ARTICLES

Harmonizing Public and Private International Law: Implications of the Apple vs. Samsung IP Litigation

Sung Pil Park*

IP litigations over mobile digital devices are soaring in many jurisdictions. Based on the observation that the same or closely related infringement claims over the IP rights embedded in a single digital product have been raised in multiple jurisdictions, some literature and legislative proposals suggest that an international jurisdiction over such litigations are necessary. This article aims to explore practical roadmaps to establish public international "conflict of laws" that can serve administering IP dispute resolution among MNCs. The author will start by reviewing both public international laws on IPRs including the Paris Convention, PCT, the Geneva Convention, the TRIPs, and their private counterparts. Institutional aspects of the WTO and the WIPO administering such as public international IP laws will also be examined. Agreeing with the proposed idea of establishing 'public' private international IP laws, this article will propose a more practical roadmap to establish time and cost efficient IP dispute resolution mechanism: the IP5 Collaboration Model.

Keywords

MNCs, IP, Apple-Samsung IP Litigation, Paris Convention, Berne Convention, PCT, TRIPs, EPC, IP5 Collaboration Model

* Professor *Invitavit* of Law at Korea Advanced Institute of Science and Technology ("KAIST") Graduate School of Future Strategy. LL.B./M.A. (SNU), LL.M./J.S.D.(Northwestern). Member of Michigan Bar. ORCID: http://orcid.org/0000-0002-7778-4814. The author may be contacted at: sppark@kaist.ac.kr / Address: Graduate School of Future Strategy, KAIST, 291 Daehak-ro, Yuseong-gu, Daejeon 305-701 Korea.
DOI: http://dx.doi.org/10.14330/jeail.2014.7.2.03

I. Introduction

Multinational Corporations ("MNCs"), especially those in the IT industry, are pushing digital revolution hard by providing mobile digital devices ("MDDs") such as smartphones and tablets enabling their customers to connect from anywhere to everywhere around the globe. MDDs stand on the pinnacle of human intelligence that have accumulated throughout history. The more sophisticated MDDs are, the more valuable the intellectual property rights ("IPRs") become in protecting creative ideas and aesthetic features embedded in such devices.[1]

Reflecting this trend, litigations among MNCs over IPRs embodied in MDDs are soaring in many jurisdictions. In such litigations, the same or closely related infringement claims over the IPRs embedded even in one MDD are being filed in multiple jurisdictions simultaneously.[2] A noticeable example is on-going Apple-Samsung IP litigation. No tribunal in the world asserts its extraterritorial jurisdiction ("ETJ") over such transnational issues, which, once exercised, could facilitate time and cost efficient dispute resolution for all parties involved.

Competition among MNCs is becoming fiercer as more sophisticated technologies and higher-end product designs emerge and so the negative impact on social welfare of such global scale IP war is huge. It is important for the international community to come up with ideas to lessen the juridical inefficiencies, saving the MNCs resources for further innovation. With this goal, some scholars and practitioners have proposed several sets of principles to activate the ETJ rules for efficient IPR dispute resolution. On the other hand, although MNCs are by nature private entities, size and scope of their economic, social, and sometimes even political influence, they have reached a level that requires some elevated treatment in international law aspects.

The primary objective of this research is to discuss the practicality of this method. Together, it will also tackle the possibility of expanding the dispute settlement mechanism ("DSM") of the World Trade Organization ("WTO"). This paper is composed of five parts including Introduction and Conclusion. Part two will show the general picture of the Apple-Samsung IP litigations. Part three will investigate the harmonization of public and private international laws on the IP. Part four will discuss the critical questions regarding the multi-jurisdiction of the IP cases and

[1] The term IPR is used interchangeably with intellectual property ("IP") in this article, which is customary among academics and practitioners.

[2] In this article, such IPR disputes are referred to as "multijurisdictional IP disputes."

explore the roadmap for more efficient solution.

II. Apple-Samsung IP Litigations

A. A Global Scale IP War

The IP litigations between Apple Inc. (Apple) and Samsung Electronics Co., Ltd. (Samsung) conducted in courts around the world shifted conventional paradigms in the fields of both IP law and international law, because of extensive geographic scope of the alleged infringements, and gigantic amount of damages claimed. In August 2014, Apple and Samsung announced that they agreed to drop all suits against each other in countries outside the US.[3] As of October 2014 their legal battle in the US is still going on.

Among many suits filed in various courts around the world regarding this series of litigations, the US District Court of Northern District of California located in the city of San Jose (hereinafter the San Jose Court) has gained the most attention of the global community. It was this case in the San Jose Court that triggered a chain of IP lawsuits around the world.[4] The first round of their legal battle in the San Jose Court was over in March 2014. According to the decision of the court, Apple failed to obtain injunction on sales of Samsung devices, while Samsung has to pay USD 930 million to Apple.[5] Samsung without delay appealed to the Federal Circuit.[6] Furthermore, other new IP disputes should be resolved by the courts, including the San Jose Court again, in North America.[7]

3 A. Satariano & J. Rosenblatt, *Apple, Samsung Agree to End Patent Suits Outside U.S.*, Bloomberg, Aug. 6, 2014, *available at* http://www.bloomberg.com/news/2014-08-05/apple-samsung-agree-to-end-patent-suits-outside-u-s-.html (last visited on Oct. 1, 2014).

4 FOSS Patents, Apple seeks $2.5 billion in damages from Samsung (2012), *available at* http://www.fosspatents.com/2012/07/apple-seeks-25-billion-in-damages-from.html (last visited on Oct. 1, 2014).

5 S. Pinto, *Case Closed: Samsung to Pay $930 Million For Copying Apple Products*, TechTree.com, Mar. 7, 2014, *available at* http://www.techtree.com/content/news/5663/case-closed-samsung-pay-930-million-copying-apple-products.html (last visited on Oct. 1, 2014).

6 F. Mueller, That was quick: Samsung appeals final judgment in first Apple v. Samsung patent case (2014), *available at* http://www.fosspatents.com/2014/03/that-was-quick-samsung-appeals-final.html (last visited on Oct. 1, 2014).

7 *Id.*

B. Jurisdictional Implications

1. Digital Products or Digital Impacts?

The advent of MDDs inspired the international law community to view the current jurisdictional system as a compartmentalization that inhibits efficient dispute resolution. *E.g.*, there is a proposal to introduce an integrated enforcement jurisdiction over IPR disputes to correct the problem of "mismatch between the rules of jurisdiction under international law and the actual competition in the global marketplace."[8] A trademark law critic evaluates that the current jurisdictional system is resisting the influence of globalization as 'anachronistic.'[9]

MDDs may somehow contribute to increasing multi-jurisdictional IP litigations. However, it should also be noted that the role of Internet is more important than that of the digital device itself. In this sense, MDDs may rightfully be labeled as a catalyst, not an initiator of the surge of multi-jurisdictional IP disputes. In fact, manufacture, sales, or international trade of an MDD as a product does not directly contribute to the multijurisdictional IP disputes. The non-confined nature of digital device lies in its connectivity to the Internet and telecommunication networks.

How to deal with various torts committed in the cyberspace (collectively called 'cyber torts') has become an emerging jurisdictional issue. Such new legal challenges mostly came out of defamation, torts of defective or misrepresented goods and services, and IP infringements of copyrights, patents, and trademarks.[10] But cyber torts need to be distinguished from infringements of IPRs incorporated in the devices that enable such tortious acts. After all, the digital 'impact' of MDDs should be distinguished from the form of their physical existence. The Internet technology, even from long before the advent of MDDs, was a real trailblazer that triggered discussions on how to deal with the cyber torts.

2. IPR Labyrinths: Accumulating Potential for Disputes

MDDs are in general abundant in human innovation, whose values are protected by sophisticated legal devices of IPRs. The surge of IP litigations over MDDs is a natural course of action. The level of sophisticated technology and complexity of

8 Jaemin Lee, *A Clash between IT giants and the changing face of international law: The Samsung vs. Apple Litigation and its jurisdictional implications*, 5 J. East Asia & Int'l L. 117-142 (2012).

9 G. Dinwoodie, *Trademarks and Territory: Detaching Trademark Law from the Nation-State*, 41 Hous. L. Rev. 908 (2004), *available at* http://papers.ssrn.com/abstract=616661 (last visited on Oct. 1, 2014).

