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**INTELLECTUAL PROPERTY:  
PRINCIPLES GOVERNING JURISDICTION, CHOICE OF LAW,  
AND JUDGMENTS IN  
TRANSNATIONAL DISPUTES  
(with Comments and Reporters' Notes)**

**GLOSSARY**

**Introduction**

This glossary provides a brief description of international treaties and conventions in the field of intellectual property as well as some key terms frequently referred to in the Principles.

Thanks to various bilateral and multilateral treaties, intellectual property law is one of the most harmonized areas of law, although differences between the intellectual property laws of individual countries remain in areas not covered by existing treaties.

Among the important international instruments are the following:

1. For copyright and the rights of performers, producers of phonograms, and broadcasting organizations (which are covered by copyright in the United States, but are protected as Neighboring Rights in some other countries), the Berne Convention for the Protection of Literary and Artistic Works (Berne Convention), the WIPO Copyright Treaty (WCT), the International Convention for the Protection of Performers, Producers of Phonograms and

Broadcasting Organisations (Rome Neighboring Rights Convention), the Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms (Geneva Phonograms Convention), and the WIPO Performances and Phonograms Treaty (WPPT).

2. For patents, the Paris Convention for the Protection of Industrial Property (Paris Convention), the Patent Cooperation Treaty (PCT), and the Convention on the Grant of European Patents (European Patent Convention).

3. For trademarks, the Paris Convention, the Madrid Agreement Concerning the International Registration of Marks (Madrid Agreement), and the Protocol Relating to the Madrid Agreement (Madrid Protocol).

In addition, there are multilateral treaties covering subject matter such as plant varieties and integrated circuits, numerous instruments harmonizing various aspects of intellectual property law throughout the European Community, and other bilateral and multilateral agreements. The most important treaty, however, is the Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods (TRIPS Agreement), which incorporates the Berne Convention, The Paris Convention, and the Treaty on Intellectual Property in Respect of Integrated Circuits by reference and contains significant additional substantive and procedural provisions with respect to all the major types of intellectual property.

The existence and the significance of these international instruments are best understood in light of the history of, and the fundamental principles underlying, modern intellectual property laws. The most important of these principles is the territoriality principle. Intellectual property rights are generally understood to be territorial, meaning

that the protection afforded by a certain country's intellectual property laws exists only within the territory of that country, not beyond its borders. Consequently, a certain country's intellectual property rights can be infringed only by activities within that country's territory. For example, a U.S. copyright exists only in the United States and cannot be infringed by a reproduction or distribution of the protected work in another country, such as France. Similarly, a Japanese patent cannot be infringed by the manufacture or sale of the patented product outside Japan, such as in Australia. However, the reproduction or distribution of the work in France might constitute infringement under French copyright law, just as the manufacture and sale of the patented product might infringe an Australian patent, if one has issued there. As a consequence of the territoriality principle, the author of a work does not own a single universal copyright in the work. Rather, the author will own a bundle of national copyrights, each effective only in the country under whose copyright law the respective national stick of the bundle is protected. The same is true, and may be somewhat more intuitive, with respect to registered rights such as patents or registered trademarks, which need to be applied for and exist only if and where the competent governmental authority has granted or registered them. The principle of territoriality also applies to unregistered trademarks: if rights arise out of use, then the mark will be protected in the country or countries in which the mark has been used, or, for famous marks, in which the mark has gained local notoriety.

The territoriality principle allows for significant differences in intellectual property laws among different countries. Absent contrary obligations under international agreements, each country is free to decide whether or not to grant legal protection for

intellectual property (or certain types of intellectual property), and to determine the requirements for protection, as well as the attributes (scope) of the right, and its limits, duration, and all other aspects of its protection. Moreover, absent treaty obligations to grant national treatment, countries are free to discriminate against foreign creators of intellectual property, for example by protecting only intellectual property created by its nationals or within its territory. (With the widespread adoption of international treaties, however, the national treatment norm now applies to most international intellectual property relations.)

