

International Copyright Law and Litigation: A Mechanism for Improvement

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INTERNATIONAL COPYRIGHT LAW AND LITIGATION: A MECHANISM FOR IMPROVEMENT

ROBERTO GARZA BARBOSA*

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INTRODUCTION

New technology has made copyright enforcement difficult to achieve.¹ Technology has made it possible to transmit, reproduce, and obtain copyrighted materials around the globe without great monetary investment. The Internet and digital technology allow users from different countries to share and obtain music, movies, or other protected works without even knowing where the source of the copyrighted material is located. On the other hand, satellite technology brings another problem: foreign users may obtain satellite signals without authorization. As technology becomes more sophisticated and easy to use, copyright holders may need the aid of more efficient enforcement procedures to be able to stop infringement abroad, including protecting themselves even in countries where the activity is not otherwise considered an infringement of rights.

Existing international copyright litigation practices were crafted in the analog age. A new set of problems are now afoot. Copyright holders face an entirely different sort of scenario when, for example, they must try to quell infringement in a situation in which the copy is of exactly the same quality as the original as opposed to when they just had to focus on impeding the diffusion of low quality copies or subsequent transmissions. In the latter situation, the mere fact that each generation of copies lost quality, as compared to the source, served as an essential and inherent protection mechanism that now largely no longer exists.

At the international level, copyright holders are fighting a battle in which they hold nothing more than antique guns while they are pitted against the most modern and sophisticated artillery. This does not mean that all existing international conventions are useless.² On the contrary, the Agreement on Trade-Related Aspects of Intellectual Property

1. See Graeme W. Austin, *Domestic Laws and Foreign Rights: Choice of Law in Transnational Copyright Infringement Litigation*, 23 COLUM.-VLA J.L. & ARTS 1, 3 (1999).

2. Professor Gervais defines four stages of development of international copyright conventions: the pre-1883 bilateral phase; the 1883–1971 BIRPI phase (so named for the Bureaux Internationaux Réunis pour la Protection de la Propriété Intellectuelle under which the Paris and Berne Conventions were administered); the 1971–1994 TRIPs phase, which included the signing of the 1971 Paris Act of the Berne Convention and the negotiation of the Agreement on Trade-Related Aspects of Intellectual Property Rights; and the now current, post-1994 paradigmatic phase in which new technologies have new challenges. Daniel J. Gervais, *The Internationalization of Intellectual Property: New Challenges from the Very Old and the Very New*, 12 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 929 (2002). While I agree with the designation of those phases, I think that the new challenges are about enforcement procedures, rather than traditional knowledge, as Professor Gervais suggests. See *id.* at 933.

Rights (TRIPs Agreement) has achieved impressive accomplishments in harmonizing and setting minimum rights around the world.³ In other words, in order to enforce copyrights efficiently, only a modest step is needed. There is a need for an international mechanism for the enforcement of existing rights.⁴ Just as it has become easier to infringe upon copyrights, it must become easier to enforce copyrights as well. This is the impetus for this Article; what follows is a proposal for a mechanism for international copyright litigation.

The proposed mechanism is the next needed development in international copyright law. History has shown that technological developments are followed by changes in the copyright law in an attempt to solve the new problems technology creates for copyright holders.⁵ But the problems created by recent technological developments can not be solved by the decisions of individual countries to each expand their copyright protections. With the Internet, even if copyrighted works can be well protected in the home country, those same copyrighted materials can be subject to infringement abroad. As technology allows copyrighted materials to be transmitted easily around the globe without the authorization of the copyright owner, there is an increased need for protection without borders. This protection needs to be not only substantive, but also procedural. International treaties establishing minimum rights and other substantive definitions like those

3. 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, 33 I.L.M. 1125, 1197 [hereinafter TRIPs Agreement]; see Martin D.H. Woodward, *TRIPs and NAFTA's Chapter 17: How Will Trade-Related Multilateral Agreements Affect International Copyright?*, 31 TEX. INT'L L.J. 269, 284 (1996) (recognizing that the TRIPs Agreement found common ground among different nations and potentially succeeded in increasing the level of international copyright protection).

4. While it has been recognized that the TRIPs Agreement has advanced the effort to achieve strong worldwide enforcement, “with the continued rapid proliferation of the Internet, international enforcement of intellectual property rights will remain a significant and increasingly daunting challenge.” Matthew V. Pietsch, *International Copyright Infringement and the Internet: An Analysis of the Existing Means of Enforcement*, 24 HASTINGS COMM. & ENT. L.J. 273, 277 (2002). However, in this Article I suggest that a new mechanism for international enforcement of copyrights is the next needed step.

5. See Robert P. Merges, *One Hundred Years of Solicitude: Intellectual Property Law, 1900–2000*, 88 CAL. L. REV. 2187 (2000). The premise of Merges’s article is that “intellectual property law has generally adapted quite well to each successive wave of technological innovation.” *Id.* at 2190. Merges includes some examples based on U.S. law, including movies, radio, television, video recording, software, and piano rolls, and he closes with the Digital Millennium Copyright Act (DMCA). *Id.* at 2192–99.

already in force are not the only measures needed.⁶ A procedural mechanism for international litigation would serve to complement already existing substantive provisions. This problem of international enforcement is not entirely new, but it is made more critical by technological developments.

It is extremely easy to distribute infringing materials throughout the whole world. Therefore, it is necessary to balance between easy infringement and expensive enforcement; it is also important to address the uncertainties involved in international litigation. The risk is not only the expense of attorneys' fees, but also that copyright holders do not know if their efforts to enforce copyrights abroad are going to succeed or will only be useless wastes of money and time. No doubt, to some extent these uncertainties are common to all lawsuits, but in most other contexts there is, at least, a greater amount of precedent for successful results. The more uncertainty there is about the procedures of enforcement, applicable laws, or the likely results, the more unwilling copyright holders will be to try to enforce their rights abroad.

The problem for a copyright holder is not only the potential loss of earnings due to infringement, but also the additional costs spent in unsuccessful litigation. Also, there is the risk that the procedure could be legally successful, but still ineffective at stemming the infringement. Success in court by receiving a favorable judgment is only the first step; a favorable judgment is made worthwhile through enforcement. Enforcing judgments would be easy if all the defendants were residents of the country of the court that rendered the judgment. In the case of foreign defendants, it would also be straightforward if they had assets within that country.⁷ However, foreign defendants with no assets in the forum country create a problem. It can be difficult to have national judgments enforced in the foreign country where the defendant resides or has assets, and it is also difficult, costly, and time consuming to need

6. During the early stages of implementation of the TRIPs Agreement, Professor Hamilton presented an article criticizing the TRIPs Agreement, among other things, because it neglected to address that intellectual property environments would soon be online. See Marci A. Hamilton, *The TRIPs Agreement: Imperialistic, Outdated, and Overprotective*, 29 *VAND. J. TRANSNAT'L L.* 613 (1996).

7. See Symposium, *Copyright's Long Arm: Enforcing U.S. Copyrights Abroad*, 24 *LOY. L.A. ENT. L. REV.* 45, 47 (2004). Panelist Rufus Pichler suggested that the first step to enforce international intellectual property rights is to know where to bring the lawsuit and to have those rights recognized and enforced. *Id.* Or, in the alternative, if the enforcement abroad is too cumbersome, one must focus on other potential defendants that may be local. *Id.* at 47-48. Even with regard to local cases, he stressed the need to check for the place of enforcement. *Id.*

to pursue additional copyright litigation abroad. Clear rules about the enforcement of preliminary injunctions and monetary judgments will also diminish the inconvenience of dealing with the unknowns of how foreign judges apply their own substantive and procedural laws. Even if the cost of international litigation would only be marginally reduced with this enforcement mechanism, the increased certainty and probability of success would improve the balance between unfettered infringement and expensive enforcement.

With the advent of the Internet, it is especially necessary to be able to have a decision enforced in the home country and abroad. The proposed mechanism is intended to facilitate certainty in the enforcement of copyright judgments abroad. It will also help avoid the re-litigation of the same issues abroad and will bring increased certainty to the likely results of litigation. Ultimately, the proposed mechanism is intended to resolve some of the existing problems related to international copyright litigation that have been aggravated by the advent of the digital age. While the proposed mechanism does not pretend to resolve all of these problems—for instance, counterfeiting in Latin America—it will help to diminish them.

This Article proposes three possible paths. The first path presents a basis for a possible convention on the recognition and enforcement of interim measures and judgments related to copyright litigation. Ultimately, it is not the convention, itself, but rather its component parts that have to be considered if countries want to engage in the proposed problem-solving. But should this first and most ambitious path fail, two other possibilities for overcoming the problem are provided.

In order to facilitate this analysis, the Article is divided into six parts. Part I considers remedies both from the perspective of the TRIPs Agreement and according to several national copyright statutes. While remedies may differ from country to country, they nevertheless tend to have strong similarities due to the TRIPs Agreement. Part II describes the problem of the place of infringement and the related rules about choice of law. Part III addresses concerns related to choosing the right forum when trying to enforce court decisions, taking into consideration legal aspects of jurisdiction and its consequences. Part IV considers why the proposed Hague Draft Convention on Jurisdiction and Foreign Judgments (Hague Draft Convention) failed and sets forth the ways in which similar failure is to be avoided under the proposed mechanism. Part V includes an examination and explanation of the proposed mechanism and analyzes how it would perform in practice. And in conclusion, Part VI analyzes several issues concerning the consequences

of the proposed mechanism and discusses legislative decisions and questions of public choice democracy.

I. AVAILABLE REMEDIES FOR COPYRIGHT INFRINGEMENT

The TRIPs Agreement was the first multilateral agreement to establish a comprehensive set of remedies. With slight differences, remedies available under national copyright statutes contain all the provisions contained in the TRIPs Agreement. Consequently, the remedies ordered by a court applying its own copyright law would not be completely unfamiliar to other courts.⁸

The problem that could arise, however, is the possible clash of some of those remedies with a given country's constitutional principles, including, for example, free speech, due process of law, and takings clauses, among others. Arguably, this problem is resolved, at least partially, by considering the fact that the remedies most likely issued by the forum court are those available in the place where the remedy is enforced and are most likely to meet local constitutional tests. However, it must be remembered that local statutes are not free from constitutional flaws and are subject to constitutional checks as well.

It is evident that the negotiators of the TRIPs Agreement took into consideration the constitutional clauses of different countries, as exemplified in Article 46 of the TRIPs Agreement.⁹ Article 46 empowers judicial authorities to destroy and dispose of infringing materials and the instruments utilized for their creation "unless this would be contrary to existing constitutional requirements."¹⁰ The issue then is whether this "unless" phrasing is applicable to the entire enforcement section of the TRIPs Agreement or only to Article 46. The answer seems to be that it is not applicable to the whole enforcement section; otherwise, negotiators would have included this clause in

8. Professor Ginsburg discusses the existence of a supranational copyright code. 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, 288 (2000). While she overlooks some of the gaps of existing major conventions, she ultimately concludes the following:

"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.

Id. at 289.

9. TRIPs Agreement, *supra* note 3, art. 46.

10. *Id.* art. 41.

Article 41, which contains general obligations.¹¹ Moreover, the phrasing of the entire enforcement section seems to be carefully crafted in order to meet constitutional requirements of most countries.¹² For instance, for provisional measures ordered *inaudita altera parte*, Article 50(4) establishes that the affected party shall be given notice with the opportunity of reviewing the decision to see whether it is reasonable.¹³ Therefore, it may be concluded that possible constitutional issues were studied and resolved by the drafters. Obviously, the phrasing will not prevent constitutional actions against it, but at least it may help to prevail against them. In addition, when implementing treaty obligations in their internal law, local legislators have an opportunity to adapt those obligations to meet the constitutional principles of their respective countries.

This Article is not intended as an exhaustive study of local remedies, but merely seeks to examine the remedies available in several jurisdictions. It also is intended to demonstrate that remedies under national copyright statutes are, at some point, very similar due to the TRIPs Agreement.¹⁴ Where differences do arise, they are often limited to the degree of requirements for obtaining a preliminary injunction or in the compensation of damages. This Article addresses remedies by dividing them into three categories: temporary or preliminary remedies, permanent remedies, and monetary remedies.

The copyright statutes in most countries establish preliminary measures in order to stop infringing activities. These remedies are available, for instance, in France, Germany, the United Kingdom, the United States, and Mexico without even showing if the infringer acted intentionally or negligently. In France, for example, preliminary measures include injunctions to stop infringing activities and the confiscation of infringing copies.¹⁵ Injunctions to stop infringing

11. *Id.*

12. *Id.*

13. *Id.* art. 50(4).

14. A key advantage of the TRIPs Agreement is the availability of effective dispute settlement procedures among Member States. See Daniel R. Bereskin, *A Comparison of the Trademark Provisions of NAFTA and TRIPs*, 83 TRADEMARK REP. 1, 4 (1993). Therefore, Member States are more likely to comply with the TRIPs Agreement in order to avoid trade sanctions. *Id.*; see also Graeme W. Austin, *Valuing "Domestic Self-Determination" in International Intellectual Property Jurisprudence*, 77 CHI.-KENT L. REV. 1155, 1169 (2002) (suggesting that the TRIPs Agreement provides mechanisms, including trade sanctions, for testing whether particular policy choices comply with international norms).

15. 1 INTERNATIONAL COPYRIGHT LAW AND PRACTICE ch. FRA § 8[4][a] (Paul Edward Geller & Melville B. Nimmer eds., 2005).

activities are almost always given by the judge or administrator of the respective first instance court.¹⁶ In Germany, an injured party may obtain a preliminary injunction even if the infringement is imminent and has not taken place yet.¹⁷ In the United States, 17 U.S.C. § 502 establishes that courts may grant preliminary injunctions to prevent further harmful conduct by defendants.¹⁸ These injunctions are to remain until the final judgment is rendered. A plaintiff must prove that he or she is likely to prevail in the final decision of the case, that he or she will suffer irreparable harm unless the preliminary injunction is granted, and that he or she would suffer more harm if the injunction is not granted than the defendant would if the injunction is granted.¹⁹ On the other hand, if the plaintiff clearly proves the infringement, courts are likely to presume the irreparable harm.²⁰

In Mexico, the *Instituto Mexicano de la Propiedad Industrial* (National Industrial Property Institute), an administrative federal agency, and the trial courts may order an inspection visit to a given premises. If federal officials find acts of infringement, they can order the forfeiture of infringing materials and devices utilized in infringing activities.²¹ Even if these provisions are weak due to the lack of injunctive relief to stop infringement without the inspection visit, Article 228 of the Industrial Property Act makes the TRIPs Agreement enforcement provisions self-executing and the infringement can be stopped without these inspections by directly invoking the TRIPs Agreement provisions.²²

Because most countries' national statutes contain enforcement provisions complying with the enforcement provisions of the TRIPs Agreement, it is very likely that a Mexican court will find those

16. *Id.*

17. 2 *id.* ch. GER § 8[4][a][i].

18. 17 U.S.C. § 502 (2000).

19. See ROGER E. SCHECHTER & JOHN R. THOMAS, *INTELLECTUAL PROPERTY: THE LAW OF COPYRIGHTS, PATENTS AND TRADEMARKS* 195 (2003).

20. See *id.*

21. See *Ley Federal del Derecho de Autor [L.F.D.A.] [Federal Copyright Act]*, art. 234, *Diario Oficial de la Federación [D.O.]*, 24 de Diciembre de 1996 (Mex.) (establishing that the Industrial Property Act enforcement provisions apply to copyright infringement); see also *Ley de la Propiedad Industrial [L.P.I.] [Industrial Property Act]*, as amended, arts. 203, 207, 211, 228, *Diario Oficial de la Federación [D.O.]*, 27 de Junio de 1991 (Mex.).

22. In Mexico, almost all treaty provisions containing private rights and remedies are self-executing. Article 228 of the Industrial Property Act makes all treaty enforcement provisions self-executing; this includes, for example, the chapter XVII provisions of NAFTA. L.P.I. [Industrial Property Act] art. 228. Those provisions, however, are similar to the TRIPs Agreement enforcement provisions.

provisions similar to those available in Mexico. The process or assimilation of the TRIPs Agreement is increased by the particular view of the Mexican Supreme Court that international treaties precede federal and state law in hierarchy. The result of this view is that in cases of contrary dispositions between federal or state law and an international treaty, the latter would prevail. Consequently, injunctive orders issued by foreign courts are not likely to be against Mexican public policy.

Permanent remedies usually are the same in the TRIPs Agreement and in national legal systems. In almost all cases, the preliminary injunction becomes permanent if the plaintiff prevails on the merits of the case. In the United States, however, permanent injunctions are not always granted if the court determines that future infringements are unlikely or if the court determines that the permanent injunction is unnecessary.²³ Therefore, almost all copyright statutes likely warrant the grant of permanent injunctions, although in some cases, such a grant is going to be available only if it is necessary.

While injunctive relief is very similar across diverse legal systems, differences arise in the case of monetary recoveries. As will be explored in Part II, the wording of Article 45 of the TRIPs Agreement leaves national legislatures with the task of determining the amount of award needed to “adequate[ly] compensate for the injury the right holder has suffered because of an infringement of his intellectual property right by an infringer who knew or had reasonable grounds to know that he was engaged in infringing activity.”²⁴ Thus, the capacity to compensate is left to national copyright statutes. Whereas some copyright statutes provide for statutory damages as an option for redress, others are less severe and leave the right holder with the burden of proving losses or enrichment by the defendant.

In France, for instance, damages are awarded by taking into consideration the amount of harm suffered by the plaintiff, equivalent to profits made by the infringer, and those profits that the plaintiff would have received.²⁵ Those principles are quite similar to common law principles. The difference here, as compared to U.S. copyright law, is that French law does not provide for statutory damages. Moreover,

23. See SCHECHTER & THOMAS, *supra* note 19, at 195–96.

24. TRIPs Agreement, *supra* note 3, art. 45(1).

25. 1 *INTERNATIONAL COPYRIGHT LAW AND PRACTICE*, *supra* note 15, ch. FRA § 8[4][b].

even if the copyright law of a given country provides for statutory damages, the amounts would be different.

In Germany, damages are available if the infringement is intentional or results from negligence.²⁶ The plaintiff may recover profits made by the infringer due to the infringement. However, in practice, damages are often calculated taking into account a “license analogy” of an equivalent industry or actual fees already received by the plaintiff for the same work.²⁷ Section 97(3) of the German Copyright Act allows the plaintiff to recover under the German Civil Code doctrines of unjust enrichment.²⁸ The plaintiff may then recover under the previously explained rules contained in the German Copyright Act and also based on the German Civil Code doctrine of unjust enrichment.

