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# Currents and Crosscurrents in the International Intellectual Property Regime

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# CURRENTS AND CROSSCURRENTS IN THE INTERNATIONAL INTELLECTUAL PROPERTY REGIME

*Peter K. Yu\**

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I. INTRODUCTION

The international intellectual property regime is at a crossroads today.<sup>1</sup> Since the establishment of the Agreement on Trade-Related

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1. For discussions of international regimes, see generally ANDREAS HASENCLEVER ET AL., THEORIES OF INTERNATIONAL REGIMES (1997); INTERNATIONAL REGIMES (Stephen D. Krasner ed., 1983); Stephan Haggard & Beth A. Simmons, *Theories of International Regimes*, 41 INT’L ORG. 491 (1987). Commentators disagreed on the definition of international regimes. For example, Professor Stephen Krasner defined international regimes as:

implicit or explicit principles, norms, rules, and decision-making procedures around which actors’ expectations converge in a given area of international relations. Principles are beliefs of fact, causation, and rectitude. Norms are standards of behavior defined in terms of rights and obligations. Rules are specific prescriptions or proscriptions for action. Decision-making procedures are prevailing practices for making and implementing collective choice.

Stephen D. Krasner, *Structural Causes and Regime Consequences: Regimes as Intervening Variables*, in INTERNATIONAL REGIMES, *supra*, at 1, 2. By contrast, Professor Robert Keohane defined international regimes as “institutions with explicit rules, agreed upon by governments, that pertain to particular sets of issues in international relations.” Robert O. Keohane, *Neoliberal Institutionalism: A Perspective on World Politics*, in INTERNATIONAL INSTITUTIONS AND STATE POWER: ESSAYS IN INTERNATIONAL RELATIONS THEORY I, 4 (Robert O. Keohane ed., 1989).

Many commentators have pointed out the problematic nature of the term “intellectual property.” According to these commentators, the term glosses over the differences in legal systems that originated differently, protect different subject matter, and raise different policy questions. See, e.g., Richard Stallman, *Some Confusing or Loaded Words and Phrases That Are Worth Avoiding*, at <http://www.gnu.org/philosophy/words-to-avoid.html> (last visited Aug. 30, 2004). For example, the Berne and Paris Conventions were two separate treaties covering two different sets of intellectual property rights—

Aspects of Intellectual Property Rights<sup>2</sup> (“TRIPS Agreement”) in the early 1990s, many less developed countries have become dissatisfied with the regime.<sup>3</sup> As they claimed, the regime has failed to take into consideration their needs, interests, and local conditions, and the increased expansion of intellectual property protection has jeopardized their access to information, knowledge, and essential medicines. As a result, less developed countries are reluctant to develop new international intellectual property norms despite repeated demands by developed countries.

Unable to secure stronger protection for their nationals, many

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literary and artistic property for the Berne Convention and industrial property for the Paris Convention. Notwithstanding these differences, these two sets of rights are now linked together, as the Berne and Paris conventions were incorporated by reference into the TRIPS Agreement. These two conventions are also administered by a single intergovernmental organization known as the World Intellectual Property Organization. Moreover, intellectual property consists of more than just copyrights, patents, and trademarks; it also includes trade secrets, geographical indications, industrial designs, layout designs of integrated circuits, plant variety protection, utility models, and many forms of unfair competition. As the international intellectual property regime continues to develop, new *sui generis* protection will be created. Thus, this Article brings together the different sets of rights under the rubric of the international intellectual property regime.

2. Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, LEGAL INSTRUMENTS—RESULTS OF THE URUGUAY ROUND vol. 31, 33 I.L.M. 1197 (1994) [hereinafter TRIPS Agreement].

3. Activist Roberto Verzola captured well the sentiment of many less developed countries:

If it is a sin for the poor to steal from the rich, it must be a much bigger sin for the rich to steal from the poor. Don't rich countries pirate poor countries' best scientists, engineers, doctors, nurses and programmers? When global corporations come to operate in the Philippines, don't they pirate the best people from local firms? . . . If it is bad for poor countries like ours to pirate the intellectual property of rich countries, isn't it a lot worse for rich countries like the US to pirate our intellectuals?

In fact, we are benign enough to take only a copy, leaving the original behind; rich countries are so greedy that they take away the originals, leaving nothing behind.

Roberto Verzola, *Pegging the World's Biggest*, 12 EARTH ISLAND J. 41, 41 (1997), available at [http://www.earthisland.org/eijournal/new\\_articles.cfm?articleID=311&journalID=50](http://www.earthisland.org/eijournal/new_articles.cfm?articleID=311&journalID=50), quoted in Alan Story, *Burn Berne: Why the Leading International Copyright Convention Must Be Repealed*, 40 HOUS. L. REV. 763, 764 (2003).

developed countries, in particular the United States and the members of the European Union, have turned to bilateral free trade agreements, which enable countries to use economic strengths to induce their less powerful trading partners to ratchet up intellectual property protection offered to their nationals.<sup>4</sup> Meanwhile, rights holders in developed countries have also introduced mass market licenses and technological protection measures to protect themselves from piracy and counterfeiting abroad. Thus, many commentators are concerned that this “one-way ratchet”<sup>5</sup> ultimately will roll back the substantive and strategic gains made by less developed countries during TRIPS negotiations.<sup>6</sup> These commentators also fear that the international intellectual property regime will enter into a new era of heightened protection as protection continues to expand.<sup>7</sup>

Interestingly, intellectual property rights holders feel equally threatened by the new developments in the international intellectual property regime. To many of them, the recent developments were troubling and unprecedented. For example, the Doha Declaration included strong language that recognizes the needs of less developed countries to have access to affordable drugs in light of the public health crises within their borders.<sup>8</sup> The two key documents emanating from the World Summit on the Information Society in

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4. For excellent discussions of the recent bilateral free trade agreements, see generally DAVID VIVAS-EUGUI, REGIONAL AND BILATERAL AGREEMENTS AND A TRIPS-PLUS WORLD: THE FREE TRADE AREA OF THE AMERICAS (FTAA) (2003), available at [http://www.geneva.quino.info/pdf/FTAA\(A4\).pdf](http://www.geneva.quino.info/pdf/FTAA(A4).pdf); Peter Drahos, *BITs and BIPs: Bilateralism in Intellectual Property*, 4 J. WORLD INTELL. PROP. 791 (2001); Ruth L. Okediji, *Back to Bilateralism? Pendulum Swings in International Intellectual Property Protection*, 1 U. OTTAWA L. & TECH. J. 127 (2004).

5. Rochelle Cooper Dreyfuss, *TRIPS-Round II: Should Users Strike Back?*, 71 U. CHI. L. REV. 21, 22 (2004). As one commentator described: “Trends are moving towards widening the scope of protectable subject matter, the creation of new intellectual property rights (IPRs), progressive harmonisation, stronger enforcement measures, weakening of special and differential treatment for developing countries and weakening or removal of existing flexibilities.” VIVAS-EUGUI, *supra* note 4, at 3.

6. See, e.g., Okediji, *supra* note 4, at 129.

7. See, e.g., LAWRENCE LESSIG, *FREE CULTURE* (2004); James Boyle, *The Second Enclosure Movement and the Construction of the Public Domain*, 66 LAW & CONTEMP. PROBS. 33 (2003).

8. See WTO, *Declaration on the TRIPS Agreement and Public Health*, WTO Doc. WT/MIN(01)/DEC/2 (Nov. 14, 2001) [hereinafter *Doha Declaration*].

Geneva included strong language declaring the need for universal access to information and knowledge throughout the world.<sup>9</sup> In February 2003, the United Nations Development Programme released a report highly critical of the TRIPS Agreement.<sup>10</sup> The report urged the WTO member states “to begin dialogues to replace TRIPS—and equivalent top-down schemes of substantive IPR harmonization—with alternate intellectual property paradigms . . . .”<sup>11</sup> Most recently, the General Assembly of the World Intellectual Property Organization (WIPO) adopted the Proposal for the Establishment of a Development Agenda for WIPO, which was put forward by Argentina and Brazil.<sup>12</sup> Civil society organizations were also able to put together the Geneva Declaration on the Future of the World Intellectual Property Organization (“Geneva Declaration”), highlighting the needs and demands of less developed countries.<sup>13</sup> As a result of these developments, many intellectual property rights holders have become concerned that the international intellectual property regime is entering into a new era of significantly reduced protection.

This Article challenges the incomplete views held by those on both sides of the international intellectual property debate and argues that recent developments are neither new nor surprising. Indeed, there are many similarities between the current and past developments. For example, before the creation of the Berne and Paris Conventions, countries used bilateral treaties to coordinate

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9. See World Summit on the Info. Soc’y, Declaration of Principles, WSIS Doc. WSIS-03/GENEVA/DOC/4-E (Dec. 12, 2003) [hereinafter WSIS Declaration of Principles], available at [http://www.itu.int/dms\\_pub/itu-s/md/03/wsis/doc/S03-WSIS-DOC-0004!!PDF-E.pdf](http://www.itu.int/dms_pub/itu-s/md/03/wsis/doc/S03-WSIS-DOC-0004!!PDF-E.pdf).

10. UNITED NATIONS DEV. PROGRAMME, MAKING GLOBAL TRADE WORK FOR PEOPLE (2003), available at <http://www.undp.org/dpa/publications/globaltrade.pdf>.

11. *Id.* at 221.

12. The proposal “call[ed] for WIPO to ‘fully incorporate’ and ‘to take immediate action in providing for the incorporation of a ‘Development Agenda’ in the Organization’s work program.” See Press Release, WIPO, Member States Agree to Further Examine Proposal on Development (Oct. 4, 2004), available at [http://www.wipo.int/edocs/prdocs/en/2004/wipo\\_pr\\_2004\\_396.html](http://www.wipo.int/edocs/prdocs/en/2004/wipo_pr_2004_396.html).

13. Geneva Declaration on the Future of the World Intellectual Property Organization (Oct. 4, 2004), available at <http://www.cptech.org/ip/wipo/futureofwipodeclaration.pdf> [hereinafter Geneva Declaration].

national intellectual property policies.<sup>14</sup> These bilateral treaties were very similar to the bilateral and regional free trade agreements the European Union and United States have recently signed with less developed countries.<sup>15</sup> Likewise, the new WIPO Development Agenda bears a strong resemblance to the agenda put forward by less developed countries in the 1967 Stockholm revision conference, which led to the creation of the World Intellectual Property Organization and the inclusion of the Protocol Regarding Developing Countries in the Berne Convention.<sup>16</sup> Indeed, the Geneva Declaration specifically mentioned the 1967 Stockholm revision conference.<sup>17</sup>

To help us understand the recent developments, this Article traces the historical development of the international intellectual property regime and demonstrates that this regime is the product of repeated interactions between an evolving set of currents and crosscurrents. While the currents of multilateralism push for uniformity and increased harmonization, the crosscurrents of resistance—a term I use to denote the resistance to the “currents”—protect national autonomy and international diversity. By bringing together these currents and crosscurrents, this Article demonstrates that the international intellectual property regime is an ongoing project that provides opportunities and crises for both developed and less developed countries, as well as for rights holders and individual end users.<sup>18</sup>

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14. See *infra* text accompanying notes 49–57 & 120–22.

15. See discussion *infra* Part IV.C (discussing recent bilateral agreements). Indeed, as Professor Ruth Okediji argued:

[T]he so-called new bilateralism is actually more consistent with historical uses of the foreign relations/treaty power of the United States, as well as the general framework of international law, in its dealings with developing countries since the independence era. Consequently, it is probably the TRIPS Agreement that is the aberration in international intellectual property law, and not the recent spates of bilateral and regional agreements.

Okediji, *supra* note 4, at 130.

16. See *infra* text accompanying notes 90–100.

17. See Geneva Declaration, *supra* note 13.

18. See Ruth L. Okediji, *The International Relations of Intellectual Property: Narratives of Developing Country Participation in the Global Intellectual Property System*, 7 SING. J. INT'L & COMP. L. 315, 334–41 (2003) (suggesting that the “third multilateralism,” which began in 1994, is an era of consolidation that “is still in its infancy”); Susan K. Sell, *Intellectual Property*

Part II of this Article traces the origins of the Berne Convention for the Protection of Literary and Artistic Works<sup>19</sup> and the Paris Convention for the Protection of Industrial Property.<sup>20</sup> It also discusses the emergence of the modern notions of intellectual property in Venice, how countries became dissatisfied with the use of bilateral agreements to protect authors and inventors in foreign countries, and how they pushed for the establishment of multilateral treaties. Part III traces the origins of the TRIPS Agreement and the 1996 WIPO Internet Treaties.<sup>21</sup> It describes how intellectual property lawmaking shifted from the WTO back to WIPO in the mid-1990s, despite the successful negotiation of the TRIPS Agreement. Part IV explores the five crosscurrents that have emerged in the international intellectual property regime in recent years: reciprocization, diversification, bilateralism, non-nationalization, and abandonment. It explains how these crosscurrents may undercut international harmonization efforts and create new challenges for this regime. Part V concludes by providing observations on the international intellectual property regime in five different areas: bargaining frameworks, regime development, global lawmaking, harmonization efforts, and judicial trends.

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*and Public Policy in Historical Perspective: Contestation and Settlement*, 38 LOY. L.A. L. REV. 267 (2004) (arguing that intellectual property rights were historically developed through repeated rounds of contestation and settlement, in which losers challenged winners over the status quo).

19. Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, *revised at Paris* July 24, 1971, 25 U.S.T. 1341, 828 U.N.T.S. 221 [hereinafter Berne Convention].

20. Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, *revised at Stockholm* July 14, 1967, 21 U.S.T. 1538, 828 U.N.T.S. 305 [hereinafter Paris Convention].

21. WIPO Copyright Treaty, *adopted* Dec. 20, 1996, WIPO Doc. CRNR/DC/94 (Dec. 23, 1996) [hereinafter WCT]; WIPO Performances and Phonograms Treaty, *adopted* Dec. 20, 1996, WIPO Doc. CRNR/DC/95 (Dec. 23, 1996) [hereinafter WPPT]. For comprehensive discussions of the 1996 WIPO Internet Treaties, see generally MIHÁLY FICSOR, *THE LAW OF COPYRIGHT AND THE INTERNET: THE 1996 WIPO TREATIES, THEIR INTERPRETATION AND IMPLEMENTATION* (2002); JÖRG REINBOTHE & SILKE VON LEWINSKI, *THE WIPO TREATIES 1996: THE WIPO COPYRIGHT TREATY AND THE WIPO PERFORMANCES AND PHONOGRAMS TREATY* (2002).



## II. FROM BILATERALISM TO MULTILATERALISM

The modern notions of intellectual property are generally traced back to the Venetian Republic in the fifteenth century. Although intellectual property “existed in some form in Venetian law as a customary practice,”<sup>22</sup> the Republic did not formalize such protection until it adopted the first patent law on March 19, 1474.<sup>23</sup> This law was designed primarily to encourage and reward inventors for their ingenuity, rather than to prevent monopolies. The law, as translated by Professor Luigi Sordelli, read as follows:

There are in this city, and also there come temporarily by reason of its greatness and goodness, men from different places and most clever minds, capable of devising and inventing all manner of ingenious contrivances. And should it be provided, that the works and contrivances invented by them, others having seen them could not make them and take their honour, men of such kind would exert their minds, invent and make things which would be of no small utility and benefit to our State. Therefore, decision will be passed that, by authority of this Council, each person who will make in this city any new ingenious contrivance, not made heretofore in our dominion, as soon as it is reduced to perfection, so that it can be used and exercised, shall give notice of the same to the office of our Provisioners of Common. It being forbidden to any other in any territory and place of ours to make any other contrivance in the form and resemblance thereof, without the consent and license of the author up to ten years. And, however, should anybody make it, the aforesaid author and inventor will have the liberty to cite him before any office of this city, by which office the aforesaid who shall infringe be forced to pay him the sum of one hundred ducates and

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22. Christopher May, *The Venetian Moment: New Technologies, Legal Innovation and the Institutional Origins of Intellectual Property*, 20 PROMETHEUS 159, 160 (2002); see also Giulio Mandich, *Venetian Patents (1450–1550)*, 30 J. PAT. OFF. SOC’Y 166 (1948).

23. STEPHEN P. LADAS, PATENTS, TRADEMARKS, AND RELATED RIGHTS: NATIONAL AND INTERNATIONAL PROTECTION 6 (1975). “[T]he Venetian Council adopted this law by the vote of 116 members, with 10 negative votes cast and 3 abstaining as uncertain.” *Id.* at 6 n.24.

the contrivance be immediately destroyed. Being then in liberty of our Government at his will to take and use in his need any of said contrivances and instruments, with this condition, however, that no others than the authors shall exercise them.<sup>24</sup>

Although this Venetian statute was in primitive form, it outlined a modern patent system, including such key components as “a balance of knowledge available through a state sanctioned public realm; the rights of the ‘innovator’ to benefit from his intellectual endeavour; and the notion of reward for effort.”<sup>25</sup> The Republic’s effort to formalize intellectual property notions also demonstrated the strategic importance of promoting innovation and competitive industrial practices.<sup>26</sup>

Since the enactment of the Venetian statute, the central components and rationale of the patent system have remained largely intact.<sup>27</sup> As Professor Christopher May pointed out, the Venetian statute was more modern than subsequent English patent law, as “it provided for patents as a matter of right and general principle, not merely of royal favor.”<sup>28</sup> This statute is therefore of great jurisprudential significance. “For the first time, patents were subject to a generalised law rather than a process of individual petition and grant[;] . . . grants were based not on the relationship between the petitioner and the authorities, but rather on the applicant’s ability to fulfil certain fixed criteria.”<sup>29</sup>

In addition to patents, the Venetian Republic was also credited with the development of copyright law. In the late fifteenth century,

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24. *Id.* at 6–7. For other translated versions of the statute, see May, *supra* note 22, at 178–79.

25. May, *supra* note 22, at 163.

26. *Id.* at 169.

27. *Id.* at 166; see also BRUCE W. BUGBEE, GENESIS OF AMERICAN PATENT AND COPYRIGHT LAW 24 (1967) (claiming that “the international patent experience of nearly 500 years has merely brought amendments or improvements upon the solid core established in Renaissance Venice”); Frank D. Prager, *A History of Intellectual Property from 1545 to 1787*, 26 J. PAT. OFF. SOC’Y 711, 720 (1944) (“In most places, the patent system was adopted almost exactly as developed in Venice. . . . All of the basic patent rules developed in Venice were preserved in the subsequent systems, down to and including our present American system.”).

28. Prager, *supra* note 27, at 715–16.

29. May, *supra* note 22, at 162.

Venice was considered “the capital of printing.”<sup>30</sup> Between 1480 and 1482, at least 156 different editions were published in Venice, leaving Milan with only 82 known editions.<sup>31</sup> Commentators generally trace the origin of copyright law back to the patent the Venetian Republic granted to Johann Speyer for his printing press in 1469.<sup>32</sup> More than two decades later, in 1493, “the Venetian Cabinet set a precedent giving Daniele Barbaro a ten-year exclusive grant to publish a book by his late brother, Ermolao.”<sup>33</sup> Due to an oversupply of books, the Senate soon restricted the privilege to “new and previously unprinted works.”<sup>34</sup> In 1549, a new Council decree organized all of Venice’s printers and booksellers into a guild while giving the Church some assistance in suppressing heretical works.<sup>35</sup>

By the sixteenth century, the modern notions of intellectual property had been formally institutionalized in Venice, even though this development did not save the city-state from decline.<sup>36</sup> These notions soon spread to other parts of Europe, including France and the Holy Roman Empire.<sup>37</sup> Thanks to the increased competition in trade and the ultimate rise of London, the momentum for the development of intellectual property law eventually shifted to England.<sup>38</sup> By the eighteenth century, the Statute of Monopolies<sup>39</sup> and the Statute of Anne<sup>40</sup> had attracted attention from many countries, including the United States. These two famous English

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30. *Id.* at 169.

31. *Id.*

32. *See, e.g.*, JOHN FEATHER, PUBLISHING, PIRACY AND POLITICS: AN HISTORICAL STUDY OF COPYRIGHT IN BRITAIN 10–11 (1994). As Professor John Feather wrote: “Speyer was the first printer in the city, and it was in everyone’s interest to protect his position. His privilege gave him an exclusive right to print books in all Venetian territories for the next five years.” *Id.* It remains “contested whether [Speyer] was recognized as first importer of the whole art of typography, or as inventor of improvements.” Prager, *supra* note 27, at 718 (footnotes omitted).

33. May, *supra* note 22, at 172.

34. *Id.* at 173.

35. *Id.*

36. *See* Prager, *supra* note 27, at 719–20.

37. *See id.*

38. *See generally* CHRISTINE MACLEOD, INVENTING THE INDUSTRIAL REVOLUTION 11–14 (1988) (describing the rise of patent protection in England as a response to growing importation and improvement in technology).

39. 21 Jam. 1, c. 3 (1623) (Eng.).

40. 8 Ann., c. 19 (1710) (Eng.).

statutes, together with the Intellectual Property Clause of the United States Constitution<sup>41</sup> and early French intellectual property laws,<sup>42</sup> eventually became the models for intellectual property laws around the world, including many less developed countries and former colonies.<sup>43</sup>

By the eighteenth century, most countries, in particular the colonial powers, had offered formal intellectual property protection to their nationals and resident aliens satisfying specified conditions.<sup>44</sup> Although authors and inventors would not be able to obtain protection unless they were willing to travel abroad to seek protection as residents in foreign countries, transportation and communication barriers limited the ability of countries to trade intellectual goods.<sup>45</sup> International intellectual property protection therefore did not become a major issue until a century later.

By then, transportation and communication had substantially improved, and the industrial revolution had greatly accelerated the production of intellectual goods.<sup>46</sup> As cross-border markets developed and expanded, countries became concerned about the limited national protection and the virtually nonexistent international

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41. U.S. CONST. art. I, § 8, cl. 8.

42. For an insightful discussion of early French copyright law, see generally Jane C. Ginsburg, *A Tale of Two Copyrights: Literary Property in Revolutionary France and America*, 64 TUL. L. REV. 991 (1990).

43. See Paul Edward Geller, *Legal Transplants in International Copyright: Some Problems of Method*, 13 UCLA PAC. BASIN L.J. 199 (1994) (discussing the legal transplant of copyright law); Okediji, *supra* note 18, at 315–16 (noting that “[f]rom the moment a select group of European countries concluded a multilateral agreement for the protection of industrial property in 1883, non-Western societies, principally in Africa and Asia, were swept under the aegis of the international intellectual property system through the agency of colonial rule.” (footnote omitted)).

44. See STEPHEN P. LADAS, *THE INTERNATIONAL PROTECTION OF LITERARY AND ARTISTIC PROPERTY* 30–44 (1938) (discussing the protection national laws offered to literary and artistic property owned by foreigners); LADAS, *supra* note 23, at 19–42 (discussing the protection national laws offered to industrial property owned by foreigners).

45. For an interesting account of the transportation barriers in the eighteenth century and how these barriers affected the mobility of music composers, see F.M. SCHERER, *QUARTER NOTES AND BANK NOTES: THE ECONOMICS OF MUSIC COMPOSITION IN THE EIGHTEENTH AND NINETEENTH CENTURIES* 142–54 (2003).

46. See LADAS, *supra* note 23, at 12.

protection for foreign authors and inventors.<sup>47</sup> Although foreign creators and inventors could obtain protection as resident aliens, this protection was woefully inadequate, due largely to antiquated law, technical objections, and the lack of an adequate private international law theory.<sup>48</sup> Justice was often unreasonably denied, and the need for stronger international intellectual property protection therefore arose.

In the copyright area, early international protection existed in the form of bilateral treaties, protecting authors and creative efforts through reciprocity provisions.<sup>49</sup> For example, in 1828 Denmark issued a decree to extend the protection of authors' rights to foreign works on the condition of reciprocity.<sup>50</sup> Prussia entered into thirty-two bilateral agreements with other German states from 1827 to 1829, and Austria and Sardinia became the first autonomous states to enter into a bilateral copyright agreement in 1840.<sup>51</sup> Predominant

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47. *Id.*

48. *Id.*

49. Stephen Ladas described the changing conditions in nineteenth-century Europe:

The nineteenth century brought profound changes in the conditions upon which the rights of authors were based. In the political field, the liberty of the press, the destruction of the division of social classes, the dissemination of education, the reinforcement of national unity by the use of national languages instead of separate dialects; in the social and economic field, new processes of reproduction of literary and artistic works, the expansion of the press, the creation of new universities, libraries, museums and expositions, the development of bookselling and the wider circulation of books, the learning of foreign languages and the more general traveling of people from one country to another—all these facts created new conditions for the works of authors and artists. Writing and the cultivation of the arts came to be a real profession and those engaged in it expected to be supported by it and no longer by Maecenas and Royal Courts. As a result, authors began to demand a fuller protection of their rights, and to raise much outcry against the injustice done them by the pirating of their works in foreign countries.

LADAS, *supra* note 44, at 23–24.

50. *Id.* at 22. "This [decree] is admitted to be the first provision for international protection of authors' rights, and it is the first enactment in which the principle of reciprocity is introduced in this field." *Id.*

51. *See id.* at 44. "These early German agreements . . . were of a special character, as their purpose was to fill the gap left by the failure of the legislature of the Germanic Confederation to enact a federal copyright law." Sam Ricketson, *The Birth of the Berne Union*, 11 COLUM.-VLA J.L. & ARTS 9, 14–15 (1986).

powers like France and Great Britain soon followed.<sup>52</sup> By the late nineteenth century, a network of bilateral copyright conventions had been established among major European powers.<sup>53</sup>

Notwithstanding this treaty network, authors could expect very little uniformity in protection outside of their home countries.<sup>54</sup> This lack of uniformity was complicated by the fact that the duration of a copyright treaty was sometimes tied to a broader commercial treaty and copyright protection would be deeply affected if the commercial treaty were revoked or renegotiated.<sup>55</sup> Even worse, some copyright treaties contained “most favored nation” clauses, which allowed a state to enjoy the more favorable benefits the other contracting party granted to a third party in a different treaty.<sup>56</sup> Although these clauses did not result in any loss of protection for authors, they made it difficult to ascertain the level of protection authors would receive in a particular country.<sup>57</sup>

In the mid-nineteenth century, France issued the Decree of March 28, 1852, which unilaterally extended copyright protection to all works regardless of their country of origin.<sup>58</sup> The promulgation of this decree can be attributed to three factors:

First, the French believed that authors’ rights were rooted in natural rights and “should . . . not be subject to artificial

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52. France concluded a copyright convention with Sardinia in 1843, and conventions for the protection of literary and artistic property with Great Britain, Portugal, and Hanover in 1851. LADAS, *supra* note 44, at 45. Great Britain passed the International Copyright Act in 1837, and entered into a copyright convention with Prussia on the basis of this statute in 1846. This Convention was further extended to ten German States in 1847, and two more in 1853. *Id.* By 1886, Great Britain had entered into copyright conventions with Belgium, France, Germany, Italy, and Spain. *Id.* at 49.

53. Ricketson, *supra* note 51, at 15. “By 1886, there was an intricate network of bilateral copyright conventions in force between the majority of European states, as well as with several Latin American countries. Of these, France was party to the most agreements (13), followed closely by Belgium (9), Italy and Spain (8 each), the United Kingdom (5) and Germany (5).” *Id.*

54. *Id.* at 16.

55. See LADAS, *supra* note 44, at 66–67; Ricketson, *supra* note 51, at 15.

56. LADAS, *supra* note 44, at 66; see Ricketson, *supra* note 51, at 15–16.

57. Ricketson, *supra* note 51, at 16.

58. See Barbara A. Ringer, *The Role of the United States in International Copyright—Past, Present, and Future*, 56 GEO. L.J. 1050, 1052 (1968). “This remained a part of French law until the principle of reciprocity was introduced by Decree No. 67181 of Mar. 6, 1967.” *Id.* at 1052 n.10.

restraints such as nationality and political boundaries.” Second, France was concerned about its failure to negotiate bilateral treaties with Belgium and the Netherlands—“the two principal ‘hotbeds’ of French piracies”—and “therefore hoped that the unilateral grant of protection to authors from these countries in France would ‘shame’ them into responding in like manner.” Third, the French at that time believed that “bargaining was not the best method of securing international protection of authors’ rights, and that if France should begin declaring that piracy of a foreign work in France was a crime punishable by the law, the other governments would be more willing to take the same step.”<sup>59</sup>

Although it is hard to assess the impact and effectiveness of this decree, the decree seems to have improved France’s copyright relations with other countries, in particular Belgium and the Netherlands.<sup>60</sup> The decree also accelerated the movement toward a multilateral copyright system.<sup>61</sup>

In 1858, authors and artists met at the Congress on Literary and Artistic Property in Brussels to discuss the international protection of authors’ rights.<sup>62</sup> Three years later, a new Congress was called in Antwerp to induce countries to adopt uniform legislation that would provide authors with “the greatest possible protection.”<sup>63</sup> Although no international congresses were held for several years after the Antwerp Congress, “important national meetings of authors and artists were held in several countries, particularly France and Germany, and the number of bilateral conventions that were made

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59. Peter K. Yu, *The Copyright Divide*, 25 CARDOZO L. REV. 331, 347 (2003) (footnotes omitted).

60. *Id.* “During the decade from 1852 to 1862 France was able to conclude twenty-three treaties for the reciprocal protection of authors’ rights. . . . In the previous decade she had been able to conclude but four treaties. Two of the treaties concluded after 1852 were with Belgium (August 22, 1852) and Holland (March 29, 1855) . . . .” *Id.* at 347 n.120 (quoting LADAS, *supra* note 44, at 29).

61. Ringer, *supra* note 58, at 1052 (noting that France’s unilateral initiative accelerated the movement toward a multilateral copyright system even though it did not set a pattern).

62. See LADAS, *supra* note 44, at 72 (discussing the Congress of 1858).

63. *Id.* at 72–73 (discussing the Congress of 1861).

during this period increased rapidly.”<sup>64</sup> In 1877, artists met again in Antwerp to celebrate the tercentenary of the birth of well-known Flemish painter Peter Paul Rubens.<sup>65</sup> In that Congress, they adopted a unanimous resolution to call upon the recently-established Institute of International Law “to draft a project of world law on the protection of artistic works.”<sup>66</sup>

At the Universal Exposition in Paris a year later, the Literary Congress, presided over by French novelist Victor Hugo, met and decided to create an international association of literary societies and authors.<sup>67</sup> This association soon expanded their membership and coverage to include artists and artistic property.<sup>68</sup> In 1882, the association met again in Rome, and Paul Schmidt of the German Publishers Association proposed to establish a Union to protect literary property.<sup>69</sup> He called upon the association’s Executive Council to convene a conference that would include all of the interested parties with the aim of creating a union.<sup>70</sup> The association unanimously approved the proposal, and the conference met in Berne in September 1883.<sup>71</sup> At the Berne conference, a draft convention of ten articles was proposed,<sup>72</sup> and the government of Switzerland

64. Ricketson, *supra* note 51, at 18.

65. LADAS, *supra* note 44, at 72.

66. *Id.* at 72–73 (discussing the Congress of 1877).

67. *Id.* at 73–74.

68. *Id.* at 74.

69. See Ricketson, *supra* note 51, at 19. Professor Sam Ricketson considered Dr. Schmidt’s motion “cannily conceived.” *Id.* As he explained:

[The motion] began by saying that this was not the time or place to begin discussion of a new international instrument on copyright. Widespread discussions and consultations were needed before this could be done, but, with a view to beginning this process, the motion charged the office of ALAI with the task of undertaking:

the necessary measures for initiating, in the press of all countries, as extensive and profound discussion as possible on the question of the formation of a Union of literary property, and for arranging at a date to be subsequently fixed, a conference composed of the organs and representatives of interested groups, to meet to discuss and settle a scheme for the creation of a Union of literary property.

*Id.* at 19–20.