Early intellectual property laws, beginning in the 17th century, often protected only domestic works and inventions. As works and products crossed borders more easily, negative economic ramifications of this regime became apparent. Efforts to improve international protection of intellectual property began in the middle of the 19th century, resulting in the international instruments mentioned above. One of the key tools employed in these instruments is the obligation to provide national treatment to foreigners and foreign intellectual property. In other words, foreigners and foreign works must be eligible to receive the same protection afforded to nationals of the protecting country. National treatment alone, however, does not guarantee adequate protection, as some countries (namely net importers of intellectual property) may determine that it is in their best interest to afford no or very limited intellectual property protection to their nationals and foreigners alike. As a result, international instruments are increasingly setting minimum standards of protection that are mandatory for all member states. More recently, it has become evident that, even where minimum standards are established, protection may still be ineffective if no meaningful mechanism for enforcement is

provided. Thus, effective enforcement mechanisms have been made a feature of the TRIPS Agreement. It is important to keep in mind, however, that intellectual property laws may still differ significantly from country to country to the extent they are not harmonized by international agreements.

Another important concept in international intellectual property law is the distinction between registered and unregistered rights. Copyright protection is generally afforded as a matter of law upon the creation of a copyrightable work. No registration or recordation is required for protection; in fact, the Berne Convention prohibits formalities as a prerequisite for enjoyment of the rights guaranteed by it. Thus, upon creation of a work of authorship, the author will own a (territorial) copyright in each country where the foreign work meets the requirements for protection under domestic law, without further action such as registration or application being required. The situation is different when it comes to patents and other so-called registered rights. An invention is patented only when the competent government authority has, pursuant to a respective application and in most countries following an examination to determine that the invention meets the requirements for protection, granted a patent. No patent protection exists in countries where the owner fails to apply for such protection or where such protection is denied by the competent authority.

For trademarks, regimes are mixed. In many countries, trademarks must be registered to be enforceable. As with patents, an application is usually examined to determine whether the requirements for protection have been met. In some countries (including the United States), trademark rights can also arise from use.

For registered rights, the cost of international protection is especially high because applications and examinations must be made in every country in which protection is sought. The main purpose of predominantly procedural international treaties such as the PCT, the EPC, and the Madrid Agreement and Madrid Protocol is thus to facilitate and streamline multinational filings. However, it is important to keep in mind that these instruments do not result in an “international” patent or trademark. They only facilitate the process of obtaining national patents and trademarks in multiple countries. The term “European Patent” is only a short-form designation for a bundle of national and territorial patent rights resulting from a facilitated application under the EPC. This stands in contrast to existing regimes in the European Community regarding the so-called “Community trademark” or the “Community design” (and a pending regime that would establish a “Community patent”) that do create one unitary intellectual property right for the territory of the European Community.

### **Glossary**

- 1968 Convention: See Brussels Convention.
- Berne Convention: Berne Convention for the Protection of Literary and Artistic Works of September 9, 1886, as revised at Paris on July 24, 1971 (the Paris Act), and most recently amended on September 28, 1979. Apart from the TRIPS Agreement, which incorporates the Berne Convention by reference, the Berne Convention is the most important international copyright treaty. It requires automatic copyright protection of works falling within its scope and prohibits conditioning such protection upon compliance with any formalities (such as registration). It sets forth certain minimum

standards of protection and requires national treatment of foreign works and a minimum level of protection.

Contracting states are required to protect literary and artistic works of authors who are nationals of another contracting state or whose work has been first published in a contracting state. The Berne Convention prescribes minimum standards of protection for “every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression.” It requires protecting a core of exclusive rights (such as the right of the author to make or authorize translations, reproductions, public performances, broadcasts, and other communications to the public, and adaptations and other alterations), permitting only certain limited exceptions. The minimum required term of protection is generally the life of the author plus 50 years, or 50 years from publication with respect to anonymous or pseudonymous works or cinematographic works. A longer term of protection is, however, expressly permitted.