In the United States, there are three types of monetary recovery: actual damages, defendant’s profits, and statutory damages.²⁹ According to 17 U.S.C. § 504(b), the plaintiff may recover actual damages, consisting of the loss of profits or royalties resulting from the infringing activity, plus any profit made by the defendant.³⁰ The plaintiff may recover both damages and profits because the statute not only intends to compensate losses but also seeks to prevent the infringer from benefiting from his or her wrongful acts.³¹ In the alternative, a plaintiff may recover statutory damages instead of actual damages and profits.³²

The precondition for obtaining statutory damages is registration with the U.S. Copyright Office prior to the infringement, or in the case of published works, within three months of publication.³³ Because international treaties do not require statutory damages, this provision does not violate the Berne Convention requisite of non-formalities in order to obtain copyright protection.³⁴ If a foreign work is not registered, a plaintiff may still initiate an action and recover actual damages and profits. However, he or she may not recover statutory damages. The amount awarded is no less than \$750 and no more than \$30,000.³⁵ If the conduct was committed willfully, the amount may be

26. 2 *id.* ch. GER § 8[4][a][ii].

27. *See id.*

28. *Id.*

29. 17 U.S.C. § 504 (2000).

30. *Id.* § 504(b).

31. *See* SCHECHTER & THOMAS, *supra* note 19, at 196.

32. *Id.*

33. *Id.* at 90.

34. *Id.* at 90 n.11.

35. 17 U.S.C. § 504(c)(1).

increased to \$150,000.³⁶ However, if the defendant proves that he or she was not aware or had no reason to believe that his or her conduct was an infringement, the amount cannot be more than \$200.³⁷ It is quite interesting to note that the amount is for the infringement of each work no matter how many times the infringement was made.

In Mexico, Article 216*bis* of the Mexican Copyright Act establishes that consequential damages always have to reach an amount of no less than forty percent of the sale price to the public of the infringing product or the cost of the service provided.³⁸ If the plaintiff can prove that he or she lost more than the statutory forty percent, he or she will be entitled to a higher award. But statutory damages of no less than forty percent of the sale price are not enough to deter infringement; they leave a margin of sixty percent to the infringer, which is not desirable because most infringement takes place in the informal economy. Infringers do not pay taxes or workers' social benefits, and their raw materials are cheap. In other cases, when the defendant does not have profits, a percentage of the sale price will be unsatisfactory, and trying to recover actual damages would be even more difficult without yielding any better results. Statutory damages would likely serve as a more effective deterrent if they inflicted large financial penalties based on the number of infringed works or the number of infringing copies instead of being based on a minimum percentage of the sale price.

Finally, attorneys' fees are contemplated in Article 45(2) of the TRIPs Agreement: "[t]he judicial authorities shall have the authority to order the infringer to pay the right holder expenses, which may include appropriate attorney's fees."³⁹ However, this wording leaves the question open as to whether expenses may or may not include attorneys' fees. This becomes important when national statutes do not include attorneys' fees or subject them to formalities. According to 17 U.S.C. § 412, attorneys' fees are recoverable only if the work is registered at the U.S. Copyright Office.⁴⁰ This precept is applicable to both U.S. works and non-U.S. works.⁴¹ While it is not the purpose of this Article to determine whether this provision violates Article 45(2) of

36. *Id.* § 504(c)(2).

37. *Id.*

38. Ley Federal del Derecho de Autor [L.F.D.A.] [Federal Copyright Act], art. 216*bis*, Diario Oficial de la Federación [D.O.], 24 de Diciembre de 1996 (Mex.).

39. *Id.*

40. 17 U.S.C. § 412.

41. See SCHECHTER & THOMAS, *supra* note 19, at 90.

the TRIPs Agreement or the non-formality provisions of Article 5(2) of the Berne Convention, it is important to consider its practical implications. For U.S. works, registration is necessary to commence an infringement action, which is not the case for foreign works under the Berne Convention or other major copyright agreements. However, the practical recommendation is, of course, to have those works registered in the U.S. Copyright Office. In almost all other countries, attorneys' fees are available to the prevailing plaintiff, even if his or her work is not registered.

II. PLACE OF INFRINGEMENT AND QUESTIONS OF CHOICE OF LAW

When there is copyright infringement abroad, there are several steps to be taken in order to claim protection overseas. The first step is to locate the country where protection is sought. Even if this task does not represent a problem in principle, the assessment of the place of infringement may not be as clear as one might hope. Moreover, there can be several places of infringement according to several national statutes.

Having determined the place of infringement and the country where protection is sought, the next step is to look into the national law of the protecting country.⁴² It is necessary to look at both national copyright law and the governing treaty provisions. It is also important to note how treaty provisions are to be construed and if the international treaty in question is self-executing or if it has an implementing law. This part of the Article will address conflicts of law issues that arise when deciding the applicable law to be applied to infringing activities.⁴³

42. The choice of a particular country's protection is a conflict of law issue because that determination is made based on the applicable law of the possible countries where protection can be sought.

43. This question should not pose a problem if using traditional rules of choice of law. However, one scholar noted as follows:

Intellectual property lawyers and intellectual property scholars have on the whole had little to say about conflicts matters. And, reciprocating the affectation of nonchalance, conflicts scholars have had very little to say about intellectual property law. If one scans the principal intellectual property treatises and casebooks, one largely finds passing discussion of the traditional trinity of private international law (jurisdiction, choice of law, and recognition and enforcement of judgments). The same has been true . . . with conflict treatises and casebooks; intellectual property is given short shrift.

Graeme B. Dinwoodie, *International Intellectual Property Litigation: A Vehicle for Resurgent Comparativist Thought?*, 49 AM. J. COMP. L. 429, 429 (2001). As Professor Dinwoodie notes, the lack of engagement between intellectual property and conflicts scholars has produced approaches to resolving copyright choice of law issues that are quite different from traditional

Identifying the country whose protection is claimed is the starting point when engaging in international copyright litigation. The protecting country is the country where the alleged infringing act occurred.⁴⁴ It is well established that the law of the protecting country is the applicable law for infringement that occurs in that jurisdiction.⁴⁵ Under this approach, if an infringement takes place in Mexico, for example, the protecting country will be Mexico. But this does not necessarily mean that the forum country would be Mexico. This means that even if an infringement action is brought to another forum—where the defendant has his domicile—the applicable law must be that of Mexico.⁴⁶

As already mentioned, the territorial character of copyright law has led to the creation of several copyright and neighboring rights conventions. Like the Berne Convention, almost all the conventions have included the national treatment principle and several minimum rights. Therefore, when applying foreign copyright law, the outcome must be somehow predictable in that it must conform to treaty obligations, such as protected subject matter and remedies. This is significant because efforts to harmonize create certainty in cases involving acts that occur abroad or in cases with international elements.

The proposed mechanism may apply to cases where, for one reason or another, the protecting country is different than the forum country. In those cases, the forum country may issue injunctive relief enforceable in the protecting country, if it contains rights and remedies specifically covered by the copyright law of the protecting country or the TRIPs Agreement.⁴⁷ In other words, if the copyright law of the forum country provides for rights not contained in the TRIPs Agreement and the protecting country does not provide for those rights, then the enforcement of the injunctive relief may become uncertain. This lack of regulation may range from moral rights to secondary liability. However, before entering into the details of the proposed mechanism, it is

rules. *Id.* at 430.

44. 1 *INTERNATIONAL COPYRIGHT LAW AND PRACTICE*, *supra* note 15, ch. INT § 3[1][a][i].

45. *Id.*

46. *See Austin*, *supra* note 14, at 1180 (analyzing recent trends in U.K. and U.S. courts rejecting earlier common law assumptions that domestic courts lacked subject matter jurisdiction over foreign copyright infringements).

47. The TRIPs Agreement can be characterized as one of the most important harmonization efforts—it first brought harmony to its large membership and then brought intellectual property into the fields of the World Trade Organization (WTO) and its dispute resolution procedures.

important to analyze some details about the applicable law in international litigation.

Unlike cases in the past when hard copies made it easier to locate the place of infringement, now technological developments have made this locating task more complex. An infringement might include several acts that generally are divided as follows: initiating acts, like making copies or sending communication signals; intermediate acts, including the importation of copies or the relaying of a signal; and consummating acts, like the reception of the signal and sales of materials where the copyright is fixed.⁴⁸ Complex cases may involve any of those infringing acts taking place in several jurisdictions—for instance, the transmission of infringing materials posted on the Internet may create uncertainty about the applicable law, though arguably it would be the law of the country of reception. In such cases there will be several protecting countries whose copyright laws should be analyzed by the forum court. However, courts have not always taken this approach when deciding this kind of case. While some courts apply forum copyright legislation to acts occurring abroad, adding an extraterritorial effect to their domestic law, others only apply the law of the place where the act took place.⁴⁹ The location of where the infringement occurred could also be complicated in the context of the Internet or electronic communications and its determination could open the possibility of not explicitly applying the law of the forum extraterritorially. Another approach is to apply the law of the place where the infringement caused damages.

The U.S. case of *Los Angeles News Service v. Reuters Television International, Ltd.* provides a useful illustration of how courts may differ when deciding the applicable law of cases involving acts committed abroad.⁵⁰ In 1992, a news company took videos of the riots in Los Angeles.⁵¹ Those videos were transmitted to other news agencies within the United States who, without licenses, copied them and then retransmitted them abroad, principally to European television.⁵² In that

48. See 1 INTERNATIONAL COPYRIGHT LAW AND PRACTICE, *supra* note 15, ch. INT § 3[1][b][iii][A].

49. In an article aimed at criticizing choice of law rules that attempt to avoid the “bramble bush” of foreign copyright laws, Professor Austin argues that, “at least for the time being, the preferable approach is for domestic courts to apply the relevant foreign laws to each instance of foreign infringement.” Austin, *supra* note 1, at 4.

50. *L.A. News Serv. v. Reuters Television Int’l, Ltd.*, 942 F. Supp. 1265 (C.D. Cal. 1996).

51. *Id.*

52. *Id.* at 1267.

case, the district court established that the retransmission was only completed upon reception abroad.⁵³ The court also ruled that the “[d]efendants are not liable under the Copyright Act for damages arising extraterritorially. This holding does not preclude LA News from recovering damages for extraterritorial infringement. It can seek a remedy for this infringement under the applicable foreign law.”⁵⁴ Nevertheless, on appeal the U.S. Court of Appeals for the Ninth Circuit reversed and established that, because the unauthorized copies were made in the United States, relief might be granted under U.S. law for the exploitation abroad, just as if the exploitation had taken place within the United States.⁵⁵ The court pointed out that “[r]ecovery of damages arising from overseas infringing uses was allowed because the predicate act of infringement occurring within the United States enabled further reproduction abroad.”⁵⁶ While the district court relied on a previous decision establishing that the mere authorization in the United States of acts of infringement abroad does not violate the U.S. Copyright Act,⁵⁷ the appellate court distinguished that decision by establishing that the case in front of it was not about authorization, but rather about how the making of copies enabled the infringement abroad.⁵⁸

Generally, the U.S. Court of Appeals for the Second Circuit has upheld the application of the U.S. Copyright Act for the distribution of materials abroad when the originating copy was made in the United States.⁵⁹ However, until the *Los Angeles News Service* decision, the Ninth Circuit had been reluctant to apply the U.S. Copyright Act to acts involving the “mere authorization” to infringe abroad. It seems that the

53. *See id.* at 1269 (quoting *Allarcom Pay Television, Ltd. v. Gen. Instrument Corp.*, 69 F.3d 381, 387 (9th Cir. 1995)).

54. *Id.*

55. *L.A. News Serv. v. Reuters Television Int’l, Ltd.*, 149 F.3d 987, 992 (9th Cir. 1998), *cert. denied*, 525 U.S. 1141 (1999).

56. *Id.*

57. *See Subafilms, Ltd. v. MGM-Pathe Commc’ns Co.*, 24 F.3d 1088, 1089 (9th Cir. 1994). This decision came under criticism from various sources, including another district judge who asserted in a subsequent opinion that “*Subafilms* ignores . . . the economic incentives underpinning the Copyright Clause designed to encourage creation of new works.” *Curb v. MCA Records, Inc.*, 898 F. Supp. 586, 595 (M.D. Tenn. 1995). “[P]iracy has changed since the Barbary days. Today, the raider need not grab the bounty with his own hands; he need only transmit his go-ahead by wire or telefax to start the presses in a distant land.” *Id.*

58. *See Subafilms*, 24 F.3d at 1095–98.

59. *See, e.g., Update Art, Inc. v. Modiin Publ’g, Ltd.*, 843 F.2d 67 (2d Cir. 1988); *Sheldon v. Metro-Goldwyn Pictures Corp.*, 106 F.2d 45 (2d Cir. 1939), *aff’d*, 309 U.S. 390 (1940); *Famous Music Corp. v. Seeco Records, Inc.*, 201 F. Supp. 560 (S.D.N.Y. 1961).

existing split between the Second and the Ninth Circuits has been resolved with the *Los Angeles News Service* decision.

The difference between the “mere authorization” and “enabling infringement” is an example of one of the many complexities related to the determination of applicable law. Those considerations are part of the internal law of each country. In this kind of case, the interpretation of what the statute considers an infringement makes it relevant to consider where the infringement took place and the degree of infringement occurring in one place, and whether its law can be applicable to the whole case, even if some of the acts of infringement took place abroad. This is significant for the rules of the proposed mechanism because even when a court accepts that the law of the place of infringement applies, disagreement regarding the place of infringement, itself, could pose a problem.

In copyright infringement cases, however, the principle that the law of the place of infringement determines the applicable law continues to be the predominant view among courts and scholars:

In the absence of a dispositive contract provision or treaty rule, the law of the protecting country—the country in which the work is being exploited without the copyright owner’s authority—dominates judicial choice of law respecting the protectability of a work and the rights that attach to it

. . . .

The general preference for the law of the protecting country as applicable law in copyright cases reflects the historic principle that copyright is territorial.⁶⁰

This choice of law rule can also be based on principles of national treatment contained in international copyright conventions.

The default position of national authors is simple. Domestic Law governs their copyright claims in any case of infringement at home. . . . Suppose . . . that a foreign author may assert treaty-based claims to obtain relief against infringement occurring in a treaty country. . . . To assure national treatment, the court has to apply . . . the domestic law . . . of the protecting country. . . . Thus national treatment leads to results consistent with the choice-of-law rule traditionally applicable in tort cases. That is the law of the place of the tort, specifically, the place of the infringement in a copyright case, applies.⁶¹

60. PAUL GOLDSTEIN, *INTERNATIONAL COPYRIGHT* 99–100 (2001).

61. 1 *INTERNATIONAL COPYRIGHT LAW AND PRACTICE*, *supra* note 15, ch. INT § 3[1][a][i].

The importance of this *lex loci delicti* approach is supported and explained by Eugen Ulmer in the following excerpt:

Logically it does not imply a reference to the *lex fori*. If, for example, a German impresario performs a protected work in Denmark, the author bringing an action in Germany cannot claim the protection of German copyright law. The protection which may be claimed . . . may be granted according to German law only if the act of infringement is committed in Germany. . . .

. . . [W]hen, according to the general rules of procedural law, a venue is established within the country, legal protection may be claimed before the national court on the basis of the foreign copyright or industrial property right. . . . From the point of view of private international law it certainly seems consistent to expand the rule which may be derived from the conventions into a complete rule of conflict of laws whereby . . . irrespective of the country in which action is brought, [it] is to be governed by the law of the country in whose territory the act of the infringement took place.⁶²

In cases where all the acts of infringement take place in a single foreign country, a court may find it less difficult to apply the law governing the place of the infringement—a foreign copyright law. For instance, in *London Film Productions, Ltd. v. Intercontinental Communications, Inc.*,⁶³ a U.S. court applied foreign law to acts of infringement taking place abroad.⁶⁴ In that case, the defendant licensed the plaintiff's motion pictures in Chile, Peru, Venezuela, Costa Rica, and Panama.⁶⁵ Those motion pictures were in the public domain in the United States, but not in those countries where the infringement took place. The district court relied on comity considerations in order to adjudicate the infringement of the foreign copyright:

A concern with the conduct of American citizens in foreign countries is merely the reciprocal of that interest. An unwillingness by this Court to hear a complaint . . . to a violation of foreign law will engender . . . a similar unwillingness on the

62. CHRISTOPHER WADLOW, ENFORCEMENT OF INTELLECTUAL PROPERTY IN EUROPEAN AND INTERNATIONAL LAW 14 (1998) (quoting EUGEN ULMER, INTELLECTUAL PROPERTY RIGHTS AND THE CONFLICT OF LAWS ¶ 14 (1978)).

63. *London Film Prods., Ltd. v. Intercontinental Commc'ns, Inc.*, 580 F. Supp. 47 (S.D.N.Y. 1984).

64. *Id.*

65. *Id.*

part of a foreign jurisdiction when . . . a violation of our laws [occurs].⁶⁶

This reasoning is quite important; it contains the essence of reciprocity and comity that later can become an international treaty.

Obviously, the district court started its analysis from the presumption that the law of the country whose protection is sought—the place of infringement—is the governing law in the case.⁶⁷ However, the difficulty in establishing one clear place of infringement, has led to other different approaches. For instance, Professor Jane Ginsburg has proposed an alternative choice of law rule:

[I]f it is possible to localize in the United States the point from which the communication of the infringing work (whether or not in material form) becomes available to the public (wherever that public be located), then U.S. courts should apply U.S. law to all unauthorized copies, wherever communicated. Similarly, where the United States is the “nerve center” for foreign distributions, the domestic acts of planning and intellectually implementing the offshore acts should suffice to justify the application of U.S. law to the full series of acts.⁶⁸

This approach departs from principles developed by the Second Circuit, and arguably the Ninth Circuit, and creates a new rule that is perhaps more appropriate for digital environments. While this approach tends to prevent infringing activities in copyright havens or countries where the protection is weak, it also could be considered as disregarding the territoriality principle of copyright law. However, this approach could represent an option for allowing broader room in defining infringement. But there are activities like “planning and intellectually implementing the offshore acts”⁶⁹ that clearly depart from the traditional principles of choice of law for copyright infringement. In the latter case, the issue is not the application of national law to foreign infringements because of the difficulty of finding the place of infringement, but it is, rather, the deliberate application of national law to foreign acts of infringement. Under no copyright law does the planning of an infringement constitute an actual infringement.

While there could be a different interpretation for determining the place of infringement, sometimes the decision is made to disregard the

66. *Id.* at 49.

67. *Id.* at 48–49.

68. Jane C. Ginsburg, *Extraterritoriality and Multiterritoriality in Copyright Infringement*, 37 VA. J. INT'L L. 587, 600 (1997).

