

ARTICLES

THE TERRITORIAL DISCREPANCY BETWEEN INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT CLAIMS AND REMEDIES

by
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When in Equustek v. Google a Canadian court ordered that Google de-list the pages of a defendant that infringed intellectual property (“IP”) rights under Canadian law, some commentators were surprised not only by the Canadian court’s assertion of personal jurisdiction over Google (a U.S. third party who was not a party to the original Canadian IP rights infringement litigation), but also by the court’s issuance of a remedy with global effects. However, global and other extraterritorial remedies are not unknown in IP rights infringement cases: U.S. courts have granted extraterritorial remedies in a number of such cases. This Article reviews the various types of “extraterritorial remedies”—which the Article defines as remedies that reach beyond the territorial scope of the underlying claim—and points out the problems caused by the resulting territorial discrepancy between the territorial scope of claims and the territorial

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scope of the remedies. The existing literature and international treaty negotiations have not focused on these remedies, which are typically discussed as part of the category of cross-border remedies. The Article explores the phenomenon of the territorial discrepancy and considers the ways in which the problems generated by the territorial discrepancy might be addressed.

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INTRODUCTION

Acts that infringe intellectual property (“IP”) rights, such as patents, trademarks, and copyrights, and the effects of these acts can take place, cause injury, and affect interests in multiple jurisdictions. In response to the territorially dispersed nature of infringing activities and their territorially wide effects, IP rights owners¹ look to maximize the territorial reach of remedies that they seek for such infringements. However, IP rights owners are typically constrained in the breadth of the territorial scope of the claims that they can raise in litigation because the rights owners either do not own rights in all jurisdictions or they decide, for various reasons,

¹ Persons and entities other than IP rights owners may have standing to bring IP rights infringement suits. For simplification, this Article uses the term “rights owners” for all such persons and entities.

not to claim infringements in all jurisdictions where their rights have been infringed.² The competing considerations that guide rights owners' decisions about the territorial scopes of claims that they raise and remedies that they seek sometimes result in a discrepancy between the territorial scope of the claims raised³ and the territorial scope of the remedies sought—a phenomenon that this Article refers to as a “territorial discrepancy.” This Article explores the territorial discrepancy, discusses problems that the territorial discrepancy generates in transnational cases, and considers possible solutions to address the problems.

It might seem that the territorial scopes of remedies should logically coincide with the territorial scopes of their underlying claims and that there should be no territorial discrepancy in IP cases: An IP rights infringing act has effects where the act took place, the infringement claim will be brought for infringement under the law of that place, and remedies will be sought for the place where the infringement took place and the effects were felt.⁴ For example, when an infringer reproduces a copyright-protected computer program in his garage in Madison, Wisconsin, and sells DVDs with the unauthorized reproductions at his garage sale in the same garage, the copyright owner will sue for infringement under U.S. law and request an injunction against the infringer to cease selling the DVDs in the United States—where the acts occurred and the effects were felt.⁵

But a slight modification of the example illustrates that in other cases, the territorial scopes will only overlap—they will not be identical. In the modified example, the same infringer makes the unauthorized reproduction of the computer program available as a downloadable file on the internet and the file is then downloaded by users in the United States and multiple other countries. The copyright owner opts to sue for infringement only under U.S. law and requests that the court issue

² On the practical limitations affecting cross-border litigation see, e.g., Marketa Trimble, *The Multiplicity of Copyright Laws on the Internet*, 25 *FORDHAM INTELL. PROP. MEDIA & ENT. L. J.* 339, 391–401 (2014). See also *infra* Part II.

³ This Article uses the term “claims” for claims of IP rights infringement raised in litigation; it does not use the term in its other meanings, for example, as the claims of a patent.

⁴ “There is a strict correlation between case, claim and remedy. That also applies to the territorial scope of the remedy.” Paul Torremans, *Cross-Border Injunctions*, in *RESEARCH HANDBOOK ON CROSS-BORDER ENFORCEMENT OF INTELLECTUAL PROPERTY* 549, 550 (Paul Torremans ed., 2014); see also Graeme Dinwoodie, *Scope of Injunctions*, in *CONFLICT OF LAWS IN INTELLECTUAL PROPERTY: THE CLIP PRINCIPLES AND COMMENTARY* 2:604.C02 (2013) (“[A]s most courts assumed jurisdiction over domestic intellectual property claims and applied the *lex loci protectionis*, there was likely in most cases to be substantial congruence between the territorial jurisdiction of a national court, the law applied to the dispute, and the location of the activities regulated or prohibited by any resultant injunction.”).

⁵ The scope of the claim is formulated as the territory of the country whose law creates or recognizes the IP right.

an injunction ordering the infringer to cease the acts of distribution over the internet. Absent a court-imposed limitation on the territorial scope of the injunction,⁶ the injunction has global effects and the territorial scopes of the claim and the remedy overlap but are not identical—which results in a territorial discrepancy.

Territorial discrepancy, which has received little attention in the literature,⁷ is to be distinguished from the more general and more discussed phenomenon of cross-border remedies.⁸ Cross-border remedies always reach beyond the territory of the country of the court that issues the remedies⁹ (as remedies that create a territorial discrepancy usually do), but not all cross-border remedies result in a territorial discrepancy because many cross-border remedies follow the territorial scope of the claims.

The territorial scopes of claims and cross-border remedies are identical when either (1) the remedies arise from claims that have been based on the laws of a country or countries other than or in addition to the laws of the forum country,¹⁰ and the remedies cover the territory of the prescriptive jurisdiction of the other country or the other countries (possibly in addition to the territory of the forum); or (2) the remedies arise from claims that have been based on the forum country's laws that apply extraterritorially (outside of the forum country) and the scope of the remedies corresponds to the extraterritorial scope of those laws.¹¹ In these two scenarios the

⁶ Geoblocking could be such a court-imposed territorial limitation. For a discussion of geoblocking see *infra* Part III, Section D.

⁷ In the context of equitable remedies see S. Nathan Park, *Equity Extraterritoriality*, 28 DUKE J. COMP. & INT'L L. 99, 105 (2017) (“[S]cholarly attention to Equity Extraterritoriality has been scant. . . . Although extraterritorial application of the U.S. law is a topic that inspires a great deal of legal scholarship, such scholarship almost exclusively focuses on jurisdictional extraterritoriality.”). For works that discuss extraterritorial remedies to some extent, see RITA MATULIONYTĖ, LAW APPLICABLE TO COPYRIGHT: A COMPARISON OF THE ALI AND CLIP PROPOSALS 133, 140–44 (2011); Alexander Peukert, *Territoriality and Extra-Territoriality in Intellectual Property Law*, in BEYOND TERRITORIALITY: TRANSNATIONAL LEGAL AUTHORITY IN AN AGE OF GLOBALIZATION 189, 213–14 (Günther Handl et al. eds., 2012); Sapna Kumar, *Patent Damages Without Borders*, 25 TEX. INTELL. PROP. L. J. 73, 90–95 (2017); Amy L. Landers, *U.S. Patent Extraterritoriality within the International Context*, 36 REV. LITIG. – THE BRIEF 28, 30–31 (2016).

⁸ *E.g.*, Timothy R. Holbrook, *Boundaries, Extraterritoriality, and Patent Infringement Damages*, 92 NOTRE DAME L. REV. 1745, 1766–70 (2017).

⁹ For simplification, this Article uses the term “country” for any jurisdictional unit that has its own law, even if the unit is above or below the country level, such as the European Union or individual U.S. states. Although the term “jurisdiction” would be more appropriate, its use would complicate the text of this Article, given that the same word is also used to convey other meanings throughout the Article.

¹⁰ See *infra* Part II, Section A for a discussion of when a court may adjudicate IP rights infringement claims based on the laws of foreign countries.

¹¹ Under the above definition of “cross-border remedies,” remedies are *not* considered cross-border remedies if they are issued for purely domestic acts or circumstances, even when the

claims and remedies have identical scope, but in cases of a territorial discrepancy the territorial scope of remedies extends beyond the territorial scope of the laws on which claims were based. A territorial discrepancy typically entails cross-border remedies (remedies that apply outside the forum country), but not all cross-border remedies necessarily imply a territorial discrepancy.¹²

The fact that territorial discrepancy has received little attention in the literature so far would seem to indicate that the discrepancy has posed no problems. But a recent case illustrates how problematic the discrepancy can be: In *Equustek Solutions Inc. v. Google Inc.*,¹³ Canadian and U.S. courts disagreed, given the territorial scope of the infringement claims raised in the case, on the proper territorial scope of a remedy affecting a foreign third party's activity on the internet.¹⁴ A Canadian court issued a remedy,¹⁵ a U.S. court declared the Canadian decision unenforceable in the United States,¹⁶ and the Canadian court refused to alter the remedy.¹⁷ Without a body to provide any final adjudication of the matter at the international level, the case created a ping-pong match between the courts of the two countries and decreased the level of legal certainty for transnational litigants.

This Article argues that territorial discrepancy between claims and remedies is likely to cause more problems in the future, and the Article seeks solutions to these problems. It begins by introducing the ambiguities that are involved in localization—the determination of the location of acts, the effects of acts, and other circumstances;¹⁸ any discussion of territorial scope must take these ambiguities into

remedies stem from an extraterritorial application of foreign law to the domestic acts or circumstances. See *infra* Part III, Section A.

¹² See *infra* Part III, Section A.

¹³ See generally *Google LLC v. Equustek Solutions, Inc.*, No. 5:17-cv-04207-EJD, 2017 WL 500834 (N.D. Cal. Nov. 2, 2017); *Google Inc. v. Equustek Solutions Inc.*, [2017] 1 S.C.R. 824 (Can.); *Equustek Solutions Inc. v. Jack*, [2018] 10 W.W.R. 715 (Can.).

¹⁴ *Id.*

¹⁵ *Equustek Solutions*, 1 S.C.R. 824 at ¶ 53.

¹⁶ *Equustek Solutions*, 2017 WL 500834, at *4.

¹⁷ *Jack*, 2018 BCSC 610 at ¶ 41.

¹⁸ As opposed to “locate,” which means “to establish, site, or place in a particular location,” “localize” means *i.a.* “to associate with a particular place or location” in the sense of “to find or determine the location of.” *Locate*, OXFORD ENG. DICTIONARY (online ed. 2018), <http://www.oed.com.library.lcproxy.org/view/Entry/109569?rskey=03op4E&result=2#eid>; *Localize*, OXFORD ENG. DICTIONARY (online ed. 2018), <http://www.oed.com.library.lcproxy.org/view/Entry/109560?redirectedFrom=localize#eid>. Recently, the term “localization” has been used, often incorrectly, in contexts where the word “location” would be correct or more appropriate—see, e.g., John Selby, *Data Localization Laws: Trade Barriers or Legitimate Responses to Cybersecurity Risks, Or Both?*, 25 INT’L J. LAW & INFO. TECH. 213, 214–15 (2017); OFFICE OF U.S. TRADE REPRESENTATIVE, EXEC. OFF. OF THE PRESIDENT, 2018 SPECIAL 301 REPORT 5, 16–18, <https://ustr.gov/sites/default/files/files/Press/Reports/2018%20Special%20301.pdf>.

account. The Article then reviews the strategic considerations that cause rights owners to narrow the scope of their claims; it discusses the manner in which litigating parties formulate the territorial scope of their claims and considers the relationships between the territorial scope of claims and 1) the choice of applicable law and 2) personal and subject matter jurisdiction. An exploration of different scenarios in which territorial discrepancy arises between claims and remedies then follows, together with a discussion of the problems that the territorial discrepancy generates. Finally, the Article suggests ways in which the problems might be alleviated; in searching for ways to alleviate the problems the Article considers the existing major initiatives at the intersection of IP law and private international law/conflict of laws.¹⁹

The topic of this Article is timely not only because of the rise in transnational IP litigation,²⁰ but also because of the culmination of the negotiations in the Hague Conference on Private International Law of the latest proposal for an international convention on certain private international law/conflict of laws rules.²¹ The proposal's treatment of transnational IP law cases has generated major controversies throughout the negotiations, with the result that in the end, IP cases might be omitted from the convention.²² Whether the exclusion of IP cases from the proposal would be harmful to transnational IP litigation will depend on whether the proposal as drafted would have been suitable for IP cases and whether IP cases will receive a separate and improved treatment in some future convention specific to IP cases.²³ Most importantly for present purposes, the proposed convention does not address the territorial discrepancy between claims and remedies, so even if the proposal were adopted for IP cases, the resulting convention would not alleviate the discrepancy

¹⁹ AM. LAW INST., INTELLECTUAL PROPERTY: PRINCIPLES GOVERNING JURISDICTION, CHOICE OF LAW, AND JUDGMENTS IN TRANSNATIONAL DISPUTES (2008) [hereinafter ALI PRINCIPLES]; *Scope of Injunctions*, CLIP PRINCIPLES, *supra* note 4, at 2:604.C02; The Hague Conference on Private International Law, *The Judgments Project*, <https://www.hcch.net/en/projects/legislative-projects/judgments>.

²⁰ See, e.g., Marketa Trimble, *Undetected Conflict-of-Laws Problems in Cross-Border Online Copyright Infringement Cases*, 18 N.C. J. L. & TECH. 119 (2016).

²¹ The proposal as currently negotiated is for an international treaty that would be limited to rules concerning the recognition and enforcement of foreign judgments; the treaty would have only an indirect effect on the application of national rules on jurisdiction. *Judgments Project*, Hague Conference, *supra* note 19.

²² *Id.*

²³ Earlier versions of the draft convention that tracked the language of the New York Convention were arguably better suited for IP cases than later versions of the draft, which introduced special provisions for IP cases that seemed to make the later drafts more problematic for IP cases. U.N. COMMISSION ON INT'L TRADE LAW, CONVENTION ON THE RECOGNITION AND ENFORCEMENT OF FOREIGN ARBITRAL AWARDS (2015), <http://www.uncitral.org/pdf/english/texts/arbitration/NY-conv/New-York-Convention-E.pdf> [hereinafter New York Convention].

and the problems created by the discrepancy. This Article thus points to a potentially significant gap in the thinking about international conflict of laws instruments.

Finally, a few caveats might be helpful: The Article focuses on the phenomenon of the territorial discrepancy between IP rights infringement claims and remedies; it is not intended to be a comprehensive survey of all remedies available in IP rights infringement cases in the United States or in any other country.²⁴ Similarly, although the Article refers to examples from different countries, it does not aim to present a comparative study that would consider the laws and practices of different countries concerning each—or even any particular—example. The Article also does not propose specific rules that should be adopted to resolve the problems; rather, it identifies problems that the territorial discrepancy generates and suggests ways to address the problems.²⁵

I. LOCALIZATION IN IP CASES

Any discussion of territorial scope must consider the ambiguity involved in localization—the determination of the location of acts and circumstances in relation to which the reference to territorial scope is made.²⁶ How a territorial scope is drawn,

²⁴ The primary interest of this Article is the *transnational* territorial discrepancy; the Article does not focus on problems of nationwide injunctions granted by courts in the United States for the United States. See, e.g., *City of Chicago v. Sessions*, 888 F.3d 272, 299–300 (7th Cir. 2018); *United States v. AMC Entertainment, Inc.*, 549 F.3d 760, 770–73 (9th Cir. 2008); *Carson v. Here's Johnny Portable Toilets, Inc.*, 810 F.2d 104, 105 (6th Cir. 1987); *Factors Etc., Inc. v. Pro Arts, Inc.*, 652 F.2d 278 (2d Cir. 1981), *cert. denied*, 456 U.S. 927 (1982). See also David S. Welkowitz, *Preemption, Extraterritoriality, and the Problem of State Antidilution Laws*, 67 TUL. L. REV. 1, 3 (1992). On the separate considerations that may apply in intra-U.S. cases see Park, *supra* note 7, at 164–66.

²⁵ A number of recent major works at the intersection of IP law and conflict of laws/private international law have proposed particular rules; however, these works, for the most part, do not address the territorial discrepancy. See ALI PRINCIPLES, *supra* note 19; *Scope of Injunctions*, CLIP PRINCIPLES, *supra* note 4, at 2:604.C02; Transparency of Japanese Law Project, TRANSPARENCY PROPOSAL ON JURISDICTION, CHOICE OF LAW, RECOGNITION AND ENFORCEMENT OF FOREIGN JUDGMENTS IN INTELLECTUAL PROPERTY (2009) (on file with the author); see also Korean Private Int'l Law Assoc., PRINCIPLES ON INTERNATIONAL INTELLECTUAL PROPERTY LITIGATION (2010) (on file with the author); INTELLECTUAL PROPERTY IN THE GLOBAL ARENA: JURISDICTION, APPLICABLE LAW, AND THE RECOGNITION OF JUDGMENTS IN EUROPE, JAPAN AND THE U.S. (Jürgen Basedow et al. eds., 2010); Annette Kur & Benedetta Ubertazzi, *The ALI Principles and the CLIP Project: A Comparison*, in LITIGATING INTELLECTUAL PROPERTY RIGHTS DISPUTES CROSS-BORDER: EU REGULATIONS, ALI PRINCIPLES, CLIP PROJECT 89, 89–147 (Stefania Bariatti ed., 2010).

²⁶ On localization in general, see Joseph M. Cormack, *Renvoi, Characterization, Localization and Preliminary Question in the Conflict of Laws: A Study of Problems Involved in Determining Whether or Not the Forum Should Follow Its Own Choice of a Conflict-of-Laws Principle*, 14 S. CAL. L. REV. 221, 241–43 (1941). On ambiguity of localization in IP cases, see also, e.g., Paul Edward Geller, *International Intellectual Property, Conflict of Laws, and Internet Remedies*, EUROPEAN

and whether an act or circumstance occurs within or outside a territory depends on the location of the act or circumstance. In some cases, however, an act may be deemed to occur and a circumstance to exist simultaneously in several locations, and furthermore, the results of localization may differ according to which localization rules and/or approaches are applied and how. This means that courts in different countries, and even different courts in the same country, may localize the same act or circumstance in different locations. The differing determination of location affects how the boundaries of territorial scopes are perceived; what one court views as extraterritorial to a particular territorial scope, another court might consider as not extraterritorial to the same scope.

