DEVELOPMENTS

Book Review – Karen Kaiser's *Geistiges Eigentum und Gemeinschaftsrecht* (2004)

By Christoph Herrmann[*]

[Karen Kaiser, *Geistiges Eigentum und Gemeinschaftsrecht – Die Verteilung der Kompetenzen und ihr Einfluß auf die Durchsetzbarkeit der völkerrechtlichen Verträge*, Duncker & Humblot, Berlin 2004, ISBN 3-428-11595-3, pp. 555, 89,80 €]

Intellectual Property and Community Law, the English translation of the title of Karen Kaiser's doctoral thesis, which was submitted to the Ruprecht-Karls-University Heidelberg in 2003/2004, is a topic that embraces many different legal aspects.[1] Among other themes, it encompasses: the competences of the EC to harmonize its Member States' systems of intellectual property protection in order to abolish non-tariff barriers to trade; and the problem of community-wide, uniform IPRs that overcome the traditional limitations (set by the principle of territoriality) on the integration of the Community legal order into the world IPR system, presently split between the World Trade Organization (WTO) and the World Intellectual Property Organization (WIPO), but closely linked together by Art. 2 of the WTO Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPs). Kaiser concentrates mainly on this latter aspect, as the subtitle of the work reveals. However, the external dimension itself has two facets, which generally dominate academic writings on the relationship between the EC and the WTO: the question of competence and the question of direct and indirect effect of WTO law in the EC legal order. Both questions are linked together by the jurisprudence of the ECJ in the *Parfums Christian Dior* case,[2] according to which the Member States' legal orders may grant direct effect to provisions of mixed agreements such as the TRIPS that do not fall into the scope of Community secondary legislation.

Accordingly, *Geistiges Eigentum und Gemeinschaftsrecht* is divided into two main parts which are framed by an introduction to the problem and the research method,

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[1] KAREN KAISER, GEISTIGES EIGENTUM UND GEMEINSCHAFTSRECHT – DIE VERTEILUNG DER KOMPETENZEN UND IHR EINFLUß AUF DIE DURCHSETZBARKEIT DER VÖLKERRECHTLICHEN VERTRÄGE (2004).

[2] ECJ, Joined cases C-300/98 and C-392/98, Dior and others, [2000] ECR I-11307.

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as well as the notion of intellectual property[3] and a summary of the core theses.[4] Part One deals with the competence of the EC to regulate intellectual property by secondary legislation (Chapter 1),[5] international agreements (Chapter 2)[6] and cooperation in international organizations and fora (Chapter 3).[7] A short Chapter 4 on the Convention's Draft Treaty Establishing a Constitution for Europe (CDCT) completes Part One. According to Kaiser, the competence of the EC deriving from Article 95 ECT does not only cover the harmonization of it Member States' laws on IPRs, but also the establishment of uniform Community IPRs, which in the legislative practice of the Community have been based on Article 308 ECT (and would be based on Article I-176 of the Constitutional Treaty (CT), which provides an explicit new legal basis for uniform IPRs). Kaiser argues[8] that the ECJ acknowledged this possibility in the *Ideal Standard* case,[9] in which the ECJ held that it would be for the Community legislature (and not for the ECJ under Article 28 ECT) to impose an obligation on the Member States to make the validity of assignments of IPRs for the territories to which they apply conditional on the concomitant assignment of the IPR for the other territories of the EC. According to the Court, this would have to be accomplished by a directive adopted under Article 100a of the EEC Treaty (now Article 95 ECT), which might then eliminate the obstacles arising from the territoriality of national trade marks and thus facilitate the establishment and functioning of the internal market. The alternative would be the enactment of such a rule directly, *via* regulation adopted under the same provision, as the Court pointed out.

However, Kaiser's argument is highly disputable, given that uniform IPRs are something different from any harmonization of IPR systems in the Member States and the quotation from the *Ideal Standard* decision may be read in a much more limited way. The ECJ did not hold that the EC could eliminate the *territoriality* of IPRs, but only the obstacles deriving therefrom. Furthermore, it seems questionable whether the practice of the European organs should indeed be neglected altogether, in particular since uniform IPRs need a language regime, a question that is of high

[3] KAISER, *supra* note 1, at 31-46.

[4] *Id*. at 497-502.

[5] *Id*. at 50- 115.

[6] *Id*. at 116-170.

[7] *Id*. at 171-208.

[8] *Id*. at 69-73.

[9] ECJ, C-9/93, IHT Internationale Heiztechnik v. Ideal Standard, [1994] ECR I-2789.

sensitivity to the Member States and for which even the Constitutional Treaty preserves the unanimity requirement (Article III-176 (2) CT).