10 T. Dickerson, C. Chambers & J. Cohen, *Idea: Personal Jurisdiction and the Marketing of Goods and Services on the Internet*, 41 Hofstra L. Rev. 33–34 (2012).

IPRs lead to diverse aspects of MDD functions, expressions, and brands.[11] There is an argument that fast technological development in the IT industry tends to contribute to the surge of IP litigations.[12] An academic buzzword of 'clockspeed' refers to the rate of technological advancement in an industry or an organization.[13] There has been, however, no proof found yet that fast technology clockspeed makes patent litigations frequent in the IT industry.

MDDs are by nature vulnerable to patent litigations compared to other product types that have existed in human history. More than 250,000 active patents, *e.g.*, are said to be vested in a smartphone today.[14] Then even a most considerate smartphone manufacturer may not completely clear up the risk of infringing a few, or possibly numerous, patents of others. The only practical solution to avoid legal attacks from competitors is to secure a 'litigation-proof' status through possession or licensing-in of such IPRs.[15]

3. Critical Evaluation: Litigate or Innovate?

A well-designed, time and cost efficient IP dispute resolution mechanism is an essential element to maintain a business ecosystem that nourishes innovation.[16] Apple was reported to pay about USD 60 million to its main law firm, Morrison Foerster LLP., whose figure, based on a conservative way of calculation, reflects the legal fee to handle only one IP litigation case at the San Jose Court against Samsung during the period between April 2011 and August 2013.[17] Such big cash for a law firm in a single IP lawsuit is not a surprise, considering that the discovery process alone Apple served 694 requests for production, 86 interrogatories, and 1,529

11 The functional aspect of a product can be protected by trade secrets or patents. The expression aspect of a product, on the other hand, can be protected by copyrights or design rights according to the artistic or commercial attributes of a product. Trademarks protect the brand aspect of a product.

12 *Supra* note 8, at 126.

13 For details, *see* C. Fine, Clockspeed: Winning Industry Control in the Age of Temporary Advantage (1998); Industry Clockspeed and Competency Chain Design: An Introductory Essay (1999).

14 RPX Corporation, Form S-1 Registration Statement (2011), *available at* http://www.sec.gov/Archives/edgar/data/1509432/000119312511012087/ds1.htm (last visited on Oct. 1, 2014).

15 This is a reason why licensing, cross-licensing, patent pooling, and other contracting devices are becoming more and more popular among MNCs today.

16 An economic analysis of IP litigation may be necessary to clarify that it constitutes 'deadweight loss' for society. Many law and economics scholars have traditionally supported the notion that litigation in general reduces the social welfare. *See*, *e.g.*, K. Spier, Handbook of Law and Economics 259-342 (2007), *available at* http://www.sciencedirect.com/science/handbooks/15740730 (last visited on Oct. 1, 2014).

17 D. Wakabayashi, *Apple Legal Fees in Samsung Patent Case Topped $60 Million*, Wall St. J., Dec. 6, 2013, *available at* http://online.wsj.com/news/articles/SB10001424052702303997604579242393615502208 (last visited on Oct. 1, 2014).

requests for admission with the help of about 30 lawyers and 25 associates.[18] Some commentators even suggested an estimated legal fee spent for recent IP litigations to be more than USD one billion.[19] Other commentators legitimately asserted that Apple and Samsung should invest their resources not in litigation, but in innovation.[20]

III. Public and Private International Law on the IP

A. Definitions

Public international law is defined as either "the collection of rules and norms that States and other actors feel an obligation to obey in their mutual nations and commonly do obey,"[21] or as "the law of nations which concerns the relationships among subjects of international law."[22] On the other hand, private international law refers to "a branch of international law that deals with relations between individuals or legal persons in which the laws of more than one State may be applied"[23] or "the body of rules of the domestic law of a State which applies when a legal issue contains a foreign element."[24]

While private international law concentrates on the relationship between 'individuals' or 'legal persons' of different States, it also has the nature of "public international law," since this body of law deals with transactions between players belonging to different States. Private international law is in general also referred to as "conflict of laws,"[25] because it deals with issues such as which State law will

18 D. Kessenides, *When Apple and Samsung Fight, the Lawyers Win*, Bloomberg Businessweek, Dec. 9, 2013, *available at* http://www.businessweek.com/articles/2013-12-09/apple-samsung-patent-wars-mean-millions-for-lawyers (last visited on Oct. 1, 2014).

19 S. Mosca, *Apple, Samsung patent cases offer big payout for IP lawyers*, Inside Counsel, Dec. 11, 2013, *available at* http://www.insidecounsel.com/2013/12/11/apple-samsung-patent-cases-offer-big-payout-for-ip (last visited on Oct. 1, 2014). Stanford law professor Mark Lemley was the one who estimated the figure.

20 *See*, *e.g.*, D. Neal, *Apple v. Samsung patent result is a loss for innovation*, The Inquirer, Aug. 28, 2012, *available at* http://www.theinquirer.net/inquirer/news/2201084/samsung-apple-patent-result-is-a-loss-for-innovation (last visited on Oct. 1, 2014).

21 C. Henderson, Understanding International Law 5 (2009). According to Conway, actors in international relations are States and international organizations.

22 A. Abass, Complete International Law 7 (2012).

23 *Id.* at 8.

24 A. Aust, Handbook of International Law 1 (2005).

25 Abass, *supra* note 22, at 8.

govern the case ("choice of law" issue) and which State court will have jurisdiction ("choice of jurisdiction" or "choice of court" issue). Considering these definitions, the term "private international law" is in a sense a misnomer with regard to the wrong identifier 'international,' because conflict of laws is in fact related to 'domestic' law.[26]

Emergence of MNCs and non-governmental organizations ("NGOs"), however, triggered discussions among scholars on how to treat these "non-State actors."[27] Considering the 'hybrid' nature of such private entities, basically two opposite approaches based on 'public' and 'private' international laws are conceivable to deal with the involved legal issues. As mentioned earlier, this article labels the two methods of "public-to-private approach" and "private-to-public" approach. While the former is about whether public international law needs to include MNCs and NGOs as international law subjects, the latter is about whether States need to develop treaty-based private international law.[28]

B. Public International Laws on the IP

1. The Paris Convention on Industrial Property Rights

The Paris Convention on the Industrial Property Rights of 1883 (hereinafter Paris Convention) is the oldest multilateral IP treaty.[29] Article 1 of the Paris Convention provides establishment of the 'Union' of its member States and scope of the industrial property covered.[30] The World Intellectual Property Organization ("WIPO") is now administering this Convention. In the realm of the public international laws on the IP, 'national treatment' and 'harmonization' of the substantive IP laws are the most

[26] However, the term "private international law" is being widely used interchangeably with "conflict of laws," and this article also follows this conventional usage.

[27] A. Bieler, R. Higgott & G. Underhill, Non-State Actors and Authority in the Global System 1-6 (2004). According to the authors, corporate non-State actors can be divided into transnational corporations ("TNCs") and MNCs. The former strives for a world-wide intra-firm division of labor, while the latter attempts to replicate production within a number of regions in order to avoid the risks of trade blocs. However, these terms referring corporate non-State actors in many occasions are regarded as synonyms and thus used interchangeably. This article will refer them collectively as 'MNCs.' *See* Henderson, *supra* note 21, at 40.

[28] Scholars such as R. Jennings and A. Watts proposed possible integration of public and private international laws when private international law rules are embodied in treaties. *See* Abass, *supra* note 22, at 8-9.

[29] 828 U.N.T.S. 305. For details, *see* J. Cross, A. Landers & M. Mireles, Global Issues in Intellectual Property Law 20 (2010). Its official title is: "Paris Convention for the Protection of Industrial Property." *See* Paris Convention for the Protection of Industrial Property (1883), *available at* http://www.wipo.int/treaties/en/ip/paris/trtdocs_wo020.html#P19_138 (last visited on Oct. 1, 2014).

[30] The industrial property that Paris Convention covers includes patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellations of origin, and the repression of unfair competition. *See id.*

important principles that such treaties should address.[31]

A noteworthy fact about the Paris Convention is that there is no provision on 'enforcement.'[32] The Paris Convention grants 'priority periods' for IPR prosecution. According to Article 4, it is twelve months for patents and utility models, and six months for industrial designs and trademarks.[33] Thus, an applicant of original patent at a local patent office may win the priority disputes with his/her competitors in the States where s/he files patent based on the original if only s/he does it within 12 months from the original filing date.