69. *Id.*

place of infringement, itself, only to avoid struggling with foreign copyright law. However, conflict of law choices leading to the application of the forum law to acts occurring abroad have been criticized as false pragmatism.⁷⁰ If, in a given case, the application of foreign law is not an element for denial to hear a case under the basis of forum non conveniens, it would be inconsistent to apply national law to acts occurring abroad simply to avoid the complexities of foreign copyrights.⁷¹ After all, the concern of misapplication of foreign law is not exclusive to copyright law but pertains to all areas of conflict of laws.

The choice of law strategies discussed above have awkwardly grafted extraterritorial choice of law principles onto a system whose central assumptions are based on the territoriality of domestic copyright regimes. Moreover, there are difficult questions of domestic and international policy that would appear to accompany these choice of law strategies. Before these choice of law strategies are expanded even further, these issues deserve more rigorous attention than they have received thus far in legal literature.⁷²

In discussing the “nerve center” choice of law rule, scholar Paul Goldstein has recommended that “[n]o proposed choice of law rule for copyright cases should be adopted unless the traditional rule is in fact deficient.”⁷³ Otherwise, national governments will oppose or resist this rule, undercutting their national copyright rule for the same reason they have opposed harmonization efforts, like the TRIPs Agreement, in the past.⁷⁴ On the other hand, the traditionally accepted choice of law rule generates certainty in the results of litigation. Another rule is not going to be accepted generally and will not be applied consistently among courts of several countries. Moreover, under the proposed mechanism, courts will be more willing to enforce an injunction based on foreign law that has been chosen reasonably.

Even if the result is the same as it would have been if explicitly applying forum law to acts of infringement committed abroad, considerations about the place of infringement could make these kinds of decisions more reasonable. It is different to choose forum law as applicable because the court considers that the infringement was

70. See Austin, *supra* note 1, at 41.

71. See *id.* at 42.

72. *Id.* at 46–47.

73. GOLDSTEIN, *supra* note 60, at 101.

74. See *id.* at 102.

committed, at least partially, in the forum territory, than to apply forum law to acts openly committed abroad. This choice is legitimate if the forum law was deemed applicable to acts of infringement made abroad, if such law was chosen because of considerations about the place of infringement. A determination that the infringement has taken place within the forum because the infringing act was authorized or enabled within the forum is a reasonable assessment. Taking into consideration differences in definitions of infringement and reasoning in different legal systems may open the door to a more liberal interpretation of the Berne Convention choice of law rule.⁷⁵

Having established the importance of considerations regarding the place of infringement, I will explain the targeted market approach. This approach is based on the suggestion that the different approaches to the conflict of laws between the United States—focused on the needs of interstate and international systems—and the European Union—focused on the *ordre public international*—considered along with the objectives of the Berne Convention and the TRIPs Agreement⁷⁶ have resulted in “a globally coherent fabric of remedies, where different national laws do not interfere with each other.”⁷⁷ Under this rule, judicial authorities must localize the infringement in the place where it was completed. In order not to lose the big picture in cross-border transactions, and instead focus on insulated acts, this “completed act” rule calls for a distinction between incoming and outgoing transactions.⁷⁸ The localization of the transaction in the incoming market is justified based on audience and cultural goods. It attempts to avoid the exportation of policies considered as targeted to national audiences to

75. Article 5(2) of the Berne Convention contains a rule of choice of law based on national treatment. Berne Convention for the Protection of Literary and Artistic Works art. 5(2), Sept. 9, 1886, as revised at Paris on July 24, 1971, 25 U.S.T. 1341, 828 U.N.T.S. 221 [hereinafter Berne Convention]. However, according to Professor Dinwoodie, neither the Berne Convention nor the TRIPs Agreement are self-executing in the United States. See Dinwoodie, *supra* note 43, at 439 n.44. Therefore this rule is not binding on U.S. courts. Nevertheless, for the purposes of this proposed mechanism, it should be binding or, at least considered, if copyright holders want U.S. judgments or decrees enforced abroad.

76. The preamble of the Berne Convention establishes that enforcement will be carried out “in as effective and uniform a manner as possible.” Berne Convention, *supra* note 75, pmbl. The preamble of the TRIPs Agreement establishes an “effective and appropriate means for . . . enforcement . . . taking into account differences in national legal systems.” TRIPs Agreement, *supra* note 3, pmbl.

77. 1 INTERNATIONAL COPYRIGHT LAW AND PRACTICE, *supra* note 15, ch. INT § 3[1][b][ii][A].

78. *Id.*

other countries' audiences.⁷⁹ The difference between this rule and the "nerve center" rule is that the nerve center rule may also include the application of the law of the place where foreign infringements were planned.

To illustrate, this rule can be applied to the following case in which the outgoing act, committed in Country A, is directed to the market of Country B. This includes, for example, shipping materials that are infringing under Country B's law, the hosting of these materials on a Web site, or the up-linking of a satellite signal. Applying the "completed act" conflict of law rule would result in the application of the law of Country B to acts committed in Country A.

The Ninth Circuit, for example, has consistently applied this rule and has established that the infringement of the transmission right does not occur until the public receives the satellite signal.⁸⁰ In *Allarcom Pay Television, Ltd. v. General Instrument Corp.*, the law of the targeted market governed because it was the law of the place where the transmission was completed.⁸¹ In contrast, the Second Circuit view is that the transmission does not need to be received by the public in order to constitute an infringement of the public performance or transmission right established by the U.S. Copyright Act.⁸² Under this latter approach, the U.S. Copyright Act governs the particular act of up-linking the signal to a satellite, even if the public is located abroad and the transmission was not yet completed.⁸³ The European Satellite and Cable Directive also accepts this emission theory, establishing that the act of communication to the public occurs in the Member State where the signal is up-linked to the satellite.⁸⁴ In Mexico, Article 140 of the

79. *Id.*

80. *See Allarcom Pay Television, Ltd. v. Gen. Instrument Corp.*, 69 F.3d 381 (9th Cir. 1995).

81. *See id.*

82. *See Nat'l Football League v. Primetime 24 Joint Venture*, 211 F.3d 10, 12 (2d Cir. 2000).

83. *See id.* This approach is also shared by the Seventh and Eighth Circuits and the respective state courts. *See, e.g., WGN Cont'l Broad. Co. v. United Video, Inc.*, 693 F.2d 622, 625 (7th Cir. 1982); *Coleman v. ESPN, Inc.*, 764 F. Supp. 290, 294 (S.D.N.Y. 1991); *Broad. Music, Inc. v. Hearst/ABC Viacom Entm't Servs.*, 746 F. Supp. 320, 328-29 (S.D.N.Y. 1990); *David v. Showtime/The Movie Channel, Inc.*, 697 F. Supp. 752, 758-59 (S.D.N.Y. 1988); *Hubbard Broad., Inc. v. S. Satellite Sys., Inc.*, 593 F. Supp. 808, 813 (D. Minn. 1984), *aff'd*, 777 F.2d 393 (8th Cir. 1985).

84. Council Directive 93/83/EEC, Coordination of Certain Rules Concerning Copyright and Rights Related to Copyright Applicable to Satellite Broadcasting and Cable Retransmission, art. 1(2)(b), 1993 O.J. (L 248) 15. As defined in the Directive, "[t]he act of communication to the public by satellite occurs solely in the Member State where, under the

Copyright Act also considers the transmission completed when the signal is up-linked to the satellite.⁸⁵ Both theories—the down-linking and up-linking—are not rules of conflict of law, but they are considerations or assumptions made about the place where the act of transmission is considered to have taken place; however, the result that both assumptions produce is ultimately highly related to questions of choice of law.

The completed act rule can be an alternative offering in order to not lose the big picture in cross-border transactions, which is a better justification than the *lex forum* rule. Obviously, it is related to the question of where the damage is caused: if the infringing activities are targeted in one market, it is in that market where the copyright holder is losing his or her profits; however, the application of the forum law in these cases may lead to the unwillingness of a court to enforce injunctive decrees or monetary judgments. Moreover, the application of forum law may also lead to the issuance of an injunction over an act considered as non-infringing by the law of the country where the act was committed.

This is also an important consideration. The attempt to apply a foreign law to an act committed in a given country can cause several problems for various reasons. Perhaps the act is not an infringement in that country. Furthermore, the application of a foreign law to subjects that did not elect the foreign legislators who created the law raises an issue of democracy. How can a subject be governed by a law created by foreign legislators and officials who have no national accountability? If the result of this law is not acceptable to nationals, they cannot voice their protest in the following elections. Moreover, national groups did not participate in the lobbying process or negotiations of that foreign law. Therefore, their only alternative is to trust in national judges—those same judges who will enforce measures and judgments based on the foreign law. The central issue is that the ideal choice of law rule is the one that makes applicable the law of the place of infringement.

As previously discussed,⁸⁶ the digital age has created new problems that are resolved by old rules. The balance of those rules with the new problems is important for the elaboration of the enforcement

control and responsibility of the broadcasting organization, the programme-carrying signals are introduced into an uninterrupted chain of communication leading to the satellite and down towards the earth.” *Id.*

85. Ley Federal del Derecho de Autor [L.F.D.A.] [Federal Copyright Act], art. 140, Diario Oficial de la Federación [D.O.], 24 de Diciembre de 1996 (Mex.).

86. See discussion *supra* Part I.

mechanism. While there are problems in applying foreign law to certain acts of infringement taking place in one country, it is also true that new technology makes it easier to distribute infringing materials in several jurisdictions with different copyright laws.⁸⁷ If one puts a Web site on the Internet that contains infringing materials that are visible in several jurisdictions, that person has the potential to cause damage in all those places. It would not be fair to take advantage of new technology to spread infringing materials and, at the same time, use the current rules and principles of territoriality to protect oneself from liability. The reason for the proposed mechanism is to balance those differences. However, the acceptable choice of law rule for the proposed mechanism must be determined. Besides the obvious prevailing choice of law approaches, there are other and different approaches that can be created in the future. As each case arises, courts may consider new approaches for determining where the infringement took place.

The prevailing approach must be one that establishes that the applicable law is the law of the place of infringement.⁸⁸ However, courts could be allowed to determine freely where the infringement has taken place. If the determination is reasonable, then the proposed mechanism is realistic.⁸⁹ Moreover, because the existing international copyright regime of the TRIPs Agreement and the Berne Convention has led to

87. According to Professor Dinwoodie, if courts are engaged in serious copyright choice of law analysis and sometimes contemplate the application of foreign law, it is necessary to engage in comparative work. Dinwoodie, *supra* note 43, at 451.

88. An alternative is to apply one law for ownership and apply another law to infringement. In *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, the court applied Russian law to questions of ownership and U.S. law to questions of infringement: "On infringement issues, the governing conflicts principle is usually *lex loci delicti*, the doctrine generally applicable to torts. . . . In the pending case, the place of the tort is plainly the United States." *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, 153 F.3d 82, 91 (2d Cir. 1998).

89. *But see* Nathan R. Wollman, *Maneuvering Through the Landmines of Multiterritorial Copyright Litigation: How to Avoid the Presumption Against Extraterritoriality When Attempting to Recover for the Foreign Exploitation of U.S. Copyrighted Works*, 104 W. VA. L. REV. 343, 391 (2002) (suggesting that "justifications for the presumption against the extraterritorial application of U.S. copyright law are so strong with respect to this federal statute that the presumption . . . itself is the first major hurdle for a U.S. rights holder"). The article enumerates some of the arguments for territorial U.S. copyright law. *Id.* at 348–50. Then the author offers "loopholes" in order to overcome those territorial conceptions. *Id.* at 367–78. Finally, it shows certain jurisdictional concerns in order to recover. *Id.* at 380–90. However, no consideration is given to the situation in which a defendant has no assets, domicile, or other way to pursue enforcement within the United States.

the creation of a “coherent fabric of remedies”⁹⁰ with rules that do not interfere with each other, based on the needs of the international system and on the *ordre public international*, this could be used as an argument for applying the law of the place where the infringement occurred.⁹¹ The same argument could be used to allow courts to determine the place of infringement. It might also be feasible to hold a convention to determine where the infringement took place and assess the applicable law. However, because countries are not likely to reach a consensus on this issue, this ambitious plan could fail as have other attempts to harmonize international litigation. Furthermore, as new technologies emerge, the set of rules for determining the place of infringement could become obsolete even before consensus is achieved.

III. EXERCISING RIGHTS IN THE RIGHT FORUM—QUESTIONS OF JURISDICTION

Taking jurisdiction over acts occurring abroad may be controversial. The considerations to be discussed here cover European and common law approaches; while both systems have remarkable differences reflected in the difficulties in achieving an international convention on jurisdiction and judgments, several existing principles can be the basis for the proposed mechanism without relying on the Hague Draft Convention.⁹² Obviously, the proposed mechanism is independent from the failed Hague Draft Convention. This is because there are several convergences in both systems that may allow the application of the mechanism in several infringement cases.

90. 1 INTERNATIONAL COPYRIGHT LAW AND PRACTICE, *supra* note 15, ch. INT § 3[1][b][ii][A].

91. Paul Edward Geller, *International Intellectual Property, Conflicts of Laws, and Internet Remedies*, 10 J. INTELL. PROP. RTS. 130 (2005).

92. Note, for example, instances of common ground between the two approaches as evidenced by the United Kingdom and Ireland. The United Kingdom and Ireland, common law tradition countries, have implemented European Union regulations and given up several common law approaches. See Brandon B. Danford, *The Enforcement of Foreign Money Judgments in the United States and Europe: How Can We Achieve a Comprehensive Treaty?*, 23 REV. LITIG. 381, 411 (2004). But the problems associated with the Hague Draft Convention evidence persistent challenges of achieving an international convention, specifically with respect to enforcing international judgments in the midst of sometimes divergent systems. Hague Conference on Private International Law, Draft Convention on Jurisdiction and Foreign Judgments in Civil and Commercial Matters, Oct. 30, 1999, <http://www.hcch.net/upload/wop/jdgmpr11.pdf> [hereinafter Hague Draft Convention]. Nevertheless, the proposed mechanism seeks to carve out the areas of common ground to create opportunities for improved enforcement and protection of the rights of copyright holders.

Allow me to first briefly discuss some relevant aspects of jurisdiction in the European Union and common law countries. This is not a complete survey on jurisdiction; it only covers the important aspects of litigation related to copyright infringement. A brief explanation about the difficulties presented in the negotiations of the proposed Hague Draft Convention will follow. I will then propose an alternative under which the proposed mechanism may be applied without the Hague Draft Convention.

A. Jurisdiction in European Union or Civil Law Tradition Countries

The European Union regulations are representative of how civil law tradition countries deal with questions of jurisdiction. In 1968, the European Union developed the Brussels Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters (Brussels Convention).⁹³ The European Union also developed the Lugano Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters (Lugano Convention) in 1988, with similar provisions expanding the Brussels Convention to non-member states belonging to the European Free Trade Agreement Area (EFTA).⁹⁴ Both Conventions, however, have been superseded by the European Union Council Regulation on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters (EC Regulation).⁹⁵ The EC Regulation entered into force on March 1, 2002.⁹⁶ It does not apply between Denmark and other European Union members, but in this case the Brussels Convention still applies.⁹⁷ It is also composed of the same provisions as the Brussels Convention except for the enumeration of some of its provisions.⁹⁸

93. 1968 Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters, Sept. 27, 1968, 1972 O.J. (L 299) 32 [hereinafter Brussels Convention]; see Council Regulation 44/2001, Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters, pmbl. (5), 2001 O.J. (L 12) 1 [hereinafter EC Regulation].

94. Convention on the Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters, Sept. 16, 1988, 1988 O.J. (L 319) 9 [hereinafter Lugano Convention]; see EC Regulation, *supra* note 93, pmbl. (5).

95. EC Regulation, *supra* note 93, pmbl. (5).

96. *Id.* art. 76.

97. *Id.* pmbl. (22).

98. In an article that compares the approaches of U.S. and European jurisdictions, Professor Juenger remarks on the impressive progress made by the European Community in a remarkably short time. He notes that where "multistate jurisdictional problems are amenable to rational solutions . . . national sovereignty need not inhibit the framing of workable rules." Friedrich Juenger, *Judicial Jurisdiction in the United States and in the*

The general rule about jurisdiction of the EC Regulation is contained in Article 2, which establishes that “persons domiciled in a Member State shall, whatever their nationality, be sued in the courts of that Member State.”⁹⁹ As an exception, Article 5(3) establishes that a Member State may be sued in another Member State “in matters relating to tort, *delict* or *quasi-delict*, in the courts for the place where the harmful event occurred or may occur.”¹⁰⁰ The place where the harmful effect occurred has been construed quite broadly to cover the place where the commencing act took place or the place where the damages were suffered.¹⁰¹ However, a key decision has determined a limitation of jurisdiction; while the court of the place where the defendant has his or her domicile may award damages in that country and abroad,¹⁰² courts having jurisdiction based on Article 5(3) can only award damages suffered in the forum country:

On a proper construction of the expression place where the harmful event occurred in article 5(3) . . . the victim of a libel by a newspaper article distributed in several contracting states may bring an action for damages against the publisher either before the courts of the contracting state of the place where the publisher of the defamatory publication is established, which have jurisdiction to award damages for all the harm caused by the defamation, or before the courts of each contracting state in which the publication was distributed and where the victim claims to have suffered injury to his reputation, which have jurisdiction to rule solely in respect of the harm caused in the state of the court seised.¹⁰³

Another basis for jurisdiction is established by Article 6(1) of the EC Regulation, which establishes that a court may exercise jurisdiction over a nonresident defendant if he or she is one of a number of defendants for actions closely connected and “it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings.”¹⁰⁴ This provision is similar to those provisions contained in several Mexican codes of civil procedure, including the Nuevo Leon Code of Civil Procedure, which established

European Communities: A Comparison, 82 MICH. L. REV. 1195, 1212 (1984).

99. EC Regulation, *supra* note 93, art. 2(1).

100. *Id.* art. 5(3).

101. See 1 INTERNATIONAL COPYRIGHT LAW AND PRACTICE, *supra* note 15, ch. INT § 6[1][a].

102. See Case C-68/93, *Shevill v. Presse Alliance SA*, 1995 E.C.R. I-415.

103. *Id.*

104. EC Regulation, *supra* note 93, art. 6(1).

that “when there are several defendants having different domiciles, jurisdiction shall be for the court of the domicile chosen by plaintiff.”¹⁰⁵ The Mexican Supreme Court has held that such legal precepts are constitutional.¹⁰⁶ Similarly, this kind of legal precept would pass any constitutional test in countries belonging to the civil law tradition system. Moreover, it is important to note that, contrary to Article 6(1) of the EC Regulation, equivalent Mexican provisions have no requirements aimed at avoiding the risk of inconsistent judgments.¹⁰⁷ But it is also important to note that jurisdiction over a non-forum resident taken by this multi-defendant approach can be difficult to enforce in common law countries.

