

When in Rome (II): Jurisdiction, Choice of Law and Foreign Copyright Infringement in New Zealand Courts

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The New Zealand approach to cases involving foreign copyright infringement requires considerable reform. The traditional model, consisting of an automatic refusal to entertain jurisdiction and an outdated choice of law rule — the double actionability rule — is obsolete and inappropriate in the globalised intellectual property climate. This article proposes adopting flexible jurisdictional principles based on the existing forum conveniens and forum non conveniens discretion of New Zealand courts. It also proposes a new choice of law rule, the law of the place for which protection is claimed (lex loci protectionis), derived from the Rome II Regulation.

I INTRODUCTION — SMARTPHONE WARS

In August 2010 Apple Inc executives walked into Samsung's Seoul headquarters and accused it of copying the iPhone. To Apple, the Samsung Galaxy S was similar beyond coincidence. From its curved rectangular shape to the slight bounce-back on the screen when the user scrolled past the bottom, Apple was convinced that Samsung was stealing its ideas.¹ Apple fired the first shot in a cross-border intellectual property dispute between two of the world's biggest companies, concerning products available virtually anywhere.² This escalated into a global conflict spanning four continents and costing USD 1,000,000,000 in legal fees.³

By October 2011, the corporations had litigated in 10 different countries.⁴ A jury in California found in Apple's favour.⁵ In South

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¹ Kurt Eichenwald "The Great Smartphone War" *Vanity Fair* (online ed, United States of America, June 2014).

² See Jack Linshi "This 1 Chart Shows How Intense the Apple-Samsung Rivalry Really is" *Time* (online ed, United States of America, 29 April 2015).

³ Eichenwald, above n 1.

⁴ The 10 countries were the United States (California, Delaware and the International Trade Commission), South Korea, Japan, Germany, England and Wales, France, Italy, Spain, Netherlands and Australia: see

Korea, a court ruled that Apple had infringed two Samsung patents, and Samsung had violated one of Apple's.⁶ But an English court ruled that consumers were unlikely to be confused as the Samsung products were "not as cool".⁷

The smartphone patent war is a quintessential symbol of the challenge posed to international intellectual property and private international law by the globalised commercial environment. Intellectual property law is designed to operate on a territorially-limited level. New Zealand copyright only protects against infringements occurring in New Zealand. It cannot be infringed in Italy, and Italian copyright cannot be infringed in New Zealand. When in Rome, only Italian copyright protection applies.⁸ There is no global copyright and no global copyright judiciary.⁹ Apple and Samsung must litigate all over the world regarding the same products.

Technological advances in communication and the internet have blurred social, geographical and political boundaries. Suing in every relevant country seems absurd. Businesses operate globally, with products in every market, and art and culture being both virtual and global. Infringements occur instantaneously and simultaneously worldwide.¹⁰ Popular television series *Game of Thrones* premiered its fifth season in over 170 countries. It was pirated 8,100,000 times in 2015 from websites like *The Pirate Bay*, which operates under multiple and ever-changing territorial domain names.¹¹ Enforcing international copyright is like battling a hydra: winning in one jurisdiction makes no difference in another. The expense, inconvenience and complexity of suing the same infringers over the same copyright everywhere is "disastrous" to international commerce and trade.¹²

Courts are increasingly asked to enforce domestic rights infringed overseas, overseas rights infringed domestically, and

Chloe Albanesius "Every Place Samsung and Apple Are Suing Each Other" *PC Mag* (online ed, United States of America, 14 September 2011); and Amit Chowdhry "Apple and Samsung Drop Patent Disputes Against Each Other Outside of the US" *Forbes* (online ed, United States of America, 6 August 2014).

5 *Apple Inc v Samsung Electronics Co Ltd* 735 F 3d 1352 (Fed Cir 2013) at 1355. This matter is now before the Supreme Court (docket no 15-777).

6 *Samsung Electronics Co Ltd v Apple Korea Ltd* Seoul Central District Court 2011 Kahap 39552, 24 August 2012.

7 *Samsung Electronics (UK) Ltd v Apple Inc* [2012] EWHC 1882 (Pat) at [190].

8 Berne Convention for the Protection of Literary and Artistic Works 828 UNTS 221 (opened for signature 9 September 1886, as revised at Stockholm, 14 July 1967), arts 5(2) and 5(3).

9 Article 5(1).

10 See James J Fawcett and Paul Torremans *Intellectual Property and Private International Law* (2nd ed, Oxford University Press, Oxford, 2011) at 534–538 and 541–547.

11 Ben Kuchera "HBO is fighting Game of Thrones piracy in the best possible ways" (10 March 2015) Polygon <www.polygon.com>.

12 Jan J Brinkhof "Cross-Border Injunctions: A Blessing or a Curse?" in WP Heere (ed) *International Law and The Hague's 750th Anniversary* (TMC Asser Press, The Hague, 1999) 103 at 104.

overseas rights infringed overseas. They must determine whether they have jurisdiction over such cases¹³ and, if so, which law applies.¹⁴

Territoriality and sovereignty considerations lead to limited judicial willingness to adjudicate foreign copyright infringement claims. Substantive copyright law limitations render it impossible to infringe New Zealand copyright overseas and to infringe foreign copyright in New Zealand. Rules restraining jurisdiction scupper judicial ability to hear claims of foreign infringement of foreign copyright.¹⁵ Finally, the choice of law rule known as “double actionability” requires infringements to be actionable both under the law of the court’s jurisdiction (*lex fori*),¹⁶ as well as where the infringement occurred. Foreign copyright infringement claims automatically fail because the *lex fori* cannot enforce foreign copyright.

Increasingly, however, courts have adjudicated cross-border copyright infringement disputes. To date, New Zealand courts have done so via adaptations and exceptions to the double actionability rule. In practical terms, the bar on assuming jurisdiction is now limited to cases where validity of the foreign copyright is an issue. This move towards applying foreign law to foreign rights signals an appropriately flexible change, but it is not enough.

This article argues that courts should sometimes assume jurisdiction over copyright infringement claims with a foreign element, even where validity is an issue. Courts can assess the appropriateness of jurisdiction on a case-by-case basis. The double actionability rule should also be abandoned in favour of the law of the jurisdiction for which the plaintiff seeks protection (the *lex loci protectionis*). This approach is favoured internationally¹⁷ and appropriately balances the territorial nature of copyright, the flexibility required for cross-border copyright disputes, and the certainty required for international trade, commerce and cooperation.

13 Anthony H Angelo *Private International Law in New Zealand* (Wolters Kluwer, The Netherlands, 2012) at 87–100; and *Wing Hung Printing Co Ltd v Saito Offshore Pty Ltd* [2010] NZCA 502, [2011] 1 NZLR 754 at [27].

14 Lord Collins *Dacey, Morris & Collins on the Conflict of Laws* (15th ed, Sweet & Maxwell, London, 2012) vol 2 at 2240–2244.

15 *Potter v The Broken Hill Pty Co Ltd* (1906) 3 CLR 479.

16 *Tyburn Productions Ltd v Conan Doyle* [1991] Ch 75 (Ch) at 88.

17 See Regulation 864/2007 on the law applicable to non-contractual obligations (Rome II) [2007] OJ L199/40 for the European Parliament’s adoption of this approach

II SUBSTANTIVE LAW

The Asphalt Jungle — Diversity in a Regulated Environment

International copyright law is a paradoxical combination of international regulation and stark substantive difference in each jurisdiction's copyright laws. The global system of copyright relies on two principles: territoriality and national treatment. Most countries subscribe to two international agreements: the Berne Convention for the Protection of Literary and Artistic Works 1886 (Berne Convention) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Each signatory offers a minimum standard of copyright protection, including periods of automatic protection and limitations on exceptions to protection.¹⁸

Territoriality provides latitude for states to define and alter the nature and scope of copyright protection within their territory. However, the protection afforded in each state only applies within that particular state. Each country determines for its own territory what and who is to be protected, for how long, and how exactly that protection is to be enforced.¹⁹ Each national law is implicitly limited to its territory — domestic copyright law cannot apply beyond its borders.²⁰

Article 5(2) of the Berne Convention provides that the extent of copyright protection, and the means of redress afforded to an author to protect his or her rights, “shall be governed exclusively by the laws of the country where protection is claimed”. TRIPS affirms this principle,²¹ providing:²²

Members may ... implement in their law more extensive protection than is required by this Agreement, provided that such protection does not contravene the provisions of this Agreement. Members shall be free to determine the appropriate method of implementing the provisions of this Agreement within their own legal system and practice.

Territoriality is reinforced by national treatment under art 5(1) of the Berne Convention: nationals and foreigners must be treated identically

18 Agreement on Trade-Related Aspects of Intellectual Property Rights 1869 UNTS 299 (signed 15 April 1994, entered into force 1 January 1995) [TRIPS], arts 9, 12 and 13.

19 World Intellectual Property Organisation *Intellectual Property on the Internet: A Survey of Issues* (WIPO, Geneva, 2002) at [283].

20 Fawcett and Torremans, above n 10, at 675.

21 Article 9(1).

22 Article 1(1).

under domestic substantive copyright law.²³ Article 5(2) provides that rights are governed exclusively by the place where protection is sought. An American's New Zealand copyright in an American movie is treated identically to a New Zealander's copyright in a New Zealand movie. Regardless of the origin of the owner or the work, the same rules apply.²⁴

Disparity between national substantive copyright law arises despite the combination of minimum protections, territoriality and national treatment. Even with the overlap mandated by minimum standards, there are complex contextual variations. For example, while the Berne Convention bestows property rights in the expression of ideas in writing, art and technology,²⁵ the way that specific types of expression are protected varies across socio-cultural contexts.