— Brussels Convention: Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters of 27 September 1968. The Brussels Convention is a multilateral treaty among the European Community’s member countries setting forth rules on jurisdiction and enforcement of judgments. The Brussels Convention has been replaced by the Brussels Regulation (which is identical to the Brussels Convention but for a few modifications) for all member countries with the exception of Denmark.

— Brussels Regulation: Council Regulation (EC) No 44/2001 of 22 December 2000 on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters. The Brussels Regulation is a European Community instrument

setting forth rules on jurisdiction and enforcement of judgments that is directly binding on all member countries. The Brussels Regulation replaced the Brussels Convention for all member countries except Denmark. The jurisdictional rules of the Brussels Regulation apply whenever a resident of a member country is sued in the courts of a member country. When applicable, the Brussels Regulation's rules supersede national law on jurisdiction and enforcement of judgments. Under the Brussels Regulation, a defendant must be sued in the courts of his or her country of residence, unless one of the specifically listed other bases for jurisdiction is applicable. With respect to intellectual property disputes, the most important jurisdictional provisions are Art. 5 Nr. 3, which provides for jurisdiction in tort actions, including infringement actions, at the place or places where the harmful event occurred, and Art. 22 Nr. 4, which assigns exclusive jurisdiction to the country of registration in actions concerning the validity of registered rights. Under the enforcement provisions of the Brussels Regulation, judgments of the courts of a member country are generally entitled to full faith and credit in all other member countries, subject only to very limited exceptions.

— Domain Name: A domain name is a unique name that identifies an Internet website. Each domain name corresponds to a numeric Internet Protocol (IP) address that is used to route traffic on the Internet. Domain names have two or more parts, separated by dots (e.g., "ali.org"). The last part (e.g., ".com," ".org," or ".net") is referred to as the top-level domain, and the preceding part is referred to as the second-level domain.

— EPC: See European Patent Convention.

— EPO: See European Patent Office.



— European Patent: The national patents granted under the European Patent Convention (EPC) are collectively referred to as European Patents. European Patents are granted for the EPC member countries designated by the applicant in the respective application.

— European Patent Convention (EPC): Convention on the Grant of European Patents (European Patent Convention) of 5 October 1973. The EPC establishes a centralized and facilitated system for the application, examination, and grant of patents for EPC member countries (currently 31 European countries). As an alternative to filing separate patent applications in numerous countries in Europe, the EPC allows inventors to file a single application under the EPC and to designate the member countries for which patent protection is sought.

The European Patent Office (EPO) examines the application, which may be filed in English, French, or German, based on substantive standards harmonized in the EPC. If these standards are met, the EPO issues patents for each member country that the applicant has designated in the application (collectively, these patents are somewhat confusingly referred to as European Patents). Once granted, each such patent becomes independent and is treated like a national patent of the respective designated member country. The main benefits of the EPC lie in the efficient application and examination procedure and a unitary term and scope of protection in all designated member countries.

Patents granted under the EPC may be challenged in an opposition procedure before the EPO within a nine-month period after issuance. The opposition applies to all patents granted pursuant to the single application under the EPC (so-called “central attack”).

— European Patent Office (EPO): The European Patent Office is the executive body established under the European Patent Convention (EPC). The EPO's main seat is in Munich, Germany. The EPO's task is to examine applications for and to grant patents under the EPC.

— Geneva Phonograms Convention: Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms of October 29, 1971 (Geneva Phonograms Convention). The Geneva Phonograms Convention requires contracting states to protect producers of phonograms who are nationals of a contracting state against unauthorized duplication, importation for the purpose of distribution, and distribution of their phonograms. Protection may be granted under copyright or similar rights (such as Neighboring Rights) or unfair competition or penal law. The minimum term for protection required by the Geneva Phonograms Convention is 20 years.

— ICANN: The Internet Corporation for Assigned Names and Numbers (ICANN) is responsible for managing and coordinating the Domain Name System.

