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FEDERAL JURISDICTION OVER FOREIGN COPYRIGHT INFRINGEMENT ACTIONS—AN UNSOLICITED REPLY TO PROFESSOR NIMMER

I INTRODUCTION

In *London Film Productions v. Intercontinental Communications, Inc.*,¹ a federal district court for the first time accepted jurisdiction over an action for foreign copyright infringement. The plaintiff, a British motion picture film production corporation, alleged that the defendant, a New York licensing corporation, had contributorily infringed its motion picture copyrights in Chile and other South American countries.² The sole basis of jurisdiction was diversity of citizenship.³ The defendant filed a motion to dismiss, alleging that the court lacked subject matter jurisdiction over the foreign claims.⁴ The complaint alleged no violations of United States law.⁵

United States courts have resisted finding subject matter jurisdiction in intellectual property cases, at least with regard to foreign trademark and patent cases.⁶ The *London Film* court distinguished

¹ 580 F. Supp. 47 (S.D.N.Y. 1984). The case was later dismissed on the merits on July 27, 1984, after an out-of-court settlement. Telephone conversation with Stuart A. White, counsel for the defendant (Oct. 26, 1984).

² 580 F. Supp. at 48. The contributory infringement claim was based primarily on licensing agreements between the defendant and Dilatsa S.A., a quasi-governmental buying agent for Chilean television stations. The defendant specialized in licensing motion pictures produced by others that it considered to be in the public domain. The defendant allegedly granted the Chilean television authority the right to distribute and exhibit the plaintiff's motion pictures on television in Chile, without the plaintiff's permission. The plaintiff contended that the motion pictures in question were protected by copyright in Great Britain as well as in Chile, and that the defendant's licensing agreement deprived it of the opportunity to market its motion pictures for television. *Id.* The plaintiff alleged similar infringements in Venezuela, Peru, Ecuador, Costa Rica, and Panama. *Id.* at 50 n.6.

³ 28 U.S.C. § 1332(a)(2) (1982).

⁴ 580 F. Supp. at 48. The defendant also moved to dismiss on the grounds that the discretionary doctrine of forum non conveniens should apply even if the court did have subject matter jurisdiction. *Id.* The court rejected the application of this doctrine because the New York defendant was not subject to personal jurisdiction in any foreign forum. The court held that a forum non conveniens dismissal is inappropriate unless another forum is available, "for if there is no alternative forum 'the plaintiff might find himself with a valid claim but nowhere to assert it.'" *Id.* at 50 (quoting *Farmanfarmaian v. Gulf Oil Corp.*, 437 F. Supp. 910, 915 (S.D.N.Y. 1977), *aff'd*, 588 F.2d 880 (2d Cir. 1978) (availability of alternate forum necessary to validate dismissal of action on grounds of forum non conveniens)). See *infra* notes 141-43 and accompanying text.

⁵ 580 F. Supp. at 48. The films had at one time been subject to United States copyrights, but these had expired by the time of the dispute.

⁶ See *infra* notes 49-75 and accompanying text.

copyright infringement cases from trademark and patent cases based on the writings of Professor Melville B. Nimmer.⁷

Professor Nimmer observes that, in general, foreign states must perform "administrative formalities," before their trademarks and patents are valid.⁸ To decide a foreign trademark or patent infringement case, therefore, a court would need to pass on the validity of the actions of a foreign country's officials to determine whether the trademark or patent were valid under that country's law.⁹

Foreign copyright law generally recognizes a valid copyright to exist upon creation of the work.¹⁰ Professor Nimmer notes that under virtually all foreign copyright laws, "there are no administrative formalities¹¹ which must be satisfied in order to create or to perfect a copyright."¹² According to Professor Nimmer, United States courts balk at adjudicating foreign trademarks and patents because they are reluctant to "pass upon the validity of acts of foreign governmental officials."¹³ This concern is not present¹⁴ in a foreign copyright matter, as foreign copyrights may be created without administrative action.¹⁵ Thus, Professor Nimmer believes that "copyright infringement constitutes a transitory cause of action,¹⁶ and hence may be adjudicated in the courts of a sovereign other

⁷ 580 F. Supp. at 49.

⁸ 3 M. NIMMER, NIMMER ON COPYRIGHT § 17.03 (1985) [hereinafter cited as 3 NIMMER]. The purpose of this Note is to serve as a respectful rebuttal to Professor Nimmer's theory concerning the propriety of American courts' exercising jurisdiction over foreign copyright infringement actions.

⁹ *Id.*

¹⁰ "Most foreign countries do not require a copyright notice or any other formalities as a condition to copyright under their respective domestic laws." *Id.*, § 17.08. Such countries believe the protection of authors' rights should flow automatically from creation of the work and should not depend on compliance with any administrative formalities. According to this theory, technical formalities necessary to create or perfect a copyright create pitfalls for unwary authors. Thus, as soon as a work is created, it is protected to the extent allowed by the domestic law. UNESCO, THE ABC OF COPYRIGHT 53-55 (1981).

¹¹ For the purposes of this Note, the term "administrative formalities" is defined as the examination procedures a country's government requires before a trademark, patent, or copyright can be created or perfected.

¹² 3 NIMMER, *supra* note 8, § 17.03.

¹³ *Id.*

¹⁴ *Id.* "While other courts in patent and trademark cases have declined to exercise jurisdiction in actions for infringement under foreign laws, this has been based upon a ground that may not be applicable in the case of actions for infringement of foreign copyrights laws." *Id.*

¹⁵ *Id.*

¹⁶ "Actions are 'transitory' when transaction on which they are based might take place anywhere, and are 'local' when they could not occur except in some particular place; the distinction being in nature of subject of injury and not in means used or place at which cause of action arises." BLACK'S LAW DICTIONARY 1343 (rev. 5th ed. 1979).

than the one in which the cause of action arose."¹⁷

The *London Film* court found the logic of Professor Nimmer's theory compelling.¹⁸ Judge Carter drew a marked distinction between a foreign copyright and either a foreign trademark or a foreign patent, based on Nimmer's administrative formality characterization. Therefore, the patent and trademark precedents and authorities received neither controlling nor persuasive bearing on the outcome.¹⁹

The court attempted to buttress adoption of Professor Nimmer's theory by identifying an independent reason to adjudicate the claim: reciprocity. "An unwillingness by this court to hear a complaint against its own citizens with regard to a violation of foreign law will engender . . . a similar unwillingness on the part of a foreign jurisdiction when the question arises concerning a violation of our laws by one of its citizens. . . ."²⁰ The interest of reciprocity, however, is incompatible with the rationale underlying Professor Nimmer's theory. The propriety of American adjudication of foreign copyright claims is premised on the lack of administrative formalities necessary to secure or perfect a foreign copyright.²¹ In the United States, however, the fulfillment of various administrative formalities is a condition precedent to the perfection of a copyright.²² Thus, foreign adjudication of American copyright claims necessitates that foreign tribunals pass upon the validity of acts performed by American governmental officials. It is unclear why Judge Carter felt obliged to foster foreign adjudication of American claims under the same circumstances which purportedly rendered American jurisdiction over foreign actions improper. Judge Carter did not reconcile, nor even mention, the inconsistency inherent in his approach.

This Note argues that in deciding whether to exercise federal jurisdiction over foreign copyright infringement actions, courts should not rely on a bright-line distinction between intellectual

¹⁷ 3 NIMMER, *supra* note 8, § 17.03. One commentator admitted that it is not easy to find a satisfactory definition of a transitory cause of action, B. CURRIE, *SELECTED ESSAYS ON THE CONFLICT OF LAWS* 311 (1963).

¹⁸ The facts in this case confirm the logic of Nimmer's observation. The British films at issue here received copyright protection in Great Britain simply by virtue of publication there. Chile's adherence to the Berne Convention in 1970 automatically conferred copyright protection on these films in Chile. Therefore, no "act of state" is called into question here. . . . The litigation will determine only whether an American corporation has acted in violation of a foreign copyright, not whether such copyright exists, nor whether such copyright is valid.

London Film, 580 F. Supp. at 49-50 (citation and footnote omitted).

¹⁹ *Id.* at 49.

²⁰ *Id.*

²¹ 3 NIMMER, *supra* note 8, § 17.03.

²² *See infra* note 24.

property that is created without administrative formality²³ and intellectual property which must be perfected by administrative action.²⁴

²³ See *supra* note 10.

²⁴ In some countries, including the United States, securing and/or perfecting a copyright may require various formalities, such as deposit of copyrighted works, copyright notice, and registration. UNESCO, *supra* note 10, at 53-55. For example, in the United States, statutory copyright protection is triggered when the work is "fixed in any tangible medium of expression." 17 U.S.C. § 102(a) (1982). However, before a person can institute an action for infringement of a United States copyright, registration with the Copyright Office is required. The Register of Copyright has discretion prior to registration to determine whether "the material deposited constitutes copyrightable subject matter and that the other legal and formal requirements . . . have been met." 17 U.S.C. § 410(a). The Register of Copyrights does not determine originality. "It is thought that such an inquiry . . . is better left to the courts rather than to an administrative agency." 2 NIMMER, *supra* note 8, § 7.21[A]. Thus, although "a [registration] certificate represents prima facie evidence of copyright validity . . . a claim to copyright is not examined for basic validity before a certificate is issued." H.R. REP. NO. 1476, 94th Cong., 2d Sess. 157 (1976). Other countries which require registration to perfect a copyright include: Argentina, Bangladesh, Columbia, Lebanon, Liberia, Nicaragua, Panama, Paraguay, Philippines, Spain, Uruguay, and Venezuela. Countries which require any assignment or transfer of the copyright to be registered include: Brazil, Chile (if transferred to publisher), Japan, and Portugal. Countries where registration merely provides prima facie evidence of ownership include: Canada, Ecuador, India, Italy, Pakistan, and Peru. WORLD INTELLECTUAL PROPERTY ORGANIZATION, 14 COPYRIGHT 213, at 213-50, 277-311, 353-84, 419-52 (1978).

The paradigm of an administrative act of government necessary to create an intellectual property right is the grant of letters patent. The examination is the degree of official scrutiny exercised by an administrative agency of government, the patent office, before patent rights are granted. If the examination passes upon the novelty of the alleged invention, *see infra* note 76, the country is said to have an examination system. Most technologically advanced countries, including the United States, have an examination system. P. ROSENBERG, PATENT LAW FUNDAMENTALS §§ 1.02, 19.01[1] (1985).

