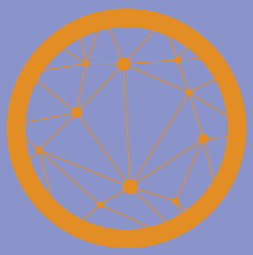
STOCKHOLM INTELLECTUAL PROPERTY LAW REVIEW

#2 | 2025



STOCKHOLM INTELLECTUAL PROPERTY LAW REVIEW

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PRINT

The Faculty TF AB, Visby 2026

ISSN 2003-2382 (Online)
ISSN 2003-2390 (Print)

Content

Editorial

Intellectual property law is characterized by a particularly dynamic regulatory environment, shaped by frequent legislative reform, rapidly evolving case law, and continuous technological change. This raises a major methodological question concerning the temporal validity of IP scholarship: to what extent do research findings from several years ago remain relevant in a field where both legal doctrine and market realities may shift within a short timeframe?

The answer depends primarily on the nature of the research claim and the extent to which it is contingent on the legal, technological, or institutional context at the time of writing. Doctrinal scholarship that primarily describes or systematizes positive law is especially vulnerable to becoming outdated, as it may be displaced by new EU instruments or subsequent interpretative developments in the jurisprudence of the Court of Justice of the European Union. Nonetheless, such research may retain value as historical material, particularly where it documents earlier interpretative approaches or the doctrinal evolution of key concepts.

By contrast, scholarship that is normative, theoretical, or mechanism-based tends to exhibit greater temporal resilience. Normative arguments concerning the appropriate balance between incentives and access, the legitimacy of enforcement measures, or the institutional design of IP governance may remain relevant even where the surrounding legal framework has changed. Similarly, law and economics approaches often retain explanatory power over time insofar as they focus on structural features such as transaction costs, market power, information asymmetries, cumulative innovation, and strategic behavior. These mechanisms may persist despite changes in doctrinal form and therefore provide analytical tools that remain applicable across different regulatory configurations.

An interesting reading confirming this approach is that of Brian Z. Tamanaha's *Law as a Means to an End: Threat to the Rule of Law*.[1] Tamanaha's core argument in the introduction is that modern legal culture, especially in the United States (but with implications beyond it), has shifted strongly toward an instrumental understanding of law: law is seen as a tool, a means to an end, an "empty vessel" that can be shaped, interpreted, and used to advance goals. He contrasts this with older non-instrumental understandings of law, where law was seen as having an internal integrity and a kind of predetermined content, derived from sources such as custom, natural law, divine law, or the "logic" of legal concepts. In that older picture, law was not primarily something to be used strategically, but something that constrained actors and carried an authority independent of their preferences.

A key move in his argument is that instrumentalism originally came as a two-part proposition: law is an instrument, and it should serve the social good. But over the twentieth century, he argues, the first part survived and became dominant, while the second part became increasingly unstable because agreement on a shared social good weakened. The result is that law becomes a contested instrument: groups compete to control it, interpret it, and use it as a weapon in political, economic, and social struggles. He describes this as a kind of "Hobbesian" conflict carried out through legal institutions, where law generates conflict as much as it resolves it.

In an instrumental legal culture, law is continuously being reinterpreted and repurposed to serve changing ends. That means legal doctrine is not simply "discovered" and then stable; it is actively contested and reshaped. This is especially true in intellectual property, where the stakes are high, the economic incentives are strong, and the underlying technology changes rapidly. In other words, IP is almost a perfect example of the kind of legal domain Tamanaha describes: law is treated as a strategic instrument, and the "ends" (innovation policy, market regulation, cultural policy, competition policy, industrial strategy) are both plural and contested.

1 Tamanaha BZ. *Law as a Means to an End: Threat to the Rule of Law*. Cambridge University Press; 2006.

As a result, under a more non-instrumental understanding of law, a doctrinal account might remain valid for longer because the system's self-understanding aims at stability and internal coherence. Under an instrumental understanding, however, doctrinal content is more likely to shift because it is constantly under pressure from competing interests and policy objectives. So the temporal fragility of doctrinal IP research is not just caused by "technology moving fast"; it is also caused by law's modern role as a tool of governance and contestation.

In this issue we host the contributions of authors, who defended their doctorate theses during the past 12 years at the Law Faculty, Stockholm University in the field of Intellectual Property Law. They were asked to submit I would say, non-conventional contributions, reflections of the temporal character of their research. They were in fact, asked to revisit the relevance of their respective research projects and research results at the time the thesis was defended and reflect on their impact today. Are the research results still relevant? And if so to what extend and under which preconditions?

The revisiting exercise resulted in a common conclusion shared by the authors; and that is that although time passes the conceptual questions and problems remain the same. Both Christina Wainikka and Branka Marušić lift up the conceptual question on defining relationship between technology and law. Although Christina revisits her thesis on trade secrets, and Branka on copyright – both of them wonder to what extent can legal provisions in IP accommodate technological advancement.