Another important provision of the EC Regulation for intellectual property litigation is established by Article 22(4), giving exclusive jurisdiction for the courts where the deposit or registration has been applied in “proceedings concerned with the registration or validity of patents, trade marks, designs, or other similar rights required to be deposited or registered.”¹⁰⁸ However, because Article 5(2) of the Berne Convention establishes that copyright protection “shall not be subject to any formality” regulation, Article 22(4) is inapplicable to copyright litigation.¹⁰⁹ Because copyright is obtained upon fixation and not by a decision of government officials, there is no need to enter into the controversial task for a court to question the validity of activities of a foreign government official. This task is considered improper in most courts and creates several difficulties.¹¹⁰

Even if the EC Regulation does not codify the common law doctrine of *forum non conveniens*, it precludes courts from declining jurisdiction or dismissing a case based on it.¹¹¹ The EC Regulation takes from the

105. Código de Procedimientos Civiles de estado de Nuevo Leon [C.P.C.] [Nuevo Leon Code of Civil Procedure], art. 111(IV), 3 de Febrero de 1973 (Mex.) (translated by author). Most of the states have similar provisions in their respective civil procedure codes.

106. See TERCERA SALA COMPETENCIA CIVIL, Pleno de la Suprema Corte de Justicia [S.C.J.N.] [Supreme Court], *Semanario Judicial de la Federación*, Octava Epoca, tomo X, Agosto de 1992, 52/92, Página 147 (Mex.). This resolution decided a conflict on jurisdiction between the First Civil District Court in the Federal District and the Fifth District Court in the State of Mexico.

107. EC Regulation, *supra* note 93, art. 6(1).

108. *Id.* art. 22(4).

109. Berne Convention, *supra* note 75.

110. See, e.g., *Vanity Fair Mills, Inc. v. T. Eaton Co.*, 234 F.2d 633 (2d Cir. 1956), *cert. denied*, 352 U.S. 871 (1956) (discussing the difficulties arising in the trademark context). However, copyright is different than trademark since it is obtained at the moment of fixation, not by a decision of an official. See Berne Convention, *supra* note 75, art. 5(2).

111. See 1 *INTERNATIONAL COPYRIGHT LAW AND PRACTICE*, *supra* note 15, ch. INT §

civil law the obligation for judges to exercise their jurisdiction unless statutory provisions establish otherwise.¹¹² The key provision of the EC Regulation is that orders and judgments of courts located in one Member State can be enforced in courts of another. Article 32 defines “judgment” as including decrees, orders, decisions, writs of execution, as well as the determination of costs.¹¹³ The EC Regulation compels courts to enforce those orders and judgments without reviewing the merits.¹¹⁴ Therefore, a party that has prevailed in a judgment rendered in a European Member State can enforce it across Member States without a re-hearing on the merits. The grounds for non-recognition are limited to the following: matters of public policy for the enforcing country, default judgments for lack of appearance, cases in which service of process was not given properly, and instances governed by *res judicata* when the judgment is inconsistent with prior judgments between the parties.¹¹⁵

The broad definition of judgment established by Article 32 and covered by the enforcement procedures arguably includes preliminary injunctions.¹¹⁶ However, obtaining a preliminary injunction in one country and trying to enforce it in another is quite controversial and there are only a few cases in which this actually has occurred.¹¹⁷ Moreover, when interpreting the Brussels Convention enforcement procedures, the European Court of Justice has determined that preliminary injunctions directed against a party who had not been summoned are not covered.¹¹⁸ This is because under the Brussels Convention, grounds for non-recognition include a default judgment or a decision rendered without service of process.¹¹⁹ If this becomes a problem within the European Union, where substantive and procedural harmonization exists, such enforcement may become more difficult in

6[1][a]. The holding in *Coin Controls, Ltd. v. Suzo Int'l (UK) Ltd.* also illustrates that a dismissal based on *forum non conveniens* is not available if the Brussels Convention applies. *Coin Controls, Ltd. v. Suzo Int'l (UK) Ltd.* [1997] F.S.R. 660 (Ch.).

112. See 1 INTERNATIONAL COPYRIGHT LAW AND PRACTICE, *supra* note 15, ch. INT § 6[1][a]; see also Joachim Zekoll, *The Role and Status of American Law in the Hague Judgments Convention Project*, 61 ALB. L. REV. 1283, 1297 (1998).

113. EC Regulation, *supra* note 93, art. 32.

114. See *id.* art. 36.

115. See *id.* art. 33.

116. *Id.* art. 32.

117. See 1 INTERNATIONAL COPYRIGHT LAW AND PRACTICE, *supra* note 15, ch. INT § 6[1][a]; see also Symposium, *supra* note 7, at 48.

118. Case 125/79, *Denilauler v. SNC Couchet Frères*, 1980 E.C.R. 1553.

119. EC Regulation, *supra* note 93, art. 33.

litigation involving third countries—for instance, an injunction issued in the United States for enforcement in Mexico or another country in Latin America.

[O]n the preliminary injunctions, temporary restraining order, as a general matter, it would be very difficult if not impossible to have a preliminary judgment enforced in any other country. There is a strong opposition to enforcing preliminary . . . judgments because there has been no full trial on the merits, so that will be the likely choice only if you have an opportunity to locally enforce that preliminary measure.¹²⁰

This reality represents one of the main difficulties for the proposed mechanism, including a way to enforce preliminary injunctions abroad. Perhaps this is the main difficulty for the proposed mechanism. I will, however, endeavor to address this problem through one of the proposed paths. An injunction to stop an actual and clear infringement would not be difficult if this procedural remedy is also available in courts of the country whose protection is sought and if the defendant was given a proper service of process.

The EC Regulation also offers an alternative for overcoming the aforementioned problem.¹²¹ Article 31 of the EC Regulation allows the application of provisional measures in a Member State even if the Regulation mandates jurisdiction on the merits in another Member State:

Application may be made to the courts of a Member State for such provisional, including protective, measures as may be available under the law of that State, even if, under this Regulation, the courts of another Member State have jurisdiction as to the substance of the matter.¹²²

Therefore, right holders may apply for preliminary injunctive relief in one Member State even if jurisdiction will be taken by a court of another Member State. For instance, in cases where the infringement originates in one Member State but has effects in another, it is possible to apply for preliminary injunctive relief in the originating country and then to adjudicate the case in another Member State where the infringement caused most of the damage.

120. Symposium, *supra* note 7, at 48.

121. See EC Regulation, *supra* note 93.

122. *Id.* art. 31.

B. Jurisdiction in the United States and Common Law Tradition Countries

I briefly turn now to a discussion of common law approaches to jurisdiction. The EC Regulation is highly influenced by the civil law tradition;¹²³ therefore, the analysis of common law approaches on jurisdiction will focus on the United States rather than the United Kingdom. Obviously, there are U.S. constitutional principles that are not present in other common law tradition countries, but the U.S. approach is still the most representative.¹²⁴

Under U.S. law, there are two important aspects related to jurisdiction. First, there can be jurisdiction over nonresidents committing acts abroad that have effects in the United States.¹²⁵ Second, a court that has jurisdiction to hear a case may dismiss it under the doctrine of *forum non conveniens*.¹²⁶ Both characteristics are not present in civil law countries, where jurisdiction is expected to be taken in the location where the defendant is domiciled, and courts are bound to hear a case if they have jurisdiction over it.

For copyright cases, including those where the infringement has occurred abroad,

[f]ederal courts in the United States have personal jurisdiction if, along with proper service, there are contacts sufficient under constitutional and statutory criteria; they have subject-matter jurisdiction in cases that include, most relevantly for our purposes, parties of diverse citizenship or actions arising under the Copyright Act or U.S. treaties.¹²⁷

Personal jurisdiction can be exercised over a nonresident defendant committing acts outside the forum that have effects within the forum. In order to establish if there is jurisdiction, the court must look first to the long-arm statute of the state where the court is sitting; if the individual activity or situation meets the statutory provision, the court must

123. See Ana Gardella & Luca G. Radicati di Brozolo, *Civil Law, Common Law and Market Integration: The EC Approach to Conflicts of Jurisdiction*, 51 AM. J. COMP. L. 611, 612 (2003).

124. In the United Kingdom, for example, the minimum contacts principles are not applied as they would be in the United States. See also Zekoll, *supra* note 112, at 1290 (arguing that even if the Brussels and Lugano Conventions fill the gap between the United Kingdom and its civil law tradition neighbors, that is not likely the case in other common law tradition countries like the United States).

125. See 2 INTERNATIONAL COPYRIGHT LAW AND PRACTICE, *supra* note 15, ch. USA § 8[3][a].

126. *Id.*

127. 1 *id.* ch. INT § 6[1][b].

establish if the exercise of jurisdiction in that specific case is within due process or constitutional requirements.¹²⁸

For instance, in *Bensusan Restaurant Corp. v. King*, the Second Circuit analyzed New York law and established that the conduct of the nonresident defendant did not comport with the statutory provisions and therefore it was not necessary to analyze if the exercise of jurisdiction was within constitutional limits.¹²⁹ State long-arm statutes may vary. In this case, the New York statute established the circumstances under which a court may exercise jurisdiction over nonresident defendants committing acts outside the state. The court interpreted the limits to its jurisdiction as follows:

[T]he New York Legislature enacted sub-paragraph (a)(3), which provides in pertinent part that New York courts may exercise jurisdiction over a non-domiciliary who commits a tortious act without the state, causing injury to person or property within the state. . . . [I]t restricted the exercise of jurisdiction under sub-paragraph (a)(3) to persons who expect or should reasonably expect the tortious act to have consequences in the state and in addition derive substantial revenue from interstate commerce.¹³⁰

If the state long-arm statute otherwise establishes jurisdiction, the next step then is to analyze if the exercise of jurisdiction in that case is within the constitutional limits. The determination of whether the exercise of jurisdiction over a nonresident defendant case complies with due process is generally made by a three-part test:

(1) [t]he nonresident defendant must do some act or consummate some transaction with the forum or perform some act by which he purposefully avails himself of the privilege of conducting activities in the forum, thereby invoking the benefits and protections of its laws[;] (2) [t]he claim must be one which arises out of or results from his forum-related activities[; and] (3) [e]xercise of jurisdiction must be reasonable.¹³¹

Those acts established by the first part of the test may include an economic transaction within the state, an agent or a representative within the state, toll-free numbers or other targeted market activities

128. See *Bensusan Rest. Corp. v. King*, 126 F.3d 25, 27–28 (2d Cir. 1997).

129. *Id.*

130. *Id.* at 29.

131. *Data Disc, Inc. v. Sys. Tech. Assocs., Inc.*, 557 F.2d 1280, 1287 (9th Cir. 1977). These factors were articulated in *Data Disc* as an “approach to evaluation” and later reiterated as a three-part test. See, e.g., *Ballard v. Savage*, 65 F.3d 1495, 1498 (9th Cir. 1995); *Omeluk v. Langsten Slip & Batbyggeri A/S*, 52 F.3d 267, 270 (9th Cir. 1995).

directed to the state, or Internet accesses by residents of the state measured by the number of clicks and the grade of interactivity of the home page. While those factors may influence the exercise of jurisdiction, there is no clear rule about jurisdiction of a U.S. federal court over a nonresident defendant committing acts outside the state.

The previously mentioned elements are analyzed as each case is presented, and, therefore, there is no absolute certainty about the outcome. What is certain is that U.S. federal courts can exercise jurisdiction over a foreign defendant committing infringing acts abroad that have effects in the United States. Otherwise, under civil law tradition, the only court that has jurisdiction in torts or *quasi-delict* actions is the court of the place where the defendant has his or her domicile. Therefore, the exercise of jurisdiction over a nonresident defendant committing acts abroad can be exorbitant in the view of some civil law tradition lawyers, including judges, because Article 5(3) of the EC Regulation is not common in all civil law tradition countries.¹³² On the contrary, certain “normal” rules of several civil law tradition countries could be unacceptable under common law or the U.S. constitutional view—for instance, the exercise of jurisdiction over a nonresident defendant without connections with the forum just because he or she is one of multiple defendants or, for example, the application of Article 14 of the French Civil Code establishing that a French national can sue anyone in a French court.¹³³ Obviously, the latter provision is not applicable if the EC Regulation applies, but if not, those kinds of provisions would apply.

Another important doctrine of the U.S. legal system that is absent—or in some cases, proscribed—in civil law tradition countries and the EC Regulation is the doctrine of *forum non conveniens*. Under this doctrine, a court with jurisdiction may dismiss a case for other reasons. In *Gulf Oil Corp. v. Gilbert*, the U.S. Supreme Court established private and public factors to be considered in order to dismiss an action on the grounds of *forum non conveniens*.¹³⁴ The private factors included the relatively easy access to sources of proof like the availability of compulsory processes to get evidence and costs, the possibility to view premises, and factors related to practical problems that make the trial easy and inexpensive.¹³⁵ Public factors included the administrative

132. See EC Regulation, *supra* note 93, art. 5(3).

133. CODE CIVIL [C. CIV.] art. 14 (Fr.).

134. *Gulf Oil Corp. v. Gilbert*, 330 U.S. 501 (1947).

135. *Id.* at 508.

difficulties of the court when hearing the case, especially the application of a foreign statute, and the local interests in having that controversy resolved in a home court.¹³⁶ The doctrine of forum non conveniens, as established in *Gilbert*, has evolved and now the threshold analysis is whether there is an alternative forum for the action.¹³⁷ If there is an alternative forum, then the analysis of public and private factors can be performed.¹³⁸

IV. THE FAILED HAGUE DRAFT CONVENTION—AN EXPLANATION OF ITS INEFFECTIVE NEGOTIATIONS

A proposed mechanism for enforcing preliminary injunctions or judgments in copyright actions may be possible despite the failure of the proposed Hague Draft Convention. It is first important, though, to consider how and why those negotiations failed.

There were several difficulties in completing the Hague Draft Convention project. Consensus among the parties was difficult because of several differences in their respective legal systems. The difficulties mentioned here are based on those described by an author that served on the U.S. delegation at the Hague Conference.¹³⁹ The first is that the European Union had previously held the Brussels Convention, the Lugano Convention, and developed the EC Regulation. The bargaining position of the European Union has been to work and sign agreements based on rules that have worked in the past. There is also a fear of U.S. monetary damages awards like, for example, the highly publicized multi-million dollar judgments for injuries suffered due to hot coffee.¹⁴⁰

Another reason is that the United States has not written rules about jurisdiction. It developed its law in this area based on U.S. Supreme Court decisions interpreting the Due Process Clause. Those principles were developed not by statutory enactment, but by interpretation

136. *Id.* at 508–09.

137. *See id.*; *see also* Piper Aircraft Co. v. Reyno, 454 U.S. 235, 257 (1981); Bodner v. Banque Paribas, 114 F. Supp. 2d 117, 132 (E.D.N.Y. 2000) (indicating that lack of comparable laws and opportunities for redress in alternative forum is considered in assessing forum non conveniens and conflict of law).

138. *See* 1 INTERNATIONAL COPYRIGHT LAW AND PRACTICE, *supra* note 15, ch. INT § 6[1][b].

139. *See* Peter D. Trooboff, *Ten (and Probably More) Difficulties in Negotiating a Worldwide Convention on International Jurisdiction and Enforcement of Judgments: Some Initial Lessons*, in A GLOBAL LAW OF JURISDICTION AND JUDGMENTS: LESSONS FROM THE HAGUE 263 (John J. Barceló III & Kevin M. Clermont eds., 2002).

140. *See, e.g.*, Bryan Miller, *Hey, Waiter! Now There's a Lawyer in My Soup*, N.Y. TIMES, Mar. 12, 1995, at D16.

establishing principles of “fundamental notions of fair play and substantial justice,” “purposeful availment,” “reasonableness,” and others.¹⁴¹ Even if those principles are codified by the American Law Institute in a Restatement, their incorporation into an international agreement that will be interpreted by courts in different countries is unlikely.¹⁴² Those principles, even if codified in an international agreement, are not likely to be applied properly due to the formalistic approaches of civil law tradition countries, as in the approach reflected in the Hague Draft Convention.¹⁴³ This represents a problem for bargaining in an international jurisdiction convention. Even if those U.S. principles had been codified in the Hague Draft Convention, it was very unlikely that they would be applied as planned.¹⁴⁴

In addition, there are several principles that came from the Brussels Convention, now included in the EC Regulation, that would be unconstitutional under the U.S. Constitution. For instance, jurisdiction based only on the place where the injury was caused is contained in Article 5(3) of the Brussels Convention.¹⁴⁵ In such a case, there is no other connection by the defendant with the forum. Another example is Article 6, establishing that the jurisdiction in a case with multiple defendants will be the court of the domicile of the defendant chosen by the right holder.¹⁴⁶ In this case, the rest of the defendants have no connection at all with the forum.

Lack of consensus was also due to Article 5(5), which was added to the Hague Draft Convention.¹⁴⁷ This legal precept prohibits jurisdiction that otherwise can be asserted by a U.S. court.¹⁴⁸ It limits jurisdiction over foreign defendants that have activities within the forum to disputes related to operations of a branch agency or establishment.¹⁴⁹ Therefore, if there is no legal presence in the United States, a foreign company could not be subject to the jurisdiction of U.S. courts, even if it is

141. Trooboff, *supra* note 139, at 265.

142. *See id.* at 266.

143. *See id.* at 268.

144. *See id.*

145. Brussels Convention, *supra* note 93, art. 5(3); *see* EC Regulation, *supra* note 93, art. 5(3).

146. Brussels Convention, *supra* note 93, art. 6; *see* EC Regulation, *supra* note 93, art. 6.

147. Brussels Convention, *supra* note 93, art. 5(5); *see* EC Regulation, *supra* note 93, art. 5(5).

148. *See supra* note 147.

149. *See supra* note 147.

engaged in a wide range of activities.¹⁵⁰ The nonconformity by U.S. negotiators is described in the following statement: “[i]n brief, the U.S. courts base their assertion of personal jurisdiction on the relationship of the defendant to the forum state and not on the particular legal structure of such activity.”¹⁵¹

The EC Regulation also establishes certain measures to protect consumers and employees. Those protections specify that consumers and employees are not bound by choice of forum clauses until a dispute actually arises. The negotiator, Peter D. Trooboff, found that those European public policies should not be exported worldwide; he also stressed the opposition of American and even European companies to being subject to jurisdiction abroad despite the presence of a contrary choice of forum clause.¹⁵² Moreover, there were concerns about the advent of the Internet because providers of goods and services “do not even know where their consumers are located.”¹⁵³ There is also the argument that if the consumers agree by “click” agreement not to sue the provider in their home courts, they should honor that agreement.¹⁵⁴ In addition, even if the EC Regulation prohibits the use of the forum non conveniens doctrine, Article 22 of the Hague Draft Convention allows for its application in a very limited form. The doctrine would not be applied to consumer or employee contracts, and, where applicable, there would be a security when jurisdiction of the alternative forum is based on national law rather than conventional law.¹⁵⁵

Another difficulty was the discussion of the disconnection clause contained in Article 37.¹⁵⁶ There were several European proposals in order to exclude the Hague Draft Convention in cases where the Brussels Convention or the EC Regulation applies. While other delegations sought a worldwide convention taking precedence over regional conventions, the Europeans preferred to preserve the prevalence of the EC Regulation. This problem is not easily overcome; if such a “disconnection clause” were to succeed along with the Hague Draft Convention, then suits brought within the European Union by a

150. Trooboff, *supra* note 139, at 269.

151. *Id.*

152. *See id.* at 270.