In the United States, the patent application is assigned to an individual examiner, who conducts a search of the relevant prior art before making an administrative determination of patentability. *See* 35 U.S.C. § 102(a)-(b) (1982). Patent claims may be rejected if the invention is not statutory matter, lacks novelty or utility, or is obvious, or if the applicant fails to comply with disclosure requirements. Upon rejection, the applicant is entitled to reexamination and appeal, first to the Board of Patent Appeals and Interferences, 35 U.S.C. §§ 131-35 (1982), which may be followed by an appeal to the United States Court of Appeals, or the District Court, for the District of Columbia, 35 U.S.C. §§ 141-45 (1982). An issued patent is presumed valid. 35 U.S.C. § 282 (1982). This presumption is successfully rebutted, however, in a high proportion of litigated patents. The modicum of certainty as to the patent's validity is due to the *ex parte* nature of the application process and the less than state of the art searches administrative officials are able to make. P. ROSENBERG, *supra*, § 19.01[1].

Many countries maintain a nonexamining registration patent system. PATENTS THROUGHOUT THE WORLD 478-79 (A.M. Greene 2d ed. 1984). In a registration country, administrative officials do not make a novelty determination before patent rights are granted. Rather, applications are superficially screened for compliance with certain matters of form. "To warrant denial of patent rights by the patent office of a registration country . . . the irregularity must be apparent on the face of the application papers. . . ." P. ROSENBERG, § 19.01[1], at 19-5. Examples would be nonstatutory subject matter or improper form of claims. *Id.*

With respect to administrative formalities, trademarks are probably best viewed as fitting somewhere between copyrights and patents. The inception of a trademark, like a copyright, does not depend upon an administrative act of the government. Although

Such a bright-line approach assumes that a foreign state's only interest in litigating infringement actions under its own copyright law lies in protecting its administrative acts from adjudication by United States courts. This Note asserts that a foreign state's interests transcend mere deference to the administrative actions of its official. The foreign state possesses a sovereignty interest in preserving the socio-economic, cultural, and political benefits its copyright law intended to advance. American courts should consider these interests in deciding whether to accept or decline jurisdiction over foreign copyright infringement actions.

In this respect, Professor Nimmer's methodology for determining the propriety of exercising federal jurisdiction over foreign copyright infringement adjudication, as well as the "act of state" language²⁵ upon which it is based, is inadequate. A more sophisticated interest analysis,²⁶ designed to reflect a foreign state's peculiar interest in its intellectual property rights is needed.

This Note first examines the few federal court decisions which have confronted similar jurisdictional questions in foreign trademark and foreign patent infringement actions.²⁷ Next, this Note critiques Professor Nimmer's attempt to distinguish these precedents from foreign copyright infringement actions on the basis of the "administrative formality" distinction.²⁸ Thereafter, this Note examines the local action doctrine²⁹ and argues that its underlying considerations are relevant to jurisdictional determinations concerning foreign copyrights.³⁰ This Note concludes by offering an interest-based proposal for determining the propriety of exercising jurisdiction over foreign copyright infringement actions.³¹

perfection of a trademark may require registration with the appropriate government agency, "such registratio[n] merely involve[s] official recognition of preexisting rights." *Id.* § 1.02, at 1-6. As with patents however, most countries require an administrative agency to examine the trademark for distinctiveness. TRADEMARKS THROUGHOUT THE WORLD 853-54 (W. White & B. Ravenscroft ed. 1978).

²⁵ See *infra* note 82 and accompanying text.

²⁶ Rejection of a mechanical test in favor of a more flexible test brings with it increased uncertainty. Such uncertainty need not be a permanent characteristic of a flexible approach, however. Although initial cases will require hard balancing, once precedent is established the law will become more certain.

²⁷ See *infra* Section IIB.

²⁸ See *infra* Section III.

²⁹ See *infra* text accompanying note 103.

³⁰ See *infra* Section IIIC.

³¹ See *infra* Section IV.

II BACKGROUND

A. National Treatment—Entertaining Foreign Copyright Actions Requires Application of Foreign Copyright Law

A full understanding of the jurisdictional question confronting American courts requires a brief examination of certain aspects of international copyright law. The two major multilateral copyright conventions, the Berne Convention³² and the Universal Copyright Convention,³³ have largely obviated the conflict of laws problem by adopting national treatment.³⁴ National treatment means that a member country protects works originating in other member countries as if such works originated within its own borders.³⁵ Under the

³² International Union For the Protection of Literary and Artistic Works [hereinafter cited as Berne Convention], signed in Berne, Switzerland, on Sept. 9, 1886, as amended. See 4 NIMMER, *supra* note 8, app. 27 (text of 1971 Paris Revision reproduced).

The Berne Convention dates back to 1886 and has had two additions and five revisions, the most recent of which was the Paris Revision, *see id.* apps. 26, 27 (text of 1948 Brussels Revision, 1971 Paris Revision reproduced, respectively). As of 1982, some 74 nations were members, the most notable exceptions being the United States and the Soviet Union. S.M. STEWART, INTERNATIONAL COPYRIGHT AND NEIGHBOURING RIGHTS 89, 134-35 (1983). For an in-depth discussion of the Berne Convention, see C. MASOUBEY, GUIDE TO THE BERNE CONVENTION (1978).

³³ Universal Copyright Convention, completed in Geneva, Switzerland, on Sept. 6, 1952 (effective Sept. 16, 1955), as amended. 4 NIMMER, *supra* note 8, apps. 24, 25 (text of Geneva treaty and 1971 Paris Revision reproduced, respectively). The Universal Copyright Convention (UCC) was adopted in 1952 and revised in 1971 in coordination with the 1971 Paris Revision of the Berne Convention. The goal of the UCC was to attract all countries, particularly the United States, without forcing Berne Convention members to lower their standards of protection by forcing them to accept the UCC as an alternative to the Berne Convention. The United States and the Soviet Union joined the UCC along with about 70 other nations. S.M. STEWART, *supra* note 32, at 134. For a discussion of the UCC see A. BOGSCH, THE LAW OF COPYRIGHT UNDER THE UNIVERSAL CONVENTION (1968).

³⁴ The multilateral conventions are in effect treaties among sovereign states and as such are part of public international law. The principle of national treatment is extended by certain minimum rights which may be invoked in all contracting states irrespective of national legislation. Both conventions provide for certain minimum conditions of copyright protection concerning scope, duration and formalities. Each contracting state must respect these minimum requirements with regard to foreign works, even though the conventions do not compel a member state to grant such minimum rights to its own nationals. E. ULMER, INTELLECTUAL PROPERTY RIGHTS AND THE CONFLICT OF LAWS 1-2, 9 (1978).

Conversely, the principle of national treatment can be limited by the rule of reciprocity. In essence, a country which grants its nationals a longer term than the minimum required by the Convention need only grant that longer term to foreigners if that longer term is also granted by the foreigner's country. In sum, although the principle of national treatment is subject to extensions and limitations, it nevertheless remains at the foundation of the laws of international copyright conventions. *Id.*

³⁵ S.M. STEWART, *supra* note 32, at 38. National treatment is also referred to as the principle of assimilation. *Id.*

terms of both the Berne Convention and the Universal Copyright Convention, an author who is a national of one of the member states or who first publishes his work in any member state is entitled to the same protection the state grants its own authors. Essentially, each country promises to "assimilate," or treat the nationals of other countries as its own nationals, for the purpose of copyright protection.³⁶

The international copyright conventions adopted national treatment for three reasons.³⁷ First, national treatment provides practical benefits for both the courts and the litigants in allowing for the application of forum law. Courts prefer to apply their own law, with which they are familiar. Similarly, using only one law makes it unnecessary to apply a variety of foreign laws within a single transaction or court case. Judicial efficiency is served when courts do not have to rely upon translations of foreign statutes and case law, and the risk of distorted or inaccurate translations is abated. National treatment thus results in sounder decisions and increased certainty in the law.³⁸

Second, national treatment comports with the ideal of international law that all persons are equal before the law. Using the same law in each country for every litigant minimizes discrimination against the foreigner.³⁹

Third, national treatment upholds the principle of non-extra-territorial application of copyright laws.⁴⁰ It is generally accepted throughout the world that the applicability of any national intellectual property right law is restricted to infringements committed within that country.⁴¹ For these reasons the international conven-

³⁶ See *supra* note 34.

³⁷ The principle of *lex loci*, or the law of the country of origin, is an alternative to national treatment. Under this doctrine, a work would receive the same treatment abroad as in the county of origin. Thus, the level of protection accorded a work, determined either by the nationality of its author or the country of first publication, would follow the work wherever it goes. S.M. STEWART, *supra* note 32, at 38.

³⁸ *Id.*

³⁹ *Id.*

⁴⁰ KIRIOS, *Territoriality and International Copyright Infringement Actions*, 22 COPYRIGHT L. SYMP. (ASCAP) 53, 54 (1977).

⁴¹ An action under the United States Copyright Act will not lie for infringements occurring outside the jurisdiction of the United States. See *Robert Stigwood Group Ltd. v. O'Reilly*, 530 F.2d 1096, 1100-01 (2d Cir.) (act of infringement within United States is required to hold defendant accountable for related infringement acts occurring outside country), *cert. denied*, 429 U.S. 848 (1976); *Sheldon v. Metro-Goldwyn Pictures Corp.*, 106 F.2d 45, 52 (2d Cir. 1939) (copyright statute given limited effect over acts occurring abroad only if connected with infringing act occurring within the United States), *aff'd*, 309 U.S. 390 (1940); *Ahbez v. Edwin H. Morris & Co.*, 548 F. Supp. 664, 667 (S.D.N.Y. 1982) (plaintiff's failure to allege infringement within United States warrants dismissal).

Similar results have been reached under United States patent laws. See *Canadian Filters Ltd. v. Lear-Siegler, Inc.*, 412 F.2d 577, 578-79 (1st Cir. 1969) (comity prevents

tions have reaffirmed the territorial application of national copyright laws rather than created a global system of rights.