It might seem that in the majority of IP rights infringement cases localization will be unambiguous; for instance, in the DVD version of the computer program example in the Introduction, there seems to be only one place where the infringer infringes the copyright—in his garage in Madison, Wisconsin. But there are many scenarios in which localization is more complicated and may result in the identification of multiple locations of infringement. As will be discussed shortly, even in the DVD scenario, the place of infringement might not be a single place if the localization of the infringement takes into account not only the places of the infringing acts but also the places of the effects of the infringing acts.

Cases of infringements that occur on the internet present the most obvious example of when an act or circumstance could be localized in multiple locations. In the online fact pattern of the computer program example in the Introduction, the infringement may be deemed to have occurred in several places: where the infringer typed in the commands on his computer keyboard, where users were located when they downloaded the program, and even where the servers were located that hosted the program file.²⁷ The localization could easily lead to three different countries—the infringer located in the United States, some users located in Chile, and a server located in the Bailiwick of Guernsey.²⁸ If users have downloaded the program from

INTELL. PROP. REV. (2005), https://cyber.harvard.edu/ilaw/Jurisdiction/Geller_Sum.html (last visited Jan 20, 2019). For the definition of “localize” see *supra* note 18.

²⁷ Not all courts will localize the infringing acts in all of these locations, for all purposes, and in all circumstances. *E.g.*, *MacDermid, Inc. v. Deiter*, 702 F.3d 725, 727 (2d Cir. 2012) (a server was the location of misappropriation of trade secrets that were stored on the server); Case C-523/10, *Wintersteiger AG v. Products 4U Sondermaschinenbau GmbH*, 2012 E.C.R. 90, ¶ 36 (“[T]he place of establishment of [a search engine] server cannot, by reason of its uncertain location, be considered to be the place where the event giving rise to the damage occurred for the purpose of the application of Article 5(3) of Regulation No 44/2001.”).

²⁸ The Bailiwick of Guernsey is not a country but a self-governing dependency of the British Crown. *Constitution, Position and Customs Territory*, OFFICIAL WEBSITE FOR STATES OF GUERNSEY, <https://www.gov.gg/article/152732/Constitution-position-and-customs-territory>. The island of Guernsey is well connected to the internet, making it a popular location for data centers. Analysis Mason, *Guernsey Connectivity Review* (Apr. 25, 2016), <https://www.gov.gg/>

multiple countries or if the server had been mirrored in another or multiple other countries, the number of possible locations increases. Another location could be added if the infringer had pretended to be located in a country other than the one in which he was physically located (for example if he altered the IP address of his internet connection or used a VPN);²⁹ some might deem this kind of virtual presence to create yet another location of the infringer's activities.

Offline scenarios seem less prone to localizing infringement in multiple places, but even offline scenarios can result in multiple infringement locations. In *Litecubes, LLC v. Northern Light Products, Inc.*,³⁰ the defendant argued that its acts should have been deemed to have occurred in Canada because it was from Canada that the defendant had shipped infringing products free on board to the United States. The plaintiff argued that the place of infringement was in the United States because it was from the United States that customers had ordered the defendant's products and to the United States that the products had been shipped. The U.S. court in the case viewed both the place of the seller and the place of delivery as the locations of sale for the purpose of localizing the infringement by sale; the U.S. court rejected the approach under which the localization would have led to a "single point at which some legally operative act took place."³¹

If places of the effects of infringing acts are also considered to be locations of an infringement,³² localization of the effects may add to the multiplicity of infringement locations. In the online version of the computer program example in the Introduction, the effects of the infringing acts were felt in all countries where the infringer made the program accessible online, where the program was protected by copyright, and where users downloaded the program.³³ If for some reason copyright

CHttpHandler.ashx?id=102049&p=0. For the use of the term "country" in this Article, see *supra* note 9.

²⁹ Virtual private network ("VPN") services can be employed by an internet actor to enable him to use an IP address that makes him appear as if he were located in another place. On this, other techniques of evasion of geolocation, and the legal implications of their uses, see, e.g., Marketa Trimble, *The Future of Cybertravel: Legal Implications of the Evasion of Geolocation*, 22 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 567, 599–605 (2012).

³⁰ *Litecubes, LLC v. N. Light Prods., Inc.*, 523 F.3d 1353, 1360 (Fed. Cir. 2008).

³¹ *Id.* at 1369–70 (citing *North American Philips Corp. v. American Vending Sales, Inc.*, 35 F.3d 1676 (Fed. Cir. 1994)); see also *Transocean Offshore Deepwater Drilling, Inc. v. Maersk Contractors USA, Inc.*, 617 F.3d 1296, 1310 (Fed. Cir. 2010) ("[I]n *Litecubes* . . . we held that a sale does not only occur at a 'single point where some legally operative act took place.' . . . We may also consider other factors such as the place of performance.").

³² See, e.g., Case C-441/13, *Pez Hejduk v. EnergieAgentur.NRW GmbH*, 2014 E.C.R. 2212, ¶¶ 16–18 (a copyright case); Case C-360/12, *Coty Germany GmbH v. First Note Perfumes NV*, 2013 E.C.R. 764, ¶ 1, 46 (a trademark case).

³³ The accessibility, by itself, of the online content might not be sufficient to establish personal jurisdiction over the defendant in the place where the content is accessible. See, e.g., *Pablo Star Ltd. v. Welsh Gov't*, 170 F.Supp.3d 597, 607–08 (S.D.N.Y. 2016).

to the program did not exist in one of the countries of downloading, the effects of the acts in that country might still be apparent but the acts would not infringe copyright in that country because of the lack of copyright protection under the law of that country.³⁴ Because IP rights are territorial—they arise from a particular country's laws and exist only within the scope of that country's prescriptive jurisdiction³⁵—they cannot be infringed in countries where a country's laws do not establish or recognize the rights.

One of the places where the effects of infringement may be felt is in the place of the rights owner,³⁶ which is the place where the rights owner feels the impact of the infringement on his revenue, and where the accounting books reflect the impact of the infringement.³⁷ However, because IP rights are territorial, the rights owner's injury tends to be viewed as arising only in the territory where the IP rights exist. The situs of the injury can only be where the IP rights exist, and therefore the place of the rights owner should be recognized as a place of infringement through the effects of an infringement only if and to the extent that the rights exist there.³⁸

³⁴ In general, computer programs should be protected by copyright in all countries that are parties to the TRIPS Agreement or the WIPO Copyright Treaty, but a particular computer program might not be protected, even in some of the countries that are parties to the treaties, if the program does not meet the standards for protectable subject matter (*e.g.*, originality). Agreement on Trade-Related Aspects of Intellectual Property Rights art. 4, Apr. 15, 1994, 108 Stat. 4809, 1869 U.N.T.S. 299 [hereinafter TRIPS Agreement].

³⁵ On the principle of territoriality, see, *e.g.*, PAUL GOLDSTEIN & P. BERNT HUGENHOLTZ, INTERNATIONAL COPYRIGHT: PRINCIPLES, LAW, AND PRACTICE 99 (3d ed. 2013); Trimble, *supra* note 2, at 383–84.

³⁶ The place of the rights owner will typically be the rights owner's domicile. For the use of the term "rights owner" in this Article see *supra* note 1.

³⁷ For a consideration of non-economic losses in the place of the copyright owner in a copyright infringement case, see *Penguin Grp. v. American Buddha*, 16 N.Y.3d 295, 306 (N.Y. 2011).

³⁸ Even when courts have accepted that the place of the rights owner is a place of infringement, these courts have rejected the notion that they (the courts) should have the power to decide claims of infringements under the laws of multiple countries (*i.e.* that the courts in the place of the rights owner should have general jurisdiction in IP rights infringement cases). In the United States, see *Penguin Grp. (USA) Inc. v. American Buddha*, 640 F.3d 497, 500–01 (2d Cir. 2011); *Penguin Grp. (USA), Inc. v. American Buddha*, 106 U.S.P.Q.2d 1306 (S.D.N.Y. 2013); *Penguin Grp.*, 16 N.Y.3d at 303. In the European Union, see Case C-523/10, *Wintersteiger AG v. Products 4U Sondermaschinenbau GmbH*, 2012 E.C.R. 90, ¶¶ 40–41 (a trademark case); Case C-170/12, *Pinckney v. KDG Mediatech AG*, 2013 E.C.R. 1, ¶¶ 32–33, 36 (a copyright case). *Cf.* Joined Cases C-509/09 and C-161/10, *eDate Advertising GmbH v. X and Olivier Martinez*, 2011 E.C.R. I-10269, ¶ 82 (a personality rights case).

Given the above ambiguities involved in localization in IP cases,³⁹ territorial scope is a relative term, and when thinking about territorial discrepancy between claims and remedies the ambiguities should be kept in mind. In some instances there will be no agreement on the definition of territorial scope, nor will there be an agreement as to whether acts and circumstances fall inside or outside the scope. But the results of the localization of infringements are crucial for the formulation and determination of the territorial scope of infringement claims; owing to the territoriality of IP rights, infringements may be claimed to occur only in places where infringing acts against IP rights are committed and/or where effects of the acts are felt.

II. THE TERRITORIAL SCOPE OF IP INFRINGEMENT CLAIMS

Territorial discrepancy results from the competing claim and remedy considerations that cause a rights owner to request remedies with a different territorial scope than the territorial scope of claims that the rights owner raises. It would seem that identical considerations would shape the territorial scopes of both the claims and remedies: Rights owners typically seek to maximize their remedies,⁴⁰ and therefore rights owners should raise claims with the largest possible territorial scope. But this is so only if the territorial scope of available remedies is identical to the territorial scope of claims. If remedies are available that can reach beyond the territorial scope of the claims (i.e. extraterritorial remedies),⁴¹ then competing considerations are in play—claim considerations will make rights owners limit the territorial scope of their claims, while remedy considerations will make rights owners expand as much as possible the territorial scope of the remedies they seek.

This Section discusses the considerations that cause rights owners to limit the territorial scope of their claims. The considerations are of both a legal and practical nature, and are linked to matters of choice of applicable law and personal and subject matter jurisdiction.

A. Considerations That Cause IP Rights Owners to Narrow the Territorial Scope of Their Claims

In transnational IP rights infringement cases, plaintiffs typically narrow the territorial scope of their claims: Even when infringing acts have occurred and/or

³⁹ On the temporal aspect of the ambiguity of localization, which is not discussed in this Section, see Michael Pryles, *The Time Factor in Private International Law*, 6 MONASH U. L. REV. 225 (1980).

⁴⁰ For an example of circumstances in which an IP rights owner might not seek remedies with the maximum territorial scope see *infra* note 180.

⁴¹ See *supra* the Introduction and *infra* Part III, Section A for the meaning of “extraterritorial remedies” in this Article. *Cf.* “cross-border remedies” as used in this Article—*supra* the Introduction and *infra* Part III, Section 1.

their effects have been felt in multiple countries and infringements could theoretically be claimed in a number of countries, plaintiffs will still narrow the territorial scope of their infringement claims so that their claims cover only one or a limited number of countries. Plaintiffs do this because there are legal and practical reasons that make the claiming of a broader territorial scope infeasible or unwise.

An important limitation on bringing claims under the laws of multiple countries is that bringing the claims is possible only if the forum court has general jurisdiction over a defendant.⁴² Only when a rights owner brings a case in a court of general jurisdiction may the rights owner include claims under the laws of foreign countries. As will be discussed shortly, specific jurisdiction in IP rights infringement cases, which is based on the place of infringement,⁴³ limits the scope of any possible claims to claims of infringement under forum law.

Limitations on claims do not end with constraints related to the forum court's personal jurisdiction over the defendant: Infringements in multiple countries may be claimed in a single litigation only if the claims present transitory causes of action in the forum court, meaning that the law of the forum permits the causes of action to be brought in the forum court even though the causes of action are brought under the laws of a foreign country.⁴⁴ An issue that affects the possibility of bringing foreign IP rights infringement claims is that IP rights infringement cases are often linked to questions of the validity of IP rights, which in infringement cases is often—though not always—raised as a counterclaim, defense, or otherwise.

With respect to the validity of registered IP rights such as patents, registered trademarks, or registered designs, courts typically refrain from adjudicating the validity of these foreign IP rights, and many courts will not entertain questions of the validity of these rights even if the questions of validity are raised as a preliminary matter.⁴⁵ Courts have pointed to the act of state doctrine and other corresponding doctrines of respect for other countries' sovereignty when the courts refrain from deciding on the validity of foreign-registered IP rights.⁴⁶

Claims of infringements of foreign IP rights may be brought in some countries for unregistered IP rights such as copyright,⁴⁷ and courts have even been willing to

⁴² See, e.g., *Daimler AG v. Bauman*, 571 U.S. 117, 122 (2014).

⁴³ In the United States, the place of infringement is not determinative on its own; state laws might have additional requirements, and the requirements of due process must also be met in order for specific jurisdiction to exist. See, e.g., *Penguin Grp. (USA), Inc.*, 106 U.S.P.Q.2d at *4.

⁴⁴ *Lucasfilm Ltd. v. Ainsworth*, [2011] UKSC 39, [2011] 1 AC 208, [72], [75]–[76].

⁴⁵ Case C-4/03, *Gesellschaft für Antriebstechnik mbH & Co. KG v. Lamellen und Kupplungsbau Beteiligungs KG*, 2006 E.C.R. I-6509, ¶ 29.

⁴⁶ *Voda v. Cordis Corp.*, 476 F.3d 887, 892, 897 (Fed. Cir. 2007); see also *Lucasfilm Ltd.*, [2011] UKSC 39 at [61] [65], [68], [81]–[84].

⁴⁷ *Creative Tech. Ltd. v. Aztech Sys. PTE, Ltd.*, 61 F.3d 696, 699 (9th Cir. 1995); *London Film Prods. Ltd. v. Int'l Comm'ns, Inc.*, 580 F. Supp. 47, 48–49 (S.D.N.Y. 1984); *Lucasfilm Ltd.*, [2011] UKSC 39 at [3].

adjudicate infringements of foreign-registered IP rights as long as the parties stipulate that the foreign IP rights are valid or otherwise indicate that validity will not be raised, so that the courts need not address the validity of the rights.⁴⁸ Arbitration panels might decide infringements of foreign IP rights even if they are registered IP rights,⁴⁹ but generally the decisions of arbitration panels concerning the validity of these rights will have only *inter partes* effects. Only in some countries will the decisions may have *erga omnes* effects.⁵⁰

Another important limitation on the territorial scope of a claim is evidentiary: Unless a plaintiff may bring an infringement case without proof of actual infringement, rights owners must limit the territorial scope of their claims to the countries for which they can actually prove infringements. For example, when infringing acts occur on the internet, it is possible that IP rights are infringed in multiple countries; making available (distributing to the public) the computer program in the online example in the Introduction could theoretically result in infringements of copyright in all countries that provide copyright protection to computer programs.⁵¹ However, unless a country's law does not require actual acts of infringement to be proven, a rights owner cannot base his infringement case solely on the accessibility of the infringing content on the internet. Either for purposes of personal jurisdiction,⁵² or later for purposes of proving damages, the copyright owner might have to produce evidence of actual infringement.

The costs of litigating under foreign laws or the laws of multiple countries also pose a significant limitation on the scope of infringement claims. Producing evidence of infringements in foreign countries is costly; there are translation and interpretation costs and costs of producing witnesses, including, when necessary, expert

⁴⁸ *E.g.*, *Actavis UK Limited v. Eli Lilly & Co.*, English High Court of Justice, 15 May 2014, [2014] EWHC 1511 (Pat); *Fairchild Semiconductor Corp. v. Third Dimension (3D) Semiconductor, Inc.*, 589 F. Supp. 2d 84, 86, 99 (D. Me. 2008).

⁴⁹ On arbitration of IP rights disputes, see François Dessemontet, *The Specificity of Intellectual Property Arbitration*, in RESEARCH HANDBOOK ON CROSS-BORDER ENFORCEMENT OF INTELLECTUAL PROPERTY 607, 607–41 (Paul Torremans ed., 2014); Jacques de Werra, *Global Policies for Arbitrating Intellectual Property Disputes*, in RESEARCH HANDBOOK ON INTELLECTUAL PROPERTY LICENSING 353, 357–77 (Jacques de Werra ed., 2013).

⁵⁰ Steven A. Certilman & Joel E. Lutzker, *Arbitrability of Intellectual Property Disputes*, in ARBITRATION OF INTERNATIONAL INTELLECTUAL PROPERTY DISPUTES 55, 93 (Thomas D. Halket ed., 2012); François Dessemontet, *Arbitration and Intellectual Property*, in ENFORCEMENT OF ARBITRATION AGREEMENTS AND INTERNATIONAL ARBITRAL AWARDS – THE NEW YORK CONVENTION 1958 IN PRACTICE 553, 554 (E. Gaillard & D. Di Pietro eds., 2008).

⁵¹ TRIPS Agreement, Article 10(1), requires copyright protection for computer programs. A computer program might not be protected if it does not meet national requirements of copyrightability (*e.g.*, originality). TRIPS Agreement, *supra* note 34.

⁵² *E.g.*, *Pablo Star Ltd. v. Welsh Gov't*, 170 F. Supp. 3d 597, 607–08 (S.D.N.Y. 2016).

witnesses on foreign law.⁵³ Regardless of whether the legal system of the country of litigation requires that parties raise, plead, or prove foreign law,⁵⁴ the rights owner may face arguments regarding foreign law, its interpretation, and its correct application.⁵⁵

A not insignificant reason for a rights owner to limit the number of countries under whose laws he claims infringement is the danger he faces in alienating the court by bringing claims that the court might perceive as having excessive territorial scope. Judges naturally prefer to apply forum law rather than to venture into the unknown territory of foreign laws.⁵⁶ This reluctance stems from judges' awareness of the extreme difficulty associated with applying foreign law correctly and the costs and delay involved in ascertaining foreign law.⁵⁷

A court may be particularly skeptical of infringement claims brought under the laws of a number of countries if the court believes that bringing claims for fewer countries or even only one country would result in remedies sufficient to compensate the plaintiff and/or deter the defendant, or that the remedies would be the maximum remedies feasible given the defendant's circumstances. A court may be more inclined to dismiss claims concerning foreign IP rights based on *forum non conveniens* (if the court may do so)⁵⁸ if the court views the claims as territorially excessive or designed with ulterior motives.⁵⁹

⁵³ *E.g.*, in *Alfred Dunhill v. Sunoptic*, the plaintiff sought an injunction with a global effect. *Alfred Dunhill v. Sunoptic*, [1979] FSR 337, 338–39. However, it had to narrow its claims and limit them to the United Kingdom and Switzerland, those being the only two countries where the plaintiff brought evidence of foreign law. *Id.* See also David Perkins et al., *Discovery in Foreign Jurisdictions; Enforcing Judgments Abroad*, SE32 ALI-ABA 191, 200 (1999).