153. *Id.* at 271.

154. *Id.*

155. *Id.* at 272.

156. *Id.* at 273–74.

citizen of another Hague Member State would be governed by the EC Regulation instead of the Hague Draft Convention.¹⁵⁷

The problems described above were not the only difficulties in achieving the consensus necessary to crystallize an international convention on jurisdiction and enforcement. In proposing this mechanism, I will posit a new set of rules, different from those rules that failed in the prior negotiation stage.¹⁵⁸ The rules I propose will be based on the convergence of both common law and civil law traditions. The emphasis is not on the different approaches on jurisdiction that both legal traditions have, but on a point in between that is hopefully acceptable for all.

V. PROPOSED MECHANISM

As was previously mentioned, the proposed mechanism offers three alternative paths for a solution—making provisions for possible failures. The first path is based on an international convention on jurisdiction and recognition of judgments and decrees from copyright cases; the second is based on comity; and the third is premised on a reliance on administrative remedies available in countries where the rate of piracy is unusually high. The first path is the most important—and ambitious—proposal of this Article.

A. International Convention on Recognition of Copyright Decrees and Judgments

As experience has shown, an international convention on recognition and enforcement of foreign judgments is rather difficult to achieve. There are no conventions of this kind at a multilateral level and only a few bilateral treaties, besides the EC Regulations, have succeeded in their negotiations. The primary reason for difficulties in achieving a convention on recognition and enforcement at the multilateral level is related to discrepancies among countries in their rules to assess jurisdiction over nonresident defendants.¹⁵⁹ Also, there is a fear of large punitive damages awards.¹⁶⁰ However, if the scope of an international convention is restricted to copyright litigation where there are no punitive damages and where different laws seem to be better

157. *Id.* at 274–75.

158. Areas of disagreement also have been identified by other scholars. *See, e.g.,* Danford, *supra* note 92, at 408–14.

159. *See supra* Part IV.

160. *See supra* note 140 and accompanying text.

harmonized with similar remedies, the likelihood of successful negotiations will increase.

This was likely the case for the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention) and the Inter-American Convention on International Commercial Arbitration (Panama Convention); both have a large number of adherents and are widely recognized.¹⁶¹ This large acceptance is due to the fact that both conventions are applicable only to cases of arbitration where there is an arbitral agreement or clause among parties and there are grounds for non-recognition. Grounds for non-recognition include arbitral awards not covered by the convention and circumstances such that it would be against domestic public policy.¹⁶² The limitation in the application—not to all cases, but just for arbitral cases—and the inclusion of grounds for non-recognition, including domestic public policy, were the key provisions for the acceptance of these conventions.

Having explained the difficulties of a general litigation jurisdiction and enforcement convention, I now turn to an explanation of the proposed bases for a possible convention that will cover copyright infringement cases. The first issue that I will examine is the application of the proposed convention, then questions of jurisdiction and applicable law, problems with preliminary injunctions, and finally, grounds for non-recognition.

1. Application

These proposed bases are limited to copyright infringement cases. Their scope is not open to other intellectual property rights. Due to the non-formalities requirement of the Berne Convention, copyrights are in the best position to be litigated internationally; no copyright prosecution is necessary to obtain protection so copyrighted works are protected automatically in the Member States of major copyright conventions.¹⁶³ There is no need for an administrative determination regarding the

161. See, e.g., Organization of American States, B-35: Inter-American Convention on International Commercial Arbitration, <http://www.oas.org/juridico/english/signs/b-35.html> (last visited Dec. 22, 2006) (stating that there are nineteen parties to the convention as of 1995); WIPO, Parties to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, <http://www.wipo.int/amc/en/arbitration/ny-convention/parties.html> (last visited Dec. 22, 2006) (stating that there are 137 parties to the convention as of Jan. 30, 2006).

162. Convention on the Recognition and Enforcement of Foreign Arbitral Awards art. 5, June 10, 1958, 21 U.S.T. 2517, 330 U.N.T.S. 3.

163. Berne Convention, *supra* note 75, art. 5(2).

creation of the right, and consequently, it is not necessary to review any act of any official, either national or foreign.¹⁶⁴ There are some countries in which available remedies are limited if there is no registration, but most countries do not restrict remedies if the work is not registered. Copyrights are different than trademarks or patents where the validity of the act of issuance could be at stake in each infringement action commenced by the holder because copyrights do not depend on the issuance of a title for their creation.¹⁶⁵

In the course of copyright litigation, several things have to be demonstrated by the plaintiff and several defenses may be pursued by the defendant. As long as these questions are present in litigation, they must be resolved by the court hearing the case. Therefore, even if an infringement of a copyright is the threshold and arguably the unique cause of action for which this proposal would apply, there are other themes that incidentally need to be covered here, including ownership, protected subject matter, and the taking of an idea.

In an action for copyright infringement, the plaintiff has to demonstrate that he or she is the holder of a valid copyright and that the defendant is infringing one or more of his or her exclusive rights.¹⁶⁶ There could be cases in which the defendant copied the whole of the plaintiff's valid work with no excusatory defenses or fair use. Even so, the defendant can claim a wide range of defenses, including arguing that the plaintiff has no title over the copyright in the place where the infringement took place or in any place. If this is the case, the court must look to the original copyright holder and then try to find the chain of titles until it reaches the plaintiff. In this kind of case, the court must look into the details of the applicable law of each assignment and into the assignment agreement, itself. Therefore, while this proposal is not intended to cover ownership, at any time in an infringement action a court may resolve questions of ownership, and so the proposal will cover

164. *See supra* note 110.

165. Obviously, this is not intended for defamation or libel actions. The challenges in those actions are different from those in international copyright litigation. Unlike copyright law, which is harmonized at some point by international conventions, the underlying policies governing defamation and libel actions are very different in each country. The complexities of defamation and libel actions may include injunctions to not litigate, free speech issues, or other various claims. For a complete analysis, see John Di Bari, *A Survey of the Internet Jurisdiction Universe*, 18 N.Y. INT'L L. REV. 123 (2005).

166. *See, e.g.*, 1 INTERNATIONAL COPYRIGHT LAW AND PRACTICE, *supra* note 15, ch. INT §§ 4-5.

those questions. Another determination would create an escape for defendants that would operate by questioning the plaintiff's title.

It is also important to note cases where the infringement is not as obvious. Those cases involve a defendant taking ideas or non-original parts of the work so that courts have to look carefully into the details of the applicable copyright law in order to determine what constitutes an infringement. Other infringement actions may involve situations in which there is no other expression available for the defendant to use the underlying idea. If this is the case, the protection of that work would be more limited. However, this limited protection could change if the applicable law changes.

Even if there are differences in the means of resolving all possible questions that arise in copyright infringement cases, those questions must be resolved according to the applicable law chosen. Because there is some degree of harmonization, most of those questions are likely to be resolved in a predictable way. Consequently, the proposal will cover all the necessary questions to be resolved in an infringement action according to the applicable law chosen.

2. Jurisdiction

As for the question of jurisdiction, it is important to find a point of convergence in both legal traditions.¹⁶⁷ In this Article, there are explanations of how the assessment of jurisdiction works in each legal tradition. While the differences are remarkable, it is also true that there is a point in the middle that could be acceptable for lawyers on both sides of those legal traditions. I will revisit briefly the bases for jurisdiction in both legal systems and then find the points of convergence that will be used for the proposed convention.

In order to determine jurisdiction, there are several key provisions worth noting from the EC Regulation that are representative of the civil law tradition approach.¹⁶⁸ Article 2 establishes the domicile of the defendant as a general rule for jurisdiction.¹⁶⁹ If a defendant resides in one state, he or she may be sued in that state. This provision does not represent any conflict with common law tradition approaches where similar rules could apply. However, while there is a tendency to forum

167. If the court rendering judgment finds jurisdiction that is so exorbitant that it is regarded as excessive by other countries, this will pose an obstacle to getting the judgment enforced. See Symposium, *supra* note 7, at 47–48.

168. EC Regulation, *supra* note 93.

169. *Id.* art. 2.

shop in the United States, civil law lawyers tend to sue in the place where the defendant is domiciled.¹⁷⁰ Article 5(3) is an exception to the general rule for tort cases.¹⁷¹ For these cases, there can be jurisdiction in the place where the harmful event occurred. This place can be the place where the act commenced or the place where damages were suffered.¹⁷² In the United States, the same rule is applied according to several state long-arm statutes.¹⁷³ However, as was earlier discussed, there is a required constitutional test that is not present in the EC Regulation. While in the European Union the defendant does not need to have any contact with the forum except for the damage caused, in the United States the defendant must have minimum contacts with the forum. These constitutional requirements were examined in Part III.B., including the outline of the three-part test developed by the Ninth Circuit regarding the determination of jurisdiction over nonresidents.¹⁷⁴

I believe that it is more reasonable to follow the U.S. approach. Even if the EC Regulation is representative of all civil law tradition rules, Article 5(3) does not reflect exactly the approaches taken by all the countries belonging to this tradition.¹⁷⁵ In Mexico, for instance, there is no similar provision, at least in civil cases, subjecting the defendant to the jurisdiction of the place where the damage is suffered.¹⁷⁶ Moreover, most of the Latin American codes of civil procedure do not have a similar provision because they are also based on the Mexican Federal Code of Civil Procedure.¹⁷⁷ This is an important consideration to resolve because, ultimately, if it is not possible to sue a foreign defendant making available infringing materials through the Internet, then the whole purpose of the proposed mechanism would be useless. Therefore, the three-part test established by the Ninth Circuit offers a good option for this proposal, and it represents an approximate midpoint for the various standards of civil law tradition countries as well.

170. Gardella & di Brozolo, *supra* note 123, at 611, 613–14.

171. EC Regulation, *supra* note 93, art. 5(3).

172. *Id.*

173. See discussion *supra* Part III.B.

174. See *supra* note 131 and accompanying text.

175. EC Regulation, *supra* note 93, art. 5(3).

176. See generally Código Federal de Procedimientos Civiles [C.F.P.C.] [Federal Civil Procedure Code], *as amended*, art. 567, Diario de la Federación [D.O.], 31 de Agosto de 1928 (Mex.).

177. See *id.*

Important challenges still remain, however. Civil law tradition courts and lawyers are very formalistic. Most of them probably would not feel comfortable with the expression “do some act or consummate some transaction with the forum or perform some act by which he purposefully avails himself of the privilege of conducting activities in the forum, thereby invoking the benefits and protections.”¹⁷⁸ Even if civil law courts were comfortable with this, it is more desirable to have a provision defining those acts more precisely. For instance, a definition could include such things as whether one has a representative in the forum state, whether toll-free numbers or advertisements have been used within the forum, whether residents of the forum are engaged as measured by the number of clicks to a Web site by those residents, or whether commercial transactions have been performed with residents of the forum, among others. Therefore, it would help to have defined the “something more” required by the U.S. courts.

Article 6(1) of the EC Regulation establishes jurisdiction of a court if one of the defendants has his or her domicile where the court is located “to avoid the risk of irreconcilable judgments.”¹⁷⁹ This multiple defendant approach would be completely unacceptable under the U.S. Constitution; not only does the defendant not have to have any connection within the forum, but his actions also need not have caused damages in the forum. Moreover, this kind of provision is an invitation to add defendants to the suit with superfluous or trivial actions only to choose the forum without any limit. While these provisions are common in several civil law tradition countries and survive constitutional challenges, they are, nevertheless, starting to disappear. In Mexico, for example, state codes of civil procedure contain these provisions, but the Federal Code of Civil Procedure no longer contains this kind of provision.¹⁸⁰ In order to make the negotiation process easier and to avoid the risk of stagnation, I recommend that similar provisions should be excluded from the proposal. Such provisions are not necessary, and the risk of irreconcilable judgments does not justify its addition because that can be satisfied by the principle of *res judicata*.

To illustrate this point, I will describe what I have seen in my practice in Mexico. In order to sue an insurance company, the general rule requires filing suit in the jurisdiction of the defendant’s domicile.

178. *Ballard v. Savage*, 65 F.3d 1495, 1498 (9th Cir. 1995); *Data Disc, Inc. v. Sys. Tech. Assocs., Inc.*, 557 F.2d 1280, 1287 (9th Cir. 1977).

179. EC Regulation, *supra* note 93, art. 6(1).

180. See C.F.P.C. [Federal Civil Procedure Code].

All of the insurance companies are located in Mexico City. In order to bring jurisdiction to Monterrey, which is more than a ten-hour drive from Mexico City, lawyers usually also sue the insurance agent. Obviously, they do not want to recover from an individual agent and they do not expect the judge to find the agent liable. However, because most of the agents are locals, bringing the agent to the suit facilitates choosing the forum. This is also true for cases other than insurance. Obviously, the insurance company has conducted activities within the forum that would subject it to the jurisdiction of the court under the U.S. standard. However, Mexico does not have an equivalent rule and the only forum for all the tort actions and some contract breach actions is the defendant's domicile.

There are other points of divergence that seem to be irreconcilable. One of them is the U.S. basis for jurisdiction based on the presence of the defendant for service. The "tag" jurisdiction is so unfamiliar to civil law tradition countries that it would be difficult for a civil law lawyer to comprehend.¹⁸¹ Jurisdiction based on an individual's presence in the state long enough to be served would not help the proposed mechanism. Also, it is not necessary because consensus has been reached in the jurisdiction based on the place where the damages were suffered in addition to minimum contacts that could be accepted by negotiators of both legal traditions. Trying to adopt "tag" jurisdiction as part of the proposed bases for an international convention on copyright litigation would likely add unnecessary delays and controversies to negotiations.

As explained before, the doctrine of forum non conveniens, present in common law tradition countries such as the United States, is forbidden by the EC Regulation.¹⁸² Constitutions of countries belonging to the civil law tradition have been influenced by the French Revolution. This influence consists largely in a distrust of the judiciary. Therefore, judges are confined to apply existing law to cases in an attempt to restrain them from acting as public policy makers. However, there are no pure civil law tradition countries because of the strong influences of the common law tradition. For example, even in the absence of a principle of stare decisis, judicial decisions become binding in special limited cases that are called *jurisprudencia*.¹⁸³ Today, at least

181. See Saad Gul, *Old Rules for a New World? The Constitutional Underpinnings of U.S. Foreign Judgment Enforcement Doctrine*, 5 *APPALACHIAN J.L.* 67, 92 (2006) (noting that tag jurisdiction is considered "exorbitant jurisdiction" in much of the world).

182. See *supra* Part III.B.

183. See, e.g., GUILLERMO CABANELLAS DE LAS CUEVAS & ELEANOR C. HOAGUE, *DICCIONARIO JURÍDICO* 343 (1993). Case law is an interpretation of the law by judges,

in Mexico, it is more common to cite a precedent in a brief or pleading or in legal reasoning. Judges also exercise broad discretionary powers when they interpret the law.¹⁸⁴ However, there are still strong civil law tradition roots in the constitutions of civil law tradition countries. To illustrate this point, consider the Mexican Constitution.¹⁸⁵ There is a constitutional obligation in Article 14 of the Mexican Constitution for judges to hear all the cases filed properly before them.¹⁸⁶ Therefore, if the judge has jurisdiction according to the law, there is no room to dismiss the case on the grounds of *forum non conveniens*. Otherwise, he or she would act against the Mexican Constitution. Most civil law tradition countries have similar provisions. Consequently, it is recommended that the proposed mechanism not include the *forum non conveniens* doctrine.¹⁸⁷

Other difficulties present in the Hague Draft Convention are not likely to be present in the enforcement mechanism. Among those difficulties are the consumer protection measures or the disconnection clause for the European Union already discussed. None of these are to be included in this proposal. However, Article 5(5) of the EC Regulation does limit agents within the forum to formal branches.¹⁸⁸ As discussed previously, the U.S. delegation disagreed on this point because it would limit the activities within the forum to formal branches. However, if, as has been proposed, the three-part test from the Ninth Circuit is included in one way or another, then a similar provision is not necessary for the proposed mechanism because, in this sense, the U.S. approach will be taken.¹⁸⁹

In conclusion, under the proposed convention on international copyright litigation, jurisdiction will be exercised only on the two

whereas *jurisprudencia* may not include all judge-made law, but rather only those decisions emanating from the courts of Casación or the Supreme Court. *Id.*

184. At least, this has been the anecdotal assessment of the author through observation and experience.

185. Constitución Política de los Estados Unidos Mexicanos [Const.], *as amended*, Diario Oficial de la Federación [D.O.], 5 de Febrero de 1917 (Mex.).

186. *Id.* art. 14.

187. The doctrine of *forum non conveniens* has been considered inappropriate for international copyright litigation: “[T]he decision compounds existing pressures on the already fragile international copyright system. . . . Without equally strong enforcement mechanisms, however ‘international copyrights’ [sic] continue to be of questionable value.” Lynn Carino, Note, Creative Technology, Ltd. v. Aztech System PTE, Ltd.: *The Ninth Circuit Sends a United States Copyright Infringement Case to Singapore on a Motion of Forum Non Conveniens*, 41 VILL. L. REV. 325, 363–64 (1996).

188. EC Regulation, *supra* note 93, art. 5(5).

189. See *supra* note 131 and accompanying text.

grounds of convergence. The first is to adopt the approach of Article 2 of the EC Regulation in which persons domiciled in a Member State can be sued in that Member State. The second basis for jurisdiction would be to subject nonresidents conducting actions abroad with consequences in the forum. This approach would be similar to Article 5(3) of the EC Regulation, which establishes jurisdiction in the place where the harmful event occurred or in the place where the damages are suffered.¹⁹⁰ However, this proposal will also include U.S. principles of minimum contacts as outlined in the three-part test.¹⁹¹ In order to adapt those principles to the civil law tradition, it is recommended that cases where such contacts were already found in U.S. cases—as measured by representatives in the forum state, toll-free numbers, and the number of clicks by residents of the forum, among others—be codified.