— Madrid Agreement: Madrid Agreement Concerning the International Registration of Marks of April 14, 1891, as last revised at Stockholm on July 14, 1967. The Madrid Agreement and the Madrid Protocol are sometimes referred to collectively as the Madrid System for the international registration of marks. While the two instruments are related, they are separate agreements (the United States, for example, is a party to the Madrid Protocol, but not the Madrid Agreement).

The Madrid Agreement, like the Madrid Protocol, facilitates multinational trademark filings by allowing for a single “international application” with the applicant's national trademark office based on an existing trademark registration in that country

(called a “basic registration”). The international application is forwarded to the World Intellectual Property Organization, which in turn forwards it to the contracting states designated in the application for examination. Unless a designated country refuses protection within one year, the mark is deemed to be protected in that country. The “international registration” results in a bundle of national marks that are independent from each other with the one exception that all resulting trademarks are invalidated if the basic registration is cancelled or invalidated within the first five years from the international registration (so-called “central attack”).

— Madrid Protocol: Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (as signed at Madrid on June 28, 1989). The Madrid Protocol, like the Madrid Agreement, facilitates multinational trademark filings by allowing for a single “international application” with the applicant’s national trademark office. However, the Madrid Protocol differs from the Madrid Agreement in several ways, making it more amenable to accession by the United States. International applications under the Madrid Protocol may be in English, while applications under the Madrid Agreement must be in French. In addition, international applications under the Madrid Protocol may be based on a “basic application,” not only a “basic registration,” allowing for international applications based on U.S. intent-to-use applications. The national examination period under the Madrid Protocol is extended to 18 months and later oppositions are possible. Finally, the consequences of a “central attack” are ameliorated under the Madrid Protocol by permitting the owner to convert the dependent national marks into independent national filings.

— Moral Rights: Many countries grant so-called moral rights to creators of copyrightable works. These rights are intended to protect the author's reputational interest and his or her personal bond with the work. Consequently, they are often referred to as "noneconomic" rights. Moral rights typically include the right of attribution (i.e., the right to be named as the author of the work) and the right of integrity (i.e., the right to object to a mutilation or distortion of the work), both required to be protected under the Berne Convention, but other moral rights may exist in some countries (including, for example, a right of divulgation (to release the work to the public), and a (little-exercised) right of "repentance and withdrawal"). Moral rights are often nonwaivable and nonassignable. Except with respect to a limited category of works of visual art, the United States Copyright Act does not expressly protect moral rights. However, through the Copyright Act's derivative work right, unfair-competition law, and other state and federal laws the rights of paternity and integrity may sometimes be approximated in the United States.

— Neighboring Rights: The term "neighboring rights" typically refers to rights conferred on performers, broadcasting organizations, and producers of phonograms in respect of their activities. In many legal traditions, these activities are deemed not to meet the creativity threshold required to qualify for copyright protection. Nevertheless, some protection is typically granted under "neighboring rights" regimes. The scope and duration of protection are often more limited than in the case of copyright protection. In the United States, most of these works are protected under copyright. The most important international treaties addressing these rights are the Rome Neighboring Rights Convention, the Geneva Phonograms Convention, the TRIPS Agreement, and the WPPT.

— Paris Convention: Paris Convention for the Protection of Industrial Property of March 20, 1883 as last revised at Stockholm on July 14, 1967. Apart from the TRIPS Agreement the Paris Convention is the most important international treaty relating to “industrial property,” including patents and utility models, trademarks and trade names, industrial designs, and unfair competition.

The Paris Convention requires member states to afford national treatment to nationals of other member states with respect to protection of all industrial property. While the Paris Convention requires protection of the most important categories of industrial property, it contains few substantive minimum standards of protection. The major benefit of the Paris Convention is the right of priority provided with respect to patents, trademarks, and industrial designs. Any person who files an application for a patent (including a utility model, a form of protection similar to, but weaker than, a patent), trademark, or industrial design in a member state is entitled to priority in all other member states for a period of twelve months (in the case of patents) and six months (in the case of trademarks and industrial designs). During the priority period, the filing party is protected against any intervening act that might otherwise result in the invalidity of subsequent applications by such party in other countries, including filings by other parties, publication or exploitation of the invention, or use of the mark.