⁵⁴ *E.g.*, in the United States, FED. R. CIV. P. 44.1. On proving foreign law in English litigation, see ADRIAN BRIGGS, *PRIVATE INTERNATIONAL LAW IN ENGLISH COURTS* 99–104 (2014); RICHARD FENTIMAN, *INTERNATIONAL COMMERCIAL LITIGATION* 280, 666–706 (2d ed. 2015).

⁵⁵ See, *e.g.*, *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, 153 F.3d 82, 84 (2d Cir. 1998).

⁵⁶ RICHARD FENTIMAN, *FOREIGN LAW IN ENGLISH COURTS* 24 (1998).

⁵⁷ Th. M. De Boer, *Facultative Choice of Law: The Procedural Status of Choice-of-Law Rules and Foreign Law*, in 257 *COLLECTED COURSES OF THE HAGUE ACADEMY OF INTERNATIONAL LAW* 223, 235–36 (1997).

⁵⁸ On limitations in English courts, see RONALD A. BRAND & SCOTT R. JABLONSKI, *FORUM NON CONVENIENS: HISTORY, GLOBAL PRACTICE, AND FUTURE UNDER THE HAGUE CONVENTION ON CHOICE OF COURT AGREEMENTS* 32–33 (2007).

⁵⁹ “It is not unusual for common-law courts to invoke *forum non conveniens* when foreign law is involved and to dismiss foreign claims within their subject-matter authority.” ALI PRINCIPLES, *supra* note 19, § 103, at 27. “Instead of applying foreign law, U.S. courts typically adopt one of two strategies. First, courts reject the application of foreign law and apply U.S. law to transnational facts. Second, especially in cases involving a foreign plaintiff, U.S. courts dismiss the case in favor of another adequate foreign forum.” Donald Earl Childress III, *Rethinking Legal*

B. The Territorial Scope of a Claim and the Choice of Applicable Law

A plaintiff's aspiration regarding the country or countries whose laws should apply to his claim will affect the plaintiff's definition of the territorial scope of his claim, and the territorial scope of his claim will affect the choice of applicable law. For IP rights infringements, the law of the country where an infringement occurred,⁶⁰ or for which an infringement is claimed, applies to the infringement.⁶¹ If an infringement is claimed only for the forum country, forum law will apply. When an infringement is claimed for a foreign country, the choice of law rules of the forum point to the law of that foreign country.⁶²

In countries like the United States, where the burden falls upon the parties to raise foreign law if they wish that law to be applied, rights owners may try to proceed based on the law of the forum even as regards infringements that have occurred outside the forum country.⁶³ A plaintiff might claim infringements of IP rights existing in foreign countries, but if the court does not ascertain what the foreign law is, the court might proceed under forum law even with respect to the foreign IP rights infringements.⁶⁴ Of course when claiming infringements in foreign countries

Globalization: The Case of Transnational Personal Jurisdiction, 54 WM. & MARY L. REV. 1489, 1493 (2013).

⁶⁰ For the localization of an infringement, see *supra* Part I.

⁶¹ See, e.g., *Saregama India Ltd. v. Mosley*, 635 F.3d 1284, 1290 (11th Cir. 2011); *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, 153 F.3d 82, 92 (2d Cir. 1998); *Lahiri v. Universal Music & Video Distribution, Inc.*, 513 F. Supp. 2d 1172, 1176 n.4 (C.D. Cal. 2007); *Edmark Indus. SDN. BHD. v. S. Asia Int'l (H.K.) Ltd.*, 89 F. Supp. 2d 840, 843–44 (E.D. Tex. 2000). See also LAW OF THE APPLICATION OF LAW FOR FOREIGN-RELATED CIVIL RELATIONS OF THE PEOPLE'S REPUBLIC OF CHINA art. 50 (China); ACT OF 4TH FEBRUARY 2011: INTERNATIONAL PRIVATE LAW art. 46, par. 3 (Pol.); IPRG art. 110, para. 1 (Switz.).

⁶² *Lex loci protectionis* is the typical rule for IP rights infringements. In some countries, the law allows parties to agree post infringement on what country's law will apply to the infringement. See LAW OF THE APPLICATION OF LAW FOR FOREIGN-RELATED CIVIL RELATIONS OF THE PEOPLE'S REPUBLIC OF CHINA art. 50 (China); IPRG art. 110, para. 2 (Switz.). This is the same result that occurs in systems where courts proceed under the forum law when plaintiffs do not raise, plead, and/or prove foreign law, and defendants do not object to the application of the forum law, and/or where courts adopt a presumption that the foreign and forum laws are identical, absent evidence to the contrary.

⁶³ SOFIE GEEROMS, FOREIGN LAW IN CIVIL LITIGATION: A COMPARATIVE AND FUNCTIONAL ANALYSIS 41 (Oxford Univ. Press ed., 2004). In the United States, since the 1966 change to the Rules of Federal Procedure, parties in federal courts “who intend[. . .] to raise an issue about a foreign country's law must give notice by a pleading or other writing.” FED. R. CIV. P. 44.1. The parties have no obligation to prove foreign law, and trial and appellate courts “may consider any relevant material or source, including testimony, whether or not submitted by a party or admissible under the Federal Rules of Evidence.” *Id.*

⁶⁴ See, e.g., CA 2790/93, 2811/93 *Eisenman v. Qimron* 54(3) PD 817, 6–7 (2000) (Isr.), <https://m.tau.ac.il/law/members/birnhack/DSStransaltion.pdf>. The Tel Aviv District Court proceeded “on the basis of the presumption of the identity of laws [and] chose to apply Israel

and arguing that the law of the forum is identical to the applicable foreign law, a rights owner could face the risk that the forum law is actually less favorable to his case than foreign law,⁶⁵ or that the defendant will object.

The result in these cases resembles an approach that has been suggested in some proposals for new approaches to conflict of laws questions in IP cases;⁶⁶ although it might seem revolutionary to suggest that a single country's law should govern IP rights infringements in multiple countries, this is an approach not completely unknown in countries where parties must themselves initiate the application of foreign law.⁶⁷

In countries where courts bear the obligation of seeking the application of foreign country law⁶⁸ the plaintiff's formulation of the territorial scope of his claim will

copyright law to adjudicate alleged acts of [copyright] infringement that the Court found to have taken place in the U.S. and not in Israel." Neil J. Wilkof, *Choice of Law and the Dead Sea Scrolls*, in 7 INTERNATIONAL INTELLECTUAL PROPERTY LAW & POLICY 98-1, 98-2 (Hugh C. Hansen ed., 2002). The Supreme Court of Israel approached the case differently; it "found that there had been direct publication and distribution of the infringing books in Israel" and affirmed the application of Israeli law in the case. *Id.* See also *Petition for a Writ of Certiorari at *9*, *World Programming Ltd. v. SAS Inst., Inc.*, 874 F.3d 370 (4th Cir. 2017) (No. 17-1459), 2018 WL 1910952 at *9; CA 2790/93, 2811/93 Eisenman v. Qimron 54(3) PD 817, 6-7 (2000) (Isr.), <https://m.tau.ac.il/law/members/birnhack/DSStransaltion.pdf>.

⁶⁵ *E.g.*, *Petition for a Writ of Certiorari, World Programming Inc.*, 874 F.3d 370 (No. 17-1459) at *9 ("[T]he parties agreed that there was no difference between [the laws of the state of North Carolina and the United States] and English law." (internal quotations omitted)).

⁶⁶ Annette Kur, *Ubiquitous Infringement*, in CONFLICT OF LAWS IN INTELLECTUAL PROPERTY: THE CLIP PRINCIPLES AND COMMENTARY 3:603(1)_(2013) ("Ubiquitous Infringement"); see also *id.* at 3:603.C01 ("Article 3:603 allows a *single law* to be applied to the infringement in its entirety.") (emphasis in original); ALI PRINCIPLES, *supra* note 19, § 321, at 153 ("Law or Laws to Be Applied in Cases of Ubiquitous Infringement"). On other projects that have proposed "[a] rule allowing for application of a single law in case of ubiquitous infringement or under similar circumstances," see *Ubiquitous Infringement*, CLIP PRINCIPLES, *supra* note 66, at 3:603.N18-N24. For other proposals for the application of a single law, see also Paul Geller, *International Intellectual Property, Conflict of Laws and Internet Remedies*, 22 E.I.P.R. 125, 129 (2000); Jane C. Ginsburg, *Copyright Without Borders? Choice of Forum and Choice of Law for Copyright Infringement in Cyberspace*, 15 CARDOZO ARTS & ENT. L.J. 153, 173 (1997); Jane C. Ginsburg & Myriam Gauthier, *The Celestial Jukebox and Earthbound Courts: Judicial Competence in the European Union and the United States Over Copyright Infringements in Cyberspace*, 173 REVUE INTERNATIONALE DU DROIT D'AUTEUR 61, 85 (1997).

⁶⁷ Also, the so-called "emission principle" has its predecessors in European Union law. See Council Directive 93/83/EEC of 27 September 1993, art. 1(2)(b), 1993 O.J. (L 248) (on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission). See also Directive 2000/31/EC, of the European Parliament and of the Council of 8 June 2000 on Certain Legal Aspects of Information Society Services, in Particular Electronic Commerce, in the Internal Market, art. 3, 2000 O.J. (L 178) 1.

⁶⁸ For a more nuanced differentiation among approaches of choice of law in different countries, see Yuko Nishitani, *Proof of and Information About Foreign Law*, in GENERAL REPORTS

determine whether the court will apply foreign law.⁶⁹ When the plaintiff claims foreign IP rights infringements the court applies its own forum choice-of-law rules to determine which foreign law the court should apply to the foreign IP rights infringements. Although the choice-of-law rule (*lex loci protectionis*) is uniform across countries, the rules for and approaches to localization vary among countries and courts,⁷⁰ which accounts for the differences in the results of choice-of-law analyses.⁷¹

If the plaintiff does not indicate that the territorial scope of his claim extends beyond the forum territory, the court will consider only, and only under forum law, the IP rights arising under forum law. For example, in the *Gutenberg* case⁷² a German court adjudicated an infringement of copyright only under German law. The court did not consider infringements outside of Germany and infringements under foreign countries' laws—even though infringements very likely occurred outside of Germany.⁷³ The court had no reason to consider infringements outside of Germany since the plaintiff did not claim infringements outside of Germany;⁷⁴ additionally, the court had only specific jurisdiction over the defendants, who were from the United States.

The plaintiff's formulation of the territorial scope of his claim, combined with the applicable law or the designation of the IP rights arising under a particular country's law, is very important in cases where the plaintiff seeks an extraterritorial application of the law. In such cases the plaintiff alleges infringement outside a country's territory but claims infringement only of an IP right under the particular country's law. Claiming such an extraterritorial infringement does not automatically imply the application of another country's law; it might only mean that the plaintiff seeks to have the particular country's law applied extraterritorially to cover infringements that occurred outside the country. Even if the IP laws of other countries would cover the conduct, the court will not apply the other countries' laws.

OF THE XIXTH CONGRESS OF THE INTERNATIONAL ACADEMY OF COMPARATIVE LAW 165, 175 (Martin Schauer & Bea Verschraegen eds., 2017).

⁶⁹ Carlos Esplugues, *General Report on the Application of Foreign Law by Judicial and Non-Judicial Authorities in Europe*, in APPLICATION OF FOREIGN LAW 3, 18–22 (Carlos Esplugues et al. eds., 2011).

⁷⁰ On differences in localization, *see supra* Part I.

⁷¹ *See, e.g.*, *Transocean Offshore Deepwater Drilling, Inc. v. Maersk Contractors USA, Inc.*, 617 F.3d 1296, 1308–09 (Fed. Cir. 2010) (differences in the localization of a patent infringing offer to sell); LG Feb. 13, 2007, 4a O 124/05, http://www.justiz.nrw.de/nrwe/lgs/duesseldorf/lg_duesseldorf/j2007/4aO124_05urteil20070213.html.

⁷² LG Feb. 9, 2018, 2-03 O 494/14, 1, <https://cand.pglaf.org/germany/gutenberg-lawsuit-judgement-EN.pdf>.

⁷³ *Id.* at 10.

⁷⁴ The works at issue were no longer protected under U.S. copyright law. *Id.* at 3–4.

The *Transocean Offshore* case⁷⁵ offers an instructive example of the application of a country's (in this case the forum's) law to extraterritorial conduct: The plaintiff claimed infringement of a U.S. patent through an offer to sell that was made in Norway. The claim extended extraterritorially (outside the United States) but the IP right was based on a U.S. patent, not a Norwegian patent, and the court therefore applied U.S. patent law, not Norwegian law, to adjudicate the infringement.⁷⁶ Note that even if the plaintiff had held a corresponding Norwegian patent, the court would not have applied Norwegian law unless the plaintiff had actually claimed infringement of his Norwegian patent.⁷⁷

Because of the costs associated with litigating under foreign law and/or the laws of multiple countries, the possibility of economizing on the quantity of applicable laws is appealing to plaintiffs. Therefore, plaintiffs tend to take the opportunity to limit applicable law to a single law (and preferably the forum law) by (1) not raising, pleading, and/or proving foreign law (in countries with facultative choice of law), or (2) claiming infringement through extraterritorial acts under forum law (to the extent that the forum law applies to those acts),⁷⁸ or (3) suggesting a particular localization approach that places any infringing acts within the forum's territory⁷⁹ or localizes infringing acts within the scope of the forum's prescriptive jurisdiction (which might be outside the forum's territory).⁸⁰ In these situations the territorial scope of the claim seems to shrink when the plaintiff brings the claim only under forum law instead of the laws of multiple countries, but it is noteworthy that the scope of the infringing activity on which the claims in these cases are based remains the same.

In other situations, the plaintiff will resign himself to bringing claims covering the infringing activity in only one or some countries if the plaintiff finds that this restriction of his claims is necessary in order to keep the number of applicable laws to one or to a small number.

⁷⁵ *Transocean Offshore*, 617 F.3d at 1307.

⁷⁶ The extraterritorial act that infringed the U.S. patent in *Transocean Offshore* was an offer made in Norway to sell the patented device in the United States. *Id.* at 1308; 35 U.S.C. § 271(a).

⁷⁷ See generally *supra* notes 42–49 and accompanying text, and *infra* Part II, Section C, for the limitations posed by personal jurisdiction and the problem of the transitory cause of action in cases of registered rights, such as patents.

⁷⁸ *Transocean Offshore*, 617 F.3d at 1310 (the claim of an infringing offer to sell under 35 U.S.C. § 271(a)).

⁷⁹ *Litecubes, LLC v. N. Light Prods., Inc.*, 523 F.3d 1353, 1370 (Fed. Cir. 2008).

⁸⁰ *Transocean Offshore*, 617 F.3d at 1310 (the claim of an infringing sale under 35 U.S.C. § 271(a)).

C. Jurisdiction and the Territorial Scope of a Claim

Personal jurisdiction affects the territorial scope of the claims that plaintiffs raise, and the territorial scope of a claim also plays an important role in the determination of the personal jurisdiction of the court when the court's power over the defendant is based on specific jurisdiction rather than general jurisdiction. While general jurisdiction typically depends on factors such as the defendant's domicile, place of incorporation, place of establishment, or continuous and systematic affiliations to a country (depending on the country),⁸¹ specific jurisdiction in IP infringement cases typically depends solely, or in significant part (again depending on the country), on the place of infringement.⁸²

For a court to have specific jurisdiction over a defendant, an infringement must be localized in a place that falls under the forum court's jurisdiction. In some countries, courts will consider additional factors to determine whether they have specific jurisdiction over a defendant. In the United States, the fact that an infringement is localized in a court's territory does not automatically mean that the court has personal jurisdiction over the infringer; some state laws impose additional requirements for specific jurisdiction, and federal law provides a constitutional overlay of the due process requirement. If the additional requirements are not met, personal jurisdiction does not exist even if an act of infringement is localized in the court's territory. For example, in *Penguin Group v. American Buddha*,⁸³ the infringing act was localized in New York but the requirement of substantial revenue drawn from interstate or international commerce (a requirement under New York law) was not met.⁸⁴

As noted earlier, if a plaintiff relies on specific jurisdiction, the plaintiff limits his possibilities with respect to the territorial scope of his claim. For general juris-

⁸¹ "Private international law firmly establishes that the plaintiff may bring any suit in the courts of a State in which the defendant is resident." ALI PRINCIPLES, *supra* note 19, § 201, cmt. a; *see also, e.g.*, Regulation (EU) No. 1215/2012 of the European Parliament and of the Council on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters (recast), EUR. PARL. DOC. O.J. (L 351) (2012) art. [4], art. [63]; *Goodyear Dunlop Tires Operations, S.A. v. Brown*, 131 S. Ct. 2846, 2851 (2011).

⁸² "According to a practically universally accepted principle, jurisdiction for claims arising from tortious conduct is vested in the courts at the place where the harmful event occurs." Annette Kur, *Infringement*, in CONFLICT OF LAWS IN INTELLECTUAL PROPERTY: THE CLIP PRINCIPLES AND COMMENTARY 2:202.C01 (2013). The simplified summary of rules of personal jurisdiction in this paragraph does not suggest that countries are close to agreeing on an international standard for personal jurisdiction. The negotiations in the Hague Conference on Private International Law have shown otherwise. *See Judgments Project*, Hague Conference *supra* note 19.

⁸³ *Penguin Grp. (USA), Inc. v. American Buddha*, 106 U.S.P.Q.2d 1306, at *2 (S.D.N.Y. 2013).

⁸⁴ *Id.* at *7.

diction the claim may be for infringement anywhere (to the extent that the infringement claims are transitory causes of action),⁸⁵ but for specific jurisdiction the claim must be based on the same act that justifies specific jurisdiction—an infringing act within the territory of the forum court. Forum IP rights infringed by acts committed in the court's territory present a clear case for specific jurisdiction; a less clear case might be infringements of forum IP rights through acts committed extraterritorially, or the opposite—infringements of foreign IP rights through acts committed in the forum court's territory.