3. Preliminary Injunctions

The issue of preliminary injunctions is probably the most difficult to resolve. As previously explained, not even in the European Union is it possible to have injunctions issued by courts of one Member State enforced in courts of another Member State.¹⁹² Article 31 of the EC Regulation mandates that the plaintiff pursue preliminary injunctions in the place where they have to be enforced even if the Regulation, itself, mandates jurisdiction in another forum.¹⁹³ Moreover, the European Court of Justice has established that preliminary injunctions are not covered by the EC Regulation because it does not cover default judgments granted without proper service of the procedure or without being summoned.¹⁹⁴ So the enforcement of a measure without service and without a decision on the merits is quite controversial.

One simple solution is to follow the European Union approach. This solution would include not allowing preliminary injunctions as decrees that can be enforced under the proposed mechanism and mandating plaintiffs to pursue those preliminary injunctions in the place where they want to stop the infringement. If this approach is taken, a similar provision to Article 31 of the EC Regulation should be included. From several points of view, this would be the best solution. It seems that it is more practical to go to a court and file a petition for a

190. EC Regulation, *supra* note 93, art. 5(3).

191. *See supra* note 131 and accompanying text.

192. *See supra* Part III.A.

193. EC Regulation, *supra* note 93, art. 31.

194. *See supra* note 118 and accompanying text.

preliminary injunction based on local law and remedies than to attempt to enforce a foreign preliminary injunction in that court. Courts usually grant preliminary injunctions in copyright infringement cases.¹⁹⁵ They know the national copyright law that incorporates the TRIPs Agreement obligations and will issue the order arguably faster than what would be required for a process of recognition and enforcement of a foreign preliminary injunction. It would take longer to have a constitutional procedure or remedy against the enforcement of an injunction issued abroad without being served properly and without being defeated on the merits than to have a local preliminary injunction issued and enforced. The most comprehensive international litigation regulation has successfully followed this approach in order to offer a practical solution and to avoid unnecessary problems during litigation; it would serve this proposal well to do likewise.¹⁹⁶

Moreover, as previously explained, almost all scholarly writing finds it problematic for an injunction issued in one country to be enforced in another country.¹⁹⁷ However, the easiest way to obtain those injunctions remains uncertain—whether to apply for the injunction in each jurisdiction, as needed, or to try to enforce a foreign injunction.¹⁹⁸ Even if it is problematic to have foreign preliminary injunctions enforced in a given court, copyright enforcement could be easier.

Technology offers copyright infringers easy methods of circulating infringing materials at the same time they are protected against any kind of legal action by traditional constitutional and territorial principles.¹⁹⁹ However, in order to harmonize the situation, it is necessary to rethink some age-old assumptions. Any normative justification of copyrights demands effective protection of works. This does not imply revocation of constitutional doctrines, but rather adaptation of them to include assumptions about territory that have been changed by technology.

An injunction issued in one country and enforced in another could be controversial due to the lack of proper service and because the defendant has not been defeated on the merits.²⁰⁰ However, this is exactly the same situation as local injunctions. The difference is that

195. *See supra* Part III.

196. EC Regulation, *supra* note 93, art. 31.

197. *See supra* note 112.

198. Rufus Pichler finds it problematic to have a preliminary judgment enforced in another country because there has been no trial on the merits. *See Symposium, supra* note 7, at 48.

199. *See supra* Part I.

200. *See supra* Part I.

injunctions from abroad require the recognition and enforcement of a foreign decree whose rules are the same for the enforcement of final judgments on the merits. For instance, in the EC Regulation, the question was not whether it allowed the enforcement of preliminary injunctions but if those injunctions were covered by the Regulation. This is because the procedure and the rules for enforcement cover all types of decisions, but mostly final judgments. Obviously, the standards to enforce a final decision on the merits require minimum rights for the defendant, such as service of process and being defeated on the merits. However, preliminary injunctions in copyright cases are different. Unlike other cases where the decision on the merits could be less clear at the beginning of litigation, much of copyright litigation concerns clear acts of infringement, and the cost of copyright infringement is nominal. In addition, lack of proper service and lack of a final decision on the merits would be justified in most copyright cases because the infringer has reasons to believe that his or her actions would have consequences abroad; this is especially true in the case, for example, of uploading infringing materials to the Internet where even if the alleged target of those communications is the local market, the Internet makes those materials automatically available around the globe.

One option for the proposed convention may include a special procedure for preliminary injunctions, independent from the procedure to enforce final judgments on the merits. These injunctions would not be permanent and could include a guarantee for possible damages caused to the defendant if he or she prevails on the merits. For this procedure, there would be no requirements of previous service of process or a previous decision on the merits.

Granting the preliminary injunction according to the standards of the country where the injunction is directed is desirable. However, those standards are included in Article 50(3) of the TRIPs Agreement,²⁰¹ establishing provisional measures ordered *inaudita altera parte*.²⁰² Those provisional measures are mandated when “any delay is likely to cause irreparable harm to the right holder, or where there is a demonstrable

201. TRIPs Agreement, *supra* note 3, art. 50(3):

[T]he applicant [is] to provide any reasonably available evidence in order to satisfy themselves with a sufficient degree of certainty that the applicant is the right holder and that the applicant’s right is being infringed or that such infringement is imminent, and . . . to provide a security or equivalent assurance sufficient to protect the defendant and to prevent abuse.

202. *Id.* art. 50(4).

risk of evidence being destroyed.”²⁰³ Even if the TRIPs Agreement establishes standards of probation in order to get a preliminary injunction, these may differ in each country. However, such a standard of probation could not be so different because it has to incorporate the TRIPs Agreement obligations. For instance, the irreparable harm test of the U.S. Copyright Act is presumed when the plaintiff clearly proves the infringement. Generally, in most countries a preliminary injunction is granted when the infringement is clearly proven or when there is imminent harm. Therefore, the standard of this proposal is to be connected with the clearness of the infringement. If the infringement is clear, then harm must be presumed. A guarantee of escrow or another security interest should also be included to cover possible damages suffered by the defendant with the injunction if he or she prevails on the merits. Article 50(4) of the TRIPs Agreement establishes that

parties affected shall be given notice, without delay after the execution of the measures at the latest. A review, including the right to be heard, shall take place upon request of the defendant with a view to deciding, within a reasonable period after the notification of the measures, whether these measures shall be modified, revoked or confirmed.²⁰⁴

The remaining question is to see whether the defendant would have the opportunity to review the decision granting the preliminary injunction. This could be decided by the issuing court or in the court recognizing and enforcing that decision. The nature of these decisions requires prompt and effective procedures. I propose that the review of these decisions would be made by the enforcing court, even if this may create contradictory decisions. If the plaintiff does not agree with the results, he or she could ask the appellate court to review the defendant's arguments and the decision of the enforcing court. Then, this would be the final decision on the issue of the preliminary injunction.

I propose this procedure because review by the enforcing court establishes the expediency necessary for the procedure. To illustrate this point, let me recall the case of arbitral awards in Mexico.²⁰⁵ There are several grounds for non-recognition, and there is no appeal for the decision of homologation. Although it is expedited in theory, it is not so in practice because of the constitutional process of *amparo*.²⁰⁶ If the

203. *Id.* art. 50(2).

204. *Id.* art. 50(4).

205. *See supra* Part I.

206. All judicial decisions are subject to the *amparo*, which is a constitutional review to determine whether the decision is in accordance with the law—essentially it is a judicial

decision is to be reviewed by the issuing court, the decision may be enforced in Mexico, whether the case was decided in favor of the plaintiff or the defendant, and each enforcement procedure would be subject to *amparo*. However, if the review is made by the enforcing court, the process would be simpler: one review, one appeal, and in some cases one constitutional process. Moreover, the bail guarantee will be less if the defendant litigates the issue of the preliminary injunction in his or her home court rather than abroad.

Another option would be to hold this review in the forum of the issuing court. This possibility should also be considered to avoid interfering with the normal procedures of the issuing court. However, this option would make it more difficult for the defendant to defend his or her rights and more expensive to guarantee bail. The former option of having the review process in the enforcing court is more like the European approach in which the preliminary injunction has to be granted by the court located in the place where the plaintiff wants to stop the infringement. Because the TRIPs Agreement has somewhat harmonized other standards to grant those preliminary injunctions, the result would be more certain.

Enforcement of the injunction is the first step of the procedure. The service of process could be given at this stage by the court enforcing the preliminary injunction. In the forum court, the defendant could then litigate all the issues, the preliminary injunction, and the merits of the case; however, this could be unnecessary as some jurisdictions do not have such formal requirements for service of process and service could be done by any individual.

And so for preliminary injunctions, there are three possible solutions. One is to follow the European Union approach, which has been tested for several years. This approach requests that the preliminary injunction occur in the court of the place where the infringement has taken place. The second approach is to have those decisions issued by the forum court and then enforced by the addressed court, which would review such decisions if the defendant files a petition for revision. And the third possibility is similar to the second, but the review is done by the issuing court.

assessment of constitutionality provided for under Mexico's Constitution. Constitución Política de los Estados Unidos Mexicanos [Const.], *as amended*, arts. 103, 107, Diario Oficial de la Federación [D.O.], 5 de Febrero de 1917 (Mex.).

4. Applicable Law

The issue of applicable law was examined in Part III.²⁰⁷ Ultimately, determining the applicable law is more a question of the place of infringement, but it should be reasonable. According to the Berne Convention, the applicable law is the law of the place where the infringement took place.²⁰⁸ Nevertheless, courts should have a wide range of discretion to determine the place of infringement and, consequently, the applicable law. However, courts should make this choice of law reasonable in order to avoid having their judgments declared against the public policy of the place where the enforcement is sought.

5. Grounds for Non-Recognition

The idea of having grounds for non-recognition implies that the plaintiff has the right of recognition and enforcement unless one of the grounds for non-recognition is met. The grounds for non-recognition are restrictive in their nature. Nothing more than the enumerated grounds should be the basis for an addressing court to deny recognition and enforcement. The defendant has exercised his or her defenses in the forum where the litigation took place, and he or she was defeated in the first instance and on appeal. These grounds for non-recognition are not supposed to be the bases for re-litigation of the issue.

I will enumerate the grounds for non-recognition of the U.S. Uniform Foreign Money-Judgments Recognition Act, the Mexican Federal Code of Civil Procedure, and those enumerated in the EC Regulation. The grounds for non-recognition under the U.S. Uniform Foreign Money-Judgments Recognition Act and the Mexican Federal Code of Civil Procedure are similar in that both are based on comity and reciprocity and are not the implementation of an international agreement on recognition of foreign judgments.²⁰⁹ In contrast, the EC Regulation does not need to deal with questions of reciprocity because there is a legal obligation for all Member States to recognize and enforce the judgments of other Member States.²¹⁰ Consequently, the EC Regulation is more restrictive in its grounds for non-recognition. It has

207. *See supra* Part III.

208. *See supra* note 79.

209. *See* Código Federal de Procedimientos Civiles [C.F.P.C.] [Federal Civil Procedure Code], 1 de Septiembre de 1932 (Mex.); UNIF. FOREIGN MONEY-JUDGMENTS RECOGNITION ACT, 13 U.L.A. 43 (2002).

210. EC Regulation, *supra* note 93, art. 31.

only four grounds for non-recognition while the U.S. and Mexican counterparts allow for additional opportunities.²¹¹

The U.S. National Conference of Commissioners on Uniform State Laws and the American Bar Association adopted the Uniform Foreign Money-Judgments Recognition Act in 1962.²¹² This uniform act is to be implemented by state legislatures and codifies existing common law principles on recognition and enforcement of certain kinds of foreign judgments. As its name establishes, it covers only final judgments on the merits granting the recovery of a sum of money other than judgments for taxes, fines, other penalties, or family matters.²¹³ It is applicable even if there is a pending appeal²¹⁴ and has three mandatory grounds for non-recognition and six discretionary grounds for non-recognition.²¹⁵ If the foreign judgment does not fulfill any of these grounds for non-recognition, it will receive a treatment equivalent to sister state judgments.²¹⁶ The three mandatory grounds for non-recognition include: (1) lack of impartial tribunal or having procedures incompatible to due process of law, (2) lack of personal jurisdiction,²¹⁷ and (3) lack of subject matter jurisdiction.²¹⁸

The six discretionary grounds for non-recognition are the following: (1) the defendant did not receive notice of the proceedings, (2) the judgment was obtained by fraud, (3) the judgment violates state public policy, (4) the judgment conflicts with another final judgment, (5) the proceeding was contrary to the parties' agreement, or (6) the

211. *Id.*

212. UNIF. FOREIGN MONEY-JUDGMENTS RECOGNITION ACT, 13 U.L.A. 43 (2002).

213. *Id.* § 1(2).

214. *Id.* § 2.

215. *Id.* § 4.

216. *Id.* § 7.

217. Lack of personal jurisdiction shall not be cause to refuse enforcement of a foreign judgment if:

(1) the defendant was served personally in the foreign state; (2) the defendant voluntarily appeared in the proceedings . . . ; (3) the defendant prior to the . . . proceedings had agreed to submit to the jurisdiction of the foreign court with respect to the subject matter involved; (4) the defendant was domiciled in the foreign state when the proceedings were instituted, or . . . had its principal place of business . . . incorporated . . . or had . . . corporate status, in the foreign state; (5) the defendant had a business office in the foreign state and the proceedings . . . involved a . . . [claim] arising out of business done . . . through that office in the foreign state; or (6) the defendant operated a motor vehicle or airplane in the foreign state and the proceedings involved a . . . claim for relief arising out of such operation.

Id. § 5.

218. *Id.* § 4.

jurisdiction was based only on personal service and the forum was seriously problematic for the trial.²¹⁹ Several states also have another discretionary ground for non-recognition and require that the judgment come from a country granting the same reciprocal enforcement rights.²²⁰

On the other hand, the Mexican Federal Code of Civil Procedure establishes the procedure in which a foreign judgment could be enforced.²²¹ Article 564 establishes that the jurisdiction of the forum court rendering the judgment should be in accordance with compatible provisions of the Code, itself.²²² Therefore, as already mentioned, for copyright infringement actions the only acceptable jurisdiction is for the court of the domicile of the defendant. Article 566 establishes that jurisdiction agreed to by the parties before the commencement of the proceedings is acceptable.²²³ However, Article 567 establishes that such agreement in the forum is not going to be valid when one of the parties had no opportunity to negotiate the issue.²²⁴

Article 571 establishes the grounds for recognition; there are no grounds for non-recognition.²²⁵ Therefore, contrary to the European or U.S. provisions, in Mexico there is a presumption of no enforcement unless the judgment complies with the grounds for recognition. Those grounds are the following: (1) the judgment has complied with the formalities established for foreign interrogatory letters, (2) the procedure does not deal with real actions, (3) jurisdiction was exercised according to the Mexican Federal Civil Procedure Code, (4) the defendant has been notified or served with process, (5) the judgment is res judicata in the country that rendered it, (6) the action is not subject to another suit still pending in Mexico or in which a definite judgment is rendered, (7) the judgment is not contrary to the Mexican public policy, and (8) the judgment fulfills the authenticity requirements.²²⁶ The same provision also establishes the reciprocity requirement and gives the judge discretion to require evidence of such reciprocity.²²⁷

219. *Id.*

220. See EUGENE F. SCOLES ET AL., *CONFLICT OF LAWS* § 24.36 n.1 (3d ed. 2000).

221. Código Federal de Procedimientos Civiles [C.F.P.C.] [Federal Civil Procedure Code], Diario de la Federación [D.O.], 1 de Septiembre de 1932 (Mex.).

222. *Id.* art. 564.

223. *Id.* art. 566.

224. *Id.* art. 567.

225. *Id.* art. 571.

226. *Id.*

227. *Id.*

The Mexican standards for recognition of a judgment are not the ideal standards to follow for the proposed mechanism because they require limited grounds for non-recognition and too few grounds and formalistic requirements for recognition. The standards for recognition limit the exercise of jurisdiction of the foreign court to the Mexican approaches. In copyright infringement cases, this indicates that if the infringer is domiciled in Mexico, with no assets in another place, he or she will be immune to the enforcement of a judgment rendered in any foreign court. Therefore, this is not the path to follow for the proposed mechanism.

Having enumerated the grounds for non-recognition under U.S. law and under Mexican law, I will next explain the grounds for non-recognition under the EC Regulation. Article 33 establishes that a “judgment given in a Member State shall be recognised in the other Member States without any special procedure.”²²⁸ There are only four grounds for non-recognition established in Article 34. The grounds for non-recognition are as follows: (1) when the recognition is manifestly against public policy of the Member State in which recognition is sought, (2) when there are default judgments or if the defendant was not served properly, (3) when the judgment is already decided in the Member State in which recognition is sought, and (4) when the judgment was already decided in another Member State or in a third state and the earlier judgment can be enforced in the Member State in which recognition is sought.²²⁹

There are fewer grounds for non-recognition because Member States are already bound by the same regulation covering almost all the possible issues that may arise during international litigation. For the proposed mechanism, I will provide grounds for non-recognition based on the nature of the proposed mechanism and also the nature of the different backgrounds of the analyzed regulations. I will take the grounds for non-recognition of the U.S. law and those established by the EC Regulation and adapt them to copyright litigation.

The U.S. grounds for non-recognition based on impartial tribunals will not be included in the proposed mechanism because states signing the proposed mechanism will recognize that, in other Member States, there are impartial tribunals and also proceedings complying with due process requirements. For the other two U.S. mandatory grounds for non-recognition, the proposed mechanism has its own allowed basis for

228. EC Regulation, *supra* note 93, art. 33.

229. *Id.* art. 34.

jurisdiction. In this respect, a ground for non-recognition would be met if the jurisdiction was taken on a basis not provided by the enforcement mechanism.

All the discretionary U.S. grounds for non-recognition contain almost the same grounds as in the EC Regulation, except for number six, which denies recognition if the jurisdiction was based on service of process and the forum was not convenient.²³⁰ Because jurisdiction based on service is not allowed under the proposed mechanism, it is not necessary to include such a ground for non-recognition.

For this mechanism, judgments will be recognized and enforced unless they meet one of the mechanism's grounds for non-recognition. The procedure of recognition and enforcement will be as simple as possible and the purpose of the procedure will be only to check if there is a ground for non-recognition. The defendant must receive notice of the procedure in order to invoke one or more grounds for non-recognition, if they exist. Addressing courts will have discretionary powers to see if there is a ground for non-recognition that was not invoked by the defendant. The grounds for non-recognition for the proposed mechanism are as follows:

- 1) If the judgment is about a litigation not covered by the litigation mechanism: an infringement action;
- 2) If the judgment is based on a jurisdiction not covered by the proposed mechanism;
- 3) If the defendant was not served with process properly providing notice of the proceeding;
- 4) If the judgment was obtained by fraud;
- 5) If the judgment conflicts with another final judgment enforceable under the terms of the proposed mechanism in the addressed state;
- 6) If the proceeding is contrary to an arbitral clause between the parties, agreed to before the commencement of the proceedings; or
- 7) If such enforcement is against the public policy of the state in which recognition is sought.

