

Recognizing and Correcting a Discrepancy

Author : Shubha Ghosh

Date : September 21, 2020

Marketa Trimble, *The Territorial Discrepancy Between Intellectual Property Rights Infringement Claims and Remedies*, 23 **Lewis & Clark L. Rev.** 501 (2019), available at [SSRN](#).

Intellectual property rights are territorial. Infringement claims—of unauthorized copying, making, selling, using—involving patents, copyrights, trademarks, or trade secrets are extraterritorial. Courts are also territorial, and their jurisdictional reach often limited by geography. So, what happens when a successful intellectual property claimant seeks to remedy the wrong in the courts? How do extraterritorial harms map onto the territorial limits of courts and rights? In [The Territorial Discrepancy Between Intellectual Property Rights Infringement Claims and Remedies](#), Professor [Marketa Trimble](#) offers a powerful analytic assessment of these issues, introducing new conceptual vocabulary and policy solutions. For innovativeness in framing and addressing an issue, Professor Trimble's article is one that I like lots for the reasons I jot below.

To concretize the issue, [Equustek v. Google](#), [20180 10 W.W.R. 715 (Can.)], provides the exemplary case. In Canadian court, Equustek alleged that Datalink, a rival computer hardware company, had stolen its trade secrets. When Datalink refused to comply with a Canadian court order, the company's corporate officer fled the country, never to be apprehended. Equustek then sought an order in Canadian court against Google, seeking to have the company remove Datalink from all global search results. The Canadian court ordered this global injunction. With this example, we see a complex dynamic of intellectual property litigation across global boundaries.

Territorial courts adjudicating extraterritorial harms issue what Professor Trimble calls "extraterritorial remedies." These are remedies, as the article defines, which "reach beyond the territorial scope of the underlying claim." These extraterritorial remedies give rise to the "territorial discrepancy," referred to in the article's title. This discrepancy arises because the unlawful acts may extend beyond the boundaries of the infringing act. Professor Trimble gives the example of the unauthorized reproduction of a DVD that is made available on the Internet and downloaded across the globe. A copyright owner might bring her claim in a United States court and seek an injunction against distribution on the Internet. As Professor Trimble summarizes this simple example: "the injunction has global effects and the territorial scopes of the claim and the remedy overlap but are not identical—which results in a territorial discrepancy."

Territorial discrepancy is closely related to cross-border remedies, which always reach beyond the territory of the court issuing the remedies. But cross-border remedies do not result in a territorial discrepancy because cross-border remedies follow the territorial scope of the claim. The two are identical in two cases identified by Professor Trimble. The first is when remedies arise from claims that have been based on the laws of countries in addition to the forum country and cover the jurisdiction of the other countries. The second is remedies arising from the forum country's laws that apply extraterritorially, where the scope of the remedies corresponds to the extraterritorial scope of the law. A territorial discrepancy arises when the territorial scope of the remedies extends beyond the scope of the laws giving rise to the claims.

Professor Trimble provides many examples of territorial discrepancies across many jurisdictions. The trend is towards an increased prevalence of territorial discrepancies. Awards of foreign profits that can be traced to domestic acts of copyright infringement provide one example of the scope of the remedies exceeding the scope of the legal claim. Another arises from infringement claims involving distribution on the Internet, to return to Professor Trimble's original example. A third example is the use of domestic remedies to compensate for or punish infringements of foreign copyright or patent. This third type of discrepancy arises from the availability of domestic statutory or punitive damages,

enhancements that may not exist under foreign law.

Whatever the type of the discrepancy, the source comes from how claims are brought to a court. Considerations of personal and subject matter jurisdiction may shape which of many territorial courts is the appropriate forum for a dispute. Once an appropriate court is identified, plaintiffs must tailor the claim to the applicable law, including the relevant choice of law provisions. Furthermore, there are important differences across jurisdictions on how intellectual property rights are secured which affect whether a claim can be instituted. Some jurisdictions allow claims for unregistered copyrights, for example, and jurisdictions differ as to recognition of rights in designs or trademarks based on formalities with the relevant intellectual property agency. Differing rules of evidence will also influence the choice of adjudicative court and the remedies available within that court's jurisdiction. Territorial discrepancy arises from a mismatch between remedies and claims as substantive and procedural laws vary across national courts.

Professor Trimble identifies a subtle but challenging problem. Territorial discrepancy raises concerns over national sovereignty and the exportation of intellectual property rights. These concerns highlight how, despite multilateral and bilateral treaties, intellectual property laws are heterogeneous. The Hague Judgments Convention provides some potential resolution by creating uniform global standards for remedies. Unfortunately, as Professor Trimble notes, the treaty excludes intellectual property from its coverage due to severe disagreement among intellectual property owners and other constituencies over what the uniform standards should be. Because the treaty offers no solution, Professor Trimble urges courts to resolve the discrepancy by either adjusting the scope of the remedy to the scope of the underlying claim or adjusting the scope of the claim to that of the available remedies. Neither of these are satisfactory because each would encourage intellectual property owners to pursue non-extraterritorial cross-border remedies to avoid the limiting moves of the court.

Professor Trimble's ultimate recommendation is to have courts address territorial discrepancy through an individualized approach. In this case of injunctions involving unauthorized distributions on the Internet, individualization can include use of geolocation technologies to place geographic limits on access. Such highly individualized decision making requires consideration and prediction of policies in foreign jurisdictions that might limit enforcement of the remedy. In *Equustek v. Google*, the example case discussed at the start of this jot, the US court refused to enforce the Canadian court's worldwide injunction against Google. When the plaintiff returned to the Canadian court with US court's refusal, the Canadian court in turn refused to limit the injunction. Professor Trimble suggests that courts need to be more pragmatic in the scope of their remedial orders.

In Professor Trimble's article, the dynamic of global intellectual property litigation gives rise to the phenomenon of territorial discrepancy. Absent a heroic treaty, only the pragmatic considerations of a judge can avoid this discrepancy. Professor Trimble cuts through a mass of complex, interacting legal materials to identify a subtle, and seemingly esoteric, problem. In turn, she offers a well-thought out and reasoned response that courts may not be ready or able to adopt. But this reluctance does not reflect a discrepancy of theory and practice. Instead, it illustrates the further complexities of global intellectual property litigation one which Professor Trimble offers a masterful perspective.

Cite as: Shubha Ghosh, *Recognizing and Correcting a Discrepancy*, JOTWELL (September 21, 2020) (reviewing Marketa Trimble, *The Territorial Discrepancy Between Intellectual Property Rights Infringement Claims and Remedies*, 23 *Lewis & Clark L. Rev.* 501 (2019), available at SSRN), <https://intl.jotwell.com/recognizing-and-correcting-a-discrepancy/>.