To illustrate such less clear cases, consider *Transocean Offshore*.⁸⁶ A U.S. patent was infringed through an offer made in Norway to sell the infringing product in the United States. When a defendant is domiciled in the United States (as the defendant was in *Transocean Offshore*) and the case is brought in a U.S. court (in the U.S. state of the defendant's domicile), the court has general jurisdiction over the defendant and, in general, the court may adjudicate claims brought against the defendant that arise anywhere and under any country's laws (but with the limitation of justiciability discussed earlier).⁸⁷ But what if the defendant is not domiciled in the United States and the U.S. court can proceed only if it has specific jurisdiction over the defendant? Is the extraterritorial act a basis for specific jurisdiction because it infringes U.S. law? It might be riskier to pursue extraterritorial infringement claims (claims that arise from acts committed outside the territory of the country on whose laws the claim is based) in a court that has only specific jurisdiction over a defendant, rather than in a court that has general jurisdiction over the defendant.

A few words should be added about subject matter jurisdiction.⁸⁸ How a plaintiff defines the territorial scope of his claim should typically play no role in subject matter jurisdiction; whether for infringement of domestic or foreign IP rights, a claim should be handled in a court whose subject matter jurisdiction covers IP cases or infringement claims that pertain to that particular IP right.⁸⁹

⁸⁵ See generally *supra* notes 42–49 and accompanying text.

⁸⁶ *Transocean Offshore Deepwater Drilling, Inc. v. Maersk Contractors USA, Inc.*, 617 F.3d 1296, 1313 (Fed. Cir. 2010).

⁸⁷ See generally *supra* notes 43–49 and accompanying text.

⁸⁸ Subject matter jurisdiction designates the types of cases that a court may adjudicate. *E.g.*, RESTATEMENT (SECOND) OF JUDGMENTS § 11 (AM. LAW INST. 1982). For example, in countries with specialized IP courts, IP cases are removed from the jurisdiction of general courts and entrusted to the jurisdiction of the specialized courts. *E.g.*, 28 U.S.C. § 1295(a)(4)(A) & (B) (2012); Act on the Establishment of and Procedure for Intellectual Property and International Trade Court, B.E. 2539 (1996) (Thai.); Agreement on a Unified Patent Court, No. 2013/C 175/01, 2013 O.J. (C 175) 1; *Establishing 15 IP Tribunals Nationwide, Chinese Courts Further Concentrate Jurisdiction Over IP Matters*, COVINGTON 1 (Mar. 15, 2018), https://www.cov.com/-/media/files/corporate/publications/2018/03/establishing_15-ip_tribunals_nationwide_chinese_courts_further_concentrate_jurisdiction_over_ip_matters.pdf.

⁸⁹ It is possible, though unusual, for the subject matter jurisdiction of a court to be based on a particular country's law.

Nevertheless, some confusion exists in U.S. courts because of the way that U.S. law defines subject matter jurisdiction for IP cases. The jurisdictional statute defines subject matter jurisdiction as encompassing “any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trademarks;”⁹⁰ this wording creates doubt about subject matter jurisdiction over cases arising under the IP laws of foreign countries.

Although the U.S. Supreme Court has clearly stated that the scope of a claim is not jurisdictional, U.S. courts have struggled with the rule. For example, in *ITSI T.V. Productions*⁹¹ the court referred to the requirement that acts of direct infringement be localized in the United States as a subject matter requirement.⁹² In *Rundquist v. Vapiano SE* the court concluded that because the U.S. Copyright Act does not cover infringements committed abroad, “U.S. courts do not have subject matter jurisdiction over claims arising from [such] foreign activity.”⁹³ In other cases courts have rejected the notion that the territorial scope of an IP rights infringement claim is jurisdictional.⁹⁴

Any uncertainty regarding jurisdiction, including subject matter jurisdiction, may influence a plaintiff’s formulation of the territorial scope of his claims. The uncertainty and legal and practical constraints make it less attractive for plaintiffs to pursue foreign law-based infringement claims in courts, leading plaintiffs to self-impose limitations on the territorial scope of their claims.

III. THE EXTRATERRITORIAL SCOPE OF REMEDIES IN IP INFRINGEMENT CASES

The considerations discussed in Part II, which cause rights owners to limit the scope of their IP infringement claims, stand in contrast to the competing considerations that motivate rights owners to seek remedies with the maximum possible territorial scope. The intangible nature of IP makes infringements of IP rights easily scalable and transferable, and digital technologies and the internet make infringements even easier to propagate across borders.

⁹⁰ 28 U.S.C. § 1338(a) (2012).

⁹¹ *ITSI T.V. Prods., Inc. v. California Auth. of Racing Fairs*, 785 F. Supp. 854 (E.D. Cal. 1992).

⁹² *Id.* at 863–64.

⁹³ *Rundquist v. Vapiano SE*, 798 F. Supp. 2d 102, 123 (D.D.C. 2011).

⁹⁴ *E.g.*, *Geophysical Serv., Inc. v. TGS-NOPEC Geophysical Co.*, 850 F.3d 785, 791 (5th Cir. 2017) (“[T]he Copyright Act’s insistence that infringing conduct be domestic offers an essential element of a copyright infringement plaintiff’s claim, not of jurisdiction . . . [B]ounding the reach of the Copyright Act to territorial conduct presents a question of the merits of the claim, not the jurisdiction of the court.”); *Litecubes, LLC v. N. Light Prods., Inc.*, 523 F.3d 1353, 1366 (Fed. Cir. 2008) (“[W]hether the allegedly infringing act happened in the United States is an element of the claim for patent infringement, not a prerequisite for subject matter jurisdiction.”).

Actual examples show the extraterritorial remedies sought by rights owners: A photographer brought a claim of copyright infringement under U.S. law but sought an injunction prohibiting the display of his photographs in defendant's restaurants throughout the world.⁹⁵ A publisher of a magazine brought a claim of copyright infringement under U.S. law and requested an injunction with no territorial limits that would prohibit the defendant from infringing the publisher's copyright through acts on the internet and order the non-U.S. defendant to destroy all infringing items that the defendant held outside of the United States.⁹⁶ An owner of a restaurant chain who brought claims of copyright and trademark infringement under U.S. law claimed an entitlement to "profits from the infringement wherever realized, including [in] Edinburgh, Scotland or worldwide"⁹⁷ and an injunction that would order the defendant not "to benefit from or exploit these acts of infringement . . . anywhere in the world."⁹⁸

Of course, rights owners do not always succeed in obtaining remedies with the territorial scope that they seek, and this failure is most likely when they request remedies that reach beyond the territorial scope of their claims.⁹⁹ But in some instances courts do grant broad remedies, including extraterritorial remedies, that result in the territorial discrepancy between claims and remedies.¹⁰⁰ This Section reviews the different types of situations in which territorial discrepancy arises.¹⁰¹

A. *False Positives*

Before we examine the types of cases in which territorial discrepancy arises, it is important to eliminate false positives—cases that may be incorrectly identified as presenting a territorial discrepancy but which actually have claims and remedies that are identical in territorial scope. There are also cases that are ambiguous; opinions

⁹⁵ Amended Complaint & Demand for Jury Trial at *15, *Rundquist v. Vapiano SE*, No. 1:09-cv-02207-EGS (D.D.C. Apr. 22, 2010). In the amended complaint the plaintiff claimed copyright infringement under U.S. and unspecified "foreign copyright laws." *Id.* at *1; *see also Rundquist*, 798 F. Supp. 2d at 108.

⁹⁶ First Amended Complaint for Copyright Infringement at *14, *Perfect 10, Inc. v. Yandex N.V.*, No. 3:12-cv-01521-WHA (N.D. Cal. Oct. 11, 2012); *see also Perfect 10, Inc. v. Yandex N.V.*, 962 F. Supp. 2d 1146 (N.D. Cal. 2013).

⁹⁷ Complaint at 11, *IMAPizza, LLC. v. At Pizza Ltd.*, No. 1:17-cv-02327-TJK (D.C.D.C. Mar. 11, 2017).

⁹⁸ *Id.* at 12.

⁹⁹ *E.g.*, *Int'l Rectifier Corp. v. Samsung Electronics Co., Ltd.*, 361 F.3d 1355 (Fed. Cir. 2004); *Sterling Drug, Inc. v. Bayer AG*, 14 F.3d 733 (2d Cir. 1994).

¹⁰⁰ For the difference between extraterritorial and cross-border remedies, *see infra* Part III, Section A.

¹⁰¹ For a different categorization and additional non-IP-specific examples, *see Park*, *supra* note 7, at 136–38.

may differ in these cases as to whether the cases involve territorial discrepancy or not.

It may seem that territorial discrepancy would arise in all cases in which courts issue cross-border remedies—remedies that concern conduct occurring abroad, outside the forum country. This is, however, not correct; not all of these cases result in a territorial discrepancy between the claims and remedies because the remedies granted to cover territories outside of the forum country may still coincide with the territorial scope of the claim.¹⁰²

In *Transocean Offshore*¹⁰³ a cross-border remedy was granted that was not an extraterritorial remedy as defined in this Article. The U.S. court in *Transocean Offshore* granted damages that stemmed from acts committed at least partly in Norway,¹⁰⁴ but the damages arose from a claim that was based on a U.S. law that applied extraterritorially to an infringing offer to sell that was made in Norway.¹⁰⁵ Consequently, the territorial scopes of the claim and remedy were identical, and the court issued a cross-border remedy that did not extend beyond the territorial scope of the claim.

Not all extraterritorial remedies, as defined in this Article, will also be cross-border remedies. A court issues a remedy that is extraterritorial but not cross-border when the remedy covers only the territory of the forum country (and is therefore not a cross-border remedy) but the remedy arises from a claim for infringement under a foreign country's law that does not apply in the case extraterritorially to the forum country (note, however, that the remedy would be extraterritorial to the territorial scope of the foreign law-based claim). Such “inbound” extraterritorial injunctions are uncommon, but examples do exist.¹⁰⁶

Injunctions may occasionally appear to be extraterritorial because they are formulated vaguely and suggest possible application outside the country for which the

¹⁰² In *WesternGeco LLC v. ION Geophysical Corp.*, the dissenting justices disagreed with the majority of the U.S. Supreme Court as to whether foreign profits could be awarded in a case of infringement committed through the supply abroad of specially made components that were assembled abroad (infringement under 35 U.S.C. § 271(f)(2)). While the justices agreed that section 271(f)(2) did not apply extraterritorially, they disagreed on the extraterritorial nature of the remedy. The majority argued that the remedy was not extraterritorial (and not a cross-border remedy); the dissenting justices argued that the remedy was extraterritorial (and a cross-border remedy). *WesternGeco LLC v. ION Geophysical Corp.*, 138 S. Ct. 2129 (2018). The dissenting opinion observed that “the Court end[ed] up assuming that patent damages run (literally) to the ends of the earth.” *Id.* at 2143 (Gorsuch, J., dissenting).

¹⁰³ *Transocean Offshore Deepwater Drilling, Inc. v. Maersk Contractors USA, Inc.*, 617 F.3d 1296 (Fed. Cir. 2010).

¹⁰⁴ *Id.* at 1307.

¹⁰⁵ *Id.* at 1310; 35 U.S.C. § 271(a).

¹⁰⁶ *E.g.*, see *infra* note 125, and note 210 and the accompanying text.

infringement was adjudicated. For example, in *3M Company et al. v. Asia Sun (Taiwan) Inc.*¹⁰⁷ and in *O2 Micro Int'l v. Beyond Innovation, et al.*¹⁰⁸ the court prohibited defendants “from otherwise infringing” the U.S. patents at issue.¹⁰⁹ In the United States, courts are supposed to issue injunctions with a degree of specificity that is higher than the specificity in these two injunctions; the U.S. Court of Appeals for the Federal Circuit has held that vague injunctions are contrary to Rule 65(d) of the Federal Rules of Civil Procedure and the relevant U.S. Supreme Court interpretation.¹¹⁰ In *Tieleman Food Equipment, B.V. v. Stork Gamco, Inc.*,¹¹¹ the U.S. Court of Appeals for the Federal Circuit vacated an injunction “without reference to any geographic area” after it found the injunction “overly broad” to the extent that the injunction was applied to the “mak[ing of the product] in the Netherlands and market[ing] the equipment in countries other than the United States.”¹¹² If vague injunctions are issued, a reasonable assumption might be that the court intended for the injunctions not to exceed the territorial scope of the prescriptive jurisdiction of the underlying substantive law; the court would not be assumed to intend to preempt any future infringement litigation under some other country’s law.

It could be difficult to assess whether an injunction is extraterritorial in some Lanham Act cases. In *Blumenthal Distributing, Inc. v. Herman Miller, Inc.*¹¹³ the rights owner brought claims under the Lanham Act and also under California state law but did not explicitly state the territorial scope of its claims.¹¹⁴ The court refused to make the requested injunction apply worldwide, and instead limited the injunction to the United States and Canada.¹¹⁵ The court applied the test for the territorial

¹⁰⁷ *3M Co. v. Asia Sun (Taiwan) Inc.*, No. 2:04-cv-00417-TJW, slip op. at 3 (E.D. Tex. Jun. 17, 2005).

¹⁰⁸ *O2 Micro Int'l v. Beyond Innovation*, No. 2:04-CV-32-CE, 2009 WL 2047617 (E.D. Tex. Jul. 10, 2009).

¹⁰⁹ *3M*, slip op. at 3; *O2 Micro Int'l*, 2009 WL 2047617 at *1.

¹¹⁰ *KSM Fastening Sys., Inc. v. H.A. Jones Co., Inc.*, 776 F.2d 1522, 1526 (Fed. Cir. 1985). On the need for specificity in injunctions, see also *Abbott Labs. v. Torpharm, Inc.*, 503 F.3d 1372, 1382 (Fed. Cir. 2007).

¹¹¹ *Tieleman Food Equip., B.V. v. Stork Gamco, Inc.*, 62 F.3d 1430 (Fed. Cir. 1995).

¹¹² *Id.* at *1–2.

¹¹³ *Blumenthal Distrib., Inc. v. Herman Miller, Inc.*, No. EDCV1401926JAKSPX, 2017 WL 3271706 (C.D. Cal. Aug. 1, 2017).

¹¹⁴ See *supra* Part I for a general discussion on specifying the territorial scope of the claim.

¹¹⁵ *Blumenthal Distrib.*, 2017 WL 3271706 at *15–21.

scope of the Lanham Act¹¹⁶ and designed the injunction to correspond to the court's view of the permissible territorial scope of the claim in the case.¹¹⁷

Finally, many antisuit injunctions—injunctions in which a court prohibits a party from litigating in another country's courts—can also be viewed as false positives.¹¹⁸ These injunctions are cross-border in the sense that they affect parties' conduct outside the forum, but the territorial scope of the claim might be identical to the territorial scope of the remedy because, at least under U.S. law, an antisuit injunction “is appropriate only in cases where the parties are the same, the issues are the same, and resolution of the U.S. action will be dispositive of the action to be enjoined.”¹¹⁹ When the territorial scope of the claims is different, the court will not issue an antisuit injunction.¹²⁰

B. *Extraterritorial Remedies*

Territorial discrepancy usually arises in instances where courts decide that in order to enforce some country's law effectively, or at all, it is necessary for the courts to issue remedies that reach beyond the territorial scope of that country's law.¹²¹ This reach may occur in cases where courts have only specific jurisdiction over the defendant and so they apply their forum law to the infringement;¹²² the extraterritorial aspect of the remedies then reaches beyond the territory of the forum country. But the discrepancy can also arise in cases where courts have general jurisdiction over a defendant and apply their own forum law, or even a foreign country's law, to the infringement¹²³ and then issue remedies that have a territorial scope that does not coincide with the territorial scope of the underlying claims.

¹¹⁶ *Id.* at *36 (referring to the test in *Reebok Int'l, Ltd. v. Marnatech Enters., Inc.*, 970 F.2d 552, 554–55 (9th Cir. 1992)). The territorial scope of the Lanham Act depends on several factors and is fact specific to each case. *See, e.g.*, *McBee v. Delica Co., Ltd.*, 417 F.3d 107, 110–11 (1st Cir. 2005); *Vanity Fair Mills, Inc. v. T. Eaton Co. Ltd.*, 234 F.2d 633, 642 (2d Cir. 1956); *see also* Margaret Chon, *Kondo-ing Steele v. Bulova*, 25(2) Boston U. J. Sci. & Techn. L. (forthcoming 2019).

¹¹⁷ On the design of an injunction for a Lanham Act violation, *see also* *Nintendo of Am., Inc. v. Aeropower Co., Ltd.*, 34 F.3d 246, 249–51 (4th Cir. 1994).

¹¹⁸ On antisuit injunctions in general, *see, e.g.*, OLUSOJI ELIAS, JUDICIAL REMEDIES IN THE CONFLICT OF LAWS 140–41 (2001).

¹¹⁹ *Microsoft Corp. v. Lindows.Com, Inc.*, 319 F. Supp. 2d 1219, 1222 (W.D. Wash. 2004) (the court refused to issue an antisuit injunction).

¹²⁰ *E.g.*, *Computer Assocs. Int'l, Inc. v. Altai, Inc.*, 126 F.3d 365 (2d Cir. 1997); *Stein Associates, Inc. v. Heat and Control, Inc.*, 748 F.2d 653 (Fed. Cir. 1984); *Zynga, Inc. v. Vostu USA, Inc.*, 816 F. Supp. 2d 824 (N.D. Cal. 2011).

¹²¹ The territorial scope of a country's law may coincide with the country's territory, or the scope may reach extraterritorially, beyond the country's territory.

¹²² For a discussion of specific jurisdiction *see supra* Part II, Section C.

¹²³ For a discussion of general jurisdiction *see supra* Part II, Section C.