70. LADAS, *supra* note 44, at 75.

71. *Id.*

72. Ringer, *supra* note 58, at 1052.



agreed to communicate the project to "all civilized countries."<sup>73</sup>

For the next three years, intergovernmental conferences were held in Berne.<sup>74</sup> Although the meetings were not well received in the very beginning and countries disagreed on how they should protect authors' rights, the participating countries eventually became receptive to the idea of having a multilateral convention.<sup>75</sup> When the final conference met on September 6, 1886, twelve countries were in attendance.<sup>76</sup> Except for Japan and the United States, which only attended the conference as observers,<sup>77</sup> all of the other participating countries—Belgium, France, Germany, Great Britain, Haiti, Italy, Liberia, Spain, Switzerland, and Tunisia—signed the final instrument, which then was ratified and entered into force on December 5, 1887.<sup>78</sup> The United States did not join the Berne

73. Thorvald Solberg, *The International Copyright Union*, 36 YALE L.J. 68, 81 (1926). "The Swiss Government did not submit the project adopted by the Congress of the International Association. It substituted a more complete draft convention of eighteen articles, which, however, did not differ fundamentally from that of 1883." LADAS, *supra* note 44, at 77.

74. For a discussion of these intergovernmental conferences, see LADAS, *supra* note 44, at 76–83.

75. See Ricketson, *supra* note 51, at 22–29.

76. *Id.* at 29.

77. Japan joined the Berne Convention in 1899 and became the first Asian country to do so. Although the United States did not sign the original Berne Convention, its delegate, Boyd Winchester, "held out the promise of accession, if the circumstances should become appropriate":

Whilst not prepared to join the proposed Convention as a full Signatory, the United States does not thereby wish to be understood as opposing the measure in any way, but on the contrary, desires to reserve without prejudice the privilege of future accession to the Convention, should it become expedient and practicable to do so. . . . The position and attitude of the United States is one of expectancy and reserve.

*Id.* at 29–30. Little did the other signatory countries know at that time that the United States would not join the Berne Convention until 1989, more than a century later. See Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853 (codified in scattered sections of 17 U.S.C.).

78. LADAS, *supra* note 44, at 82–83 (discussing the Final Conference of 1886). Nine of the ten signatory countries ratified the Berne Convention. Liberia did not ratify the original Berne Convention, but acceded to the Convention in 1908. *Id.* at 83. The original Berne Convention is reprinted in *id.* at 1123–34. For a comprehensive discussion of the Berne Convention, see generally SAM RICKETSON, *THE BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS: 1886–1986* (1987); Symposium, *Conference*

Convention until more than a century later.<sup>79</sup>

The original Berne Convention was, by modern standards, “a modest beginning; nevertheless, it was the first truly multilateral copyright treaty in history . . . [and] established some important basic principles.”<sup>80</sup> First, the Convention created a “Union for the protection of the rights of authors in their literary and artistic works,”<sup>81</sup> which has an independent existence regardless of its membership.<sup>82</sup> The Union remains “open to all states without restrictions, as long as they are prepared to comply with the obligations embodied therein.”<sup>83</sup> Second, in lieu of reciprocity, the Convention adopted the principle of national treatment, which requires member states to grant to foreigners the same rights they grant to their own nationals.<sup>84</sup> Third, the Convention provided merely *minimum* protection for translation and public performance rights.<sup>85</sup> By doing so, the treaty provided member states the freedom to augment protection through other bilateral or multilateral arrangements while leaving room for further expansion of these minimum rights in subsequent revisions.<sup>86</sup>

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*Celebrating the Centenary of the Berne Convention*, 11 COLUM.-VLA J.L. & ARTS 1 (1986).

79. The United States joined the Berne Convention on March 1, 1989. Berne Convention Implementation Act of 1988, *supra* note 77.

80. Ringer, *supra* note 58, at 1053; see LADAS, *supra* note 44, at 86 (noting that the Berne Convention “was a great step ahead in securing to authors and artists a more complete protection than they ever enjoyed up to that time in the international field”).

81. Berne Convention, *supra* note 19, art. 1, 820 U.N.T.S. at 225.

82. STEPHEN M. STEWART, INTERNATIONAL COPYRIGHT AND NEIGHBOURING RIGHTS § 5.06, at 101 (2d ed. 1989).

83. Ricketson, *supra* note 51, at 9.

84. See Ringer, *supra* note 58, at 1053.

85. Ricketson, *supra* note 51, at 22. The original Berne Convention required member states to protect translation rights for a minimum term of ten years. Ringer, *supra* note 58, at 1053. The Convention also mandated that national treatment be applied to the public representation of dramatic or dramatico-musical works, to the public performance of an unpublished musical work, and to the public performance of a published musical work provided the author had expressly declared his intention to forbid public performance of the work. See Berne Convention, *supra* note 19, art. 9, 828 U.N.T.S. at 239.

86. Ricketson, *supra* note 51, at 22, 28. The Berne Convention underwent revisions in 1908, 1928, 1948, 1967, and 1971. For a short discussion of the various revisions of the Berne Convention, see H.R. REP. NO. 100-609, at 12-13 (1988).

Since its creation, the Berne Convention has been revised substantially. For example, the 1908 Berlin Act prohibited the use of formalities as a condition of the enjoyment and exercise of rights under the Convention.<sup>87</sup> The 1928 Rome Act expressly recognized the moral rights of authors, such as the rights of attribution and integrity, as well as the right to authorize broadcasts.<sup>88</sup> The 1948 Brussels Act established a mandatory copyright term of life of the author plus fifty years, which replaced the optional term adopted in the Rome revision conference.<sup>89</sup>

The most significant revision of the Convention came in the 1960s, when decolonization dramatically increased the size of the international community.<sup>90</sup> At that time, both the Soviet Union and the United States, the two post-War superpowers, were outside the Convention. So were many African, Asian, and Latin American countries, which had recently become members of the United Nations. In light of this development, less developed country participants were understandably concerned about their lack of sufficient and affordable access to information and knowledge.<sup>91</sup> Led by India, these countries demanded "that unless some major copyright concessions were made for developing countries, they would have to make drastic changes in their international copyright arrangements."<sup>92</sup> The 1967 Stockholm revision conference therefore became the venue in which less developed countries sought "to adjust the system of protection under the Berne Convention to [their] economic, social and cultural needs."<sup>93</sup>

Under the 1967 Stockholm Act,<sup>94</sup> the Convention, for the first time, expressly recognized the implicit reproduction right while

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87. See H.R. REP. NO. 100-609, at 12 (discussing the 1908 Berlin Act).

88. See *id.* (discussing the 1928 Rome Act).

89. See *id.* at 12-13 (discussing the 1948 Brussels Act).

90. See Peter Burger, *The Berne Convention: Its History and Its Key Role in the Future*, 3 J.L. & TECH. 1, 50 n.366 (1988).

91. See generally Ringer, *supra* note 58 (providing historical background on the development of international copyright law and efforts by less developed countries to influence the revision of the Berne Convention).

92. *Id.* at 1065.

93. *Id.* (quoting Judge Hesser, one of the architects of the revised convention).

94. See Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, revised at Stockholm July 14, 1967, 21 U.S.T. 1538, 828 U.N.T.S. 305.

including exceptions to this newly recognized right.<sup>95</sup> The new act also reconciled different national rules of authorship and ownership concerning cinematographic works.<sup>96</sup> In addition, the Convention extended protection to authors with habitual residence in a member state, regardless of their citizenship.<sup>97</sup> Finally, in response to the demands by less developed countries, the Stockholm Act established a Protocol Regarding Developing Countries, which sought to enable less developed countries to broadly limit rights of translation and reproduction.<sup>98</sup>

Although the demands by less developed countries at that time were understandable, they were unacceptable to developed countries.<sup>99</sup> Thus, the 1967 Act was never ratified.<sup>100</sup> Four years later, the Stockholm Act was superseded by a less ambitious Paris Act,<sup>101</sup> which significantly revised the Protocol Regarding Developing Countries while retaining virtually everything else in the Stockholm Act.<sup>102</sup>

Since the Paris revision conference, the Berne Convention has not been revised, and the 1971 Paris Act remains the only Act open to accession today. Although the Berne Convention has attracted many less developed countries since the Second World War, the United States retained formalities—such as the manufacturing clause<sup>103</sup> and the copyright notice<sup>104</sup>—and remained outside the Convention until 1988. Indeed, as former Register of Copyrights Barbara Ringer pointed out, “[u]ntil the Second World War the United States had little reason to take pride in its international copyright relations; in fact, it had a great deal to be ashamed of. With few exceptions its role in international copyright was marked by intellectual shortsightedness, political isolationism, and narrow

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95. See RICKETSON, *supra* note 78, at 120–21.

96. *See id.* at 121–22.

97. *See id.* at 120.

98. *See id.* at 122–23. For a comprehensive discussion of the Protocol Regarding Developing Countries, see *id.* at 590–664.

99. *See id.* at 621–30 (discussing the events following the adoption of the Stockholm Protocol).

100. *See id.* at 124.

101. Berne Convention, *supra* note 19.

102. See RICKETSON, *supra* note 78, at 631.

103. The manufacturing clause retired in 1986. See 17 U.S.C. § 601 (2000).

104. *See id.* § 401(a).

economic self-interest."<sup>105</sup>

Since the Second World War, the United States' attitude toward international intellectual property protection has changed substantially. After the War, the United States became a major exporter of copyrighted works in the world.<sup>106</sup> Countries therefore were eager to induce the United States to join the international copyright system<sup>107</sup> and were willing to establish under the auspices of UNESCO an alternative copyright treaty called the Universal Copyright Convention.<sup>108</sup> As Ringer described, this treaty "represented . . . a new 'common denominator' convention that was intended to establish a minimum level of international copyright relations throughout the world, without weakening or supplanting the Berne Convention."<sup>109</sup>

In 1988, the United States finally joined the Berne Convention,<sup>110</sup> abolishing the application to foreign authors of all formalities that interfere with the enjoyment and exercise of copyrights. This adherence to the Berne Convention is particularly important to the United States' role in shaping the current international intellectual property regime, as it "serve[s] the United States as an important talking point in its ongoing diplomatic efforts to promote greater recognition of the rights of American intellectual property owners abroad."<sup>111</sup> Had the United States not become a

105. Ringer, *supra* note 58, at 1051.

106. *Id.* at 1060.

107. *Id.* at 1060-61.

108. See Universal Copyright Convention, Sept. 6, 1952, *revised at Paris* July 24, 1971, 25 U.S.T. 1341, 943 U.N.T.S. 178.

109. Ringer, *supra* note 58, at 1061; see also Peter Jaszi, *A Garland of Reflections on Three International Copyright Topics*, 8 CARDOZO ARTS & ENT. L.J. 47, 53 (1989) (contending that the Universal Copyright Convention "had been designed as a sort of junior Berne Convention, with the specific objective of bringing the United States and other recalcitrant nations into the fold").

110. See Berne Convention Implementation Act of 1988, *supra* note 77; see also Jaszi, *supra* note 109 (commenting on the short-term and long-term international effects of the United States' adherence to the Berne Convention); David Nimmer, *The Impact of Berne on United States Copyright Law*, 8 CARDOZO ARTS & ENT. L.J. 27 (1989) (expressing the disappointment of the United States' minimalist approach to implementing the Berne Convention).

111. Jaszi, *supra* note 109, at 57. As Professor Jaszi explained:

Prior to 1989, American delegations representing the State Department, the Office of the United States Trade Representative, and

member of the Berne Union, it might have great difficulty in pushing for stronger protection in the TRIPS Agreement under the WTO,<sup>112</sup> which requires all member states to abide by the 1971 Paris Act of the Berne Convention.<sup>113</sup>

While the United States was reluctant to participate in the international copyright system—at least in the system's first century of development—the country has actively embraced protection of industrial property, which includes “patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellations of origin, and the repression of unfair competition.”<sup>114</sup> In fact, the United States' reaction to the Paris Convention was very different from its reaction to the Berne Convention. While it considered the standards of the Berne Convention “to be quite high,” it found those of the Paris Convention rather low.<sup>115</sup>

The origin of the Paris Convention was very similar to that of the Berne Convention. In the eighteenth century, only local laws protected patents, and international protection was virtually nonexistent.<sup>116</sup> Even worse, “blatant discrimination against non-

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private industry argued in favor of greater protection for American sound recordings, movies, and computer software. The governments of Pacific Rim countries responded by challenging the moral foundations of the American arguments. They pointed out repeatedly that the United States has never seen fit to join the Berne Union. This argument is no longer available.

*Id.*

112. As Professor Jaszi explained:

[T]here is a close relationship between United States adherence to the Berne Convention and the potential for the development of an intellectual property code in the General Agreements for Tariff and Trade . . . . Because the copyright component of any set of intellectual property provisions in GATT will be based largely on Berne Convention principles, it would have been difficult or impossible for the United States to function effectively as an advocate for the inclusion of an intellectual property code in GATT without being a member of the Berne Convention.

*Id.* at 57–58 (footnote omitted).

113. See TRIPS Agreement, *supra* note 2, art. 9(1), 33 I.L.M. at 1201.

114. Paris Convention, *supra* note 20, art. 1(2), 21 U.S.T. at 1630.

115. JAYASHREE WATAL, INTELLECTUAL PROPERTY RIGHTS IN THE WTO AND DEVELOPING COUNTRIES 16 (2001).

116. Even domestically, there were great variations between patent law of different countries. As Stephen Ladas wrote:

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Spain and Bolivia did not grant patents for the invention of new industrial products or results, unless by their working a new branch of industry would be established in the country. Spain also refused patents for the use of natural products. Germany did not grant a patent for inventions regarding luxuries or for chemical products. Bolivia excluded inventions which concerned only a modification of dimensions, or purely ornamental objects. But the most important differences concerned inventions, the subjects of which were articles of food and medicines. With the exception of the United States, England, Chile, and Brazil, all the countries excepted inventions regarding medicines generally. Sweden, however, refused a grant for the product itself, but not for the special process of its manufacture. On the other hand, France, Spain, Turkey, and Argentina excepted pharmaceutical compositions, besides medicines.

As to articles of food, they were excepted by Germany, Austria, and Sweden; but again Sweden gave a patent for the process of manufacture merely. Austria-Hungary also excepted beverages.

LADAS, *supra* note 23, at 22.

Thus, before the introduction of the Paris Convention, "foreign inventors met with great and sometimes insurmountable obstacles to the protection of their inventions." *Id.* at 26. As Stephen Ladas explained:

First of all, an invention patentable under the law of their country might be nonpatentable in other countries. Then, it might not be new any longer, if it received a certain publication in any country. Even the filing of the application describing the invention, or the advertisement of the invention by the administration, was considered publication destroying the novelty of the invention in many countries. And in cases where such official publication abroad was not a ground of refusal of a patent or of its invalidation, there was always the danger of a third person's obtaining knowledge of the invention through such publication, and applying for a patent in advance of the foreign inventor. Only a contemporaneous application in all the countries where protection was desired could secure the rights of the inventor. Next, there was the trouble of satisfying the extremely minute rules of each country concerning the drafting of applications and documents, and of discussing the patentability or novelty of the invention with the administration and defending against objections to the grant filed by third persons. This was a source of heavy expense and charges. To these should be added the fees and annual taxes payable in each country in which a patent was obtained.

When a foreign inventor was successful enough to obtain a patent at great sacrifice, he still was not secure in his right. A failure to pay a tax at the appointed time would cause the forfeiture of the patent. In a few countries a period of grace was allowed, but in no country was restoration of the patent, forfeited for nonpayment of a tax in due time, possible. Lastly, the obligation to work the patent within a fixed, and often short, period, and not to interrupt its working, rendered the protection of foreigners very precarious, since it was almost

nationals of the protecting country was usually the norm.”<sup>117</sup> Thus, as trade in industrial products increased in volume, countries became dissatisfied with the uncertain and inadequate industrial property protection offered abroad.<sup>118</sup> Indeed, as Stephen Ladas noted in his seminal treatise, with rapid economic growth and the advent of speedy communication and transportation, “no country [at that time] could expect to satisfy the claims and protect the interests of its own people in the sphere of industrial property without securing protection on an international level.”<sup>119</sup>

Like copyright, early international protection of patents and trademarks came in the form of bilateral treaties.<sup>120</sup> In 1883 alone, there were at least sixty-nine bilateral treaties, including commercial treaties, consular conventions, declarations, and special arrangements.<sup>121</sup> Notwithstanding these treaties, international patent protection remained inadequate. As Ladas recounted:

[A]ll of these international agreements dealt with the protection of trademarks. One third of them protected also industrial designs or models. But there were only two conventions containing stipulations for the protection of patents, two for trade names, and two for indications of place of origin. The Treaty of Commerce of 1881 between Germany and Austria-Hungary, and the Customs Convention of 1876 between Austria-Hungary and Liechtenstein, were the only international agreements providing for the reciprocal protection of patent rights. The first was of a very late date; it was concluded after the International Conference of 1880 had adopted the draft

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impossible for a foreigner to take steps for the working of his invention in all countries. In some countries, even granting a license to other persons to work the invention was not held to be performance of the obligation to work the patent unless the licensee started working the invention within the fixed period. And in France and Turkey, even the importation of a single article manufactured abroad with the patented invention caused the loss of the patent.

*Id.* at 26–27.

117. Okediji, *supra* note 18, at 334.

118. *See generally* LADAS, *supra* note 23, at 43–55 (describing bilateral conventions and the protection of foreign rights before 1883).

119. *Id.* at 12.

120. *See id.* at 43.

121. *Id.* at 43 n.1.



convention for the protection of industrial property. The international importance of the second is minor, in view of the very close political relation of those two countries. The indications of place of origin were protected only by the convention concerning the commercial and maritime relations between France and Great Britain, of February 28, 1882, and by the Treaty of Commerce between Italy and Montenegro, of March 16-28, 1883. Trade names were protected by the above Convention between France and Great Britain, and by the Convention for the Protection of Trade Marks, Trade Names and Designs, between France and Switzerland, of February 23, 1882.

So it may be said that the only rights of industrial property which were protected before the Convention of 1883 were trademarks and designs or models. It is an open question whether trade names, also, were protected together with trademarks by the agreements dealing with the latter.<sup>122</sup>

In light of this development, it was no surprise that foreign inventors were reluctant to exhibit inventions at the international exposition in Vienna in 1873, despite invitations by the Austro-Hungarian Empire.<sup>123</sup> As Ladas explained:

Even if the inventors were to get a patent from the Austrian government before exhibiting their inventions, it would not help them very much. As it was said in an article in the *Scientific American* dated December 23, 1871, "It was almost equivalent to prohibition to require that the locomotive engines of Great Britain, the telegraph instruments of the United States, and the printed muslins of France shall be manufactured on Austrian soil within a year from securing the patent. . . . [T]he value of Austrian patents issued to Americans and other foreigners can be easily escheated to the benefit of the Austrian public."<sup>124</sup>

To strengthen protection for American inventors, John Jay, the American minister in Vienna, at the request of the Foreign Minister,

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122. *Id.* at 45-46.

123. *See id.* at 59.

124. *Id.* at 59-60.

sent an informal note to the Austrian Foreign Office requesting a special law to temporarily protect inventions, trademarks, and patents or models against infringement until December 31, 1873.<sup>125</sup> The Austrian government responded by launching a congress of specialists before the exposition.<sup>126</sup> In its invitation, it specifically acknowledged the United States' proposal for patent law reforms.<sup>127</sup> This acknowledgement greatly elevated the prestige of the Congress. As one commentator noted, "[t]he proposal for international patent protection did not come from the semi-feudal country of Austria, conspicuously lacking in industrial development; it came from the United States, already at the forefront industrially and with the strongest patent system in the world."<sup>128</sup> Eventually, the Austro-Hungarian Empire adopted a law "for the provisional protection of articles introduced at the Vienna Exposition," which was based on earlier ones enacted by Great Britain and France in connection with the International Expositions in London in 1851 and 1862 and Paris in 1855 and 1867.<sup>129</sup>

Although the discussions in the 1873 Congress were limited to patents and did not address the diversity of laws governing such protection, the Congress "was very keen [o]n . . . discussing the nature of the rights of inventors, and [o]n laying down the rules

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125. *Id.* at 60.

126. *Id.*

127. The invitation reads:

[F]ollowing a suggestion of the Government of the United States of America, the General Direction of the Universal Exposition intends to unite with the Exposition an International Congress, which shall discuss the question of patent right; should this discussion, as may be foreseen, induce a vote in favor of Patent protection, it will then be the task of this Congress, on the basis of the experience of various countries and the materials collected, to proceed to a declaration of fundamental principles for an International Reform of Patent Legislation.

Heinrich Kronstein & Irene Till, *A Reevaluation of the International Patent Convention*, 12 *LAW & CONTEMP. PROBS.* 765, 766 (1947).

128. *Id.* at 767; cf. GRAHAM DUTFIELD, *INTELLECTUAL PROPERTY RIGHTS AND THE LIFE SCIENCE INDUSTRIES: A TWENTIETH CENTURY HISTORY* 55 (2003) (observing that "while [remedial] measures had first been proposed by the US government, the lobbying efforts of a group of Austrian and German patent attorneys and engineers helped to ensure that the congress took place").

129. Michael Blakeney, *The Historical Origins of the Paris Convention for the Protection of Industrial Property 1883* (unpublished manuscript, on file with author).

which would afford them complete protection.”<sup>130</sup> Thus, this Congress provided “the first step” toward the formation of the Paris Convention.<sup>131</sup> To achieve uniform patent legislation in all countries, the Congress voted on four resolutions. First, it “affirmed [and provided justifications for] the natural right of the inventor, which ‘should be protected by the laws of all civilized nations.’”<sup>132</sup> Second, it “laid down an equal number of ‘principles on which an effective and useful patent law should be based.’”<sup>133</sup> Third, it noted that “the necessity of reform is evident, and it is of pressing moment that Governments should endeavor to bring about an international understanding upon patent protection as soon as possible.”<sup>134</sup> Finally, it “converted the preparatory committee of the Congress into a permanent executive committee, and it empowered them to continue the work commenced, ‘to use all their influence that the principles adopted be made known as widely as possible and carried into practice . . . and to call from time to time meetings and conferences.’”<sup>135</sup>

Five years later, the French Minister of Commerce organized the International Congress on Industrial Property on the occasion of the 1878 International Exposition in Paris.<sup>136</sup> About five hundred participants attended the meetings.<sup>137</sup> Unlike the Vienna Congress, this Congress expanded beyond patents and “took up all matters relating to patents, trademarks, designs and models, photographic work, trade names, and industrial rewards.”<sup>138</sup> Although there was an initial push for a multipartite union that would unify the various industrial property laws,<sup>139</sup> participants disagreed on whether it

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130. LADAS, *supra* note 23, at 60.

131. *Id.*

132. *Id.*

133. *Id.*

134. *Id.*

135. *Id.*

136. *Id.* at 61.

137. *Id.* These participants included official representatives from Germany, Hungary, Italy, Luxembourg, Russia, Spain, Sweden and Norway, Switzerland, and the United States.

138. *Id.*

139. For example, the French Minister of Commerce declared in his opening speech at the 1878 Congress: “[T]he industrial property will not be truly protected until it will find everywhere simple, uniform, precise rules, forming

would be desirable, or even possible, to achieve such uniformity.<sup>140</sup> As prominent French lawyer Charles Lyon-Caën noted forcefully at the Congress:

We must not hope, in the present state of things, to have in all countries industrial property laws which will be common on all points; it is a utopia . . . what makes impossible the preparation of laws absolutely uniform, in all the countries, on these matters, is that they are closely related to the civil law, civil procedure, commercial law, penal law, and penal procedure. It should have been necessary that all of these branches of legislation should become uniform in order that we may unify the laws related to industrial property, and this is not possible.<sup>141</sup>

Countries also disagreed on how and what type of universal rules the international community should adopt. While the French delegates wished to derive the uniform rules from the French law, the other delegates refused and stood by their own laws.<sup>142</sup> To make things more complicated, some countries, like the Netherlands and Switzerland, did not offer any patent protection at all, and Germany remained heavily influenced by the anti-patent movement.<sup>143</sup> By the middle of the Congress, it was apparent that “the only important question upon which an agreement could be reached was the principle of national treatment of foreigners.”<sup>144</sup> Countries therefore could not reach a consensus on other questions, such as “previous examination of the invention, conditions of patentability, [and] effects of registration of trademarks.”<sup>145</sup> Eventually, the participants managed to settle on some common ground of minimal unification. For example,

the Congress affirmed that “the right of the inventor is a right of property that the civil law does not create, but

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among the States a sort of mutual assurance against plagiarism and infringement.” *Id.* at 62.

140. *Id.* at 61.

141. *Id.*

142. *Id.* at 62.

143. Kronstein & Till, *supra* note 127, at 767–70. Chancellor Otto von Bismarck of Germany was reluctant to offer such protection, but he eventually backed down to pressure from local engineers. *Id.* at 770.

144. LADAS, *supra* note 23, at 62.

145. *Id.*

simply regulates.” It enumerated the exceptions in which no patent is granted. It declared itself against the system of examination of the invention and for a system of previous notification by the administration to the applicant of the invalidity of the patent. It defined a design, and declared that a trade name should be protected everywhere, regardless of nationality or deposit.<sup>146</sup>

At the end of the Congress, the participants adopted a resolution to create a Permanent International Commission, which sought “to obtain from one of the Governments the call for an official international conference with the task of determining the bases of a uniform legislation.”<sup>147</sup> Serving on the executive committee, the French section of the Commission prepared a “very long and detailed draft of a complete universal law” and presented it to the French Minister of Commerce.<sup>148</sup> Upon advice that the draft was too ambitious and that other countries were unlikely to adopt the treaty because it encroached upon their laws in many respects, the delegates redrafted the document, which eventually formed the basis of the discussions of the International Conference of 1880 in Paris.<sup>149</sup>

At that conference, eighteen states were represented.<sup>150</sup> Although the invitation only called for “the adoption of a number of provisions suitable for incorporation in an international convention,” the French Minister of Commerce and Minister of Foreign Affairs broadened the scope of the conference to include the creation of a union that would lay down the general principles for securing protection of industrial property.<sup>151</sup> As the chairman of the conference put it, “it is the preface of a book which is to be opened, and is not to be closed, perhaps, until after long years.”<sup>152</sup>

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146. *Id.*

147. *Id.* at 63.

148. *Id.*

149. *Id.*

150. These states included Argentina, Austria-Hungary, Belgium, Brazil, France, Great Britain and Ireland, Guatemala, Italy, the Netherlands, Portugal, Russia, Salvador, Sweden and Norway, Switzerland, Turkey, the United States, Uruguay, and Venezuela. *Id.*

151. *Id.* at 63–64.

152. *Id.* at 64. The original words in French are “*la préface d’un livre qui va s’ouvrir et qui ne sera peut-être fermé que dans de longues années.*” Blakeney, *supra* note 129.

Throughout the conference, there had been heated discussions about national treatment, rights of priority, forfeiture of patents, and validation of trademarks and industrial designs and models.<sup>153</sup> Nevertheless, the delegates eventually adopted the draft Convention.<sup>154</sup>

In 1883, the French government called a follow-up conference to obtain the final approval of the Convention. On March 20, eleven countries—Belgium, Brazil, France, Guatemala, Italy, the Netherlands, Portugal, Salvador, Serbia, Spain, and Switzerland—signed the Convention.<sup>155</sup> These countries gathered again in Paris the following year to exchange ratifications. At that meeting, Ecuador, Great Britain and Ireland, and Tunis also acceded to the Convention, although Ecuador subsequently denounced the Convention in 1885.<sup>156</sup> The Convention went into effect in July 1884, and the United States ratified it three years later—more than a century before it ratified the Berne Convention.<sup>157</sup>

Interestingly, despite joining the Convention, the Netherlands and Switzerland did not offer any patent protection to inventions.<sup>158</sup> These countries, nevertheless, did not present any problem, as the issue was anticipated and had been settled in the 1880 intergovernmental conference in Paris. During that conference, a question arose whether the Netherlands and Switzerland would be bound by the Convention to protect nationals of other contracting states even though they did not offer any protection to their nationals.<sup>159</sup> The author of the draft Convention, French delegate Charles Jagerschmidt, answered in the negative, and the Conference concurred “by striking out the word *réciroquement*, contained in article 2 after the word *jouiront*.”<sup>160</sup> Thus, the Paris Convention did not require reciprocity, and countries that did not offer patent

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153. For an extensive discussion of the different arguments put forward by delegates in the 1880 Conference, see *id.* at 64–66.

154. *Id.* at 66.

155. *Id.* at 67. The original Paris Convention is excerpted in EDITH TILTON PENROSE, *THE ECONOMICS OF THE INTERNATIONAL PATENT SYSTEM* 56–57 (1951).

156. LADAS, *supra* note 23, at 73.

157. *Id.* at 68.

158. *Id.* at 64.

159. *Id.*

160. *Id.*

protection could still become a member of the Convention.

Although the Convention did not unify the diverse patent and trademark laws of the contracting states, it achieved several goals. First, it created a "Union for the protection of industrial property,"<sup>161</sup> which has an independent existence regardless of its membership. Like the Berne Union, the Paris Union remains open to all states without restrictions, as long as they are prepared to comply with the obligations embodied therein.<sup>162</sup> Indeed, this Union was so effective that none of the contracting states denounced the Convention expressly or impliedly during the First and Second World Wars.<sup>163</sup> Second, in lieu of reciprocity, the Convention adopted the nondiscrimination principle of national treatment, which requires member states to grant to foreigners the same rights they grant to their own nationals.<sup>164</sup> Third, the Convention provided for the rights of priority,<sup>165</sup> which enabled applicants to claim the earlier dates of applications submitted in their home countries and avoid objections made on those applications based on prior publication, application, or use. Although the Convention participants initially did not understand the significance and effect of this provision, such protection "eliminate[d] the danger of invalidation of patents, designs, or trademarks by reason of their publication or use, or of a previous application by another before application by the true owner."<sup>166</sup> Finally, the Convention sidestepped the difficult issues concerning the forfeiture of patents upon importation or the right holder's failure to "work," or exploit, the patent in a foreign country. Instead, it affirmed the independence of patents doctrine, which stated that a patent granted in one country is independent in time and validity from patents granted in other countries. As Stephen Ladas summarized,

[T]he [Paris Convention] is not merely a compact between the individual countries party to it with reciprocal rights and obligations; it is rather an instrument seeking to regulate interests, claims, and demands pressing upon the national

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161. Paris Convention, *supra* note 20, art. 1, 21 U.S.T. at 1630.

162. *See* LADAS, *supra* note 23, at 68.

163. *Id.* at 80, 83.

164. Paris Convention, *supra* note 20, art. 2, 21 U.S.T. at 1631.

165. *Id.* art. 4, 21 U.S.T. at 1631-35.

166. LADAS, *supra* note 23, at 65.

and international level. It has adopted, by its stipulations, a legal ordering which seeks to satisfy the greatest number of the scheme of interests involved with the least sacrifice to any.<sup>167</sup>

Since it entered into effect, the Paris Convention has been periodically reviewed, clarified, revised, and expanded in subsequent revision conferences.<sup>168</sup> The Convention also enabled contracting parties to make special related arrangements that do not contravene the Convention provisions. For example, the Madrid Agreement Concerning the International Registration of Marks simplified the trademark application process by allowing an applicant to simultaneously pursue applications in all member states of the Madrid Union.<sup>169</sup> The Nice Agreement on International Classification of Trademarked Goods and Services facilitated trademark registrations by establishing an international standard for the classification of goods and services.<sup>170</sup> The Patent Cooperation Treaty streamlined the early stages of the patent application process in member states by allowing an applicant to file applications simultaneously in multiple jurisdictions while benefiting from an extended priority period.<sup>171</sup> The European Patent Convention created the European Patent Office and authorized the office to examine patents for all of the participating countries.<sup>172</sup>

In sum, although the Berne and Paris Conventions cover different sets of intellectual property rights, they have similar origins.

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167. *Id.* at 12.