With regard to the competence to conclude international agreements in the sphere of intellectual property, Article 133 (5) ECT as reformulated by the Treaty of Nice in reaction to Opinion 1/94 of the ECJ plays a central role and many interpretative questions arise from the wording of the provision, in particular with a view to its material scope and its relation to Article 133 (7) ECT. In accordance with the dominant reading in academic writings, Kaiser finds the notion "commercial aspects of intellectual property rights" in Article 133 (5) ECT to constitute a reference to the aspects of IPRs covered by the TRIPs.[10] However, it is not undisputed that this is a *dynamic* reference, as Kaiser concurs with Krenzler and Pitschas. Given the negotiating history of Article 133 during the Nice IGC and the wording of Article 133 (7) ECT, a static reading of Article 133 (5) ECT seems more convincing and would be more in conformity with the principle of conferred powers (Article 5 (1) ECT). This critique, however, depends on a contradiction arising out of the dynamic reading to which Kaiser points. According to Kaiser, the competence attributed by Article 133 (5) ECT is concurrent in character, i.e. the competence of the Member States preserved by Article 133 (5) (4) ECT may progressively diminish under the ERTA principle. This is indeed the conventional reading of Article 133 (5) (4) ECT, despite the notable lack of an explicit declaration to that end (contrasting the existing declaration to the Treaty of Maastricht on Article 111, 174 etc.). Kaiser bases her argument on the logic of parallelism inherent in Article 133 (3) (1) and 133 (6) (1) ECT, which did not only apply to the *scope* but also to the *character* of the competence conferred. I am not fully convinced by that argument. The "parallel" internal competence provision is Article 95 ECT, which is just not seen as an exclusive competence, even though many agreements (even those falling into the core exclusive competence deriving from Article 133 (1) and (3) ECT) need implementation under Article 95 ECT (for example agreements on the harmonization of technical standards).

Part Two of the book is devoted to the relationship between international agreements in the field of IP and Community and national law.[11] The differentiation made by Kaiser between international agreements of the Member States, of the EC, or both, is decisive in that regard (Chapter 1).[12] Chapter 2 deals with the international agreements of the Member States,[13] Chapter 3 with the

[10] KAISER, *supra* note 1, at 118-122.

[11] *Id*. at 216-496.

[12] *Id*. at 218-223.

[13] *Id*. at 224-302.

international agreements of the EC,[14] and Chapter 4 with mixed agreements,[15] i.e agreements to which the EC and the Member States are parties due to concurrent competences of the EC.[16] Kaiser analyses extensively the provisions of Community law and the national laws as well as the case-law of the ECJ. The result is a precise picture of the differences in applicability of international agreements on IP, depending on: whether they are entered into by the Member States, the EC, or both; whether they relate to trade in goods; and whether they are invoked against national law or EC law. Kaiser also gives some perspectives on the effect the (now imperilled) Draft Constitutional Treaty would have on the need for mixed agreements.[17] According to Kaiser, Article III-217 (5) CDCT (= Article III-315 (6) CT) limits the exclusivity of the competence of the EC with regard to commercial aspects of intellectual property rights and binds it to Article 95 (1) ECT, i.e. the EC would only avail itself of an exclusive competence under Article III-217 CDCT insofar as the conclusion of a certain agreement would improve the establishment and functioning of the internal market.[18] However, the meaning of Article III-217 (5) CDCT – in my view – is slightly different. It means that the exercise of the *external* power granted by Article III-217 CDCT (which according to Article 12 (1) CDCT = Article I-13 (1) CT is exclusive) has no effect whatsoever on the allocation of *internal* competences for the transposition of the agreement. In other words, Article III-217 (5) CDCT prevents explicitly the application of the pre-emption principle.

Kaiser's book is an extremely valuable contribution to the discourse on the highly complex questions surrounding the external dimension of the EC's IP policy. The work is most thoroughly researched and covers every aspect of the subject. Some of Kaiser's theses are – as discussed in this review – highly controversial and do not fully convince in every case. However, to stimulate academic discussion is a goal in its own right and this critique should not be mistaken as a negative verdict on to the whole work. *Geistiges Eigentum und Gemeinschaftsrecht* is a piece of academic work of very high quality. Scholars interested in the relationship between IPRs and Community law will benefit considerably from thoroughly studying it, unfortunately only if they are proficient in German.

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[14] *Id*. at 303-348.

[15] *Id*. at 349-491.

[16] *Id*. at 218-221.

[17] Kaiser's treatment of the issue applies to the Convention's Draft Constitution. The final wording of the relevant provisions is somewhat different, but Kaiser's key argument would nonetheless apply to the Constitutional Treaty.

[18] KAISER, *supra* note 1, at 214-215, 494-496.