Under French law authors have fundamental moral rights in their work, reflecting "personal investment made in the process of creation".²⁶ By contrast, the common law approach emphasises the economic interests of copyright owners in an attempt to encourage creative endeavour and benefit the public.²⁷ Thus, the French Court of Appeal at Versailles refused to allow Turner Entertainment Co, the owner of French copyright in John Huston's film *The Asphalt Jungle*, to colourise the film and broadcast it in France.²⁸ Huston had opposed colourisation of his films. The Cour de Cassation held that his right of integrity was violated, despite it being an American film and despite there being no equivalent American right,²⁹ showing French moral rights applied to French copyright.

Both the court where a dispute is heard and the applicable law can starkly impact the parties' rights and remedies. Forum law usually controls evidence issues, court procedure and perhaps remedy.³⁰ The United Kingdom Supreme Court ruled that replica *Star Wars* Imperial Stormtrooper costumes were not sculptures and not covered by English copyright.³¹ But in the United States, Lucasfilm was summarily awarded USD 20,000,000 for American infringements.³²

23 See also TRIPS, art 3(1).

24 Lionel De Souza and Charlotte Waelde "Moral rights and the Internet: squaring the circle" [2002] IPQ 265 at 272.

25 James Fawcett and Paul Torremans *Holyoak and Torremans: Intellectual Property Law* (7th ed, Oxford University Press, Oxford, 2013) at 3.

26 Waelde and De Souza, above n 24, at 266.

27 Peter Baldwin *The Copyright Wars: Three Centuries of Trans-Atlantic Battle* (Princeton University Press, Princeton, 2014) at 15–16.

28 *Turner Entertainment Co v Huston* (1991) II JCP 21731, translated in [1995] Ent L Rep 3 (CA Versailles).

29 [1995] Ent L Rep 3 at [16].

30 Janeen M Carruthers "Substance and Procedure in the Conflict of Laws: A Continuing Debate in Relation to Damages" (2004) 53 ICLQ 691 at 691–696.

31 *Lucasfilm Ltd v Ainsworth* [2011] UKSC 39, [2012] 1 AC 208 [*Lucasfilm* (SC)].

32 At [4]. See also *Lucasfilm Ltd v Shepperton Design Studios Ltd* CD CA CV05-3434 RGK MANX, 26 September 2006.

Even in comparable jurisdictions divergences in substance and procedure cause variations in result and remedy.

In cases involving foreign copyright, judicial assessment of jurisdiction and applicable law is important. If jurisdiction is refused, or foreign law applies, the available remedies are fundamentally altered. New Zealand's jurisdictional and choice of law rules are unreasonably rigid. This article critically analyses the present model and proposes a new framework.

Living in a Yellow Submarine — Substantive Limits on Extraterritorial Operation of Copyright

1 Territoriality and Copyright

New Zealand's approach to cross-border copyright is uncertain. Cases are rare. However, territoriality, national treatment and minimum standards place New Zealand within an almost universal common prescriptive framework. On a fundamental level, territoriality limits the operation of private international law. Domestic copyright law cannot apply outside territorial limits, without exception.³³ A court cannot enforce New Zealand copyright over foreign infringements. Foreign copyright, likewise, cannot be applied to infringement in New Zealand, because only New Zealand copyright applies in New Zealand. A New Zealand copyright owner only has the exclusive right over his or her work within New Zealand.³⁴

Territoriality applies throughout the common law world.³⁵ For example, Def Leppard's attempt to enforce United Kingdom copyright over a bootleg recording from Luxembourg and the Netherlands was rebuffed, as only acts in the United Kingdom could constitute an infringement.³⁶ The Ninth Circuit Court of Appeals, in a case involving the unauthorised overseas production of video cassettes of the Beatles film *Yellow Submarine*, noted "the undisputed axiom that United States copyright law has no extraterritorial application".³⁷ Territoriality is practically universal.³⁸

33 Fawcett and Torremans, above n 10, at 675.

34 *Atkinson Footwear Ltd v Hodgskin International Services Ltd* (1994) 31 IPR 186 (NZHC) at 190; and Copyright Act 1994, s 16.

35 See *Norbert Steinhardt & Son Ltd v Meth* (1960) 105 CLR 440 at 443–444; *Society of Composers, Authors & Musical Publishers of Canada v Canadian Association of Internet Providers* [2004] 2 SCR 427 at [144]. See also Case C-192/04 *Lagardère Active Broadcast v Société pour la perception de la rémunération équitable (SPRE)* [2005] ECR I-7199 at [46].

36 *Def Lepp Music v Stuart-Brown* [1986] RPC 273 (Ch) at 275.

37 *Subafilms Ltd v MGM-Pathe Communications Co* 24 F 3d 1088 (9th Cir 1994) at 1093.

38 TRIPS has 164 signatories and the Berne Convention 172. See further Alexander Peukert "Territoriality and Extra-territoriality in Intellectual Property Law" in Günther Handl, Joachim Zekoll and Peer Zumbansen (eds) *Beyond Territoriality: Transnational Legal Authority in an Age of Globalization* (Martinus Nijhoff, Leiden, 2012) 189 at 190–191.

Domestic copyright cannot be applied to overseas infringements and foreign copyright cannot be applied to domestic infringements. Private international law principles cannot operate to invoke domestic copyright beyond territorial limits. This would contradict substantive law. Courts are limited to enforcing local infringement of domestic copyright and adjudicating foreign infringement occurring in the state where that copyright is held. The latter situation engages private international law.

2 *Extraterritoriality and Copyright*

Territoriality seems absurd when copyright infringement can touch every jurisdiction simultaneously. Home Box Office cannot enforce American copyright law wherever *Game of Thrones* is pirated. Each court will apply its own copyright law to infringements within its jurisdiction. This creates prohibitive expense. It is a “complex maze” for right holders seeking to combat infringement, straining the vitality of territoriality.³⁹ On the other hand, and perhaps even more problematically, extraterritorial copyright could allow multinational corporations to impose neo-colonialist concepts of intellectual copyright onto developing nations as well as indigenous peoples.⁴⁰ The extraterritorial application of American copyright law to Māori waiata would, presumably, be treated with disdain.

Regardless, the limits and merits of territoriality are irrelevant for private international law purposes. To state that there are inherent substantive law restraints limiting private international law is not to approve of that fact. Conflicts law is not concerned with territoriality but rather with its impact on cross-border copyright disputes.⁴¹ Debates regarding territoriality, the definition of infringement or available remedies relate to substantive copyright law, not private international law.⁴² A court cannot use private international law to apply New Zealand copyright to an overseas infringement. Doing so would be to enforce a right that does not exist.⁴³

Parliament is free to legislate for the extraterritorial effect of New Zealand copyright. Some courts have also stretched the definition of infringement, localising overseas acts to apply domestic

39 Waelde and De Souza, above n 24, at 273.

40 Mohsen al Attar “Reframing the ‘Universality’ of International Law in a Globalizing World” (2013) 59 McGill LJ 95.

41 Richard Fentiman “Choice of Law and Intellectual Property” in Josef Drexler and Annette Kur (eds) *Intellectual Property and Private International Law: Heading for the Future* (Hart Publishing, Oxford, 2005) 129 at 141.

42 Ansgar Ohly “Choice of Law in the Digital Environment — Problems and Possible Solutions” in Josef Drexler and Annette Kur (eds) *Intellectual Property and Private International Law: Heading for the Future* (Hart Publishing, Oxford, 2005) 241.

43 Fentiman, above n 41, at 142.

law.⁴⁴ This expands substantive copyright law, rather than adding flexibility to private international law. Extraterritorial application of domestic substantive law “would be contrary to the spirit of the Berne Convention, and might offend other member nations by effectively displacing their law in circumstances in which previously it was assumed to govern”.⁴⁵ The Second Circuit in the United States found that an Israeli newspaper’s publication of an image of President Reagan’s head superimposed on Rambo’s body infringed American copyright because the poster’s initial reproduction occurred in the United States.⁴⁶ American copyright law was, in effect, applied to an Israeli infringement.

Territoriality issues could also be solved by harmonisation of copyright law to produce supranational rights (like the European Community Trademark),⁴⁷ higher minimum standards of protection or the establishment of a global copyright judiciary.⁴⁸

However, altering the applicable choice of law rules to apply copyright law extraterritorially is beyond the power of New Zealand courts, and ignores the international and substantive context.⁴⁹ Imposing a single law to alleged infringements in multiple jurisdictions, even if it has the closest connection to the dispute, or “international standard norms” — such as TRIPS minimum standards — is misguided.⁵⁰ While it may be desirable in some circumstances to bypass territoriality, this is a substantive law policy issue rather than a conflicts law problem. This article therefore focuses on how courts approach jurisdiction and choice of law *within* the scope of substantive copyright law, thus limiting the analysis to enforceable overseas infringement of overseas copyright.

44 Pekka Savola “The Ultimate Copyright Shopping Opportunity — Jurisdiction and Choice of Law in Website Blocking Injunctions” (2014) 45 IIC 287 at 299.

45 *Subafilms*, above n 37, at 1097.

46 *Update Art Inc v Modiin Publishing Ltd* 843 F 2d 67 (2d Cir 1988) at 68–69 and 73; and *Society of Composers, Authors & Musical Publishers of Canada*, above n 35, at [60]–[68].

47 Regulation 207/2009 on the Community trade mark (codified version) [2009] OJ L78/1.

48 See Matthew Burnstein “A Global Network in a Compartmentalised Legal Environment” in Katharina Boele-Woelki and Catherine Kessedjian *Internet: Which Court Decides? Which Law Applies? Quel tribunal décide? Quel droit s’applique?* (Kluwer Law International, The Hague, 1998) 23 at 23.