Mareva injunctions, which are issued to secure effective enforcement, might come to mind as extraterritorial remedies that extend beyond the territorial scope of their claims. *Mareva* injunctions, which are not specific to IP infringement cases, have been used in England and some other common law countries to prevent defendants from transferring their assets abroad in an attempt to evade enforcement of an existing or future judgment against them.¹²⁴ In the countries where this instrument is available, courts issue the injunctions to support domestic litigation; in the United Kingdom, courts also have discretion to issue the orders “in support of litigation or arbitration proceedings commenced or to be commenced in another jurisdiction.”¹²⁵ *Mareva* injunctions have been reserved for rare cases in which “the risk of unsatisfied judgment [is] appropriately grave.”¹²⁶

Mareva injunctions have received attention because they may target third parties that were not parties to the original litigation; they are intended to be served on third parties such as financial institutions, which may be held in contempt if the institutions allow a defendant to manipulate assets contrary to the requirements of the injunction.¹²⁷ As the Supreme Court of Canada has stated, a court “can grant an injunction enjoining [a] person’s conduct anywhere in the world,” “[w]hen [the] court has *in personam* jurisdiction, and where it is necessary to ensure the injunction’s effectiveness.”¹²⁸

Even in legal systems that do not recognize *Mareva* injunctions as such, courts issue other injunctions that reach extraterritorially, beyond the territorial scope of a claim. U.S. courts may issue orders “to cease or perform acts outside [the courts’] territorial jurisdiction,”¹²⁹ as long as the courts act *in personam*, which “affords ample scope for equitable relief.”¹³⁰ U.S. courts might not shy away from injunctions

¹²⁴ *Nippon Yusen Kaisha v. Karageorgis* [1975] 3 All ER 282; *Mareva Compania Naviera SA v. Int’l Bulkcarriers SA* [1980] 1 All ER 213; see also David Capper, *Mareva Orders in Globalized Litigation*, in *THE LAW OF REMEDIES: NEW DIRECTIONS IN THE COMMON LAW* 575–607, 576 (Jeff Berryman & Rick Bigwood eds., 2010). On *Mareva* injunctions in general, see SIR JACK I. H. JACOB, *THE FABRIC OF ENGLISH CIVIL JUSTICE* 136–38 (1987).

¹²⁵ Capper, *supra* note 124, at 588. For the situation in Canada, see *id.* at 601–02. When a *Mareva* injunction is issued in support of foreign litigation, it is possible that the injunction is an extraterritorial remedy that is not a cross-border remedy if the foreign litigation concerns claims under a foreign country’s laws and the injunction targets assets in the forum country.

¹²⁶ *Id.* at 579.

¹²⁷ *Id.* at 580.

¹²⁸ *Google Inc. v. Equustek Solutions Inc.*, [2017] 1 S.C.R. 824, 844 (Can.).

¹²⁹ *Chevron Corp. v. Donziger*, 974 F. Supp. 2d 362, 556 (S.D.N.Y. 2014) (internal quotations omitted).

¹³⁰ *Id.* at 557; see also *Steele v. Bulova Watch Co., Inc.*, 344 U.S. 280, 289 (1952) (“[T]he District Court in exercising its equity powers may command persons properly before it to cease or perform acts outside its territorial jurisdiction”—but only “[w]here, as here, there can be no interference with the sovereignty of another nation.”); *Zepeda v. U.S. I.N.S.*, 753 F.2d 719, 729 (9th Cir. 1983).

that reach extraterritorial activities, even if the activities are not themselves infringing: The U.S. Court of Appeals for the Federal Circuit confirmed in *Johns Hopkins University v. CellPro, Inc.* that “[a]n injunction [. . .] can reach extraterritorial activities [. . .], even if these activities do not themselves constitute infringement,” as long as the injunction is designed to “prevent infringement of a United States patent.”¹³¹

In *Johns Hopkins* the court pointed to the *Spindelfabrik Suessen-Schurr*¹³² case as employing an extraterritorial injunction that affected non-infringing activity. In *Spindelfabrik Suessen-Schurr* the court issued an injunction prohibiting the infringer from making machines “for use in the United States” and “destined for delivery to the United States.”¹³³ The injunction was extraterritorial; the injunction’s territorial scope included Germany, while the underlying claim was based solely on acts committed in the United States.¹³⁴ The appellate court upheld the injunction, calling its provisions “a reasonable and permissible endeavor to prevent infringement in the United States and not a prohibited extra-territorial application of American patent law.”¹³⁵

Nevertheless, in *Johns Hopkins* the court did not uphold the district court’s injunction. The injunction at issue in *Johns Hopkins* ordered the repatriation to the United States and destruction of defendant’s products that the defendant had exported to Canada, where the defendant used the products to supply markets outside of the United States.¹³⁶ The court held that the district court had abused its discretion by ordering the repatriation and destruction, noting that “neither export from the United States nor use in a foreign country of a product covered by a United States patent constitutes infringement.”¹³⁷

It is important to note that a significant aspect of *Johns Hopkins* that contributed to the decision on the injunction was that the exported products were made in the United States *before* the U.S. patent was issued.¹³⁸ Similarly, in *Spine Solutions*¹³⁹ the court vacated an injunction that concerned products made and exported *before* the injunction was issued;¹⁴⁰ the court rejected the extraterritorial portion of the

¹³¹ *Johns Hopkins Univ. v. CellPro, Inc.*, 152 F.3d 1342, 1366–67 (Fed. Cir. 1998).

¹³² *Spindelfabrik Suessen-Schurr v. Schubert & Salzer Maschinenfabrik Aktiengesellschaft*, 903 F.2d 1568 (Fed. Cir. 1990).

¹³³ *Johns Hopkins Univ.*, 152 F.3d at 1367.

¹³⁴ *Spindelfabrik Suessen-Schurr*, 903 F.2d at 1577–80. The original injunction in the case enjoined the defendants from “manufacturing, using or selling in the United States.” *Id.* at 1570.

¹³⁵ *Id.* at 1578.

¹³⁶ *Johns Hopkins Univ.*, 152 F.3d at 1365.

¹³⁷ *Id.* at 1366.

¹³⁸ *Id.*

¹³⁹ *Spine Solutions, Inc. v. Medtronic Sofamor Danek USA, Inc.*, 620 F.3d 1305 (Fed. Cir. 2010).

¹⁴⁰ *Id.* at 1320.

injunction not because of its extraterritorial nature, but rather because the injunction was directed at the defendant's actions before the injunction was to be issued and not at future infringements.¹⁴¹

In other cases in which the temporal aspect was not at issue, U.S. courts have issued extraterritorial injunctions to ensure effective enforcement of IP rights. For example, in *Fun-Damental Too, Ltd. v. Gemmy Industries Corp.*,¹⁴² a trade dress infringement case, a court issued a preliminary injunction that directed the defendant "to bring all finished products from its Chinese factory to the United States and retain them [in the United States]."¹⁴³ The defendants argued unsuccessfully that the preliminary injunction represented "an improper extraterritorial extension of the Lanham Act."¹⁴⁴

Labeling requirements—such as requirements that an infringer notify customers that products are not intended to be sold, used, or imported into the United States—have been included in injunctions with the intent that they be applied extraterritorially. For example, in *O2 Micro Int'l v. Beyond Innovation*,¹⁴⁵ the court issued an injunction with a labeling obligation, ordering the defendants to "label prominently their . . . products covered by this order and their accompanying product literature 'Not for Sale in, Use in, or importation into the United States.'"¹⁴⁶ The part of the injunction that prohibited infringing acts ("manufacturing, using, selling, offering to sell or importing into the United States")¹⁴⁷ could be interpreted as having a territorial scope that coincided with the claim, but the labeling order could be viewed as an extraterritorial component; the injunction concerned products that were not even destined for the United States.

¹⁴¹ *Id.*

¹⁴² *Fun-Damental Too, Ltd. v. Gemmy Indus. Corp.*, 111 F.3d 993 (2d Cir. 1997).

¹⁴³ *Id.* at 997.

¹⁴⁴ *Id.* at 1006. On differences in the territorial scopes of prescriptive jurisdiction in the Lanham Act, the U.S. Copyright Act, and the U.S. Patent Act, see, e.g., *Int'l Diamond Importers, Inc. v. Med Art, Inc.*, No. 15-CV-4045 (KMW), 2017 WL 2839640, at *8–9 (S.D.N.Y. June 29, 2017); Curtis A. Bradley, *Territorial Intellectual Property Rights in an Age of Globalism*, 37 VA. J. INT'L L. 505, 520 (1997).

¹⁴⁵ *O2 Micro Int'l v. Beyond Innovation Tech. Co.*, No. 2:04-cv-00032-TJW, 2009 WL 2047617, at *1 (E.D. Tex. Jul. 10, 2009).

¹⁴⁶ *O2 Micro Int'l v. Beyond Innovation Tech. Co.*, No. 2-04-CV-32 (TJW), 2007 BL 234309, at *3 (E.D. Tex. Mar. 21, 2007). The U.S. Court of Appeals for the Federal Circuit vacated the jury verdict and the final judgment of infringement and remanded the case to the district court for further proceedings. *O2 Micro Int'l Ltd. v. Beyond Innovation Tech. Co., Ltd.*, 521 F.3d 1351, 1366 (Fed. Cir. 2008).

¹⁴⁷ *O2 Micro Int'l Ltd. v. Beyond Innovation Tech. Co., Ltd.*, 521 F.3d 1351, 1366 (Fed. Cir. 2008).

A labeling obligation similar to the obligation in *O2 Micro Int'l v. Beyond Innovation* was included in the injunction in *Danmark v. CMI USA, Inc.*,¹⁴⁸ the injunction required the infringers to include “a copy of [the] Order and the written notice . . . with every bill of sale for the Infringing Products and in the boxes in which the Infringing Products are shipped or sold, regardless of where they are sold.”¹⁴⁹

In trade secrets cases courts issue extraterritorial remedies if there is a need to protect the underlying information globally, and not just in the country under whose law the trade secret infringement was adjudicated. For a prohibitory injunction that seeks to maintain the general secrecy of a trade secret, its scope must often be global; therefore, the territorial scope of the remedy will exceed the territorial scope of the claim, and courts in such cases have issued global injunctions to protect trade secrets.¹⁵⁰ The need for global territorial injunctions in trade secrets cases may outweigh any damage that compliance with an injunction could cause the defendant.¹⁵¹

There are situations in which courts have denied global injunctions in trade secrets cases when the courts have found that worldwide injunctions would be unnecessarily broad. For example, in *Nordson Corp. v. Plasschaert*,¹⁵² a trade secrets owner requested a worldwide injunction to enjoin its former employee from promoting and selling the product at issue anywhere in the world. The U.S. district court issued an injunction that was limited to “the promotion or sale of [the product] in the United States, Canada, and Western Europe.”¹⁵³ On appeal the appellate

¹⁴⁸ *Asetek Danmark v. CMI USA, Inc.*, No. 13-cv-00457-JST, 2016 WL 31674 (N.D. Ca. Jan. 4, 2016).

¹⁴⁹ *Id.* at *2. *See also* *SynQor, Inc. v. Artesyn Techs., Inc.*, No. 2:07-CV-497-TJW-CE, 2011 WL 238645, at *7 (E.D. Tex. Jan. 24, 2011) (stayed *SynQor, Inc. v. Artesyn Techs.*, 417 F. App'x 976, 978 (Fed. Cir. 2011)).

¹⁵⁰ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 44 cmt. d (AM. LAW INST. 1995) (“Geographic limitations on the scope of injunctive relief in trade secret cases are ordinarily inappropriate.”); *see also* *Lamb-Weston, Inc. v. McCain Foods, Ltd.*, 941 F.2d 970, 974 (9th Cir. 1991); *Nordson Corp. v. Plasschaert*, 674 F.2d 1371, 1377 (11th Cir. 1982); *E.I. DuPont de Nemours and Co. v. Kolon Indus., Inc.*, 894 F. Supp. 2d 691, 713–16 (E.D. Va. 2012); *Junker v. Plummer*, 67 N.E.2d 667, 670 (Mass. 1946); *Peggy Lawton Kitchens, Inc. v. Hogan*, 466 N.E.2d 138, 140 (Mass. App. Ct. 1984). Some injunctions do not state their territorial reach, but their global scope may be inferred from the absolute secrecy mandated in the injunctions. 2 MELVIN F. JAGER, TRADE SECRETS LAW § 7:17 (2018) (“An injunction against a party usually does not need to state a territorial scope to stop that party from using or disclosing trade secrets. Hence, very few decisions discuss the proper territory for an injunction protecting trade secrets.”).

¹⁵¹ *Acrylicon USA, LLC v. Silikal GmbH*, No. 1:14-CV-1072-TWT, 2016 WL 739542, at *2 (N.D. Ga. Feb. 24, 2016).

¹⁵² *Nordson Corp.*, 674 F.2d at 1371.

¹⁵³ *Id.* at 1372.

court found the geographical limitation reasonable; the court noted that “most confidential information is worthy of protection without geographic limitation,”¹⁵⁴ but it also pointed out that “[a]s a practical matter, . . . geographical limits often can be set.”¹⁵⁵ It was significant for the design of the injunction that the dispute arose in the context of the employee’s non-compete agreement¹⁵⁶ and in an industry that revolved around what the appellate court referred to as “a specialized, international market.”¹⁵⁷ In *Autopartsource, LLC v. Bruton*,¹⁵⁸ the trade secrets at issue “related to customer information, pricing, costs, and vendor information”¹⁵⁹ that were limited to particular markets—the United States and China; therefore, the court refused to grant a worldwide injunction and limited the injunction to only the two countries.¹⁶⁰

U.S. courts also seek to compensate rights owners fully for damages suffered as a result of infringements, but in patent cases, for example, the U.S. Court of Appeals for the Federal Circuit has rejected the notion that the “full compensation” principle has no territorial limitations. In *Power Integrations, Inc. v. Fairchild Semiconductor Intern., Inc.*,¹⁶¹ the court denied an award of damages that would have covered the infringer’s worldwide sales of the patented invention; the court noted that a patent owner is not “entitled to compensatory damages for injury caused by infringing activity that occurred outside the territory of the United States” and pointed out that the rights owner cited no support for “an award of damages for sales consummated in foreign markets, regardless of any connection to infringing activity in the United States.”¹⁶² However, *profits* for sales abroad that arise from a predicate act committed in the United States are a different matter, and are discussed in the next Section.

¹⁵⁴ *Id.* at 1377.

¹⁵⁵ *Id.*

¹⁵⁶ Courts tend to be restrictive as to the territorial scope of injunctions that enforce non-compete agreements.

¹⁵⁷ *Nordson Corp.*, 674 F.2d at 1377.

¹⁵⁸ *Autopartsource, LLC v. Bruton*, No. 3:13cv54-HEH, 2013 WL 3766524 (E.D. Va. Jul. 16, 2013).

¹⁵⁹ *Id.* at *15.

¹⁶⁰ *Id.* at *16. For a territorial limitation of an injunction in a Lanham Act case, which resulted in the injunction not being extraterritorial, see *Blumenthal Distrib., Inc. v. Herman Miller, Inc.*, No. EDCV1401926JAKSPX, 2017 WL 3271706, at *36 (C.D. Cal. Aug. 1, 2017). See also *supra* note 113 and the accompanying text.

¹⁶¹ *Power Integrations, Inc. v. Fairchild Semiconductor Int’l, Inc.*, 711 F.3d 1348 (Fed. Cir. 2013).

¹⁶² *Id.* at 1371; see also *L.A. News Serv. v. Reuters Television Int’l Ltd.*, 340 F.3d 926, 932 (9th Cir. 2003) (a copyright infringement case).

C. The Predicate Act Doctrine

Another type of extraterritorial remedy is the award of foreign profits for IP rights infringements that occur in the United States but lead to effects outside the United States. A recent U.S. Supreme Court decision in a patent case,¹⁶³ discussed below, drew attention to this type of remedy but the roots of the remedy are much older.

In U.S. copyright law, decisions concerning awards of foreign profits appear to trace their origin to the 1939 decision by the U.S. Court of Appeals for the Second Circuit in *Sheldon v. Metro-Goldwyn Pictures Corp.*,¹⁶⁴ in which the court awarded “profits made from exhibiting [an] infringing [motion] picture outside the United States.”¹⁶⁵ The court linked the foreign profits to the defendant’s predicate act in the United States—the making of negatives, which were then shipped abroad where they were used to make positives that were reproduced abroad and shown in movie theaters abroad.¹⁶⁶ The court concluded that “[t]he plaintiffs acquired an equitable interest in [the negatives] as soon as [the negatives] were made, which attached to any profits from their exploitation.”¹⁶⁷ The court explained that “as soon as any of the profits so realized took the form of property whose situs was in the United States, [U.S.] law seized upon them and impressed them with a constructive trust”¹⁶⁸ in favor of the copyright owner.

The U.S. Court of Appeals for the Ninth Circuit applied the foreign profits doctrine in *L.A. News Service v. Reuters*,¹⁶⁹ where the court awarded foreign profits to the copyright owner on the theory that the initial infringement that took place in the United States (reproduction and one act of distribution) was a predicate act to further activities (further distribution and performance) that took place abroad, outside the reach of the U.S. Copyright Act.¹⁷⁰

Beginning in 2018, foreign profits are also available in patent cases in the United States, at least in patent cases involving a certain type of infringement. In

¹⁶³ *WesternGeco LLC v. ION Geophysical Corp.*, 138 S. Ct. 2129 (2018).

¹⁶⁴ *Sheldon v. Metro-Goldwyn Pictures Corp.*, 106 F.2d 45 (2d Cir. 1939).

¹⁶⁵ *Id.* at 52.

¹⁶⁶ *Id.*

¹⁶⁷ *Id.*

¹⁶⁸ *Id.*

¹⁶⁹ *L.A. News Serv. v. Reuters Television Int’l Ltd.*, 149 F.3d 987, 992 (9th Cir. 1998); *L.A. News Serv. v. Reuters Television Int’l Ltd.*, 340 F.3d 926, 932 (9th Cir. 2003).

¹⁷⁰ Recently, rights owners have attempted to apply the predicate act or constructive trust theory in cases involving the internet, but these attempts have not always been successful. For a German decision that awarded monetary relief for distributions outside of Germany of copies made in Germany, see *Schmid Bros. Inc. v. Genossenschaft der Franziskanerinnen von Siessen e.V.* (Hummel Christmas 1971 Plate), I ZR 110/74, December 19, 1975, 8 IIC 276 (1977).

WesternGeco LLC v. ION Geophysical Corp.,¹⁷¹ the plaintiff brought a case of patent infringement under U.S. law against a defendant who supplied components manufactured in the United States that were specially adapted for the invention and were to be assembled abroad.¹⁷² The U.S. Supreme Court held that the plaintiff was entitled to lost profits from the sales of the products that were assembled outside the United States from the components that the defendant supplied.