National treatment provides a complete rule of conflict of laws. The applicable law always is that of the state where the infringement occurred. In practice the plaintiff usually sues in the country where the infringement occurred. Consequently, the law of the jurisdiction in which relief is sought controls.⁴² In such a case the policies underlying national treatment are fully realized.⁴³ When the action is brought in a national court in a country other than where the infringement occurred, as in the *London Film* case, the law of the country in whose territory the infringement occurred controls.⁴⁴ In such

district court from enjoining Canadian infringement action involving Canadian patent); *Goodyear Tire & Rubber Co. v. Rubber Tire Wheel Co.*, 164 F. 869 (S.D. Ohio 1908) (refusing to enjoin suit in Cuba for infringement of Cuban patent). *Contra* *United States v. Imperial Chem. Indus.*, 105 F. Supp. 215 (S.D.N.Y. 1952) (British corporation violated Sherman Act by assigning patents under illegal agreements and was ordered to reconvey British patents to American corporation).

The principle of non-extraterritorial application of trademark laws has not been applied as consistently. *See* *Steele v. Bulova Watch Co.*, 344 U.S. 280 (1952) (extraterritorial application of Lanham Act relying on defendant's United States citizenship and effects on commerce); *Ramirez & Feraud Chili Co. v. Las Palmas Food Co.*, 146 F. Supp. 594 (S.D. Cal. 1956) (extraterritorial application of Lanham Act), *aff'd per curiam*, 245 F.2d 874 (9th Cir. 1956), *cert. denied*, 355 U.S. 927 (1958). *Contra* *Vanity Fair Mills v. T. Eaton Co.*, 234 F.2d 633 (2d Cir. 1956) (Lanham Act should not apply extraterritorially against foreign citizens acting under presumably valid foreign trademarks), *cert. denied*, 352 U.S. 871 (1956). In cases concerning protection against trademark infringement and unfair competition, often the courts assume that "the rules of national law are applicable to competition between national undertakings even if the act of unfair competition has been committed abroad." E. ULMER, *supra* note 34, at 11.

Copyright and patent laws should be distinguished from trademark laws with respect to the public interests at stake. For example, under United States law, copyrights and patents protect "Writings" and "Discoveries" only for "limited Times." U.S. CONST. art. 1, § 8, cl. 8. When the term expires, the invention or artistic work enters the public domain. The period of exclusivity for a patent or copyright is granted in exchange for complete disclosure of the creative processes by the inventor or author. Conversely, a trademark is a marketing symbol of indefinite duration if used continuously to identify and distinguish products. As the Supreme Court emphasized, "[t]he ordinary trademark has no necessary relation to invention or discovery It requires no fancy or imagination, no genius, no laborious thought. It is simply founded on priority of appropriation." *Trade-Mark Cases*, 100 U.S. 82, 94 (1879).

Trademarks serve the public interest by helping consumers to identify and distinguish goods and services. Patents and copyrights, however, serve the more compelling public interest in having information, both artistic expression and technological innovation, widely disseminated. Extraterritorial application of patent and copyright laws would "effectively deprive the marketplace of something that local law has provided shall be available." *Kirios*, *supra* note 40, at 61. Conversely, extraterritorial application of trademark laws would deprive the local marketplace only of the symbol used to market the product, not the product itself.

⁴² S.M. STEWART, *supra* note 32, at 47.

⁴³ *See supra* notes 37-41 and accompanying text.

⁴⁴ The plaintiff in *London Film* incorrectly asserted that the merits of its claims could be adjudicated simply by reference to the substantive copyright law of Great Britain. Plaintiff's Memorandum in Opposition to Motion to Abstain and Dismiss at 14 n.18,

a case, the policies underlying national treatment are not as well-served. Moreover, the international copyright conventions do not address whether a plaintiff may claim legal protection based on a foreign copyright. Similarly, international patent and trademark conventions,⁴⁵ also founded upon the principle of national treatment, provide no answer to the jurisdictional question with respect to foreign patents and foreign trademarks. Rather, whether a plaintiff may claim legal protection before a national court for the infringement of a foreign intellectual property right has depended on the view of the particular national court involved.⁴⁶

London Film Prods. Ltd. v. Intercontinental Communications, Inc., 580 F. Supp. 47 (S.D.N.Y. 1984). The defendant argued in its motion to dismiss that the case would involve the construction of the laws of all the foreign states where infringement was alleged. *London Film*, 580 F. Supp. at 48. Although ruling correctly, Judge Carter appeared somewhat uncertain about the application of national treatment. "Since . . . the applicable law is the copyright law of the state in which the infringement occurred, defendant seems correct in its assumption that the laws of several countries will be involved in the case." *Id.* at 50 n.6 (emphasis added) (citation omitted).

⁴⁵ International Convention for the Protection of Industrial Property, signed in Paris, France, on Mar. 20, 1883, as amended. Art 2(1) of the Lisbon text of 1958, ratified by this country in 1960 and entered into effect in 1962, provides for national treatment. See 13 U.S.T. 1 (1962).

⁴⁶ E. ULMER, *supra* note 34, at 47. For example, German courts have entertained foreign trademark and patent infringement cases. See, e.g., Judgment of July 8, 1930, Ger. 1930 Reichsgericht in Zivilsachen 129, 385 (trademarks). French courts, however, have traditionally refused such jurisdiction. See Judgment of Mar. 20, 1967, Cour de Douai, Fr., 1968 Rev. Crit de DIP 691 (act of infringement being of penal nature presupposes act committed within country). Whether the EEC Convention on Jurisdiction has changed the French position remains unclear.

The EEC Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters, signed Sept. 22, 1968, and ratified by the six original members of the EEC (entered into force on Feb. 1, 1973), provides in articles 2 and 5(3) that in tort actions a suit may be instituted both in the contracting state where the defendant lives and in the contracting state where the injury occurred. Arguably, then, among these six original member states, Belgium, France, Italy, Luxembourg, Netherlands, and West Germany, an action for infringement of any intellectual property right could be brought both in the country where the defendant lives and the country where the infringement occurred. S.M. STEWART, *supra* note 32, at 47. Denmark, Ireland, Greece, and the United Kingdom have not yet acceded to the Convention. *Id.* at 48.

In the United Kingdom, the general rule as to jurisdiction has been stated as follows:

- (1) As a general rule, an act done in a foreign country is a tort and actionable as such in England, only if it is both
 - (a) actionable as a tort according to English law, or in other words is an act which, if done in England, would be a tort; and
 - (b) actionable according to the law of the foreign country where it was done.

A. DICEY & J. MORRIS, *THE CONFLICT OF LAWS* 938 (9th ed. 1973) (footnote omitted). Because foreign patents and copyrights are territorial in their operation, the infringement of copyright in a foreign country would not be a tort if committed in England. Thus, an act of foreign infringement cannot be brought within the terms of clause (1)(a) of the rule. *Id.* at 952-53; W. COPINGER & SKONE JAMES, *COPYRIGHT* § 554 (9th ed. 1971) [hereinafter cited as COPINGER & SKONE JAMES]. Copinger and Skone James suggest that "where the defendant is within the jurisdiction and, as in the case of a Berne

B. Federal Jurisdiction in Foreign Trademark and Patent Infringement Actions

The *London Film* court correctly characterized the jurisdictional question before it as "a novel question of law."⁴⁷ No other federal court has entertained the jurisdictional question of foreign copyright infringement in a reported decision. The federal courts have determined similar jurisdictional questions with respect to foreign trademark and patent infringement actions, but only a handful of such precedents exist. In those patent and trademark cases the federal courts assumed they had the power to adjudicate but generally refused to exercise that power as a matter of discretion.⁴⁸

1. Trademark Cases

Professor Nimmer adopted the reasoning of the Second Circuit's trademark infringement decision in *Vanity Fair Mills v. T. Eaton Co.*⁴⁹ in establishing his "administrative formality" distinction between foreign trademark and patent actions and foreign copyright infringement actions. In *Vanity Fair*, an American textile manufacturer sued a Canadian retailer for unfair competition and infringement of the plaintiff's American trademark. The action was based primarily on sales the defendant made in Canada, where the defendant was the registered owner of the same mark.⁵⁰ The court rejected plaintiff's request for extraterritorial application of the Lanham Act⁵¹ and refused to exercise diversity jurisdiction to adjudicate the claims under Canadian law.⁵² The court declined jurisdiction on the alternative grounds of forum non conveniens⁵³ and the act of state doctrine.⁵⁴

Convention country, the nature of the wrong is similar under both sets of laws, an action should be maintainable here." *Id.* (emphasis added) (footnote omitted).

Nevertheless, the factual pattern in *London Film* clearly would not be actionable in England. The plaintiff's works were not protected under United States copyright, see *supra* note 5; thus the acts complained of could have been committed in the forum state with impunity. It follows that the "nature of the wrong" could not, by definition, be "similar under both sets of laws."

⁴⁷ *London Film*, 580 F. Supp. at 48.

⁴⁸ See *infra* notes 49-75 and accompanying text.

⁴⁹ 234 F.2d 633 (2d Cir.), cert. denied, 352 U.S. 871 (1956).

⁵⁰ *Id.* at 637.

⁵¹ 15 U.S.C. §§ 1051-1127 (1982).

⁵² 234 F.2d at 638.

⁵³ "Were this merely a transitory tort action in which disputed facts could be litigated as conveniently here as in Canada, we would think the jurisdiction of the district court should be exercised." *Id.* at 647; see *infra* notes 141-43 and accompanying text.

⁵⁴ "[W]e do not think it the province of United States district courts to determine the validity of trade-marks which officials of foreign countries have seen fit to grant. To do so would be to welcome conflicts with the administrative and judicial officers of the Dominion of Canada." 234 F.2d at 647. For a discussion of *Vanity Fair's* application of

Professor Nimmer noted that "[t]he *Vanity Fair* court . . . declined jurisdiction because it did not deem it proper for an American court to pass upon the validity of administrative acts undertaken by foreign officials."⁵⁵ The administrative acts in question consisted of Canadian trademark officials registering the Canadian trademark to the defendant.⁵⁶ This single decision, however, provides an inadequate basis for extrapolating a general rule to determine the propriety of foreign copyright infringement jurisdiction.⁵⁷

2. Patent Cases

A similar paucity of legal precedent exists concerning the jurisdictional question in foreign patent actions. The Seventh Circuit initially suggested that jurisdiction over foreign patent infringement actions may only exist in cases in which the doctrine of pendent jurisdiction could apply. In *Ortman v. Stanray Corp.*⁵⁸ an Illinois citizen alleged that a Delaware corporation infringed the American, Canadian, Brazilian, and Mexican patent rights to his invention.⁵⁹ The court denied the defendant's motion to dismiss the foreign claims, holding that a plaintiff who alleges infringement of a United States patent may invoke the doctrine of pendent jurisdiction to join alleged infringements of foreign patents, provided "the entire action before the court comprises but one constitutional 'case.'"⁶⁰

the act of state doctrine see Kirios, *supra* note 40, at 66-67. See also *infra* notes 81-100 and accompanying text (discussing act of state doctrine).