Merit Berlips Persson and Anna Horn centre their conceptual question to adherence to higher legal norms as well as harmonisation of laws between countries. Merit revisits her thesis on the Swedish cross-protection of company names and trademarks and forewarns that the adherence to EU law has not yet been settled. In similar vein, yet on a more pan European level, Anna argues the case for increased harmonisation and cooperation within the United Patent Court (UPC) system – in relation to patent law within Europe.

Lydia Lundstedt takes a bird-eye perspective on the findings of her thesis on the application of the principle of territoriality and reflects how the old confusions are adapting to new digital landscapes.

Even I had the opportunity to revisit my thesis on the protection of traditional knowledge and genetic resources in light of the recently adopted WIPO Treaty and conclude that, although it marks an important multilateral milestone, its regulatory ambition remains largely procedural and limited.

This is such an interesting and valuable intellectual exercise, being able to revisit your work and critically reflect on its impact, both at the time of its original publication and now. I hope you enjoy reading!

Frantzeska Papadopoulou Skarp

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Trade secrets – today and in the future

https://doi.org/10.59625/siplr.v8i2.63000

Christina Wainikka*

On 3 March 2000 '*Trade secrets – today and in the future*' (Affärshemligheter i samtid och framtid) was defended at Stockholm University.[1] Looking back from today, it was at its core a view on a new, digital reality.

The provisional title of the project was "Trade Secrets in a New Technological Reality"[2], which was inspired by the dawn of the internet era, by the talk of information superhighways.[3] It intended to answer the main question back in the days: What would the information superhighway mean for the protection of trade secrets?[4]

In general, such kinds of questions can be approached through very different methodological approaches.

For example, historical studies of law often only consider how something was regulated or handled within a specific timeframe. However, the aim of this part of the study was to examine the developments and needs that led to the development of protection for trade secrets. The next step was to consider how the new technical reality of digitalisation calls for legislative changes.

Comparative studies between legislation in different jurisdictions are often limited to two or three jurisdictions. This study took a broader approach, conducting a comparative study that covered French, Dutch, German and Swedish law. Such a broad approach was adopted in the belief that it would contribute to a greater understanding of the topic.[5] My ultimate decision was to approach it through a comparative study in terms of both time and place.

Today, the Trade-Secret Directive, adopted in 2016, totally changed the legislation in the Member States.[6] In hindsight, this does affect the potential impact of the thesis.

1. KEY FINDINGS

1.1 The importance of a broad legal analysis

Although the method used in this thesis was unconventional, it was necessary to achieve the goal of a greater understanding of how the protection of trade secrets is linked to societal needs, technical development, and economic factors.

The chosen methodological approach was a legal dogmatic method, but from a comparative perspective. Protecting trade secrets requires striking a balance between protecting information and other interests. This is crucial for comprehending the choices that different legislators have made over time.[7]

For example, very strong information protection measures could impact employees' individual freedom. Strong protection could interfere with their ability to change their employer or move to a different place. These conflicts of interest show why it was necessary to choose this broad methodological approach.

1.2 The importance of comparative studies

Although the protection of trade secrets is recognised in numerous jurisdictions, this research found that such protections vary considerably. The analysis covered four neighbouring European Union countries. Despite their geographical proximity and shared membership, I identified substantial disparities in the legal frameworks governing protection, including the underlying legal structures, definitions and associated liabilities.

For example, when looking at the question if information can be considered an object that can be stolen or be the subject of handling stolen goods, EU jurisdictions come to very different outcomes.[8]

In Sweden, the legislation at the time was in a specific act, the Act on Protection of Trade Secrets.[9] This act covered both penal and civil liability. In France, penal liabil-

* Née Helgesson.

1 Helgesson, C, *Affärshemligheter i samtid och framtid* (Jure 2000) (Helgesson n. 1).

2 The research project was funded by Riksbankens Jubileumsfond. They no longer fund research projects performed by doctorate candidates.

3 One of the first launching the concept of information superhighway was then senator Al Gore. It was later also set out as an important topic for President Bill Clinton. See Campbell-Kelly, M, and Aspray, W, *Computer, A history of the information machine* (Harper Collins 2013).

4 The questions asked are described in Helgesson n. 1 on pp. 49–50.

5 The motives for the selection, see Helgesson n. 1 pp. 108–109.

6 DIRECTIVE (EU) 2016/943 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure, referred to as the Directive.

7 Helgesson n. 1, pp. 376–378.

8 This also led to a discovery that the jurisdictions in question have different views on electricity. In France and the Netherlands, electricity can be stolen. Under German and Swedish law, electricity cannot be stolen. There is a penal liability for those using electricity without permission, but it is not considered as a theft. In Sweden this penal liability is called unlawful use of energy Chapter 8 section 2 in the Swedish Criminal Code. This was further elaborated in Wainikka, C, *Information som självständigt objekt* (Information as an independent object), Svensk Juristtidning 2003 pp. 577–586.