In *WesternGeco* the supplying of components manufactured in the United States served as the predicate act because the supply was a “domestic act,”¹⁷³ and “the lost-profit damages that were awarded to [the rights owner] were a domestic application of” the U.S. Patent Act’s damages provision.¹⁷⁴ According to the Court, the “overseas events were merely incidental to the infringement.”¹⁷⁵ The Court limited its holding to a scenario involving the supply of components; it left unaddressed “the extent to which other doctrines, such as proximate cause, could limit or preclude damages in [other] particular cases.”¹⁷⁶

D. Remedies on the Internet

Remedies on the internet have global effects even if they are granted to enforce rights under a single country’s law. Unless the issuing court imposes some territorial restrictions on an injunction that is applicable to internet activities, the injunction extends globally (which the issuing court may either explicitly recognize or tacitly allow).

Courts have justified the lack of territorial restrictions in internet injunctions by citing the lack or insufficient efficacy of tools that would enable an effective partitioning of the internet based on territory.¹⁷⁷ However, with continuing improvements in geolocation and geoblocking technologies, this justification seems to be less and less valid¹⁷⁸ because tools now exist that can achieve a reasonably effective partitioning of cyberspace. Although cyberspace borders are not impermeable (tools

¹⁷¹ *WesternGeco LLC v. ION Geophysical Corp.*, 138 S. Ct. 2129 (2018).

¹⁷² *Id.* at 2132–33; 35 U.S.C. § 271(f)(2) (2012).

¹⁷³ *WesternGeco L.L.C.*, 138 S. Ct. at 2138.

¹⁷⁴ *Id.*; 35 U.S.C. § 284 (2012).

¹⁷⁵ *WesternGeco L.L.C.*, 138 S. Ct. at 2138.

¹⁷⁶ *Id.* at 2139, n.3.

¹⁷⁷ *See, e.g.*, the French court’s decision in the *Yahoo!* case – *see* *Yahoo!, Inc. v. La Ligue Contre Le Racisme et L’Antisemitisme*, 169 F. Supp. 2d 1181, 1185–86 (N.D. Cal. 2001), *rev’d en banc*, *Yahoo!, Inc. v. La Ligue Contre Le Racisme et L’Antisemitisme*, 433 F.3d 1199, 1222 (9th Cir. 2006).

¹⁷⁸ On geolocation and geoblocking in general see, e.g., Marketa Trimble, *Geoblocking*, in *THE SAGE ENCYCLOPEDIA OF THE INTERNET* (Barney Warf ed., 2018).

exist that enable users to bypass geolocation and circumvent geoblocking),¹⁷⁹ the borders are now sufficiently robust to support territorially-limited remedies on the internet.¹⁸⁰

Courts will still grant injunctions on the internet with no territorial limits if they judge particular tools of territorial partitioning ineffective, or if they deem it necessary to issue a territorially-unlimited injunction to protect the IP rights at issue. In *Equustek*,¹⁸¹ Google offered to delist links leading to the plaintiff's websites, but only on the Canadian (google.ca) version of its internet search engine. The plaintiff viewed this solution as inadequate, and the court agreed and ordered Google to delist the links globally, including on google.com and Google's other search engine versions.¹⁸²

At present, not all courts are convinced of the feasibility of sufficiently reliable territorial partitioning of the internet, and the default territorial scope of an injunction on the internet is unclear if an issuing court does not expressly define the territorial scope of the injunction. If a court specifies no territorial restrictions in the injunction, is the injunction territorially unlimited or is it limited to the territorial scope of the underlying claim or the territorial scope of the substantive law on which the injunction was issued?¹⁸³ Is a defendant complying with an injunction that is silent on its territorial scope if the defendant installs geoblocking tools that block access to the defendant's conduct only from the territory for which the claim was adjudicated, or from the territory of the prescriptive jurisdiction of the country on whose law the claim was based? The answer should depend on the goal of the court in granting the injunction; in some cases, a court will pursue activity only within its

¹⁷⁹ On evasion of geolocation and circumvention of geoblocking see, e.g., Trimble, *supra* note 29, at 599–605.

¹⁸⁰ Marketa Trimble, *Geoblocking, Technical Standards and the Law*, in *GEOBLOCKING AND GLOBAL VIDEO CULTURE* 54, 58–59 (Ramon Lobato & James Meese eds., 2016). An acknowledgment that geoblocking is a legitimate means to partition the internet is also useful for those plaintiffs who seek only territorially-limited remedies because their rights exist in only some countries, while in other countries the subject matter is in the public domain. *See, e.g.*, LG Feb. 9, 2018, 2-03 O 494/14, <https://cand.pglaf.org/germany/gutenberg-lawsuit-judgement-EN.pdf> (where the plaintiff pointed out that the defendants could have used geoblocking to prevent access to content to users connecting from Germany).

¹⁸¹ *Google Inc. v. Equustek Solutions Inc.*, [2017] 1 S.C.R. 824, 826 (Can.); *Google LLC v. Equustek Sols., Inc.*, No. 5:17-cv-04207-EJD, 2017 WL 500834, *1 (N.D. Cal. Nov. 2, 2017); *Equustek Solutions Inc. v. Jack*, [2018] 10 W.W.R. 715 (Can.).

¹⁸² *Equustek Solutions*, 1 S.C.R. 824 at ¶ 21; *Jack*, 2018 BCSC 610 at ¶ 1.

¹⁸³ The territorial scope of the claim can differ from the territorial scope of the prescriptive jurisdiction of the country on whose law the claim is based. *Cf.*, for example, a claim for a U.S. patent-infringing offer to sell made in the United States and a claim for a U.S. patent-infringing offer to sell made outside of the United States, with the territorial scope of the U.S. Patent Act. 35 U.S.C. § 271(a).

jurisdiction, and in other cases the court will purposefully attempt to address the permeability of online borders by issuing its injunction with no territorial limits.

E. Other Remedies with De Facto Global Effects

Some remedies are not designed to be extraterritorial and would seem to copy the territorial scope of a claim, yet the remedies in fact have effects that reach beyond the scope of the claim.

The reputational effects of remedies can be powerful and can cross borders. For example, the remedy of public apology¹⁸⁴ or of publication of the outcome of a court case¹⁸⁵ may affect a party's business reputation in other countries—beyond the borders of the country where or for which a court has issued the remedy. A declaration that an IP right is invalid under the law of a particular country or countries can similarly affect a party, even in countries other than the country or countries under whose laws the case was adjudicated.

An injunction covering a country or several countries within a larger economic area may complicate the business operations of a defendant who operates throughout the area.¹⁸⁶ As the court remarked in *Research in Motion UK Ltd. v. Visto Corp.*,¹⁸⁷ “[w]inning in one [European Union] member state may indeed be enough as a practical matter for the whole of Europe – some companies market products only Europe-wide. A hole, say in Germany, of a Europe-wide business in a particular product may make the whole of that business impractical.”¹⁸⁸

Remedies that target a party's conduct at large international trade shows¹⁸⁹ are further types of remedies whose effects may extend extraterritorially; these remedies may be temporary restraining orders, injunctions, and other types of remedies. While trade show-related remedies are tailored to one specific country and usually even to a specific location within the country, the effects of the remedy, particularly if it is issued *ex parte* and executed in public on the trade show floor, may have a significant impact that extends far beyond the trade show floor and the country in which the trade show takes place. A remedy and its execution receive wide exposure

¹⁸⁴ See, e.g., Andrea Zwart-Hink et al., *Compelled Apologies as a Legal Remedy: Some Thoughts from a Civil Law Jurisdiction*, 38 U. W. AUSTL. L. REV. 100, 100, 122 (2014).

¹⁸⁵ E.g., Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the Enforcement of Intellectual Property Rights, 2004 O.J. (L 195) 16, 24.

¹⁸⁶ Annette Kur remarked that the decisions of courts, when based on a single country's law, “more often than not entail *global effects*, even where they only purport to pertain to the national territory.” *Ubiquitous Infringement*, CLIP PRINCIPLES, *supra* note 66, at 3:603.N04 (emphasis in original).

¹⁸⁷ *Research in Motion UK Ltd. v. Visto Corp.* [2008] EWCA (Civ) 153.

¹⁸⁸ *Id.* at ¶ 15.

¹⁸⁹ M. W. Jochen Pagenberg, Commentary on Federal Supreme Court (Bundesgerichtshof) 19.01.1989 Case No. I ZR 217/86 “Kronenthaler,” IIC 728 (1990).

among the specialized trade show public, whose opinion matters to the defendant and its business.¹⁹⁰

F. Local Remedies for Foreign Law Infringements

Territorial discrepancy may also arise in cases in which a court applies foreign law to an infringement claim but its own forum law to the remedies for the claim. Although the territorial scope of the remedies might coincide with the territorial scope of the foreign law-based claim, the remedies might include characteristics that are extraterritorial to the underlying foreign law. Although foreign IP rights infringement is governed by the law of the country for which infringement is claimed,¹⁹¹ the nature of remedies and the method by which they are enforced might be, depending on the forum's choice-of-law rules, governed by either the law of the forum or the law of the country for which infringement is claimed.¹⁹²

In a number of countries, remedies are governed generally by the law of the forum.¹⁹³ This rule stems from the characterization of remedies as procedural matters, and procedural matters are generally governed by forum law. However, some commentators contest the characterization of remedies as procedural; they emphasize the link between remedies and substantive law and see remedies as shaping the corresponding rights.¹⁹⁴ Without remedies there would be no effective rights, and what the rights can actually accomplish in practice depends on the availability and effectiveness of remedies for violations of the rights. Other procedural matters influence rights as well, but the commentators suggest that the specific link between remedies and substantive law is significant to such an extent that it makes no sense to divorce remedies from the substantive law that they enforce. Ideally, substantive law and the law of remedies should be calibrated in each national legal system to correspond to the system's policies, and applying substantive law without the remedies that apply to that law may upset the calibration.¹⁹⁵

¹⁹⁰ On remedies issued in trade show-related IP cases, see Marketa Trimble, *Temporary Restraining Orders to Enforce Intellectual Property Rights at Trade Shows: An Empirical Study*, 83 BROOK. L. REV. 1345, 1346–47 (2018); Marketa Trimble, *Enforcement of Intellectual Property Rights at Trade Shows: A Review and Recommendations*, 34 OHIO ST. J. ON DISP. RESOL. 1, 3 (forthcoming 2019).

¹⁹¹ *But cf. supra* Part II, Section B for the circumstances under which a court may apply forum law to foreign IP rights infringements.

¹⁹² For examples of the rules in different countries see Axel Metzger, *Internationalisation of FOSS Contributory Copyright Assignments and Licenses: Jurisdiction-Specific or "Unported"?*, 10 SCRIPTED 177, 189–90 (2013).

¹⁹³ 1 A.V. DICEY ET AL., DICEY, MORRIS AND COLLINS ON THE CONFLICT OF LAWS ¶ 7–006 (14th ed. 2006).

¹⁹⁴ ELIAS, *supra* note 118, at 7.

¹⁹⁵ The calibration may also take into account other factors, such as level of enforcement and the prevailing social norms in the particular country. For a discussion of the calibration of

Applying forum law to remedies also makes sense, particularly if the issuing court is also the court that must enforce the remedies—which is often the case in a court of general jurisdiction. The court can effectively grant only a remedy that the court can also enforce, and since the court is familiar with its own system of remedies it can design its remedies to best suit the circumstances, particularly since the court, as the court of general jurisdiction of the defendant,¹⁹⁶ will presumably be familiar with the defendant's circumstances and the measures necessary to meet the purposes of any remedies.

In English law, two conditions must be met for an English court to grant local remedies for a wrong that a court has adjudicated under foreign law. First, the foreign law “must give the claimant some remedy against the defendant in respect of a wrong similar in character to that alleged in the [local] proceedings.”¹⁹⁷ Second, the local remedy must “harmonise with the right according to its nature and extent as fixed by the foreign law.”¹⁹⁸ In some circumstances courts will deviate from the general rule and apply non-forum law to remedies. As Dicey et al. explain, under English law “English remedies will be refused if they are so different from those provided by the *lex causae* as to make the right sought to be enforced a different right.”¹⁹⁹

In the United States, the Supreme Court of Delaware has spoken in favor of using the law of the same country for both issues of substance and remedies: “[L]iabilities and remedies are part of one unified body of tort law,”²⁰⁰ the court remarked, adding that “[o]nly extraordinary circumstances should justify unraveling the connections between the duties defendants owe and the remedies afforded to plaintiffs in the event of a tort.”²⁰¹

Remedies available in IP rights infringement cases have been harmonized internationally to some degree; the TRIPS Agreement lays out the basic types of remedies that countries must make available for IP rights infringements.²⁰² Notwithstanding this harmonization, variations exist among the remedies that courts in

substantive law and remedies see, e.g., Marketa Trimble, *Patent Working Requirements: Historical and Comparative Perspectives*, 6 U.C. IRVINE L. REV. 483, 486 (2016).

¹⁹⁶ Only a court of general jurisdiction may adjudicate a claim based on a foreign country's law. See *supra* Part II, Section A.

¹⁹⁷ DICEY ET AL., *supra* note 193, at ¶ 7–007.

¹⁹⁸ *Id.* at ¶ 7–007 (internal quotation omitted).

¹⁹⁹ *Id.* (internal quotation omitted).

²⁰⁰ *Bell Helicopter Textron, Inc. v. Arteaga*, 113 A.3d 1045, 1052–53, n.28 (Del. 2015).

²⁰¹ *Id.* Judge Charles Butler of the Superior Court of Delaware remarked that the *Bell Helicopter* decision “look[ed] like *bon voyage* to *depeçage*.” *Jackson v. Bridgestone Americas Tire Operations, LLC*, No. N14C–09–241 CEB, 2015 WL 13697682, at * 7, n.30 (Del. Super. Ct. Nov. 24, 2015).

²⁰² Agreement on Trade-Related Aspects of Intellectual Property Rights art. 44–46, Apr. 15, 1994, 108 Stat. 4809, 1869 U.N.T.S. 299. See also Directive 2004/48/EC, *supra* note 185, at 16, 20.

different countries may grant in IP rights infringement cases;²⁰³ for example, the remedy of public apology is not available in all countries for IP infringements.

Perhaps the most significant differences in remedies in IP cases are in the availability of statutory and punitive damages. The United States and a few other countries provide for statutory damages in cases of copyright infringement to assist qualified plaintiffs who cannot quantify actual damages and profits.²⁰⁴ In the United States, statutory damages are calculated per infringed work.²⁰⁵ In other countries where statutory damages are not legislated, other types of nominal damages—such as reasonable royalties—may be available when actual damages cannot be calculated.

Punitive damages are available in some countries for IP rights infringements. Under U.S. copyright law, for example, statutory damages may be increased for willfulness, which adds a punitive component to the remedy.²⁰⁶ Although other countries may have damages that are deterrent in their effect,²⁰⁷ these damages might not be the exact equivalent of punitive damages. In the countries that do not permit punitive damages, courts may not only refuse to grant punitive damages for infringements that they adjudicate under foreign law, but they may even deny the enforcement of punitive damages awarded by foreign courts—either completely or to the extent that the amount of the damages exceeds the amount that would be available under the laws of the country of the enforcing court.²⁰⁸

²⁰³ See generally, THOMAS F. COTTER, *COMPARATIVE PATENT REMEDIES: A LEGAL AND ECONOMIC ANALYSIS* (2013).

²⁰⁴ 17 U.S.C. § 504(c) (2012). For the situation in other countries see Pamela Samuelson et al., *Statutory Damages: A Rarity in Copyright Laws Internationally, But for How Long?*, 60 J. COPYRIGHT SOC'Y U.S.A. 529, 575–77 (2012). Under U.S. law, not all rights owners may elect between statutory damages and actual damages and profits. A rights owner must fulfill the registration requirement to be eligible for the election of statutory damages.

²⁰⁵ 17 U.S.C. § 504(c)(1) (2012).

²⁰⁶ *Id.* at § 504(c)(2).

²⁰⁷ *E.g.*, S.T.S., Nov. 13, 2001 (J.T.S., No. 1803, p. 9) (Spain). The Spanish Supreme Court held that theoretically, a U.S. award of punitive damages could be recognized in Spain. “[T]he Court first acknowledged that punitive damages are not part of the calculation of damages for civil liability in Spain . . . [However, in] the case at bar, the Court found that damages awarded to the plaintiffs in the U.S. proceeding were in excess of that which could be calculated as compensatory damages, signaling their punitive character.” Scott R. Jablonski, *Translation and Comment: Enforcing U.S. Punitive Damages Awards in Foreign Courts—A Recent Case in the Supreme Court of Spain*, 24 J. L. & COM. 225, 229 (2005).

²⁰⁸ Courts may be willing to enforce the portion of the foreign judgment that the court considers compensatory. See, e.g., Benjamin West Janke & François-Xavier Licari, *Enforcing Punitive Damage Awards in France After Fountaine Pajot*, 60 AM. J. COMP. L. 775, 802–03 (2012); Cass., sez. un., 5 Jul. 2017, n.16601, translated in Letizia Coppo, *The Grand Chamber’s Stand on the Punitive Damages Dilemma*, 3 ITALIAN L.J. 593, 596 (2017) (on the recognition of punitive damages in a non-IP case). On how difficult it is “to determine comparatively whether a particular award of damages is actually punitive in character” see Hans Stoll, *Penal Purposes in the Law of Tort*, 18 AM. J. COMP. L. 1, 3 (1970).

If the forum court grants remedies based on forum law for infringement under a foreign country's law, the court de facto attaches the functions of the forum remedies to the foreign law. For example, the forum law may provide for statutory damages that may be increased for willfulness while the foreign law provides no punitive damages. Perhaps the foreign law does not include an increase in damages for willfulness because its system provides for punishment and deterrence elsewhere—such as in its criminal laws.²⁰⁹ By awarding increased statutory damages based on forum law, the issuing court inserts a non-systemic element into the foreign system, and the deterrence aspect of the forum's remedy acquires an extraterritorial character.²¹⁰

IV. PROBLEMS WITH THE DISCREPANCY BETWEEN THE TERRITORIAL SCOPES OF CLAIMS AND REMEDIES

The discrepancy between the territorial scopes of claims and remedies can cause problems. It might seem that because extraterritorial remedies reach beyond the scope of their underlying claims they must be problematic just because they infringe upon the target country's sovereignty. However, extraterritorial remedies might not be an affront to the sovereignty of the target country when they are inbound remedies—remedies that a forum court issues to enforce or assist in the enforcement of a foreign country's law in the forum country.²¹¹ For inbound remedies the issuing forum's court serves as a gatekeeper that protects the law and the interests of the forum country because the forum court will not issue a remedy that is inbound to its country if the remedy conflicts with the public policy of the forum country.²¹²

When remedies are extraterritorial and cross-border at the same time, however, problems can arise,²¹³ although these problems may not always be apparent. Like other remedies, extraterritorial remedies do not always require enforcement actions because many of them might be complied with voluntarily. With no enforcement actions, and particularly with no contested enforcement actions, problems with remedies are unlikely to receive attention, though the problems still exist.