⁵⁵ 3 NIMMER, *supra* note 8, § 17.03. Professor Nimmer noted that foreign copyrights are perfected without any administrative formalities, but that United States copyright law requires such statutory administrative formalities. The statutory requirements for notice, deposit, and registration of a United States copyright are found in 17 U.S.C. §§ 401-412 (1982). See also 2 NIMMER, *supra* note 8, § 7.

⁵⁶ The plaintiff had secured no rights under Canadian trademark laws. The Canadian Registrar of Trade-Marks had refused the plaintiff's registration on the grounds that it interfered with the defendant's existing registration. The plaintiff's claim of invalidity could have been the proper subject of a Canadian cancellation proceeding or a defense to an infringement action brought by the defendant. 234 F.2d at 646.

⁵⁷ See *infra* notes 130-39 and accompanying text; see also *supra* note 41 (discussion of public interests inherent in patent and copyright law as opposed to trademark laws); see also *infra* notes 92-94 and accompanying text (inapplicability of act of state doctrine).

⁵⁸ 371 F.2d 154 (7th Cir. 1967). The Seventh Circuit subsequently overruled its second *Ortman* opinion on an unrelated evidence issue in *Sunstream Jet Express v. International Air Serv. Co.*, 734 F.2d 1258 (7th Cir. 1984).

⁵⁹ 371 F.2d at 155.

⁶⁰ *Id.* at 158 (quoting *United Mine Workers v. Gibbs*, 383 U.S. 715, 725 (1966)). The court in *Ortman* noted that the alleged infringement of foreign patents did not involve state law but that the reasoning in *Gibbs* seemed to apply in determining whether federal jurisdiction existed. The court listed three characteristics of the case that argued for possible federal jurisdiction: (1) the defendant performed the alleged infringing acts both in and out of the United States, (2) the parties disputed the interpretation of their contract, and (3) the interpretation of that contract was important to the decision of whether the infringement of foreign patents could be considered in the suit.

Judge Fairchild's concurring opinion suggested that diversity would constitute a sufficient basis for jurisdiction over the foreign claims.⁶¹ Nevertheless, the opinion listed several possible reasons why a court might decline to hear such a case based solely on diversity:

First, the court may feel that the claim is based on penal or revenue laws, or that it involves some other form of foreign governmental interest. Secondly, the local judicial machinery may not be suitable to enforcement of the foreign based claim. Thirdly, the action may be contrary to the public policy of the forum. Fourthly, the forum state may be precluded from passing on an "act of state." And lastly, the court may decline to exercise jurisdiction on the basis of *forum non conveniens*.⁶²

The exact precedential value of the *Ortman* holding is uncertain for two reasons. First, the court viewed the presence of pendent jurisdiction as distinguishing the case from "ordinary circumstances, [in which] it would seem clear that plaintiff could not come into a United States District Court and sue for infringement of [foreign patents] based upon alleged acts of the defendant in each of the foreign countries named."⁶³ Second, the Seventh Circuit subsequently reopened the entire jurisdictional question. On remand, the district court reaffirmed the application of its pendent jurisdiction.⁶⁴ When the case again came before the Seventh Circuit nearly two years later, the court, while passing on an unrelated question,⁶⁵ stated:

We did not intend . . . to prejudge the propriety of the district court's application of the doctrine of pendent jurisdiction, nor to adopt the diversity theory suggested in the concurring opinion, 371 F.2d at 159. It is still open to Stanray to challenge the district court's exercise of jurisdiction over the foreign patent causes of action.⁶⁶

No final resolution of the jurisdictional issue in *Ortman* was ever reported.

⁶¹ *Id.* at 159-60 (Fairchild, J., concurring).

⁶² *Id.* (footnotes omitted).

⁶³ *Id.* at 156.

⁶⁴ *Ortman v. Stanray Corp.*, 163 U.S.P.Q. (BNA) 331, 333 (N.D. Ill. 1969). Moreover, the district court stated that it "takes note of and finds much merit in the concurring opinion of Judge Fairchild . . . wherein it is suggested that [the court] has jurisdiction, based upon diversity, to adjudicate the claims for infringement of foreign patents." *Id.* at 334.

⁶⁵ The plaintiff's actions for patent infringement and breach of contract were tried separately by agreement of the parties and by order of the court of April 11, 1968. *Id.* at 332.

⁶⁶ *Ortman v. Stanray Corp.*, 437 F.2d 231, 239 (7th Cir. 1971) (per curiam, on petition for rehearing).

In the following year, however, the same district court again confronted the jurisdictional question of foreign patent actions in *Packard Instrument Co. v. Beckman Instruments, Inc.*⁶⁷ In *Packard*, the plaintiff, a Delaware corporation, alleged that the defendant, a California corporation, infringed its patents in America and nine foreign countries.⁶⁸ The court, in an apparent attempt to mitigate the uncertainty created by the *Ortman* opinions, assumed it possessed the power to adjudicate the foreign claims, either on the basis of pendent or diversity jurisdiction.⁶⁹ The court, however, refused to exercise that power as a matter of discretion.

The *Packard* court held that a court may properly abstain from exercising jurisdiction over foreign patent infringement claims "when the validity of those patents will be put at issue."⁷⁰ The court rationalized its refusal to grant jurisdiction as an application of the abstention doctrine,⁷¹ but commentators, including Professor Nimmer, have argued that in substance the court merely articulated the "act of state" and forum non conveniens considerations expressed in *Vanity Fair*.⁷² The court supplemented its forum non conveniens decision by considering factors beyond the unavailability of an alternate forum.⁷³ The defendant was not amenable to process in the foreign countries whose patents were involved, but the court held that the reasons for abstention were "applicable regardless of whether all the requirements for dismissal on the ground of forum non conveniens [were] present."⁷⁴

Vanity Fair, *Ortman*, and *Packard* represent the spectrum of legal

⁶⁷ 346 F. Supp. 408 (N.D. Ill. 1972).

⁶⁸ The foreign countries were Canada, Sweden, France, Switzerland, Italy, Japan, West Germany, the United Kingdom, and Israel. *Id.* at 409.

⁶⁹ *Id.* at 408.

⁷⁰ *Id.* at 409. The court refused jurisdiction because: (1) "a determination of the issue of validity of a foreign patent would involve a 'form of foreign governmental interest,'" (2) the court "would 'not be suitable to enforcement of the foreign based claim,'" (3) the court would face difficulty in determining and applying foreign law which is "based on considerations of a predominantly local nature," (4) the court would be required "to deal with seven foreign languages in order to decide eight of the ten foreign patent claims," and (5) resolution of the United States patent claim would provide adequate relief. *Id.* at 409-11 (quoting *Ortman*, 371 F.2d at 159 (Fairchild, J., concurring)).

⁷¹ See *infra* notes 122-27 and accompanying text.

⁷² See, e.g., Kirios, *supra* note 40, at 69. Professor Nimmer stated that "[t]he same ground for decision [as in *Vanity Fair*] was adopted in [*Packard*]." 3 NIMMER, *supra* note 8, § 17.03 n.7.

⁷³ See *infra* notes 143-46 and accompanying text.

⁷⁴ 346 F. Supp. at 410 (footnote omitted). The *Packard* decision was cited as authority in *Goldberg v. Cordis Corp.*, 203 U.S.P.Q. (BNA) 717 (N.D. Ill. 1976). In *Goldberg*, the plaintiff, an Illinois citizen, alleged that the defendant, a Florida corporation, infringed his British and Canadian patents. The court refused to entertain jurisdiction over the foreign patent infringement action, holding that "[t]o determine the validity of patents granted by foreign governments would invite conflicts with the administrative and judicial officers of those governments." *Id.* at 718.

precedent dealing with whether a federal court may retain jurisdiction over a claim for the infringement of a foreign intellectual property right. The policies underlying these decisions are of great import in determining federal jurisdiction over foreign copyright infringement actions. Patents, trademarks, and copyrights, referred to as "intellectual property," have many common legal characteristics.⁷⁵ Thus, prior patent and trademark decisions may serve as a guide in determining the propriety of exercising foreign copyright jurisdiction.

III CRITIQUE

Professor Nimmer's "administrative formality" distinction renders prior decisions involving patents and trademarks inapplicable to the jurisdictional determination in foreign copyright actions. His theory draws a bright line between the appropriateness of adjudicating the validity⁷⁶ of foreign intellectual property rights that need administrative formalities to create or perfect them and those that do not. The decision whether to accept jurisdiction is conditioned solely upon whether an American court must "pass upon the validity of administrative acts undertaken by foreign officials."⁷⁷ This methodology, as applied by the *London Film* court, assumes that the foreign state is interested only in preserving the presumption of administrative correctness of its acts in infringement cases. A court's refusal to accept jurisdiction is, therefore, based upon the act of state doctrine.⁷⁸ The patent and trademark precedents which decline jurisdiction⁷⁹ have neither a controlling nor a persuasive effect on the jurisdictional determination under this theory because no "act of state" is necessary to create or perfect a foreign copyright. The theory assumes the propriety of federal jurisdiction over

⁷⁵ See, e.g., 1 J. MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 6:1, at 146 (2d ed. 1984) ("That there are many common characteristics of patents, trademarks and copyrights cannot be denied.").

⁷⁶ In all trademark, patent, and copyright infringement actions, a plaintiff must prove the validity or legal sufficiency of the asserted property right in addition to proving infringement. At a minimum, validity requires proof of distinctiveness for trademarks, novelty for patents, and originality for copyrights. See J. MCCARTHY, *supra* note 75, § 15:1 (trademarks); P. ROSENBERG, *supra* note 24, § 17.05 (patents); H.R. REP. NO. 1476, 94th Cong., 2d Sess. 156-57 (1976) (copyrights). An administrative formality necessary to create or perfect the intellectual property right provides, at most, only a rebuttable presumption of validity. See *supra* note 24.

⁷⁷ 3 NIMMER, *supra* note 8, § 17.03.

⁷⁸ See *infra* notes 81-100 and accompanying text.

⁷⁹ See *supra* notes 49-57 and accompanying text (trademark); *supra* notes 58-75 and accompanying text (patent).

foreign copyright infringement actions, and, in effect, ignores the foreign state's interest in such adjudication.