2. Patent Cooperation Treaty

The Patent Cooperation Treaty ("PCT") was originally signed at Washington D.C. on June 19, 1970 and is currently being administered by the WIPO.[34] Article 1 of PCT provides that the Union of the States will cooperate in "filing, searching, and examination, of applications for the protection of inventions, and for rendering special technical services." Thus, it is a public international law that facilitates nationals of the Union members to 'prosecute' patents beyond their territorial boundaries.[35]

The harmonized process under PCT is basically divided into two prosecution phases: the international phase and the national phase.[36] Theoretically, an applicant under PCT can seek simultaneous protection for an invention in all 148 countries based on one international patent filed. In reality, s/he will consider cost and benefit of prosecuting his/her invention in each PCT State and decide the States s/he desires to protect his/her patent.[37] An applicant who desires to preserve priority of the local filing date under the Paris Convention should file a PCT application within 12 months therefrom.[38] The PCT process can be summarized as below:

31 S. Scotchmer, *The Political Economy of Intellectual Property Treaties*, Berkeley Program in Law & Economics Working Paper Series 1 (2003), *available at* http://escholarship.org/uc/item/9j50z2gz#page-2 (last visited on Oct. 1, 2014).

32 Thus scholars comment on this point that it is a shortcoming of this treaty. *See id.* at 8.

33 *Supra* note 29. These periods shall start from the date of filing of the first application. And the day of filing shall not be included in the period.

34 Patent Cooperation Treaty, 1970, 1160 U.N.T.S. 231, *available at* http://www.wipo.int/pct/en/texts/articles/atoc.htm (last visited on Oct. 1, 2014).

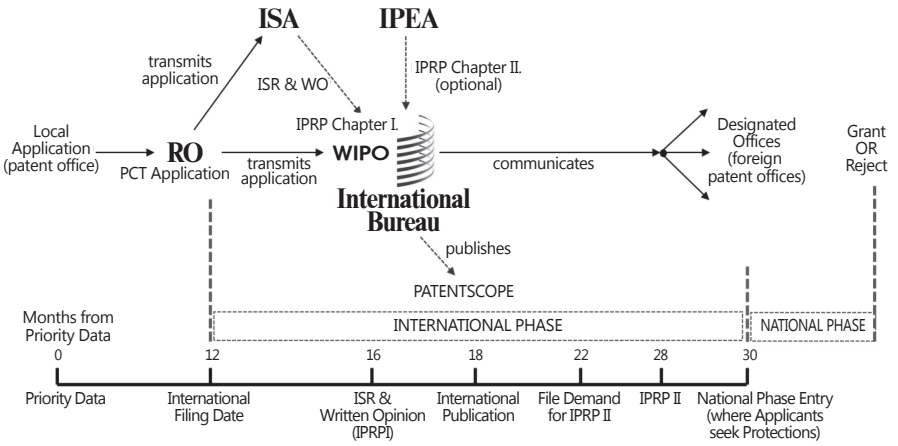
35 The term 'prosecution' refers to the whole administrative process from filing to registration of a patent, while 'application' an act of filing a patent.

36 It is a buzzword among IP practitioners. The dividing line between these two prosecution phases is the point when an applicant files translated application at a national IP office.

37 And this is one of the reasons why the PCT could build up reputation in the business community worldwide.

38 Regulations under the Patent Cooperation Treaty Rule 2.4 (1970), *available at* http://www.wipo.int/export/sites/www/

Figure 1: The PCT Process Overview[39]



When a PCT application filed at a Receiving Office ("RO"), one copy of the application shall be kept by the RO (home copy), one copy (record copy) shall be transmitted to the International Bureau, and another copy (search copy) shall be transmitted to the competent International Search Authority ("ISA").[40] ISA issues an International search report ("ISR") and Written Opinion ("WO") about 16 months after the original local filing date.[41] ISR contains prior art references bearing possible relevance to the critical patentability questions of 'novelty' and 'inventive step' (or non-obviousness), and the WO is a detailed interpretation of the ISR.[42] Within 18 months after the original local filing date, the PCT application is published.[43]

Unless an international preliminary examination report has been or is to be established, the International Bureau shall issue a report on behalf of ISA, which is labeled as International Preliminary Report on Patentability (hereinafter IPRP Chapter I) and has the same contents as the WO.[44] With this document, the

pct/en/texts/pdf/pct_regs.pdf (last visited on Oct. 1, 2014).

39 WIPO, Protecting your Inventions Abroad: Frequently Asked Questions about the Patent Cooperation Treaty (2014), *available at* http://www.wipo.int/pct/en/faqs/faqs.html (last visited on Oct. 1, 2014).

40 *Supra* note 34, art. 12(1).

41 *Id.* art. 18(1). *See also supra* note 38, at Rule 42. The ISR and written opinion shall be issued within 3 months from the receipt of the search copy by the ISA, or 9 months from the priority date, whichever time limit expires later. This time limit is interpreted as about 16 months. *See* J. Erstling, S. Helfgott & T. D. Reed, The Practitioner's Guide to the PCT 11 (2013).

42 *Supra* note 39.

43 *Supra* note 34, art. 21(2)(a).

44 *Supra* note 38, rule 44*bis*1(a) & (b).

International Bureau communicates to Designated Offices. If the applicant desires further international phase examination, s/he opts to submit a demand for a second IPRP (hereinafter IPRP Chapter II) to an International Preliminary Examination Authority ("IPEA") within 22 months after the original local filing date.[45] The second IPRP will be issued within 28 months after the original local filing date.[46] Now the PCT applicant enters the national phase within 30 months after the original local filing date.[47]

3. The Berne Convention

The Berne Convention for the Protection of Literary and Artistic Works (hereinafter Berne Convention) is an agreement between States to protect copyrights; it is public international law.[48] Administered by the WIPO, as of February 2014, there are 167 parties.[49] Articles 9 and 11 of the Berne Convention provide "the exalted view of the author that prevailed in Europe in the late 1800s" and broad scope of literary and artistic works, respectively. Because this convention covers copyrights and related rights, it requires its members to maintain certain level of protection over such literary and artistic works. *E.g.*, it provides the right of reproduction and the broadcasting right in Article 9 and the right of public performance in Article 11.

An author whose copyrighted work is infringed in a Berne member country can claim his/her copyright or related rights where they are infringed.[50] Article 5(2) of the Berne Convention provides: "The enjoyment and the exercise of these rights shall not be subject to any formality..." Also, it stipulates that: "Apart from the provisions of this Convention, the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed." This implies that enjoyment and exercise shall be independent of the existence of protection in the country of origin of the work.[51] The Berne system, therefore, requires no priority rules to address issues

45 Erstling, Helfgott & Reed, *supra* note 41, at 13.

46 *Id.* at 14.

47 *Id.* at 14.

48 1161 U.N.T.S. 3.

49 WIPO, Berne Convention: Statistics (2014), *available at* http://www.wipo.int/treaties/en/StatsResults.jsp?treaty_id=15&lang=en (last visited on Oct. 1, 2014).

50 It is a significant advancement for protection of copyrights, because an author does not have to register his work in the State in which he wants to obtain copyright protection. To the contrary, patent laws require registration of the patent in the jurisdictions where an owner seeks legal protection.

