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RECENT DEVELOPMENTS—FOREIGN & INTERNATIONAL LAW

DOW JONES & Co. v. GUTNICK

(2002) 210 CLR 575

In a defamation case revolving around materials published on the Internet, the High Court of Australia held that publication takes place where subscribers download the articles to read. This ruling poses significant problems for web publishers, who could face Australian liability for their publications.

Dow Jones & Company (“Dow Jones”) published an article in *Barron’s Magazine*, both in print and online, alleging that Joseph Gutnick (“Gutnick”), a multimillionaire who lives in Victoria, was involved in tax evasion and money laundering. Gutnick brought a libel suit against the author and Dow Jones in the Supreme Court of Victoria. Dow Jones petitioned to set aside service or stay further proceedings. Dow Jones argued the Australian court lacked jurisdiction because publication occurred in New Jersey, where the company’s servers are located, and because *Barron’s Magazine* has only limited circulation in Victoria (though it admitted to having hundreds of online subscribers). The court dismissed the petition, and the Court of Appeal of Victoria denied Dow Jones’s appeal. The High Court of Australia granted special leave to appeal, and worldwide media organizations—including Yahoo!, CNN, and Reuters—intervened on Dow Jones’s side.

The High Court also dismissed Dow Jones’s appeal. It first determined that Gutnick properly served Dow Jones with the originating process. Stating that the applicable law depends on where the tort of defamation occurred, the High Court then addressed the main issue of where the allegedly defamatory article was “published.”

The High Court viewed publication as a bilateral act—materials are published both where the publishers make them available and where readers physically access them. It rejected the “single publication” rule adopted in states such as California and New York. Under this rule, the place of publication would be New Jersey, which is where Dow Jones made the articles available. The High Court stated that the principles of *res judicata* and issue estoppel do not require the identification of a single place of publication in defamation cases, no matter how widely distributed the materials. Australian choice of law also does not limit the place of defamatory conduct to the place of publication. In reaching its holding, the High Court suggested the following logic: defamation in online materials is located where it harms a person’s reputation; the harm occurs where third party readers comprehend the materials; readers cannot comprehend the materials until they download the information to a computer screen. Therefore, the High Court held that the place of defamation and publication is where readers download the article. Since many Australians downloaded the *Barron’s Magazine* article to view in Victoria, the High Court found adequate jurisdiction and affirmed the lower court’s decision. The Supreme Court of Victoria heard further arguments in November 2003, but has not yet issued a decision.

The author of the *Barron’s Magazine* article petitioned the United Nations Office of the High Commissioner for Human Rights. He argued that the decision requiring him to stand trial in Victoria, which has the strictest libel laws of any democratic state, violated his free speech rights guaranteed by the United Nations International Covenant on Civil and Political Rights. The U.N. Human Rights Commission gathered information in April 2003.

FINLAND COPYRIGHT REFORM LEGISLATION

HE 177/2002 vp

The Ministry of Education, which administers copyrights, proposed changes to the copyright laws on November 10, 2002. The proposal was based on an earlier draft from May 2002. After approving the 180-page draft, the government forwarded it to the Constitutional Law Committee, but the members did not have opportunity to review the draft before elections in March 2003. This effectively cancelled the proposal. The Ministry of Education issued a new draft on July 16, 2003.

Under Finland's current copyright laws, piracy and unauthorized wide distribution of copyrighted works over the Internet are illegal, but private users have a fair use defense. The proposed law would add to the current prohibitions a ban on the importation of pirated copies from outside the European Economic Area. The importer would likely not be penalized, but the pirated recordings would be confiscated. In addition, the draft contains anti-circumvention provisions similar to those in the Digital Millennium Copyright Act (DMCA) of the United States. The provisions would criminalize the use and distribution of software or devices that circumvent technical protections of copyrights. The proposal provides some exceptions to the anti-circumvention provisions. For example, the proposal does not recognize digital versatile disc (DVD) region codes as legitimate protection mechanisms. The law would permit users to ignore the region coding on the DVDs or take their DVD players to repair shops and have the region coding removed. The draft provides continued protection for the works of journalists and photographers, despite attempts by employers of those professionals to gain the copyrights.

Individuals may still make copies at home for private use. Part of the purchase price of all blank media in Finland is a copyright fee, which compensates copyright owners for home recordings. The fee generates ten million euros annually. If the changes are adopted, the government may need to raise or lower the copyright fee based on how the production of home copies is affected by the new law.

Finland will likely introduce soon a new version of its Copyright Act that incorporates the draft and the comments on it.

U.S. RATIFIES AND IMPLEMENTS THE MADRID PROTOCOL

15 U.S.C. §§ 1141-1141n (West Supp. 2003)

Following the United States’ ratification of the Madrid Protocol in 2002, and its subsequent implementation in November 2003, U.S.-based trademark owners can apply for registration of their marks in over sixty countries based on a single English-language application submitted to the U.S. Patent and Trademark Office (PTO).

Under the terms of the Madrid Protocol Implementation Act, the owner of a basic application pending before the PTO or the owner of a trademark already registered by the PTO may file an international application designating the countries in which the applicant seeks protection. Once certified by the PTO, the application will be transmitted to the International Bureau of the World Intellectual Property Organization (“International Bureau”) and subsequently forwarded to the trademark office in each of the countries designated by the applicant. International applications are ultimately examined under the domestic laws of individual countries; the Protocol does not affect the substantive rights granted under the trademark law of its member-nations, nor does it establish a single body to examine applications.

While many economically powerful nations, including Mexico and Canada, had yet to ratify the Protocol as of October 2003, the new procedure is nevertheless expected to produce significant benefits for many U.S.-based trademark owners, most dramatically by eliminating the need to file individual applications in each country in which protection is sought. All international registrations will also have a single renewal date. As a result, large U.S. companies may reap significant financial benefits, while smaller companies might for the first time be able to seek international protection of their marks. Finally, because the Protocol requires adjudication of international applications within eighteen months of receipt from the International Bureau, applicants may obtain registrations faster than they would have under an individual application.

The United States’ decision to join the Protocol was a historic first: it had declined to sign the previous major international trademark registration treaty, the Madrid Agreement Concerning the International Registration of Marks (“Madrid Agreement”), citing numerous provisions it believed placed U.S.-based registrants at a competitive disadvantage. Under the Madrid Agreement, first adopted in 1891, trademark owners could file an international application only after their mark was *registered* in their home country; and international registrations under the Agreement were subject to “central attack”—if the original registration was rejected or successfully challenged within the first five years, all related international registrations would also fail. These provisions were deemed unfair to U.S.-based trademark owners because of the lengthy registration procedures and the many grounds available for attacking U.S. trademarks. The Protocol, however, addressed these concerns by making international application available upon domestic application (rather than registration) and by allowing trademark owners whose domestic registration has been attacked to convert their international registration into national applications without losing their original priority date.