49 Tanguy Van Overstraeten “Surfing Through Governing Laws on the internet” [1998] IBLJ 373; and Graeme B Dinwoodie “Conflicts and International Copyright Litigation: The Role of International Norms” in Jürgen Basedow and others (eds) *Intellectual Property in the Conflict of Laws* (Mohr Siebeck, Tübingen, 2005) 195.

50 Ohly, above n 42, at 254.

III JURISDICTION

Elementary Principles — *Moçambique, Potter and Conan Doyle*

A court has jurisdiction over an international copyright claim when it considers it appropriate to hear the case. This jurisdictional inquiry is separate from both the substantive law assessment and the choice of law inquiry, the latter of which determines the applicable substantive law.

Courts have traditionally refused jurisdiction over foreign copyright cases.⁵¹ This blanket refusal stems from *British South Africa Co v Companhia de Moçambique*.⁵² This case concerned a battle for land in Portuguese territory. The Companhia de Moçambique was a Portuguese company given de facto control of the Portuguese colony in modern-day Mozambique. British South Africa Co was the British equivalent in Southern Rhodesia (now Zimbabwe). The House of Lords refused to entertain actions determining title or the right to possession over foreign land and damages for trespass.⁵³ Land was local and necessarily connected with a geographical locality, unlike transitory actions with no innate connection to where the claim arose.⁵⁴ Courts outside the place where the land is situated were unqualified to hear claims related to the land. Further, adjudicating on foreign land rights conflicted with international law or comity.⁵⁵ Courts in other jurisdictions will respect and hesitate to interfere with what another state chooses to do within its territorial limits.⁵⁶ Controlling land is intimately linked with political power. It is controlling territory. Sovereignty is control over territory. A foreign court ruling on a foreign land claim interferes with “the peculiar province and competence of another state.”⁵⁷

In *Potter v Broken Hill Pty Co Ltd* the High Court of Australia extended the *Moçambique* rule to patents.⁵⁸ It held that Victorian courts had no jurisdiction over an infringement of a New South Wales patent in New South Wales by a Victorian company.⁵⁹ Griffith CJ drew an analogy between land and patent rights. A patent is local and

51 Marta Pertegás Sender *Cross-Border Enforcement of Patent Rights* (Oxford University Press, Oxford, 2002) at 18.

52 *British South Africa Co v Companhia de Moçambique* [1893] AC 602 (HL) [*Moçambique* (HL)].

53 *Moçambique* (HL), above n 52. See *Burt v Yiannakis* [2014] NZHC 1488 at [13] for a New Zealand example.

54 *Moçambique* (HL), above n 52, at 622–623.

55 *Companhia de Moçambique v British South Africa Co* [1892] 2 QB 358 (CA) at 398 [*Moçambique* (CA)].

56 *Tolofsen v Jensen* [1994] 3 SCR 1022 at 1047.

57 *Pearce v Ove Arup Partnership Ltd* [2000] Ch 403 (CA) at 431.

58 *Potter*, above n 15, at 496–499.

59 *Potter*, above n 15.

has “no effective operation beyond the territory of the State under whose laws it is granted and exercised”.⁶⁰ Furthermore, “the title to it must devolve, as in the case of land, according to the laws imposed by the State”.⁶¹ A patent is a statutory grant of a monopoly within a geographically defined area. Administrative authorities in that area alone could enforce it.⁶² A Victorian court could not judge a patent’s validity when it was extant within another jurisdiction.⁶³ The Court drew a parallel between the immovable nature of land and the permanent connection between patents and the state. Intellectual property, like land, and unlike other intangible rights such as debts, could not be transferred overseas.⁶⁴

The concerns in *Potter* were two-fold: first, the practical difficulties in scrutinising rights extant in another country and, secondly, political competence over foreign intellectual property. The Court referred to the act of state doctrine — that the “courts of one country will not sit in judgment on the acts of the government of another done within its own territory”.⁶⁵ Arguably, foreign infringement cases challenge decisions of foreign administrative and sovereign authorities. They may invalidate a right granted by a foreign sovereign.⁶⁶ The Federal Circuit Court of Appeals has said that it “would be incongruent to allow the sovereign power of one [state] to be infringed or limited by another sovereign’s extension of its jurisdiction”.⁶⁷ The plaintiffs had sued for infringement of foreign patents in interventional cardiology catheters.⁶⁸ Considerations of “comity, judicial economy, convenience, fairness, and other exceptional circumstances [constituted] ... compelling reasons to decline jurisdiction”.⁶⁹ Hearing the case would also undermine the United States’ international obligations, including TRIPS,⁷⁰ and could “prejudice the rights of foreign government”.⁷¹ A foreign sovereign’s patent grant was an act of state.⁷²

Copyright, likewise, has significant effects on a state’s socio-economic foundations.⁷³ Copyright policy balances rewarding

60 At 494.

61 At 494.

62 *Potter v Broken Hill Pty Co Ltd* [1905] VLR 612 (SC) at 638–641.

63 *Potter*, above n 15, at 503.

64 Richard Arnold “Can One Sue in England for Infringement of Foreign Intellectual Property Rights?” (1990) 7 EIPR 254 at 258.

65 *Underhill v Hernandez* 168 US 250 (1897) at 252.

66 *Potter*, above n 15, at 515–516; and *Lucasfilm Ltd v Ainsworth* [2009] EWCA Civ 1328, [2010] Ch 503 [*Lucasfilm* (CA)] at [181].

67 *Voda v Cordis Corp* 476 F 3d 887 (Fed Cir 2007) at 902.

68 At 899.

69 At 898.

70 At 900.

71 At 901.

72 *Mannington Mills Inc v Congoleum Corp* 595 F 2d 1287 (3rd Cir 1979) at 1293–1294, cited at 904.

73 GW Austin “The Infringement of Foreign Intellectual Property Rights” (1997) 113 LQR 321 at 331–332.

creativity, enriching public knowledge and satisfying state interest in cultural development.⁷⁴ The appropriate balance varies between states. An interfering foreign court upsets this balance:⁷⁵

A finding of infringement is a finding that a monopoly granted by the state is to be enforced. The result is invariably that the public have to pay higher prices than if the monopoly did not exist. If that be the proper result, then that result should ... come about from a decision of a court situated in the state where the public have to pay the higher prices.

Judgment on copyright validity and infringements directly affects a foreign jurisdiction.⁷⁶

A further concern regarding courts accepting jurisdiction is “forum shopping”. This is where a plaintiff seeks the most personally advantageous court for litigation, even when that court is otherwise unconnected to the claim.⁷⁷ This is unjust. A right-holder might choose the United States because of its high damages awards. Conversely an infringer may pre-emptively claim foreign copyright is invalid in an inefficient, slow court, allowing continued infringement. Defendants have exploited the “Belgian torpedo”, as courts in Belgium may take up to five years to hear a claim, and other European jurisdictions are barred from hearing simultaneous or related cases,⁷⁸ even when the infringement has no connection to Belgium.⁷⁹

Finally, accepting jurisdiction over a foreign copyright claim likely requires proof of foreign copyright law. This increases complexity, expense and unfamiliarity.⁸⁰ Enforcement may also be difficult. While personal damages can be awarded, remedies requiring implementation overseas by foreign authorities, such as injunctions, may be unenforceable.

Potter was applied to cases involving both land and copyright.⁸¹ In England, Vinelott J refused jurisdiction for a declaration that Sir Arthur Conan Doyle’s daughter had no rights under American copyright in the Sherlock Holmes film *The Masks of Death*. The distinction between transitory and local actions precluded

74 Richard Arnold “Cross-border enforcement: the latest chapter” [1999] IPQ 389 at 418.

75 *Plastus Kreativ AB v Minnesota Mining and Manufacturing Co* [1995] RPC 438 (Ch) at 447.

76 Annette Kur “Jurisdiction and Enforcement of Foreign Judgments – The General Structure of the MPI Proposal” in Josef Drexler and Annette Kur (eds) *Intellectual Property and Private International Law: Heading for the Future* (Hart Publishing, Oxford, 2005) 21 at 32.

77 *Lucasfilm (CA)*, above n 66, at [178].

78 *Sepracor Inc v Hoechst Marion Roussel Ltd* [1999] FSR 746 (Ch) at 750.

79 At 751–752.

80 Arnold, above n 64, at 418.

81 *Hesperides Hotels Ltd v Aegean Turkish Holidays Ltd* [1979] AC 508 (HL) at 536.

Vinelott J from entertaining the question.⁸² In *Atkinson Footwear Ltd v Hodgskin International Services Ltd*, Tipping J said “an assertion that acts done ... outside New Zealand constitute an infringement of the copyright law of another country is not justiciable in the New Zealand Courts”.⁸³

Refusing jurisdiction over foreign copyright claims is clearly justifiable in some cases. But in others, the practical demands of international commerce suggest that assuming such jurisdiction is necessary. The principles in *Moçambique* and *Potter* are questionable. A blanket rule against jurisdiction is extreme and disproportionate. Concerns about jurisdiction are better dealt with on a case-by-case basis rather than through a broad-brush limitation.

A New Hope — *Lucasfilm* and Jurisdictional Flexibility

Common law courts, recognising the practical necessities of the globalised world, now often hear foreign copyright cases. This development must be embraced.

1 Challenging *Moçambique* and *Potter*

The analogy between land and copyright is tenuous. Copyright is not so linked to territory that it is automatically outside foreign judicial competence. Like many property rights, copyright is a monopoly statutory right in a particular state.⁸⁴ However, there is nothing inherently objectionable about hearing disputes involving such a foreign right. A bankrupt’s intellectual and real property, for example, vests in the Official Assignee.⁸⁵ Enforcement of those rights may require foreign cooperation, but it is not necessary to bar jurisdiction where foreign title is required, even where politically contentious.

