

Introduction

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This book reflects some of the scientific work at the 37th Annual Congress of ATRIP (International Association for the Advancement of Teaching and Research in Intellectual Property) held in Helsinki, Finland, and hosted by the Hanken School of Economics. The theme of the Congress was Fairness, Morality and *Ordre Public* in Intellectual Property.

Fairness may be defined as the quality of treating people equally or in a way that is right or reasonable. The notion of fairness is used in intellectual property (IP) law in at least two different ways, namely, first, to restrict abusive and anti-competitive conduct; second, to protect inventors, creators, trademark owners and others against certain forms of free-riding. Fairness can infuse the protection of the ‘fruits of intellectual labour’ with a degree of proportionality and thus constitute one of the justificatory theories of many forms of IP. Perhaps fairness’ most well-known role in the IP realm, however, is animating fair use and fair dealing limitations on copyright rights in the laws of common law jurisdictions. Fair use is also applicable – though with different contours – to trademarks.

Morality and *ordre public* play a direct role in international IP law and policy. Some see morality reflected – semantically at least – in the ‘moral right’ in art 6*bis* of the Berne Convention, although this is debatable. In patent law, the notions of ‘*ordre public* or morality’ are used in Article 27.2 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which allows World Trade Organization (WTO) Members to limit patentable subject matter. *Ordre public* – not to be confused with notion of ‘international public order’ – was originally a notion used in domestic law of civil law countries to protect the basic values of the forum law (an equivalent notion is known as public policy in common law countries). Morality is relevant in several ways, including in unfair competition regulation and confidential information law such as the EU Unfair Commercial Practices Directive and TRIPS Article 39.3, both of which incorporate the notion of ‘honest commercial practices’. Morality is a factor in trademark law, for example in Article 6*quinquies* of the

Paris Convention (the so-called ‘*telle-quelle*’ principle). Morality was invoked in a recent European Free Trade Association (EFTA) Court case out of Norway.¹ In contrast, a US Supreme Court case limited the government’s ability to decide whether a trademark was obscene for purposes of registration.² One could mention in this context the immoral nature of counterfeiting activities used to fund criminal organizations. Morality and fairness have also been invoked in debates about a ‘value gap’ in the online exploitation of authors’ rights. As part of a broader theoretical morality can thus inform analyses of the distributive effects of IP rights.³

Definitions of fairness, morality and *ordre public* may differ among various WTO Members. As for many other elements of IP law, their source is usually the *lex fori* and defining those notions may thus give rise to private international law (conflicts) issues. International IP rules actually reflect the fact that IP can sometimes be used unfairly or lead to unfair (or even immoral) outcomes, both in terms of allowing each person to develop his or her own potential and in terms of access. Most rules in this area take the form of limitations and exceptions, for example:

- strong non-discrimination rules, such as national treatment obligations, that aim to prevent unfair treatment on non-nationals;
- the Appendix to the Berne Convention for the Protection of Literary and Artistic Works, which provides a means for developing countries to issue compulsory licences to improve access to copyright material;
- the Paris Convention, which provides mechanisms to remedy failures to make patented articles available;
- the TRIPS Agreement, which provides mechanisms for limits on rights (Articles 13, 17, 26.2, 30 and 31);
- the Doha Declaration and subsequent TRIPS amendment (Article 31*bis*, which entered into force in January 2017), which provide a means for least-developed nations to access medicines from generic manufacturers;

¹ See Martin Senftleben, ‘Vigeland and the Status of Cultural Concerns in Trade Mark Law – The EFTA Court Develops More Effective Tools for the Preservation of the Public Domain’ (2017) 48 IIC 683–720.

² *Matal v. Tam*, 137 S. Ct. 1744 (2017).

³ See Daniel L. Lawrence, ‘Addressing the Value Gap in the Age of Digital Music Streaming’ (2019) 52(2) *Vanderbilt Journal of Transnational Law* 511–543.

- the Marrakech Treaty, which provides an exception to remedy the unavailability of copyright material for print-disabled users; and
- TRIPS Articles 8 and 40, concerning competition (antitrust) law.

Obviously, as noted above, the various ways in which IP rights emerge and are used and applied raise questions of fairness, morality and *ordre public* well beyond the role that those notions play as justification for limitations and exceptions. Stating that some uses of IP are unfair or that they can lead to unfair or immoral outcomes begs at least two questions: (a) what uses and outcomes can be defined as fair (or moral) – and then fair to whom? and (b) according to which criteria should one decide which uses and outcomes are fair? A related question is who (court, legislature, etc.) is best placed to decide?

At the international level, if morality and *ordre public* do have a role to play, what are the criteria according to which the fairness or morality of a particular IP norm should be judged? Is economic analysis a good tool to measure fair outcomes? If so, what are the proper metrics? What (other) normative tools should inform the analysis of fairness, morality and *ordre public*?

These are the topics addressed by the authors of the chapters contained in this book.

Poorna Mysoor begins by providing a common law perspective on fairness and argues, in true common law fashion, that ‘the dynamism of fairness is better captured by a court, which can take into account the changing times and the circumstances on a case-by-case basis’ because ‘courts can assess fairness as a function of time and space’.

Next, Mary LaFrance looks at the role of fairness in copyright and issues in US law concerning the work-made-for-hire doctrine and inalienable authors’ rights. She concludes that US law has been refractory to authors’ rights based on fairness in part because those who invest in the production and dissemination of authorial content ‘crave’ certainty, adding that ‘fairness is a continuing inquiry, rather than one that begins and ends with the circumstances under which copyright is transferred’.