51 *See* Berne Convention for the Protection of Literary and Artistic Works (1886), *available at* http://www.wipo.int/treaties/en/text.jsp?file_id=283698 (last visited on Oct. 1, 2014).

over competing literary and artistic works.[52] In this sense, in the field of copyrights and related rights, the owners' interests are being well addressed regarding the accessibility to any national court in the member States.[53]

4. The TRIPs Agreement

Attempts by developed countries to heighten the IP law standard had been blocked by unwillingness of the Least Developed Countries ("LDCs") until the Tokyo Round negotiations (1973 to 1979).[54] To developed countries, insufficient protection of IPRs under the national laws of their trading partners was considered as one of the "third generation non-tariff barriers."[55] As a result, the Trade Related Aspects of Intellectual Property Rights ("TRIPs") Agreement,[56] one of the three pillars of the WTO, was enacted at the end of the Uruguay Round negotiations (1986-1994) of the General Agreement on Tariffs and Trade ("GATT").[57] TRIPs Agreement is a significant leap forward in the realm of public international IP law. This is because the IP rules were first introduced into the multilateral trading system.[58]

The TRIPs Agreement includes provisions to harmonize substantive IP laws of the WTO member countries by establishing minimum protection standards in each territory.[59] However, the substantive provisions of the TRIPs Agreement are not radically different from its predecessors, including the Paris Convention and the Berne Convention, in establishing minimum IPR protection standards to be observed by the member States. It just provides a few additions reflecting attributes

52 Cross, Landers & Mireles, *supra* note 29, at 26. In the US, one cannot bring a copyright infringement lawsuit to a court without registration of his copyright. *See* 17 U.S. Code §411, *available at* http://www.law.cornell.edu/uscode/text/17/411 (last visited on Oct. 1, 2014). So the works originated in the US cannot be enforced unless the author registers his works. However, the works originated in a Berne member country do not need to be registered in the US for litigation. It is an interesting paradox of copyright registration requirement for litigation in the US.

53 However, increasing possibility of copyright infringement in multiple jurisdictions is the same in this field. In that sense, international jurisdiction will facilitate authors who seek more efficient way for enforcing his copyrights and related rights.

54 P. Goldstein & M. Trimble, International Intellectual Property Law: Cases and Materials 123-127 (2012).

55 F. Abbott, T. Cottier & F. Gurry, International Intellectual Property in an Integrated World Economy 30-31 (2011).

56 1869 U.N.T.S. 299.

57 WTO, Intellectual property: protection and enforcement (2014), *available at* http://wto.org/english/thewto_e/whatis_e/tif_e/agrm7_e.htm (last visited on Oct. 1, 2014).

58 While other treaties such as the Paris Convention and the Berne Convention dealt with 'private' international IP laws, TRIPs covers IP issues involved with international trades among States.

59 The WTO argues on its website that: "Society benefits in the long term when IP protection encourages creation and invention, especially when the period of protection expires and the creations and inventions enter the public domain." Such alleged benefits, however, reflect the view of developed countries, while most LDCs would counter such a notion claiming that stringent IP laws will inhibit development of their economies.

of societal and technological changes of the modern age.[60] Furthermore, in the field of copyrights, the TRIPs Agreement incorporated most of the provisions from the Berne Convention.[61]

The most significant advancement of the TRIPs Agreement lies in the DSM under the WTO.[62] The Agreement effectively fills the gap under the Paris Convention and the Berne Convention. It is basically applicable to the member States, but not to their constituencies including MNCs. This is because the Understanding on Dispute Settlement ("DSU") provides dispute settlement process in detail.[63]

5. The European Patent Convention

The European Patent Convention ("EPC") was signed in 1973 establishing the European Patent Organization.[64] As of October 1, 2014, there are 40 EPC member States including 38 contracting States and 2 extension States.[65] The organization's executive arm is the European Patent Office ("EPO"), which examines patent applications, grants European patents, and provides information and training services.[66]

With regard to the EPO route patent application, EPC provides detailed procedure that have much in common with the PCT mechanism.[67] According to EPC, an applicant may file his/her European patent directly to EPO, or file a national application first at a local patent office. Then, s/he may move to the EPO route for application in the multiple EPC States. To preserve priority of the local filing date under the Paris Convention, s/he should file a European patent within 12 months therefrom. A European patent application can also start as one of the national phase applications under the PCT route application mentioned earlier.[68] This integrated

60 Cross, Landers & Mireles, *supra* note 29, at 28.

61 *Id.* at 28.

62 The TRIPs Agreement, art. 64 (Dispute Settlement), *available at* http://wto.org/english/docs_e/legal_e/27-trips_07_e.htm#art64 (last visited on Oct. 1, 2014).

63 Understanding on Rules and Procedures Governing the Settlement of Disputes, art. 4, *available at* http://www.wto.org/english/docs_e/legal_e/28-dsu_e.htm (last visited on Oct. 1, 2014).

64 1065 U.N.T.S. 199. *See* European Patent Office ("EPO"), European Patent Organization (2014), *available at* http://www.epo.org/about-us/organisation.html (last visited on Oct. 1, 2014).

65 EPO, Member states of the European Patent Organization (2014), *available at* http://www.epo.org/about-us/organisation/member-states.html (last visited on Oct. 1, 2014).

66 EPO, The Office, *available at* http://www.epo.org/about-us/office.html (last visited on Oct. 1, 2014).

67 EPO, How to apply for a European patent (2014), *available at* http://www.epo.org/applying/basics.html (last visited on Oct. 1, 2014).

68 EPO, *European Patents and the Grant Procedure* (2013), *available at* http://documents.epo.org/projects/babylon/eponet.nsf/0/e6ce616afbb87afac125773b004b93b5/$FILE/EPO_EuroPatente13_en.pdf (last visited on Oct. 1, 2014).

route of international application is called the 'Euro-PCT.' The applicant going through this route should enter into the national phase, i.e., the EPO filing, within 31 months from the priority date.[69]

When a European patent is filed, the EPO checks whether all the necessary information and documentation have been provided, and that all formalities are satisfied.[70] In the meantime, a European search report is drafted. This European search report and a non-binding initial opinion on patentability are sent to the applicant.[71] The application and the search report are published 18 months after the filing date, or the priority date in case it is reserved.[72] Within six months from the publication, the applicant should make a request for substantive examination of the application.[73]

If EPO decides that a patent be granted, the mention of the patent grant is published in the European Patent Bulletin.[74] A successful applicant thereby obtains the same rights as s/he would from all patent offices designated in the application. The decision to grant a patent takes effect on the date of publication in the bulletin.[75] With the mention of the grant published, the successful applicant should have his patent validated to ensure protection from the designated States. Many States require a translation of the specification in its official language.[76]

C. Private International Laws on the IP

1. Huber's Legacy

Tracing back to the origin of private international law, Ulrich Huber, a Dutch scholar in the seventeenth century, is known as the father of private international law.[77] The Netherlands in Huber's time was a kind of federation consisting of independent provinces, whose laws differed from one another. Thus, this endeavor of coming up with conflict of law rules to facilitate the ever increasing inter-province trade is quite

69 WIPO, PCT Applicant's Guide – National Phase – National Chapter – EP (2014), *available at* http://www.wipo.int/pct/guide/en/gdvol2/annexes/ep.pdf (last visited on Oct. 1, 2014).

70 EPO, *supra* note 67.

71 EPO, Overview of the procedure for the grant of a European patent (2014), *available at* http://www.epo.org/applying/european/Guide-for-applicants/html/e/overview-en.pdf (last visited on Oct. 1, 2014).

72 *Id.*

73 *Supra* note 67.

74 *Id.*

75 *Id.*

76 *Supra* note 68.

77 D. Childress III, *Comity as Conflict: Resituating International Comity as Conflict of Laws*, 44 U.C. Davis L. Rev. 11 (2010).

understandable.[78]

Huber's essay, titled "*De conflictu legum diversarum in diversis imperiis*,"[79] is based on the concept of territorial sovereignty. This has formulated three axioms that shape private international law today: (1) the laws of each State have force within the limits of that government and bind all subjects to it, but not beyond; (2) all persons within the limits of a government, whether they live there permanently or temporarily, are deemed to be subjects thereof; and (3) sovereigns will so act by way of comity (*comitas*) that rights acquired within the limits of a government retain their force everywhere so far as they do not cause prejudice to the powers or rights of such government or of their subjects.[80] The last axiom reflects the principle of "*comitas gentium* (comity of nations)" that is also known as reciprocity, courtesy, or politeness.[81] The first and the second axioms, of course, represent the fundamental notion of territorial sovereignty.[82]

Conflict of laws found in most States today seem to preserve the legacy of Huber, although some exceptional cases do exist. In *Voda v. Cordis Corp.*, *e.g.*, U.S. Court of Appeals for the Federal Circuit reasoned as follows:

> Voda has not shown that it would be more convenient for our courts to assume the supplemental jurisdiction at issue...assuming jurisdiction over Voda's foreign patent infringement claims could prejudice the rights of the foreign governments…a patent right is limited by the metes and bounds of the jurisdictional territory that granted the right to exclude…There is no explicit statutory direction indicating that the district courts should or may exercise supplemental jurisdiction over claims arising under foreign patents, and the Paris Convention, PCT, and Agreement on TRIPs neither contemplate nor allow the extraterritorial jurisdiction of our courts to adjudicate patents of other sovereign nations.[83]

78 *Id.* at 19.