Like land, copyright is territorial, connecting it exclusively to the jurisdiction where it operates. However, unlike land, copyright in the same work can be held across the world. Land is more than territorial. It *is* territory, and intimately linked with politics and power. Copyrighted work can be international in nature. Land is confined.

Historically, intellectual property rights, particularly patents, were directly granted by royal privilege.⁸⁶ The Sovereign created copyright. But modern copyright is bestowed automatically, without

82 *Tyburn*, above n 16; *LA Gear v Gerald Whelan & Sons Inc Ltd* [1991] FSR 670 (Ch); *Coin Controls Ltd v Suzo International (UK) Ltd* [1999] Ch 33 (Ch); and *Tritech Technology Pty Ltd v Gordon* [2000] FCA 75 at [27].

83 *Atkinson*, above n 34, at 190.

84 Austin, above n 73, at 326.

85 Insolvency Act 2006, s 101.

86 *Blad v Bamfield* (1674) 3 Swans App 604, 36 ER 992 (Ch).

administrative permission or registration. Authors get personal rights which they can deal with commercially and in private, including across borders.⁸⁷

Copyright rarely challenges political policy or sovereignty, even when involving validity. As will be discussed, the applicable law will be the place where the copyright is held. A New Zealand court can enforce breaches of French rights in France, bolstering French copyright rather than threatening it.⁸⁸ The danger is in a court applying forum law to a dispute territorially limited to a different country. This interferes with domestic substantive law operation, but is a choice of law concern, not a jurisdictional issue.⁸⁹ Sometimes, a judge may have to resolve questions of foreign law after assuming jurisdiction. This could prove controversial, but is not unheard of in other areas.⁹⁰

Copyright requires no registration or official grant of a monopoly interest.⁹¹ Without registration, copyright disputes are unlikely to involve challenging a foreign government's decision or orders from a foreign court to an administrative body.⁹² Indeed, validity is often undisputed.⁹³ A blanket jurisdictional prohibition to protect assessments of validity is disproportionate. Often infringements are so brazen that denying jurisdiction is unjust.

Copyright is more akin politically and practically with personal — rather than real — property. Its adjudication is no more difficult than other territorial statutory or common law rights. Courts are willing to interfere with territorially limited foreign statutory rights, with the exception of land. For example, Australian courts have heard tort claims involving the scope of New Zealand's largely territorial, and sometimes politically controversial, statutory accident compensation scheme.⁹⁴ Foreign copyright claims are closer in nature to foreign chattel claims than foreign land claims,⁹⁵ and courts have no problem ruling on conversion of chattels present on land, even when jurisdiction to determine trespass to that land is refused.⁹⁶ Transferring title is equally difficult, and personal remedies are equally simple.

87 Fawcett and Torremans, above n 10, at 301.

88 At 301.

89 Sender, above n 51, at 25.

90 *Re Duke of Wellington* [1947] Ch 506 (Ch) at 515.

91 *R Griggs Group Ltd v Evans (No 2)* [2004] EWHC 1088 (Ch), [2005] FSR (31) 706 at [138].

92 European Max Planck Group on Conflict of Laws in Intellectual Property *Conflict of Laws in Intellectual Property: The CLIP Principles and Commentary* (Oxford University Press, Oxford, 2013) [Max Planck Group] at 140.

93 *Kabushiki Kaisha Sony Computer Entertainment v Van Veen* (2006) 71 IPR 179 (NZHC) at [4] and [23]; *Stewart v Franmara Inc (No 2)* [2012] NZHC 1771 (2012) 96 IPR 554 at [18]; and *Jedis Ltd v Vodafone New Zealand Ltd* HC Auckland CIV-2010-404-6270, 17 September 2012 at [36]–[39].

94 *James Hardie & Co Pty Ltd v Hall as Administrator of Estate of Putt* (1998) 43 NSWLR 554 (CA).

95 Austin, above n 73, at 329.

96 *Hesperides*, above n 81, at 538.

Even practical enforcement issues are exaggerated.⁹⁷ Most infringement cases result in personal liability in damages,⁹⁸ not questions of ownership. Validity is usually only necessary to determine the nature and scope of copyright and, thus, whether an infringement has actually occurred. However, these concerns can be addressed on a case-by-case basis, rather than by complete exclusion of jurisdiction.⁹⁹ “Forum shopping” is also preventable by identifying any suspect motivation for starting New Zealand proceedings in individual cases.

Finally, *Moçambique* and *Potter* do not always allow courts to avoid examining the nature and scope of disputed foreign copyright. Courts still have to determine whether a right (and infringement) is actually foreign. A copyrighted song uploaded online could be infringed where it is uploaded, or in each jurisdiction it is accessed. To determine whether the jurisdictional prohibition applies, courts apply either forum or foreign law to determine where an infringement allegedly occurred.¹⁰⁰ Resolving an alleged infringement’s location involves investigating the rights themselves to discover when infringement actually occurred. A court paradoxically investigates the nature and scope of copyright to avoid investigating the nature and scope of copyright.

2 *The Benefits of Jurisdictional Flexibility*

The benefits of hearing foreign copyright claims are significant. Infringements in different countries can be heard before one court. Political, competence and forum shopping concerns can be addressed on a case-by-case basis.¹⁰¹ Consolidation preserves resources, prevents global harassment and increases the possibility of settlement.¹⁰² The complexity and expense involved in suing all over the world is incredibly prohibitive.¹⁰³

New Zealand courts should hear foreign copyright claims. Judges may have to apply foreign and unfamiliar laws, perhaps many in a single case. The plaintiff puts his or her eggs in one basket, while the defendant is subject to a single court’s whim.¹⁰⁴ The court itself

97 Austin, above n 73, at 327.

98 Fawcett and Torremans, above n 10, at 301.

99 At 301.

100 At 301.

101 Fawcett and Torremans, above n 10, at 301.

102 Marcus Norrgård “Provisional Measures and Multiple Defendants in the MPI Proposal” in Josef Drexel and Annette Kur (eds) *Intellectual Property and Private International Law: Heading for the Future* (Hart Publishing, Oxford, 2005) 35 at 47.

103 At 47.

104 At 48.

may benefit one party — through language, cost and procedure.¹⁰⁵ However, these concerns permeate all private international law — including tort and contract. Minimum substantive standards under the Berne Convention and TRIPS mean that considering foreign copyright claims is actually easier. If a case is particularly difficult, a court can still refuse jurisdiction according to its discretion. A rigid rule is unnecessary.

3 *The Modern Approach*

Increased flexibility is becoming the norm. The New Zealand High Court was willing to hear a case about a New Zealander's infringement of Hong Kong and United Kingdom copyright in Sony's PlayStation game system. No question of validity was involved.¹⁰⁶ The convenience of consolidation outweighed the certainty of isolating jurisdiction to where the infringement occurred.¹⁰⁷ In a case concerning a California company breaching an American patent for a champagne bottle opener, Toogood J recognised the emerging trend towards international enforcement of intellectual property rights, especially when validity is unchallenged.¹⁰⁸

The *Potter* rule is virtually extinct in England. The European jurisdiction convention — the Brussels Convention — prescribes jurisdiction for claims involving European land or intellectual property provided validity is not in issue.¹⁰⁹ The Brussels I Regulation further removes subject-matter jurisdictional limits in Europe for copyright disputes.¹¹⁰ The Court of Chancery held that the only rationale surviving from *Moçambique* was comity considerations, and recognised that most cases barely threaten sovereign foreign power.¹¹¹ The Supreme Court said that the “underpinning of the *Moçambique* rule and the decision in *Potter* ... has been eroded”.¹¹² All that is left:¹¹³

... is that there is no jurisdiction in proceedings for infringement of rights in foreign land where the proceedings are “principally concerned with a question of the title, or the right to possession, of that property.”

105 At 48.

106 *Sony*, above n 93, at [4]–[7].

107 At [12]–[23].

108 *Stewart*, above n 93, at [14].

109 Civil Jurisdiction and Judgments Act 1982 (UK), s 30(1).

110 Regulation 1215/2012 on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters [2012] OJ L351/1, art 22.

111 *R Griggs*, above n 91, at [72]–[79].

112 *Lucasfilm*, above n 31, at [105].

113 At [105].

The Court said:¹¹⁴

It is true that copyright can involve delicate political issues ... But such cases can be dealt with by an application of the principles of public policy in appropriate cases.

The modern position is that an incidental matter related to the nature and scope of copyright will not be sufficient to engage the Moçambique rule. Rather, the dispute must concern the validity of the copyright.¹¹⁵ Thus, in *Sony/ATV Music Publishing LLC v WPMC Ltd*, the Court of Chancery applied American law in considering an alleged infringement of American copyright in a videotaped Beatles concert.¹¹⁶ American courts have also limited the application of the *Moçambique* rule to validity.¹¹⁷ Courts are increasingly recognising that adjudicating foreign copyright infringement does not involve passing judgment on the validity of sovereign acts, because copyright involves no administrative formalities.¹¹⁸ While *Moçambique* and *Potter* still apply in Australia¹¹⁹ and Canada,¹²⁰ developments — at least in Australia — also favour increased jurisdictional flexibility.¹²¹

The analogy between land and copyright is archaic and comity concerns are usually negligible. Courts should assume jurisdiction over foreign copyright infringement, even where validity is an issue. In virtually all cases, competence, enforcement or comity concerns are irrelevant. Sometimes, these concerns outweigh consolidation. Usually, the practical benefits of consolidation triumph. No fixed rule, however, should impede the legitimate exercise of judicial power. Instead, the court's discretion to determine jurisdiction, already available under the forum conveniens and forum non conveniens doctrines, mitigates concerns that a New Zealand court will interfere with another state's business.