— Patent Cooperation Treaty (PCT): Patent Cooperation Treaty, done at Washington on June 19, 1970 as modified on February 3, 1984. The PCT is a procedural instrument that facilitates multinational patent filings and gives patent applicants more time to decide on the countries in which he or she ultimately wants to seek patent protection.

The PCT permits filing a single, so-called “international application” designating any number of PCT member states with the same effect as if a regular patent application had been filed in the patent office of each such member state (but without the need to provide local translations or pay local fees at that time). One of the major designated patent offices then conducts an international search resulting in a report allowing the applicant to better assess the likelihood of patentability in the designated countries. The applicant can then decide on the countries in which he or she wishes to continue to the national stage, and it is not until this time that translations of the application and payment of local fees are required.

Patents resulting from a PCT application are national patents, granted by the competent local patent office according to local patent law. However, since all these patents are based on substantially the same application for the same invention, the claims and other content of PCT-based patents will generally be substantially similar (subject to modifications in the course of the prosecution in the national phase).

— PCT: See Patent Cooperation Treaty.

— Rome Convention on the law applicable to contractual obligations (the Rome Convention): The instrument of the member States of the European Union for harmonizing rules of conflict of laws regarding contracts. It will be replaced by a Regulation (Rome I), which, at the end of 2007, was in the final stages of adoption.

— Rome Regulation on the law applicable to contractual obligations (Rome I): Once adopted, will be the instrument of the member States of the European Union for harmonizing rules of conflict of laws regarding contracts, replacing the Rome Convention.

— Rome Regulation on the law applicable to non-contractual obligations (Rome II): The instrument of the member States of the European Union for harmonizing rules of conflict of laws regarding torts.

— Rome Neighboring Rights Convention: International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations, done at Rome on October 26, 1961. The Rome Neighboring Rights Convention (often referred to as the “Rome Convention”) establishes certain minimum standards of protection for performers with respect to their performances, producers of phonograms with respect to their phonograms, and broadcasting organizations with respect to their broadcasts. The minimum term of protection required by the Convention is 20 years. The Convention also requires national treatment of qualifying performers, producers of phonograms, and broadcasting organizations. The United States is not a party to the Rome Neighboring Rights Convention. However, the TRIPS Agreement, the WPPT (for performers and producers of phonograms), and the Geneva Phonograms Convention (for producers of phonograms) require similar, and sometimes more robust, protection.

— TRIPS Agreement: Agreement on Trade-Related Aspects of Intellectual Property Rights, including Trade in Counterfeit Goods. The TRIPS Agreement is a portion of the Agreement Amending the General Agreement on Tariffs and Trade and Creating the World Trade Organization, which was signed on April 15, 1994, at Marrakesh, Morocco. The TRIPS Agreement, which is binding on all WTO member countries, is the most comprehensive and important multilateral intellectual property treaty to date.

The TRIPS Agreement sets forth minimum standards of protection in the areas of copyright and neighboring rights, trademarks, geographical indications, industrial

designs, patents, layout-designs of integrated circuits, and undisclosed information. It further requires WTO members to provide certain procedures and remedies in order to ensure effective enforcement of intellectual property rights. Finally, enforcement of obligations under the TRIPS Agreement itself may be effected through the WTO dispute-settlement procedures. Generally, the TRIPS Agreement requires national treatment as well as most-favored-nation treatment with respect to all types of intellectual property.

Regarding copyright, the TRIPS Agreement first requires that all WTO members comply with the substantive provisions of the Berne Convention (with the exception of Art. 6bis of the Berne Convention covering moral rights). In addition, it clarifies that computer programs and original compilations of data (as opposed to unoriginal databases that are not required to be protected under the TRIPS Agreement, but are protected in some countries, most notably European Community member countries) are to be protected under copyright. It further adds an exclusive rental right for computer programs and cinematographic works.