This reasoning oversimplifies the jurisdictional determination. The "administrative formality" distinction focuses on a characteristic common only to foreign trademarks and patents, and in so doing, appears to give greater weight to a foreign state's interest in its trademark and patent laws, to the exclusion of its copyright laws. This distinction ignores the similarity of the public interests sought to be advanced by copyright, patent, and trademark laws.⁸⁰ A foreign state's interest in infringement adjudication extends to ensuring that its policies are promoted through proper application of the law. The presence or absence of an "act of state" necessary to create or perfect a foreign copyright should not be the determining factor in deciding whether to accept jurisdiction.

A. Act of State Doctrine's Inapplicability to Granting of Foreign Patents

Professor Nimmer's "administrative formality" distinction is an application of the act of state doctrine.⁸¹ The act of state doctrine precludes American courts from "examining the validity of an act of a foreign state by which that state has exercised its jurisdiction to give effect to its public interests."⁸² Although never referring to the doctrine by name, Professor Nimmer's attempt to reconcile the trademark and patent decisions in which jurisdiction was refused is nonetheless based on act of state considerations.⁸³ Professor Nimmer believes federal courts may adjudicate foreign copyright actions because the courts do not "need to pass upon the validity of acts of foreign governmental officials."⁸⁴ The *London Film* court apparently construed Professor Nimmer's theory as an application of the act of state doctrine. After discussing Professor Nimmer's theory, Judge Carter noted that "no 'act of state' is called into question here."⁸⁵ If act of state considerations distinguish the question of federal jurisdiction over foreign copyrights from the question of federal jurisdic-

⁸⁰ See *supra* note 41; *infra* text accompanying note 131.

⁸¹ See *infra* notes 82-88 and accompanying text.

⁸² RESTATEMENT (SECOND) OF FOREIGN RELATIONS LAW § 41 (1965). The "act of state" doctrine is not a rule of international law. *Id.* at 125 comment a. The first adoption of the doctrine in the United States was in *Underhill v. Hernandez*, 168 U.S. 250 (1897), where the Court stated: "Every sovereign State is bound to respect the independence of every other sovereign State, and the courts of one country will not sit in judgment on the acts of the government of another done within its own territory." *Id.* at 252.

⁸³ 3 NIMMER, *supra* note 8, § 17.03. See *supra* notes 55 & 72 and accompanying text.

⁸⁴ 3 NIMMER, *supra* note 8, § 17.03.

⁸⁵ *London Film*, 580 F. Supp. at 49.

tion over foreign patents and trademarks, the act of state doctrine warrants further study.

Under the traditional formulation of the act of state doctrine, *whenever* adjudication would require questioning the validity of a sovereign act that "involves the public interests of a state as a state," the doctrine would render the issue nonjusticiable.⁸⁶ More recently, courts have moved away from the traditional approach in favor of a balancing test which emphasizes separation of powers considerations in conducting foreign policy.⁸⁷ The effect has been to shift the focus of the doctrine away from respecting foreign sovereignty and toward avoiding interference with the "executive's conduct of foreign policy by judicial review or oversight of foreign acts."⁸⁸

Several courts have refused to apply the act of state doctrine in actions involving foreign patents. In *Mannington Mills, Inc. v. Congoleum Corp.*⁸⁹ the Third Circuit held that the act of state doctrine was not intended to protect the granting of patents by foreign countries. The American plaintiff corporation in *Mannington* alleged that the American defendant company violated the Sherman Act⁹⁰ by using its foreign patents to exclude the plaintiff from those foreign markets. The plaintiff alleged that the defendant procured the foreign patents through fraudulent misrepresentations to foreign patent offices, which would have led to antitrust liability if perpetrated in securing domestic patents.⁹¹ The court held that the defendant could not interpose the act of state doctrine as a defense⁹² because it does not apply to foreign patents: "the granting of the patents per se, in substance ministerial activity, is not the kind of governmental action contemplated by the act of state doctrine. . . ."⁹³

In *Forbo-Giubiasco S.A. v. Congoleum Corp.*⁹⁴ the district court followed the *Mannington* approach. In that case the plaintiff-licensee

⁸⁶ RESTATEMENT (SECOND) OF FOREIGN RELATIONS LAW § 41 comment d (1965).

⁸⁷ In *Banco Nacional de Cuba v. Sabbatino*, 476 U.S. 398, 427-28 (1964), the Supreme Court emphasized the principle of separation of powers and suggested balancing three considerations to determine whether the issue should be resolved by the judicial branch or executive branch. The considerations included the consensus of international law on the act's legality, the foreign relation implications involved, and the current status of the government that committed the act.

⁸⁸ *Mannington Mills, Inc. v. Congoleum Corp.*, 595 F.2d 1287, 1292 (3d Cir. 1979).

⁸⁹ *Id.*

⁹⁰ 15 U.S.C. § 2 (1982).

⁹¹ 595 F.2d at 1290-91.

⁹² *Id.* at 1292-94.

⁹³ *Id.* at 1294. The *Mannington* court cited *Vanity Fair* with approval in its discussion of possible extraterritorial jurisdiction under the Sherman Act. *Id.* at 1297. The *Mannington* court, however, made no mention of *Vanity Fair*, *Ortman*, *Packard*, or *Goldberg* in its discussion concerning the inapplicability of the act of state doctrine to the granting of patents. *Id.* at 1292-98.

⁹⁴ 516 F.Supp. 1210 (S.D.N.Y. 1981).

challenged the defendant-licensor's right to collect royalties under a licensing agreement on the ground that the defendant had failed to comply with foreign laws in obtaining the patents upon which the licensing agreement was based. The court held that:

In these circumstances, the Act of State doctrine does not apply, for it cannot be said that a determination by an American court that a private company failed to present relevant information to a foreign patent office could interfere with our government's conduct of foreign affairs. In sum, we agree with the court's holding in *Mannington Mills, Inc. v. Congoleum Corp.* . . .⁹⁵

Any attempt to undercut the general applicability of the *Mannington* court's holding⁹⁶ on the ground that extraterritorial jurisdiction of the Sherman Act was at issue in that case is mistaken. The act of state doctrine generally is the most prevalent exception to exercising Sherman Act jurisdiction in United States foreign commerce.⁹⁷ The doctrine may in fact bar adjudication of an antitrust cause of action even when the plaintiff demonstrates substantial effects on United States commerce.⁹⁸ If a foreign sovereign's grant of a patent constituted a sufficient "act of state" to invoke the doctrine, its application would shield a party from antitrust liability.⁹⁹ The *Forbo-Giubiasco* court refused to distinguish *Mannington* on antitrust subject matter jurisdiction grounds:

While it is true that the court in *Mannington Mills* noted that the antitrust claims there involved American commerce, it is clear that this factor was not dispositive to its holding that the Act of State doctrine did not apply. Instead, the *Mannington* court concluded that a grant of a patent is not the type of activity contemplated by the doctrine.¹⁰⁰

In sum, these recent constructions of the act of state doctrine

⁹⁵ *Id.* at 1217. The *Forbo-Giubiasco* court attempted to distinguish adjudicating the fraud alleged to have been perpetrated on the foreign patent office in that case from a case determining the validity of a foreign patent. "This case is identical to *Mannington Mills* in that we are not asked to determine the validity of a foreign patent but to determine whether the foreign patents were obtained through inequitable conduct." *Id.* at 1218. Despite this distinction the effect of the remedy probably would be the same whether fraud or patent invalidity involving state acts is litigated, with regard to the parties before the court. Moreover, an unenforceable patent usually is of no value to its owner.

⁹⁶ The court held that the grant of a foreign patent does not trigger the act of state doctrine. 595 F.2d at 1293-94.

⁹⁷ See Note, *Mannington Mills, Inc. v. Congoleum Corp.: A Further Step Toward a Complete Subject Matter Jurisdiction Test*, 2 Nw. J. INT'L L. & BUS. 241, 243 (1980).

⁹⁸ See, e.g., *Hunt v. Mobil Oil Corp.*, 550 F.2d 68 (2d Cir. 1977).

⁹⁹ See Note, *supra* note 97, at 252 ("The involvement of a foreign sovereign in an activity, though a necessary condition, is not alone sufficient to bring an action within the act of state doctrine.")

¹⁰⁰ 516 F. Supp. at 1218.

militate against applying the doctrine to cases involving foreign intellectual property rights. If the reasons against applying the doctrine in this way are sound, further attempts to distinguish the propriety of federal jurisdiction over foreign intellectual property infringement actions on the basis of an "act of state" are misguided.

B. Transitory versus Local Actions

The assumption that copyright infringement "constitutes a transitory cause of action" also underlies Professor Nimmer's theory.¹⁰¹ Several scholars have sought to clarify the vague distinction between a transitory action and a local action.¹⁰² Local action doctrine asserts that if the cause of action could have arisen in only one locale, jurisdiction over that cause can be successfully asserted only in that locale.¹⁰³ A local action, which can occur only at a particular place, must therefore involve something immovable.¹⁰⁴ Conversely, a transitory cause of action can arise in any location and be adjudicated in any forum satisfying personal jurisdiction and venue requirements.¹⁰⁵ Most courts treat the local action doctrine as a rule of venue rather than of jurisdiction.¹⁰⁶ The policy underlying the local action venue requirement is to "protect the sovereignty or peculiar local interest of the state in which the res is located by requiring that the action be brought there."¹⁰⁷

In the international context the local action doctrine protects the "sovereignty or peculiar local interest" of the country granting

¹⁰¹ 3 NIMMER, *supra* note 8, at § 17.03.

If the plaintiff has a valid cause of action under the copyright law of a foreign country, and if personal jurisdiction of the defendant can be obtained in an American court, it is arguable that an action may be brought in such court for infringement of a foreign copyright law. This would be on the theory that copyright infringement constitutes a transitory cause of action

Id. (footnotes omitted). The *London Film* court stated, "That theory appears sound in the absence of convincing objections by defendant to the contrary." 580 F. Supp. at 49.

¹⁰² See *supra* note 16.

¹⁰³ Currie, *The Constitution and the "Transitory" Cause of Action*, 73 HARV. L. REV. 36, 66-69 (1959).