These grounds for non-recognition are not divided between mandatory and discretionary. They all have the same weight, and it is expected that the judge will exercise discretion in order to comply with the proposed

230. UNIF. FOREIGN MONEY-JUDGMENTS RECOGNITION ACT, 13 U.L.A. 43 (2002).

mechanism, which, if negotiations succeed, will be an international treaty.

6. Revisiting the Basic Proposed Rules

Again, the proposed mechanism has three paths, each independent of the other. What follows is a brief enumeration of the rules of the first and most important proposed path.

The scope of the proposed mechanism covers all the questions arising from an infringement action, including succession of rights or ownership, if necessary. There are two allowed bases for jurisdiction: (1) persons domiciled in a Member State can be sued in that Member State, and (2) nonresidents conducting actions with consequences in the forum can be sued in that forum, providing that U.S. principles of minimum contacts are applied. It is additionally recommended that these principles be codified for the proposed mechanism.

For preliminary injunctions there are three possible solutions. One is to follow the European Union approach, consisting of the application of the preliminary injunction in the court where the infringement is taking place. The second solution is to have the decisions issued by the forum court and then enforced by the addressed court, which will review such decisions if the defendant files a petition for review. The third possibility is similar to the second, but the review would be done by the issuing court.

The applicable law is the law of the place where the infringement is taking place. However, courts should have wide discretion to determine the place of infringement and, consequently, the applicable law. They have to be reasonable, otherwise the judgments could be deemed as contrary to the public policy of the country in which enforcement is sought. And seven grounds for non-recognition will be available to be applied by judges with reasonable discretion.

B. Comity and Reciprocity

This is the second path of the proposed mechanism. In case there is a failure of negotiations with respect to the proposed convention on copyright litigation, as outlined in the primary proposal of this Article, the parties would have to litigate with the existing means of enforcement.²³¹ Trying to enforce a judgment from an infringement

231. Obviously, the proposed mechanism is the best option. Even without an enforcement convention, it has been suggested that enforcing foreign judgments is more cost effective; an enforcement convention would enhance those benefits. See Mark D. Rosen,

action under the U.S. Foreign Money-Judgments Recognition Act or the Mexican Federal Code of Civil Procedure, for example, is more difficult than under the proposed mechanism.²³² The first difference is that preliminary injunctions are not covered by any of those laws, but this is the most minimal difference. Questions of public policy against the choice of law made by the rendering court and questions about the exercise of jurisdiction are the threshold problems. This part of the Article includes an analysis of the appropriate basis for copyright judgments to facilitate enforcement under existing law without any new convention.

Taking into consideration the impact of the TRIPs Agreement, one may assert that most of the infringements occurring abroad are also actionable under the respective foreign law. For instance, the sale of pirated or counterfeit CDs in flea markets is actionable in a civil action under the copyright law of most of the countries belonging to the TRIPs Agreement. The same can be established for sharing music over the Internet—an act that cannot be considered mere copying for private purposes, but rather is an act of unauthorized transmission to the public.

Due to the difficulties in enforcing local judgments abroad, I suggest two steps in order to get those judgments enforced. The first is the application of the copyright law of the place where the protection is sought, meaning the law of the place where the infringement is taking place. The second is to avoid exercising an exorbitant jurisdiction or a jurisdiction not recognized or accepted by the addressed country.

The first option, consisting of the application of the law of the place where the infringement takes place, is the easiest to achieve because of the availability of remedies among the TRIPs Agreement Member States. Moreover, in most civil law tradition countries, international treaties like the TRIPs Agreement or the Berne Convention are self-executing, and in cases when the international treaty establishes rights to be implemented by national legislatures, those implementations have to be in accordance with the international treaty; otherwise, the provisions of the treaty prevail.

However, an important omission can cause the entire mechanism to fail. None of the international copyright agreements provide for

Should Un-American Foreign Judgments Be Enforced?, 88 MINN. L. REV. 783, 805 (2004).

232. Some scholars have noted that the fact that the United States does not have a federal statute for enforcement of foreign judgments may cause difficulties for American litigants attempting to demonstrate reciprocity when trying to enforce U.S. judgments abroad. See Gul, *supra* note 181, at 68.

secondary liability, namely contributory or vicarious infringement. Therefore, when an action is brought against an Internet service provider (ISP) located in a state whose laws do not provide for such secondary liability, the best option would probably be to consider those secondary acts as direct infringing activities.²³³ For instance, in Mexico, a company like Napster could not be held liable under contributory or vicarious infringement because there is no such legal development under Mexican Copyright Law.²³⁴

In countries where there is no such legal development, general rules of torts established in the civil code²³⁵ can be invoked in order to hold persons who cause damages in common by committing a tortious act liable.²³⁶ This is called joint liability. Nevertheless, there is no certainty in the outcome and it is more desirable to have expressly established secondary liability in the copyright laws or, at least, broadly recognized by case law.

Under Mexican and French laws, notions of criminal complicity may grant a remedy for secondary liability.²³⁷ However, not all infringement cases are considered crimes under both laws, and criminal offenses are not part of the proposed mechanism. The proposed mechanism is simply an attempt to stop actual infringements abroad by using either civil courts or administrative agencies. The first and the second proposed options are to be applied in civil courts, and the last one is for an administrative agency.

The application of the copyright law of the place where the infringement took place may reduce the remedies available under domestic law. However, it is better to have at least one remedy than to not have a remedy at all. The primary goal is to stop acts of infringement as cheaply and simply as possible. Certainly, it would not

233. See J.A.L. STERLING, *WORLD COPYRIGHT LAW* 513 (2d ed. 2003).

234. For additional analysis of this point, see Roberto Garza Barbosa, *Derechos de Autor, Derechos Conexos y Nuevas Tecnologías. ¿Cómo Adaptar Antiguos Principios a la Era Digital?*, 12 *IUSTITIA* 263, 283 (2005).

235. For instance, Article 1917 of the Mexican Federal Civil Procedure Code establishes that “[t]hose persons that jointly have caused damages, are jointly liable to the victim and are bound to restore according to dispositions of this chapter.” *Código Federal de Procedimientos Civiles [C.F.P.C.] [Federal Civil Procedure Code]*, art. 1917, *Diario de la Federación [D.O.]*, 1 de Septiembre de 1932 (Mex.) (translated by author). But note that there is no case law applying this principle to copyright law.

236. Under French law, for example, the liability based on Article 1382 of the French Civil Code establishes that a person who causes damage is bound to make repairs. *CODE CIVIL [C. CIV.] art. 1382 (Fr.)*.

237. STERLING, *supra* note 233.

be as cost effective and efficient, for example, as the ICANN Dispute Resolution Policy because the issue here is not dealing with domain names granted only by registrars subjecting all the registries to the ICANN Dispute Resolution Policy.²³⁸ And unlike cybersquatting in the domain name system, copyright infringement involves a wide range of activities in different mediums regulated by different copyright laws. However, this alternative is one option that may reduce the great difference between the minimum effort needed to infringe a copyright and the huge expense and effort to enforce rights over those infringed copyrights.

The second element, consisting of the avoidance of jurisdiction, is more difficult because the basis for jurisdiction varies in each legal system, even if they are from the same legal tradition. For instance, Article 5(3) of the EC Regulation establishes that jurisdiction can be established “in matters relating to tort, *delict* or *quasi-delict*, in the courts for the place where the harmful event occurred or may occur.”²³⁹ However, not all civil law tradition countries have provisions similar to Article 5(3) of the EC Regulation. In Mexico and some other legal systems of Latin America, jurisdiction can be established only in the defendant’s domicile and not in the place where the damages were suffered. As already explained, the Mexican Federal Civil Procedure Code establishes that foreign judgments will be recognized if the exercise of jurisdiction of the issuing court is “compatible or analogous” with national principles, unless there is no other court with jurisdiction to hear the case.²⁴⁰ There is no case law regarding the meaning of the terms “compatible or analogous,” but it is very likely that such terms will be interpreted with similar meanings. Therefore, foreign judgments and decrees will be enforced if jurisdiction is exercised under rules similar to those contained in the Federal Civil Procedure Code. As a consequence, if the jurisdiction of foreign courts on infringement cases is one other than the domicile of the defendant, it is very unlikely that judgments and orders based on this jurisdiction will be enforced in Mexico.

However, Article 565 establishes that jurisdiction not analogous or compatible with the statute will be recognized if the foreign court chooses that jurisdiction in order to avoid denegation of justice or

238. See ICANN, Uniform Domain-Name Dispute-Resolution Policy, <http://www.icann.org/udrp/udrp.htm> (last visited Dec. 15, 2006).

239. EC Regulation, *supra* note 93, art. 5(3).

240. C.F.P.C. [Federal Civil Procedure Code], arts. 554, 571-III.

because there was no other court to hear the case.²⁴¹ But this precept does not establish whether such reasons have to be implicitly or explicitly in the judgment. Foreign courts are not likely to explicitly establish exercise of jurisdiction for those explained reasons.²⁴² However, it can be assumed that a court always takes jurisdiction to hear a case because otherwise there would be a denegation of justice.

This is one of the most difficult issues of trying to enforce a judgment with the existing means. The judgment taken in one jurisdiction may not be recognized by the court whose enforcement is sought. For all of these reasons, this path of the mechanism is the least likely to be useful.²⁴³ It simply reflects the actual situation and how one can attenuate it.

C. Reliance on Administrative Procedures

There is an alternative option to stop the infringing activity. Even without legal change, the mechanism of enforcement can be based on administrative cooperation. In Mexico, almost all remedies for copyright infringement cases are issued by the Mexican Institute of the Industrial Property (IMPI), which is an administrative agency created by the Mexican Industrial Property Act.²⁴⁴ Article 234 of the Mexican Copyright Act empowers the IMPI faculties to enforce remedies for copyright infringements.²⁴⁵ Those administrative infringements are independent from civil actions to recover damages. In the administrative procedure, there is no recovery of damages, only injunctions to stop the infringement. The plaintiff may apply for an administrative remedy, or he or she may sue in federal or state courts in order to recover damages.²⁴⁶ Moreover, the plaintiff may apply first in the IMPI and then in a court that has jurisdiction. Even if the IMPI, in the administrative procedure, establishes that there is no infringement, the copyright holder may sue in court because both actions are different:

241. *Id.* art. 565.

242. *See id.*

243. However, it has been suggested that as global trade continues to grow, there will be increasing need for international judicial assistance based on comity. *See* Okezie Chukwumerije, *International Judicial Assistance: Revitalizing Section 1782*, 37 *GEO. WASH. INT'L L. REV.* 649, 650 (2005).

244. Ley de la Propiedad Industrial [L.P.I.] [Industrial Property Act], *as amended*, art. 6, Diario Oficial de la Federación [D.O.], 27 de Junio de 1991 (Mex.).

245. C.F.P.C. [Federal Civil Procedure Code], art. 234.

246. Ley Federal del Derecho de Autor [L.F.D.A.] [Federal Copyright Act], art. 213, Diario Oficial de la Federación [D.O.], 24 de Diciembre de 1996 (Mex.).

one is administrative, and the other is a civil action to recover damages.²⁴⁷

The proposed mechanism may use the administrative procedure taken by the IMPI. The advantage of the use of IMPI proceedings is precisely IMPI's expertise. The Mexican judiciary is not familiar with copyright cases, but the IMPI is a specialized agency for those cases.²⁴⁸ It can enforce remedies, like preliminary injunctions, more effectively than remedies available under the Federal Civil Procedure Code. It is also common in developing countries to centralize enforcement of intellectual property procedures in an administrative agency in order to have more efficient remedies. Admittedly, this can be related to several deficiencies in the judicial system, but this is not the issue of this investigation. This is one of the reasons why Article 49 of the TRIPs Agreement establishes the following:

To the extent that any civil remedy can be ordered as a result of administrative procedures on the merits of a case, such procedures shall conform to principles equivalent on substance to those set forth in this Section.²⁴⁹

Therefore, the provisional measures directed by Article 50 to judicial authorities can be exercised by administrative agencies like the IMPI.²⁵⁰ Articles 203 through 212 of the Industrial Property Act give the IMPI a wide range of tools ranging from surveillance, to visits, to the forfeiture of infringing goods.²⁵¹ The IMPI may order a visit to the premises where the infringing activities supposedly took place.²⁵² Those provisions are the implementation of the TRIPs Agreement civil and administrative procedures and remedies. According to Article 203 of the Industrial Property Act, those proceedings may be commenced by a petition of a copyright holder or *ex officio* at the initiative of the IMPI.²⁵³

247. FERNANDO SERRANO MIGALLÓN, NUEVA LEY FEDERAL DEL DERECHO DE AUTOR 147 (1998).

248. The same situation occurs in trademark infringement actions. Litigants usually look first at IMPI rather than civil judicial remedies. See Hedwig A. Lindner López, *Trademark Enforcement in Mexico*, 8 CURRENTS: INT'L TRADE L.J. 74, 77 (1999). But note that the author analyzes IMPI's administrative procedures and criminal remedies but does not mention civil judicial remedies.

249. TRIPs Agreement, *supra* note 3, art. 49.

250. See *id.* art. 50.

251. Ley de la Propiedad Industrial [L.P.I.] [Industrial Property Act], *as amended*, arts. 202–212, Diario Oficial de la Federación [D.O.], 27 de Junio de 1991 (Mex.).

252. *Id.*

253. *Id.* art. 203.

Consequently, if it is not possible to enforce a preliminary injunction issued abroad due to an exercise of jurisdiction not recognized by the Federal Civil Procedure Code, then the preliminary measure may be enforced by the IMPI. In this case, the procedure taken by the IMPI will not be a procedure of recognition and enforcement of a foreign judgment or decree, but rather an independent procedure started by a petition of the issuing foreign court.²⁵⁴ It is advantageous because it takes only a single specialized federal agency with jurisdiction to act all over the country. Consequently, after receiving those foreign injunctions electronically, the IMPI starts an independent administrative procedure that will stop the infringement.

Each country will have to establish a central office for contact that is going to be the channel to send and receive those preliminary injunctions. The most convenient situation is for this authority to be an administrative agency like the IMPI, the United States Patent and Trademark Office (USPTO), or the United States Copyright Office. In countries where these kinds of administrative agencies do not have the power to independently act on enforcement procedures, their work will consist of redirecting the orders to the appropriate court to hold enforcement proceedings according to the first path previously discussed. In countries where the administrative agency has those powers, the most convenient measure would be to start their own administrative procedures in order to prevent further infringements. If this is the case, special consideration must be given to the injunction of the foreign issuing court in order to avoid inconsistent results. It is important to clarify that this possible path is going to be used more frequently in developing countries where most of the piracy occurs. In those countries, it is common to have an administrative authority enforcing remedies for copyrights. Proceedings taken by those administrative authorities are usually more efficient than court proceedings. This is the principal reason why those administrative agencies have this type of enforcement authority.

Exporting countries rely on court proceedings to enforce intellectual property rights instead of administrative proceedings. Those countries usually have the appropriate judicial structure in order to have those rights enforced. Importing countries usually have inefficiencies in their judicial systems and the alternative is the creation of administrative agencies like the IMPI. Therefore, this third path of the proposed mechanism is conceived with this assumption.

254. *Id.*

If a district court in the United States grants a preliminary injunction against a Mexican resident in order to stop an infringement over the Internet through a home page hosted in a server located in Mexico, the proposed mechanism will work as follows. First, a U.S. district court will redirect its injunctive order to the American office of contact, perhaps the USPTO or the Copyright Office. Then the office of contact will redirect that order electronically to the designated Mexican office of contact, the IMPI. In this case, the defendant is not a U.S. resident and, therefore, it is probable that Mexican courts would not recognize the grounds for jurisdiction of the U.S. court. Thus, the way to overcome this difficulty would be to have an administrative proceeding started by the IMPI—the result being that the infringement is stopped.

The negotiation and implementation of the third path of the proposed mechanism is simple. It can be negotiated among different countries by an international treaty or as a mechanism of cooperation without an international treaty. Developing countries using this mechanism have the advantage that local copyright holders do not have—they do not have to compete with cheaper, foreign, unprotected materials. The advantage of having a less expensive way to stop infringement over the Internet and other technological mediums should encourage different countries to apply this mechanism.

VI. PROBABLE EXTRATERRITORIAL EFFECTS AND A PUBLIC CHOICE DEMOCRACY PERSPECTIVE

There are several issues that have to be addressed or considered in the process of negotiating the enforcement mechanism. These issues are related to certain consequences the mechanism will produce. There are questions, not only of transnational enforcement, but also of probable recognition of higher copyright protection standards from one country to another. As can be expected, copyright exporting countries like the United States have a more rigorous copyright act than countries that are copyright importers. For instance, severe statutory damages, like those available under the U.S. law, are not present in Latin American countries.

Even if this mechanism has clear rules about jurisdiction and choice of law, courts would probably apply their own domestic law to acts occurring abroad. For example, the law of the United States—a copyright exporter country—would be applied to foreign defendants engaging in activities through the Internet. The place of infringement would tend to be declared as occurring within the United States, and this argument, though reasonable, would ignore the choice of law rules

proposed in this mechanism. If this is the case, and the rules of jurisdiction and choice of law of the proposed mechanism do not prevent the generalized application of U.S. law or the law of another exporting copyright country to acts occurring in another Member State, two problems would arise. First, the expansion of copyright protection always brings benefits and costs. The legislature of one country needs to balance these costs and benefits among represented players and voters of the legislative process, otherwise it may face the consequences in the next election. However, if the cost of increasing copyright protection is paid by foreign non-voters, the result could be the unjust raising of copyright protection at the cost of foreigners who are not represented in the legislature. While the harmonization provides some answers, differences among copyright statutes remain. Thus, harmonization is not enough to solve this issue.

The differences are principally related to the term of protection, statutory damages, and the availability of secondary liability under several jurisdictions. There is another proposed convention on intellectual property litigation that was outlined by Professors Rochelle C. Dreyfuss and Jane C. Ginsburg (Dreyfuss & Ginsburg proposal).²⁵⁵ I bring up this proposed convention in order to explain how it deals with the issues discussed in this section. While the proposed mechanism is not going to deal with these problems in the same way, it is illustrative to analyze how other proposals deal with these problems. Unlike the proposed mechanism, which is designed only for copyright infringement litigation, the Dreyfuss & Ginsburg proposal deals with all intellectual property litigation, including patent and trademark litigation as well as other non-infringement actions.²⁵⁶ It is not similar to this proposed mechanism because it has different rules and a different background. It is based on the failed Hague Draft Convention; however, it includes several specific provisions for intellectual property matters, and surprisingly, unlike the Hague Draft Convention, it provides for the doctrine of forum non conveniens.²⁵⁷ It does, however, use the same approach of the failed Hague Draft Convention regarding preliminary injunctions.²⁵⁸

255. See Rochelle C. Dreyfuss & Jane C. Ginsburg, *Draft Convention on Jurisdiction and Recognition of Judgments in Intellectual Property Matters*, 77 CHI.-KENT L. REV. 1065 (2002).