With respect to neighboring rights, the TRIPS Agreement stipulates minimum standards for the protection of performers, producers of phonograms, and broadcasting organizations.

The TRIPS Agreement also incorporates the obligations of the Paris Convention by reference, requiring all WTO members to comply with Paris Convention standards of protection concerning trademarks, patents, industrial designs, and other areas covered by that convention. It also adds important substantive standards to those already contained in the Paris Convention.



The most important provisions include a broad definition of the subject matter eligible for trademark protection, the inclusion of service marks within the protection regime, an express extension of the protection of well-known marks under the Paris Convention to service marks, and detailed minimum standards for the protection of geographical indications and industrial designs.

The TRIPS Agreement establishes significant minimum standards with respect to patent protection, including a requirement that patents be available for any inventions that are new, involve an inventive step (deemed to be synonymous with the term “non-obvious” used in U.S. patent law), and are capable of industrial application (deemed to be synonymous with the term “useful” used in U.S. patent law), whether products or processes, in all fields of technology. It requires protection of the right of a patent owner to prevent the manufacture, use, offer for sale, sale, and import of a patented product, as well as extending such protection to at least the product obtained directly from a process patent. The patent provisions of the TRIPS Agreement further establish boundaries to compulsory licenses and other exceptions to the rights conferred by a patent.

Finally, the TRIPS Agreement incorporates an existing instrument regarding the protection of integrated circuits by reference and establishes certain minimum standards regarding the protection of undisclosed information (i.e., trade secrets).

— Uniform Domain-Name Dispute Resolution Policy (UDRP): The UDRP is a dispute resolution policy adopted by the Internet Corporation for Assigned Names and Numbers (ICANN) and incorporated in all registration agreements between Domain-Name registrars and Domain-Name registrants. The policy allows for the resolution of disputes between a trademark owner and a Domain-Name registrant.

- WCT: See WIPO Copyright Treaty.
- WIPO: See World Intellectual Property Organization.
- WIPO Copyright Treaty (WCT): The WIPO Copyright Treaty of 1996 confirms certain clarifications already contained in the TRIPS Agreement, including the requirement of protecting computer programs and original compilations of data under copyright and granting a rental right at least with respect to computer programs, cinematographic works, and phonograms (subject to certain qualifications). The WCT also requires granting authors a comprehensive right of communicating works to the public, including by way of Internet transmission. Like the WPPT, the WCT contains provisions regarding the protection of technological protection mechanisms and rights-management information as well as an obligation to ensure effective enforcement of rights covered by it.
- WIPO Performances and Phonograms Treaty (WPPT): The WIPO Performances and Phonograms Treaty of 1996 is based on the protection of performers and producers of phonograms established in the Rome Neighboring Rights Convention and the TRIPS Agreement but strengthens the existing regime in several ways, including specifically with respect to digital forms of exploitation. The WPPT requires, at a minimum, the protection of the rights of reproduction, distribution, rental, and making available to the public with respect to performances and phonograms. The term of protection is 50 years. The WPPT also requires affording performers the rights of broadcasting, communicating to the public, and fixating their unfixed performance. Performers are also entitled to moral rights under the WPPT. In addition to these minimum standards of protection, the WPPT also requires national treatment of qualifying performers and producers of

phonograms. Finally, the WPPT contains provisions regarding the protection of technological protective mechanisms and rights- management information as well as an obligation to ensure effective enforcement of rights covered by it.

— World Intellectual Property Organization (WIPO): WIPO, headquartered in Geneva, Switzerland, is an agency of the United Nations. Its mission is promoting the use and protection of intellectual property. WIPO currently administers 23 international treaties dealing with different aspects of intellectual property protection.

— World Trade Organization (WTO): WTO is an international organization headquartered in Geneva, Switzerland. Among other things, WTO administers the WTO agreements, which facilitate international trade in goods, services, and intellectual property. WTO currently has 149 members, while numerous other countries are awaiting admission.

— WPPT: See WIPO Performances and Phonograms Treaty.

— WTO: See World Trade Organization.