²⁰⁹ “[E]xemplary awards are punitive and for the *lex delicti*.” ELIAS, *supra* note 118, at 122; see also *Waterhouse v. Australian Broadcasting Corp.*, (1989) 97 FLR 1, 19 (Austl.).

²¹⁰ In this case it could be considered an “inbound” injunction—an injunction that is extraterritorial but not cross-border. Capper, *supra* note 124, at 579.

²¹¹ On inbound remedies see *supra* Part III, Section A.

²¹² *E.g.*, Saikō Saibansho [Sup. Ct.] Sept. 26, 2002, 2000 (Ju) 580, 56 SAIKŌ SAIBANSHO MINJI HANREISHŪ [MINSHŪ], 1551, ¶ 3 (Japan) (“To order prohibition of the act of actively inducing infringement of a U.S. patent and destruction of the infringing goods located in Japan by applying the U.S. Patent Act is contrary to the meaning of [public policy].”); see also Teruo Doi, *The Territoriality Principle of Patent Protection and Conflict of Laws: A Review of the Japanese Court Decisions*, 26 FORDHAM INT’L L.J. 377, 379–80 (2003).

²¹³ On the difference between cross-border and extraterritorial remedies see *supra* Introduction and Part III, Section A.

Not all of the problems discussed in this Part are unique to extraterritorial remedies; most of the same problems arise as well with cross-border remedies that are not extraterritorial. The justification for non-extraterritorial cross-border remedies—that they apply only within the scope of a country’s prescriptive jurisdiction—has its limits; the justification is of value only to the extent that the target country accepts and respects the reach of the prescriptive jurisdiction of another country into the territory of the target country. In the process of recognition and enforcement of judgments, the target country may refuse to recognize and enforce a foreign judgment that includes such a remedy.²¹⁴ If recognition and enforcement is not requested or if it is requested but not contested, the problems generated by non-extraterritorial cross-border remedies might not be readily apparent.

A. *Problems Identified*

When viewed systemically at a macro level, extraterritorial cross-border remedies are problematic because they make countries’ legal systems incompatible. Even if countries were to have compatible systems because the countries had agreed on the permitted territorial scopes of their prescriptive jurisdiction and avoided the issuance of non-extraterritorial cross-border remedies, extraterritorial cross-border remedies would continue to be awarded because they would be unaffected by the agreement.

The question is whether, when, and how an affront to sovereignty in the form of extraterritorial cross-border remedies might result in some tangible reaction by a target country that would lead to a change in an issuing court’s approach to extraterritorial remedies.²¹⁵ Although one can envision extreme cases with particularly outrageous extraterritorial cross-border remedies that could cause major international friction with resultant trade sanctions and other retaliations between countries, this situation seems unlikely to result from isolated instances of extraterritorial remedies in civil litigation²¹⁶ unless the awards followed a pattern or were part of a larger conflict between countries that would spill over from the realm of civil litigation into the political or economic realms or vice versa.²¹⁷

²¹⁴ *E.g.*, *Sarl Louis Feraud Int’l v. Viewfinder, Inc.*, 489 F.3d 474, 478, 480 (2d Cir. 2007). For an oft-discussed non-IP case see *Yahoo!, Inc. v. La Ligue Contre Le Racisme et L’Antisemitisme*, 169 F. Supp. 2d 1181, 1193–94 (N.D. Cal. 2001), *rev’d en banc on other grounds*, 433 F.3d 1199, 1240, 1253 (9th Cir. 2006).

²¹⁵ “If our courts award compensation to U. S. patent owners for foreign uses where our patents don’t run, what happens when foreign courts return the favor?” *WesternGeco LLC v. ION Geophysical Corp.*, 138 S. Ct. 2129, 2143 (2018) (Gorsuch, J., with whom Breyer, J. joins, dissenting).

²¹⁶ Landers, *supra* note 7, at 43 (“If extraterritorial damages are awarded, courts must be mindful that trade distortions will be created.”).

²¹⁷ *Cf.* Park, *supra* note 7, at 104 (“By reaching beyond their territorial jurisdiction . . . U.S. courts often contravene the interests of foreign sovereigns and cause diplomatic rows.”).

The micro level of individual cases provides concrete examples of the problems associated with extraterritorial cross-border remedies. One objection to the use of extraterritorial cross-border remedies is that they result in the exportation of IP rights from the country of the underlying law to a target country. The exportation often occurs without any consideration of the laws of the target country, a shortcoming that is most apparent when the particular IP rights do not even exist in the target country, the same IP is owned there by another person or entity, or exceptions and limitations to the IP rights exist in the target country that would make the acts non-infringing or otherwise permissible in the target country. In the context of patents, the dissenting justices in *WesternGeco* warned that allowing extraterritorial remedies “would effectively allow U. S. patent owners to use American courts to extend their monopolies to foreign markets.”²¹⁸

The exportation of IP rights from one country to another might be less problematic in some IP cases than in others. For example, in cases of copyrights, well-known trademarks, or trade secrets, it is possible that the IP rights arising under the law of one country will also exist in other countries, or at least in most other countries. A copyright in a motion picture may exist at least in every country that is a party to the Berne Convention,²¹⁹ and the copyright may happen to be controlled by the same studio worldwide.²²⁰ A major automobile manufacturer’s trademark may be well known throughout the world and enjoy a certain level of protection, at least in all countries that are parties to the Paris Convention.²²¹ A proprietary manufacturing process might be protected as a trade secret, at least in all countries that provide trade secret protection in line with the TRIPS Agreement.²²² In such situations an extraterritorial injunction that arises from a finding of infringement under the law of a single country, but which orders the infringer to cease IP rights infringement activities everywhere in the world, may be consistent with the laws of other

²¹⁸ *WesternGeco L.L.C.*, 138 S. Ct. at 2139 (Gorsuch, J., with whom Breyer, J. joins, dissenting).

²¹⁹ Berne Convention for the Protection of Literary and Artistic Works, art. 2, May 4, 1896, S. Treaty Doc. No. 9927 (as revised at Paris July 4, 1971 and amended Sept. 28, 1979). As of September 3, 2018, 176 countries were contracting parties to the Berne Convention. *WIPO-Administered Treaties, Contracting Parties > Berne Convention*, WIPO, http://www.wipo.int/treaties/en/ShowResults.jsp?treaty_id=15.

²²⁰ The control over the copyright may be established through the work made-for-hire doctrine in some countries and through assignments or exclusive licenses in other countries.

²²¹ Paris Convention for the Protection of Industrial Property art. 6, Mar. 20, 1883, 25 Stat. 1372, 828 U.N.T.S. 305. As of September 3, 2018, 177 countries were contracting parties to the Paris Convention. *WIPO-Administered Treaties, Contracting Parties > Paris Convention*, WIPO, http://www.wipo.int/treaties/en/ShowResults.jsp?treaty_id=2.

²²² TRIPS Agreement, *supra* note 34, at art. 39. As of September 3, 2018, 164 countries were contracting parties to the TRIPS Agreement. *Other IP Treaties*, WIPO, http://www.wipo.int/wipolex/en/other_treaties/parties.jsp?treaty_id=231&group_id=22.

countries and achieve a result that is not contrary to the IP laws of the other countries.

But there are other cases in which extraterritorial cross-border remedies will extend rights and impose obligations to the benefit of persons or entities who are not IP rights owners and to the detriment of persons or entities who are not IP infringers under the laws of target countries. For example, the rules of initial ownership of copyright vary by country, and the studio in the example above might not control the copyright to the motion picture in all countries of the world. Rules on exceptions and limitations are not uniform, not even for trademarks, with the result that conduct concerning the well-known mark above²²³ might be infringing in one country but not in another country.²²⁴ The standards for maintaining the secrecy of a trade secret may vary among countries, with the result that the process above²²⁵ might not be protected in some countries. IP laws, although they are significantly harmonized by international treaties, are far from being uniform around the world, and differences remain among countries' rules.

One of the reasons that IP laws are not uniform around the world is that they are shaped by countries' differing public policies. Freedom of speech, the right to access information, the right to health and healthcare, the right to education, and other rights and freedoms affect the content of IP laws, and affect them differently by country; a combination of national public policies and international obligations form the mold from which individual country's IP laws are cast. By exporting IP rights and features from one country to another, extraterritorial remedies affect the mold—containing other rights and freedoms—that shapes IP rights. A remedy will therefore have an effect in the target country that reaches beyond IP law and beyond the remedy's particular addressee.²²⁶

Using the motion picture scenario above, assume that the conduct that was found to be infringing consisted of uses of portions of the motion picture in free online courses on film history. In the issuing country (the country where a court issued the injunction) this use is copyright infringing, and the issuing country's court issues a territorially unlimited injunction that orders the course creator to cease using the portions of the motion picture in the online courses. But in a target country (the country that is covered by the extraterritorial reach of the injunction) the use of the portions is permitted under the country's copyright law, which reflects a calibration of the target country's copyright law with the country's free speech and educational policies. Not only does the injunction limit the course creator's conduct

²²³ *Supra* note 221 and accompanying text.

²²⁴ TRIPS Agreement, *supra* note 34, at art. 41.

²²⁵ *Supra* note 222 and accompanying text.

²²⁶ Peukert, *supra* note 7, at 210 (“By disregarding the effects of protection on users, competitors and, generally, the public interest in the other country, national authorities undo the traditional limits imposed by the territoriality principle.”).

in the target country, in conflict with the law of the target country, it also limits the target country's public in their access to and enjoyment of the content, which the target country's law is designed to provide. In this case the course creator is definitely not the only person affected negatively by the importation of the IP rights from another country; the importation diminishes the public domain and encroaches onto the rights of the public in the target country.

The effect on the general public of an importation of IP rights via a remedy might go unnoticed, particularly if the public has no standing and no actionable right to contest the remedy. Direct conflicts receive more exposure; a direct conflict arises when a remedy orders or prohibits conduct that is in conflict with a prohibition or obligation under a target country's law, a target country's court or agency decision, or a contractual obligation that is valid and enforceable under a target country's law. An example of a direct conflict is when an injunction prohibits a party from disclosing a trade secret that is protected in the issuing country, but that same information is subject to a disclosure requirement by the law of a target country. A territorially-unlimited injunction ordering a party to maintain the trade secret stands in direct conflict with the disclosure obligation of the secret in the target country.

Another problem with extraterritorial remedies arises when the remedies concern acts that infringe IP rights under both the underlying country's law and the target country's law, and the remedies resulting from proceedings in the different countries (and based on different countries' laws) overlap. If the target country's courts also adjudicate the infringement, they may want to award remedies for the IP infringement under their own laws that conflict or overlap with the remedy awarded by the issuing court. The foreign profit scenario illustrates this problem:²²⁷ A U.S. court grants foreign profits based on a finding of infringement of an IP right in the United States, but the same profits could be also subject to a remedy that the target country's court could issue for infringement of the IP right under the target country's law.

A further problematic aspect of extraterritorial cross-border remedies is the reputational effect that remedies may have. The remedy of public apology may have far-reaching effects and impact the behavior of business partners and consumers beyond the country for which the remedy was issued.²²⁸ The effects of labeling obligations may also be extensive;²²⁹ the fact that a product's packaging states that the product is not intended for a certain country may create doubts among consumers, who may become suspicious of the product and its quality, particularly if the consumers have a high degree of confidence in that country's standards, law, or agency

²²⁷ On foreign profits, see *supra* Part III, Section C.

²²⁸ On the remedy of public apology, see *supra* Part III, Section E.

²²⁹ On labeling obligations, see *supra* Part III, Section B.

decisions. The inclusion of a copy of a court order may give pause to consumers—even those who cannot fully understand the order.²³⁰

From the perspective of an issuing court, extraterritorial remedies are problematic if the court has no enforcement power over the party against whom the remedies are issued.²³¹ In these cases it will be upon another country's court—a foreign court that does have enforcement power over the party—to enforce the remedy. But if the foreign court decides not to recognize and enforce the remedy, the foreign court's decision might not always be detrimental to the protection of the IP rights in the issuing court's country; for example, a foreign court's refusal to enforce labeling obligations, taken alone, might not necessarily jeopardize IP rights protection in the issuing court's country.

In other instances, the lack of recognition and enforcement of a remedy in the target country's court may defeat the IP rights protection in the issuing court's country. For example, for an injunction protecting the secrecy of a trade secret to be effective, the injunction often must apply globally,²³² and a target court's decision not to recognize and enforce the injunction, even if the target country court's decision is formally intended to affect only the target country, will defeat the purpose of the trade secret's protection in the issuing country.

Similarly, the effectiveness of IP rights protection may be diminished or completely defeated when target countries' courts refuse to recognize and enforce extraterritorial remedies against third parties, such as intermediaries. This was the situation in *Equustek v. Google*, where the U.S. district court refused to recognize the Canadian judgment in the United States.²³³

B. *Problems Not Addressed*

Neither national legislation nor international treaties address the territorial discrepancy. National legislation does not tend to be concerned with the correspondence, or lack of correspondence, between the territorial scopes of claims and remedies. First, legislators will rarely state expressly the territorial scope of their legislation,²³⁴ leaving it to the courts to interpret how far the laws should reach. Even more rarely will legislators consider the territorial scope of remedies that should be

²³⁰ On an injunction to include a court order, see *supra* Part III, Section B.

²³¹ Although a court of general jurisdiction would usually have enforcement power over the defendant, it might not always have that power.

²³² On remedies in trade secrets cases, see *supra* Part III, Section B.

²³³ On the *Equustek v. Google* decisions, see *supra* notes 13–17 and the accompanying text.

²³⁴ In the United States, the territorial scope of IP laws has been legislated, for example, in the U.S. Patent Act in 35 U.S.C. § 271(a), (c), (f), and (g). *But cf.*, e.g., 35 U.S.C. § 271(b); 17 U.S.C. § 106 (2012); 17 U.S.C. § 501 (2012). *See also* *Geophysical Serv., Inc. v. TGS-NOPEC Geophysical Co.*, 850 F.3d 785, 791 (5th Cir. 2017) (“The Copyright Act does not express its limit on territorial reach.”).

associated with violations of law, and this is so even in instances where legislators do formulate the territorial scope of corresponding substantive laws.²³⁵ It is therefore not surprising that scenarios involving territorial discrepancy are largely out of the legislative purview.

Legislators operate in jurisdictional microcosms without reflecting regularly on the relationships between their legislation and transnational IP rights infringements.²³⁶ Customary international law and constitutional principles may limit countries' approaches to the territorial scope of their prescriptive jurisdiction,²³⁷ but legislation is non-existent or rare that would place territorial limits on remedies. Absent major international pressure it is unlikely that national legislators would ex ante constrain the ability of their courts to grant remedies with maximum territorial reach.

There is no international agreement that addresses the territorial discrepancy of claims and remedies.²³⁸ Principles of international jurisdiction may limit the territorial scope of claims that plaintiffs may raise, and specific jurisdiction over a defendant will typically permit plaintiffs to bring only those claims that have given rise to specific jurisdiction in a case.²³⁹ But even national rules of international jurisdiction are not subject to a large-scale international treaty;²⁴⁰ only regional or bilateral instruments align countries' approaches to international jurisdiction and the territorial scope of claims,²⁴¹ and even in countries that adhere to these instruments, it is only through their courts' interpretation that the permissible territorial scope of remedies may be clarified.²⁴²

²³⁵ *E.g.*, 35 U.S.C. § 271(f)–(g); 35 U.S.C. § 284 (2012); *WesternGeco LLC v. ION Geophysical Corp.*, 138 S. Ct. 2129, 2129–30 (2018).

²³⁶ On the lack of sufficient consideration in national legislation of transnational infringements, see Marketa Trimble, *Advancing National Intellectual Property Policies in a Transnational Context*, 74 MD. L. REV. 203, 209, 225 (2015).

²³⁷ *See, e.g.*, Anthony J. Colangelo, *What Is Extraterritorial Jurisdiction?*, 99 CORNELL L. REV. 1303, 1325 (2014) (“[D]ue process regulates the exercise of extraterritorial prescriptive jurisdiction and, at the very least, demands that the extraterritorial application of U.S. law not be ‘arbitrary or fundamentally unfair.’”); CURTIS A. BRADLEY, *INTERNATIONAL LAW IN THE U.S. LEGAL SYSTEM* 184 (2nd ed. 2015); Teresa Scassa & Robert J. Currie, *New First Principles? Assessing the Internet’s Challenges to Jurisdiction*, 42 GEO. J. INT’L L. 1017, 1025–28 (2011).

²³⁸ On the lack of consideration in international IP treaties of transnational dealings involving IP rights see Marketa Trimble, *The Marrakesh Puzzle*, 45 INT’L REV. INTELL. PROP. & COMPETITION L. 768, 771 (2014).

²³⁹ For a discussion of specific jurisdiction, see *supra* Part II, Section A.

²⁴⁰ On the fate of the proposed international treaty on this topic, see *Judgments Project*, Hague Conference, *supra* note 19.

²⁴¹ E.U. Reg. 1215/2012.