256. See *id.* at 1066.

257. *Id.* at 1131.

258. See *id.* at 1132.

Unlike my proposed mechanism, the Dreyfuss & Ginsburg proposal has a specific ground for non-recognition for cases where the choice of law is arbitrary or unreasonable. As already mentioned, the mechanism this Article proposes deals with this problem under other more general grounds for non-recognition applicable to judgments that are against the public policy of the place where recognition is sought. As mentioned before, if the judgment was based on a choice of law that was unreasonable or arbitrary, it could be against the public policy of the place whose enforcement is sought.

It is interesting, however, to note that for the Dreyfuss & Ginsburg proposal, a reasonable choice of law for Internet infringement cases is the law of the place where the operator has its residence or principal place of business, or if the infringing materials are not found on a Web site, like peer-to-peer technology, the reasonable applicable law is the law of the principal place of business or residence of the person that initiated communications. Furthermore, in the latter case, the proposed convention refers to the place where peer-to-peer communication is initiated and not the place where the distributor of peer-to-peer software has its residence. As an exception to this general rule, it also provides for the law of the place that has the most significant relationship with the controversy, for example, the law of the principal target of the infringing activities. If the infringing activities target different countries, the laws of those different countries are going to be applied to the portion of infringing activities conducted in each specific country.

Those specific provisions regarding choice of law and remedies seem to provide the proposed convention's answer to the issues discussed in this section. While they are a guide, I think that courts must decide the choice of law based on the place of infringement as considered by internal substantive legislation. The rationale for my proposed mechanism consists of the acceptance of the choice of law rule contained in the Berne Convention: the law of the place of infringement.²⁵⁹ Therefore, courts will decide the place of infringement in a reasonable way. If courts undertake this analysis about the place of infringement lightly, they will threaten the enforcement of the judgment. An example of a good determination of the place of infringement could be the place where the infringement materials were downloaded or uploaded by others.

259. See Berne Convention, *supra* note 75, art. 5(2).

As for the question of remedies, the Dreyfuss & Ginsburg proposal establishes that statutory damages are allowed, even based on statutory amounts rather than proof of actual damages. The enforcing court may order injunctive relief, but it is limited to its territory.²⁶⁰

However, I consider that all the provisions intended to deal with the inappropriate application of foreign copyright standards seem insufficient in the context of the Dreyfuss & Ginsburg proposal because it has exorbitant bases for jurisdiction:

1. A plaintiff may bring an infringement action in the courts of—
 - a. any State where defendant substantially acted (including preparatory acts) in furtherance of the alleged infringement, or
 - b. any State to which the alleged infringement was intentionally directed, including those States for which defendant took no reasonable steps to avoid acting in or directing activity to that State, or
 - c. any State in which the alleged infringement foreseeably occurred unless the defendant took reasonable steps to avoid acting in or directing activity to that State.
2. If an action is brought in the courts of a State only on the basis of the intentional direction of the alleged infringement to that State, then those courts shall have jurisdiction only in respect to the injury arising out of unauthorized use occurring in that State, unless the injured person has his habitual residence or principal place of business in that State.
3. If an action is brought in the courts of a State only on the basis of the occurrence of the infringement in that State, then those courts shall have jurisdiction only in respect to the injury arising out of unauthorized use occurring in that State.²⁶¹

As already mentioned, the mechanism this Article proposes has only two allowed bases for the exercise of jurisdiction: (1) persons domiciled in a Member State can be sued in that Member State, and (2) nonresidents conducting actions with consequences in the forum can be sued in that forum, provided that U.S. principles of minimum contacts are applied. It is recommended to have these principles codified. Therefore, having the U.S. requirements of minimum contact in order to exercise jurisdiction makes the proposed mechanism applicable to fewer cases than the other proposed convention. Under the other

260. See Dreyfuss & Ginsburg, *supra* note 255, at 1072.

261. *Id.* at 1077.

proposed convention, jurisdiction may be exercised everywhere. Because the Internet may enable the infringement of protected works around the globe, the defendant under sub-section (1)(c) of the Dreyfuss & Ginsburg proposal is supposed to foresee that the infringement may occur everywhere. If this rule were applicable today, all Internet Web pages would be subject to the jurisdiction of every court around the world, despite no other contact with the forum other than the Web page being available to residents of that forum.

Admittedly, although the proposed mechanism here is less ambitious and more cautious than the Dreyfuss & Ginsburg proposal, it still does not resolve all the issues discussed in this section. Several possible answers are offered to solve these problems. During the process of negotiating the proposed mechanism, all of the answers can be applied.

The first solution is related to issues of choice of law. If the person who is engaged in what is considered an infringing activity in the forum country takes the necessary technical measures to avoid making those materials available in that forum, he or she would be insulated from the application of the law of that forum. In other words, if a Mexican operator has a Web page with protected works and takes the necessary technical steps in order to avoid that those materials would be accessible in the United States, then the applicable law would be the Mexican Copyright Act, not that of the United States. The distribution of those materials would probably not be an infringement under the Mexican Copyright Act. The same rule would be applicable if the Web page does not contain infringing materials, but instead peer-to-peer software or similar devices. Note that this is a rule of choice of law and not a rule related to jurisdiction because the jurisdictional bases for the proposed mechanism are limited to those already mentioned.

The second answer is to either limit remedies to those available in the place where recognition is sought or to limit the damages to actual damages. This is similar to the other proposed convention.²⁶² Under this rule, the enforcing judge of a judgment containing U.S. statutory damages would reduce the awards to damages available in the place where the enforcement is sought. This is an appealing rule; however, there is another alternative. Under the U.S. Copyright Act, the precondition to obtaining statutory damages is to have the work registered in the Copyright Office prior to the infringement or, in case of published works, within three months of their publication.²⁶³ The

262. *See id.* at 1065.

263. 2 *INTERNATIONAL COPYRIGHT LAW AND PRACTICE*, *supra* note 15, ch. USA §

recovery of those statutory damages in a third country may be conditioned on the registry of the work in that country. The determination of whether the work is registered in the country in which the enforcement is sought can be made either by the forum court or by the court whose enforcement is sought. This would not be in violation of the Berne Convention non-formality requirement because statutory damages are outside the scope of the Berne Convention. For the same reason, in the negotiation process of the mechanism, the parties may determine to set those statutory damages outside the proposed mechanism. Therefore, this second solution would be to reduce the statutory damages to those available in the country where the enforcement is sought, to subject those statutory damages to the registration of the work in that country, or to exclude statutory damages from the mechanism.

The third answer is that this mechanism would have a withdrawal provision making it simple for affected countries to resign from the convention containing the proposed mechanism. As mentioned previously, the legislative process of increasing copyright protection always has benefits and costs. While some copyright holders may enjoy the benefits of the increased protection, others must pay the costs for it. Legislators would be cautious not to burden foreign non-voters with those costs because their representatives could withdraw from the convention.

While any convention of this kind may cause members to relinquish some aspects of their sovereignty, all the members of the proposed mechanism would have the same obligations. However, from a practical point of view, it seems that the proposed mechanism would serve only the interests of developed countries, and developing countries would be faced with surrendering sovereignty in exchange for nothing. The reason for this argument is that developed countries are the major producers of protected works. A net importer copyright country has no reason to enter into the kind of agreements that favor copyright holders unless it can expect something in exchange.

If a country protects foreign works, it will obtain two favorable results in exchange: the protection of its nationals' works abroad and a market in which national authors and copyright holders do not have to compete with cheaper unprotected foreign works. Even if this is a persuasive argument, it becomes less persuasive when there are countries that have minimal or no production of protected works, in

5[3][a].

contrast to other countries that produce almost all the existing copyrighted materials around the globe. Therefore, there should be more benefits for net importer countries, if they are to accept the proposed mechanism.²⁶⁴

The proposed mechanism can be a tool to promote the creation of protected works in order to access larger markets. There are countries like Mexico that produce a wide range of protected works, and this mechanism can serve as an incentive to enter the U.S. market where there are many Spanish speakers. This could be an inducement to promote the creation of copyrighted works. In fact, the Mexican entertainment industry is considered the major producer of television programs in Spanish around the globe.²⁶⁵ However, this is unlikely to occur based on experiences like the TRIPs Agreement or the Berne Convention, which, by themselves, not only failed to promote the creation of works, but failed to prevent the pervasive piracy existing in Mexico.²⁶⁶ The reasons for the great success of the Mexican producers are not related to copyrights but to other kinds of monopolies.

Therefore, in order to attract net importer countries into the proposed mechanism, there has to be an economic incentive, even if not related directly to copyrights. This incentive could broaden the internal markets of those developed countries that are the biggest exporters of

264. It has been suggested that the TRIPs Agreement and the WTO are “transitional means for creating domestic self-interest” in enforcing copyrights in developing countries. See Ronald J.T. Corbett, *Protecting and Enforcing Intellectual Property Rights in Developing Countries*, 35 INT’L LAW. 1083, 1103 (2001). The author also suggests that what is needed is an approach that benefits domestic companies in order to produce internal pressures in local governments. *Id.*

265. Grupo Televisa, S.A. de C.V. is considered the major producer of Spanish series and movies around the world. This is interesting considering that Spain has a larger economy than Mexico. Compare CIA, The World Factbook, Spain, <https://cia.gov/cia/publications/factbook/geos/sp.html#Econ> (last visited Dec. 15, 2006) (stating Spain has an established GDP (purchasing power parity) of over \$1 trillion and a GDP (official exchange rate) of over \$1 trillion), with CIA, The World Factbook, Mexico, <https://cia.gov/cia/publications/factbook/geos/mx.html#Econ> (last visited Dec. 15, 2006) (stating that Mexico has a GDP (purchasing power parity) of over \$1 trillion while it has a GDP (official exchange rate) of \$693 billion).

266. See Tuan N. Samahon, *TRIPs Copyright Dispute Settlement After the Transition and Moratorium: Nonviolation and Situation Complaints Against Developing Countries*, 31 LAW & POL’Y INT’L BUS. 1051, 1054 (2000) (stating that developing countries have strong incentives to under-enforce copyrights). The author also suggests that the marriage of international trade and intellectual property was necessary to overcome this under-enforcement situation. See *id.* at 1071–73. I propose to use this mechanism to promote internal opportunities in developing countries rather than imposing measures. Imposition has proven helpless.

copyrighted works. However, this solution seems to force one sector of the exporters' economies to pay for the advantages of another sector. Another alternative could be the copyright holders' investment in those developing countries. This investment may create jobs because some of the operations of copyright holders can be transferred to these copyright importing countries. A stronger presence in those countries may create more awareness of how copyrights can develop the economy.²⁶⁷ People would be more sympathetic to copyright holders. The pervasive piracy today results because people either do not understand the economic advantages of copyright law or they think it is a system of unfair earnings awarded to copyright holders. A greater presence of copyright holders and the creation of jobs would help people in developing countries learn how copyrights work and would change their perspectives about copyrights. The software, phonogram, and movie industries sometimes create unwitting development in developing countries. Another alternative could be that major copyright holders sponsor universities in their research activities with sizeable grants or award scholarships in developing countries. However, there is a risk of not creating economic development but only increasing copyright holders' revenues:

[B]roadening copyright generates no real economic growth, it increases the price... consumers must pay for copyrighted works and transfers those additional revenues to copyright producers. Broadening copyright can thereby generate a real increase in revenue, and consequently GDP share, for the copyright industries even if it generates no real economic growth.²⁶⁸

The internal process by which participant countries can withdraw from the enforcement mechanism could be biased by the lobbying power of copyright holders. Therefore, those countries would be at risk of not receiving any economic advantage and still be tied to the proposed mechanism:

Taken together, the advantages available to copyright owners in the political and legal battles over copyright's scope do not mean that copyright owners will win every battle over copyright's

267. For an economic analysis of how increasing intellectual property protection affects developing countries, see Evelyn Su, *The Winners and the Losers: The Agreement of Trade-Related Aspects on Intellectual Property Rights and Its Effects on Developing Countries*, 23 HOUS. J. INT'L L. 169 (2000).

268. Glynn S. Lunney, Jr., *The Death of Copyright: Digital Technology, Private Copying, and the Digital Millennium Copyright Act*, 87 VA. L. REV. 813, 899 (2001).

expansion. Even with their disadvantages, consumers may on occasion rise up and defeat proposals for broader protection. Nevertheless, these advantages mean that copyright owners will win more such battles than they should. Whatever occasional defeats for broader protection occur will likely prove only temporary setbacks, and the disproportionate influence of copyright owners should prove decisive over the long run. A process biased in favor of overbroad protection will lead, sooner or later, to a similarly biased result. For that reason, traditional political avenues of opposition to copyright's evolution from public interest to private interest will likely fail. If copyright has not yet been fully captured by the industry it is supposed to regulate, it is only a matter of time.²⁶⁹

Consequently, there should be strong surveillance work by the copyright importing countries in order to balance the economic benefits they will receive from the copyright holders to determine if those benefits are real and practicable and to not be overwhelmed by the powerful copyright industry of developed countries.

In any case, in the negotiation process, developing countries may exclude some defendants from the mechanism, like twelve-year-old children or college students who engage in peer-to-peer activities. Otherwise, an environment of fear would lead to the rejection of the use of technology in developing countries. The proposal here is to use the mechanism only against distributors of peer-to-peer technology. The rationale for avoiding enforcing this mechanism against a few million users of peer-to-peer technology is based not only on practical reasons—because it is impossible to sue them all—but is also a question of social justice. It would be unacceptable to subject an ordinary citizen or a child to the jurisdiction of a foreign court applying excessively higher standards of protection. The mechanism is designed for ISPs or distributors of peer-to-peer technology engaged in infringing activities; however, those activities are defined by the applicable law accepted by the mechanism. If these entrepreneurs are making money through their infringing activities or if they receive other advantages from these activities, then they must pay the consequences. Nonetheless, private individuals engaged in such activity are probably not aware that they are individually causing such a great loss to the copyright owners.

With this proposed mechanism, it is highly probable that the income of Mexican ISPs would decrease. However, I do not see a problem with

269. *Id.* at 907 (footnote omitted).

this outcome. According to *Forbes*, the major stockholder of Mexico's largest ISP—Telmex—is the fourth richest man in the world.²⁷⁰ This is a shocking truth considering that almost half of the Mexican population lives in extreme poverty. Other highly unregulated Mexican ISPs offer expensive services and low quality standards. The proposed mechanism would push them into lobbying processes and public hearings, which could be better than how those unregulated businesses are run today.

The last resource to deal with this problem is to trust in enforcing judges that are going to review if the foreign judgment is in accordance with their national public policy. As mentioned earlier, if the choice of law was arbitrary or unreasonable, the judgment would turn against the public policy of the place where the enforcement is sought. Then it would be unenforceable. The key question I propose is whether the issuing court will properly assess the place of infringement in order to determine the applicable law.

A ground for non-recognition based on public policy may be controversial because it could be interpreted broadly. However, under the proposed mechanism, it is highly recommended that this ground for non-recognition would be limited to the proper choice of law and to public policies reflected in each constitutional text. It should not be an excuse to review the foreign judgment under the eyes of national copyright law.

CONCLUSION

Copyright and neighboring rights exist because there is a public purpose behind them. This public purpose is derived from the will of each country's legislature to promote the creation of useful works.²⁷¹

270. See *Forbes.com: Forbes World's Richest People 2005*, <http://www.forbes.com/static/bill2005/LIRWYDJ.html?passListId=10&passYear=2005&passListType=Person&uniqueId=WYDJ&datatype=Person> (last visited Dec. 20, 2006). Telmex ISP has signed up 600,000 broadband Internet subscribers in the last year. *Id.*

271. The most important philosophical approaches or normative justifications for copyright law are: instrumentalism or utilitarianism, natural rights based principally on Locke, and moral rights based on Kant and Hegel. Both utilitarian and natural rights justifications are present mostly in the United States and other legal systems belonging principally to the common law tradition. Moral rights normative justifications are mostly present in civil law tradition systems. While one justification or another may predominate in any particular state, other justifications remain influential. See Justin Hughes, *The Philosophy of Intellectual Property*, 77 *GEO L.J.* 287, 288–90 (1988); Jason Lloyd, Note, *Let There Be Justice: A Thomistic Assessment of Utilitarianism and Libertarianism*, 8 *TEX. REV. L. & POL.* 229, 255–56 (2003). For an analysis of Locke's natural justification for private property and its application to copyrights, see Benjamin G. Damstedt, Note, *Limiting Locke: A Natural Law Justification for the Fair Use Doctrine*, 112 *YALE L.J.* 1179, 1184–96 (2003).

For the purposes of this Article, it has been assumed that this is the best justification for copyright law. However, the proposed mechanism is applicable whatever normative justification is taken.

The territorial nature of copyrights has led to the development of international treaties containing national treatment principles and minimum standards of protection. Those international treaties were written, not because there is a natural universal copyright, but because those conventions were useful for achieving the basic principle and purpose of copyright: the promotion of new works. By protecting foreign works, Member States promote the creation of new works because local authors do not have to compete with cheaper unprotected foreign works. The harmonization through international treaties has done most of the work needed to establish effective copyright protection. However, the most important efforts of harmonization were done before the digital age. The legal development now needs to overcome procedural problems caused by new technology to copyright holders—necessitating the improvement of international litigation.

The barrier of physical distance between countries has been broken with the digital age. A mechanism is necessary that is based on established principles that can now be applied to the new problems created by technology. Even though this proposal offers three paths, in case the first and most important fails, the core of the proposal is an international treaty for the enforcement of copyright judgments.

See also Barbara Friedman, Note, *From Deontology to Dialogue: The Cultural Consequences of Copyright*, 13 *CARDOZO ARTS & ENT. L.J.* 157, 160–67 (1994). For an analysis of civil law tradition normative justifications and their influence on civil law tradition statutes, see Neil Netanel, *Alienability Restrictions and the Enhancement of Author Autonomy in United States and Continental Copyright Law*, 12 *CARDOZO ARTS & ENT. L.J.* 1, 13–23 (1994). The public purpose behind utilitarian normative justification is the best fit for the proposed mechanism. However, it could work in any legal system having any normative justification for copyrights.