79 U. Huber, *De conflictu legum diversarum in diversis imperiis* [Of the Conflict of Diverse Laws in Diverse Governments], *in* Praelectiones Juris Civilis Romani et hodierni [Lectures on Roman and Contemporary Law] 2 (1689). The English translation of this essay "*Of the Conflict of Diverse Laws in Diverse Governments*" is included in Ernest G. Lorenzen's article published in 1919. *See* E. Lorenzen, *Huber's De Conflictu Legum*, Yale Law School Faculty Scholarship Series 225-242 (1919), *available at* http://digitalcommons.law.yale.edu/fss_papers/4563 (last visited on Oct. 1, 2014).

80 Lorenzen, *supra* note 79, at 227. *See also* Childress III, *supra* note 77, at 19-22; I. Getman-Pavlova, *The Concept of 'Comity' in Ulrich Huber's Conflict Doctrine* 6 (2013), *available at* http://papers.ssrn.com/abstract=2240233 (last visited on Oct. 1, 2014).

81 Getman-Pavlova, *supra* note 80, at 8.

82 *Supra* note 77, at 19-20.

83 VODA v. Cordis Corp., 476 F.3d 887 (2007), *available at* http://law.justia.com/cases/federal/appellate-courts/cafc/07-1297/07-1297-2011-03-27.html (last visited on Oct. 1, 2014).

In terms of judicial economy, the Court also mentioned:

> Because of the Federal Circuit's lack of institutional competence in foreign patent regimes, more judicial resources could be consumed by the courts in the U.S. than the courts of the foreign patent grants.[84]

Section 271 of the US Federal Patent Act provides: "whoever without authority makes, uses, offers to sell, or sells any patented invention, within the US or imports into the US any patented invention during the term of the patent therefor, infringes the patent."[85] It means that patent disputes are by nature territorial ones. The only exception of the territoriality found in Section 271, is about importation into the US. In the copyrights case, although the US Federal Copyright Act is silent about territoriality principle, the US courts in general acknowledge that the undisputed axiom of territoriality predates the copyright act and governs copyright litigation.[86] The US Federal Copyright Act, an exception to the principle, provides that: "Importation into the United States, without the authority of the owner of copyright under this title, of copies or phonorecords of a work that have been acquired outside the United States is an infringement of the exclusive right to distribute copies or phonorecords."[87]

2. Efforts to Publicize Private International Law

Calls for a Reform

Growing influence of today's MNCs and the sea changes in their products, especially MDDs, have brought the global community to invite IP professionals to a forum for extensive discussions on how to design time and cost efficient dispute settlement mechanisms. There have been discussions on this international jurisdiction issue that resulted in several proposals to elevate private international law up to a level with more public nature. So far, however, no unified mechanism has been made that permits MNCs to litigate all their IPR claims based on infringements occurring in multiple States, either by one alleged infringer or against one IPR holder.

84 *Id.*

85 35 U.S. Code § 271, *available at* http://www.law.cornell.edu/uscode/text/35/271 (last visited on Oct. 1, 2014).

86 24 F.3d 1088, Subafilms, Ltd. v. MGM-Pathe Communications Co. (1994), *available at* http://law.justia.com/cases/federal/appellate-courts/F3/24/1088/499586 (last visited on Oct. 1, 2014).

87 17 U.S. Code § 602(a)(1), *available at* http://www.law.cornell.edu/uscode/text/17/602 (last visited on Oct. 1, 2014).

The Hague Conference on Private International Law

The Hague Conference on Private International Law ("HCCH") is an intergovernmental organization working for "the progressive unification of the rules of private international law."[88] HCCH has been working from its establishment in 1893 to develop conventions on international protection of children, family and property relations, international legal co-operation and litigation, and international commercial and finance law.[89] The HCCH's efforts in the areas such as the choice of court and the choice of law conventions are noteworthy, although they are still under development.

The HCCH's prominent contribution is considering the choice of court agreements between private parties involved in international transactions. It enacted the Convention on Choice of Court Agreements in 2005.[90] This Convention provides that the chosen court in a private agreement "shall not decline to exercise jurisdiction on the ground that the dispute should be decided in a court of another State."[91] Moreover, any court not chosen "shall suspend or dismiss proceedings to which an exclusive choice of court agreement applies."[92] Then any judgment rendered by the chosen court "shall be recognized and enforced in other Contracting States."[93] However, this convention is not in force yet, because while the EU and the US are supporting this Convention, others are still reluctant to accept it.[94] MNCs in such regions may feel comfortable if they can ensure implementing the choice of court provision, while their counterparts around the world would think otherwise.

The American Law Institute's Proposal

The American Law Institute ("ALI") is one of the most active entities in developing and producing elaborated principles on the IPR conflict of laws. As a result of extensive discussions among practitioners, scholars, and government officials, the final draft proposal was rendered in March 2007.[95] The ALI's efforts to prepare this

88 Statute of the Hague Conference on Private International Law (1955), *available at* http://www.hcch.net/upload/conventions/txt01en.pdf (last visited on Oct. 1, 2014).

89 HCCH, Annual Report 2013, at 20-40, *available at* http://www.hcch.net/upload/ar2013.pdf (last visited on Oct. 1, 2014).

90 HCCH, Status Table: Convention of 30 June 2005 on Choice of Court Agreements (2010), *available at* http://www.hcch.net/index_en.php?act=conventions.status&cid=98 (last visited on Oct. 1, 2014).

91 Convention on Choice of Court Agreements art. 5(2), *available at* http://www.hcch.net/upload/conventions/txt37en.pdf (last visited on Oct. 1, 2014).

92 *Id.* art. 6.

93 *Id.* art. 8(1).

94 *Supra* note 90.

95 The American Law Institute, Intellectual Property: Principles Governing Jurisdiction, Choice of Law, and

proposal was primarily motivated by the advent of Internet technology and its impact on IP laws.[96] This proposal is distinctive in the sense that it endeavored to "balance civil-law and common-law approaches."[97] The ALI draft provides rules on jurisdiction, choice of law, and recognition and enforcement of foreign judgments as follows:[98]

Judgments in Transnational Disputes (2007), *available at* www.ali.org/doc/2007_intellectualproperty.pdf (last visited on Oct. 1, 2014).

96 *Id.* The draft itself acknowledges this fact in the foreword and the reporters' memorandum sections.

97 *Id.* at 1.

98 *Supra* note 95.

Table 1: The ALI Principles on Jurisdiction, Choice of Law, Recognition & Enforcement

Issues		Rules
Jurisdiction (Part II)	Personal Jurisdiction[99]	- Defendant's residence - The court that the parties have agreed - The court where he proceeds on the merits without timely contesting jurisdiction - The State where Defendant infringed IPRs - The State where Defendant breached IPR licensing or transfer agreement - The State where one of the multiple infringers reside
	Subject Matter Jurisdiction	- Claims and defenses arising under foreign laws on IPRs and related contracts: a court can adjudicate them[100] - Validity claims and defenses of the registered IPRs under foreign laws: a court can adjudicate them only to resolve the dispute among the parties to the action[101] - Intervention: A person having substantial interest may be permitted to intervene, unless it causes undue confusion or delay, or otherwise unfairly prejudice a party.[102]
	Jurisdiction over Simplification	- Request of a party for multi-territorial actions: coordinated through cooperation or consolidation through a motion.[103]
Choice of Law (Part III)	Respect for Territoriality	- The Law of Registration State: to determine existence, validity, duration, attributes, and infringement of IPRs and the remedies for their infringement[104] - The Law of State where protection is sought: IPRs not based on registration[105] - Exceptions: Agreements Pertaining to Choice of Law,[106] Ubiquitous Infringement,[107] Public Policy,[108] Mandatory Rules[109]
	Choice of Law Agreement	- Can be made any time between Parties to designate a law[110] - Parties may not choose the laws on: (a) validity of registered IPRs, (b) existence, attributes, transferability, and duration of IPRs, and (c) recordation requirements of assignments and licenses.[111] - Such an agreement may not adversely affect 3rd party's rights[112]

99 *Id.* §§ 201-206.