IV FORUM (NON) CONVENIENS

A New Zealand court has the discretion to refuse jurisdiction if it is not the appropriate forum or where another forum is clearly more

114 At [106].

115 Case 288/82 *Duijnstee v Goderbauer* [1983] ECR 3663 at [18].

116 *Sony/ATV Music Publishing LLC v WPMC Ltd* [2015] EWHC 1853 (Ch).

117 American Law Institute *Restatement of the Law of Conflict of Laws* (2nd ed, St Paul, Minnesota, 1971) § 87.

118 *Frink America Inc v Champion Road Machinery Ltd* 961 F Supp 398 (NDNY 1997) at 404; and *London Films Productions v Intercontinental Comms* 580 F Supp 47 (SDNY 1984) at 49.

119 *Tritech*, above n 82.

120 *War Eagle Mining Co v Robo Management Co* (1995) 13 BCLR (3d) 362 (SC).

121 *Regie National des Usines Renault SA v Zhang* [2002] HCA 10, (2010) 210 CLR 491 at [76].

appropriate.¹²² Yet when *Potter* and *Moçambique* were decided, such discretion was not available.¹²³ As a result, many of the concerns that underpinned these earlier cases are now much less compelling.

For leave to serve a foreign defendant for a foreign copyright claim a plaintiff must, amongst other requirements, show the High Court that the claim has a real and substantial connection to New Zealand¹²⁴ and that New Zealand is the appropriate forum.¹²⁵ Similar requirements apply if a foreign defendant protests a New Zealand court's jurisdiction.¹²⁶ The plaintiff must prove that New Zealand is at least marginally more suitable than an overseas court.¹²⁷ This is the forum conveniens analysis. The court also has a residual discretion, under the forum non conveniens doctrine, to refuse jurisdiction where another forum is clearly more appropriate.¹²⁸

Forum (non) conveniens permits the court to consider trepidations about hearing foreign copyright cases — practical enforcement, challenging validity, comity and forum shopping — without a blanket rule. Rather than mandatory refusal, a court can holistically consider a “legion” of context-specific factors determining the appropriate forum.¹²⁹ The benefits of consolidation might favour a New Zealand court.¹³⁰ On the other hand, comity may prevail,¹³¹ such as where a claim involves foreign copyright in another country's national anthem.

Key considerations include convenience and expense. A case involving foreign infringement of foreign copyright may cost more to run in New Zealand. Most relevant witnesses may be based overseas and foreign expert witnesses may be required to prove foreign law.¹³² However, parties may already have concurrent proceedings in New Zealand. Lawyers in New Zealand may have devoted significant resources to developing legal and factual knowledge.¹³³

Consolidation has distinct cost, convenience and complexity advantages. It promotes efficiency and provides consistency in decision making.¹³⁴ With ubiquitous internet infringements,

122 High Court Rules, r 6.27(2)(j).

123 *Hesperides*, above n 81, at 544.

124 High Court Rules, r 6.28(5)(a).

125 Rule 6.28(5)(c).

126 Rule 5.49.

127 *Wing Hung*, above n 13.

128 At [23]; High Court Rules, r 15; and *Spiliada Maritime Corporation v Cansulex Ltd* [1987] AC 460 (HL) at 465 and 474.

129 At 465.

130 *Turn and Wave Ltd v Northstar Accounts Pty Ltd* HC Auckland CIV-2010-404-002268, 23 December 2010 at [119].

131 *Wing Hung*, above n 13, at [28].

132 *Best Australia Ltd v Aquagas Marketing Pty Ltd* (1988) 83 ALR 217 (FC) at 223.

133 *Spiliada*, above n 128, at 485–486.

134 *Sony*, above n 93.

consolidation is eminently more practical.¹³⁵ Multiple disputes can be resolved in one proceeding.

The applicable law will be the place where the copyright is protected, as will be discussed below.¹³⁶ Foreign law applies to foreign infringements. New Zealand courts prefer to avoid cases involving foreign law, particularly questions of foreign law, though international substantive minimal harmonisation in copyright mitigates this issue.¹³⁷

Copyright's territorial nature means the appropriate forum should be the territory in which the right is protected.¹³⁸ However, where there are multiple infringements across a number of states, including the forum state, consolidation concerns may outweigh a territorial jurisdiction approach.

The nature of the parties, such as their nationality, residence, domicile or place of business, may be relevant.¹³⁹ A New Zealand plaintiff or defendant may tip the court in favour of assuming jurisdiction.¹⁴⁰ However, national treatment prevents discrimination in substantive copyright law, and may cover refusing jurisdiction to hear an intellectual property claim based on nationality or country of origin.¹⁴¹ Alternatively, national treatment arguably confers no special immunity from forum (non) *conveniens* analysis because identical considerations are applied to all claimants indiscriminately.¹⁴² A court should, at least, take account of any potential injustice if a party is denied jurisdiction due to personal factors.

Comity is important. Copyright cases involving politically or economically contentious issues, or acts of state, might not be heard.¹⁴³ If an infringement has obviously occurred, the court should more readily assume jurisdiction because there are less likely to be foreign law or political concerns.¹⁴⁴

The court's ability to enforce its judgment overseas is important. A New Zealand court should not hear a case seeking an injunction over overseas copyright. A personal dispute for infringement damages, however, is completely acceptable.

If New Zealand was chosen purely for procedural advantages or "forum shopping" the court can refuse jurisdiction.

135 Sender, above n 51, at 41–44.

136 *Turn and Wave*, above n 130, at [97].

137 *Bomac Laboratories Ltd v Life Medicals (MSDN BSD)* [2012] NZHC 363 at [14].

138 *Best Australia Ltd*, above n 132, at 223.

139 *Bomac*, above n 137, at [11].

140 *Chevalier Wholesale Produce Ltd v Joes Farm Produce Ltd* HC Auckland CIV-2010-404-004229, 17 November 2011 at [35].

141 Fawcett and Torremans, above n 10, at 704–708.

142 *Creative Technology Ltd v Aztech System Pte Ltd* 61 F 3d 696 (9th Cir 1995) at 701.

143 *Wing Hung*, above n 13, at [46].

144 *Bomac*, above n 137, at [15].

Finally, the court will consider whether justice will be achieved if it directs the plaintiff to litigate overseas. Even if a foreign court is *prima facie* clearly more appropriate, a plaintiff can argue that justice would not prevail in that court.¹⁴⁵ The foreign court may be corrupt. Alternatively, it may itself refuse jurisdiction. In both of these cases, a local court may exercise a discretion to nevertheless hear the claim in the interests of justice.

The tension is usually between consolidation and the interests of a foreign court in considering infringements in its own jurisdiction. However, circumstances can vary to the extent that the court's broad, flexible discretion is preferable to any fixed rule. Few courts have applied *forum (non) conveniens* to copyright, mostly due to the continued application of *Potter*, but it is the better approach.

The Federal Court of Australia considered whether it was appropriate for an Australian infringement claim to be heard in Australia.¹⁴⁶ The case concerned copyright in the self-help film, *The Secret*. The Court considered factors weighing in favour of an American court — particularly concurrent American litigation and the expense of holding a trial in two countries simultaneously.¹⁴⁷ The Court emphasised that an American court would likely decline jurisdiction over Australian copyright cases.¹⁴⁸ Gordon J held that “the Federal Court of Australia cannot be said to be a ‘clearly inappropriate forum’ to hear and determine claims for the enforcement of rights said to arise under the Australian Copyright Act”,¹⁴⁹ and Finkelstein J held that the lower court Judge failed to consider that “(a) the Australian action was concerned with the ownership of Australian copyright; and (b) only an Australian court can resolve that dispute”.¹⁵⁰ The order staying the Australian proceeding was set aside.¹⁵¹

In *Creative Technology Ltd v Aztech Systems Pte Ltd*, the Ninth Circuit Court of Appeals ruled that a Singaporean court was the most appropriate forum for an alleged American infringement of American copyright. Both parties were Singaporean residents and the software's country of origin was Singapore.¹⁵² Judge Ferguson dissented, arguing that American courts were appropriate for an “American copyright case” concerning “copyright infringement that takes place solely in America”.¹⁵³ He suggested that the majority had

145 *Spiliada*, above n 128, at 478.

146 *TS Productions LLC v Drew Pictures Pty Ltd* [2008] FCAFC 194, (2008) 172 FCR 433 at [20].

147 At [19]–[21].

148 *London Films Productions*, above n 118.

149 At [44].

150 At [20].

151 At [68].

152 *Creative Technology*, above n 142, at 701–704.

153 At 705.

no idea whether a Singaporean court would even recognise, let alone enforce, American copyright.¹⁵⁴ He also objected to treating nationality as a basis for making a *forum non conveniens* order in the international context of national treatment.¹⁵⁵ This illustrates the variety of relevant considerations and the flexibility needed in assessing whether a court should refuse jurisdiction in the copyright context.

Overall, a blanket rule is unnecessary. While increased discretion involves increased uncertainty, courts are well versed in dealing with commercial claims involving multiple potential trial venues. The added litigation is a lesser evil than arbitrarily refusing all justified cases. The strict rule must be abandoned in favour of judicial flexibility.

V CHOICE OF LAW

Scottish Whisky in Italy — Double Actionability on the Rocks

1 Double Actionability and Territoriality

If a New Zealand court is prepared to hear a foreign copyright infringement case, what law should apply to that dispute?

Traditionally, the double actionability choice of law rule regulating cross-border torts has applied to copyright infringement. New Zealand, increasingly isolated, still harnesses the rule in both tort and intellectual property cases.¹⁵⁶ Double actionability allows actionability of a tort committed overseas if the tort is actionable both under the law of the country where the court is based (the *lex fori*), and under the law of the place where the tort was allegedly committed (the *lex loci delicti*).¹⁵⁷ However, territorial copyright has no operation beyond its origin country. Foreign infringement is never actionable under the *lex fori*, which can only govern copyright within its jurisdiction. An infringement in New South Wales of a New South Wales patent is only actionable under New South Wales law. The claim is not actionable in Victoria because it is a conceptually distinct right.¹⁵⁸ Torts are normally not territorially limited. Overseas torts can

154 It would not. Foreign copyright is not actionable in Singapore under the double actionability rule: *Rickshaw Investments v Nicolai Baron von Uexkull* [2006] SGCA 39, [2007] 1 SLR(R) 377 at [63].

