Piggybacking IP Rights

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Intellectual property rights are territorial in nature—meaning they are recognized and enforced under the national laws of each country. Although the 159 countries of the World Trade Organization (WTO) are bound by the Agreement on Trade Related Aspects of Intellectual Property (TRIPS) to follow certain minimum standards of IP protection that harmonize many aspects of IP laws, the protection is ultimately defined by each country’s national laws. Territoriality has long been thought to respect sovereignty and to promote comity and flexibility among countries. It is the linchpin of all IP laws.

Territoriality comes at a price, however. In today’s global market, a territorial system of IP rights is cumbersome, if not inefficient. IP owners must acquire and enforce IP protection in each country where they intend to market their products or services. For multinational corporations especially, the number of countries can be well over a hundred jurisdictions. For example, obtaining registrations for a trademark like Nike or seeking to patent an invention like a pharmaceutical in 100 countries is no small task. It is expensive and subject to 100 different countries’ laws. One country might allow the trademark registration or patent, but another deny it. Moreover, an individual business or inventor might desire and need IP protection around the world, but lack the financial wherewithal to seek protection in every country. The end result is piecemeal IP protection, with potentially large gaps in coverage.

Globalization has placed enormous pressures on the territorial approach to IP. Acknowledging these pressures, the then-Director of the U.S. Patent Office David Kappos called for countries to harmonize their patent laws even further and to rely on each other more in reviewing and granting patent applications. To that end, the United States has instituted a number of initiatives designed to facilitate work-sharing among various countries’ patent offices under the so-called “Patent Prosecution Highway” (PPH), which now boasts 25 countries. The PPH enables U.S. patent examiners to rely on a foreign patent office’s examination of a patent application filed in a participating foreign country under a fast-track procedure. The work-sharing has led to great reliance on the office of first filing. Under the PPH, the U.S. Patent Office has allowed a patent claim in 90% of the cases where a foreign office already approved the claim.
The PPH facilitates what I call “piggybacking IP rights”: IP rights granted or sought in one country piggyback or depend on, in whole or part, on IP rights granted or sought in another country. Although IP rights are still territorial in nature, the acquisition of those rights may be transnational insofar as it depends on a prior foreign filing, determination, or grant in a different country. Examples of piggybacking IP exist in other contexts. The Paris Convention requires countries to accept trademarks in the form registered in the country of origin and to protect famous marks irrespective of use or registration in a country, notwithstanding any differing requirements in the successive country. Paris also requires countries to give the earlier “Paris priority date” to all subsequent filings for the same trademark or invention if filed with a prescribed time period of 6 or 12 months, respectively. The rarely discussed Pan American Convention goes even further: it requires its members to recognize a registration of a trademark in one member as automatically registered in all other members. The example is the pinnacle of piggybacking IP. Trademark registration in one member effectuates the automatic obtaining of registrations in all members. If the Pan American Convention were a WTO (instead of a merely regional) treaty, it would be the closest thing to a truly global or international IP right—something imagined as far back as the late 1800s.

The phenomenon of piggybacking IP has yet to be examined or scrutinized. Is piggybacking IP a dangerous practice that threatens territoriality and sovereignty of countries? Or is it a promising development that can help countries and businesses deal with the global market, and perhaps one day lead to a global system of IP?

This Article examines these questions and explores the normative justifications for making greater use of piggybacking IP to deal with globalization. Part I discusses the various examples of piggybacking IP in copyright, patent, and trademark law, including the emergence of numerous PPH agreements among countries spearheaded by the United States. Part II sets forth a theoretical framework for the concept of piggybacking IP and scrutinizes the desirability of the practice. Part III addresses concerns.