168. These conferences were held in Rome in 1886, in Madrid during 1890–1891, in Brussels during 1897–1900, in Washington in 1911, in The Hague in 1925, in London in 1934, in Nice in 1957, in Lisbon in 1958, and finally in Stockholm in 1967. For a discussion of these revision conferences, see *id.* at 68–94. The Paris Convention was revised in 1900, 1911, 1925, 1934, 1958, and finally in 1967. *Id.*

169. Madrid Agreement Concerning the International Registration of Marks, of April 14, 1891, *revised at Stockholm* July 14, 1967, 828 U.N.T.S. 389.

170. Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, June 15, 1957, 23 U.S.T. 1336, 550 U.N.T.S. 45.

171. Patent Cooperation Treaty, June 19, 1970, 28 U.S.T. 7645, 1160 U.N.T.S. 231.

172. Convention on the Grant of European Patents, Oct. 5, 1973, *as amended* by Decision of the Administration Council of the European Patent Organization of Dec. 21, 1978, 13 I.L.M. 268 (1974).



Taken together, the two conventions provided the foundations of the current international intellectual property regime. Negotiating these two conventions was not easy, and participating countries at times resisted changes in their national intellectual property policies. Nevertheless, the currents of multilateralism prevailed. Today, the Berne and Paris Conventions remain in effect and have since been incorporated by reference into the TRIPS Agreement and the world trading system.

### III. FROM INTERNATIONAL AGREEMENTS TO SUPRANATIONAL CODES

Although the Berne and Paris Conventions provide very important protection to authors and inventors, neither of them contains an effective enforcement procedure. Instead, they include only a provision laying out the optional dispute resolution mechanism. Identical for both the Berne and Paris Conventions, this provision reads:

Any dispute between two or more countries of the Union concerning the interpretation or application of this Convention, not settled by negotiation, may, by any one of the countries concerned, be brought before the International Court of Justice by application in conformity with the Statute of the Court, unless the countries concerned agree on some other method of settlement. The country bringing the dispute before the Court shall inform the International Bureau; the International Bureau shall bring the matter to the attention of the other countries of the Union.<sup>173</sup>

Notwithstanding this provision, countries are reluctant to use the International Court of Justice (ICJ) to resolve disputes, and the optional forum offers very limited assistance.<sup>174</sup> As the late Professor Oscar Schachter explained:

Litigation is uncertain, time consuming, troublesome. Political officials do not want to lose control of a case that they might resolve by negotiation or political pressures. Diplomats naturally prefer diplomacy; political leaders

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173. Berne Convention, *supra* note 19, art. 33(1), 828 U.N.T.S. at 273; Paris Convention, *supra* note 20, art. 28(1), 21 U.S.T. at 1665-66.

174. See PAUL GOLDSTEIN, INTERNATIONAL INTELLECTUAL PROPERTY LAW: CASES AND MATERIALS 111 (2001).

value persuasion, manoeuvre and flexibility. They often prefer to “play it by ear[,]” making their rules to fit the circumstances rather than submit to pre-existing rules. Political forums, such as the United Nations, are often more attractive, especially to those likely to get wide support for political reasons. We need only compare the large number of disputes brought to the United Nations with the few submitted to adjudication. One could go on with other reasons. States do not want to risk losing a case when the stakes are high or be troubled with litigation in minor matters. An international tribunal may not inspire confidence, especially when some judges are seen as “political” or as hostile. There is apprehension that the law is too malleable or fragmentary to sustain “true” judicial decisions. In some situations, the legal issues are viewed as but one element in a complex political situation and consequently it is considered unwise or futile to deal with them separately. Finally we note the underlying perception of many governments that law essentially supports the *status quo* and that courts are [not] responsive to demands for justice or change.<sup>175</sup>

So far, no member state of the Berne or Paris Unions has ever pursued intellectual property litigation before the ICJ.<sup>176</sup> Worse still, paragraph (2) of the dispute resolution provision of both Conventions undercuts the optional dispute resolution mechanism by stating that members of the Union may at the time of ratification of the Convention “declare that it does not consider itself bound by” that provision.<sup>177</sup> Thus, in effect, the Berne and Paris Conventions are virtually unenforceable except by coercion or diplomacy, and none of them provides any effective dispute resolution mechanism.<sup>178</sup>

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175. Oscar Schachter, *International Law in Theory and Practice*, 178 RECUEIL DES COURS 9, 208 (1982).

176. GOLDSTEIN, *supra* note 174, at 111.

177. Berne Convention, *supra* note 19, art. 33(2), 828 U.N.T.S. at 277; Paris Convention, *supra* note 20, art. 28(2), 21 U.S.T. at 1666.

178. As Professor Daniel Gervais noted: “The two fundamental perceived flaws of the Paris and Berne Conventions were (a) the absence of detailed rules on the enforcement of rights before national judicial administrative authorities and (b) the absence of a binding and effective dispute settlement mechanism

After the Second World War, intellectual property became important to many developed countries, particularly the United States. Indeed, a substantial portion of the gross domestic products of many of these countries can be attributable to the information and entertainment industries, which use intellectual property rights to protect their creative works.<sup>179</sup> To take advantage of this newly-developed comparative advantage,<sup>180</sup> developed countries actively

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(for disputes between States).” DANIEL GERVAIS, *THE TRIPS AGREEMENT: DRAFTING HISTORY AND ANALYSIS* 9–10 (2d ed. 2003).

179. See *INTELLECTUAL PROPERTY LAWS OF EAST ASIA* 9 (Alan S. Gutterman & Robert Brown eds., 1997) (noting that the share of intellectual property-based exports in the United States has doubled since the Second World War); R. Michael Gadbaw & Rosemary E. Gwynn, *Intellectual Property Rights in the New GATT Round*, in *INTELLECTUAL PROPERTY RIGHTS: GLOBAL CONSENSUS, GLOBAL CONFLICT?* 38, 45 (R. Michael Gadbaw & Timothy J. Richards eds., 1988) (“The new reality is that the U.S. economy is increasingly dependent for its competitiveness on its ability to protect the value inherent in intellectual property. United States exports are increasingly weighted toward goods with a high intellectual property content.”); Bruce A. Lehman, *Speech Given at the Inaugural Engelberg Conference on Culture and Economics of Participation in an International Intellectual Property Regime*, 29 N.Y.U. J. INT’L L. & POL. 211, 211 (1997) (“Many Americans have begun to derive their livelihoods from products of their minds, as opposed to products of manual labor, and much of [its] gross domestic product is attributable to new information and entertainment-based industries which have an interest in protecting their valuable products through intellectual property laws.”); Peter K. Yu, *From Pirates to Partners: Protecting Intellectual Property in China in the Twenty-First Century*, 50 AM. U. L. REV. 131, 132 & n.2 (2000) (collecting sources that discussed how information and high-technology goods have become a very important sector of the American economy since the Second World War).

180. As Professor Ruth Okediji pointed out:

It is important to emphasize that the integration of intellectual property and trade in that multilateral trade context was not solely or even primarily to curtail piracy in global markets, although this was certainly an important issue. The more vital role of the trade context for intellectual property was the consolidation of a *domestic* reconditioning of the basis of comparative advantage in order to exploit both factor endowments and to adjust to the new division of labour evident in the global economy. To secure these ends, a new multilateral order was necessary to: provide coherence in the global intellectual property framework; decrease the dependence of effective protection on the vagaries of political relations; capture the static gains of the multiple bilateral agreements already in place; and legitimize the economic imperative of unilateralism.

Okediji, *supra* note 4, at 135.

pushed for the introduction of an anti-counterfeiting code in the General Agreement on Tariffs and Trade (GATT) at the end of the Tokyo Round. Because only the European Community and the United States supported this code, which sought to provide "border measures for the interception and eventual destruction of [intellectual] goods outside the channels of commerce,"<sup>181</sup> no agreement was reached by the time the Round ended in 1979.<sup>182</sup> Three years later, in the GATT Ministerial meeting, countries were only able to reach a limited agreement that allowed the Director-General of the GATT to discuss the legal and institutional aspects of the code with his counterpart in WIPO.<sup>183</sup>

Meanwhile, less developed countries had actively pushed for reforms in an opposite direction, seeking reduced obligations under the Paris Convention.<sup>184</sup> Since the mid-1970s, these countries, which had grown in number, had been demanding a revision of the Convention to lower the minimum standards of intellectual property protection as applied to them.<sup>185</sup> The revision process eventually broke down at the 1981 Diplomatic Conference in Nairobi, following demands by less developed countries for exclusive compulsory licensing of patents and the United States' strong objections to those demands.<sup>186</sup>

Commentators attributed this breakdown to two reasons. First, the "one country one vote" forum disfavored developed countries by rendering them ineffective in their negotiations.<sup>187</sup> Pressure from intellectual property industries in the country therefore persuaded the country to shift to the GATT forum, thereby enhancing the United States' bargaining position.<sup>188</sup> Second, the WIPO forum focuses primarily on intellectual property issues, thus preventing the United States from providing cross-sector concessions that link intellectual property to international trade items, such as agricultural subsidies

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181. See WATAL, *supra* note 115, at 15.

182. *Id.*

183. *Id.*

184. See *id.* at 16.

185. *Id.*

186. See *id.*

187. See MICHAEL P. RYAN, KNOWLEDGE DIPLOMACY: GLOBAL COMPETITION AND THE POLITICS OF INTELLECTUAL PROPERTY 12 (1998).

188. *Id.*

and quotas in textiles.<sup>189</sup>

Four years after the Nairobi debacle, the GATT member states met in the ministerial meeting in Punta del Este.<sup>190</sup> At that meeting, they set out their negotiating objectives for the Uruguay Round, including a multilateral intellectual property agreement which eventually became the TRIPS Agreement.<sup>191</sup> As the Ministerial Declaration stated in a section subtitled "Trade-related aspects of intellectual property rights, including trade in counterfeit goods":

In order to reduce the distortions and impediments to international trade, and taking into account the need to promote effective and adequate protection of intellectual property rights, and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade, the negotiations shall aim to clarify GATT provisions and elaborate as appropriate new rules and disciplines.

Negotiations shall aim to develop a multilateral framework of principles, rules and disciplines dealing with international trade in counterfeit goods, taking into account work already undertaken in the GATT.

These negotiations shall be without prejudice to other complementary initiatives that may be taken in the World Intellectual Property Organization and elsewhere to deal with these matters.<sup>192</sup>

This declaration delineated four major substantive negotiating issues: (1) substantive standards for intellectual property protection; (2) procedures under national law for the enforcement of such protection; (3) dispute settlement procedures between parties to any eventual agreement on TRIPS; (4) and the relationship between GATT and other relevant international organizations, including WIPO, concerning TRIPS and the relationship between an eventual agreement in the Uruguay Round and existing intellectual property

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189. *Id.*

190. WATAL, *supra* note 115, at 21.

191. *Id.*

192. Ministerial Declaration on the Uruguay Round of Multilateral Trade Negotiations, Sept. 20, 1986, 25 I.L.M. 1623, 1626 (1986).

conventions.<sup>193</sup>

Initially, many less developed countries mistakenly believed that they could use the text of this declaration to “limit the negotiations primarily on trade in counterfeit goods and other such trade-related aspects.”<sup>194</sup> According to these countries, the GATT mandate did not allow for the discussion of substantive issues on intellectual property rights. Led by Brazil and India,<sup>195</sup> these countries claimed that only WIPO had the competence to discuss substantive intellectual property issues, citing section B of the Declaration.<sup>196</sup> However, as Jayashree Watal, a negotiator for India, pointed out:

This was a misreading not only of the text but also of the writing on the wall. Clearly, the negotiations were aimed not only at clarifying GATT provisions but elaborating, ‘as appropriate’, new rules and disciplines. Significantly, in the very first paragraph, developing countries agreed to take into account ‘the need to promote effective and adequate protection of IPRs’, language that would ultimately lead to the incorporation of minimum standards on a wide range of IPRs in TRIPS. The language in the second paragraph on trade in counterfeit goods was more specific ‘to develop a multilateral framework of principles, rules and disciplines’. The third paragraph only stated that these negotiations were without prejudice to complementary work in WIPO or elsewhere. This language was a concession to the insistence by developing countries that WIPO was the right forum to discuss these issues. By this time, developing countries had conceded that the subject of counterfeit goods could be discussed in GATT.<sup>197</sup>

To be fair, many less developed countries at that time had very

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193. David Hartridge & Arvind Subramanian, *Intellectual Property Rights: The Issues in GATT*, 22 VAND. J. TRANSNAT'L L. 893, 902 (1989).

194. WATAL, *supra* note 115, at 21.

195. Other hardliner less developed countries included Argentina, Cuba, Egypt, Nicaragua, Nigeria, Peru, Tanzania, and Yugoslavia. *Id.* at 19.

196. *Id.* at 21.

197. *Id.* Notwithstanding its scope and potential reach, the Punta del Este Declaration “shows how difficult it was to get contracting parties to accept this new subject matter. Indeed, most of the text states what the future agreement should not do or recasts it in narrow GATT parlance.” GERVAIS, *supra* note 178, at 11.

limited understanding of intellectual property protection. "As the United Nations Development Programme put it, the IP agreements were signed 'before most governments and people understood the social and economic implications of patents on life. They were also negotiated with far too little participation from many developing countries now feeling the impact of their conditions.'<sup>198</sup> Moreover, most of the nongovernmental organizations that are active today did not exist or have an intellectual property focus a decade ago. Indeed, many of these organizations woke up only after the completion of the TRIPS Agreement.<sup>199</sup> Recent examples of active participation by nongovernmental organizations include the Doha Declaration, the World Summit on the Information Society, and the Geneva Declaration on the Future of the World Intellectual Property Organization.<sup>200</sup>

Like less developed countries, European countries were initially uncertain about whether they wanted to include minimum standards for intellectual property rights in the GATT. To many of these countries, counterfeiting seemed to be the only trade-related issue that fit the GATT mandate, and the Uruguay Round already had a complex agenda with many other pressing issues.<sup>201</sup> However, the European Community's position soon changed once it resolved some of its major differences with the United States and obtained support to include geographical indications in the new GATT treaty.<sup>202</sup> Shortly afterwards, the Community introduced a comprehensive and very ambitious proposal that provided "the spark [that] ignited the

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198. SUSAN K. SELL, *PRIVATE POWER, PUBLIC LAW: THE GLOBALIZATION OF INTELLECTUAL PROPERTY RIGHTS* 139-40 (2003) (quoting UNITED NATIONS DEV. PROGRAMME, *HUMAN DEVELOPMENT REPORT 1999*, at 66-76 (1999)); see also WATAL, *supra* note 115, at 44 (noting "the increasing complexity of the subjects for negotiation [in the TRIPS Agreement] . . . [and] the lack of Geneva-based expertise").

199. See *infra* text accompanying notes 426-27.

200. See *supra* text accompanying notes 8-13.

201. SELL, *supra* note 198, at 104-05 ("The Europeans and Japanese anticipated an already complex agenda for the Round, including issues of great salience, such as agriculture. They also were aware that developing countries were opposed to incorporating intellectual property into the GATT.").

202. WATAL, *supra* note 115, at 23 (noting that the European Community began to root for a GATT agreement "perhaps after a decision among developed countries to include the subject of geographical indications").

work towards the TRIPS Agreement.”<sup>203</sup>

Meanwhile, the United States actively deployed unilateral actions to speed up the negotiating cycle. These actions successfully isolated hardliner opposition countries while persuading other less developed countries to change their positions. In 1988, Congress introduced the Omnibus Trade and Competitiveness Act<sup>204</sup> to bolster the leverage of U.S. trade negotiations. This statute amended section 301 of the 1974 Trade Act by including two new provisions:<sup>205</sup> Super 301 required the United States Trade Representative (USTR) to review U.S. trade expansion priorities and identify priority foreign country practices that posed major barriers to U.S. exports.<sup>206</sup> Special 301 requires the USTR to identify foreign countries that

203. GERVAIS, *supra* note 178, at 16. As Professor Gervais described:

Boldly entitled “Draft Agreement on Trade-Related Aspects of Intellectual Property Rights”, the proposal covered all aspects of intellectual property rights as well as their acquisition, enforcement and the application of basic principles such as national treatment and most-favoured nation, all in treaty language.

The proposal’s structure was closely followed by the United States, which tabled its own proposal, under the same title and also in treaty language. The similarity between the two texts suggested that transatlantic consultations had preceded the tabling of both documents. In any event, this “common” structure was eventually adopted and, subject to a few changes, would serve as the basis for the emerging Agreement.

*Id.* (footnotes omitted).

204. 19 U.S.C. §§ 2101–2495 (2000).

205. “The new Section 301 of the Omnibus Trade and Competitiveness Act of 1988 is probably the most criticized piece of U.S. foreign trade legislation since the Hawley-Smoot Tariff Act of 1930.” Robert E. Hudec, *Thinking About the New Section 301: Beyond Good and Evil*, in *AGGRESSIVE UNILATERALISM: AMERICA’S 301 TRADE POLICY AND THE WORLD TRADING SYSTEM* 113, 113 (Jagdish Bhagwati & Hugh T. Patrick eds., 1990) [hereinafter *AGGRESSIVE UNILATERALISM*]. See *AGGRESSIVE UNILATERALISM, supra*, for an excellent collection of essays discussing Super 301 and Special 301.

206. See 19 U.S.C. § 2420(a)(1)(A)–(B). Super 301 expired in 1990, and President Clinton reinstated the provision by an executive order in March 1994. See Exec. Order No. 12,901, 59 Fed. Reg. 10,727 (Mar. 8, 1994). Despite the reinstatement, then-USTR Mickey Kantor did not identify any Super 301 targets. See A. Lynne Puckett & William L. Reynolds, *Rules, Sanctions and Enforcement Under Section 301: At Odds with the WTO?*, 90 AM. J. INT’L L. 675, 681 (1996). Due to heavy criticism, the Clinton Administration did not request the legislative renewal of this controversial provision. *Id.*



provide inadequate intellectual property protection or deny American intellectual property goods fair or equitable market access.<sup>207</sup>

Since the enactment of the new section 301 provisions, Brazil, India, Japan, and Thailand have all been identified as either priority foreign countries or on the priority watch list for trade sanction purposes.<sup>208</sup> (Before the United States introduced the new Special 301 and Super 301, it had also imposed, or threatened to impose, trade sanctions on Argentina, Mexico, and South Korea.) These sanctions ultimately divided the less developed countries and induced them to agree to the United States' position.

By the early 1990s, GATTability—whether countries should include intellectual property issues in the GATT—was no longer an issue. In October 1990, Canada formally proposed the creation of a new Multilateral Trade Organization, in which member states would no longer pick and choose the trade rules they would join at the end of the Uruguay Round.<sup>209</sup> This organization eventually was renamed the World Trade Organization and laid down the foundation of the multilateral trading system. Because developed countries had serious concerns about being excluded from this multilateral system, “the World Trade Organization . . . effectively ended the debate on the earlier developing country position of WIPO as the appropriate forum for lodging the results of the TRIPS negotiations.”<sup>210</sup>

Notwithstanding this breakthrough, developed and less developed countries reached an impasse in the early 1990s.<sup>211</sup> To avoid a deadlock, the GATT Secretariat and Chairman Lars Anell of the TRIPS Negotiating Group prepared what was commonly referred to as the Dunkel Draft—a “take it or leave it” draft of the TRIPS Agreement that constituted the Secretariat's best judgment of what would be acceptable to all of the participants.<sup>212</sup> This no-option strategy proved to be immensely successful, and the draft was adopted with very minor changes at the Marrakesh ministerial

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207. See 19 U.S.C. § 2242(a)(1)(A).

208. See WATAL, *supra* note 115, at 24–26.

209. *Id.* at 34.

210. *Id.*

211. See GERVAIS, *supra* note 178, at 23–24; WATAL, *supra* note 115, at 36–37.

212. See GERVAIS, *supra* note 178, at 24–25 (discussing the Dunkel draft); WATAL, *supra* note 115, at 37–40 (same).

meeting in April 1994.<sup>213</sup>

In retrospect, developed countries fared much better than less developed countries in the TRIPS negotiation process. Although the initial positions and national laws of the European Community, Japan, and the United States differ significantly, they managed to present “fairly coordinated positions” during the negotiation process.<sup>214</sup> Meanwhile, despite leadership from hardliner opposition countries like Brazil and India, less developed countries did not unite in their opposition to the demands of developed countries. Commentators attributed this lack of unity to a wide array of factors:

- the absence of any formal coordinating mechanism such as G-77 in GATT;
- the effective use of Section 301 and other bilateral means by the U.S. to obtain key concessions and win the silence of major developing country participants in the TRIPS negotiations;
- the differing expectations of gains in other areas of the Uruguay Round, notably agriculture and textiles;
- the expectations of gains in attracting FDI through unilateral liberalization of trade and investment policies, of which strengthened protection of IP was considered an essential part;
- the increasing complexity of the subjects for negotiation, the lack of Geneva-based expertise and the inability of developing countries to engage constructively and effectively on a coordinated basis; . . .
- the diversity in legal systems and specific intellectual property laws[; and
- the fact that the United States has become the only global superpower after such events as the collapse of the Berlin wall, the breaking up of the former Soviet Union, and the United States’ easy victory in the Gulf war.]<sup>215</sup>

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213. See WATAL, *supra* note 115, at 40–41 (discussing the “finishing touches” to the TRIPS Agreement).

214. See *id.* at 44. These positions were coordinated “through discussions and negotiations amongst relevant segments of industry and government aided by IPR specialists, at the preparatory stages as well as during the Uruguay Round.” *Id.*

215. *Id.* at 41, 43–44 (footnote omitted).

By all accounts, the TRIPS Agreement was the biggest innovation in the international intellectual property arena since the creation of the Berne and Paris Conventions.<sup>216</sup> By marrying intellectual property to international trade, the TRIPS Agreement not only revolutionized international protection of intellectual property rights, but “play[ed] a new and important role in the international economic system.”<sup>217</sup> As Professor Keith Maskus noted, the Agreement “is the first multilateral trade accord that aims at achieving partial harmonization in an extensive area of business

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216. As Professor Reichman noted:

The TRIPS Agreement is the most ambitious international intellectual property convention ever attempted. The breadth of subject matters comprising the “intellectual property” to which specified minimum standards apply is unprecedented, as is the obligation of all WTO member states to guarantee that detailed “enforcement procedures as specified in this [Agreement] are available under their national laws.” In addition, each member state pledges its willingness to incur liability in the form of cross-collateral trade sanctions for the nullification and impairment of benefits owed other member states under the Uruguay Round’s package deal. For the first time in history, . . . these provisions “make it likely that states will lodge actions against other states before duly constituted international bodies, with a view to vindicating the privately owned intellectual property rights of their citizens against unauthorized uses that occur outside the domestic territorial jurisdictions.”

J.H. Reichman, *Compliance with the TRIPS Agreement: Introduction to a Scholarly Debate*, 29 VAND. J. TRANSNAT’L L. 363, 366–67 (1996) (footnotes omitted) (quoting TRIPS Agreement, *supra* note 2, art. 41, 33 I.L.M. at 1213; J.H. Reichman, *Universal Minimum Agreement*, 29 INT’L LAW. 345, 385 (1995)); see also CARLOS M. CORREA, INTELLECTUAL PROPERTY RIGHTS, THE WTO AND DEVELOPING COUNTRIES: THE TRIPS AGREEMENT AND POLICY OPTIONS 101 (2000) (noting that the TRIPS Agreement “represents a radical change, a ‘conceptual leap’ in the history of intellectual property” (quoting Sam Ricketson, *The Future of Traditional Intellectual Property Conventions in the Brave New World of Trade-Related Intellectual Property Rights*, 26 INT’L REV. INDUS. PROP. & COPYRIGHT L. 872, 883 (1995)); GERVAIS, *supra* note 178, at 3 (noting that the TRIPS Agreement, together with the 1968 Stockholm revision conference, “is undoubtedly the most significant milestone in the development of intellectual property in the twentieth century”); WATAL, *supra* note 115, at 2 (noting that the TRIPS Agreement “is, by far, the most wide-ranging and far reaching international treaty on the subject of intellectual property to date and marks the most important milestone in the development of international law in this area”).

217. Frederick M. Abbott, *The WTO TRIPS Agreement and Global Economic Development*, in PUBLIC POLICY AND GLOBAL TECHNOLOGICAL INTEGRATION 39, 39–40 (Frederick M. Abbott & David J. Gerber eds., 1997).

regulation.”<sup>218</sup>

Part I of the Agreement laid down the basic conditions of the Agreement, including national treatment, “most favored nation” treatment, the noncoverage of exhaustion issues, and the objectives and principles of the Agreement. This Part also includes such development-friendly safeguard provisions as articles 7 and 8 of the Agreement, which “were singled out as having a special importance in para. 19 of the Doha Ministerial Declaration. An argument [therefore] could be made that these provisions now have higher legal status not only for the negotiations but in interpreting the Agreement in the context of, e.g., dispute-settlement procedures.”<sup>219</sup>

Part II dramatically increased the level of international minimum standards in eight different categories: copyrights and related rights, trademarks, geographical indications, industrial designs, patents, plant variety protection, layout designs of integrated circuits, and undisclosed information.<sup>220</sup> There is no doubt that these changes were dramatic for less developed countries, as they went beyond just intellectual property and affected such other areas as agriculture, health, environment, education, and culture. For example, the Agreement created new obligations in these countries to protect “product patents for food, pharmaceuticals, chemicals, microorganisms or copyright protection for software.”<sup>221</sup> The TRIPS Agreement also required changes from all WTO member states, including both developed and less developed countries. As Jayashree Watal pointed out, “at least one, undisclosed information, has never been the subject of any multilateral agreement before, and another, protection for integrated circuit designs, had no effective international treaty, while others, like plant variety protection or performers’ rights, were geographically limited.”<sup>222</sup> Furthermore, the Agreement created new rights under existing categories, “such as rental rights for computer programmes and sound recording (and for films under certain circumstances) under copyright and related

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218. KEITH E. MASKUS, *INTELLECTUAL PROPERTY RIGHTS IN THE GLOBAL ECONOMY 2* (2000).

219. GERVAIS, *supra* note 178, at 120 (footnote omitted); *see also* WTO, *Doha Ministerial Declaration* ¶ 19, WTO Doc. WT/MIN(01)/DEC/1 (Nov. 14, 2001) [hereinafter *Doha Ministerial Declaration*].

220. *See* TRIPS Agreement, *supra* note 2, arts. 9–40, 33 I.L.M. at 1201–13.

221. WATAL, *supra* note 115, at 4.

222. *Id.* (footnote omitted).

rights; higher level of protection for geographical indications for wines and spirits; [and] reversal of burden of proof for process patentees.”<sup>223</sup>

Part III of the TRIPS Agreement delineated international standards for the enforcement of intellectual property rights for the first time, including civil, administrative, and criminal procedures and remedies and measures related to border control.<sup>224</sup> It deals with “one of the most difficult and, for rights holders, painful aspects of intellectual property rights.”<sup>225</sup> Part IV covers the acquisition and maintenance of intellectual property rights, administrative revocation, and inter-partes procedures, such as opposition, revocation, and cancellation.<sup>226</sup> It subjects the final administrative decisions in these procedures “to review by a judicial or quasi-judicial authority.”<sup>227</sup>

Part V includes the mandatory dispute settlement procedures that require all disputes arising under the Agreement to be settled by the WTO dispute settlement process.<sup>228</sup> Under this mandatory process, a WTO member state can initiate consultations with another member state that allegedly has breached its treaty obligations.<sup>229</sup> If consultations fail, the parties may request that the Dispute Settlement Body (DSB) establish a panel to hear the complaint.<sup>230</sup> Following hearings and deliberations, the panel issues a report, which the DSB automatically adopts unless it decides by consensus against adoption or unless a party appeals for review by the Appellate Body.<sup>231</sup> The Appellate Body will then issue a report, which the DSB will automatically adopt unless it makes a consensus-based decision to reject that report.<sup>232</sup> If the member is found to be in breach of its treaty obligations and fails to implement the DSB’s

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223. *Id.*

224. TRIPS Agreement, *supra* note 2, arts. 41–61, 33 I.L.M. at 1213–20.

225. GERVAIS, *supra* note 178, at 3.

226. TRIPS Agreement, *supra* note 2, art. 62, 33 I.L.M. at 1220.

227. *Id.* art. 62(5), 33 I.L.M. at 1220.

228. *Id.* arts. 63–64, 33 I.L.M. at 1221.

229. Understanding on Rules and Procedures Governing the Settlement of Disputes, Dec. 15, 1993, art. 4, 33 I.L.M. 112, 116 (1994).

230. *Id.* art. 4(7), 33 I.L.M. at 117.

231. *Id.* art. 16(4), 33 I.L.M. at 123.

232. *Id.* art. 17(14), 33 I.L.M. at 124.

recommendations or rulings within a “reasonable period of time,”<sup>233</sup> the complaining party may request negotiations for compensation or request that the DSB authorize the suspension of concessions and other obligations covered by the treaty.<sup>234</sup>

Part VI provides transitional provisions for less and least developed countries and requires developed countries to transfer technology to their least developed counterparts.<sup>235</sup> Part VII provides a review mechanism, which requires the Council for TRIPS to review the implementation of the Agreement at two-year intervals after the expiration of the transitional periods, and in light of any relevant new developments that might warrant modification or amendment of the agreement.<sup>236</sup>

Immediately after the adoption of the TRIPS Agreement, commentators wondered whether the negotiation of intellectual property issues might stay in the WTO. After all, the TRIPS Agreement was successfully concluded despite the initial deadlock between developed and less developed countries. Nevertheless, WIPO remains a very attractive forum. First, despite the shift of the negotiating forum to the GATT/WTO, WIPO remains an important part of the WTO regime and was heavily involved in the WTO negotiation process.<sup>237</sup> From the standpoint of the international organizations, “the WTO did not supplant WIPO as the principal intergovernmental organization devoted to intellectual property lawmaking. TRIPS itself implicitly acknowledges the continuing importance of WIPO as a forum for negotiating treaties, particularly those embodying ‘higher levels of protection of intellectual property rights.’”<sup>238</sup> Moreover, article 68 of the TRIPS Agreement stated specifically that the Council for TRIPS “may consult with and seek information from any source it deems appropriate” in carrying out its

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233. *Id.* art. 21(3), 33 I.L.M. at 125.

234. *Id.* art. 22(1), 33 I.L.M. at 1224.

235. TRIPS Agreement, *supra* note 2, arts. 65–67, 33 I.L.M. at 1222–23.

236. *Id.* art. 71(1), 33 I.L.M. at 1224.

237. See, e.g., Frederick M. Abbott, *The Future of the Multilateral Trading System in the Context of TRIPS*, 20 HASTINGS INT’L & COMP. L. REV. 661, 680–82 (1997) (discussing the possibilities for cooperation between WIPO and WTO).

238. Laurence R. Helfer, *Regime Shifting: The TRIPS Agreement and New Dynamics of International Intellectual Property Lawmaking*, 29 YALE J. INT’L L. 1, 24–25 (2004).

functions and “shall seek to establish, within one year of its first meeting, appropriate arrangements for cooperation with bodies of [WIPO].”<sup>239</sup> The consultation required by this provision eventually led to the Agreement Between the World Intellectual Property Organization and the World Trade Organization, which called for cooperation between the WTO and WIPO in the notification of, provision of access to, and translation of national legislation; the communication of national emblems and transmittal of objections pursuant to article 6*ter* of the Paris Convention; and legal-technical assistance and technical cooperation.<sup>240</sup>

WIPO also provides a number of additional advantages for the negotiation of intellectual property treaties. For example,

WIPO . . . has a mandate to strengthen IPR protection and can thus start discussions on IP subjects more easily than the WTO. It can also draw upon experts from both the government and private sector for more broad-based discussions. It also presents a neutral forum without external influences like trade pressures impinging on decisions.<sup>241</sup>

Indeed, as Professor Graeme Dinwoodie noted, “the sudden emergence of the WTO as part of the international intellectual property lawmaking process seemed to energize WIPO, resulting in the conclusion of several new treaties in copyright, patent and trademark law, as well as the reorganization mentioned above that was designed to make WIPO fit for the twenty-first century.”<sup>242</sup> In the past decade, the WIPO forum has been used to negotiate the protection of audiovisual performers, broadcasters’ rights, and traditional knowledge. WIPO was also actively involved in the Internet domain name process, in particular the development of the model policy used in resolving disputes in generic top-level

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239. TRIPS Agreement, *supra* note 2, art. 68, 33 I.L.M. at 1223.