155 At 705–706.

156 As do Singapore, Hong Kong in *Red Sea Insurance Co Ltd v Bouygues SA* [1995] 1 AC 190 (PC), and India in *Kotah Transport Ltd v The Jhalawar Bus Service Ltd* AIR 1960 Raj 224.

157 *Chaplin v Boys* [1971] AC 356 (HL) at 384–385.

158 *Potter*, above n 62, at 631.

be actionable under the *lex fori*.¹⁵⁹ For example, a negligence claim for a car accident in Singapore could be actionable under New Zealand law. Even tort claims relating to copyright, such as passing off, can satisfy the *lex fori* limb of double actionability.¹⁶⁰

With copyright, double actionability is unobtainable. In a case involving the use of the trademark for Scottish whisky “Laphroaig” in the United Kingdom and Italy, the Outer House of the Scottish Court of Session held that Scottish law conferred no rights in respect of infringement of Italian trademark in Scotland.¹⁶¹ Faced with the unavoidable substantive territorial limitations on copyright,¹⁶² satisfying the double actionability requirements was absolutely unfeasible. Scottish copyright is not actionable in Italy, and Italian copyright is not actionable in Scotland. They are conceptually discrete.

2 Notional Transfer

To avoid double actionability losing “all purpose”, Peter Kaye opines that it is necessary:¹⁶³

... not only to deem the *locus* of the wrongful act to be situated in England ... as the forum, but also to treat the rights themselves which are sought to be protected ... as the equivalent English ... rights ...

Under notional transfer, infringing acts are not treated as foreign at all, but notionally transferred to the forum country and assessed to see whether forum law would have been infringed. A Scottish court would treat an Italian copyright breach as if the infringement had occurred in Scotland. In other words, actionability is assessed *as if* the infringement occurred in the forum country.

In *Sony*, MacKenzie J treated double actionability as a “general rule” or “starting point”.¹⁶⁴ He notionally transferred both the infringing acts and the intellectual property rights themselves from the United Kingdom and Hong Kong to New Zealand. He considered how New Zealand law would regard the act, if it were committed domestically. He focused on the nature of the underlying intellectual property right, rather than its territorial limits. The territorial nature

¹⁵⁹ *Chaplin*, above n 157.

¹⁶⁰ *James Burrough Distillers Plc v Speymalt Whisky Distributors Ltd* (1991) 108 RPC 130 (CSOH).

¹⁶¹ At 134–135.

¹⁶² Mary Keyes “Statutes, Choice of Law, and the Role of Forum Choice” (2008) 4 J Priv Int L 1 at 2–3.

¹⁶³ Peter Kaye “International Trade Mark Infringement: Territorially Defined Torts and the Double Actionability Rule” (1990) 12 EIPR 28 at 29.

¹⁶⁴ *Sony*, above n 93, at [25].

was considered relevant to the *lex loci delicti*, not the *lex fori*.¹⁶⁵ If the acts had occurred in New Zealand, the defendant would have infringed New Zealand law.

However, notional transfer is inconsistent with the double actionability requirements. Double actionability actually concerns what would transpire if the case proceeded in New Zealand, without altering the factual locus. The question is whether, under forum law, the acts constitute a wrong. If under New Zealand law the plaintiff's right is to complain of acts done in New Zealand, the trial judge cannot proceed on the assumption that facts done abroad were done in New Zealand.¹⁶⁶ No choice of law rule can confer on a litigant a right under New Zealand law which it would not otherwise possess.¹⁶⁷

Notional transfer invents "rights which Parliament has not seen fit to grant and in fact has deliberately refrained from granting".¹⁶⁸ It avoids the irreconcilability between territoriality and double actionability. Pretending Russian infringements of Russian copyright actually occurred in New Zealand only demonstrates that New Zealand copyright is actionable under New Zealand law. The fact that foreign copyright, by nature, is not actionable under the *lex fori* remains unchanged. Notional transfer ignores the reality that double actionability cannot practically apply to copyright.

3 *The Lex Fori and Exceptions*

The *lex fori* has no business operating as a prerequisite to foreign copyright claims. New Zealand law has no connection to Australian infringement of Australian copyright in Australia. Double actionability, with or without notional transfer, is a roundabout method of applying the *lex fori*. All that matters is whether foreign copyright is actionable under foreign law. It is unjust for domestic law to be "indiscriminately applied regardless of the foreign character of the circumstances or the parties".¹⁶⁹ It contravenes the international and comity-driven nature of conflicts law.¹⁷⁰

Thus, courts have applied exceptions to double actionability. If "clear and satisfying grounds" are established, either or both of the limbs of the double actionability rule are displaced by the law of the place with the most significant relationship to the circumstances and

165 At [25]–[26].

166 Arnold, above n 74 at 261.

167 *Def Lepp*, above n 36, at 276.

168 Arnold, above n 64, at 262.

169 PB Carter "Torts in English Private International Law" (1981) 52 BYBIL 9 at 24.

170 Peter North and James J Fawcett *Cheshire and North's Private International Law* (13th ed, Butterworths, London, 1999) at 25.

parties.¹⁷¹ The place of infringement can be presumed to have the most significant relationship in copyright. Territoriality requires the place of infringement to be the sole place where the right is protected. Moreover, since actionability under the *lex fori* is unobtainable without notional transfer, “clear and satisfying” grounds are necessarily established.¹⁷² The exception is required for copyright infringement to ever be actionable. The English Court of Appeal, for example, applied Dutch law, the place of infringement, to a claim involving the alleged use of stolen plans in designing the Kunsthal in Rotterdam. It was a “necessary corollary” that only Dutch law could sensibly apply to the infringement in the Netherlands.¹⁷³ The Court also considered applying the exception to be justifiable because a notional transfer of the infringing actions to England would have created liability under English copyright law.¹⁷⁴ In my view this is irrelevant.

The exception provides flexibility, allowing courts to apply foreign law to foreign infringements. If they go no further, New Zealand courts should at the least make use of the exception to apply the *lex loci delicti* in copyright cases. But ideally (as discussed below) they would go further. Relying on the exception means courts nevertheless retain the discretion to apply forum law, by notional transfer or otherwise, resulting in the unjustified imposition of forum law onto entirely foreign claims. The fact that an exception or a problematic notional transfer must always be applied to achieve justice reinforces the unsuitability of double actionability. The exception proves the unreasonableness of the rule.

4 *Double Actionability’s Continued Relevance*

Double actionability is increasingly recognised as unsuitable for both torts and intellectual property. The injustice of applying forum law to essentially foreign disputes, coupled with its obnoxious imposition on disputes that another legal system is more interested in,¹⁷⁵ has led both Australia and Canada to embrace the *lex loci delicti*.¹⁷⁶ In the United States the law of the place with the most significant relationship to the claim is employed.¹⁷⁷ In England double actionability was abandoned, first, in favour of the *lex loci delicti* under the Private International

171 *Chaplin*, above n 157, at 391; and *Red Sea Insurance*, above n 156.

172 *Chaplin*, above n 157, at 391.

173 *Pearce*, above n 57, at 423.

174 At 444.

175 North and Fawcett, above n 170, at 25.

176 *John Pfeiffer Pty Ltd v Rogerson* [2000] HCA 36, (2000) 203 CLR 503 at [102]; and *Tolofsen*, above 56, at 1049–1051.

177 *Babcock v Jackson* 191 NE 2d 279 (NY 1963).

Law (Miscellaneous Provisions) Act 1995 (UK) and, secondly, in favour of an intellectual property-specific approach under the Rome II Regulation. Art 8(1) provides:¹⁷⁸

The law applicable to a non-contractual obligation arising from an infringement of an intellectual property right shall be the law of the country for which protection is claimed.

In New Zealand, the Private International Law (Choice of Law in Tort) Bill advocates replacing double actionability with the “law of the jurisdiction in which the events constituting the tort in question occur”.¹⁷⁹ The Bill was introduced on 22 September 2016. But even case law suggests that dedication to double actionability is wavering.¹⁸⁰

5 Characterisation

It is also unclear whether copyright infringement is tortious. Copyright is usually characterised as tortious in common law jurisdictions,¹⁸¹ though some dicta suggests that it is “a statutory right, not a tort at common law”.¹⁸² Copyright is an exclusive property right. Infringement usually involves acts that breach that exclusive right, causing damage to the right-holder.¹⁸³ Like trespass, it is interference with the exclusive rights of another private person.

But there are distinctions. Most property rights recognise a factual state of affairs, such as physical possession of land.¹⁸⁴ Copyright, instead, is an artificially created right, granted through legislation to regulate competition and innovation, and to provide an incentive to create.

Copyright in the common law world has been a statutory right for several centuries.¹⁸⁵ It only emerged as a distinct area of law in the mid-19th century.¹⁸⁶ After the development of the printing press, the Stationers — the guild which controlled publishing — wanted a monopoly. The Crown agreed in order to control treasonous, blasphemous and obscene material.¹⁸⁷ The monopoly existed until

178 Rome II, above n 17.

179 Private International Law (Choice of Law in Tort) Bill 2016 (181–1), cl 7(1).

180 *Americhip Inc v Dean* [2015] NZHC 700, [2015] 3 NZLR 498 at [27].

181 *Pearce*, above n 57, at 423.

182 *Def Lepp*, above 36, at 276.

183 Copyright Act, s 16.

184 *Fawcett and Torremans*, above n 25, at 674.

