship to the U.S. or French statutes. In fact, the Court pointed out that the French statute protected “*le droit d’auteur*,” the author’s right in a manner perhaps different from Canadian copyright.<sup>254</sup> Accordingly, throughout its discussion of foreign authorities, the Court discussed them as persuasive authorities without adopting any overriding principle of harmonization. And, in the end, the Court characterized its holding as being somewhere in “between” the two predominant approaches taken by other countries.

Although the Court paid close attention to the language of the Canadian Copyright Act, it also considered and discussed a number of foreign authorities. In reaching its conclusion that “original” requires the exercise of skill and judgment, the Court drew upon 5 factors: “(1) the plain meaning of “original”; (2) the history of copyright law; (3) recent jurisprudence; (4) the purpose of the Copyright Act; and (5) that this

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<sup>247</sup> *Id.*

<sup>248</sup> *Id.*

<sup>249</sup> *Id.*

<sup>250</sup> *Id.*

<sup>251</sup> *Id.* p. 26.

<sup>252</sup> Canadian Copyright Act, § 5.

<sup>253</sup> *Id.* § 2.

<sup>254</sup> 2004 SCC 13, p. 20.

constitutes a workable yet fair standard.”<sup>255</sup> For each of the first four factors, the Court referred to or discussed at least one foreign authority.<sup>256</sup>

For example, even in its discussion of the plain meaning of “original” in the Canadian Copyright Act, the Court relied upon a law review article from the *Journal of Copyright & Society*, a United States publication, to support the dictionary definition of original it had used.<sup>257</sup> In its discussion of the history of copyright, the Court focused on the history of copyright not in Canada, but internationally – particularly the derivation of “intellectual creation” from the Berne Convention.<sup>258</sup> In its discussion of recent jurisprudence, the Court discussed the U.S. decision in *Feist*, in addition to Canadian cases. And, even in describing the purpose of the Canadian Copyright Act, the Court cited Jessica Litman’s article *The Public Domain* to support its view of copyright as protecting “society’s interest in maintaining a robust public domain that could help foster future creative innovation.”<sup>259</sup>

Yet, at the same time, the Court noted the limitations of the foreign authorities in interpreting the Canadian Copyright Act, particularly the differences between Canadian and U.S. law.<sup>260</sup> Ultimately, the Court settled upon a standard that it viewed was best tailored to Canadian law – one that it characterized as being different from the U.S. approach.<sup>261</sup>

Here, the Canadian Supreme Court’s reliance on foreign authorities was more extensive than in the Harvard mouse case. Yet, in both cases, the Court relied on foreign authorities only as persuasive authorities, and did not view its role to harmonize Canadian law with the intellectual property laws of other countries. This judicial stance is perhaps best encapsulated in the opinion of the Canadian Federal Court of Appeal in the *Tele-Direct* case,

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<sup>255</sup> 2004 SCC 13, p. 17.

<sup>256</sup> *See id.* pp. 14-23.

<sup>257</sup> *Id.*

<sup>258</sup> *Id.*

<sup>259</sup> *Id.* p. 23.

<sup>260</sup> *Id.* p. 22. The Court stated:

U.S. copyright cases may not be easily transferable to Canada given the key differences in copyright concepts in Canadian and American copyright legislation. This said, in Canada, as in the United States, copyright protection does not extend to facts or ideas but is limited to expression of ideas. As such, O’Connor’s J. concerns about the “sweat of the brow” doctrine’s improper extension of copyright over facts also resonate in Canada. I would not, however, go as far as O’Connor J. in requiring that a work possess a minimal degree of creativity to be considered original.

<sup>261</sup> Exactly how different is a debatable proposition. The Canadian Supreme Court appeared to understand the U.S. notion of originality as requiring a modicum of “creativity,” in the sense of a *new* work (akin to novelty from patent law). That, however, is not the U.S. understanding of “creativity”; no novelty is required. *See Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F.2d 49, 54 (2d Cir. 1936) (L. Hand).

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which raised a similar question of the originality standard under Canadian law. There, the court of appeals concluded that “it is permissible for Canadian court to ‘find some assistance’ in authoritative United States courts decisions in matters of copyright, provided that Canadian courts proceed ‘very carefully’ in doing so.”<sup>262</sup> My framework is designed to facilitate precisely this: the more careful use of foreign authority for resolving domestic claims.

## **V. ADDRESSING CONCERNS ABOUT THE FRAMEWORK**

- A. Possible Application Outside U.S.**
- B. How to Develop International Norms**
- C. Others**

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<sup>262</sup> *Tele-Direct (Publications), Inc. v. American Business Information, Inc.*, 221 N.R. 113, p. 33 (1997).

## Appendix

### First Clear Statement Rule

In deciding a claim that arises under a domestic IP statute, a court should not consider its role to actively harmonize domestic IP statutes with foreign IP laws, absent a clear statement by the legislature to the contrary.

### Second Clear Statement Rule

A court should not rely on foreign law to provide a rule of decision for a claim that arises under a domestic IP statute, absent a clear statement by the legislature to the contrary.

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### Diagram 1: The Sliding Scale for Relying on Foreign Authorities