¹⁰⁴ Although a local action must involve an immovable, it should be distinguished from an action in rem. The term "local" includes actions against persons, as for trespass, whereas the term "in rem" affects the interest of all persons in designated property. In *Livingston v. Jefferson*, 15 F. Cas. 660 (C.C.D. Va. 1811), precedent compelled the Court to reject the transitory-local distinction between actions in personam and actions in rem, respectively. See Currie, *supra* note 103, at 68 ("it is not possible to tell whether an action . . . is local or transitory merely by examination of it; it is necessary to determine what considerations of legal policy limit the freedom of the plaintiff to obtain trial in courts otherwise competent").

¹⁰⁵ Currie, *supra* note 103, at 66-69.

¹⁰⁶ C. WRIGHT, LAW OF FEDERAL COURTS § 42, at 250 (4th ed. 1983).

¹⁰⁷ Note, *Jurisdiction Over Foreign Patent Claims*, 66 MICH. L. REV. 358, 366 (1967) (footnotes omitted).

exclusive intellectual property rights. The doctrine is particularly useful in the international context because national forums are more vulnerable to parochial prejudices and local bias than, for instance, are state courts within a federation.¹⁰⁸ Moreover, the doctrines of national treatment¹⁰⁹ and non-extraterritoriality¹¹⁰ prevail in the area of intellectual property rights because those rights are peculiarly expressive of a nation's political, socio-economic and cultural interests. The property rights can be infringed and thus exist only within the boundaries of the sovereign state whose law created them. Therefore, although intellectual property rights generally take the form of intangible property, "not *totally* immovable in the sense that [real property] is, [they are] immovable in a very real sense as between nations."¹¹¹ Hence some vestige of the local action doctrine remains viable.

The same concerns that discourage courts from adjudicating the validity of foreign patents and trademarks, although often expressed in act of state language, may be an attempt to compensate for the possibly undesirable effect of applying peculiarly domestic legal concepts on an international basis. No case confronting the jurisdictional issue, however, has squarely answered the transitory-local action question. The *Vanity Fair* court never directly responded to the plaintiff's assertion that unfair competition was a transitory action.¹¹² The *Ortman* majority implicitly approved the local action doctrine without mentioning it by following the premise that in "ordinary circumstances" a national court could not adjudicate a foreign patent infringement action.¹¹³

108 A. SHAPIRA, *THE INTEREST APPROACH TO CHOICE OF LAW* 35, 36 (1970).

109 See *supra* notes 34-35 and accompanying text.

110 See *supra* note 41 and accompanying text.

111 Note, *supra* note 107, at 367 n.49 (emphasis in original). *But cf.* Comment, *Accepting Jurisdiction in Foreign Patent Validity Suits: Packard Instrument Co. v. Beckman Instruments, Inc.*, 346 F. Supp. 408 (1972), 6 DEN. J. INT'L L. & POL. 191 (1976). Commentators who argue that Congress statutorily determined that copyright and patent infringement should be considered transitory actions with the passage of 28 U.S.C. § 1400(a) & (b) (1982) fail to consider that such venue provisions apply only to infringement under United States, not foreign, law.

112 234 F.2d at 365. Professor Nimmer has concluded that the *Vanity Fair* court assumed it was dealing with a transitory action on the basis of the quote at *supra* note 53. 3 NIMMER, *supra* note 8, at § 17.03.

113 371 F.2d at 154, 156. The court apparently did not consider the local action doctrine a jurisdictional bar if pendent jurisdiction could be established. See text accompanying *supra* note 60. The concurring opinion phrased the question correctly but provided no answer. The concurrence asked, "Is a cause of action for infringement of a patent a so-called transitory cause of action which may be adjudicated by the courts of a sovereign other than the one which granted the patent?" 371 F.2d at 159. The concurring judge further added to the confusion by stating that "[t]heoretically, it is possible for a state to regard almost any sort of extrastate cause of action as local, but the current trend is toward readier enforcement of claims arising under foreign laws." *Id.*

The *Packard* court¹¹⁴ did discuss the local action doctrine in determining whether to exercise jurisdiction. Although the court did not expressly rely on the doctrine for its result, it did give local action fairly thorough consideration:

It has been argued with some force that a foreign patent claim should be treated as a local rather than a transitory action, because the validity of a patent, like the title to land, is governed by distinctively local law and depends upon local procedures and records, all of which are best understood by local tribunals. However inappropriate it may be to categorize all foreign patent claims as local and thereby raise an inflexible jurisdictional barrier, *it would be equally doctrinaire to refuse to give weight to the considerations underlying the local-transitory dichotomy in a case in which they are pertinent.*¹¹⁵

The *Packard* court saw local action considerations as being similar to two of the reasons stated in the *Ortman* concurrence for a court's declining to accept jurisdiction.¹¹⁶ The *Packard* court, following *Ortman*, suggested that (1) "a determination of the issue of validity of a foreign patent would involve a 'form of foreign governmental interest,'" and (2) "a court of the United States would 'not be suitable to enforcement of the foreign based claim.'" ¹¹⁷ The *Ortman* concurrence also mentioned the act of state doctrine as a possible reason for refusing jurisdiction,¹¹⁸ but the *Packard* court did not mention the doctrine in discussing local action considerations. This omission cannot be explained as a failure of the *Packard* court to consider the act of state doctrine as a possible vehicle for refusing jurisdiction. The *Packard* court, in fact, cited *Vanity Fair*, a case explicitly using the act of state doctrine to deny jurisdiction,¹¹⁹ with approval.¹²⁰ Hence, Professor Nimmer's attempt to harmonize the two cases on the basis of the act of state doctrine fails.¹²¹

The *Packard* court described its denial of jurisdiction over the foreign infringement claims as an application of the abstention doctrine.¹²² More specifically, the court applied a type of abstention

¹¹⁴ See *supra* notes 67-74 and accompanying text.

¹¹⁵ 346 F. Supp. at 409 n.1 (citation omitted) (emphasis added).

¹¹⁶ *Id.* See *supra* text accompanying note 62 (Judge Fairchild's first and second reasons for a court to refuse jurisdiction).

¹¹⁷ 346 F. Supp. at 409 (quoting from *Ortman*, 371 F.2d at 159 (Fairchild, J., concurring)).

¹¹⁸ "[T]he forum state may be precluded from passing on an 'act of state.'" *Ortman*, 371 F.2d at 159 (Fairchild, J., concurring).

¹¹⁹ See *supra* text accompanying note 54.

¹²⁰ 346 F. Supp. at 410.

¹²¹ See *supra* note 72.

¹²² 346 F. Supp. at 409. See *supra* text accompanying notes 70-72. The abstention

usually invoked within the context of federal/state relations to avoid needless federal interference with a state's administration of its own affairs,¹²³ or when there are "difficult questions of state law bearing on policy problems of substantial public import whose importance transcends the result in the case . . . at bar."¹²⁴ The *Packard* court likened the determination of issues of foreign patent law to a federal court's consideration of a problem whose resolution "depend[s] upon applying state policy based on considerations of a predominantly local nature."¹²⁵ The comparison is apt because "a foreign country's patent law [is] based upon that country's economic and social policies, which may be very different from those of the United States."¹²⁶ After weighing these considerations, the *Packard* court concluded it was unable to make an informed disposition of the foreign claims.¹²⁷

The *Packard* court, in discussing why it rejected jurisdiction, went beyond Professor Nimmer's concern of deference to "the validity of administrative acts undertaken by foreign officials."¹²⁸ Rather, the court expressly considered the policies underlying the local action doctrine.¹²⁹ In this respect, the *Packard* court fashioned a new approach to the jurisdiction issue in foreign patent claims through its use of the abstention doctrine. This approach more accurately reflects a foreign state's peculiarly local interest in its patents than an analysis grounded on whether a foreign administrative official has acted.

doctrine permits a federal court to decline jurisdiction in exceptional circumstances. Four distinguishable lines of cases and factual situations regarding abstention have been recognized as appropriate:

(1) to avoid decision of a federal constitutional question where the case may be disposed of on questions of state law; (2) to avoid needless conflict with the administration by a state of its own affairs; (3) to leave to the states the resolution of unsettled questions of state law; and (4) to ease the congestion of the federal court docket.

C. WRIGHT, *supra* note 106, § 52, at 303.

¹²³ This type of abstention, known as *Burford*-type abstention, takes its name from the leading case of *Burford v. Sun Oil Co.*, 319 U.S. 315 (1943). C. WRIGHT, *supra* note 106, § 52, at 308.

¹²⁴ *Colorado River Water Conservation Dist. v. United States*, 424 U.S. 800, 814 (1976).

¹²⁵ 346 F. Supp. at 410.

¹²⁶ *Id.*

¹²⁷ *Id.* at 411. Similarly, the *Packard* court expressed normal *forum non conveniens* considerations. The court would have been dealing with seven foreign languages had it accepted jurisdiction. It considered this a factor which weighed toward declining jurisdiction, given "[t]he risks of distortion of meaning in translation. . . ." *Id.*

¹²⁸ 3 NIMMER, *supra* note 8, at § 17.03.

¹²⁹ See *supra* note 107 and accompanying text.

C. Local Interest Considerations in Adjudicating Foreign Copyright Infringement Actions

If considerations underlying the local action doctrine are relevant to determining jurisdiction over foreign patents, the same considerations should apply to foreign copyrights. Copyrights, like patents, are created by the domestic law of each country. Each is a property right individually tailored to promote that nation's objectives.

[Copyrights] only exist because the laws of individual countries so provide and they can only be enforced by action in the courts.

. . . .

. . . The law is created because it is of benefit to the culture, the economy or the political ideals of the country. Copyright law is not a set of regulations of how people may deal with a form of property that would exist independently of that law *e.g.*, land, goods, money, stocks and shares etc. If the law were repealed the property would cease to exist. If the law is changed, the nature of the property is changed.¹³⁰

In promulgating copyright and patent laws, each country attempts to balance the competing needs of society for access to knowledge with the rights of the individual author or inventor to control the dissemination of his work.¹³¹ However this balance is struck, the property right created will reflect national policy objectives tempered by specific contemporary national needs.¹³² Undoubtedly, a foreign state creating such property rights has an interest in seeing that the powers associated with the right are properly construed and applied.¹³³

The foreign country is interested in having its patent and copyright laws properly applied in infringement actions quite apart from whether an administrative formality is needed to perfect the particular property interest. Moreover, the nature of the property interest

¹³⁰ Buck, *Copyright, Harmonization and Revision: "International Conventions on Copyright Law,"* 9 INT'L BUS. LAW. 475, 475-76 (1981).