185 Statute of Anne 1710 (GB) 8 Ann c 19; and see Howard Abram “The Historic Foundation of American Copyright Law: Exploding the Myth of Common Law Copyright” (1983) 29 *Wayne Law Review* 1119 at 1129–1170.

186 Catherine Seville *The Internationalisation of Copyright Law: Books, Buccaneers and the Black Flag in the Nineteenth Century* (Cambridge University Press, Cambridge, 2006) at 3.

187 At 10–11.

around 1710, when the Statute of Anne was passed to provide authors, rather than the Stationers, with copyright for a limited period.¹⁸⁸ The Stationers argued that perpetual copyright existed at common law and equity, independent of the Statute of Anne.¹⁸⁹ However, the House of Lords (the legislature) held that the Statute precluded common law copyright. Copyright has since been entirely statutory.¹⁹⁰ It was not until the signing of the Berne Convention, incorporated into United Kingdom copyright legislation, that a “comprehensive code of copyright protection” was created.¹⁹¹

While the elements are similar, copyright and tort are not practically or historically wedded together to the extent that double actionability must apply to copyright. Copyright’s statutory origin provides unique challenges. All statutes, for example, are considered territorial unless expressly or impliedly designated as extraterritorial.¹⁹² This disparate treatment appears incongruous compared to common law rights yet demonstrates the innate divergence between common law and statutes in private international law.¹⁹³ Conflicts rules are applied directly to common law actions. But for statutes, like the Copyright Act, private international law is subject to express statutory language. Territoriality puts copyright in a different class to common law tort actions.¹⁹⁴ A specific rule for copyright is justified.

When in Rome II — the Lex Loci Protectionis

In Europe, under the Rome II Regulation, the law of the place for which protection is claimed (*lex loci protectionis*) is the choice of law rule for intellectual property. It is the law under which the plaintiff seeks protection. It is not the law of the place where the plaintiff has chosen to start legal proceedings, but rather the law of the place where the plaintiff chooses to protect its copyright. It is separated from the tort choice of law rule, and is a response to the “modern trend” in favour of foreign intellectual property right enforcement.¹⁹⁵ The Regulation recognises that there are “no issues of policy which militate against the enforcement of foreign copyright” and that “states

188 Statute of Anne 1710 (GB) 8 Ann c 19.

189 See *Millar v Taylor* (1769) 4 Burr 2303, 98 ER 201 (KB).

190 *Donaldson v Beckett* [1774] II Bro PC 129, 1 ER 837 (HL) at 140.

191 *Lucasfilm*, above n 31, at [15].

192 *The Wanganui-Rangitikei Electric Power Board v The Australian Mutual Provident Society* (1934) 50 CLR 581 at 600–601.

193 O Kahn-Freund “Reflections on Public Policy in the English Conflict of Laws” (1953) 39 Transactions of the Grotius Society 39 at 39–40.

194 Stuart Dutton “The Territorial Application of Statutes” (1996) 22 Mon LR 69 at 70.

195 *Lucasfilm*, above n 31, at [108].

have an interest in the international recognition and enforcement of their copyrights”¹⁹⁶.

New Zealand should adopt the Rome II position and the *lex loci protectionis*, thus escaping the unjust and rigid application of the *lex fori*. A plaintiff in a New Zealand proceeding concerning Australian copyright infringement in Australia could choose for Australian law to apply. For claims with substantial breadth, such as ubiquitous internet piracy of a television programme, the plaintiff will ask the court to adopt a mosaic approach. It will seek the protective laws of each jurisdiction in which infringement occurred.¹⁹⁷

The territorial scope of copyright entails that the only country where protection can be claimed is where the alleged infringement occurred.¹⁹⁸ The *lex loci protectionis*, therefore, should correspond exactly with the *lex loci delicti*. The two rules are very similar. As I will discuss, however, the *lex loci protectionis* is preferable.

The best choice of law rule is that which, in all the circumstances, provides for the application of the law of the state most closely connected to the dispute.¹⁹⁹ The *lex loci protectionis* and the *lex loci delicti* have the greatest interest in the dispute because they are the only laws with any enforceable effect on foreign copyright. New Zealand law is, by nature, the most connected in cases of New Zealand copyright infringement, as only it can conceivably apply.

Further, the *lex loci protectionis* provides decisional uniformity. Outcomes of disputes should not vary depending on the forum.²⁰⁰ The law of the place of infringement will always apply. This is predictable and affords little judicial discretion. Double actionability relies heavily on discretionary exceptions or nominal transfer. With the *lex loci protectionis*, the parties know which law will apply: the plaintiff chooses the law and the defendant knows that the law will be the place of alleged infringement. If defendants deal with copyrighted material in Rome they will be treated as Romans are under Rome II.²⁰¹

Choice of law rules should be harmonised internationally to increase predictability.²⁰² Multinational copyright holders should be able to predict the law that will apply, in any jurisdiction, with some certainty. International harmonisation also prevents forum shopping,

196 At [109].

197 Sender, above n 51, at 243.

198 At 244.

199 Michael Pryles “Tort and related obligations in private international law” in *Collected Courses of the Hague Academy in International Law, Vol 2 1991* (Hachette, Paris, 1991) 227 at 28.

200 Keyes, above n 162, at 13.

201 Otto Kahn-Freud “Delictual Liability and the Conflict of Laws” in *Collected Courses of the Hague Academy in International Law, Vol 2 1968* (Hachette, Paris, 1968) 124 at 43.

202 Sender, above n 51, at 213.

as plaintiffs cannot search for a more favourable choice of law rule if the choice of law rule in all jurisdictions is identical. The *lex loci protectionis* now predominates in Europe, with the almost identical *lex loci delicti* applying in Canada and Australia. The law of the place with the most significant relationship, the American rule, also likely leads to the *lex loci delicti*.²⁰³ Recital 26 to the Rome II Convention describes the rule as “universally acknowledged”, though, of course, it is not yet acknowledged in New Zealand. Adopting the *lex loci protectionis* in New Zealand further harmonises the international choice of law landscape.

Article 5(2) of the Berne Convention is also sometimes considered a choice of law rule in favour of the *lex loci protectionis*²⁰⁴ or the *lex fori*²⁰⁵ for all member states. It provides that.²⁰⁶

... the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed.

The “laws of the country where protection is claimed” could refer to the *lex loci protectionis*, the substantive law under which the plaintiff seeks protection. The English Court of Appeal, however, interpreted “where protection is claimed” as the place where proceedings are commenced — the *lex fori*.²⁰⁷ They considered it to include both English substantive law and choice of law rules, and so applied double actionability.

This interpretation is questionable given the territorial nature of copyright. More convincingly, art 5(2) merely determines the substantive level of protection under the Convention. The Convention established a comprehensive international system of lawful uses of work based on national treatment, with foreign and forum nationals treated identically. Arguably, it prescribes a universal substantive requirement that copyright is governed by the general copyright law of a state without discrimination based on the owner’s characteristics or the work’s origin.²⁰⁸ It says nothing about what the choice of law principle should be in each case. Nonetheless, it promotes the territorial nature of copyright, which itself encourages the application of the *lex loci protectionis*.

203 *Itar-Tass Russian News Agency v Russian Kurier, Inc* 153 F 3d 82 (2d Cir 1998).

204 Sender, above n 51, at 4.

205 Waelde and De Souza, above n 24, at 272.

206 Berne Convention, above n 8.

207 Pearce, above n 57, at 441–442.

208 Sender, above n 51, at 222.

The *lex loci protectionis* is just and effective.²⁰⁹ Given territoriality, it applies the only law that really can enforce disputed copyright, the *lex loci delicti*. Any choice of law rule that pointed to a different law would be completely ineffective. Equally, the rule provides justice in individual cases. Parties with legitimate copyright claims will only be granted a remedy where they choose the *lex loci delicti*. Likewise, if there was no infringement under the *lex loci delicti*, the claim will fail. By putting copyrighted material into — or dealing with another's material in — a jurisdiction, both plaintiff and defendant tacitly submit to that jurisdiction's laws.²¹⁰ The *lex loci protectionis* applies the law the parties are willing to submit to.

Finally, the *lex loci protectionis* protects comity and territorial sovereignty. Due to the cultural, economic and political importance of copyright within a jurisdiction, the interference of foreign law in a dispute could be problematic.²¹¹ It would be politically controversial, for example, if a foreign court applied foreign law to determine whether an infringement of Ngāti Toa's *Ka Mate* haka had occurred in New Zealand, given issues surrounding cultural appropriation of indigenous cultural artefacts.²¹² Indeed, rights to perform *Ka Mate* are governed by specific New Zealand legislation.²¹³

1 The Distinction between Lex Loci Protectionis and Lex Loci Delicti

Two characteristics separate the *lex loci protectionis* from the *lex loci delicti*.

First, consistency between choice of law rules applying to all intellectual property rights is desirable. An identical rule for infringement, existence, scope, ownership and duration in copyright, patents, trademarks and design rights is preferable, for the sake of predictability and efficiency.²¹⁴ The *lex loci protectionis* can apply to each aspect. If a plaintiff's copyright ownership is challenged, he or she can seek the assistance of the law where the copyright is held to determine ownership. The plaintiff can choose the same protecting law to apply to all elements of his or her claim. The *lex loci delicti*, however, requires a *delict*, or an infringement. While in a case involving scope, ownership, duration and infringement the application

209 Keyes, above n 162, at 15.

210 Gearoid O'Sullivan "Cross-border Jurisdiction in Patent Infringement Proceedings in Europe" (1996) 18 EIPR 654 at 660.

211 Fentiman, above n 41, at 131.

212 James D Nason "Native American Intellectual Property Rights: Issues in the Control of Esoteric Knowledge" in Bruce Ziff and Pratima V Rao (eds) *Borrowed Power: Essays on Cultural Appropriation* (Rutgers University Press, New Brunswick, 1997) 237 at 237–252.