240. Agreement Between the World Intellectual Property Organization and the World Trade Organization, Dec. 22, 1995, 35 I.L.M. 754 (1996).

241. WATAL, *supra* note 115, at 5; *see also* RYAN, *supra* note 187 (discussing WIPO’s functional competence).

242. Graeme B. Dinwoodie, *The Architecture of the International Intellectual Property System*, 77 CHI.-KENT L. REV. 993, 1005 (2002) (footnotes omitted).

domains.<sup>243</sup> Moreover, “the highly politicized bargaining during preparations for WTO ministerial conferences have led to some hesitation in re-opening TRIPS in that forum.”<sup>244</sup> As indicated by the discussions concerning the relationships between intellectual property and biodiversity, countries prefer to use the TRIPS Agreement as their reference point, but are reluctant to return to the WTO to renegotiate the Agreement.<sup>245</sup>

Shortly after the TRIPS Agreement entered into effect, countries returned to WIPO to update the treatment of copyright issues and legal protection for sound recordings and databases. In December 1996, WIPO hosted a diplomatic conference in Geneva to consider proposals to update international intellectual property norms in light of changes to the digital environment.<sup>246</sup> The origins of this Diplomatic Conference can be traced back to 1989, when the governing body of the Berne Union called upon WIPO to convene a Committee of Experts to explore the possibility of a supplementary agreement to the Berne Convention “to clarify the existing, or establish new, international norms where, under the present text of the Berne Convention, doubts may exist as to the extent to which that Convention applies.”<sup>247</sup> This request was routine, as previously the Berne Convention had been revised roughly every ten to twenty years, and had not been updated since the Paris revision conference

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243. See WIPO, *THE MANAGEMENT OF INTERNET NAMES AND ADDRESSES: INTELLECTUAL PROPERTY ISSUES: FINAL REPORT OF THE WIPO INTERNET DOMAIN NAME PROCESS* (1999) [hereinafter *WIPO INTERNET DOMAIN NAME PROCESS FINAL REPORT*], available at <http://arbiter.wipo.int/processes/process1/report/pdf/report.pdf>; WIPO, *THE RECOGNITION OF RIGHTS AND THE USE OF NAMES IN THE INTERNET DOMAIN NAME SYSTEM: REPORT OF THE SECOND WIPO INTERNET DOMAIN NAME PROCESS* (2001), available at <http://arbiter.wipo.int/processes/process2/report/pdf/report.pdf>.

244. WATAL, *supra* note 115, at 5.

245. See *id.* at 5–8. Nevertheless, countries eventually might have to shift back to the WTO forum to provide enforcement, as the WIPO forum lacks an effective enforcement mechanism.

246. See generally Pamela Samuelson, *The U.S. Digital Agenda at WIPO*, 37 VA. J. INT'L L. 369 (1997).

247. *Id.* at 376 (quoting *Basic Proposal for the Substantive Provisions of the Treaty on Certain Questions Concerning the Protection of Literary and Artistic Works to Be Considered by the Diplomatic Conference on Certain Copyright and Neighboring Rights Questions 2*, WIPO Doc. CRNR/DC/4 (Aug. 30, 1996)).



in 1971.

Initially, the United States was not actively involved in the Diplomatic Conference. While the European Commission surveyed many challenging questions concerning copyright law in the digital context in its 1988 Green Paper,<sup>248</sup> the United States was primarily interested in the use of copyright law to protect computer programs.<sup>249</sup> As the Internet grew in size and scope, intellectual property problems in the digital environment became a concern for major businesses. In 1995, the Clinton administration released its Information Infrastructure Task Force White Paper<sup>250</sup> ("White Paper"). This White Paper turned out to be fairly controversial in the United States, and many legislative proposals that sought to implement the document failed to report out of congressional committees.<sup>251</sup> Nevertheless, the Clinton Administration persisted in promoting its digital agenda in both Geneva and Washington and pressed aggressively for the adoption of its proposals in the 1996 WIPO Diplomatic Conference. As Professor Pamela Samuelson recounted:

Clinton administration officials sought approval in Geneva for international norms that would have (1) granted copyright owners an exclusive right to control virtually all temporary reproductions of protected works in the random access memory of computers; (2) treated digital transmissions of protected works as distributions of copies to the public; (3) curtailed the power of states to adopt exceptions and limitations on the exclusive rights of copyright owners, including fair use and first sale privileges; (4) enabled copyright owners to challenge the manufacture and sale of technologies or services capable of

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248. Commission of the European Communities, Green Paper on Copyright and the Challenge of Technology—Copyright Issues Requiring Immediate Action, COM (88) 172 final.

249. See Samuelson, *supra* note 246, at 377 (noting that "[i]nsofar as the United States had a digital agenda at WIPO in the early period of Berne protocol negotiations, it was to persuade the international community to use copyright law to protect computer programs").

250. INFO. INFRASTRUCTURE TASK FORCE, INTELLECTUAL PROPERTY AND THE NATIONAL INFORMATION INFRASTRUCTURE: THE REPORT OF THE WORKING GROUP ON INTELLECTUAL PROPERTY RIGHTS (1995).

251. See Samuelson, *supra* note 246, at 373.

circumventing technological protection for copyrighted works; (5) protected the integrity of rights management information attached to protected works in digital form; and (6) created a *sui generis* form of legal protection for the contents of databases.<sup>252</sup>

Except for the final item concerning database protection, the Geneva agenda was identical to the one pushed in Washington by the Clinton administration based on its controversial White Paper.<sup>253</sup> As

252. *Id.* at 372–73 (footnotes omitted).

253. *See id.* at 373 (noting that “[t]he digital agenda that Clinton administration officials pursued in Geneva was almost identical to the digital agenda they had put before the U.S. Congress during roughly the same time period”). As Professor Samuelson summarized in *Wired*:

The eight interrelated parts of the white paper’s agenda intend to:

1. Give copyright owners control over every use of copyrighted works in digital form by interpreting existing law as being violated whenever users make even temporary reproductions of works in the random access memory of their computers;
2. Give copyright owners control over every transmission of works in digital form by amending the copyright statute so that digital transmissions will be regarded as distributions of copies to the public;
3. Eliminate fair-use rights whenever a use might be licensed. (The copyright maximalists assert that there is no piece of a copyrighted work small enough that they are uninterested in charging for its use, and no use private enough that they aren’t willing to track it down and charge for it. In this vision of the future, a user who has copied even a paragraph from an electronic journal to share with a friend will be as much a criminal as the person who tampers with an electrical meter at a friend’s house in order to siphon off free electricity. If a few users have to go to jail for copyright offenses, well, that’s a small price to pay to ensure that the population learns new patterns of behavior in the digital age.);
4. Deprive the public of the “first sale” rights it has long enjoyed in the print world (the rights that permit you to redistribute your own copy of a work after the publisher’s first sale of it to you), because the white paper treats electronic forwarding as a violation of both the reproduction and distribution rights of copyright law;
5. Attach copyright management information to digital copies of a work, ensuring that publishers can track every use made of digital copies and trace where each copy resides on the network and what is being done with it at any time;
6. Protect every digital copy of every work technologically (by encryption, for example) and make illegal any attempt to circumvent that protection;

Professor Samuelson recalled, “[f]or a time, it appeared that administration officials might be able to get in Geneva what they could not get from the U.S. Congress, . . . [and the Diplomatic Conference provided] the potential for an end run around Congress.”<sup>254</sup> Had the Clinton administration officials succeeded in Geneva, they “would almost certainly have then argued to Congress that ratification of the treaties was necessary to confirm U.S. leadership in the world intellectual property community and to promote the interests of U.S. copyright industries in the world market for information products and services.”<sup>255</sup> Fortunately, the disagreement among many WIPO member states, in particular less developed countries, and the active participation of nongovernmental organizations<sup>256</sup> made it difficult for the administration to pursue its

7. Force online service providers to become copyright police, charged with implementing pay-per-use rules. (These providers will be responsible not only for cutting off service to scofflaws but also for reporting copyright crime to the criminal justice authorities);

8. Teach the new copyright rules of the road to children throughout their years at school.

Pamela Samuelson, *The Copyright Grab*, WIRED, Jan. 1996, at 134, 136.

254. Samuelson, *supra* note 246, at 373–74.

255. *Id.* at 374–75 (footnote omitted).

256. As Professor Samuelson recounted:

Realizing the potential for an end run around Congress, many of those who had argued before Congress that the Clinton administration’s digital agenda was an unwise and unbalanced extension of rights to information publishers redirected their efforts toward lobbying the administration about the WIPO negotiations. They not only successfully lobbied the Clinton administration, persuading it to moderate or abandon parts of its digital agenda at WIPO, they also attended WIPO-sponsored regional meetings to acquaint other states with their concerns about the draft treaties, and went to Geneva in large numbers to participate informally in the diplomatic conference as observers and lobbyists. These expressions of concern found a receptive audience among many national delegations to the diplomatic conference.

*Id.* at 374.

Peter Choy, for example, went to regional bloc meetings about the draft treaties and to Geneva as a nongovernmental observer (NGO) on behalf of Sun Microsystems, Inc. and the American Committee for Interoperable Systems. Adam Eisgrau, a lobbyist for the American Library Association and for the Digital Future Coalition, went to Geneva as an NGO to express the concerns of these organizations about the draft treaties. Peter Harter, public policy counsel for

proposals. "In the end, none of the original U.S.-sponsored digital agenda proposals emerged unscathed from the negotiation process, and at least one—the proposed database treaty—did not emerge at all."<sup>257</sup>

Despite this setback, the United States managed to update the international intellectual property regime in areas that are of major interest to the American copyright industries. First, based on the agreed statement the United States pushed forward in the eleventh hour of the Diplomatic Conference, "[i]t is now clear that copyright law applies in the digital environment, and that storage of protected works is a reproduction that can be controlled by copyright owners."<sup>258</sup> Second, the WIPO Copyright Treaty<sup>259</sup> (WCT) and the WIPO Performances and Phonograms Treaty<sup>260</sup> (WPPT) protect rights holders from digital transmissions that constitute

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Netscape Communications Corp., went to Geneva as an NGO to discuss Netscape's concerns about the treaty. Vanderbilt Law Professor Jerome H. Reichman went to Geneva as an NGO on behalf of the International Council of Scientific Unions.

*Id.* at 374 n.34. Through the Digital Future Coalition, Professor Samuelson also actively participated in many events surrounding the WIPO Internet Treaties in Geneva and Washington. *Id.* at 369 n.\*.

257. *Id.* at 374–75 (footnote omitted). As Professor Samuelson recounted:

By comparison with the high-protectionist agenda reflected in the White Paper and the U.S. submissions to WIPO, one would have to say that the U.S. efforts were largely unsuccessful. The conference rejected the temporary copying proposals that had initially had U.S. support. It decided to treat digital transmissions as communications to the public, rather than as distributions of copies (which may bring with it a widened possibility for some private transmissions of works). The treaty not only preserved existing user right privileges in national laws; it recognized that new exceptions might appropriately be created. The Chairman's variant on the U.S. White Paper's anti-circumvention provision garnered almost no support. Even though the treaty contains a rights management information provision, it is watered down by comparison with what the U.S. delegation had sought. Moreover, the U.S. model for a database treaty was so objectionable that it was dropped virtually without discussion from the agenda in Geneva.

*Id.* at 434–35.

258. *Id.* at 435 (footnote omitted). For a further discussion of the eleventh-hour discussion, see *id.* at 390–92.

259. WCT, *supra* note 21.

260. WPPT, *supra* note 21.

communications to the public.<sup>261</sup> The treaties also reaffirmed the three-step test enunciated in the TRIPS Agreement that limits national authority to adopt exceptions or limitations in “certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder.”<sup>262</sup> Finally, the treaties require member states to adopt adequate protection and effective remedies against circumvention technologies and services<sup>263</sup> and to protect rights management information from alteration and removal in an effort to conceal or facilitate infringement.<sup>264</sup>

In 2002, six years after the Diplomatic Conference in Geneva, the WIPO Internet treaties finally entered into force when they attained the thirty requisite accessions or ratifications from the WIPO member states.<sup>265</sup> Had the European Union been less ambitious in incorporating these treaties in a new harmonization directive,<sup>266</sup> the treaties might have entered into force even earlier.<sup>267</sup> Although the

261. See WCT, *supra* note 21, art. 8; WPPT, *supra* note 21, art. 15.

262. See WCT, *supra* note 21, art. 10(1); WPPT, *supra* note 21, art. 16(2); see also TRIPS Agreement, *supra* note 2, art. 13, 33 I.L.M. at 1202 (delineating the three-step test).

263. See WCT, *supra* note 21, art. 11; WPPT, *supra* note 21, art. 18.

264. See WCT, *supra* note 21, art. 12; WPPT, *supra* note 21, art. 19.

265. The WCT entered into force on March 6, 2002. WIPO, WCT Notification No. 32, WIPO Copyright Treaty, Entry into Force, at [http://www.wipo.int/edocs/notdocs/en/wct/treaty\\_wct\\_32.html](http://www.wipo.int/edocs/notdocs/en/wct/treaty_wct_32.html) (Dec. 6, 2001). The WPPT took effect on May 20, 2002. WIPO, WPPT Notification No. 32, WIPO Performances and Phonograms Treaty, Entry into Force, at [http://www.wipo.int/edocs/notdocs/en/wppt/treaty\\_wppt\\_32.html](http://www.wipo.int/edocs/notdocs/en/wppt/treaty_wppt_32.html) (Feb. 20, 2002).

266. See Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the Harmonisation of Certain Aspects of Copyright and Related Rights in the Information Society, 2001 O.J. (L 167) 10.

267. As Professor Bernt Hugenholtz wrote:

A less ambitious European legislature might have achieved this goal in a matter of months, simply by copying the provisions of the WIPO Treaties into a directive. It would have taken the Member States another 18 months or so to adapt their national laws to the WIPO standards, and *presto*, the E.C. and its Member States would have been among the first, not the very last (as it now appears) to ratify the Treaties—say, in Spring 1999. This, in turn, would have immediately triggered the Treaties’ entry into force (on 30 ratifications), by adding 16 ratifications (or even 29, including EEA countries and aspiring

international community has yet to reach a consensus on many issues—such as *sui generis* database protection, audiovisual performance rights, the rights and liabilities of broadcasters, protection of traditional knowledge, and patent harmonization—the 1996 WIPO Internet Treaties updated the international intellectual property regime, extending the multilateral system to the Internet and the new digital environment.

#### IV. THE CROSSCURRENTS OF RESISTANCE

Although the multilateral intellectual property regime has been expanding since the creation of the TRIPS Agreement and the 1996 WIPO Internet Treaties, five major crosscurrents have emerged in recent years, challenging—and at times slowing down, or even disrupting—the international harmonization process.<sup>268</sup> These five crosscurrents appear in the forms of reciprocity provisions in national laws, demands for diversification by less developed countries, bilateral and plurilateral agreements pushed by developed countries, non-national systems created in response to Internet domain name disputes, and regime abandonment caused by the increasing use of mass market contracts, technological protection measures, and open source licensing. This Part discusses each of these crosscurrents in turn and explores their impact on the international intellectual property regime.

##### A. Reciprocization

The nondiscrimination principle of national treatment is the bedrock of the international intellectual property regime. Both article 5(1) of the Berne Convention and article 2(1) of the Paris Convention require member states to protect foreign nationals as if they were nationals of the country.<sup>269</sup> This requirement is important, because countries should at least offer equal protection to the

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E.U. members) to the list. Rightholders would have benefited from the enhanced protection the Treaties provide ever since.

Bernt Hugenholtz, *Why the Copyright Directive Is Unimportant, and Possibly Invalid*, 11 EUR. INTELL. PROP. REV. 499, 499 (2000).

268. These crosscurrents sometimes might also promote multilateralism by facilitating the development of common positions among participating countries. See *infra* text accompanying notes 361–63.

269. See Berne Convention, *supra* note 19, art. 5(1), 828 U.N.T.S. at 231; Paris Convention, *supra* note 20, art. 2(1), 21 U.S.T. at 1631.

nationals of all member states of the international treaties, even if they cannot agree on the specific scope of protection they grant to intellectual property rights holders.

National treatment, however, has not always been the preferred arrangement for establishing international intellectual property norms. Indeed, at the first intergovernmental congress to form the Berne Convention in 1883, the German delegation “asked whether it might be better to abandon the national treatment principle in favor of a treaty that would codify the international law of copyright and establish a uniform law among all contracting states.”<sup>270</sup> Although most participating countries eventually rejected the German proposition because such a proposal would require greater modification of domestic laws than the changes for which they were ready, the German request suggested that the international copyright system could have been designed very differently had the participating countries been more receptive to the German proposal when the multilateral system was first created.

Indeed, countries had used reciprocity, rather than national treatment, to coordinate their diverging national intellectual property policies before the creation of the Berne and Paris Conventions.<sup>271</sup> Even after the creation of these Conventions, the United States, which was only an observer in the intergovernmental meetings and remained outside the international copyright system, incorporated reciprocity into its national law. The International Copyright Act of March 3, 1891,<sup>272</sup> which was commonly referred to as the Chace Act, granted foreign authors copyright protection when the President proclaimed that the foreign country provided American citizens with “the benefit of copyright on substantially the same basis as its own citizens” or was a party to an international agreement that provided reciprocal protection to its members and to which “the United States of America m[ight], at its pleasure, become a party.”<sup>273</sup>

270. Jane C. Ginsburg, *International Copyright: From a “Bundle” of National Copyright Laws to a Supranational Code?*, 47 J. COPYRIGHT SOC’Y U.S.A. 265, 268 (2000).

271. See *supra* text accompanying notes 49–57 & 120–22.

272. Chace Act, ch. 565, 26 Stat. 1106 (1891).

273. *Id.* § 13, 26 Stat. at 1110. Section 13 of the Chace Act provides:

That this act shall only apply to a citizen or subject of a foreign state or nation when such foreign state or nation permits to citizens of the United States of America the benefit of copyright on substantially the

In the mid-1980s, the use of reciprocity provisions was rejuvenated when the United States became dissatisfied with the inadequate protection offered to semiconductor chips under the international intellectual property regime. In 1984, the United States enacted the Semiconductor Chip Protection Act,<sup>274</sup> offering *sui generis* protection to the layout designs of integrated circuits, or the so-called mask works.<sup>275</sup> To induce other countries to offer similar protection, the statute granted protection to foreign-manufactured integrated circuits and chips only if the foreign country afforded similar protection to chips made by U.S. manufacturers.<sup>276</sup> The

same basis as its own citizens; or when such foreign state or nation is a party to an international agreement which provides for reciprocity in the granting of copyright, by the terms of which agreement the United States of America may, at its pleasure, become a party to such agreement.

*Id.* "This system [of Presidential proclamations] has proved cumbersome and ineffective in comparison with the simplicity, certainty, and other advantages offered by multilateral arrangements." Ringer, *supra* note 58, at 1058 (footnote omitted); see also Roger C. Dixon, *Universal Copyright Convention and United States Bilateral Copyright Arrangements*, in UNIVERSAL COPYRIGHT CONVENTION ANALYZED 113, 118–23 (Theodore R. Kupferman & Mathew Foner eds., 1955) (discussing the advantages of the Universal Copyright Convention over the system of bilateral proclamation arrangements).

274. 17 U.S.C. §§ 901–914 (2000). For a comprehensive discussion of the Semiconductor Chip Protection Act of 1984 and why other forms of intellectual property failed to protect the layout design of integrated circuits or mask works, see Leon Radomsky, *Sixteen Years After the Passage of the U.S. Semiconductor Chip Protection Act: Is International Protection Working?*, 15 BERKELEY TECH. L.J. 1049 (2000).

275. The Copyright Act defines a mask work as:

a series of related images, however fixed or encoded—

- (A) having or representing the predetermined, three-dimensional pattern of metallic, insulating, or semiconductor material present or removed from the layers of a semiconductor chip product; and
- (B) in which series the relation of the images to one another is that each image has the pattern of the surface of one form of the semiconductor chip product.

17 U.S.C. § 901(a)(2).

276. The reciprocity provision provides:

Subject to the provisions of subsection (b), a mask work fixed in a semiconductor chip product, by or under the authority of the owner of the mask work, is eligible for protection under this chapter if—

- (A) on the date on which the mask work is registered under section 908, or is first commercially exploited anywhere in the



statute further included a transitional provision that allowed the United States Secretary of Commerce to extend protection to countries that made a good-faith effort and reasonable progress toward adopting laws that offered similar protection.<sup>277</sup>

Although there was very limited litigation under the Semiconductor Chip Protection Act, which was arguably obsolete by the time it was enacted,<sup>278</sup> the statute's reciprocity provision successfully spurred the development of a worldwide system for the protection of semiconductor chips and integrated circuit topographies. In 1985, Japan became the first country to take advantage of the transitional provision and obtained reciprocal protection based on its enactment of the Semiconductor Layout Act.<sup>279</sup> In the same year, the European Community adopted the Council Directive 87/54/EEC of 16 December 1986 on the Legal Protection of Topographies of Semiconductor Products,<sup>280</sup> which required all EC member states to adopt national legislation for the protection of semiconductor topographies. Since then, the United Kingdom amended its Copyright, Designs and Patents Act to include *sui generis* protection for semiconductor topographies, while Australia passed the Circuit Layouts Act of 1989 offering similar protection.<sup>281</sup>

At the international level, countries explored the possibility of introducing worldwide protection of integrated circuit topography through an international treaty.<sup>282</sup> In 1989, WIPO circulated a draft

world, whichever occurs first, the owner of the mask work is (i) a national or domiciliary of the United States, (ii) a national, domiciliary, or sovereign authority of a foreign nation that is a party to a treaty affording protection to mask works to which the United States is also a party, or (iii) a stateless person, wherever that person may be domiciled;

(B) the mask work is first commercially exploited in the United States; or

(C) the mask work comes within the scope of a Presidential proclamation issued under paragraph (2).

*Id.* § 902(a)(1).

277. *Id.* § 914.

278. See Radomsky, *supra* note 274, at 1052.

279. For a discussion of the Japanese statute, see *id.* at 1066-67.

280. Council Directive 87/54/EEC of 16 December 1986 on the Legal Protection of Topographies of Semiconductor Products, 1987 O.J. (L 24) 36.

281. See Radomsky, *supra* note 274, at 1069.

282. See *id.* at 1071.

of the Treaty on the Protection of Intellectual Property in Respect of Integrated Circuits ("IPIC Treaty") at the Diplomatic Conference in Washington. Although the Conference eventually failed, WIPO's effort sowed the seed for the ultimate incorporation of the treaty into the TRIPS Agreement.<sup>283</sup> Under the Agreement, all WTO member states are required to prohibit the unauthorized "importing, selling, or otherwise distributing for commercial purposes a protected layout-design, an integrated circuit in which a protected layout-design is incorporated, or an article incorporating such an integrated circuit only in so far as it continues to contain an unlawfully reproduced layout-design."<sup>284</sup>

Following the United States' lead using unilateral action to protect its semiconductor industry, the European Union enacted the European Parliament and Council Directive on the Legal Protection of Databases,<sup>285</sup> which requires all EU member states to implement legislation that grants *sui generis* protection to databases created as a result of "substantial investment" by database producers.<sup>286</sup> To induce protection of EU database producers abroad, the Directive includes a reciprocity provision that denies protection to databases produced in non-EU countries that do not offer comparable protection to databases.<sup>287</sup> Commentators and American businesses have expressed major concern about this reciprocity provision, which, coupled with the lack of database protection in the United States, has made American database producers vulnerable to foreign piracy and competition in Europe.<sup>288</sup> By requiring material reciprocity, the provision also undermines the effectiveness of the existing international intellectual property regime, which was built upon the nondiscrimination principle of national treatment.

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283. See TRIPS Agreement, *supra* note 2, art. 35, 33 I.L.M. at 1211.

284. *Id.* art. 36, 33 I.L.M. at 1211.

285. Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the Legal Protection of Databases, 1996 O.J. (L 77) 20.

286. *Id.* art. 7(1). Under the Directive, databases are protected against unauthorized extraction and reutilization for a renewable term of fifteen years regardless of their eligibility for copyright protection. *Id.* art. 10.

287. *Id.* art. 11.

288. See Peter K. Yu, *Toward a Nonzero-Sum Approach to Resolving Global Intellectual Property Disputes: What We Can Learn from Mediators, Business Strategists, and International Relations Theorists*, 70 U. CIN. L. REV. 569, 623 (2002).

Furthermore, the reciprocity provision is likely to create tension within the WTO, which requires all member states to grant to each other "most favored nation" treatment. Article 4 of the TRIPS Agreement specifically provides that "any advantage, favour, privilege or immunity granted by a Member to the nationals of any other country shall be accorded immediately and unconditionally to the nationals of all other Members."<sup>289</sup> Although the provision includes several exceptions,<sup>290</sup> it remains unclear what would constitute a violation of the "most favored nation" treatment provision, as such treatment is rare in the intellectual property context except for those bilateral commercial agreements adopted before the Berne and Paris Conventions. It will therefore be very interesting to see how broadly the WTO dispute settlement panel interprets the enumerated exemptions under the provision.

Notwithstanding this tension concerning the increasing use of reciprocity provisions, one could make a strong case that the protection involved in the EU database directive falls outside the scope of the TRIPS Agreement.<sup>291</sup> Although article 10 of the TRIPS

289. TRIPS Agreement, *supra* note 2, art. 4, 33 I.L.M. at 1200.

290. Article 4 of the TRIPS Agreement provides the following exceptions:

Exempted from this obligation are any advantage, favour, privilege or immunity accorded by a Member:

- (a) deriving from international agreements on judicial assistance or law enforcement of a general nature and not particularly confined to the protection of intellectual property;
- (b) granted in accordance with the provisions of the Berne Convention (1971) or the Rome Convention authorizing that the treatment accorded be a function not of national treatment but of the treatment accorded in another country;
- (c) in respect of the rights of performers, producers of phonograms and broadcasting organizations not provided under this Agreement;
- (d) deriving from international agreements related to the protection of intellectual property which entered into force prior to the entry into force of the WTO Agreement, provided that such agreements are notified to the Council for TRIPS and do not constitute an arbitrary or unjustifiable discrimination against nationals of other Members.

*Id.*

291. Paul Geller pointed out two possible interpretations for the WTO dispute settlement panels to fill gaps in relevant law:

On the one hand, a minimalist would argue that TRIPS panels have no powers to fill gaps in the law. This view finds support in the Dispute-

Agreement protects “[c]ompilations of data or other material . . . which by reason of the selection or arrangement of their contents constitute intellectual creations,” that provision specifically excludes “the data or material itself” and does not address compilations that do not constitute intellectual creations in terms of the selection or the arrangement of their contents.<sup>292</sup> Countries are therefore free to provide additional protection as long as such protection does not interfere with other extant protection granted under the regime. After all, the TRIPS Agreement and the multilateral intellectual property regime set only the floor, not the ceiling, of harmonized protection.<sup>293</sup>

### B. Diversification

The United States and the members of the European Union were not the only states that were dissatisfied with the recent development in the international intellectual property regime. Many less developed countries were similarly concerned. In particular, they

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Settlement Understanding which, in article 3(2), states that such panels “cannot add to or diminish the rights and obligations provided in the covered agreements.” This language would confirm the minimalist interpretation limiting panels to rights that the TRIPS Agreement specifically incorporates or enumerates, subject to minor adjustments to the circumstances of each case. On the other hand, a maximalist would argue that TRIPS panels are mandated to fill gaps that leave present law uncertain, absent which these panels might fail to bring, in the words of the provision I just cited, “security and predictability to the multilateral trading system.” This language might prompt the maximalist to compare the prohibition of adding to or diminishing TRIPS rights to the limitation which, in theory, has confined the E.C. Court of Justice in Luxembourg to ruling on the “exercise” but not the “existence” of intellectual property rights. This Court, in practice, has not allowed this distinction to stop it from effectively making new law when subjecting such rights to the requirements of free European trade. By the same token, the TRIPS panels might reconstrue rights in comparably flexible terms that transcend the circumstances of any given case.

Paul Edward Geller, *Intellectual Property in the Global Marketplace: Impact of TRIPS Dispute Settlements?*, 29 INT’L LAW. 99, 108 (1995) (footnotes omitted).

292. TRIPS Agreement, *supra* note 2, art. 10(2), 33 I.L.M. at 1201.

293. Article 1 of the TRIPS Agreement provides: “Members may, but shall not be obliged to, implement in their law more extensive protection than is required by this Agreement, provided that such protection does not contravene the provisions of this Agreement.” *Id.* art. 1, 33 I.L.M. at 1198.

felt threatened by the limited access to affordable drugs despite severe public health crises in their countries; the lack of protection for traditional knowledge and indigenous materials; and the growing lack of access to information, knowledge, and technology transfer due to increased global intellectual property protection.

Commentators have put forward at least four arguments to support the harmonization of international intellectual property norms notwithstanding the significant differences between developed and less developed countries. First, harmonization enables the legal system to internalize the positive externalities associated with the creative process. Because of uniform laws, second-comer countries will no longer be able to free ride on the investments of their first-comer neighbors.<sup>294</sup> Second, harmonization facilitates economies of scale in governance and administration.<sup>295</sup> For example, the Patent Cooperation Treaty streamlined the early stages of patent prosecution for nationals from all member states, while the European Patent Convention enabled the European Patent Office to examine patents for all of the participating countries.<sup>296</sup> Third, uniformity provides a safeguard against destructive protectionism, thus promoting free trade and stability in the international community.<sup>297</sup> Indeed, the GATT was created to combat the destructive protectionism and “beggar-thy-neighbor” policies that led to the collapse of the world

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294. See John F. Duffy, *Harmony and Diversity in Global Patent Law*, 17 BERKELEY TECH. L.J. 685, 693–700 (2002). As Professor Duffy explained:

Consider, for example, the situation in which one country maintains a patent system but its neighbor does not. Because of the incentives of the patent system in the first country, firms will invest resources in developing patentable innovations. Consumers in the first country will pay above-marginal-cost prices for those innovations and will thus bear the cost of the information necessary to develop the innovations. By contrast, consumers in the second country will, if competitive conditions prevail, pay only the marginal cost of reproducing the innovation; they will free-ride off the investments of their neighbors. The legal regime in the first country thus has a positive externality for the second country.

*Id.* at 694.

295. *Id.* at 699–701.

296. See *supra* text accompanying notes 171–72.

297. Duffy, *supra* note 294, at 702–03. But see Ruth Gana Okediji, *Copyright and Public Welfare in Global Perspective*, 7 IND. J. GLOBAL LEGAL STUD. 117, 125–44 (1999) (exploring the tension between free trade and intellectual property protection).

trading system during the Great Depression era.<sup>298</sup> Finally, uniformity reduces the transaction costs of conducting business in foreign countries. As experiences of the nineteenth century demonstrate, changes in world politics are often rapid and unpredictable, and foreign authors and inventors sometimes might not receive the protection they were promised when they made the investment. By setting up uniform or harmonized rules that are tied to an international regime, countries therefore can have reasonable expectations that their nationals will be protected from arbitrary actions by foreign governments.<sup>299</sup>

Notwithstanding these benefits, harmonization has its drawbacks, and sometimes diversification may serve the countries better. Professor John Duffy found three major benefits of diversification. First, it allows countries to develop protections that are commensurate with their particular needs and differences, instead of applying “one size fits all” solutions that sit uneasily with the local community.<sup>300</sup> Second, diversification facilitates jurisdictional competition that checks governmental inefficiency and abuse.<sup>301</sup> By doing so, it makes the lawmaking process more accountable to local populations who decide for their own what rules and systems they want to adopt. Finally, diversification enables countries to develop their legal systems by experimenting with new regulatory and economic policies through interjurisdictional competition.<sup>302</sup> Indeed, legal experimentation was responsible “for creating the very subject

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298. ABRAM CHAYES & ANTONIA HANDLER CHAYES, *THE NEW SOVEREIGNTY: COMPLIANCE WITH INTERNATIONAL REGULATORY AGREEMENTS* 100 (1995) (stating that “[t]he central lessons the drafters [of GATT] took from interwar history was that unilateral action on trade questions and disputes led ultimately to the collapse of the international trading system”).