[Similarly, i]n important respects books remain the yeast of economic, social and cultural activity. They play a basic part in the communication of ideas and in the growth and assimilation of knowledge, and are vital not only to social and cultural life and to society, but also to the promise of economic growth and progress.

Dietz, *Copyright Issues in the EEC: The recent decisions of the European Court of Justice and of the Commission,* 30 J. COPYRIGHT SOC'Y U.S. AM. 517, 528 (quoting Sept. 1980 memorandum submitted by British Publisher Association to EEC).

¹³¹ UNESCO, *supra* note 10, at 17.

¹³² Although various systems of national copyright protection exist, three main branches of copyright law can be identified. They reflect the Roman legal tradition, the Anglo-Saxon legal tradition, and socialist systems. *Id.* at 18.

¹³³ Evans, *Copyright and the Public Interest,* UNESCO COPYRIGHT BULL. 2 (Paris 1949).

created by patents and copyrights makes proper application of those laws difficult in any context. "Patents and copyrights approach, nearer than any other class of cases belonging to forensic discussions, to what may be called the metaphysics of the law, where the distinctions are, or at least may be, very subtle [sic] and refined, and sometimes, almost evanescent."¹³⁴ Validity, infringement, fair use, and other issues which a court must determine in a copyright action often elude objective determination.

Copyright protection, for example, extends only to the author's manner of expression; ideas, systems, principles, and methods may not be copyrighted.¹³⁵ To determine where the idea ends and expression begins is necessarily subjective. Judge Learned Hand said, "Obviously, no principle can be stated as to when an imitator has gone beyond copying the 'idea,' and has borrowed its 'expression.' Decisions must therefore inevitably be *ad hoc*."¹³⁶ Similarly, the central question of infringement is whether there is substantial similarity of expression between the accused work and copyrighted works. Identical copying is not necessary to constitute infringement.¹³⁷ This determination rests with the ordinary observer and does not involve "analytic dissection and expert testimony."¹³⁸ The issue is whether the "total concept and feel" of the plaintiff's work has been unlawfully appropriated.¹³⁹

¹³⁴ Folsom v. Marsh, 9 F. Cas. 342, 344 (C.C.D. Mass. 1841) (No. 490).

¹³⁵ 17 U.S.C. § 102(b) (1982). "[T]he principle that copyright protects only the expression of an idea, but not the idea itself is generally accepted under foreign copyright laws." 3 NIMMER, *supra* note 8, § 17.06[A] (footnotes omitted).

¹³⁶ Peter Pan Fabrics v. Martin Weiner Corp., 274 F.2d 487, 489 (2d Cir. 1960).

¹³⁷ 17 U.S.C. § 501(a) (1982) defines infringement as the violation of "any of the exclusive rights of the copyright owner," providing the courts with little or no assistance in making that determination. The House Report stated that "[w]ide departures or variations from the copyrighted work would still be an infringement as long as the author's 'expression' rather than merely the author's 'ideas' are taken." H.R. REP. No. 1476, 94th Cong., 2d Sess. 61 (1976). Most countries throughout the world similarly provide a succinctly stated definition of infringement, which is expanded by judicial constructions. See UNESCO & WIPO, COPYRIGHT LAWS AND TREATIES OF THE WORLD (Supp. 1981).

¹³⁸ Sid & Marty Krofft Television Prod. v. McDonalds Corp., 562 F.2d 1157, 1164 (9th Cir. 1977) (quoting Arnstein v. Porter, 154 F.2d 464, 468 (2d Cir.), *cert. denied*, 330 U.S. 851 (1947)).

¹³⁹ Roth Greeting Card v. United Card Co., 429 F.2d 1106, 1110 (9th Cir. 1970). "It seems clear that foreign jurisdictions apply essentially the same test of substantial similarity as is followed by American courts. This is true in Germany, France, the United Kingdom, the Netherlands, Italy, and in Sweden." 3 NIMMER, *supra* note 8, § 17.13 (footnotes omitted).

Substantial copying will not be an infringement if the defense of fair use is successfully raised. "Fair use" is "a privilege in others than the owner of a copyright to use the copyrighted material in a reasonable manner without his consent, notwithstanding the monopoly granted to the owner" by the copyright. Rosemont Enter., Inc. v. Random House, Inc., 366 F.2d 303, 306 (2d Cir. 1966), *cert. denied*, 358 U.S. 1009 (1967) (quoting BALL, COPYRIGHT AND LITERARY PROPERTY 260 (1944)). Under United States copyright

Finally, given the subjective nature of the issues raised and the reliance on translations of statutes, case law, and expert opinions, potential harm to a foreign nation's interests exists. The policy underlying the local action doctrine (assuring the sovereignty of the state in which the property is located) applies equally to foreign copyrights and foreign patents. The result of the litigation, whether the allegedly infringing work will be prevented from dissemination in a foreign country, is of local interest to that foreign country.

IV

RECOMMENDATIONS

American courts have the power to adjudicate foreign copyright infringement actions.¹⁴⁰ Given the failure of the multilateral copyright conventions to provide a standard international answer, whether jurisdiction is accepted depends on the particular national court involved. This Note argues that the resolution of questions of federal jurisdiction over such actions, proposed by Professor Nimmer and adopted by the *London Film* court, is flawed. Their resolution inadequately considers the concerns of the foreign state.

Forum non conveniens, however, is a more responsive and flexible method for determining whether federal courts should accept foreign copyright jurisdiction. The doctrine provides courts with "the discretionary power . . . to decline to exercise a possessed jurisdiction whenever it appears that the cause before it may be more

laws, the fair use doctrine is codified in 17 U.S.C. § 107 (1982). The judicial doctrine of fair use was codified for the first time in 1976 as part of the revision of the entire United States Code Title on Copyright. Pub. L. No. 94-553, Title I, § 101, 90 Stat. 2546 (1976).

. . . Congress [did not] provide definitive rules when it codified the fair use doctrine in the 1976 Act; it simply incorporated a list of factors "to be considered": the "purpose and character of the use," the "nature of the copyrighted work," the "amount and substantiality of the portion used," and perhaps the most important, the "effect of the use upon the *potential* market for or value of the copyrighted work" No particular weight, however, was assigned to any of these, and the list was not intended to be exclusive.

Sony Corp. of Am. v. Universal City Studios, 104 S. Ct. 774, 806 (1984) (Blackmun, J., dissenting) (emphasis in original). Virtually every country recognizes the fair use defense for reasonable reproductions of works that are cultural, scientific, political, or educational. See UNESCO & WIPO, *supra* note 137.

"The [fair use] doctrine offers a means of balancing the exclusive right of a copyright holder with the public's interest in dissemination of information affecting areas of universal concern, such as art, science, history or industry." *Meeropol v. Nizer*, 560 F.2d 1061, 1068 (2d Cir. 1977). Thus, such balancing of the paramount public interest continues throughout the infringement adjudication. See also *Time, Inc. v. Bernard Geis Assoc.*, 293 F. Supp. 130 (S.D.N.Y. 1968) (fair use requires factual determination on case-by-case basis and is justified by broad notions of public policy rather than strict statutory definitions).

¹⁴⁰ See *Packard*, 346 F. Supp. at 408.

appropriately tried elsewhere."¹⁴¹ The doctrine involves two independent policy considerations: convenience to the litigants and convenience to the forum.¹⁴² The major drawback to forum non conveniens is the need for an alternative forum as a prerequisite for its application. The doctrine presupposes at least two forums where the defendant can be served with process.¹⁴³ As illustrated in *London Film*,¹⁴⁴ the combined effect of adopting Professor Nimmer's theory¹⁴⁵ and the requirement of a second forum for application of forum non conveniens forces courts to try foreign copyright infringement actions when no alternative forum exists.¹⁴⁶ This limitation on the court's discretion results from denying the foreign state

¹⁴¹ Blair, *The Doctrine of Forum Non Conveniens in Anglo-American Law*, 29 COLUM. L. REV. 1, 1 (1929).

¹⁴² See *Gulf Oil Corp. v. Gilbert*, 330 U.S. 501 (1947). In *Gilbert* the Supreme Court suggested factors relevant to the forum non conveniens inquiry:

Important considerations [of the private interest] are the relative ease of access to sources of proof; availability of compulsory process for attendance of unwilling, and the cost of obtaining attendance of willing, witnesses; possibility of view of premises, if view would be appropriate to the action; and all other practical problems that make trial of a case easy, expeditious and inexpensive. There may also be questions as to the enforceability [*sic*] of a judgment if one is obtained. . . .

Factors of public interest also have place [*sic*] in applying the doctrine. Administrative difficulties follow for courts when litigation is piled up in congested centers instead of being banded at its origin. Jury duty is a burden that ought not to be imposed upon the people of a community which has no relation to the litigation. In cases which touch the affairs of many persons, there is reason for holding the trial in their view and reach rather than in remote parts of the country where they can learn of it by report only. There is a local interest in having localized controversies decided at home. There is an appropriateness, too, in having the trial of a diversity case in a forum that is at home with the state law that must govern the case, rather than having a court in some other forum untangle problems in conflict of laws, and in law foreign to itself.

Id. at 508-09.

¹⁴³ *Id.* at 501, 506-07.

"At the outset of any *forum non conveniens* inquiry, the court must determine whether there exists an alternative forum. Ordinarily this requirement will be satisfied when the defendant is 'amenable to process' in the other jurisdiction." *Piper Aircraft*, 454 U.S. 235, 254 n.22 (quoting *Gilbert*, 330 U.S. at 506-07). *But see* Korbelt, *The Law of Federal Venue and Choice of the Most Convenient Forum*, 15 RUTGERS L. REV. 607, 611 (1961) (arguing that there is no alternative forum requirement for forum non conveniens dismissal).

¹⁴⁴ 580 F. Supp. 47 (S.D.N.Y. 1984).

¹⁴⁵ See *supra* notes 8-17 and accompanying text.