213 Haka Ka Mate Attribution Act 2014, s 9.

214 Sender, above n 51, at 212–213.

of both rules will almost certainly lead to the same law overall, having just one general choice of law rule is preferable.²¹⁵

Secondly, the *lex loci delicti* is not always obvious. Applying the *lex loci delicti* requires the court to determine where the alleged infringement occurred. In a dispute over the internet piracy of television programmes, the *lex loci delicti* could be the place where the material was uploaded, downloaded or accessed. It depends on a substantive law assessment of what constitutes an infringement. Under the respective substantive laws of the uploading, downloading and the accessing state, each could consider itself the *loci delicti*. Indeed, courts have stretched the territorial bounds of substantive copyright law. In *National Football League v PrimeTime 24 Joint Venture*, an American defendant was held liable for United States copyright-infringing satellite transmissions of American football games from the United States into Canada.²¹⁶ The country of transmission was considered to be the place of infringement. But Canadian law could also have suggested that infringement occurred in Canada.

How does a court decide which competing *lex loci delicti* is applicable? The question cannot be answered by the *lex loci delicti* because we do not know what that is yet. Nor is there any objectively reasonable and internationally applicable basis for preferring one jurisdiction's laws over another's.²¹⁷ A court will have to apply its own law, the *lex fori*, to determine the *lex loci delicti*. New Zealand law would apply to determine whether an infringement occurred in Germany, France or England. This raises significant comity concerns, interfering with territorially held rights to determine where rights are actually infringed. Moreover, plaintiffs could forum shop for a favourable *lex fori* definition of infringement.²¹⁸

The *lex loci protectionis* forces the plaintiff to choose the place of infringement and avoids these issues altogether. It therefore balances modern practical reality with comity and copyright's territorial limitations.

2 *The Berne Convention and Alternative Choice of Law Rules*

Arguably, art 5 of the Berne Convention precludes all choice of law rules but the *lex loci protectionis* and the *lex loci delicti*. It potentially imposes national treatment obligations on choice of law principles.²¹⁹

215 At 226.

216 *National Football League v PrimeTime 24 Joint Venture* 211 F 3d 10 (2d Cir 2000) at 13.

217 Lord Collins, above n 14, at 42.

218 Arnold, above n 64, at 258.

219 Georges Koumantos "Private International Law and the Berne Convention" (1988) 24 Copyright 415 at 419 and 426-427

Article 5(2) requires foreign nationals, and foreign works, to be treated the same as their forum counterparts. Any choice of law rule that is grounded in where a work originated, or the personal characteristics of the parties (such as domicile or residence), abrogates this article.²²⁰ It arguably requires the same substantive law regardless of the parties', or the work's, origin.²²¹ Alternatively, national treatment may be inapplicable to choice of law, and may solely concern substantive copyright law.²²² Provided that domestic copyright law is non-discriminatory, a discriminatory choice of law rule is irrelevant.

Territoriality prevents origin or personal factors from being determinative, because only the *lex loci delicti* ever provides an actual remedy. New Zealand law only applies where the infringement occurred in New Zealand. Substantive law arrived at due to personal factors would only function when they correspond with the *lex loci delicti*. The same applies to the *lex fori* — the law of the place where damage occurred or the law of the place with the most significant connection.

Multinational Football League — the Limits of the Lex Loci Protectionis

The *lex loci protectionis* allows one court to apply each relevant law to infringements in separate jurisdictions. Some issues do arise, however.

First, it requires the application of foreign law. Courts are well versed at applying foreign law, but they may resort to simplifying strategies when it is burdensome to apply multiple legal principles to infringements of one work.²²³ They may apply foreign law incorrectly or unconsciously adjust its application to correspond with its own law. Moreover, courts rely on plaintiffs proving each foreign law they seek to apply, increasing costs and inconvenience.²²⁴ However, given the relative harmonisation of copyright law, applying multiple copyright laws should not be too difficult. A German court, for example, recently applied German, French, English, Italian and Swedish patent law.²²⁵ Courts can cope.

220 Sender, above n 51, at 222.

221 Fentiman, above n 41, at 134.

222 *Creative Technology Ltd*, above n 142.

223 Annette Kur "Trademark Conflicts on the Internet: Territoriality Redefined?" in Jürgen Basedow and others (eds) *Intellectual Property in the Conflict of Laws* (Mohr Siebeck, Tübingen, 2005) 175 at 188.

224 *Neilson v Overseas Projects Corporation of Victoria Ltd* [2005] HCA 54, (2005) 223 CLR 331 at [205]–[208].

225 *Sonnenblende II Düsseldorf*, District Court 4 O 377/95, 22 September 1998, (1999) GRUR Int 458.

In mass internet infringement cases, every jurisdiction in the world may be engaged, with prohibitive expense and complexity. However, the plaintiff must prove each foreign law evoked in assistance. This will cull uneconomic claims.²²⁶ Some scholars have advocated a choice of law rule favouring the single law with the most significant connection in ubiquitous cases.²²⁷ Nonetheless, territoriality foils attempts to apply a single law to infringements in other jurisdictions, however justifiable.²²⁸ Applying a single law also leads to the offensive imposition of foreign standards onto a state's balance of state, artistic and public interests. An American Federal Court, for example, cancelled the trademark registration of the "Washington Redskins" football team because the name was a disparaging racial epithet.²²⁹ A court applying New Zealand law in the same situation would interfere with the American balance between free expression, property rights and freedom from discrimination.

Foreign law complexities can also be dealt with through forum (non) conveniens. Having to apply every law in the world to minimal infringements could justify refusing jurisdiction. The Max Planck Group advocates a de minimis principle for foreign copyright — the court should only find infringement where the infringing activity has a substantial effect within, or is directed to, the state for which protection is sought.²³⁰ A court could similarly refuse jurisdiction unless the infringement has a substantial effect or is directed at a particular state. A jurisdictional remedy is available if the lex loci protectionis becomes too onerous.

The more pressing challenge is the substantive law itself, particularly when expanding definitions of infringement to localise apparently infringing acts allegedly occurring overseas.²³¹ Some jurisdictions ignore territoriality entirely. American courts have localised prima facie infringements in Israel and Canada.²³² If a court finds that a television broadcast in Canada was an infringement in America, it also suggests that the broadcast was *not* a Canadian infringement. Sometimes a state's domestic law may deem an infringement to have occurred in a place that contradicts both common sense and the position under the lex fori. One jurisdiction ignoring territoriality challenges decisions in another jurisdiction which

226 Fentiman, above n 41, at 146.

227 Dinwoodie, above n 49.

228 Fawcett and Torremans, above n 10, at 818–819.

229 *Pro-Football Inc v Blackhorse* 415 F 3d 44 (ED VA 2015).

230 Max Planck Group, above n 92, at 308.

231 Sender, above n 51, at 226.

232 Josef Drexel "The Proposed Rome II Regulation: European Choice of Law in the Field of Intellectual Property" in Josef Drexel and Annette Kur (eds) *Intellectual Property and Private International Law: Heading for the Future* (Hart Publishing, Oxford, 2005) 151 at 169.

legitimately define the purpose and scope of exclusive rights.²³³ With extraterritoriality, the *lex loci delicti* can be in more than one place.

The *lex loci protectionis* allows the plaintiff to choose between multiple *lex loci delicti*. But if the chosen *lex loci delicti* blatantly flouts territoriality, a court may end up applying substantive law which undermines comity and the genuine operation of territoriality. An English court applying French law to an infringement that, according to the proper operation of territoriality, occurred in Germany, renders the court an accomplice to foreign law interference in another state's jurisdiction. Comity demands that the *lex loci delicti*, as determined by the *lex fori*, apply where the *lex loci protectionis* ignores territoriality or leads to a blatantly unjust result. This is a residual discretion to determine the *lex loci delicti* according to a court's own definition of infringement, to ensure a realistically defined place of infringement. If this proves politically inappropriate, refusing jurisdiction under *forum (non) conveniens* may even be preferable.

A court's ability to hear foreign copyright disputes and apply foreign law is an important weapon in global copyright enforcement. The mosaic approach — applying multiple separate laws to geographically separated infringements — is the best available method. Jurisdictional discretion avoids most issues that arise, with a limited exception in favour of the *lex loci delicti* where necessary. The *lex loci protectionis* is the appropriate choice of law rule.

VI CONCLUSION

Flexible jurisdictional principles and the *lex loci protectionis* provide the model best suited to balancing territoriality with the requirements of global intellectual property. Rigid jurisdictional restrictions and complicated choice of law rules are outdated. While a New Zealand court is precluded from enforcing New Zealand copyright overseas, and foreign copyright in New Zealand, a blanket refusal to hear claims for overseas infringements of foreign copyright is disproportionate. The court's discretion to assume or refuse jurisdiction under *forum (non) conveniens* ameliorates conceptual, political and practical concerns.

The double actionability rule completely restricts the enforcement of foreign copyright, and applying the *lex fori* is politically and practically inappropriate. The *lex loci protectionis*

²³³ Peukert, above n 38, at 227.

should be the applicable law, following the Rome II Regulation, because it balances territoriality, national treatment and practical enforcement, and applies to all aspects of copyright. It allows a single court to apply multiple applicable laws to alleged infringements in multiple countries. A limited exception in favour of the *lex loci delicti* ameliorates principled concerns with the *lex loci protectionis*.

This article encourages increased flexibility for the modern world. It advocates evolution of the current approach to jurisdiction and choice of law. Change is necessary in a world that mandates cross-border copyright infringement claims. I hope that New Zealand will soon adopt a principled, predictable and pragmatic approach for global copyright disputes.