299. See Yu, *supra* note 288, at 606–08.

300. See Duffy, *supra* note 294, at 703–06 (noting that jurisdictional legal variation would permit jurisdictions to match laws to the unique tastes and preferences of their populations); see also Assafa Endeshaw, *The Paradox of Intellectual Property Lawmaking in the New Millennium: Universal Templates as Terms of Surrender for Non-Industrial Nations; Piracy as an Offshoot*, 10 CARDOZO J. INT’L & COMP. L. 47 (2002) (criticizing the application of universal templates to non-industrial nations); Peter K. Yu, *World Trade, Intellectual Property, and the Global Elites: An Introduction*, 10 CARDOZO J. INT’L & COMP. L. 1 (2002) (criticizing the application of universal templates to non-industrial nations).

301. See Duffy, *supra* note 294, at 706–07.

302. See *id.* at 707–08.

of patent law.”<sup>303</sup>

The TRIPS Agreement facilitates two different types of diversification—individual diversification and group diversification.<sup>304</sup> Individual diversification puts limits on the scope of protection under the international treaty so that each country can tailor protection to its own needs, interests, and goals. In the patent context, the TRIPS Agreement makes the best mode requirement optional, leaves open the possibility for administrative opposition procedures, lets members decide whether they want to adopt a “first to file” or “first to invent” system, and imposes no obligation that countries grant “grace period[s]” for disclosing inventions without failing the novelty requirement.<sup>305</sup> The Agreement also leaves room for “the admissibility of reverse engineering for computer programs, the recognition of moral rights under copyright, the determination of exceptions to exclusive rights, the grounds and scope of compulsory licenses for patents, and the type and extent of protection of plant varieties.”<sup>306</sup>

Group diversification, by comparison, extends individual diversification to a particular group and sets up a multi-tiered system within a single treaty. The textbook example of group diversification is the transitional provisions in the TRIPS Agreement. Article 65 of the Agreement provides less developed and transitional countries with a five-year transitional period.<sup>307</sup> Article 66 provides least developed countries with an eleven-year transitional period.<sup>308</sup> To help create “a sound and viable technological base” in these countries, article 66 further requires developed countries to provide incentives for their businesses and institutions to promote and encourage transfer of technology to least developed countries.<sup>309</sup>

By most accounts, the TRIPS Agreement was created as a

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303. *Id.* at 709.

304. One can also argue that diversification reflects those issues on which member states failed to come to agreement.

305. *See* Duffy, *supra* note 294, at 696.

306. CORREA, *supra* note 216, at 105.

307. TRIPS Agreement, *supra* note 2, art. 65(1)–(3), 33 I.L.M. at 1222.

308. *Id.* art. 66(1), 33 I.L.M. at 1222.

309. *Id.* art. 66(2), 33 I.L.M. at 1222.

compromise between developed and less developed countries.<sup>310</sup> While developed countries received stronger protection for intellectual property rights and a reduction in restrictions against foreign direct investment, less developed countries obtained, in return, lower tariffs on textiles and agriculture and protection against unilateral sanctions imposed by the United States and other developed countries via the mandatory settlement process. Although commentators, including myself, have criticized the TRIPS Agreement for its “coercive” and “imperialistic” nature,<sup>311</sup> it is important not to focus so much on the Agreement that we ignore the international trade background against which it was negotiated.

The problem with the TRIPS Agreement is not that it is one-sided. It is *expected* to be one-sided, given the cross-sector bargaining undertaken during the negotiation process. Rather, the Agreement is problematic for three reasons. First, intellectual property has become particularly important in today’s knowledge-based economy. The information industries, rather than the agricultural or manufacturing industries, will drive the economy of the twenty-first century. Gains by less developed countries in the

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310. This compromise was complicated and reflected the unequal bargaining power between developed and less developed countries. As Jayashree Watal pointed out:

[W]hile developed countries agreed under the ATC [Agreement on Textiles and Clothing] to phase out their quotas on the most sensitive items of textiles and clothing on the last day of the 10-year transition period, developing countries accepted the phasing-in of product patents for pharmaceuticals, the most sensitive issue in TRIPS, on the first day on [sic] the 10-year transition period. This result was achieved despite the fact that the transition period for TRIPS, like that on textiles, was negotiated at the same time, end of 1991. The argument that pharmaceutical products would only be introduced in the market after 10 years or so is not important as the domestic industry in developing countries is effectively excluded from imitating all pharmaceutical products for which patents are filed from 1995, while the textile industry in developed countries can continue to be protected by quotas until 1.1.2005.

WATAL, *supra* note 115, at 20. Cf. Edmund W. Kitch, *The Patent Policy of Developing Countries*, 13 UCLA PAC. BASIN L.J. 166, 167 (1994) (arguing that it is in the self-interest of less developed countries to agree to the TRIPS Agreement). For background on the history of the TRIPS Agreement, see GERVAIS, *supra* note 178; RYAN, *supra* note 187; WATAL, *supra* note 115; Abbott, *supra* note 217.

311. See Yu, *supra* note 288, at 580.



areas of agriculture and textiles under the WTO regime would therefore not make up for losses in the intellectual property field. Less developed countries would come out as losers under the arrangement. Even worse for these countries, an inequitable system that is biased in the intellectual property area forces them to utilize an outdated competition model that frustrates their efforts to catch up with their developed counterparts.

Second, the transitional periods provided under the TRIPS Agreement were unrealistic for less developed countries. As some commentators have pointed out, these periods would be inadequate even for many developed countries,<sup>312</sup> which arguably have more economic resources and more sophisticated legal systems. More problematically, the stronger protection for intellectual property tends to focus on issues that are important to developed countries while ignoring the need for equal participation by less developed countries in the international intellectual property system.<sup>313</sup> “For example, the evolving language in TRIPS on geographical indications remains largely . . . confined to wines and spirits, while many developing countries point to food products that could be protected to their advantage, such as Basmati rice and Darjeeling tea.”<sup>314</sup> The Agreement also failed to protect folklore, traditional knowledge, and other indigenous creations, as they do not fit well within the Western worldview and intellectual tradition, the capitalist philosophy, and the contemporary notion of individual authorship.<sup>315</sup>

Third, despite the compromise, developed countries failed to

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312. WATAL, *supra* note 115, at 4 (noting that “[t]hese transitional arrangements have proved inadequate for both developed and developing countries”).

313. MASKUS, *supra* note 218, at 239.

314. *Id.*

315. As the Bellagio Declaration stated:

Contemporary intellectual property law is constructed around the notion of the author, the individual, solitary and original creator, and it is for this figure that its protections are reserved. Those who do not fit this model—custodians of tribal culture and medical knowledge, collectives practicing traditional artistic and musical forms, or peasant cultivators of valuable seed varieties, for example—are denied intellectual property protection.

Bellagio Declaration, *reprinted in* JAMES BOYLE, SHAMANS, SOFTWARE AND SPLEENS: LAW AND THE CONSTRUCTION OF THE INFORMATION SOCIETY 192, 193 (1996).

honor their bargains in reducing tariffs and subsidies in the agricultural and textile areas.<sup>316</sup> This failure exacerbates the earlier problems. Indeed, because of this failure, less developed countries are now disillusioned with the WTO process, as was evident from the breakdown of the WTO ministerial meeting in Cancun.

Today, the geopolitical landscape has changed. When less developed countries signed on to the WTO Agreements a decade ago, they were divided and unclear as to what they wanted. Some of the issues involved in the Agreements—such as intellectual property protection—were relatively new, and arguably of low priority, to these countries. These days, however, less developed countries have become more vigilant, organized, and sophisticated. Led by such heavyweights as Brazil and India and supported by a sleeping trading giant, China, these countries now have a better sense of what they want.<sup>317</sup> It is therefore no surprise that less developed countries are taking a more aggressive collective stance with respect to their

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316. COMM'N ON INTELLECTUAL PROP. RIGHTS, INTEGRATING INTELLECTUAL PROPERTY RIGHTS AND DEVELOPMENT POLICY: REPORT OF THE COMMISSION ON INTELLECTUAL PROPERTY RIGHTS 8 (2003) [hereinafter IPR COMMISSION REPORT]; see SELL, *supra* note 198, at 173 (stating that “there is . . . no evidence that developed countries are making good on their commitments to open their markets more widely to developing countries’ agricultural and textile exports”).

317. For discussions of the position taken by less developed countries and the Group of 21, see, for example, Editorial, *Lessons from the Cancun Debacle*, BUS. TIMES SING., Sept. 16, 2003; David Greising & Andrew Martin, *U.S. to Pursue Regional, Individual Trade Talks*, CHI. TRIB., Sept. 17, 2003, at C1; *Hopes Dashed for Poor at WTO*, TORONTO STAR, Sept. 18, 2003, at P2. As Professor Sungjoon Cho pointed out:

One could not confidently predict that [the collective stance taken by the Group of 21] will remain as solid in the future as it was in Cancun. Interests of G-21 members are not homogenous. For instance, while India still wants to protect domestic agricultural industries, Brazil, a member of the Cairns Group consisting of agricultural product exporters, wants to further liberalize trade in this area. Moreover, we witnessed other groups of developing countries, such as the G-33, which advocated the inclusion of strategic products and a special safeguard mechanism in the agriculture negotiation; the coalition of the African Union, the African, Caribbean, and Pacific countries, and the LDCs (AU/ACP/LDCs) which collectively want the preservation of current preferential treatment in addition to G-33 demands.

Sungjoon Cho, *A Bridge Too Far: The Fall of the Fifth WTO Ministerial Conference in Cancun and the Future of Trade Constitution*, 7 J. INT'L ECON. L. 219, 236 (2004) (footnotes omitted).

demands for more group diversification in the international intellectual property regime.

Among the many areas in which less developed countries have demanded diversification, public health has captured the most public media attention. In the WTO Ministerial Conference in Doha in November 2001, the WTO member states adopted the Declaration on the TRIPS Agreement and Public Health,<sup>318</sup> which responded to the complaints by less developed countries that they were unable to afford protection to patented pharmaceuticals in light of the massive HIV/AIDS crises within their borders. In response to these complaints, the Declaration granted to least developed countries an additional ten years before they would be required to protect pharmaceuticals.<sup>319</sup> The Declaration also clarified article 31 of the TRIPS Agreement by recognizing in each WTO member “the right to grant compulsory licences and the freedom to determine the grounds upon which such licences are granted.”<sup>320</sup> In addition, the Declaration stated explicitly that “[e]ach Member has the right to determine what constitutes a national emergency or other circumstances of extreme urgency, it being understood that public health crises, including those relating to HIV/AIDS, tuberculosis, malaria and other epidemics, can represent a national emergency or other circumstances of extreme urgency.”<sup>321</sup> The Declaration also “recognize[d] that WTO Members with insufficient or no manufacturing capacities in the pharmaceutical sector could face difficulties in making effective use of compulsory licensing under the TRIPS Agreement”<sup>322</sup> and instructed the Council for TRIPS to devise an “expeditious solution.”<sup>323</sup>

The second area is traditional knowledge. In recent years, the misappropriation of folklore, traditional knowledge, and indigenous practices has become an increasingly important issue in global politics. Although folklore, traditional knowledge, and indigenous practices “are not necessarily IP resources in the sense that they are understood in developed countries, . . . they are certainly resources

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318. See *Doha Declaration*, *supra* note 8.

319. *Id.* ¶ 7.

320. *Id.* ¶ 5(b).

321. *Id.* ¶ 5(c).

322. *Id.* ¶ 6.

323. *Id.*

on the basis of which protected intellectual property can be, and has been, created.”<sup>324</sup> If instituted, protection of these materials would have an impact on a wide variety of policy areas, including agricultural productivity, biological diversity, cultural patrimony, food security, environmental sustainability, business ethics, global competition, human rights, international trade, public health, scientific research, sustainable development, and wealth distribution.<sup>325</sup> The traditional knowledge debate to date has been particularly intense. The international community has yet to reach a consensus on how to protect indigenous materials, partly due to limited understanding of the issue and partly due to the complexities involved in defining and classifying the materials.<sup>326</sup>

In the World Summit on the Information Society in Geneva in December 2003, less developed countries pushed aggressively for a multilateral document that declared the global importance of access to information and knowledge. Paragraph 42 of the Declaration of Principles, one of the two key documents emanating from the summit, provides specifically:

Intellectual Property protection is important to encourage innovation and creativity in the Information Society; similarly, the wide dissemination, diffusion, and sharing of knowledge is important to encourage innovation and creativity. Facilitating meaningful participation by all in intellectual property issues and knowledge sharing through full awareness and capacity building is a fundamental part of an inclusive Information Society.<sup>327</sup>

Although I have criticized elsewhere the inadequacy of the intellectual property-related portion of this document,<sup>328</sup> the summit

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324. IPR COMMISSION REPORT, *supra* note 316, at 7.

325. See Peter K. Yu, *Traditional Knowledge, Intellectual Property, and Indigenous Culture: An Introduction*, 11 CARDOZO J. INT’L & COMP. L. 239, 240 (2003) (noting that negotiations on this issue are complicated by the difficulty in classifying indigenous materials, the choice of negotiation forum, cognitive barriers of policy makers, and the failure to include the indigenous community in the process).

326. See generally Symposium, *Traditional Knowledge, Intellectual Property, and Indigenous Culture*, 11 CARDOZO J. INT’L & COMP. L. 239 (2003).

327. WSIS Declaration of Principles, *supra* note 9, ¶ 42.

328. See Peter K. Yu, *The Trust and Distrust of Intellectual Property Rights*, 16 REVUE QUEBECOISE DE DROIT INTERNATIONAL (forthcoming 2005).

reinforced the need for diversification and demonstrated the eagerness for less developed countries to push for more limited protection under the international intellectual property regime.

To some extent, the recent demands for diversification and the development of the WIPO development agenda by less developed countries remind us of the developments in the 1967 Stockholm revision conference, at which WIPO was created. At that conference, countries were so eager to redesign the international intellectual property regime that they introduced an ambitious Protocol Regarding Developing Countries in the Berne Convention.<sup>329</sup> Ironically, the protocol was too ambitious, and the Stockholm Act was never ratified and has now been superceded by the Paris Act. Nevertheless, the Stockholm revision conference demonstrated the need for diversification and the potential for radical developments should developed countries continue to ignore the needs and conditions of their less developed counterparts.

Less developed countries are understandably concerned about the increased international protection of intellectual property rights. After all, such protection tends to favor developed countries at the expense of less developed countries. As many scholars have demonstrated both empirically and theoretically, the presumption that stronger protection will benefit less developed countries or that a universal regime will maximize global welfare is questionable.<sup>330</sup> Equally doubtful is the assumption that the existing international intellectual property regime strikes the appropriate "balance between incentives to future production, the free flow of information, and the preservation of the public domain in the interest of potential future

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329. See *supra* text accompanying note 98.

330. See Carlos M. Correa, *Harmonization of Intellectual Property Rights in Latin America: Is There Still Room for Differentiation?*, 29 N.Y.U. J. INT'L L. & POL. 109, 126 (1997); see also Claudio R. Frischtak, *Harmonization Versus Differentiation in Intellectual Property Rights Regime*, in GLOBAL DIMENSIONS OF INTELLECTUAL PROPERTY RIGHTS IN SCIENCE AND TECHNOLOGY 68, 103-05 (Mitchel B. Wallerstein et al. eds., 1993) (urging countries to develop their intellectual property rights regime according to their own needs); Robert O. Keohane, *The Demand for International Regimes*, in INTERNATIONAL REGIMES, *supra* note 1, at 141, 152 (arguing that an international regime may not yield overall welfare benefits and that actors outside the regime may suffer).

creators.”<sup>331</sup> Indeed, when the United States Congress undertook a critical examination of the American patent system, one of its experts, Professor Fritz Machlup, remarked famously:

If one does not know whether a system . . . is good or bad, the safest “policy conclusion” is to muddle through—either with it, if one has long lived with it, or without it, if one has lived without it. If we did not have a patent system, it would be irresponsible, on the basis of our present knowledge of its economic consequences to recommend instituting one. But since we have had a patent system for a long time, it would be irresponsible, on the basis of our present knowledge, to recommend abolishing it.<sup>332</sup>

Moreover, as commentators have pointed out, the Western intellectual property system became universal because it was backed by great economic and military might,<sup>333</sup> rather than because the

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331. BOYLE, *supra* note 315, at 124; see J.H. Reichman, *From Free Riders to Fair Followers: Global Competition Under the TRIPS Agreement*, 29 N.Y.U. J. INT’L L. & POL. 11, 24 (1997) (arguing that policy makers in many developed countries take the existing levels of innovative strength for granted and mistakenly promote protectionism).

332. SENATE COMM. ON THE JUDICIARY, 85TH CONG., AN ECONOMIC REVIEW OF THE PATENT SYSTEM 80 (Comm. Print 1958) (prepared by Fritz Machlup).

333. William P. Alford, *How Theory Does—and Does Not—Matter: American Approaches to Intellectual Property Law in East Asia*, 13 UCLA PAC. BASIN L.J. 8, 17 (1994); see ASSAFA ENDESHAW, INTELLECTUAL PROPERTY POLICY FOR NON-INDUSTRIAL COUNTRIES 93 (1996) (“[W]hether or not [intellectual property] was consciously designed to serve economic policies in any of the [industrialized countries], it has always evolved in response to economic and political necessity.”); see also ROSEMARY J. COOMBE, THE CULTURAL LIFE OF INTELLECTUAL PROPERTIES: AUTHORSHIP, APPROPRIATION, AND THE LAW 247 (1998) (“The range of Western beliefs that define intellectual and cultural property laws . . . are not universal values that express the full range of human possibility, but particular, interested fictions emergent from a history of colonialism that has disempowered many of the world’s peoples.”).

Indeed, as Professor Samuel Huntington explained, Western culture and ideology are sometimes attractive because they are linked to hard economic and military power:

[Culture and ideology] becomes attractive when they are seen as rooted in material success and influence. . . . Increases in hard economic and military power produce enhanced self-confidence, arrogance, and belief in the superiority of one’s own culture or soft power compared to those of other peoples and greatly increase its

system embodied universal values. A “one size fits all” international intellectual property regime therefore may not be appropriate. Indeed, an inappropriate system would hurt less developed countries more than it would hurt their developed counterparts. While developed countries may have the resources and regulatory mechanisms to reduce the impact of an unbalanced system, the same does not apply to less developed countries.<sup>334</sup> Many of these countries lack the national economic strengths and established legal mechanisms to overcome problems created by an unbalanced system. Even if the system is beneficial in the long run, these countries might not have the wealth, infrastructure, and technological base to take advantage of the opportunities created by the system in the short run.<sup>335</sup>

### C. *Bilateralism*

In response to the increased demands for diversification from less developed countries, the European Union and the United States have begun to use bilateral and plurilateral treaties to enhance their bargaining positions and avoid stalemates in the international intellectual property arena. The need for such a change of strategy became apparent when the WTO Ministerial Conference ended

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attractiveness to other peoples. Decreases in economic and military power lead to self-doubt, crises of identity, and efforts to find in other cultures the keys to economic, military, and political success.

SAMUEL P. HUNTINGTON, *THE CLASH OF CIVILIZATIONS AND THE REMAKING OF WORLD ORDER* 92 (1996).

334. As the Commission on Intellectual Property Rights stated in its final report:

[W]e consider that, if anything, the costs of getting the IP system “wrong” in a developing country are likely to be far higher than in developed countries. Most developed countries have sophisticated systems of competition regulation to ensure that abuses of any monopoly rights cannot unduly affect the public interest. In the US and the EU, for example, these regimes are particularly strong and well-established. In most developing countries this is far from being [the] case. This makes such countries particularly vulnerable to inappropriate intellectual property systems.

IPR COMMISSION REPORT, *supra* note 316, at 4; *see* MASKUS, *supra* note 218, at 237 (noting that developed countries “have mature legal systems of corrective interventions” where “the exercise of IPRs threatens to be anticompetitive or excessively costly in social terms”).

335. *See* MASKUS, *supra* note 218, at 237 (noting that “[l]ong-run gains would come at the expense of costlier access in the medium term”).

prematurely in Cancun in September 2003. Since the Cancun Ministerial, the United States has initiated a "divide and conquer" policy that seeks to reward those who are willing to work with the country while undermining the efforts by Brazil, India, and the Group of 21 to establish a united negotiating front for less developed countries. As then-United States Trade Representative Robert Zoellick wrote in the *Financial Times*, the United States will separate the "can do" countries from the "won't do," and it "will move towards free trade with [only] can-do countries."<sup>336</sup> By October 2004, the United States had concluded free trade agreements with Jordan, Chile, Singapore, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Australia, Morocco, the Dominican Republic, and Bahrain<sup>337</sup> (in addition to NAFTA,<sup>338</sup> which the United States signed with Canada and Mexico in 1992). The U.S. government had also initiated trade talks with Colombia, Ecuador, Panama, Peru, Thailand, and with the Southern African Customs Union (including Botswana, Lesotho, Namibia, South Africa, and Swaziland).<sup>339</sup>

Commentators generally consider bilateral agreements more effective in addressing the individual concerns and circumstances of the contracting parties.<sup>340</sup> These agreements "can take into consideration the particular phases of development confronting each

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336. Robert B. Zoellick, *America Will Not Wait for the Won't-do Countries*, FIN. TIMES (London), Sept. 22, 2003, at 23.

337. Press Release, Office of the U.S. Trade Representative, United States and Bahrain Sign Free Trade Agreement, at [http://www.ustr.gov/Document\\_Library/Press\\_Releases/2004/September/United\\_States\\_Bahrain\\_Sign\\_Free\\_Trade\\_Agreement.html](http://www.ustr.gov/Document_Library/Press_Releases/2004/September/United_States_Bahrain_Sign_Free_Trade_Agreement.html) (Sept. 14, 2004) [hereinafter USTR Press Release].

338. North American Free Trade Agreement, Can.-Mex.-U.S., Dec. 17, 1992, 32 I.L.M. 289, 605 (1993).

339. USTR Press Release, *supra* note 337.

340. GOLDSTEIN, *supra* note 174, at 139 (noting that the lengthy enforcement action plan annexed to the 1995 China-U.S. Agreement Regarding Intellectual Property Rights "imposed more detailed procedural obligations than could be provided in a multilateral agreement such as TRIPS"); Tara Kalagher Giunta & Lily H. Shang, *Ownership of Information in a Global Economy*, 27 GEO. WASH. J. INT'L L. & ECON. 327, 339 (1993) ("Bilateral agreements provide the most workable vehicle for addressing the contentious issues surrounding intellectual property protection."). For discussions of bilateral agreements, see Senator Max Baucus, *A New Trade Strategy: The Case for Bilateral Agreements*, 22 CORNELL INT'L L.J. 1 (1989); Michael Aho, *More Bilateral Agreements Would Be a Blunder: What the President Should Do*, 22 CORNELL INT'L L.J. 25 (1989).



country, and provide for the gradual inclusion of a developing country into the global economy."<sup>341</sup> In addition, bilateral agreements "can target practices of a particular country offensive to U.S. interests and do so in an expeditious manner."<sup>342</sup> Empirical evidence has also demonstrated that U.S. bilateral agreements "ha[d] generally encouraged speedier and more substantial changes in suspect nations" after the United States threatened to impose trade sanctions on those countries.<sup>343</sup>

Compared to bilateral agreements, multilateral regimes usually result in compromises that contemplate less substantial change.<sup>344</sup> As these compromises may facilitate more gradual changes, multilateral regimes are more likely to "establish[] a protection standard binding on a greater number of countries than a bilateral solution."<sup>345</sup> Multilateralism also promotes efficiency, reduces negotiation and political costs, and enhances international stability

341. Giunta & Shang, *supra* note 340, at 329; *see also* GOLDSTEIN, *supra* note 174, at 139 (noting that the lengthy enforcement action plan annexed to the 1995 China-U.S. Agreement Regarding Intellectual Property Rights "specified particularized enforcement efforts for motion pictures, literary works and software"). Professor Peter Drahos disagreed:

For the United States, there are very strong incentives for a standardization of bilateral treaty standards. So, for example, the BIT which the United States signed with Nicaragua in 1995 was based on the prototype that the United States had developed for such treaties in 1994. Similarly, the Free Trade Agreement (FTA) that the United States has negotiated with Jordan will serve as a model for the other FTAs being negotiated with Chile and Singapore.

Drahos, *supra* note 4, at 794.

342. Marshall A. Leaffer, *Protecting United States Intellectual Property Abroad: Toward a New Multilateralism*, 76 IOWA L. REV. 273, 295 (1991).

343. Giunta & Shang, *supra* note 340, at 340; *see also* Ashoka Mody, *New International Environment for Intellectual Property Rights*, in INTELLECTUAL PROPERTY RIGHTS IN SCIENCE, TECHNOLOGY, AND ECONOMIC PERFORMANCE: INTERNATIONAL COMPARISONS 203, 225 (Francis W. Rushing & Carole Ganz Brown eds., 1990) ("In the short-run, bilateralism is proving more effective than multilateral efforts in furthering U.S. interests. Bilateralism is quicker and allows more focused and tailored responses.").

344. INTERNATIONAL INTELLECTUAL PROPERTY LAW 223 (Anthony D'Amato & Doris Estelle Long eds., 1997) (noting that "the need to achieve concurrence among so many parties often leads to less stringent standards" and that such standards "may be difficult (if not impossible) to raise through bilateral efforts").

345. *Id.*

by minimizing disruption to the international trading system.<sup>346</sup> Even when the interests of the signatory countries have changed, multilateral solutions sometimes may be able to continue and persist in their own right.<sup>347</sup>

The recent return to bilateral and plurilateral treaties is particularly interesting. Although the need for countries to move away from bilateralism to multilateralism was the main impetus behind the creation of the Berne and Paris Conventions,<sup>348</sup> multilateralism has its limitation, especially when the disagreement is likely to result in a deadlock in a multilateral forum. From the United States' standpoint, the switch to bilateralism has at least two benefits. By changing the forum and reducing the number of negotiating parties, the United States can provide side payments that it would not be able to offer in a multilateral forum, given the diversity of interests the United States has vis-à-vis the contracting states. By switching to bilateralism, the United States can also prevent less developed countries from reopening the TRIPS negotiations with a better bargaining position.<sup>349</sup>

What is troubling, however, is that the new bilateral agreements

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346. Leaffer, *supra* note 342, at 297 (arguing that bilateral agreements "may run counter to U.S. long-term interests for a healthy, stable trade environment . . . [and] fragment the world trading system . . . [by creating] resentment, particularly among Third World countries who [sic] view imposed bilateral agreements as a species of colonialism"); *see also* Cho, *supra* note 317, at 239 ("The inherent discriminatory nature of bilateralism/regionalism is often blended with an internal power disparity and ultimately begets unilateralism. Unilateralism, which is often clad with extraterritoriality, tends to eclipse international trade law, thereby placing the global trading system at the mercy of bare politics by a handful of powerful states."). *But see* William Safire, *Smoot-Hawley Lives*, N.Y. TIMES, Mar. 17, 1983, at A23 (arguing that protectionism may be the only solution to unfair competition from foreign countries).

347. *See* Arthur A. Stein, *Coordination and Collaboration: Regimes in an Anarchic World*, in INTERNATIONAL REGIMES, *supra* note 1, at 115, 138 (noting that "[r]egimes may be maintained even after shifts in the interests that gave rise to them"). Professor Stein provided four reasons for such persistence: (1) the delays in recalculation or reassessment of interests; (2) sunk costs involved in international institutions; (3) tradition, legitimacy, and the reluctance to damage reputation by breaking with customary behavior; and (4) the changing mindset from self-maximization to joint-maximization. *See id.* at 138-39.

348. *See supra* text accompanying notes 44-86 & 120-67.

349. *See* WATAL, *supra* note 115, at 5.

will allow the U.S. government to push foreign countries to adopt intellectual property provisions that are considered controversial and legally shaky on U.S. soil.<sup>350</sup> For example, the United States pushed Chile and Singapore to adopt the controversial provisions of the Digital Millennium Copyright Act<sup>351</sup> in their free trade agreements.<sup>352</sup> Likewise, even though the American public has heavily criticized the recent copyright term extension, the U.S. government included provisions extending the duration of copyrights in free trade agreements with Singapore and Australia.<sup>353</sup> The free trade agreement with Australia also bans the parallel importation of cheap generic drugs.<sup>354</sup> Meanwhile, important public interest safeguards, such as the fair use privilege in U.S. copyright law,<sup>355</sup> were not included in the agreements.

While the positions of the U.S. government seemed hypocritical, most countries—especially the smaller ones—willingly accepted these agreements. Many of them do not have the bargaining power to negotiate better agreements, and some of them consider these agreements inconsequential to their key national interests. In fact, the interests of the trade negotiators and government officials in

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350. See Samuelson, *supra* note 246, at 372–74 (discussing how the 1996 WIPO diplomatic conference almost provided “an end run around Congress”); see also Ruth Okediji, *TRIPS Dispute Settlement and the Sources of (International) Copyright Law*, 49 J. COPYRIGHT SOC’Y U.S.A. 585 (2001).

351. Pub. L. No. 105-204, 112 Stat. 2860 (1998) (codified as amended in scattered sections of 17 U.S.C.).

352. *Capitol Hill*, WASH. INTERNET DAILY, June 19, 2003.

353. Emma Caine et al., *Copyright ‘Harmony’ Profits US Firms*, AUSTL. FIN. REV., Nov. 20, 2003, at 71; Eddie Lee, *Taking the Mickey Out of Innovation*, STRAITS TIMES (Sing.), Jan. 20, 2004.

354. Karen Middleton, *Trade Deal on Drugs Needs an Honesty Pill*, W. AUSTRALIAN, Aug. 6, 2004, at 22, LEXIS, News Library, ALLNWS File.

355. 17 U.S.C. § 107 (2000). Commentators have advocated for the inclusion of affirmative rights in obtaining public access to copyright-protected materials. See, e.g., Dreyfuss, *supra* note 5 (arguing for the need to use the next Round of GATT negotiations to add explicit user rights to the TRIPS Agreement); Ruth Okediji, *Toward an International Fair Use Doctrine*, 39 COLUM. J. TRANSNAT’L L. 75, 87 (2000) (arguing that “an international fair use doctrine does not currently exist in the international law of copyright and that such a doctrine is vital for effectuating traditional copyright policy in a global market for copyrighted works as well as for capitalizing on the benefits of protecting intellectual property under the free trade system”); Yu, *supra* note 328, pt. III.D (criticizing the lack of affirmative rights in the international intellectual property regime to enable public access to protected materials).

some countries may coincide with those of the U.S. officials, as their first priority is trade or development aid, not intellectual property. Thus, many countries welcome these treaties, even if the intellectual property systems required by the agreements might not benefit them. As Professor Michael Geist explained in the context of the recent free trade agreements between the United States and the Dominican Republic and between the United States and Australia:

Developing countries such as the Dominican Republic view the inclusion of stronger copyright protections as a costless choice. For those countries, the harm that may result from excessive copyright controls pales in comparison to more fundamental development concerns and they are therefore willing to surrender copyright policy decisions in return for tangible benefits in other trade areas.