100 *Id.* § 211(1).

101 *Id.* § 211(2).

102 *Id.* § 211(3).

103 *Id.* § 221(1).

104 *Id.* § 301(1)(a).

105 *Id.* § 301(1)(b).

106 *Id.* § 302.

107 *Id.* § 321.

108 *Id.* § 322.

109 *Id.* § 323.

110 *Id.* § 302(1).

111 *Id.* § 302(1)-(2).

112 *Id.* § 302(3).

Recognition & Enforcement of Foreign Judgments (Part IV)	Recognition & Enforcement	- If the rendering court applied the ALI principles: the enforcement court should recognize or enforce such a judgment[113] - If the rendering court did not apply the ALI principles: the enforcement court should determine whether to recognize or enforce such a judgment[114]
	Monetary Relief	- Compensatory damages: enforced[115] - Exemplary or punitive damages: enforced to the extent that similar or comparable damages could have been awarded in the enforcement court[116]
	Injunction	- Injunction enforced in accord with the procedures available to the enforcement court[117] - Injunction may be declined and monetary relief awarded in lieu of it: if injunction would not have been available for the enforcement court's territory[118]
	Declaratory Relief	- Declarations of validity, invalidity, infringement, or ownership of IPRs must be recognized and enforced.[119] - Declaration about invalidity: enforced only between or among the parties to the litigation.[120]

Source: Compiled by the author.

The proposal of the ALI Principles motivated other initiatives to come up with various sets of principles on IPR conflict of laws. Most notably, Transparency of Japanese Law Project in 2009,[121] the Korea Private International Law Association ("KOPILA") in 2010,[122] and the European Max Planck Group in 2011[123] proposed their respective draft principles of IPR conflict of laws that covered similar ALI Principles on rules of jurisdiction, choice of law, and recognition and enforcement of foreign cases. The International Law Association ("ILA") is working on other draft principles

113 *Id.* § 401(1)(a).

114 *Id.* § 401(1)(b).

115 *Id.* § 411(1).

116 *Id.* § 411(2).

117 *Id.* § 412(1)(a).

118 *Id.* § 412(1)(b).

119 *Id.* § 413(1).

120 *Id.* § 413(2).

121 Transparency of Japanese Law Project, *Transparency Proposal on Jurisdiction, Choice of Law, Recognition and Enforcement of Foreign Judgments in Intellectual Property* (2009), *available at* http://www.tomeika.jur.kyushu-u.ac.jp/ip/pdf/Transparency%20RULES%20%202009%20Nov1.pdf (last visited on Oct. 1, 2014).

122 Korea Private International Law Association, *Private International Law Principles on Intellectual Property Rights: Korea-Japan Joint Proposal* (2010), *available at* http://www.win-cls.sakura.ne.jp/pdf/30/09.pdf (last visited on Oct. 1, 2014).

123 The European Max Planck Group on Conflict of Laws in Intellectual Property ("CLIP"), *Principles on Conflict of Laws in Intellectual Property* (2011), *available at* http://www.cl-ip.eu/files/pdf2/Final_Text_1_December_2011.pdf (last visited on Oct. 1, 2014).

of IPR conflict of laws.[124]

Regional Initiatives of the EU

The EU is about to harmonize the systems for patent prosecution and enforcement. The European Parliament enacted regulations to establish the European patent with unitary effect (hereinafter unitary patent) for prosecution.[125] Meanwhile, the enforcement is coming into effect in the near future through the Unified Patent Court ("UPC").[126] These progresses, although limited to the EU region, will be a good benchmark for those who want to have an integrated IP jurisdiction system.

The 'unitary patent' was agreed upon by 25 EU member States, with the exception of Italy and Spain.[127] The regulations for the unitary patent system were made effective on January 20, 2013, but they will only apply from the date of entry into force of the Agreement on a UPC.[128] The 'unitary patent' will not replace national patents and European patents. Rather, it will be an option for an applicant in addition to the national and European patent. In other words, a 'unitary patent' will be granted by EPO under EPC and have unitary effect for the territory of the 25 participating States.[129] A 'unitary patent,' once granted, based on one of the three official EPC languages of English, French, and German, will not require human translation. Instead, high-quality machine translation system will be made available after a certain transition period.[130]

UPC, once made effective, will be a court common to the member States as part of their judicial system.[131] It will review the cases regarding European patents and 'unitary patents,' not national patents. Its jurisdiction will cover the territory of those contracting member States.[132] This unified court will comprise a Court of First Instance, a Court of Appeal and a Registry.[133] Once made effective, this unified

[124] ILA, Washington Conference (2014): Intellectual Property and Private International Law, *available at* http://www.ila-hq.org/download.cfm/docid/33B8054F-F87D-4433-A1DC108BF6A08B68 (last visited on Oct. 1, 2014).

[125] EPO, Unitary Patent (2014), *available at* http://www.epo.org/law-practice/unitary/unitary-patent.html (last visited on Oct. 1, 2014).

[126] The Select Committee & the Preparatory Committee, *An Enhanced European Patent System 2*, *available at* http://www.unified-patent-court.org/images/documents/enhanced-european-patent-system.pdf (last visited on Oct. 1, 2014).

[127] *Supra* note 125.

[128] *Id.*

[129] *Id.*

[130] *Id.*

[131] Unified Patent Court, Questions and Answers about the UPC (2014), *available at* http://www.unified-patent-court.org/about-the-upc (last visited on Oct. 1, 2014).

[132] *Id.*

[133] *Id.*

court will be a showcase where States can observe the efficiency and effectiveness of integrated IP jurisdictional systems.

IV. Legal Questions

A. Political Economy surrounding the WTO TRIPs and Its Implications

The US, the European Community, Japan, and other developed countries presented an informal declaration of the GATT mandates, including IP in 1986. But a few developing countries, including Argentina, Brazil, and India, opposed and ultimately frustrated this attempt to form a multilateral treaty on that occasion.[134] When the TRIPs Agreement came into force in 1995, special treatments for LDCs and developing countries had to be included in it as a compromise between the two ever-conflicting groups. The preamble of the Marrakech Agreement, therefore, expresses its organizational view on LDCs and developing countries clearly by providing that: "There is a need for positive efforts designed to ensure that developing countries, and especially the least developed among them, secure a share in the growth of international trade commensurate with the needs of their economic development."[135]

Furthermore, Article 66.1 of TRIPs Agreement provides for LDCs that they "shall not be required to apply the provisions of this Agreement, other than Articles 3, 4 and 5, for a period of 10 years from the date of application."[136] It also provides that such an extension can be made by the TRIPs Council upon request of one LDC member.[137] Under this provision, LDCs had originally been given 11 years of transition period before they had to fulfill the requirements under the TRIPs Agreement, from the date it came into force.[138] In 2005, before its expiration, the transition period re-extended by seven and half years.[139] Recently, this transition period has once again been extended until 2021.[140]

134 Goldstein & Trimble, *supra* note 54, at 123.

135 Marrakesh Agreement Establishing the World Trade Organization (1994), *available at* http://www.wto.org/english/res_e/booksp_e/analytic_index_e/wto_agree_01_e.htm (last visited on Oct. 1, 2014).

136 The TRIPs Agreement art. 66.1(LDCs), *available at* http://wto.org/english/docs_e/legal_e/27-trips_08_e.htm (last visited on Oct. 1, 2014).

137 *Id.*

138 WTO, Poorest Countries Given More Time to Apply Intellectual Property Rules (2005), *available at* http://www.wto.org/english/news_e/pres05_e/pr424_e.htm (last visited on Oct. 1, 2014).