Still in the field of copyright, Maurizio Borghi then considers the fairness issue in what he terms ‘the problem with fair use Exclusivity’. He points out that by ‘giving latitude to permitted uses of an indefinite number of potential users, copyright exemptions are expected to promote values such as competition, innovation, cultural pluralism and democracy. However, such expectation may be frustrated if the beneficiary of an exemption can exclude others from benefiting from the same exemption, for instance by exercising exclusive control over the exempted use.’

The next chapter, by Antoni Rubí-Puig, uses resale royalties (the ‘droit de suite’) to assess fairness and how it meshes with authorial welfare considerations. His detailed study of the interaction in practice between welfare maximization and fairness in practice suggests a path to integrate fairness considerations ‘into discussions of copyright law in a manner that critics and detractors may find sufficiently scientific, measurable, testable and reason-based’.

The next chapter, authored by Klaus D. Beiter, aims high and far, namely to ‘demonstrate the significance of extraterritorial state ... obligations under international human rights law ... for intellectual property ... law by focusing on the issue of how the right to education under international law prescribes requirements that international copyright law must comply with to facilitate access to printed textbooks in schools and universities’. He concludes that each human right involved must be ‘defined with precision’.

The last chapter to deal with copyright issues, by Yasser M. Gadallah, makes the somewhat controversial claim, based on a detailed law and economics analysis, that fair use can, when excessive, lead to lower economic growth by negatively affecting creators.

Switching gears, the next chapter, by Janice Denoncourt, discusses modes of scrutiny of corporate IP in large and premium listed UK companies. She asks how we can know ‘whether company directors have the necessary ability with respect to technology and IP rights to enable them to rely on the “business judgment rule”’ and suggests that a ‘more formal methodology tailored to individual boards, their business model, corporate IP and strategy would also assist to meet the stated objectives of the soft law’, adding that ‘a more rigorous approach may be necessary to assess board effectiveness of IP-rich large and listed companies’.

Emmanuel Kolawole Oke’s chapter considers the recent and controversial interface between IP and investor–state dispute settlement (ISDS). It focuses on the role of the notion of fair and equitable treatment of foreign investors protected under Bilateral Investment Treaties or investment chapters in free trade agreements. His detailed analysis of a number of such agreements, and cases based on them, leads him to conclude that the policy space of states could be threatened.

The final chapter of this part is Katja Weckström Lindroos’s ‘Fair and Equitable Treatment of Foreign Investments and Intellectual Property Rights’, in which she discusses the role that those legal concepts play in global food chains. Discussing trademarks, geographical indications (GIs) and other IP aspects, she surveys measures to enhance the role that fairness and *ordre public* considerations can play in food chains and

concludes that ‘optimal branding tools makes a world of difference in generated wealth for producers, collectives, regions or nations’.

The last part of the book groups chapters discussing other IP rights, namely traditional knowledge, trade secrets and patents.

Kelly Breemen and Vicky Breemen present their innovative research on human rights principles as normative ‘fairness’ tools in the context of IP and access to indigenous peoples’ heritage via digital libraries. They ask, provocatively, whether ‘virtual territories of digital documentary heritage [are] the next chapter in the indigenous rights movement’. Their chapter contrasts the lack of indigenous participation in a number of IP norm-setting efforts, but notes that both the human rights system and the library sector have shown ‘synergies and attention for indigenous participation and culturally appropriate representation’.

Ana Nordberg’s chapter follows. In ‘Patents, Morality and Biomedical Innovation in Europe’ she argues that although patents do constitute a ‘moral stamp of approval’, ‘patent ethics-based rules indirectly exercise a regulatory function simply because patent rights are instrumental to the development of a given technology, which is due to the patent system incentive to innovation function’. She then reviews the morality and *ordre public* norms of patent law (such as Article 53 of the European Patent Convention (EPC)) and suggests a number of purposive and contextual approaches to reduce this uncertainty.

Dean Juan Córdoba-Marentes, of the Universidad de La Sabana, explores the intersection between Open Science and intellectual property, especially when the IP is generated using public funds. This is perhaps most visible in opening up research data and open access to scientific publications. He explicates how various Latin American and European countries, and the United States, attempt to strike the ‘delicate balance between the interests of authors, owners and society in general’.

Then Magdalena Kolasa, in one of the most direct applications of fairness in the book, asks whether fairness can be used to determine post-employment duties with respect to trade secrets. She takes the view that the Trade Secrets Directive, while containing improvements to the previous legal regime, does not fully embrace the need for fairness in setting post-employment employee duties.

The next chapter by Qian Tao and Haotian Geng proposes a detailed study on the application of the general clause of the Anti-unfair Competition Law in China. This general clause was adopted well before the massive use of the Internet to exploit IP rights. It was amended in 2018. The chapter explains the difficult yet crucial role of Chinese judges in laying down the rules of the online world.

The final chapter of this part, by T. Vidya Kumari, discusses the need for fairness in the setting of pharmaceutical prices, by comparing the situation prevailing in India with various jurisdictions. She explicates the various workarounds used by governments, such as promoting generics, health insurance schemes, and e-pharmacy 'rather than reining in the unruly bull of excessive pricing by its horns'.

Finally, in a short appendix Professor Ivan Zenin describes the role of fairness, morality and *ordre public* in Russian IP law.