Developed countries such as Australia may recognize the importance of a balanced copyright policy to both their cultural and economic policies, but they are increasingly willing to treat intellectual property as little more than a bargaining chip as part of broader negotiation. Since most trade deals are judged by an analysis of the bottom-line, economic benefits that result from the agreement, and since quantifying the negative impact of excessive copyright controls is difficult, the policy implications of including copyright within trade agreements is often dismissed as inconsequential.<sup>356</sup>

From the standpoint of democratic governance, these bilateral agreements are particularly problematic, because they seek to circumvent the political process by using “negotiation backdoors” through which government officials can achieve what these officials otherwise could not achieve before Congress.<sup>357</sup> By pushing controversial legislation into international fora, these officials are

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356. Michael Geist, *Why We Must Stand on Guard Over Copyright*, TORONTO STAR, Oct. 20, 2003, at D3; see also Shira Perlmutter, *Future Directions in International Copyright*, 16 CARDOZO ARTS & ENT. L.J. 369, 378 (1998) (contending that, for many countries, “the trade-related benefits that may be obtained from joining a club like the WTO can outweigh any perceived drawbacks of adopting a new copyright law”).

357. Samuelson, *supra* note 246, at 374 (discussing how the 1996 WIPO diplomatic conference provided “the potential for an end run around Congress”).

more likely to secure international agreements that, in turn, would convince Congress to enact implementing legislation that would not be adopted in the first place.

Indeed, the expediency of many of the proposals to expand intellectual property rights is questionable. As Professors Keith Maskus and Jerome Reichman pointed out,

the drive to further harmonize the international minimum standards of patent protection at WIPO has occurred at the very time when the domestic standards of the United States and the operations of its patent system are under critical assault . . . . How, under such circumstances, could it be timely to harmonize and elevate international standards of patent protection—even if that were demonstrably beneficial—when there is so little agreement in the US itself on how to rectify a dysfunctional apparatus that often seems out of control? . . . Further harmonization efforts in this climate thus amount to a gamble from which bad decisions and bad laws are far more likely to emerge than good laws that appropriately balance public and private interests.”<sup>358</sup>

Even more problematic, these agreements might threaten to backfire on the American people by entering the country in the form of customary international law when a sufficient number of countries have adopted the controversial provisions in their bilateral or plurilateral agreements and have expressly and consistently recognized these provisions as legal norms governing their state conduct. Such norms will also “form the context for” interpreting treaties to which the United States is a signatory.<sup>359</sup>

The large array of bilateral treaties might also create conflicting obligations within many less developed countries. Just imagine the obligations a small island country will have after signing bilateral agreements with both the European Union and the United States. Theoretically, the two agreements should be similar, given the fact that both of these trading partners offer very strong intellectual property protection. However, because the European Union and the

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358. Keith E. Maskus & Jerome H. Reichman, *The Globalization of Private Knowledge Goods and the Privatization of Global Public Goods*, 7 J. INT'L ECON. L. 279, 300, 302 (2004) (footnote omitted).

359. See Okediji, *supra* note 350, at 602–04.

United States strongly disagree on many intellectual property issues,<sup>360</sup> the two bilateral agreements are likely to diverge, resulting in tension, or even conflict within the international trading system. Thus, some less developed countries may exploit the differences between the European Union and the United States as part of their negotiation strategy while others may wait for the two trading powers to battle out their differences before the WTO Dispute Settlement Body.

Bilateralism is not always destructive to the international intellectual property regime. Sometimes it may help promote multilateralism by facilitating the development of common positions among participating countries. As one commentator pointed out, “regionalism may contribute to multilateralism under certain circumstances through a ‘laboratory effect’. After experiencing trial and error as well as learning-by-doing in the regional level, countries may feel confident in ratcheting these regional initiatives up to the multilateral forum.”<sup>361</sup>

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360. In the copyright context, these differences “include the protection of moral rights, fair use, the first sale doctrine, the work-made-for-hire arrangement, and protection against private copying in the digital environment.” Yu, *supra* note 288, at 625–26 (footnotes omitted).

361. Cho, *supra* note 317, at 238 (footnote omitted); see also Okediji, *supra* note 4, at 143 (noting that “[m]ultilateral efforts to harmonize intellectual property norms should be anticipated by developing countries once the network of bilateral agreements is sufficiently dense to warrant a mechanism to consolidate and (perhaps improve) the gains from bilateralism”). Senator Max Baucus contended that a bilateral agreement may “provide at least a partial model for a future multilateral agreement.” Baucus, *supra* note 340, at 21–22. As he explained:

By opening markets on a bilateral basis, otherwise insoluble political problems can be attacked incrementally; bilateral agreements might break the political ice for multilateral agreements. Once the first steps have been taken to eliminate a trade barrier or solve an economic problem for one nation, political problems appear less formidable and it is easier to reach similar agreements with other nations. For example, opening the Japanese construction market to the entire world might be extremely difficult politically for Japanese officials. Opening it only to the United States might be somewhat easier. Once the market is opened partially and the Japanese industry and government become accustomed to the new situation, further liberalization will be easier to achieve. Far from derailing the GATT, bilateral agreements can blaze a trail that the GATT can follow.

*Id.* at 22.

To be certain, some of these common positions might fail to take into consideration the local conditions of participating countries, especially when less developed countries are involved. For example, commentators have heavily criticized the intellectual property provisions of the Free Trade Area of the Americas.<sup>362</sup> Commentators also suggested that the new bilateral treaties threatened to “roll back both substantive and strategic gains of the TRIPS Agreement for developing countries.”<sup>363</sup> These concerns, however, are irrelevant to the discussion of multilateralism, as many of these agreements might eventually find their way into the international intellectual property regime regardless of this lack of balance. Indeed, the TRIPS Agreement was one of the most oft-criticized multilateral treaties in the international trade and intellectual property arenas.

#### D. Non-nationalization

Traditionally, intellectual property lawmaking is a matter of domestic affairs. Without external interference, governments make value judgments as to what would best promote the creation and dissemination of intellectual works in their own countries. With increasing globalization and the establishment of the WTO, however, the control of national governments over the adoption and implementation of domestic intellectual property laws has been greatly reduced. Indeed, international lawmaking has begun to replace country-based assessments and domestic policy making as the predominant mode of intellectual property lawmaking.

In recent years, however, a new form of lawmaking has emerged. Non-national lawmaking is a new form of lawmaking “that has developed contrary to the traditional premises of deliberative construction and incrementalist decision making.”<sup>364</sup> As Paul Geller, the general editor of the leading international copyright

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362. See, e.g., VIVAS-EUGUI, *supra* note 4; IP Justice, *Why the Americas Should Resist Pressure to Adopt the FTAA's Intellectual Property Rights Chapter*, available at <http://www.ipjustice.org/FTAA/santodomingo.shtml> (Jan. 28, 2004); Robin D. Gross, *FTAA: A Threat to Freedom and Free Trade*, available at [http://www.ipjustice.org/FTAA/IPJ\\_FTAA\\_White\\_Paper\\_r.1.pdf](http://www.ipjustice.org/FTAA/IPJ_FTAA_White_Paper_r.1.pdf) (Oct. 20, 2003).

363. Okediji, *supra* note 4, at 129.

364. Laurence R. Helfer & Graeme B. Dinwoodie, *Designing Non-national Systems: The Case of the Uniform Domain Name Dispute Resolution Policy*, 43 WM. & MARY L. REV. 141, 148 (2001).

law treatise, described, the network model has now replaced the patchwork model that countries traditionally used to structure international intellectual property norms in the past century.<sup>365</sup> Likewise, Sir Robin Jacob, a noted English intellectual property jurist, observed that, “as time goes on, . . . the world will realize that at least for intellectual property the days of the nation-state are over.”<sup>366</sup>

### The Uniform Domain Name Dispute Resolution Policy<sup>367</sup>

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365. As Paul Geller elaborated:

Until recently, national laws of intellectual property, along with corresponding markets, fit within the patchwork model. Now, media technologies are shifting the marketplace to the network model.

Laws of intellectual property have formed a patchwork country by country. Treaties in the field set out minimum rights, but in flexible terms so that each right may be implemented with more or less discretion. Otherwise, these treaties, starting with the Berne and Paris Conventions, provide for national treatment, requiring each member-state to protect foreign treaty claimants like domestic claimants. Thus, while differing from country to country, much the same legal rules have governed most competitors in media and technology markets within each set of borders. Industries have tended to group within such borders: for example, publishers have gravitated to centers such as Paris, London, and New York. Hard copies and products have been marketed outward from such centers within national territories.

Now, however, markets are being globally networked. Computers are releasing creation and production from the constraints of geographical space. For example, they allow writers to ready text for publishing, composers to synthesize music, and designers to shape products, all at their desk tops. Telecommunication media, like the fax and the Internet, enable teams of creators from the four corners of the earth to collaborate instantaneously across cyberspace. The World Wide Web opens up new interactive channels between creators and producers, on the one hand, and mass and specialized markets, on the other. More generally, the communication of media productions, marketing symbols, and technologies is being decentralized and enriched between points of input and end-use.

Paul Edward Geller, *From Patchwork to Network: Strategies for International Intellectual Property in Flux*, 9 DUKE J. COMP. & INT'L L. 70-71 (1998) (footnotes omitted).

366. Hon. Mr. Justice Jacob, *International Intellectual Property Litigation in the Next Millennium*, 32 CASE W. RES. J. INT'L L. 507, 516 (2000), quoted in Graeme W. Austin, *The Role of National Courts: Valuing “Domestic Self-Determination” in International Intellectual Property Jurisprudence*, 77 CHI.-KENT L. REV. 1155, 1157 (2002).

367. Uniform Domain Name Dispute Resolution Policy (Aug. 26, 1999) [hereinafter UDRP], available at <http://www.icann.org/dndr/udrp/policy.htm>.



(UDRP) provides an illustrative example. As Professors Graeme Dinwoodie and Laurence Helfer wrote:

The UDRP is a new legal creature unlike any of its international dispute settlement antecedents. It is a hybrid system containing an amalgam of elements from three decision-making models—judicial, arbitral, and ministerial—and it draws inspiration from international and national legal systems. However, neither the UDRP's substantive content nor its prescriptive force necessarily depend upon the laws, institutions, or enforcement mechanisms of any single nation-state or treaty regime.<sup>368</sup>

The origin of the UDRP can be traced back to the need by the U.S. government to privatize the domain name system ("DNS") as the Internet grew in size and scope in the mid-1990s.<sup>369</sup> In 1998, the United States Department of Commerce issued the "DNS White Paper,"<sup>370</sup> which delineated four basic principles that were used to develop the new domain name system—"stability, competition, private bottom-up coordination, and representation."<sup>371</sup> The White Paper also noted the need for the U.S. government to withdraw from DNS administration.<sup>372</sup>

In addition, the White Paper identified cybersquatting—the preemptive registration of trademarks as domain names by third parties—as a major problem in the domain name system. The document called upon WIPO to "initiate a balanced and transparent process" to provide the new entity with recommendations on how to

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368. Helfer & Dinwoodie, *supra* note 364, at 149.

369. For an excellent history of the U.S. government's efforts to privatize the DNS and early development of ICANN, see A. Michael Froomkin, *Wrong Turn in Cyberspace: Using ICANN to Route Around the APA and the Constitution*, 50 DUKE L.J. 17 (2000). See also Jay P. Kesana & Rajiv C. Shah, *Fool Us Once Shame on You—Fool Us Twice Shame on Us: What We Can Learn from the Privatizations of the Internet Backbone Network and the Domain Name System*, 79 WASH. U. L.Q. 89 (2001).

370. Management of Internet Names and Addresses, 63 Fed. Reg. 31,741 (June 5, 1998), available at [http://www.ntia.doc.gov/ntiahome/domainname/6\\_5\\_98dns.htm](http://www.ntia.doc.gov/ntiahome/domainname/6_5_98dns.htm).

371. *Id.*

372. *Id.* (noting that "neither national governments acting as sovereigns nor intergovernmental organizations acting as representatives of governments should participate in management of Internet names and addresses.").

deal with cybersquatting.<sup>373</sup> Pursuant to this invitation, WIPO launched the First WIPO Internet Domain Name Process, a lengthy and extensive global consultative process that involved consultation meetings in fourteen countries on six continents and the participation of a large number of government agencies, intergovernmental organizations, professional associations, corporations, and individuals.<sup>374</sup>

Among the recommendations included in the report was the UDRP, which set forth the terms and conditions related to a dispute between the registrant and a third party over the registration and use of a domain name.<sup>375</sup> Under the UDRP, each registrant agrees to participate in a mandatory administrative proceeding when a third party complains to a dispute resolution service provider. The person bringing the case must then prove that the registrant's domain name is identical, or confusingly similar, to a trademark or service mark in which the complainant has rights. The complainant must also prove that the person who registered the domain name has no rights to, or legitimate interests in, the domain name and that the domain name has been registered and is being used in bad faith.<sup>376</sup> Although commentators have criticized the UDRP for its procedural weaknesses,<sup>377</sup> the policy has been widely acclaimed for its simplicity and cost-effectiveness in resolving trademark disputes. Since the UDRP entered into force in December 1999, thousands of cases have been filed. The majority of these cases has been resolved

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373. *Id.*

374. WIPO INTERNET DOMAIN NAME PROCESS FINAL REPORT, *supra* note 243, at 4.

375. *See* UDRP, *supra* note 367.

376. *Id.* ¶ 4a.

377. Among the criticisms are the selection and composition of the dispute resolution panel, the failure to provide adequate time for a domain name registrant to reply to a complaint, the failure to ensure that the registrant has received actual notice of the complaint, and the registrant's limited access to courts for review when the dispute resolution panel decides against a party. For criticisms of the UDRP, see generally Michael Geist, *Fair.Com?: An Examination of the Allegations of Systemic Unfairness in the ICANN UDRP*, 27 BROOK. J. INT'L L. 903 (2002); A. Michael Froomkin, *ICANN's "Uniform Dispute Resolution Policy"—Causes and (Partial) Cures*, 67 BROOK. L. REV. 605 (2002). *See also* Helfer & Dinwoodie, *supra* note 364; Froomkin, *supra* note 369; MILTON MUELLER, *ROUGH JUSTICE: AN ANALYSIS OF ICANN'S UNIFORM DISPUTE RESOLUTION POLICY* (2003), <http://www.acm.org/usacm/IG/roughjustice.pdf>.

satisfactorily and efficiently.

What is interesting about the UDRP is that the policy is neither a statute nor a treaty. Rather, it is “soft law,”<sup>378</sup> a nonbonding norm promoted through a recommendation by WIPO. Since the Internet Corporation for Assigned Names and Numbers (ICANN) adopted the UDRP to resolve domain name disputes involving the generic top-level domains—such as .com, .net, or .org—the policy has been extended to the domain name space in many foreign countries. For example, the *WIPO ccTLD Best Practices for the Prevention and Resolution of Property Disputes* advocates the adoption of the UDRP by managers of country-code top-level domains (ccTLD)—such as .cn (for China) or .fr (for France)—in the absence of any contrary local privacy regulations.<sup>379</sup> Likewise, courts in other countries have applied the UDRP by analogy or incorporated it into national law.<sup>380</sup>

Although the development of the domain name dispute resolution process is still evolving, the UDRP clearly demonstrates the changing nature of lawmaking processes. Indeed, many commentators have considered the domain name policy making process controversial. Instead of a government or an intergovernmental organization, a private not-for-profit corporation in California called ICANN was charged with responsibilities for the day-to-day management of the domain name systems, oversight of

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378. See generally COMMITMENT AND COMPLIANCE: THE ROLE OF NON-BINDING NORMS IN THE INTERNATIONAL LEGAL SYSTEM (Dinah Shelton ed., 2000); Kenneth W. Abbott & Duncan Snidal, *Hard and Soft Law in International Governance*, 54 INT’L ORG. 421 (2000).

379. The *WIPO ccTLD Best Practices for the Prevention and Resolution of Property Disputes* is available at <http://arbiter.wipo.int/domains/ccTLD/bestpractices/index.html>. The document is available in Arabic, Chinese, English, French, Spanish, and Russian.

380. A case in point is China. As Professor Justin Hughes described:

China has experienced a two-step process of moving toward the UDRP standards. In August 2000, the Beijing Higher People’s Court promulgated guidelines to lower court judges stating that “bad faith registration and preemption of other people’s well-known trademarks are acts . . . to which the General Principles of the Civil Law apply and which the Unfair Competition Law regulates.” The Beijing Court guidelines then, in effect, reproduced the UDRP examples of “bad faith.”

Justin Hughes, *Of World Music and Sovereign States, Professors and the Formation of Legal Norms*, 35 LOY. U. CHI. L.J. 155, 173 (2003) (footnotes omitted).

the operation of the authoritative root server system,<sup>381</sup> and the operation of the Internet Assigned Numbers Authority (IANA), which delegates to foreign ccTLD managers.<sup>382</sup>

Because ICANN has contractual obligations with the United States Department of Commerce and often ignores the interests of other countries, the international community has become particularly concerned. Since its establishment, ICANN has been heavily criticized for its lack of legitimacy, openness, accountability, and representation, as well as for its tendency to overstep the bounds of its limited mission. This debate became even more intense in the recent World Summit on the Information Society, as national governments and intergovernmental organizations feared that ICANN's dominant role in Internet governance would ultimately encroach upon their normative functions.<sup>383</sup> Although the delegates were not able to reach any consensus at the end of the summit, they called on United Nations Secretary-General Kofi Annan to create a special working group on Internet governance to study the issue and report back to them in the summit's second phase in Tunis in

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381. While domain names are easy for humans to remember, computers do not understand these catchy names. Instead, computers have to "translate" these names back to numeric addresses before locating the information the users requested. To maximize efficiency and minimize storage, the DNS was designed as a hierarchy, like a pyramid. To "resolve" a domain name, the computer issues a query to the name server at the bottom of the hierarchy. If the computer fails to obtain an answer, it will move up the hierarchy. If the computer still does not obtain an answer, it will continue to move up the hierarchy until it finally succeeds. At the apex of this hierarchy is a set of thirteen legacy root zone servers, which identify the name servers storing the root zone files for all the top-level domains, including both the generic domains—such as .com, .net, or .org—and ccTLDs. Each of these servers is assigned a letter from A to M. For example, the Internet Systems Consortium operates the "F Root Server," and the server in London is called the "K Root Server." More than three-quarters of these servers are located in the United States, and the rest are found in Japan, Sweden, and the United Kingdom. For a comprehensive discussion of the authoritative root server system, see MILTON L. MUELLER, *RULING THE ROOT: INTERNET GOVERNANCE AND THE TAMING OF CYBERSPACE* 39–40 (2002).

382. For a collection of essays on country-code top-level domains, see *ADDRESSING THE WORLD: NATIONAL IDENTITY AND INTERNET COUNTRY CODE DOMAINS* (Erica Schlesinger Wass ed., 2003).

383. See generally Peter K. Yu, *The Origins of ccTLD Policymaking*, 13 *CARDOZO J. INT'L & COMP. L.* 387 (2004).

2005.<sup>384</sup>*E. Abandonment*

Increasingly, intellectual property rights holders have resorted to the use of protection outside of the international intellectual property regime. For example, rights holders have used mass market contracts, including shrinkwrap and clickwrap licenses, to protect their intellectual works. Other rights holders have also relied on technological protection measures to protect their creative works. As Shira Perlmutter, the former Associate Register of Copyrights, wrote about the future of the copyright:

In an online world, the invocation of copyright rules themselves seems likely to diminish. Copyright law may become a smaller proportion of the fabric of everyday legal business—less often the subject of litigation, less often outcome-determinative. In courts and conference rooms,

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384. Paragraph 50 of the WSIS Declaration of Principles states:

International Internet governance issues should be addressed in a coordinated manner. We ask the Secretary-General of the United Nations to set up a working group on Internet governance, in an open and inclusive process that ensures a mechanism for the full and active participation of governments, the private sector and civil society from both developing and developed countries, involving relevant intergovernmental and international organizations and forums, to investigate and make proposals for action, as appropriate, on the governance of Internet by 2005.

WSIS Declaration of Principles, *supra* note 9, ¶ 50. The Plan of Action further provides:

The group should, *inter alia*:

- i) develop a working definition of Internet governance;
- ii) identify the public policy issues that are relevant to Internet governance;
- iii) develop a common understanding of the respective roles and responsibilities of governments, existing intergovernmental and international organisations and other forums as well as the private sector and civil society from both developing and developed countries;
- iv) prepare a report on the results of this activity to be presented for consideration and appropriate action for the second phase of WSIS in Tunis in 2005.

World Summit on the Info. Soc'y, WSIS Plan of Action ¶ 13(b), WSIS Doc. WSIS-03/GENEVA/DOC/5-E (Dec. 12, 2003), in PERSPECTIVES ON PROPERTIES OF THE HUMAN GENOME PROJECT, 97 (F. Scott Kieff, ed., 2003).

the battles will increasingly turn on contract law and the functioning of technological tools. A parallel could be drawn to the law of real property: few cases are brought based on real property laws; rather, lawsuits seek to vindicate contractual rights made possible by the entitlements established by underlying law.<sup>385</sup>

In recent years, the governments of many countries have become interested in the large-scale deployment of free and open source software—software whose source code has been made publicly and freely available. Commentators have also extolled the benefits of using nonproprietary software, which frees individual end users from the stranglehold of major proprietary software manufacturers like Microsoft. Interestingly, the push for stronger copyright protection in the U.S.-Vietnam free trade agreement did not result in more purchases of proprietary software from U.S. manufacturers. Instead, the agreement led the Vietnam government to announce its plan to require all state-owned companies and government ministries to use open source software by 2005.<sup>386</sup> Open source licensing is particularly interesting because it is “outside the public domain in theory, but seemingly inside in effect.”<sup>387</sup> While the software industry initially adopted this licensing model, commentators have recently explored the application of the model to such other areas as biomedical and genomic research.<sup>388</sup>

In sum, it remains unclear how the increasing use of mass

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385. Shira Perlmutter, *Convergence and the Future of Copyright*, 24 COLUM.-VLA J.L. & ARTS 163 (2001); see also Samuelson, *supra* note 246, at 438 (contending that “other developments, such as widespread use of shrinkwrap licenses or electronic equivalents that substantially limit user rights, as well as emerging use of encryption and other technological protections may make the balancing principles of copyright law something of an historical anachronism” (footnotes omitted)).

386. Lee, *supra* note 353.

387. Pamela Samuelson, *Mapping the Digital Public Domain: Threats and Opportunities*, 66 LAW & CONTEMP. PROBS. 147, 149 (2003).

388. See, e.g., Arti K. Rai, *Open and Collaborative Research: A New Model for Biomedicine*, in INTELLECTUAL PROPERTY RIGHTS IN FRONTIER INDUSTRIES: SOFTWARE AND BIOTECH (Robert Hahn ed., forthcoming), [http://ssrn.com/abstract\\_id=574863](http://ssrn.com/abstract_id=574863). See also James Boyle, *Enclosing the Genome: What the Squabbles over Genetic Patents Could Teach Us*, at <http://www.law.duke.edu/boylesite/low/genome.pdf> (last visited Oct. 27, 2004).

market contracts, technological protection measures, and open source licensing will affect the development of the international intellectual property regime. On the one hand, the increasing use of these alternative protection measures will take protectible subject matter out of the regime and may alter the protection traditionally granted under it. On the other hand, the widespread use of such measures, may, in turn, encourage the development of new multilateral arrangements that facilitate such a use. For example, the 1996 WIPO Internet Treaties were partly created as a response to the need to prevent the circumvention of copy-protection technologies used to protect copyrighted works in digital media.<sup>389</sup> If the international intellectual property regime can co-opt these new measures into the regime by creating rules that facilitate their use and development, these alternative protection measures will become heavily intertwined with the regime and, therefore, will be more appropriately considered “inside” rather than “outside” the regime.

## V. OBSERVATIONS

The foregoing discussion has demonstrated how countries have moved from bilateral treaties to multilateral convention. It also highlights the recent challenges confronting the international intellectual property regime. Based on this discussion, this Part offers some observations on the international intellectual property regime in five different areas: bargaining frameworks, regime development, global lawmaking, harmonization efforts, and judicial trends.

### *A. Bargaining Frameworks*

Throughout history, countries have made strategic shifts from one international regime to another so that they could develop laws closely aligned with their interests.<sup>390</sup> For example, developed countries shifted from the intellectual property regime (WIPO) to the international trade regime (GATT/WTO) to better negotiate intellectual property issues. Likewise, less developed countries

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389. See *supra* text accompanying notes 246–64.

390. See Helfer, *supra* note 238, at 6 (asserting that state and nonstate actors engage in regime shifting for many reasons and, in the case of intellectual property rights, developing countries are shifting to international regimes more closely aligned with their interests).

increasingly rely on the biodiversity and human rights regimes to increase protection of their basic human economic and social needs.<sup>391</sup> Indeed, long before the establishment of the WTO, countries had benefited from regime shifts, such as the shift from the intellectual property regime to the cultural rights regime. In the 1950s the United States sought to set up the Universal Copyright Convention as an alternative copyright treaty under the auspices of UNESCO. Two decades later, less developed countries used the same forum to push for the establishment of the “New World Information and Communications Order,” which extended the New International Economic Order to the communications area.<sup>392</sup>

Several scholars have recently examined the regime shifting phenomenon.<sup>393</sup> As Professor Laurence Helfer defined it, regime shifting is “an attempt to alter the status quo ante by moving treaty negotiations, lawmaking initiatives, or standard setting activities

391. *See id.* at 28–34 (discussing the biodiversity regime); *id.* at 45–51 (discussing the human rights regime).

392. The New International Economic Order sought to bring about fundamental changes in the international economic system by redistributing power, wealth, and resources from the developed North to the less developed South. *See Declaration on the Establishment of a New International Economic Order*, G.A. Res. 3201, U.N. GAOR, 6th Special Sess., Supp. No. 1, at 527, U.N. Doc. A/9559 (1974), *reprinted in* 13 I.L.M. 715 (1974).

393. For excellent discussions of the regime-shifting phenomenon, see, for example, JOHN BRAITHWAITE & PETER DRAHOS, *GLOBAL BUSINESS REGULATION* 564–71 (2000); Helfer, *supra* note 238. As Professors Braithwaite and Drahos explained:

International forum-shifting was not an important strategy prior to the Second World War, when the number of international fora was so small as to afford little choice. It became an important strategy for the first time during the era of US hegemony. The US state in fact translated its ‘national legal pastime’ of forum-shifting into the realm of international regulatory contests. When it is starting at defeat on a given regulatory agenda in a given international forum it shifts that agenda to another forum, or simply abandons that forum. Part of its thinking behind abandonment is that the abandoned international organization will be shocked into a more compliant mode of behaviour, endeavouring to woo back the world’s most powerful state (and its financial contributions) with more favourable policies and attitudes. . . . On other occasions forum-shifting is used to run a parallel agenda in two international fora. Here the strategy is to cast both fora in the role of warning suitors, making each strive to do better than the other in terms of fulfilling the regulatory desires of the US.

BRAITHWAITE & DRAHOS, *supra*, at 564.



from one international venue to another.”<sup>394</sup> An “inter-regime shift” reflects a country’s move from one venue to another located in an entirely different regime—for example, from the intellectual property regime to the human rights regime.<sup>395</sup> By contrast, an “intra-regime shift” reflects a country’s move from one venue to another situated within the same regime—for example, from a bilateral agreement to a multilateral convention, both under the intellectual property regime.<sup>396</sup>

These two phenomena are particularly important. A combination of these phenomena demonstrates how countries shift from one venue to another within a matrix of bargaining frameworks covering different issue areas, rules, and players (see Figure 1).<sup>397</sup> While some countries conduct vertical shifts in this chessboard-like matrix to “shop” for a forum best aligned with their interests (and that ensures their success in securing desirable treaty terms), others counteract by shifting horizontally to an entirely different regime to increase their bargaining power or create counter-regime norms that challenge their rivals’ positions in other regimes.<sup>398</sup>

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394. Helfer, *supra* note 238, at 14 (footnote omitted).

395. *Id.* at 16.

396. *Id.*

397. These frameworks “differ from one another according to features such as membership and voting rules, scope of issues covered, resources allocated, centralization of tasks, flexibility of applicable rules, control mechanisms, and permeability to non-state actors.” *Id.* at 11.

398. Professor Laurence Helfer defined *counter-regime norms* as “binding treaty rules and non-binding soft law standards that seek to alter the prevailing legal landscape.” *Id.* at 14. As he explained: “Initially, these norms may ‘circulate in the realm of rhetoric or lie dormant as long as those who dominate the existing regime preserve their power.’ But the move to a different negotiating forum—whether or not the original forum is abandoned—provides new opportunities for states and NGOs to contest established normative orthodoxies.” *Id.* (footnotes omitted).

	Regime A	Regime B	Regime C	Regime D
Multilateral		↑		
Plurilateral	←←←←	FORUM	→→→→	→→→→
Bilateral		↓		
Unilateral		↓		

Figure 1: The Matrix of Regime Shifts

As Dean Joseph Nye noted in his book, *Soft Power*, “the distribution of power resources in the contemporary information age varies greatly on different issues . . . . The agenda of world politics has become like a three-dimensional chess game in which one can win only by playing vertically as well as horizontally.”<sup>399</sup> The United States undoubtedly is “the only superpower with global military reach”; it, nevertheless, has to collaborate with the European Union, Japan, China, and other developed countries on international economic issues.<sup>400</sup> The United States also has to cooperate with the

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399. JOSEPH S. NYE, JR., *SOFT POWER: THE MEANS TO SUCCESS IN WORLD POLITICS* (2004).

400. *Id.* at 4. As Dean Nye explained:

On the top board of classic interstate military issues, the United States is indeed the only superpower with global military reach, and it makes sense to speak in traditional terms of unipolarity or hegemony. However, on the middle board of interstate economic issues, the distribution of power is multipolar. The United States cannot obtain the outcomes it wants on trade, antitrust, or financial regulation issues without the agreement of the European Union, Japan, China, and others. It makes little sense to call this American hegemony. And on the bottom board of transnational issues like terrorism, international crime, climate change, and the spread of infectious diseases, power is widely distributed and chaotically organized among state and nonstate actors. It makes no sense at all to call this a unipolar world or an American empire—despite the claims of propagandists on the right and left.

*Id.* at 4–5.

entire international community, including less developed countries and nonstate actors, to deal with such transnational issues as terrorism, drug trafficking, refugees, illegal immigration, environmental degradation, illegal arms sales, nuclear proliferation, bribery, and corruption. As a result, it is in a country's self-interest to conduct inter-regime or intra-regime shifts to enhance its negotiating power.

In the past, developed countries—in particular the United States—made both inter-regime and intra-regime shifts to enhance their bargaining positions. The textbook example of an inter-regime shift is the shift from WIPO to GATT/WTO initiated by the developed countries in the 1980s. At that time, WIPO was dominated by less developed countries. The “one country one vote” system therefore had made it difficult for developed countries to push for stronger intellectual property protection. The forum also failed to allow for cross-sector bargaining, preventing developed countries from linking intellectual property rights to other trade-related items, such as agricultural subsidies and quotas in textiles. As a result, developed countries found it disadvantageous to negotiate intellectual property issues in WIPO and pushed for a different forum.

As the creation of the WTO demonstrates, however, inter-regime shifts alone cannot achieve what developed countries desire. Instead, developed countries also need intra-regime shifts to break the stalemate created by less developed countries, which use coalition building to offset the stronger bargaining power of developed countries. For instance, in the 1980s, instead of focusing on multilateral negotiations, the United States adopted a “divide and conquer” strategy by making trade threats using section 301 of the 1974 Trade Act, when it sought to push other countries to adopt its position on strong intellectual property protection.<sup>401</sup> In the fall of 1985, for example, the United States initiated its test case against

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401. See 19 U.S.C. § 2242(a)(1)(A) (2000) (granting the United States Trade Representative power to investigate and identify foreign nations that do not provide adequate intellectual property protection or that deny American intellectual property goods fair or equitable market access); Kim Newby, *The Effectiveness of Special 301 in Creating Long Term Copyright Protection for U.S. Companies Overseas*, 21 SYRACUSE J. INT'L L. & COM. 29, 39–46 (1995) (discussing Special 301 actions in Taiwan, China, and Thailand).