139 *Id.*

140 WTO, The Least Developed Get Eight Years More Leeway on Protecting Intellectual Property (2013), *available at*

On the contrary, developed countries including the US and the EU have played an active role in pursuing harmonization of substantive and procedural IP laws. David Kappos, former director of the US Patent and Trademark Office ("USPTO"), was one of the activists in the patent harmonization movement.[141] He explained that the enactment of the Leahy–Smith America Invents Act ("AIA") was to answer the call for worldwide patent reform by harmonizing rules on patent prosecution.[142] It was the US government and the business community that placed the IP protection on the agenda at the Uruguay Round Negotiations.[143]

The gap between the different views of developed nations and LDCs on public international IP laws would be too big to be easily reconciled. The noble goal of the developed countries to induce LDCs and developing countries to be enlightened by heightening IP law standards seem too ideal to succeed. Furthermore, the economic gap between LDCs and developed countries may not easily decrease because the former willingly accept and facilitate the rule of the game stipulated by the latter.[144]

B. Exploring Practical Roadmaps

1. Idealism of a Unified IP Court

The literature and existing proposals seem to envision a world where multi-jurisdictional IP disputes are resolved at a unified IP court. Such an ideal will not come true, however, unless conflicting views among the States and political economic hurdles are lifted. EPC is moving toward a unified patent court system in Europe. Nevertheless, the unique integration experience among the EU members cannot be easily carried over to the entire world in a short period of time. Moreover, it will still remain controversial as to whether such integration will

http://www.wto.org/english/news_e/news13_e/trip_11jun13_e.htm (last visited on Oct. 1, 2014).

141 D. Kappos, *Patent Law Harmonization: The Time is Now*, 3 Landslide 16 (2010).

142 D. Kappos, The America Invents Act and a Global Call for Harmonization, Keynote Speech at the WIPO Symposium of IP Authorities - Promoting Innovation & Creativity (2011), *available at* http://www.wipo.int/export/sites/www/meetings/en/2011/symp_ip_auth/doc/kappos_keynote.pdf (last visited on Oct. 1, 2014).

143 M. Doane, *TRIPS and International Intellectual Property Protection in an Age of Advancing Technology*, 9 Am. U. Int'l L. Rev. 466 (1993).

144 *E.g.*, income and consumption inequality between countries has been relatively stable during the past 50 years. In 1980s and 1990s, there had been a moderate improvement in the overall world distribution of income. But most of such improvement can be attributed to the rapid growth of China and India. *See* The Department of Economic and Social Affairs, The Inequality Predicament: Report on the World Social Situation 44-47 (2005), *available at* http://hdrnet.org/61/1/The%20Inequality%20Predicament.pdf; A. Berry & J. Serieux, *Riding the Elephants: The Evolution of World Economic Growth and Income Distribution at the End of the Twentieth Century (1980-2000),* Working Paper of UN Department of Economic and Social Affairs 18-22 (2006), *available at* http://www.un.org/esa/desa/papers/2006/wp27_2006.pdf (all last visited on Oct. 1, 2014).

eventually increase the social welfare of the international community as a whole. The proponents of the UPC focus on simplicity and cost reduction in resolving multijurisdictional IP disputes.[145] But the opponents are mostly concerned about uncertainty of its functioning in the future, possible abuse of the system by non-practicing entities, i.e., 'patent trolls,' language arrangements, and impact of the loss of the sovereignty of member States.[146]

The comity principle, deeply rooted in current private international law of most States, should not to be forsaken. In that sense, the ALI's approach seems to reflect the reality well, as it generally respects territorial nature of IP laws regarding choice of law issues. However, the ALI principles also provide ambitious jurisdictional principles requiring full scale collaboration among contracting States and their courts. The international community has a long way to go before it can consume this unified jurisdictional concept, as well as the political economy between LDCs and developed countries.

2. Possibility of Extending the WTO TRIPs

Without prospect for graduation from their national status as LDCs and developing countries, they may not want to resolve IP disputes at public international law fora such as the WTO DSM. If turning our focus to vesting MNCs with legal standing to sue and to be sued at public international law fora, however, this goal may be achieved by expanding the concept of international legal person ("ILP"). It can be labeled as a "public-to-private" approach. MNCs used to be regarded as a major subject of public international law like sovereign State. The so-called corporate social responsibility ("CSR") are sometimes imposed as a key player of the global society.[147]

However, there has been no discussion on utilizing the WTO DSM as a unified dispute resolution forum for MNCs. Multi-jurisdictional IP disputes might be resolved efficiently if States would elaborate in amending the WTO DSU or enact an annex to the existing WTO Agreements. This would allow their MNCs to access the well-established and tested forum. Still it seems that the already mentioned

145 D. Harhoff, *Economic Cost-benefit Analysis of a Unified and Integrated European Patent Litigation System*, MARKT/2008/06/D DG (2009), *available at* http://convenzioni.confindustria.it/Aree/DocumentiPINT.nsf/B79578C0259E50E5C12576D2003B5C8F/$File/litigation_system_en_Harhoff.pdf (last visited on Oct. 1, 2014).

146 D. Xenos, *The European Unified Patent Court: Assessment and Implications of the Federalisation of the Patent System in Europe*, 10 SCRIPTED-J. L. TECH. & SOC'Y 246-277 (2013), *available at* http://ssrn.com/abstract=2324123 (last visited on Oct. 1, 2014).

147 J. Nijman, Non-State Actors and the International Rule of Law: Revisiting the Realist Theory of International Legal Personality (Amsterdam Center for International Law, 2010), *available at* http://dare.uva.nl/document/351905 (last visited on Oct. 1, 2014).

political economic resistance may retard such an advancement in the field of public international law.[148]

3. The Paris Convention and the PCT Extension Model

The Paris Convention and PCT may have potential to leverage creation of a more efficient dispute resolution mechanism. MNCs, or any other applicants, can opt for predetermining its future dispute resolution fora by selecting the States where their patents are filed. Filing of patents through these international routes indicates the applicant's intention to carry out patent litigations in any State where his/her patent is filed. To operationalize this conceptual model, contracting parties need to elaborate on the mechanism to administer multi-jurisdictional IP disputes. Most importantly, ETJ of a local court needs to be acknowledged among the contracting parties.[149] The triggering event for an applicant to accept this system of his/her filing of international applications either through the Paris Convention or the PCT route.

This conceptual model can also be labeled "the prosecution-litigation link system" in the sense that it adds a dispute resolution mechanism to existing patent prosecution platforms with proven success, and as "the private-to-public approach" in the sense that it is to publicize private international laws on IP jurisdiction. However, considering political economic tensions among member States of the Paris Convention and PCT, it may be a challenging task for them to reach an agreement.

4. The IP5 Collaboration Model

Another conceptual model based on the collaboration of the IP5 is the strongest in IP offices (or the States that have such offices) around the world such as the US, the EU, China, Japan, and Korea. They have been actively collaborating for further advancement of their IP systems. Under this model, the IP5 States form a plurilateral treaty, with or without other States, to harmonize their substantive and procedural IP laws. The ALI proposal or its variations may form a basis for drafting such a treaty. MNCs may opt for using this collaborative dispute resolution system by enrolling in this mechanism.

As the history of multilateral trade negotiations forming the WTO TRIPs shows, countries have various reasons to oppose a unified regime. When it comes to conflicts between developed countries and LDCs, matters would become worse. While

148 Goldstein & Trimble, *supra* note 54, at 123.

149 Rules on jurisdiction, choice of law, and recognition and enforcement of decisions by foreign courts need to be elaborated. Existing proposals such as the ALI principles discussed above would provide a statutory basis for this mechanism.

relinquishing idealism to have one unified multilateral dispute resolution forum, this IP5 Collaboration Model encourages the world IP leaders to jointly contribute to establishment of a time and cost efficient dispute resolution mechanism by enacting a plural-lateral treaty among them. Such a treaty may cover substantial portions of multi-jurisdictional IP disputes among MNCs, because those five States account for 80 percent of all patents filed worldwide.[150]

This model, however, does not require additional investment in judicial resources of the contracting parties. Each contracting party only has to designate a few local courts to handle the IP disputes submitted to this mechanism. Then, the congregation of the courts in all contracting parties may then collaborate with one another. Such collaborations will ultimately alleviate the judicial burden of local courts suffering from increasing case-load in the field of IP.[151]

This model can be greatly leveraged by collaboration between local courts and global alternative dispute resolution ("ADR") associations. In an IP infringement case that is truly multi-jurisdictional, all of the courts may fall into the category of "*forum non conveniens*." This is because a local court may view that the more significant infringement might have occurred in other jurisdictions as a whole. Although the courts are ready to collaborate with one another, mostly by sharing information and respecting other courts' decisions, case administration by one court could be a huge burden. Even in this situation, the courts could lift such a judicial burden with the help of ADR associations around the world, who are experts in extensive knowledge on law, technology, and business.[152]

IP ADR has been used mostly in contract based disputes, i.e., cases where a party breaches a licensing agreement containing an ADR clause. On the other hand, in tort

150 *See* About IP5 Co-operation, *available at* http://www.fiveipoffices.org/about.html (last visited on Oct. 1, 2014).