¹⁴⁶ Of course, if the defendant consents to appear in the more appropriate forum, the court may conditionally dismiss on the ground of forum non conveniens. *Mizokami Bros. of Ariz. v. Mobay Chem. Corp.*, 660 F.2d 712, 719 (8th Cir. 1981). See Note, *Requirement of a Sound Forum for Application of Forum Non Conveniens*, 43 MINN. L. REV. 1199 (1959). That option is deficient in two respects. First, a defendant's refusal does not mitigate the undesirable effects of assuming jurisdiction vis-a-vis the foreign state concerned. Second, as in *London Film*, the foreign state may not be a more convenient forum for either the plaintiff or the defendant. As Judge Carter stated, "neither plaintiff nor defendant has demonstrated the *relative advantage in convenience* that another forum, compared to this one, would provide." *London Film*, 580 F. Supp. at 50 (emphasis added).

a separate sovereignty interest in the adjudication while focusing solely upon convenience factors.¹⁴⁷ This approach will inevitably compel federal courts to accept jurisdiction in foreign copyright cases that may not be appropriate for United States courts to adjudicate. In short, the doctrine of forum non conveniens, standing alone, inadequately addresses the interests of foreign nations in this type of adjudication.

In determining whether to accept foreign copyright jurisdiction, courts should adopt an approach that incorporates both the foreign country's local interests and the forum convenience of hearing the case in the United States. Essentially, the *Packard* court¹⁴⁸ adopted a similar approach¹⁴⁹ in determining whether to adjudicate foreign patent claims. The *Packard* court weighed the considerations underlying the local action doctrine and declined jurisdiction because the suit involved "a form of foreign governmental interest."¹⁵⁰ Although labelled as an application of the "abstention doctrine," the *Packard* court's action reflected its inability to make an informed disposition of the action because of unfamiliarity with the social and economic policies of the patenting nations and the need to rely extensively upon translations, and thus its acknowledgement of the danger to the foreign government's interest.¹⁵¹

This Note recommends that when American courts are considering whether to accept jurisdiction over foreign copyright claims, they employ an interest analysis. In using such analysis, courts should consider four factors: (1) the court's ability to make an informed disposition of the foreign action, (2) the nature of the issues presented, (3) the suitability of American enforcement of the judgment, and (4) the convenience of the litigants and of the forum. Such a discretionary approach provides needed flexibility.¹⁵² As a consequence, courts adopting this approach should determine the weight to be accorded each factor on a case-by-case basis.

First, a court must candidly appraise its ability to correctly interpret and apply the foreign law. The court must make its determination in light of the policies underlying national treatment: increased competency of the courts and certainty of the law.¹⁵³ Thus, the court must consider how dependent it will be on translations of expert opinions, statutes, case law, or the subject matter of the suit.

147 See *supra* text accompanying notes 73-74.

148 346 F. Supp. 408 (N.D. Ill. 1972).

149 See *supra* text accompanying notes 114-28.

150 346 F. Supp. at 409 (quoting *Ortman v. Stanray Corp.*, 371 F.2d 154, 157 (7th Cir. 1967) (Fairchild, J., concurring) (footnote omitted)).

151 See *supra* notes 117-27 and accompanying text.

152 *Piper Aircraft*, 454 U.S. at 249-50.

153 See *supra* text accompanying notes 37-38.

The cultural, socio-economic, and political affinity existing between the United States and the foreign country whose law governs the action may indicate the American court's ability to understand the policies upon which the foreign law is based.¹⁵⁴ In this respect, a court may be more willing to adjudicate alien treaty rights granted by a copyright convention of which the United States is also a member.¹⁵⁵

¹⁵⁴ See *supra* text accompanying notes 131-32.

¹⁵⁵ A court may be less willing to adjudicate treaty rights secured by a copyright convention to which the United States is not a member. As between the United States and the Berne Convention, there exists a fundamentally different premise on which the legal basis and function of copyright rests. The difference in approaches is one of *right* versus *privilege*.

The continental European concept, fostered by the Berne Union which was established primarily at the behest of authors, regards an intellectual work to some degree as an extension of the personality of the author and gives broad protection to the author and his heirs automatically upon his creation of the work for his life and a term of years thereafter. There are no provisions for such formalities as copyright notice, registration of ownership, deposit of copies, etc.

The other theory, prevailing under the United States Constitution, and largely shared by the Latin-American nations, balances the author's interests with the public interest, by insisting that copyright protection, at least for published works, be subject to compliance with prescribed formalities.

Henn, *The Quest for International Copyright Protection*, 39 CORNELL L.Q. 43, 58 (1953) (footnotes omitted).

Possible areas in which American courts might lack sensitivity to the policies underlying Berne law and thus might not be competent to hear such a case include:

1. *droit moral*, Berne Art. 6 *bis*. The notion of *droit moral* or moral right has been explained as the "right of the creator [of a work of art] to have the form of his work preserved from deformation by subsequent transferees." Roeder, *The Doctrine of Moral Right: A Study in the Law of Artists, Authors and Creators*, 53 HARV. L. REV. 554, 555 (1940). Most countries that grant moral rights to authors include the right to withdraw a work from sale and the right to prevent excessive criticism. Furthermore, moral rights often are made inalienable. *Droit moral* is alien to the socio-economic underpinnings of United States copyright law and generally is regarded as an unwarranted intrusion on the purchaser's freedom of action. Buck, *supra* note 130, at 476-77.

2. retroactivity, Berne Art. 18. Remaining as one of the major stumbling blocks to United States adherence to Berne, retroactivity provides that a new country acceding to Berne must extend protection to works which have not fallen into the public domain in their country of origin, even if the work previously was in the public domain of the new country. ABA COMMITTEE REPORTS, SECTION OF PATENT, TRADEMARK AND COPYRIGHT LAW 149 (1982).

3. *droit de suite*, Berne Art. 14 (Paris). *Droit de suite* consists of allowing an artist who sells his original work, which is subsequently resold at a profit, to share in that profit. It is recognized in various countries including Belgium, Germany, France, and Italy. Buck, *supra* note 130, at 477. In the United States, the first sale doctrine holds that a copyright owner's rights of public distribution cease with respect to a particular copy once he has parted with ownership. The exclusive right to vend the transferred copy rests with the vendee. See *United States v. Wise*, 550 F.2d 1180, 1187 (9th Cir. 1977).

4. prohibition of formalities, Berne Art. 5(2). Technical formalities for securing and perfecting a copyright interest are strictly prohibited. In the United States compliance with statutory formalities necessary to perfect a copyright is an expression of the

Second, courts should be sensitive to whether objective determinations based on clearly defined standards can resolve the issue or whether the court must make subjective determinations based on policy judgments.¹⁵⁶ For example, substantial similarity, the *sine qua non* of infringement, is virtually incapable of measurement by clearly defined standards. Rather, the point at which an accused work unlawfully expropriates the expression of another is a subjective determination which implicitly balances the author's proprietary interest against the public interest in access to the accused work.¹⁵⁷ Conversely, infringements grounded merely in contractual disputes may be less dependent upon such "evanescent" determination for their resolution. In addition, a court must assess the possible implication of policy questions whose importance transcends the result in the case at bar.¹⁵⁸ Thus, the nature of the work sought to be enjoined (informational or entertainment, commercial or educational) may bear upon the propriety of entertaining jurisdiction.

Third, the court must consider whether an American court has the power to enforce the foreign claim, should the plaintiff prevail.¹⁵⁹ Under national treatment, a court would apply the appropriate remedies under the foreign country's laws, such as damages, injunction, confiscation, and destruction.¹⁶⁰ If an American court has proper jurisdiction and the parties remain within the United States, the court can enforce its judgment by exercising its contempt powers.¹⁶¹ A foreign court, however, might refuse to accept a judgment by an American court.¹⁶² In such a case, the American court's judgment is unenforceable, and hence, worthless.

Finally, the court must consider the normal forum non conveniens factors, such as the administrative and financial burdens of preserving the foreign country's sovereignty interest.¹⁶³ Although

underlying philosophy that copyright is a statutory privilege, not an inherent right. Henn, *supra* note 155, at 51.

¹⁵⁶ See *supra* text accompanying notes 135-39.

¹⁵⁷ See *supra* notes 135-39 and accompanying text.

¹⁵⁸ See, e.g., King v. Mister Maestro, Inc., 224 F. Supp. 101 (S.D.N.Y. 1963) (Dr. Martin Luther King's "I Have a Dream" speech not placed in public domain when made available to press without copyright notice). Query whether the same decision would have been reached had the action been adjudicated in South Africa.

¹⁵⁹ See *supra* text accompanying note 117.

¹⁶⁰ UNESCO, *supra* note 10, at 59-60, 65.

¹⁶¹ Note, *supra* note 107, at 363.

¹⁶² See, e.g., United States v. Imperial Chem. Indus., 100 F. Supp. 504 (S.D.N.Y. 1951), *final order ent'd*, 105 F. Supp. 215 (S.D.N.Y. 1952), and the British case decided in conjunction with it, British Nylon Spinner v. Imperial Chem. Indus., [1952] 1 Ch. 19 (English courts enjoined British corporation's compliance with district court's order to reconvey certain British patents assigned to it under agreements which violated Sherman Act).

¹⁶³ See *supra* note 142.

the existence of an alternative forum may be relevant, it should not be a prerequisite to an American court's decision to decline jurisdiction. A foreign country's sovereignty interests in its copyrights are "applicable regardless of whether all the requirements for dismissal on the ground of forum non conveniens are present."¹⁶⁴ Thus, where such interests weigh heavily against a United States court's adjudicating a particular case, the absence of an alternative forum should not compel the exercise of federal jurisdiction over the foreign claim.

In sum, the interest approach for determining whether an American court should exercise jurisdiction over foreign copyright actions incorporates both the foreign country's local interests and the forum convenience of hearing the case in the United States. This approach builds upon the basic principle of national copyright law, reaffirmed by international copyright conventions, namely, that a copyright can be infringed and thus exists only within the sovereign state whose law created it. Consequently, the foreign state that created the copyright maintains its interest in interpreting and applying its own copyright law. Such local interests do not necessarily bar jurisdiction in another forum, but an American court must consider them in deciding whether to accept or reject jurisdiction. The interest approach thus attempts to provide for the foreign state's interest.

CONCLUSION

This Note has argued that Professor Nimmer's act of state/transitory action analysis for determining whether an American court should accept federal jurisdiction over foreign copyright infringement actions, adopted by the *London Film* court, inadequately reflects the foreign state's interests in the adjudication. Subsequent courts confronted with foreign copyright infringement actions should not rely on a bright-line distinction based on whether the foreign intellectual property right requires an administrative formality to create or perfect that right (trademarks and patents) or not (copyrights). Rather, this Note has proposed a more flexible approach that gives due consideration to a foreign state's local interest in enforcing its copyrights.

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¹⁶⁴ *Packard*, 346 F. Supp. at 410 (footnote omitted).