South Korea, successfully forcing the country to agree to stronger protection for computer programs, chemicals, and pharmaceuticals and in the copyright, patent, and trademark areas. As Jayashree Watal pointed out:

[A]n important subsidiary objective . . . was to separate Korea from joining developing country opposition to the GATT initiative on IPRs. Korea was a soft target not only because of its dependence on exports and more particularly on the US, but because it had already reached a certain level of development and could make the transition to strengthened IPR protection more easily.<sup>402</sup>

The United States also used section 301 sanctions to isolate such opposition countries as Argentina, Brazil, India, Japan, Mexico, South Korea, and Thailand. Even for those countries outside the WTO, like China, the United States successfully used section 301 actions to push for stronger intellectual property protection.<sup>403</sup> By equating these other countries with Japan, which has one of the largest trade imbalances with the United States, the United States successfully sent a strong message about its determination to protect intellectual property.

Operating in tandem, inter-regime and intra-regime shifts successfully helped developed countries remake the international intellectual property regime. While the ability to link concessions in agriculture and textiles to intellectual property and foreign direct investment was primarily the result of inter-regime shifts, intra-regime shifts successfully convinced less developed countries that the proposed mandatory dispute settlement process in the WTO would protect them against unilateral trade sanctions. Indeed, as some less developed countries pointed out, it would have been pointless for them to join the WTO had the United States been able to continue imposing unilateral sanctions despite their membership.<sup>404</sup> It is therefore no surprise that a WTO dispute

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402. WATAL, *supra* note 115, at 18 (footnote omitted).

403. See Yu, *supra* note 179, at 140–48 (discussing the United States' success in using section 301 sanctions to pressure China to reform its intellectual property regime).

404. See, e.g., *GATT Bill Brings Major Reforms to Domestic Intellectual Property Law*, 11 INT'L TRADE REP. (BNA) 1966 (Dec. 21, 1994) (noting the dissatisfaction of the less developed countries over the United States' ability to

settlement panel held that a WTO member state could only pursue unilateral sanctions after it had exhausted all actions permissible under the international trading body.<sup>405</sup>

Like developed countries, less developed countries have shifted from one regime to another, though for different reasons. As Professor Helfer pointed out, there are at least four reasons why less developed countries found it expedient to do so. First, “[r]egime shifting allows state and nonstate actors, particularly those that have been ignored or marginalized in other international regimes, to experiment with alternative ways to achieve desired policy outcomes.”<sup>406</sup> Second, regime shifting provides a safety valve which states and interest groups can use to “consign[] an issue area to a venue where consequential outcomes and meaningful rule development are unlikely to occur.”<sup>407</sup> Third, regime shifting creates “a ‘safe space’ in which [governments can] analyze and critique those aspects of TRIPS that they find to be problematic.”<sup>408</sup> Finally, regime shifting “function[s] as an intermediate strategy that allows developing countries to generate the political groundwork necessary for new rounds of intellectual property lawmaking in the WTO and WIPO.”<sup>409</sup>

Increasingly, less developed countries have made inter-regime shifts from the intellectual property regime to other regimes, such as the biodiversity or human rights regime, to demand stronger protection. While the ability to increase bargaining power by shifting regimes remains limited for less developed countries, regime shifting has been helpful in providing the groundwork for stronger counterbalancing language in international treaties. Indeed, had it not been for the increasing actions by less developed countries in other regimes, these countries might not have been successful in

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impose Special 301 sanctions despite their compliance with the TRIPS Agreement); Hartridge & Subramanian, *supra* note 193, at 909 (suggesting that states may not accept new multilateral commitments in the intellectual property area if they are going to be vulnerable to unilateral actions).

405. See WTO, Report of the Panel on United States—Sections 301–310 of the Trade Act of 1974, WTO Doc. WT/DS152/R (Dec. 22, 1999).

406. Helfer, *supra* note 238, at 55 (footnote omitted).

407. *Id.* at 56.

408. *Id.* at 58.

409. *Id.* at 59.

pushing for favorable language in the Doha Declaration.<sup>410</sup>

Compared to their developed counterparts, less developed countries rarely perform intra-regime shifts to enhance their bargaining positions, other than to move from unilateralism or bilateralism to multilateralism. After all, less developed countries are likely to be in a stronger bargaining position as a group than as individual countries given the current geopolitical environment.<sup>411</sup>

As Professors Peter Drahos and John Braithwaite noted:

[D]eveloping countries should consider forming a veto coalition against further ratcheting up of intellectual property standards. The alliance between NGOs and developing countries on the access to medicines issue and the fact that this alliance managed to obtain the Declaration on the TRIPS Agreement and Public Health at the WTO Ministerial Conference at Doha in November 2001 suggests that this coalition is a realistic possibility. The position of such a veto coalition could be converting the Council for TRIPS from a body that secures a platform to one that polices a ceiling. This bold new agenda for the Council for TRIPS would be standstill and rollback of intellectual property standards in the interests of reducing distortions

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410. By laying down the principles, this language could be very important. As Professors John Braithwaite and Peter Drahos explained:

The globalization of regulation is played out as a contest of principles. Agreements would rarely be made if they started as enforceable bodies of rules. Any precision in the rules would immediately create a veto coalition disadvantaged by that way of framing the rules. The uncertainty implicit in principles concerning a problem (that everyone agrees is a problem) allows everyone to sign on. All hope the regime will not become more specific over time in a way that will hurt their future interests. But since they may not be sure of what those future interests will be (e.g. whether they will more frequently end up as complainants or defendants under the rules), they sign. Indeed, a virtue of a thicker veil of uncertainty is that it 'increases incentives to formulate provisions that are fair or equitable'. Sometimes this causes parties to intentionally thicken the veil of uncertainty initially (e.g. by lengthening the time or the range of issues to which a regime will apply) to ensure that all parties can lock in to mutually acceptable and just foundational principles for a new regime.

BRAITHWAITE & DRAHOS, *supra* note 393, at 619 (citation omitted).

411. *Cf. id.* at 565 (stating that "forum-shifting is a strategy that only the powerful and well-resourced can use").

and increasing competition in the world economy. If developing countries cannot forge a unified veto coalition against further ratcheting up of intellectual property standards, they can be assured that they will be picked off one by one by the growing wave of US bilaterals on both intellectual property and investment more broadly.<sup>412</sup>

To maximize their ability to build coalitions, less developed countries are much more likely to move upwards from unilateralism or bilateralism to multilateralism, rather than downwards from multilateralism to unilateralism or bilateralism. Nevertheless, as Part IV described, less developed countries are sometimes indifferent to the requests of their developed counterparts for an intra-regime shift. They may agree because they have no choice but to move to a regime under which the developed countries would be willing to negotiate or because the bargaining issues are inconsequential to their key national interests.<sup>413</sup> Just imagine how little a small Caribbean island country that focuses primarily on tourism cares about the protection of semiconductor chips,<sup>414</sup> although it might have interests in protecting such other areas as copyrights, trademarks, trade dresses, authenticity marks, and geographic indications.<sup>415</sup>

### *B. Regime Development*

Commentators have used different regime theories to account for the formation and development of international regimes. The more dominant theories in political science and international relations are based on the self-interests of individual states. Under these interest-based theories, states act as self-interested, goal-seeking players who try to maximize their individual utility.<sup>416</sup> There are at least three reasons why the creation of an international regime furthers a country's self interests. First, international regimes correct market failures and reduce the extreme costs and difficulty of

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412. PETER DRAHOS & JOHN BRAITHWAITE, INFORMATION FEUDALISM: WHO OWNS THE KNOWLEDGE ECONOMY? 208 (2002) (footnote omitted).

413. See *supra* text accompanying note 356.

414. Thanks to Professor Daniel Gervais for this example.

415. Thanks to Professor Rochelle Dreyfuss for pointing this out.

416. For a discussion of interest-based theories, see HASENCLEVER ET AL., *supra* note 1, at 23–82.

collecting information given world politics.<sup>417</sup> Because countries are autonomous, they are reluctant to reveal information unless other states do the same, lest the lack of cooperation make them worse off. Facilitating communication among countries helps international regimes improve the quantity and quality of information available to policy makers.

Second, international regimes reduce the transaction costs associated with the negotiation, monitoring, and enforcement of agreements.<sup>418</sup> At times, “*ad hoc* attempts to construct particular agreements, without a regime framework, will yield inferior results compared to negotiations within the framework of regimes.”<sup>419</sup> There is no doubt that the international regime will incur transaction costs. These costs, however, are generally lower, and at times much lower, than the costs associated with bilateral and plurilateral agreements. Where the regime costs exceed the costs of negotiating, monitoring, and enforcing bilateral and plurilateral agreements, the international regime is unlikely to be formed.

Third, an international regime makes the international system more transparent. By laying down clear rules and procedures, it becomes difficult for member states to evade their obligations.<sup>420</sup> When they cheat on these obligations, other member states can easily point to the rules and procedures to indicate the deviation. The regime therefore makes government policies more predictable and induces cooperation by putting the reputation of member states at stake or creating the threat of retaliation. The regime becomes even more robust if it includes a rigorous enforcement and review mechanism, although questions remain whether member states have the *de facto* power to enforce the treaties in the regime.

In addition to interest-based theories, two other sets of theories explain the development of the international intellectual property regime: power-based theories and knowledge-based theories. Power-based theories link the existence and effectiveness of an international

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417. See Yu, *supra* note 288, at 605–07.

418. See HASENCLEVER ET AL., *supra* note 1, at 37; Yu, *supra* note 288, at 607.

419. ROBERT O. KEOHANE, AFTER HEGEMONY: COOPERATION AND DISCORD IN THE WORLD POLITICAL ECONOMY 88 (1984).

420. See Yu, *supra* note 288, at 607–08.



regime to a certain configuration of power in an issue area.<sup>421</sup>

When the Berne Convention was developed, Europe was deeply divided, and no particular country could be considered a hegemon. In fact, the Berne convention was convened by Switzerland, a country that was considerably less powerful than many of its European neighbors. Nevertheless, all of the strong continental powers—including France, Germany, and Great Britain—were present at the meeting, and they collectively pushed for the creation of the Convention. Had they not participated, the Berne Convention might never have been created.

The power-based theories can also be used to account for the establishment of the Paris Convention, which involved all of the major contemporary industrial powers from inception to ratification. The first intergovernmental congress that led to the creation of the Convention was organized by the Austro-Hungarian Empire, a declining continental power. The invitation noted specifically the request of the United States, a strong industrial power at that time, for patent reforms. The Convention was then concluded in Paris and had France, Germany, and Great Britain among its signatory states.

The best explanations the power-based theories can provide concern the development of the TRIPS Agreement and the 1996 WIPO Internet Treaties. The United States' participation in the creation of the WTO was particularly important, as was the participation of the European Community and Japan. Initially, European countries were ambivalent about setting up a new organization like the WTO. Eventually, however, they agreed with the United States that protection under WIPO would be inadequate, especially after they earned the support of other developed countries to include geographical indications in GATT discussions.<sup>422</sup> Once they agreed that the WTO would be the negotiating forum for the new intellectual property treaty, they set aside their differences and collectively pushed for stronger protection.

Similarly, U.S. and EU participation was of the utmost importance to the creation of the 1996 WIPO Internet Treaties. Unable to obtain stronger protection in the digital area through Congress, the U.S. administration turned to the international forum.

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421. For a comprehensive discussion of power-based theories, see generally HASENCLEVER ET AL., *supra* note 1, at 83–135.

422. See WATAL, *supra* note 115, at 23.

Using it as a “negotiation backdoor,” the administration successfully obtained two treaties that it subsequently presented to Congress for implementation. As Professor Pamela Samuelson has pointed out, the 1996 WIPO Internet Treaties were heavily influenced by the United States’ digital agenda, as outlined in the white paper released by the Clinton administration’s Information Infrastructure Task Force, and that the 1996 WIPO Diplomatic Conference was almost “an end run around Congress.”<sup>423</sup>

The United States’ failure to establish the database treaty at the Diplomatic Conference demonstrates the limits of a hegemon’s power. The United States’ success there would have produced a treaty that would have resulted in legislation that Congress could not have passed. Although Congress has considered many database legislation proposals since the mid-1990s, it has yet to adopt any of them.<sup>424</sup>

The last set of theories, knowledge-based theories, posits that countries change their preferences and beliefs as they learn through participation in an international regime and that these changes, in turn, affect the development of the international regime.<sup>425</sup> Consider, for example, the development of the TRIPS Agreement. Since its creation, less developed countries have learned a great deal about intellectual property law. Those with strong imitative capacity have learned to utilize intellectual property laws to become more competitive. Those lacking imitative capacity or technical expertise have also learned about the deleterious impacts of the TRIPS Agreement and its adverse spillover effects on agriculture, health, environment, education, and culture.

As Professor Susan Sell noted in her book, *Private Power, Public Law*, many countries and interest groups “woke up” after the TRIPS Agreement.<sup>426</sup> In the past, intellectual property issues were considered arcane, obscure, complex, and highly technical. They were “reminiscent of the Catholic Church when the Bible was in

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423. See Samuelson, *supra* note 246, at 372–74.

424. For a discussion of these proposals and the different treatment of databases by the European Union and the United States, see Yu, *supra* note 288, at 621–25.

425. For a comprehensive discussion of knowledge-based theories, see generally HASENCLEVER ET AL., *supra* note 1, at 136–210.

426. SELL, *supra* note 198, at 181.

Latin.”<sup>427</sup> This is no longer the case, and many less developed countries now have well-trained negotiators who understand intellectual property issues, and many of whom were educated in developed countries. Although trade officials still conduct most trade negotiations, many of these officials now have a better understanding of the complex intellectual property issues involved in the negotiation.

Many countries have also begun to find that intellectual property rights are in their self-interest. As I have discussed elsewhere, this change in attitude helps account for the significant improvement in intellectual property protection in China in the mid 1990s, even after the U.S. government backed away from its coercive tactics. In the past, the Chinese leaders considered intellectual property rights exploitative devices, which helped protect the West’s dominant position.<sup>428</sup> Now many of them have begun to see how these tools can help promote national growth. It is small wonder that the Chinese government has begun to provide assistance to set up special intellectual property affairs departments, to create intellectual property protection networks, and to build self-protection systems in enterprises and institutes to which intellectual property rights are particularly important.<sup>429</sup>

Indeed, by the late 1990s, many Chinese began to recognize the increasing importance of a well-developed information economy. “Knowledge economy” suddenly appeared as a frequent catchphrase in major Chinese newspapers and in government officials’ presentations.<sup>430</sup> Chinese businesses also quickly adopted words like

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427. *Id.* at 99.

428. See Yu, *supra* note 179, at 189–90.

429. See, e.g., *China: New Measure Will Be Taken to Protect IPR*, CHINA BUS. INFO. NETWORK, Apr. 4, 1997, 1997 WL 9842657; see also *China Introduces Anti-Piracy Technology*, CHINA BUS. INFO. NETWORK, Mar. 15, 1999, 1999 WL 5618404 (reporting the efforts of the China Software Association to introduce new anti-piracy technology to local software producers).

430. XUE HONG & ZHENG CHENGSI, *SOFTWARE PROTECTION IN CHINA: A COMPLETE GUIDE* 7 (1999) (noting that the phrase “knowledge economy” has suddenly appeared frequently in such major Chinese newspapers as the *Guangming Daily* and *The People’s Daily*); *id.* (“The Chinese government has become enthusiastic about information-based economic development because it has become aware that the value of the global information industry is more

“e-commerce” and “e-business” to enhance public recognition and the value of their stocks.<sup>431</sup> When the National People’s Congress unveiled its new five-year plan in 2000, the plan included information technology among the major goals of China’s long-term economic development strategy.<sup>432</sup>

In sum, three different sets of regime theories—interest-based, power-based, and knowledge-based theories—help explain the development of the international intellectual property regime. These theories are important because they provide us with a better understanding of the strengths and limitations of the existing regime. They shed light on how we can make it more effective and robust and explain why countries act the way they do in the international intellectual property arena.

### C. Global Lawmaking

In the past, intellectual property lawmaking was either domestic or international by nature. While most intellectual property disputes were resolved through domestic laws, multilateral conventions—like the Berne or Paris Conventions—were instituted to coordinate the diverging national policies concerning the protection of creative activities. Occasionally, these conventions also harmonized the diverse protections offered by the laws of different contracting states. For example, the Berne Convention sets the international minimum standards for copyright duration, the scope of protection, and the extent of limitation of that bundle of rights.<sup>433</sup> The Paris Convention provides for the international minimum standards for protection against unfair competition, delineates priority rights, and reduces the possibility that patents would be forfeited upon importation or for nonexploitation.<sup>434</sup> The European Patent Convention, the Madrid Agreement and Protocol, and the Patent Cooperation Treaty all provide means for industrial property applicants to simultaneously submit applications in many countries via simplified application

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than US\$1,000 billion, and that this will be the ‘first industry’ in the next century.”).

431. XUE HONG & ZHENG CHENGSI, CHINESE INTELLECTUAL PROPERTY LAW IN THE 21ST CENTURY, at xl (2002).

432. XUE & ZHENG, *supra* note 430, at 7.

433. See Berne Convention, *supra* note 19.

434. See Paris Convention, *supra* note 20.

procedures.<sup>435</sup>

Today, however, the international intellectual property lawmaking process is more complex than ever before. First, the international intellectual property regime is no longer focused on maintaining international relations and coordinating national policies. Rather, the regime has become more legalistic.<sup>436</sup> Thanks

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435. See *supra* text accompanying notes 169–72.

436. As Professors Dreyfuss and Lowenfeld described:

[One of the major breakthroughs in the Uruguay Round] was agreement on a strict and binding system of dispute settlement and enforcement. Under the earlier GATT dispute settlement mechanisms, parties to disputes could frustrate the system both at the beginning and at the end. In contrast, the new Understanding on Dispute Settlement, to which all members of the World Trade Organization (WTO) are required to belong, precludes objection by a potential defendant to initiation of a case beyond a short delay, and precludes veto of a decision made by a panel, or, if that decision is appealed, by the Appellate Body. There is also a complex system of enforcement, complete with fairly short deadlines and provision for retaliation, in case a member state does not comply with a decision.

Rochelle Cooper Dreyfuss & Andreas F. Lowenfeld, *Two Achievements of the Uruguay Round: Putting TRIPS and Dispute Settlement Together*, 37 VA. J. INT'L L. 275, 276–77 (1997); see also William J. Davey, *Dispute Settlement in GATT*, 11 FORDHAM INT'L L.J. 51, 76–78 (discussing how an adjudicative system “would better promote compliance with GATT rules than would a negotiation/consensus system”). Professor John Jackson argued that the rule-based system is particularly important for the governance of international economic affairs:

Economic affairs tend (at least in peace time) to affect more citizens directly than may political and military affairs. Particularly as the world becomes more economically interdependent, more and more private citizens find their jobs, their businesses, and their quality of life affected if not controlled by forces from outside their country's boundaries. Thus they are more affected by the economic policy pursued by their own country on their behalf. In addition, the relationships become increasingly complex—to the point of being incomprehensible to even the brilliant human mind. As a result, citizens assert themselves, at least within a democracy, and require their representatives and government officials to respond to their needs and their perceived complaints. The result of this is increasing citizen participation, and more parliamentary or congressional participation in the processes of international economic policy, thus restricting the degree of power and discretion which the executive possesses.

This makes international negotiations and bargaining increasingly difficult. However, if citizens are going to make their demands heard

to the WTO dispute settlement process, the regime now includes hard laws that state whether a country's behavior is acceptable. Under the TRIPS Agreement, all disputes in the intellectual property area are subjected to the mandatory dispute settlement process under the WTO.<sup>437</sup> As a result of these changes, the international intellectual property regime is now enforceable.

Notwithstanding this improvement, it remains unclear whether the system affects developed and less developed countries to the same extent. A case in point is the recent dispute between the European Union and the United States over the Fairness in Music Licensing Act of 1998 ("FIMLA").<sup>438</sup> Following the loss before the WTO dispute settlement panel, the United States entered into an agreement with the European Union to submit to binding arbitration,<sup>439</sup> instead of amending the section of its copyright statute

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and influential, a "power-oriented" negotiating process (often requiring secrecy, and executive discretion so as to be able to formulate and implement the necessary compromises) becomes more difficult, if not impossible. Consequently, the only appropriate way to turn seems to be toward a rule-oriented system, whereby the various citizens, parliaments, executives and international organizations will all have their inputs, arriving tortuously to a rule—which, however, when established will enable business and other decentralized decision makers to rely upon the stability and predictability of governmental activity in relation to the rule.

JOHN H. JACKSON, *THE WORLD TRADING SYSTEM: LAW AND POLICY OF INTERNATIONAL ECONOMIC RELATIONS* 111 (2d ed. 1997).

437. See *supra* text accompanying notes 228-34.

438. 17 U.S.C. § 110(5)(B) (2000). The Fairness in Music Licensing Act of 1998 amended section 110(5) of the United States Copyright Act by exempting from royalties those restaurants, bars, and retail stores that use "homestyle" audio and video equipment to play broadcast music. *Id.* § 110(5)(A). For excellent discussions of the dispute, see Graeme B. Dinwoodie, *The Development and Incorporation of International Norms in the Formation of Copyright Law*, 62 OHIO ST. L.J. 733 (2001); Laurence R. Helfer, *World Music on a U.S. Stage: A Berne/TRIPS and Economic Analysis of the Fairness in Music Licensing Act*, 80 B.U. L. REV. 93 (2000).

439. See WTO, *United States—Section 110(5) of the US Copyright Act: Recourse to Arbitration Under Article 25 of the DSU* ¶ 5.1, WTO Doc. WT/DS160/ARB25/1 (Nov. 9, 2001) (determining the award at 1,219,900 Euros per year), available at [http://www.wto.org/english/tratop\\_e/dispu\\_e/160arb\\_25\\_1\\_e.pdf](http://www.wto.org/english/tratop_e/dispu_e/160arb_25_1_e.pdf); see also Phil Hardy, *WTO Arbitrators Rule That US Should Pay \$1.4m a Year to EU Copyright Owners*, MUSIC & COPYRIGHT, Nov. 7, 2001, LEXIS, News Library, ALLNWS File (discussing the arbitration decision); Richard Owens, *TRIPS and the Fairness in Music Arbitration: The Repercussions*, 25 EUR. INTEL. PROP. REV. 49 (2003).

that is incompatible with the TRIPS Agreement. As one commentator noted, the United States' approach "raises worrying concerns that future WTO dispute settlement proceedings might undercut the minimum standards for intellectual property protection included in the TRIPS Agreement."<sup>440</sup> This substitute of compensation for compliance would encourage WTO member states "to replace effective enforcement of intellectual property rights with a cynical 'exemptions plus compensation' approach to TRIPS."<sup>441</sup> "[T]he opportunity for strategic gaming predicated on the requirement for agreement between disputing states [also] poses a threat to the notion of equality that a rule-based system was intended to secure."<sup>442</sup>

Second, the players in the international intellectual property regime are no longer limited to national governments and intergovernmental organizations. For example, private corporations have been very aggressive in lobbying in Brussels, Geneva, and Washington. As Professor Sell showed in her recent book, private corporations were the main proponents behind the push for stronger international intellectual property protection in the TRIPS Agreement.<sup>443</sup> As she stated, "State-centric accounts of the Uruguay Round are at best incomplete, and at worst misleading, as they

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440. Owens, *supra* note 439, at 52.

441. *Id.* at 53.

442. Okediji, *supra* note 350, at 629. As Professor Ruth Okediji explained:

The opportunity to opt-out and pursue alternative means of settlement will depend on the political and economic status of a given country in relation to the complaining Member. Developing and least-developed countries who do not have the influence to leverage buy-outs from the DSU process, nor the resources to pay compensation, will undoubtedly be disadvantaged under this new regime. While having fewer states with the ability to opt out may in fact benefit the dispute settlement system, the fact that certain states will be more vulnerable within the DSU process imposes a systemic cost, namely, the loss of equal bargaining positions between disputing parties, one of which may lack the resources, power or opportunity to utilize the alternative possibilities. The unfortunate result is that . . . TRIPS compliance as measured by Members changing their domestic laws will be a matter for those too poor or too principled. I would add to this list also, those too powerless in the context of their specific relations with other countries.

*Id.* (footnote omitted).

443. See SELL, *supra* note 198.

obscure the driving forces behind the TRIPS Agreement.”<sup>444</sup>

In addition, nongovernmental organizations have increasingly demanded voices and roles in international organizations and processes—for example, by submitting *amici curiae* briefs to the WTO dispute settlement panels as third parties.<sup>445</sup> Although nongovernmental organizations do not have any right to submit these briefs and the dispute settlement panels do not have any obligation to consider them, the Appellate Body of the DSB stated clearly that a dispute settlement panel “has the discretionary authority either to accept and consider or to reject information and advice submitted to it, whether requested by a panel or not.”<sup>446</sup>

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444. *Id.* at 8. As Professor Sell elaborated:

The TRIPS process was far more complex than a state-centric account would lead us to believe. In the TRIPS case, private actors pursued their interests through multiple channels and struck bargains with multiple actors: domestic interindustry counterparts, domestic governments, foreign governments, foreign private sector counterparts, domestic and foreign industry associations, and international organizations. They vigorously pursued their IP objectives at all possible levels and in multiple venues, successfully redefining intellectual property as a trade issue. However, it was not merely their relative economic power that led to their ultimate success, but their command of IP expertise, their ideas, their information, and their framing skills (translating complex issues into political discourse).

*Id.*

445. See generally Steve Charnovitz, *Opening the WTO to Nongovernmental Interests*, 24 *FORDHAM INT’L L.J.* 173 (2000) (examining the role that nongovernmental organizations do and should play in the WTO dispute resolution process, including the submission of *amici curiae* briefs); Jacqueline Peel, *Giving the Public a Voice in the Protection of the Global Environment: Avenues for Participation by NGOs in Dispute Resolution at the European Court of Justice and World Trade Organization*, 12 *COLO. J. INT’L ENVTL. L. & POL’Y* 47 (2001) (discussing the opportunity that the WTO dispute resolution process provides to nongovernmental organizations for participating in environmental cases); Andrea Kupfer Schneider, *Unfriendly Actions: The Amicus Brief Battle at the WTO*, 7 *WIDENER L. SYMP. J.* 87 (2001) (exploring the arguments supporting and criticizing the increased judicialization of WTO dispute resolution, with particular emphasis on the battle over amicus briefs).

446. WTO, *United States-Import Prohibition of Certain Shrimp and Shrimp Products: Report of the Appellate Body*, WTO Doc. WT/DS58/AB/R 108 (Oct. 12, 1998), available at [http://www.wto.org/english/tratop\\_e/dispu\\_e/58abr.doc](http://www.wto.org/english/tratop_e/dispu_e/58abr.doc). Paragraph 108 reads:

In the present context, authority to *seek* information is not properly equated with a *prohibition* on accepting information which has been



Many of these organizations, especially powerful ones, have also actively observed WIPO and WTO meetings to influence outcomes.<sup>447</sup> Indeed, the participation of civil society organizations has been a major issue for the World Summit on the Information Society, as the emergence of the information society has enabled individual end users to communicate with others in a borderless world, thus transforming virtually everybody into a stakeholder in the global information society. That participation, however, is troublesome, as it does not fit well with the state-centric international system we have today. Indeed, the needs of individual end users often are not fully represented—and, worse, ignored—in intergovernmental fora. As the Commission on Intellectual Property Rights explained:

Too often the interests of the “producer” dominate in the evolution of IP policy, and that of the ultimate consumer is neither heard nor heeded. So policy tends to be determined more by the interests of the commercial users of the system, than by an impartial conception of the greater public good. In IPR discussions between developed and developing countries, a similar imbalance exists. The trade ministries of developed nations are mainly influenced by producer interests who see the benefit to them of stronger IP protection in their export markets, while the consumer nations, mainly the developing countries, are less able to

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submitted without having been requested by a panel. A panel has the discretionary authority either to accept and consider or to reject information and advice submitted to it, *whether requested by a panel or not*. The fact that a panel may *motu proprio* have initiated the request for information does not, by itself, bind the panel to accept and consider the information which is actually submitted. The amplitude of the authority vested in panels to shape the processes of fact-finding and legal interpretation makes clear that a panel will *not* be deluged, as it were, with non-requested material, *unless that panel allows itself to be so deluged*.

*Id.* For an interesting chronology of the use of amici curiae briefs in WTO litigation, see Schneider, *supra* note 445, at 96–98.

447. See Laurence R. Helfer, *Mediating Interactions in an Expanding International Intellectual Property Regime*, 36 CASE W. RES. J. INT’L L. (forthcoming 2004) (discussing observer status in the Council for TRIPS and WIPO), available at <http://law.vanderbilt.edu/faculty/pubs/helfer-mediatinginteractions.pdf>.

identify and represent their own interests against those of the developed nations.<sup>448</sup>

Third, as Part IV.D described, a new form of non-national lawmaking has emerged with the creation of ICANN and the privatization of the domain name system. Commentators have discussed at length the limited mission and the structural problems of ICANN,<sup>449</sup> the discussion of which is outside the scope of this Article. However, it is important to note that ICANN is a private not-for-profit organization, unlike a national government or an intergovernmental organization. In the case of country-code top-level domains, one also cannot ignore the growing influence of ccTLD managers, associations of national domain registries, and the private sector, including intellectual property rights holders, Internet service providers, and major telecommunications and information technology companies.<sup>450</sup>

Fourth, the dynamism between soft law and hard law has changed, especially where transnational intellectual property issues are involved. As the UDRP has demonstrated, development of new technologies necessitates new development in the lawmaking process, and soft law has taken on a new meaning in the information age. Although soft law is not new in the intellectual property area,<sup>451</sup>

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448. IPR COMMISSION REPORT, *supra* note 316, at 7.

449. For discussions and criticisms of ICANN, see James Boyle, *A Nondelegation Doctrine for the Digital Age?*, 50 DUKE L.J. 5 (2000); Tamar Frankel, *The Managing Lawmaker in Cyberspace: A Power Model*, 27 BROOK. J. INT'L L. 859 (2002); A. Michael Froomkin, *Habermas@Discourse.Net: Toward a Critical Theory of Cyberspace*, 116 HARV. L. REV. 749 (2003); A. Michael Froomkin, *supra* note 369; A. Michael Froomkin & Mark A. Lemley, *ICANN and Antitrust*, 2003 U. ILL. L. REV. 1; Joseph P. Liu, *Legitimacy and Authority in Internet Coordination: A Domain Name Case Study*, 74 IND. L.J. 587 (1999); John Palfrey, *The End of the Experiment: How ICANN's Foray into Global Internet Democracy Failed*, 17 HARV. J.L. & TECH. 409 (2004); Symposium, *ICANN Governance: ICANN 2.0*, 36 LOY. L.A. L. REV. 1087 (2003); Jonathan Weinberg, *ICANN and the Problem of Legitimacy*, 50 DUKE L.J. 187, 194–95 (2000); Jonathan Zittrain, *ICANN: Between the Public and the Private—Comments Before Congress*, 14 BERKELEY TECH. L.J. 1071–93 (1999).

450. See Yu, *supra* note 383.

451. See, e.g., *Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks*, WIPO Doc. A/34/13, at 3 (adopted Sept. 20 to 29, 1999), [http://www.wipo.org/about-ip/en/development\\_iplaw/pdf/pub833.pdf](http://www.wipo.org/about-ip/en/development_iplaw/pdf/pub833.pdf); *Joint Recommendation Concerning the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet* (adopted Sept. 24 to

the recent development of international intellectual property issues and the growing mistrust of less developed countries have made soft law sometimes more attractive than hard law in inducing less developed countries to adopt the standards implemented in the domestic laws of developed countries.