151 Recent surge of IP case-load is observed in most local courts around the globe. *See* United States Courts, Caseload Statistics 2013 (2014), *available at* http://www.uscourts.gov/Statistics/FederalJudicialCaseloadStatistics/caseload-statistics-2013/caseload-summary.aspx; L. Hurley, *U.S. high court sets record for intellectual property caseload*, Reuters, Feb. 27, 2014, *available at* http://www.reuters.com/article/2014/02/27/us-usa-court-ip-analysis-idUSBREA1Q09B20140227; The Law Society of England and Wales, *Reforms to the General Court of the European Union* (2011), *available at* http://international.lawsociety.org.uk/files/LSEWpositionpaper_GCJReform.pdf; D. d'Amora, *Intellectual Property Rights Case Load Overwhelming Fledgling Court*, The Moscow Times, Mar. 12, 2014, *available at* http://www.themoscowtimes.com/news/article/intellectual-property-rights-case-load-overwhelming-fledgling-court/495982.html (all last visited on Oct. 1, 2014).

152 *E.g.*, JAMS, the largest private ADR association in the world, has nearly 300 full-time neutrals, i.e., ADR experts, including more than 70 IP experts with diverse professional backgrounds. Among those experts more than 25 are former judges who have ample experience in dealing with IP cases. For details, *see* JAMS, About JAMS (2014), *available at* http://www.jamsadr.com/aboutus_overview; Practice: Intellectual Property (2014), *available at* http://www.jamsadr.com/services/xpqServiceDetail.aspx?xpST=ServiceDetail&service=471&op=&ajax=no (all last visited on Oct. 1, 2014).

based disputes - IPR infringements cases - IP ADR has seldom been used, mainly because it is not practical to predetermine who will infringe one's IPRs.[153] Once an infringement is alleged to have occurred, parties can hardly agree to use an ADR mechanism to resolve the dispute.[154]

However, ADR mechanism in the IP5 Collaboration Model can be useful for resolving tort based IP disputes.[155] ADR in fact refers to diverse types of dispute resolution mechanism not exclusively administered by courts. In other words, there exist litigation-ADR convergence methods as well as 'pure' ADR methods in the broad spectrum of dispute resolution mechanisms.[156]

E.g., a local court can use a court-annexed mediation mechanism, ordered and coordinated by a trial or an appellate court, inviting professional mediators with extensive experience in IP litigation and expertise on relevant field of technology to a litigation process.[157] ADR method used to be adopted not only in family law cases including divorce, but it also has rich potential to be used as an IP dispute resolution. The court-annexed arbitration is another example. It can be offered as part of a litigation process. A court may appoint an arbitrator and each party may appoint one each to form a three arbitrator panel. Parties may settle in the course of the arbitration, accept the arbitration award, or move to a trial *de novo*.

V. Suggestions and Conclusion

Today, international law scholars are often motivated by the drastic challenges to come up with new jurisdictional paradigms on MNCs and their products, most notably MDDs. Considering current political economic situations, however, a unified international jurisdiction is not a feasible option. Thus, the author has tried

153 P. McConnaughay, *ADR of Intellectual Property Disputes*, *in* Lecture Note in "Law of Computer Technology" at Carnegie Mellon University 6-8 (2014), *available at* http://euro.ecom.cmu.edu/program/law/08-732/Courts/ADRPMcCon.pdf (last visited on Oct. 1, 2014).

154 *Id.* at 6-8.

155 Because local courts coordinate the whole process in this model, parties in an infringement litigation may resort to ADR mechanisms even without prior consent to do so. *See supra* note 153.

156 P. Carrington, *ADR and Future Adjudication: A Primer on Dispute Resolution*, 15 Rev. Litig. 492-501 (1995).

157 Court annexed mediation has frequently been used in domestic relation cases such as divorce and custody. *See* C.-A. Tondo, R. Coronel & B. Drucker, *Mediation Trends: A Survey of the States*, 39 Family Court Rev. 431-453 (2005). In the field of IP, however, court annexed mediation is also utilized by local courts. *See* A. Kowalchyk, Intellectual Property ADR vs. Litigation: Resolving Intellectual Property Disputes Outside of Court (2014), *available at* http://cdm16064.contentdm.oclc.org/cdm/ref/collection/p266901coll4/id/2730 (last visited on Oct. 1, 2014).

to conceptualize three IP jurisdictional models and assess their respective viabilities. Attributes of the models proposed above can be summarized in Table 2.

Table 2: Attributes of New Jurisdictional Models

	TRIPs Extension	Paris Convention & PCT Extension	IP5 Collaboration
Legal Nature	Public-to-private	Private-to-public	Private-to-public
Type of Jurisdiction	Unified International Jurisdiction	Extraterritorial Jurisdiction	Extraterritorial Jurisdiction
Venue	WTO-DSB	A local court	A local court
Proposed Form of Legislation	Amendment of the DSU (or Annex to the WTO Agreements)	A Treaty among Member States	A Treaty among IP5 (Other States can join)
Binding Effect on MNCs	MNCs should Sue or Be Sued at the WTO-DSB	MNCs may Opt for Prosecution-Litigation Link	MNCs may Ask Local Courts to Exercise ETJ
Prerequisites	International Legal Personality of MNCs	Collaboration among IP Offices (and Local Courts)	Collaboration among Local Courts (Competent ADR Organizations)
Expected Political Economic Resistance	High	Medium	Low

Source: Compiled by the author.

The TRIPs Extension Model based on the "public-to-private" approach may have to face intense resistance from LDCs and developing countries. The Paris Convention and the PCT Extension Model have been successfully proven to provide the most of existing international administrative platforms. However, it may be a challenging task to conclude an agreement among the member States. The IP5 Collaboration Model proposes to establish enforcement counterparts of the IP5 Offices around the world. A utility of this model lies in its litigation-ADR convergence mechanism, because, unlike litigation, the ADR mechanisms are in general time effective, flexible, amicable and confidential way of resolving disputes.[158]

It is important that contracting parties trust a new system with regard to its practicability and sustainability. Under the IP5 Collaboration Model, international

[158] National Arbitration Forum, Meditating and Arbitrating Intellectual Property Disputes (2005), *available at* http://www.adrforum.com/users/naf/resources/intellectualpropertywp.pdf (last visited on Oct. 1, 2014).

ADR associations could collaborate with local courts in IP5 States to utilize their global network, expertise, communication skills, etc. This new model may contribute to downsizing the IP docket at local courts. To the international ADR community, this model may look very attractive, too. Under this model, ADR experts have opportunities to participate even in tort based IP dispute resolution process such as IPR infringement litigation, in addition to ADR friendly breach-of-contract cases.[159]

In conclusion, several roadmaps will be proposed to establish international jurisdictional rules to serve administration of IP disputes among MNCs. Such proposals aim to be more realistic and gradual approaches to come up with an acceptable and workable international IP jurisdictional rule. It will be based on the following notions: (1) Territoriality of IP laws, both in terms of prosecution and enforcement, reflects each State's unique political, economic, social, and cultural attributes. Hence, the concept of harmonizing the conflicting national IP laws bear an innate limitation in this regard; (2) Political economy surrounding the treaties to establish international fora for IPR dispute resolution also implies that total harmonization is not a practical solution to the inefficiencies caused by increasing IPR disputes among MNCs; and (3) Proactive collaboration among the 'IP5' through legislative efforts for a unified jurisdiction by a treaty may result in a dramatic harmonization at least in the IP5 States that account for roughly 80 percent of all patent applications filed worldwide.[160]

[159] As discussed above, court annexed ADR methods can be utilized to put this model into practice. The difference of this model from current court annexed ADR methods lies in that this model requires coordination among local courts around the globe, while traditional methods in general require one local court arrange ADR methods in that court only.

[160] *See* About IP5 Co-operation, *available at* http://www.fiveipoffices.org/about.html (last visited on Oct. 1, 2014).