²⁴² *Case C-68/93, Fiona Shevill v. Presse Alliance SA*, 1995 E.C.R. I-450, I-462 (ruling, in a non-IP case, that “the courts of each Contracting State in which the publication was distributed

Proposals that have been drafted for principles governing transnational IP cases rely on some form of concentration of claims into a single litigation and address to some extent the problems that occur with extraterritorial remedies. The proposals suggest that in cases where courts could, under the proposed principles, issue an extraterritorial cross-border injunction, the addressee should have an opportunity to request that the issuing court exclude from the scope of the injunction countries for which the addressee proves that the injunction should not apply.²⁴³ The problem with this solution is that the shift in the burden of proof places the accused infringer at an unfair disadvantage, opens up room for potential abuse, and may leave some accused infringers without effective protection against the exportation effects of the remedies, which were discussed earlier.²⁴⁴

The latest version of the draft Hague Convention on the Recognition and Enforcement of Foreign Judgments (“Judgments Convention”), which, as discussed earlier, may when final not even cover IP matters,²⁴⁵ also fails to address specifically the territorial discrepancy. The Convention would affect the territorial scope of claims indirectly in some instances through its references to jurisdictional rules: although the draft abstains from regulating personal jurisdiction and the territorial scope of claims, the draft rules on the recognition and enforcement of judgments give preference to some particular grounds of jurisdiction.²⁴⁶ As it is currently phrased, the Convention would not facilitate the recognition and enforcement of foreign judgments in IP cases unless the cases have been adjudicated by the courts of the country of registration or grant of the IP right, or in cases of unregistered IP rights, by the courts in the countries for which protection was claimed.²⁴⁷ This restriction would limit the scope of the claims that IP rights owners could raise if they

and where the victim claims to have suffered injury to his reputation . . . have jurisdiction to rule solely in respect of the harm caused in the State of the court seised.”).

²⁴³ ALI PRINCIPLES, *supra* note 19, at § 321; *Ubiquitous Infringement*, CLIP PRINCIPLES, *supra* note 66, at 3:603.C03. For the same approach to nationwide remedies in right of publicity cases in the United States, see, e.g., *Carson v. Here’s Johnny Portable Toilets, Inc.*, 810 F.2d 104, 105 (6th Cir. 1987). For a similar proposal, see *Park*, *supra* note 7, at 173 (“[T]he burden of proof would shift if the person who would be so ordered makes a *prima facie* case that the court’s exercise of Equity Extraterritoriality unduly contravenes an important interest of a foreign sovereign.”).

²⁴⁴ On exportation of IP rights via remedies, see *supra* Part IV, Section A.

²⁴⁵ See *supra* Introduction, notes 21 and 22 and accompanying text. *2018 Draft Convention, Special Comm’n on the Recognition and Enforcement of Foreign Judgments*, HAGUE CONFERENCE ON PRIVATE INT’L LAW, art. 2(1)(m) (May 24–29, 2018), <https://assets.hcch.net/docs/23b6dac3-7900-49f3-9a94-aa0ffbe0d0dd.pdf> [hereinafter *Judgments Convention*].

²⁴⁶ *Id.* at art. 5(1)(b), (d), (i), and (j), and (3).

²⁴⁷ *Id.* at art. 5(3) and 6.

wanted to benefit from any recognition and enforcement facilitated by the Convention (or national legislation implementing the Convention),²⁴⁸ but it would not necessarily limit the scope of remedies that courts could award—to the extent that countries' courts may award extraterritorial remedies.

On the receiving end of an extraterritorial remedy, no particular rules typically exist to govern the handling of a territorial discrepancy in the target country. A target country's court might refuse to recognize and enforce foreign judgments and arbitral awards if the judgments or awards include extraterritorial remedies and the court can base the refusal of the recognition and enforcement on the repugnancy of the judgment, award, or remedy to the public policy of the target country. National rules on the recognition and enforcement of foreign judgments typically include a public policy exception, as do the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards,²⁴⁹ The Hague Convention on Choice of Court Agreements (“Choice-of-Court Convention”),²⁵⁰ and the proposed Judgments Convention.²⁵¹ Another provision that courts might be able to use to eliminate an extraterritorial remedy awarded by a court of another country is a conflict with an earlier judgment.²⁵²

Provisions of the conventions that address particular remedies that may be excluded from recognition and enforcement also neglect to refer to the territorial scope of remedies and territorial discrepancy. The provisions in the Choice-of-Court Convention on remedies and in the proposed Judgments Convention on damages and “non-monetary remedies in intellectual property matters” (if the provisions survive in the final version of the Judgments Convention) do not solve extraterritorial remedies problems; they refer to remedying “actual loss or harm suffered”²⁵³ and “harm

²⁴⁸ The Hague Convention's IP-related provisions, if adopted, would not necessarily perpetuate the mosaic (country-by-country) approach to IP rights enforcement; however, the mosaic approach would be encouraged by the Convention by making that approach necessary in cases where the recognition and enforcement of the resulting judgment would depend on the application of the Convention or national legislation implementing the Convention. The Convention should be the floor; countries would remain free to adopt more liberal rules on recognition and enforcement, which could permit the recognition and enforcement of judgments issued based on other grounds of jurisdiction, including the possibility of concentrating IP infringement claims in a single litigation.

²⁴⁹ New York Convention, *supra* note 23.

²⁵⁰ *Convention on Choice of Court Agreements*, HAGUE CONFERENCE ON PRIVATE INT'L LAW art. 9(e) (June 30, 2005), <https://assets.hcch.net/docs/510bc238-7318-47ed-9ed5-e0972510d98b.pdf> [hereinafter Choice-of-Court Convention].

²⁵¹ Judgments Convention, *supra* note 245, at art. 7(1)(c).

²⁵² Choice-of-Court Convention, *supra* note 250, at art. 9(f)–(g); Judgments Convention, *supra* note 245, at art. 7(1)(e)–(f).

²⁵³ Choice-of-Court Convention, *supra* note 250, at art. 11(1).

suffered in the State of origin”—language that could still be interpreted as allowing extraterritorial remedies.²⁵⁴

It is important to remember that a target country’s court might not always have an opportunity to mitigate the effects of an extraterritorial remedy by refusing to recognize and enforce the remedy: The issuing court might be the court of general jurisdiction over the party that is subject to the remedy, and as such that court may enforce the remedy against the party irrespective of what other countries’ courts may do to negate the injunction. The accused infringer must object to the recognition and enforcement or ask for a declaration of unenforceability in the target country, which might involve a burden that the accused infringer is unwilling to bear. It is questionable whether third parties, such as a representative of the public of the targeted country (when the public has been affected by the remedy), could contest the remedy in the target country’s courts absent not only standing, but also some actionable right under the law of the target country. Absent any contested enforcement action, the negative effects of an extraterritorial cross-border remedy will likely persist.

C. Possible Solutions

Solutions to territorial discrepancy problems call for the “how” and “where” questions to be addressed: How—with what rules—should the problems be addressed, and where—through what means—should the solutions be implemented.

There are three possible approaches to addressing or avoiding the problems caused by the territorial discrepancy between claims and remedies: (1) Adjust the scope of remedies to the scope of the underlying claims; the discrepancy could be eliminated by imposing a limit on the territorial scope of remedies so that they would copy, and not extend beyond, the territorial scope of their underlying claims; (2) adjust the scope of claims according to the scope of the resultant remedies; the instances in which a discrepancy arises could be minimized by making it easier for IP rights owners to litigate claims with broader or multiple territorial scopes that would match the scopes of the desired remedies; (3) address the discrepancy problems in each individual case by reflecting on the particular circumstances of the case and the particular remedies sought in the case.

The difficulty with approaches (1) and (2) is that they would eliminate or minimize the instances of the territorial discrepancy but would not extinguish non-extraterritorial cross-border remedies, which still pose many of the same problems created by extraterritorial cross-border remedies; in fact, both approaches could encourage IP rights owners to request, and prompt courts to grant, non-extraterritorial cross-border remedies.

²⁵⁴ Judgments Convention, *supra* note 245, at art. 11.

Under approach (1) there would be no extraterritorial remedies available because the remedies would have to copy the territorial scope of the underlying claims. This outcome would motivate IP rights owners to bring claims based on the extraterritorial application of a country's law, thereby stretching the footprint of the law's territorial application, which would result in IP rights owners seeking more non-extraterritorial cross-border remedies.

Under approach (2), litigating claims with a broader territorial scope would likely be easier because claims could be consolidated under the laws of multiple countries in a single litigation, which would lead courts to issue more non-extraterritorial cross-border remedies to cover the territorial scope of foreign laws litigated before them.

The individualized approach in (3) may therefore be the best option for addressing the problems of territorial discrepancy. Of course, any individualized approach shifts the primary responsibility for a solution to the courts, a shift that tends to be popular with legislatures when the legislatures have no answers. However, the individualized approach should not simply be a means for legislatures to offload a problem to the judiciary; national and international law should provide some assistance to the courts in their tailoring of decisions to minimize problems caused by the territorial discrepancy.

One area where legislation or interpretation could assist the courts in designing the territorial scope of remedies is internet remedies.²⁵⁵ The rapid developments in geolocation and geoblocking technologies²⁵⁶ might make it possible to accept these technologies as a feasible and effective means to delineate the territorial scope of activities on the internet.²⁵⁷ This suggestion should not be taken to be a claim that the technologies have evolved to the point where they can create impermeable borders; tools exist—and are likely to continue to emerge—that enable users to circumvent the technologies. But the improvements achieved in the technologies may be to the point where they make the technologies sufficiently effective to serve as tools of legal compliance with territorial limits on the internet.

Accepting geolocation and geoblocking technologies as sufficiently effective tools of legal compliance would mean that in cases where courts intend to grant territorially-limited remedies, courts could grant remedies with territorial limitations and refer parties to the use of the technologies. In the past, imposing on an internet actor the obligation to geoblock might have posed a significant burden that could have adversely impacted the free speech rights of the internet actor—because

²⁵⁵ On internet remedies, see *supra* Part III, Section D.

²⁵⁶ On geolocation and geoblocking, see *supra* Part III, Section D.

²⁵⁷ *Cf.* *Fox Television Stations, Inc. v. Aereo, Inc.*, 851 F.3d 1002, 1011 (9th Cir. 2017) (“[A]n Internet-based service has no geographic boundary”); *Google Inc. v. Equustek Solutions Inc.*, [2017] 1 S.C.R. 824, para. 41 (Can.) (“The Internet has no borders – its natural habitat is global.”).

of both the costs and the unreliability of the technologies. However, with the costs of the technologies declining and their reliability increasing, implementing the technologies for legal compliance is now probably not any more burdensome than implementing other technologies that are necessary to run an internet operation.

If one accepts the premise that remedies on the internet may be successfully territorially limited, presuming territorial limitation may be useful; unless an issuing court indicates otherwise, an injunction on the internet would be deemed to be limited to the territory of the prescriptive jurisdiction of the countries whose laws were the bases for the injunction. This presumption would allow an addressee to use geoblocking technologies to comply with an injunction in an affected territory without it being necessary for the addressee to seek any clarification from the issuing court or the target court regarding the territorial scope of the injunction. The presumption would also motivate courts to be explicit as to their intent in cases where they are intentionally designing an internet remedy with extraterritorial reach.

Another area where feasible mitigation might exist for problems created by the territorial discrepancy is the area of overlapping remedies.²⁵⁸ For overlapping remedies a simple solution would seem to be for the target country's court to reduce the amount that the rights owner should have received under the target country's law by the amount that the rights owner was granted in the issuing court. More complicated is the situation when an extraterritorial award exceeds the amount that the target country's law would have permitted as an award for a violation of its own law, or when the nature of the remedy, including injunctions, does not correspond to what might have been awarded under the law of the target country. In this situation, the individualized approach would allow courts to adjust the remedies in both countries or in either country to achieve the desired result. Nevertheless, difficult problems could still arise; for example, it is possible that the court in the target country would want to award the same profits as did the issuing court, but to a different IP rights owner.²⁵⁹

The individualized approach is the only possible means of addressing direct conflicts between remedies and an addressee's obligations under the laws of a target country and the target country's court or agency decisions.²⁶⁰ A court, being aware of a conflict, may tailor its decision to reflect the possible or actual existence of the conflict; it may invite the party that could be affected by the conflict to present arguments against the territorial scope of the injunction in light of the conflict and could adjust a remedy to avoid the conflict. For example, courts have adjusted *Mareva* injunctions to reflect the fact that third parties must comply not only with the

²⁵⁸ On overlapping remedies problems, see *supra* Part IV, Section B.

²⁵⁹ On the award of foreign profits, see *supra* Part III, Section C.

²⁶⁰ For the definition of a "direct conflict," see *supra* Part IV, Section A.

laws of other countries, but also with other obligations, including contractual obligations, that the parties are subject to in the other countries.²⁶¹ Courts have also shown sensitivity to the possibility of impinging upon an addressee's rights to IP under the laws of other countries and have refused to issue remedies that would result in an addressee being restricted in enjoying rights that the addressee holds in other countries.²⁶²

Opinions could differ as to what constitutes a direct conflict that would justify an adjustment to the territorial scope of a remedy. Some courts would hold that only a conflict between a remedy and an existing obligation under the laws of a foreign country is a direct conflict; other courts would hold that even an inconsistency between the decision and a foreign law that does not otherwise place the defendant in conflict with his obligation under the foreign law is a direct conflict.²⁶³

The *Equustek v. Google* case illustrates the differing perceptions of direct conflicts: The Canadian courts perceived no direct conflict when they issued a global injunction against Google in the case.²⁶⁴ The Supreme Court of Canada suggested that Google apply to have the injunction adjusted if Google obtained evidence that "complying with such an injunction would require it to violate the laws of another jurisdiction, including interfering with freedom of expression."²⁶⁵ But when Google presented the preliminary injunction from the U.S. District Court for the District of California that declared the Canadian injunction unenforceable, a Canadian court refused to adjust the Canadian injunction.²⁶⁶ The Canadian judge pointed out that "[t]he U.S. decision [did] not establish that the [Canadian] injunction requires Google to violate American law"²⁶⁷ and that "[a] party being restricted in its ability to exercise certain rights is not the same thing as that party being required to violate the law."²⁶⁸

²⁶¹ Capper, *supra* note 124, at 582.

²⁶² *E.g.*, *Vanity Fair Mills, Inc. v. T. Eaton Co. Ltd.*, 234 F.2d 633, 643 (2d Cir. 1956) ("Moreover, the action has only been brought against Canadian citizens. We conclude that the remedies provided by the Lanham Act, other than in § 44, should not be given an extraterritorial application against foreign citizens acting under presumably valid trade-marks in a foreign country.").

²⁶³ For a discussion of whether the territorial limitations of remedies should be justified by differences in law (or through its interpretation) or only by the actual direct conflicts of a defendant's obligations see *United States v. AMC Entertainment, Inc.*, 549 F.3d 760, 776 (9th Cir. 2008) (Wardlaw, J., dissenting).

²⁶⁴ *Google Inc. v. Equustek Solutions Inc.*, [2017] 1 S.C.R. 824, para.44 (Can.).

²⁶⁵ *Id.* at para. 46.

²⁶⁶ *Equustek Solutions Inc. v. Jack*, [2018] 10 W.W.R. 715, para. 41 (Can.).

²⁶⁷ *Id.* at para. 20.

²⁶⁸ *Id.*

In cases of direct conflicts with an existing obligation under the law of a target country, the issuing court can carve out from the remedy the target country, provided that the defendant presents evidence of the particular obligation. But differences in countries' laws,²⁶⁹ absent existing actual obligations under the laws of a target country, should justify a carve-out from an issuing court's remedy only if strong public policy is at stake in the target country—the type of public policy sufficient to justify a denial of the recognition and enforcement of a foreign decision in the target country.²⁷⁰ In many instances it might be difficult for an issuing court to evaluate what public policies a court in the target country would consider strong enough to justify a denial of the recognition and enforcement of the issuing court's decision. In some cases it might be questionable whether certain public policies are implicated in a particular case.²⁷¹

As is apparent from this Section, not all problems caused by the territorial discrepancy can be addressed successfully. Most solutions lie with the courts, and improvements could be achieved by raising court awareness of the need to consider carefully the territorial scopes of remedies, particularly remedies that are designed to reach beyond the territorial scope of underlying claims. While some components of the solutions could be addressed by national legislatures, courts are ultimately in the best position to design a territorial scope—and sometimes even a particular type of remedy—that will minimize international friction and take into account the complex global IP law landscape.²⁷²

CONCLUSIONS

The territorial discrepancy between the territorial scope of claims and the territorial scope of remedies is not unusual; although the extraterritorial reach of the Canadian court's injunction in *Equustek v. Google* might have been surprising to some commentators, the territorial scope of the injunction was not unusual, particularly given the type of intellectual property at issue in the case. Courts in the United

²⁶⁹ Assessments by courts of the differences among countries' laws will be affected by courts' understanding of the content of the foreign law—see *supra* notes 53–57 and 65–67 and the accompanying texts for discussions of the means to ascertain the content of foreign law and the possibility that a court will assume that a foreign law is identical to forum law.

²⁷⁰ On the different approaches taken by the existing proposals, see *supra* notes 243–244 and the accompanying text.

²⁷¹ See, e.g., *Sarl Louis Feraud Int'l v. Viewfinder, Inc.*, 489 F.3d 474, 481 (2d Cir. 2007); *Sarl Louis Feraud Int'l v. Viewfinder, Inc.*, 627 F. Supp. 2d 123, 123 (S.D.N.Y. 2008).

²⁷² See, e.g., Alexander Peukert, *The Coexistence of Trade Mark Laws and Rights on the Internet, and the Impact of Geolocation Technologies*, 47 INT'L REV. INTELL. PROP. & COMPETITION L. 60, 61 (2016) (“Whereas trade mark conflicts within closed legal systems are generally adjudicated according to a binary either/or logic, transnational disputes are and should indeed be solved in a way that leads to a fair coexistence of conflicting trade mark laws and rights under multiple laws.”).

States have issued extraterritorial remedies in various cases, including in IP cases, and with the increasing transnationalization of litigation it is likely that incidences of extraterritorial remedies will rise. Extraterritorial remedies are important for countries' ability to enforce IP rights effectively, particularly in the current environment of intensified globalization, which affects many aspects of human endeavors (with the notable exception of litigation).²⁷³ Although The Hague Judgments Convention, if it is finally concluded, could contribute improvements to transnational litigation, it will not address the problems of the territorial discrepancy, which remain outside the purview of national legislatures and international negotiators.

The lack of discussion in national legislatures and in international negotiations regarding the territorial scope of remedies is perhaps understandable given the difficulties associated with territorial discrepancy problems. It is possible that most of the problems will successfully be addressed only through courts' individualized approaches in particular cases. Nevertheless, the negotiators of international instruments should reflect on territorial discrepancy problems and create mechanisms that will make it easier for courts to design remedies with appropriate territorial scope—whatever “appropriate” means in a given case.

²⁷³ Although arbitration has been internationalized, litigation in courts has remained highly nationalized, notwithstanding international treaties that provide for judicial cooperation.