Finally, through incorporation by reference, the laws made in one forum increasingly influence the laws made in another forum. For example, panelists from the WTO Dispute Settlement Body increasingly look to treaties in the WIPO or other fora to resolve ambiguities in the TRIPS Agreement. In the EU-U.S. dispute over the FIMLA, the WTO Panel looked to the WCT to determine whether subsequent development in international copyright law has reflected the minor exceptions doctrine of the Berne Convention as incorporated into the TRIPS Agreement.<sup>452</sup> Although the panel ultimately found that the WCT did not constitute “a subsequent treaty” within the meaning of the Vienna Convention, the Panel noted the need “to seek contextual guidance . . . when developing interpretations that avoid conflicts within this overall framework, except where these treaties explicitly contain different obligations.”<sup>453</sup>

What is striking about this decision is that the Panel sought to incorporate the WCT into the TRIPS Agreement even before the agreement entered into force. While sometimes it is advantageous to look to treaties in other fora for clarification and for harmonization purposes, it is important that the parties who signed on to the treaty receive the bargain they struck in the negotiation process. Given the fact that WTO panelists will now look to WIPO treaties to resolve ambiguities and promote harmonization, policy makers need to be particularly cautious when they negotiate treaties in the WIPO forum, even though the treaties “promise” no enforcement mechanism, or in a “safety valve” or “safe space” regime in which states and interest groups expect that consequential outcomes and

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Oct. 3, 2001), [http://www.wipo.org/about-ip/en/development\\_iplaw/pdf/pub845.pdf](http://www.wipo.org/about-ip/en/development_iplaw/pdf/pub845.pdf).

452. WTO, *United States—Section 110(5) of the U.S. Copyright Act: Report of the Panel*, WTO Doc. WT/DS160/R ¶¶ 6.67-70 (June 15, 2000) [hereinafter *Panel Report on § 110(5)*], available at [http://www.wto.org/english/tratop\\_e/dispu\\_e/1234da.pdf](http://www.wto.org/english/tratop_e/dispu_e/1234da.pdf).

453. *Id.* ¶ 6.70.

meaningful rule development are unlikely to occur.<sup>454</sup> After all, provisions negotiated in the WIPO or other fora might ultimately find their way into the WTO regime, which can then be enforced through the mandatory dispute settlement process.

#### D. Harmonization Efforts

Since the creation of the Berne and Paris Conventions, there has been a strong push for international harmonization. In the 1980s, there was a further push with the creation of the WTO and the TRIPS Agreement. Notwithstanding these efforts, harmonization is not always beneficial. As Part IV.B pointed out, diversification may serve a country better. This benefit was indeed the reason why less developed countries have been pushing aggressively for more group diversification in the international intellectual property regime. To have a better understanding of the international harmonization process, one must understand the entire spectrum of options available to a country.

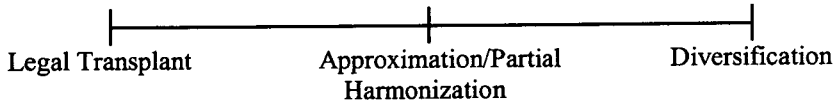


Figure 2: The Spectrum of Harmonization

On the one end of the spectrum is a legal transplant,<sup>455</sup> which

454. Helfer, *supra* note 238, at 56 (discussing the use of an international regime as a safety valve which states and interest groups can use to “consign[] an issue area to a venue where consequential outcomes and meaningful rule development are unlikely to occur”); *id.* at 58 (discussing the use of an international regime as “a ‘safe space’ in which [governments can] analyze and critique those aspects of TRIPS that they find to be problematic”).

455. See Geller, *supra* note 43. See also ALAN WATSON, *LEGAL TRANSPLANTS: AN APPROACH TO COMPARATIVE LAW* 21–30 (2d ed. 1993) (discussing how laws of one society are borrowed from another); Jacques deLisle, *Lex Americana?: United States Legal Assistance, American Legal Models, and Legal Change in the Post-Communist World and Beyond*, 20 U. PA. J. INT’L ECON. L. 179 (1999) (discussing American legal assistance to the post-Communist societies); Julie Mertus, *Mapping Civil Society Transplants: A Preliminary Comparison of Eastern Europe and Latin America*, 53 U. MIAMI L. REV. 921 (1999) (arguing that foreign legal experts bring with them their own cultural, social, and political misconceptions); John V. Orth,

Paul Geller defined as a process by which “any legal notion or rule which, after being developed in a ‘source’ body of law, is . . . introduced into another, ‘host’ body of law.”<sup>456</sup> A case in point is the transplant of Western intellectual property laws into China, which occurred twice in China’s modern history.<sup>457</sup> The first transplant occurred at the turn of the twentieth century, when the United States used its military and economic strengths to induce China to sign a commercial treaty in 1903.<sup>458</sup> This treaty granted copyright, patent, and trademark protection to Americans in return for reciprocal protection for the Chinese. Despite this treaty and other similar commercial treaties with Great Britain and Japan, China offered very limited intellectual property protection to foreign authors and inventors.<sup>459</sup>

The second transplant occurred in the early 1990s when China signed the Memorandum of Understanding Between China (PRC) and the United States on the Protection of Intellectual Property,<sup>460</sup> which established a new intellectual property regime in China. Pursuant to this memorandum of understanding, China amended its copyright, patent, and trademark laws; promulgated new implementing regulations; and adopted a new unfair competition law

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*Exporting the Rule of Law*, 24 N.C. J. INT’L L. & COM. REG. 71 (1998) (explaining the challenge of exporting legal culture).

456. Geller, *supra* note 43, at 199.

457. For discussions of legal transplants in China, see Herbert H.P. Ma, *The Chinese Concept of the Individual and the Reception of Foreign Law*, 9 J. CHINESE L. 207 (1995) (discussing the cultural barrier to the reception of Western laws in China); Ann Seidman & Robert B. Seidman, *Drafting Legislation for Development: Lessons from a Chinese Project*, 44 AM. J. COMP. L. 1 (1996) (discussing the difficulties encountered while assisting China in drafting legislation).

458. Treaty for Extension of the Commercial Relations Between [China and the United States], Oct. 8, 1903, *reprinted in* TREATIES AND AGREEMENTS WITH AND CONCERNING CHINA 1894–1919, at 423 (John V.A. MacMurray ed., 1921).

459. See WILLIAM P. ALFORD, TO STEAL A BOOK IS AN ELEGANT OFFENSE: INTELLECTUAL PROPERTY LAW IN CHINESE CIVILIZATION 37–38 (1995); Peter K. Yu, *Piracy, Prejudice, and Perspectives: An Attempt to Use Shakespeare to Reconfigure the U.S.-China Intellectual Property Debate*, 19 B.U. INT’L L.J. 1, 6 (2001).

460. Memorandum of Understanding Between China (PRC) and the United States on the Protection of Intellectual Property, Jan. 17, 1992, P.R.C.-U.S., 34 I.L.M. 677 (1995).

protecting trade secrets.<sup>461</sup> China also acceded to the Berne Convention and the Patent Cooperation Treaty and ratified the Geneva Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms.<sup>462</sup>

On the other end of the spectrum is diversification.<sup>463</sup> Diversification signifies not only disagreement, but also agreement—countries sometimes agree to disagree. An oft-cited example in the TRIPS Agreement is the exhaustion provision,<sup>464</sup> which provides that “nothing in this Agreement shall be used to address the issue of the exhaustion of intellectual property rights.”<sup>465</sup> This provision preserves the need for diversification while recognizing the negotiation impasse among contracting states.<sup>466</sup>

Somewhere in the middle of the spectrum is a full range of harmonization processes. Sometimes, countries or regional communities may *approximate* the law of different countries. Such a process is common in the European Community, when the EC directives harmonize the laws of different EC member states. Countries may also adopt the legal standards of other countries, thus engaging in a hybrid process of legal transplantation and diversification. For example, the TRIPS Agreement extends patent protection to all “field[s] of technology,” but leaves open the details of how countries frame their patent systems.<sup>467</sup> Moreover, countries may also come up with compromises. A case in point is the 1928 Rome Act of the Berne Convention, which established an optional copyright term of life of the author plus fifty years when some

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461. For a brief discussion of the 1992 Memorandum of Understanding, see Yu, *supra* note 179, at 142–43.

462. Geneva Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms, Oct. 29, 1971, 25 U.S.T. 309, 866 U.N.T.S. 67.

463. See discussion *supra* Part IV.B.

464. See generally Vincent Chiappetta, *The Desirability of Agreeing to Disagree: The WTO, TRIPS, International IPR Exhaustion and a Few Other Things*, 21 MICH. J. INT'L L. 333 (2000) (discussing the disagreement over the exhaustion issue during TRIPS negotiations).

465. TRIPS Agreement, *supra* note 2, art. 6, 33 I.L.M. at 1200.

466. As Professor Vincent Chiappetta noted, this provision “reflects the developing countries’ ‘last stand’ resistance in a losing cause.” Chiappetta, *supra* note 464, at 337.

467. See TRIPS Agreement, *supra* note 2, arts. 27–34, 33 I.L.M. at 1208–11.

contracting parties were not ready for a change.<sup>468</sup>

To make things more complicated, the outcome of the harmonization process may be affected, and sometimes interrupted, by other agreements in the same regime, such as bilateral agreements, plurilateral treaties, or regional conventions.<sup>469</sup> Through inter-regime shifts, the process may be influenced by norms or counter-regime norms countries developed outside of the intellectual property regime.<sup>470</sup> The process may also “spawn[] new relationships among different actors and institutions, redefine[] issue area boundaries, and wear[] away at the distinctions among regimes.”<sup>471</sup> To some extent, the existing regime is closer to what Professors Kal Raustiala and David Victor have described as a *regime complex*—“an array of partially overlapping institutions governing a particular issue-area.”<sup>472</sup> As Professor Helfer noted in relation to the international intellectual property regime, “What began as a regime with a single intergovernmental organization—WIPO—then became a bimodal regime with two predominant organizations—the WTO and WIPO—and has now morphed into a multi-modal or conglomerate regime populated by numerous intergovernmental bodies and networks of regional and bilateral agreements.”<sup>473</sup>

The outcome of the harmonization process may be further affected by the demands of different stakeholders in the international intellectual property regime. Consider the intellectual property system in India, for example. While policy makers might push for stronger protection of computer software and audiovisual works in light of India’s booming computer software and movie industries,<sup>474</sup>

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468. This optional term did not become mandatory until twenty years later when the convention was revised again at Brussels in 1948. See discussion *supra* Part II.

469. See discussion *supra* Part IV.C.

470. See discussion *supra* Part IV.B.

471. Helfer, *supra* note 238, at 17.

472. Kal Raustiala & David G. Victor, *The Regime Complex for Plant Genetic Resources*, 58 INT’L ORG. 277, 279 (2004), quoted in Helfer, *supra* note 238, at 16.

473. Helfer, *supra* note 447, at 12.

474. See, e.g., IPR COMMISSION REPORT, *supra* note 316, at 97 (discussing the India software industry); Daniel J. Gervais, *The Internationalization of Intellectual Property: New Challenges from the Very Old and the Very New*,

they might prefer weaker protection, or even special exceptions, for pharmaceuticals, chemicals, food, and agricultural products.<sup>475</sup> Similar dilemmas confront many other less developed countries, as their indigenous industries emerge at different times and grow at different paces.

Indeed, the international intellectual property regime has been increasingly sectorized. For example, the wine and spirits industry successfully lobbied for article 23 of the TRIPS Agreement, which offers special protection to geographical indications for wines and spirits.<sup>476</sup> The plant breeding industry successfully obtained special protection in article 27 of the Agreement, which requires member states to “provide for the protection of plant varieties either by patents or by an effective *sui generis* system or by any combination thereof.”<sup>477</sup> In addition, the semiconductor industry gained protection through the adoption of IPIC Treaty in article 35 of the Agreement.<sup>478</sup> There have also been serious talks about implementing *sui generis* protection of databases and traditional knowledge at the international level.<sup>479</sup>

In sum, harmonization is not a single process, but one that exists within a continuum that is continuously influenced by norms and counter-regime norms set by inter-regime and intra-regime agreements, specific protection lobbied for by particular sectors of the creative industries, and other factors that arose as a result of the

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12 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 929, 940 n.22 (2002) (discussing Bollywood, the India movie industry).

475. See IPR COMMISSION REPORT, *supra* note 316, at 20 (discussing the weaker patent protection offered to pharmaceutical products in India).

476. Article 23 of the TRIPS Agreement provides:

Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as “kind”, “type”, “style”, “imitation” or the like.

TRIPS Agreement, *supra* note 2, art. 23, 33 I.L.M. at 1205.

477. *Id.* art. 27(3)(b), 33 I.L.M. at 1208.

478. *Id.* art. 35, 33 I.L.M. at 1211.

479. See *supra* text accompanying notes 285–93 (discussing *sui generis* database protection) and notes 324–26 (discussing *sui generis* protection of traditional knowledge).



increasing use of mass market contracts, technological protection measures, and open source licensing. The process is often slow and complicated,<sup>480</sup> as it has to reconcile “the conflicting demands of the need for stability and the need for change.”<sup>481</sup> The outcome of the process and the reception of the new laws are also heavily influenced by the socio-economic and cultural backgrounds of the participating countries.<sup>482</sup> As Stephen Ladas wrote in the 1970s, long before the intensification of our current harmonization debate:

Discussion on unification or harmonization of law has suffered from an initial false assumption that law is a simple single conception. When we think of law, as we must, as an apparatus by which judicial and administrative agencies determine the acquisition, maintenance, and enforcement of rights in industrial property, we find four distinct elements in law, as Dean Pound has taught: first, legislative texts and regulations containing rules of law and procedures for their application; second, judicial and administrative decisions construing and applying these texts; third, traditional techniques and modes of handling legal materials; and fourth, philosophical, political and ethical ideas and ideals, as to the end of law, by which the texts, decisions, or techniques are continuously shaped.

When speaking of uniformity of law in the international field, many are apt to think only of the first element in law. While this in itself is not a simple institution and may be of different types, the other three

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480. LADAS, *supra* note 23, at 15 (noting that harmonization is “a seeking for approximation of law where uniformity of legal solutions is brought about through a slow and gradual process and in a spontaneous way on the basis of recommendations and directives internationally agreed upon”).

481. *Id.* at 14. As Stephen Ladas cautioned us:

It may be that the world is changing faster than we can change ourselves and our institutions. But lawyers cannot ignore the need for stability even in periods of rapid growth. For we must always strive to retain in a continuously evolving environment those things which are achievements of value, for it is these that give endurance and our civilization depends on endurance.

*Id.*

482. See generally Peter K. Yu, *The Harmonization Game: What Basketball Can Teach About Intellectual Property and International Trade*, 26 FORDHAM INT’L L.J. 218 (2003).

elements are of decisive importance. When they have reached a certain fixity in the judicial and professional tradition, these elements give to law its living content; they constitute the law "as is" rather than the illusion of law.<sup>483</sup>

It will be very interesting to see whether these additional developments will strengthen or weaken the existing international intellectual property regime. It will also be interesting to see whether such traditional intellectual property rights as copyrights, patents, and trademarks will be further diluted due to the need for more tailoring to specific industries and whether the traditional safeguards in the international intellectual property conventions will be applicable to this type of sector-specific protection. After all, one can easily make an argument that the newly created protection falls outside the scope of the existing conventions.

#### E. Judicial Trends

Intellectual property laws are territorial by nature. The creation of a work or an invention does not lead to an international intellectual property right, but rather a bundle of intellectual property rights in many different countries. One will not have an international copyright, but rather copyrights in China, the United Kingdom, and the United States. Even when international conventions are involved, the nondiscrimination principle of national treatment has made intellectual property laws more domestic than international. Oftentimes, a court will use justiciability as a device to avoid cases involving infringements that arise under foreign laws.<sup>484</sup> Thus, intellectual property rights holders, whose works have been infringed abroad, are often forced to sue in many different jurisdictions.<sup>485</sup> As a result, enforcement is costly, difficult, and time consuming.

In recent years, however, increased globalization and the emergence of digital communication technologies have led to three

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483. LADAS, *supra* note 23, at 14.

484. Graeme B. Dinwoodie, *International Intellectual Property Litigation: A Vehicle for Resurgent Comparativist Thought?*, 49 AM. J. COMP. L. 429, 440 (2001).

485. *Compare* Subafilms, Ltd. v. MGM-Pathe Communications Co., 24 F.3d 1088 (9th Cir. 1994) (maintaining that the U.S. Copyright Act confers rights no further than the national border), *with* L.A. News Serv. v. Reuters TV Int'l, 149 F.3d 987 (9th Cir. 1998) (applying the U.S. Copyright Act extr territorially based on a domestic predicate act of infringement).

new judicial trends. First, intellectual property laws—or, to be more precise, technology laws—have become increasingly constitutionalized. As Professor Mark Lemley wrote a few years ago, “Technology lawyers, and especially intellectual property lawyers, have discovered the Constitution. They are filing suits to invalidate statutes and interposing constitutional defenses to intellectual property claims at an unprecedented rate.”<sup>486</sup> Since the advent of the Internet, litigants have brought constitutional challenges to the Sonny Bono Copyright Term Extension Act<sup>487</sup> and the Digital Millennium Copyright Act,<sup>488</sup> as well as other technology statutes.<sup>489</sup> Scholars and commentators have also begun to focus “more attention on the complex interaction between intellectual property, Internet regulation and the Constitution.”<sup>490</sup> Indeed, some

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486. Mark A. Lemley, *The Constitutionalization of Technology Law*, 15 BERKELEY TECH. L.J. 529, 529 (2000). As Professor Lemley explained:

If you are a loser in th[e legislative] process because you aren't well-organized or well-funded—say, because you are a member of the public—you will naturally look for an end-run around what Congress has done. The Constitution is the perfect avoidance mechanism, because it allows you to resort to the judgment of the courts, and courts are more resistant to the sorts of public choice concerns described above. If you can persuade a court that what Congress has done is unconstitutional, all the campaign contributions in the world are unlikely to help your opponents.

*Id.* at 533 (footnote omitted).

487. *See Eldred v. Ashcroft*, 537 U.S. 186 (2003).

488. *See, e.g., Universal City Studios, Inc. v. Corley*, 273 F.3d 429, 457–58 (2d Cir. 2001) (rejecting the constitutional challenge of the anti-circumvention provision of the DMCA); *Recording Indus. Ass'n of Am. v. Verizon Internet Servs., Inc.*, 351 F.3d 1229 (D.C. Cir. 2003) (upholding on statutory grounds the constitutional challenge of the subpoena provision of the DMCA).

489. For example, constitutional challenges have been made to the Communications Decency Act of 1996, *see Reno v. ACLU*, 521 U.S. 844 (1997) (striking down a provision of the Communications Decency Act of 1996 that prohibited the transmission of obscene or indecent communications by means of telecommunications devices to persons under eighteen), the Child Online Protection Act, *see Ashcroft v. ACLU*, 124 S. Ct. 2783 (2004) (remanding to the lower court for a determination of the constitutionality of Child Online Protection Act); *Ashcroft v. ACLU*, 535 U.S. 564 (2002) (same), and the Child Pornography Prevention Act of 1996, *see Ashcroft v. Free Speech Coalition*, 535 U.S. 234 (2002) (striking down the Child Pornography Prevention Act of 1996).

490. Lemley, *supra* note 486, at 529; *see also* Thomas B. Nachbar, *Intellectual Property and Constitutional Norms*, 104 COLUM. L. REV. 272

commentators have argued that the international intellectual property regime and the world trading system have become increasingly constitutionalized as a result of the legalistic trading rules under the WTO.<sup>491</sup>

Second, as courts begin to use more “choice of law” analyses to explore possible legal options in the borderless environment of cyberspace, the adjudication of intellectual property laws requires a better understanding of foreign laws. As Professor Graeme Dinwoodie pointed out, “the mere fact that national courts are now engaging in serious copyright choice of law analysis and that they are contemplating the application of foreign law requires us to know foreign law more intimately and thus enhances the need for comparative work.”<sup>492</sup> While harmonization has facilitated the creation of uniform laws and international minimum standards, policy makers still need to have a better understanding, and a more generalized appreciation, of foreign legal systems, cultures, and traditions in order to successfully navigate through the existing web of national laws, international conventions, and non-national systems.

What commentators sometimes ignore is the final trend: the increased importance of public international law. Intellectual property laws are generally considered private law. However, intellectual property disputes—in particular the use of multilateral treaties to resolve disputes between nation-states—concern public law. Indeed, Paul Geller considered this shift from private to public

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(2004) (discussing the limits of the Intellectual Property Clause on Congress’s powers).

491. See, e.g., John O. McGinnis & Mark L. Movsesian, *The World Trade Constitution*, 114 HARV. L. REV. 511 (2000); GAIL E. EVANS, *LAWMAKING UNDER THE TRADE CONSTITUTION: A STUDY IN LEGISLATING BY THE WORLD TRADE ORGANIZATION* (2000).

492. Dinwoodie, *supra* note 484, at 441. As Professor Dinwoodie explained, “choice of law” analysis requires more information than just the foreign law:

[T]ranslating information into knowledge, and thence into understanding, such that the information is properly understood and applied, is facilitated by exposure to comparative scholarship. Understanding foreign substantive law often requires a more generalized appreciation of foreign systems and methods that does not neatly correlate to the specialized division of substantive law.

*Id.* at 441–42.

international law to be one of the more important recent trends.<sup>493</sup> As he explained:

The Berne Convention is above all an instrument of private international law, assuring private parties of rights in literary and artistic works. To have effect, these rights must be vindicated in national courts, to which private parties may have recourse in copyright disputes with other private parties. The GATT, by contrast, is essentially an instrument of public international law: it governs disputes between public entities, notably nation-states, and has procedures to adjudicate such disputes and to sanction states for violating its rules.<sup>494</sup>

Despite this recent trend and the changing nature of the law, very limited scholarship has been devoted to the public law aspects of international intellectual property disputes.<sup>495</sup> As countries increasingly use international treaties to protect intellectual property rights, a more thorough understanding of public international law is now in order. For example, in the EU-U.S. WTO dispute over the FIMLA, the dispute settlement panel used the Vienna Convention on the Law of Treaties to determine whether the WIPO Copyright Treaty constituted subsequent development in international copyright law.<sup>496</sup> The Doha Ministerial Declaration also mentioned explicitly the need for “the Council for TRIPS . . . to examine . . . the relationship between the TRIPS Agreement and the Convention on Biological Diversity,” which was created outside of the WTO regime.<sup>497</sup> With the creation of increasing overlapping obligations through inter-regime shifts and the need to deal with interactions

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493. Paul Edward Geller, *New Dynamics in International Copyright*, 16 COLUM.-VLA J.L. & ARTS 461, 469 (1992).

494. *Id.*; see also Ruth L. Okediji, *The Institutions of Intellectual Property: New Trends in an Old Debate*, 98 AM. SOC'Y INT'L L. PROC. 219, 219 (2004) (noting that “[b]y inserting private rights into a public institutional framework with enforcement authority, TRIPS has caused scholars, policy makers, users, and owners alike to confront the inherently public function of intellectual property rights”).

495. Most of this scholarship focuses on the WTO dispute settlement process. See, e.g., Dreyfuss & Lowenfeld, *supra* note 436; Neil W. Netanel, *The Next Round: The Impact of the WIPO Copyright Treaty on TRIPS Dispute Settlement*, 37 VA. J. INT'L L. 441 (1997).

496. *Panel Report on § 110(5)*, *supra* note 452.

497. *Doha Ministerial Declaration*, *supra* note 219, ¶ 19.

among the different international regimes, intellectual property policy makers and commentators have an increasing need to understand public international law better. Unfortunately, except for those who are trained in public international law, many concepts in the field remain foreign to these policy makers and commentators.

In addition, it is very important for policy makers, in particular those from less developed countries, to understand the many different ways they can interpret treaties. Although commentators have criticized the weakness and one-sidedness of the TRIPS Agreement, these problems can be significantly reduced if the treaty is interpreted properly and strategically. Indeed, the treaty contains a lot of “constructive ambiguit[ies],”<sup>498</sup> and these ambiguities provide sufficient “wobble room” for less developed countries to interpret the treaty in its favor.<sup>499</sup> For example, Professor Carlos Correa pointed out that developed countries are likely to interpret the word “review” to mean “review of implementation” while less developed countries could arguably interpret the same word in a way that opens up the possibility for “reviewing,” or revising, the text of the Agreement.<sup>500</sup> Thus, it is very important for less developed countries to “self-consciously adopt a defensive, pro-competitive strategy with regard to those standards whose application to specific cases remain open to interpretation.”<sup>501</sup> By doing so, these countries may be able to “‘claw[.]’ back much of what was lost in the negotiating battles in TRIPS.”<sup>502</sup>

Commentators have already noted the importance of articles 7 and 8 of the TRIPS Agreement and how these development-friendly safeguard provisions can be interpreted to strengthen the position of less developed countries.<sup>503</sup> For example, the preamble of the

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498. WATAL, *supra* note 115, at 7.

499. See Reichman, *supra* note 331, at 28 (contending that “the TRIPS Agreement leaves developing countries ample ‘wobble room’ in which to implement national policies favoring the public interest in free competition”).

500. See CORREA, *supra* note 216, at 211.

501. Reichman, *supra* note 331, at 91.

502. WATAL, *supra* note 115, at 7.

503. As Professor Reichman explained:

These countries could attempt to trigger the safeguards implicit in Articles 7 and 8 in one of two ways. The least destructive approach would be to convince the Council for TRIPS itself to recommend narrowly described waivers to meet specified circumstances for a limited period of time. This approach would strengthen the mediatory

Agreement states that “the underlying public policy objectives of national systems for the protection of intellectual property . . . include[e] developmental and technological objectives.”<sup>504</sup> The preamble also recognizes “the special needs of the least-developed country Members in respect of maximum flexibility in the domestic implementation of laws and regulations in order to enable them to create a sound and viable technological base.”<sup>505</sup> Article 7 states explicitly that “[t]he protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.”<sup>506</sup> Article 8(1) notes the needs for member states to “adopt measures necessary to protect public health and nutrition, and to promote the public interest in sectors of vital importance to their socio-economic and technological development, provided that such measures are consistent with the provisions of this Agreement.”<sup>507</sup>

Thus, by interpreting these articles to their advantage, less developed countries may be able to push for stronger language in the international intellectual property regime that protects less developed

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powers of the Council for TRIPS and help to offset the problems arising from the inability of that body to quash or stay requests for consultations and dispute-settlement panels launched by trigger-happy governments.

Alternatively, developing country defendants responding to complaints of nullification and impairment under Article 64 might invoke the application of Articles 7 and 8(1) to meet unforeseen conditions of hardship. This defense, if properly grounded and supported by factual evidence, could persuade the Appellate Body either to admit the existence of a tacit doctrine of frustration built into the aforementioned articles or to buttress those articles by reaching out to the general doctrine of frustration recognized in the Vienna Convention on the Law of Treaties. Either way, overly aggressive complainants could wind up with what would amount to a judicially imposed waiver.

J.H. Reichman, *The TRIPS Agreement Comes of Age: Conflict or Cooperation with the Developing Countries*, 32 CASE W. RES. J. INT’L L. 441, 461–62 (2000) (footnotes omitted).

504. TRIPS Agreement, *supra* note 2, pmb., 33 I.L.M. at 1198.

505. *Id.*

506. *Id.* art. 7, 33 I.L.M. at 1200.

507. *Id.* art. 8(1), 33 I.L.M. at 1201.

countries against the continuous expansion of intellectual property rights as demanded by developed countries. They may also be able to use the treaty to preserve their ability to exercise national discretion that were appropriately reserved to them during the TRIPS negotiations, and therefore regain the balance of the international intellectual property regime.

Moreover, the successful use by less developed countries of the WTO process might create spillover effects that ensure more beneficial outcomes in their political negotiations with developed countries, as well as “policy space in which they implement domestic intellectual property and public health regimes.”<sup>508</sup> As Professor Gregory Shaffer explained:

[P]articipation in WTO political and judicial processes are complementary. The shadow of WTO judicial processes shape bilateral negotiations, just as political processes and contexts inform judicial decisions. If developing countries can clarify their public goods priorities and coordinate their strategies, then they will more effectively advance their interests in bargaining conducted in WTO law’s shadow, and in WTO legal complaints heard in the shadow of bargaining. They, in turn, will be better prepared to exploit the ‘flexibilities’ of the TRIPS Agreement, tailoring their intellectual property laws accordingly, and will gain confidence in their ability to ward off US and EC threats against their policy choices. In other words, developing countries’ international legal strategies have implications for their leverage in international political negotiations and for the policy space in which they implement domestic intellectual property and public health regimes.<sup>509</sup>

To enable less developed countries to take advantage of the dispute settlement process, he proposed three strategies. First, less developed countries “could pool their resources through national, regional, and international centers specializing in trade-related intellectual property issues.”<sup>510</sup> Second, they “need to work

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508. Gregory Shaffer, *Recognizing Public Goods in WTO Dispute Settlement: Who Participates? Who Decides?*, 7 J. INT’L ECON. L. 459, 477 (2004).

509. *Id.* at 476–77 (footnote omitted).

510. *Id.* at 477.



consistently with US and European political allies to alter the US and European domestic political contexts.”<sup>511</sup> Third, “developing country governments and their legal advocates should work with the generic pharmaceutical sector, including companies from third countries, if they are to develop an effective strategy.”<sup>512</sup>

## VI. CONCLUSION

Since countries began using bilateral treaties to coordinate national intellectual property policies in the nineteenth century, the international intellectual property regime has changed substantially. In its first century of development, the regime consisted of primarily national laws that were patched together by a framework of multilateral conventions. While the Berne Convention protects literary and artistic property, the Paris Convention covers industrial property.

Although these two conventions formed the foundations of the international intellectual property regime, they were soon considered inadequate due to the lack of an effective enforcement and dispute resolution mechanism. By the mid-1990s, this patchwork of national laws and multilateral conventions had given way to a supranational code called the TRIPS Agreement. This supranational code was later supplemented by other multilateral treaties like the 1996 WIPO Internet Treaties. As Professor Jane Ginsburg pointed out insightfully:

“International copyright” can no longer accurately be described as a “bundle” consisting of many separate sticks, each representing a distinct national law, tied together by a thin ribbon of Berne Convention supranational norms. Today’s international copyright more closely resembles a giant squid, whose many national law tentacles emanate from but depend on a large common body of international norms.<sup>513</sup>

In recent years, the international intellectual property regime has been transformed once again, as it confronts the new crosscurrents of reciprocization, diversification, bilateralism, non-nationalization, and

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511. *Id.* at 479.

512. *Id.* at 481.

513. Ginsburg, *supra* note 270, at 289.

abandonment. Although the supranational code remains in effect, the network model has challenged to replace the outdated patchwork model. As a result, the proverbial giant squid has now taken the shape of a planet system in which outlying moons revolve around the planet, clashing with it at times, and drifting away at others.

Today, the international intellectual property regime represents an amalgam of national laws, multilateral conventions, supranational codes, and non-national systems. This amalgam is further subjected to influences and interferences by norms and counter-regime norms set by other related regimes, while simultaneously affected by such alternative protection measures as mass market contracts, technological protection measures, and open source licensing. Like a planet, the international intellectual property regime will travel in a large universe, and at some point it may cut into the paths of other planets. How these planets will react remains a complete mystery—a mystery apt for the new millennium.

Two things are certain, however. First, the regime will continue to expand. The recent developments in the international intellectual property regime reflect neither the end of a multilateral process nor the beginning of a new era of resistance. Rather, they reflect the interaction between an evolving set of currents and crosscurrents. As with all evolutionary processes, it is impossible to predict the end results or the shape the final product will take. Second, as the international intellectual property regime continues to develop, it will become more sectorized and diverse. While history provides helpful insights into our understanding of current developments in this regime, the nature and scope of the rights have changed substantially. Thus, it is very important not to overlook recent developments when one applies “lessons” of the past.

