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# The Territorial Discrepancy Between Intellectual Property Rights Infringement Claims and Remedies

**Marketa Trimble, PhD**

Samuel S. Lionel Professor of Intellectual Property Law

Conference “The International Dimension of Intellectual Property Disputes”  
Thursday, 4 May 2023

# Transnational IP Disputes

- Notwithstanding the principle of territoriality, an increasing number of IP disputes involve activities and IP rights in more than one country
  - International and regional applications for registered IP rights facilitate international, regional, and multinational parallel IP rights
  - Businesses are operating in multiple countries, as multinational corporations or otherwise
  - Registered and unregistered IP rights are affected by multi-territorial activities, including activities on the Internet
- Understandably, IP owners seek remedies as territorially broad as possible
- But IP owners face legal and often also practical limitations as to the territorial scope of the claims that they can raise

# Limitations on the Scope of Claims

- Existence of the rights
  - Ownership
  - Exceptions and limitations to rights
- Personal jurisdiction
  - General jurisdiction, specific jurisdiction
- Justiciability
- Choice of applicable law
  - Raising/pleading/proving foreign law
  - Foreign law expertise
- Evidentiary issues
  - Proof of infringement
  - Proof of damages
- Strategic considerations
  - Scope of claim potentially viewed as excessive by court
  - Alienation of the court
  - Forum non conveniens
- Costs

# Territorial Discrepancy Between Claims and Remedies

- The result can be a **territorial discrepancy** between the territorial scopes of claims raised and remedies awarded
  - The award (the injunction and/or damages) does not correspond to the territorial scope of the claims raised in the case
- Examples
  - False positives
  - Established examples
  - Injunctions on the Internet
  - Damage awards

# Territorial Discrepancy Between Claims and Remedies: **False Positives**

- Cross-border remedies that are not extraterritorial
  - E.g., *Transocean Offshore Deepwater Drilling, Inc. v. Maersk Contractors USA, Inc.*, 617 F.3d 1296 (Fed.Cir. 2010)
- Vaguely formulated injunctions
- Some trademark (U.S. Lanham Act) cases
- Antisuit injunctions
- SEP FRAND licenses
  - Courts in the United Kingdom, the United States, China, Germany, and France have faced parallel lawsuits concerning global SEP FRAND licenses
  - Courts have issued judgments resolving FRAND licensing fees globally
    - *Unwired Planet Intl. Ltd. v. Huawei Techn. (UK) Co. Ltd.*, [2020] UKSC 37
    - *OPPO v. Sharp Corp.*, (2020) Zui Gao Fa Zhi Min Xia Zhong No. 517 (Intellectual Property Court of the Supreme People's Court of China)

# Territorial Discrepancy Between Claims and Remedies: **Established Examples**

- Extraterritorial scope required to enforce IP right effectively
  - *Mareva* injunctions
  - *Johns Hopkins University v. CellPro, Inc.*, 152 F.3d 1342, 1366–1367 (Fed. Cir. 1998)
    - “An injunction [. . .] can reach extraterritorial activities [. . .], even if these activities do not themselves constitute infringement,” as long as the injunction is designed to “prevent infringement of a United States patent.”
- Protection of secrecy in trade secrets cases
- Foreign labeling requirements

# Territorial Discrepancy Between Claims and Remedies: **Injunctions on the Internet**

- Global effects as a default
- E.g., Equustek v. Google
  - Google Inc. v. Equustek Solutions Inc., Supreme Court of Canada, 2017 SCC 34, [2017] 1 SCR 824, June 28, 2017
  - Google LLC v. Equustek Solutions, Inc., N.D. Ca, No. 5:17-cv-04207, 2017
  - Equustek Solutions Inc. v. Jack, 2018 BCSC 610, Apr. 16, 2018
- Geo-blocking as a possible technical solution



# Territorial Discrepancy Between Claims and Remedies: Damage Awards

- Predicate act doctrine and foreign damages/profits
  - Constructive trust theory
  - *Sheldon v. Metro-Goldwyn Pictures Corp.*, 106 F.2d 45 (2d Cir. 1939), *aff'd*, 309 U.S. 390 (1940)
  - *Los Angeles News Service v. Reuters Television International, Limited*, 340 F.3d 926 (9th Cir. 2003)
  - *WesternGeco LLC v. ION Geophysical Corp.*, 1378 S.Ct. 2129 (2018)
- Diversion of sales theory
  - *Abitron v. Hetronic* (U.S. Supreme Court); *Hetronic International, Inc. v. Hetronic Germany GmbH*, 10 F.4th 1016 (10th Cir. 2021)

# Territorial Discrepancy Between Claims and Remedies:

## **Other Remedies with De Facto Multi-territorial or Global Effects**

- Remedies with significant reputational effects
  - Public apology
  - Publication of the judgment
- Trade show remedies

# Problems of the Territorial Discrepancy Between Claims and Remedies

- Incompatibility of legal systems
- An affront to sovereignty
- “Exportation” of IP rights
- Potential effects not only on IP rights but also on competing rights, particularly human and other fundamental rights
- Reputational effects
- Enforcement problems

# Possible Approaches

- 1) Adjust the scope of the remedies to the scope of the underlying claims.
- 2) Adjust the scope of the claims according to the scope of the resultant remedies.
- 3) Address the discrepancy problems in individual cases while reflecting on the particular circumstances of a case and the particular remedies sought in the case.

# Possible Solutions

- Currently there is no national legislation and no international treaty to address territorial discrepancy
  - The EU's WTO complaint against China concerning SEP FRAND
    - China—Enforcement of Intellectual Property Rights, Request for Consultations by the European Union, WT/DS611/1, Feb. 22, 2022
    - Canada, the United States, and Japan requested to join the consultations in this WTO case against China
- Academic projects
  - ALI Principles, CLIP Principles, other projects
- The Hague Judgments Convention
- Individualized approach in the case-law
- Use of geo-blocking on the Internet

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