9 SFS 1990:409.

ity for revealing trade secrets was found in Article 152-7 *Code du Travail* and in Article L 621-1 *Code de la Propriété Intellectuelle*. Civil liability was based on the legal institute of *concurrence déloyale* (unfair competition). The protection in Sweden had a common ground, no matter the kind of liability that was tried. The protection in France had more or less no common ground, there were just different sets of liabilities.

The definitions of what could be protected in the studied jurisdictions varied.[10] For example, all but three legislations stated that trade secrets consist of information. Liabilities also varied between the jurisdictions. For example, actions that had penal liability in Germany, the Netherlands and France had no liability whatsoever in Sweden.[11] Using comparative legal methods helped to identify these differences in trade secret protection in the EU.

1.3 Technology and law

One major research goal was to examine how the protection of trade secrets was challenged by the ongoing global wave of digitalisation. In order to address this aspect of the study, it was necessary to analyse the relationship between technological advancements and legal frameworks.

There are various perspectives on this interplay. The famous Swedish entrepreneur Jan Stenbeck used to say that 'technology beats politics'.

Chapters 3 and 8 of the dissertation investigated how technological and economic developments over time had changed views on intangible assets in the jurisdictions under study. Technology can influence human behaviour. Legislators often aim to find incentives to promote desirable behaviour and to prohibit or hinder undesirable behaviour.

A key finding is that legislative changes have occurred over time in response to various aspects of technological development. It is significant, as it sheds light on the need to develop legislation in response to the challenges posed by technologies such as AI.

1.4 Loopholes and misconceptions

While working on the thesis, I discovered that there were loopholes in the Swedish legislation. This especially included the limitations in liability.[12] As for misconceptions, some of them still exist in the current legislation.[13] This includes how value is described.[14] The characterisation of value is inaccurately directed, suggesting that value is established if the disclosure of a trade secret is intended to cause harm from a competitive standpoint. This is a misconception, particularly given that liability also arises in cases of industrial espionage, even when the trade secret is not disseminated to a wider audience.[15]

2. RELEVANCE TODAY

The subject of the dissertation is closely linked with digitalisation, a prominent topic back in the days. Some could argue that the topic lacks relevance today. However, significant developments have occurred since then, particularly in terms of the progress made along the digitalisation path. In 2000, using the internet was already common but social media was still an unknown term. Google existed as a company but had not yet turned into a verb.

Another development that certainly has affected the relevance of the dissertation is the fact that since 2016 there exists an EU-Directive on trade secrets. Since one key element in the dissertation was the comparison between Swedish, German, French and Dutch legislation on trade secrets, the EU-directive makes large parts of the dissertation obsolete.

However, there are some parts that are still relevant; some from a legal standpoint, some from a more methodological standpoint.

While the analysis of legislation in the four countries is to a large extent obsolete, to some extent it may have become more relevant than before as it facilitates finding some issues in the Directive. There are many examples of them that are not handled in the Directive, nor in the preamble, yet are quite important for actual protection.[16]

The situation before the Directive was complex and imposed some questions about the term 'protection'. What is protected? What are the prerequisites for protection? What acts lead to liability? All those questions were answered in different ways, discovered through use of comparative legal studies. As the silence of the Directive on some key issues leads to uncertainty, historical analysis is necessary to minimise those uncertainties.

Legislation is frequently intended to be technologically neutral, and this is often the perspective adopted by legal scholars when examining the relationship between law and technological advancement. In the dissertation, I argued that legislation may be perceived as technologically neutral; however, this constitutes an abstraction that warrants further scrutiny.

10 In fact, there were also differences between different legislation within the same jurisdiction, see Helgesson, C, *Skyddet för affärshemligheter och de olika begreppen* (The protection of business secrets and the different notions). (Svensk Juristtidning 1997 s. 28–40) (Helgesson n. 2).

11 As clearly demonstrated in Svea Hovrätts case B 5221-03, Ericsson. This is described in SOU 2008:63, *Förstärkt skydd för företagshemligheter*, p. 55.

12 As will be described, the Parliament in Sweden has adopted changes to the current legislation covering two of these loopholes.

13 The current legislation implemented the Directive, see Act on Trade Secrets SFS 2018:558.

14 Value is described in section 2 of the Swedish Act on Trade Secrets.

15 This can be put in contrast with Article 39 in the TRIPS agreement, claiming that one prerequisite for information to be a trade secret is that it has a value because it is secret. It also does not follow the definition given in Article 2 of the Directive.

16 Below some examples are given, like the notion of data, definition of information and whether the information has to be in actual use.

When technology changes behaviour, that will call for legislative changes. For example, copyright protection is to a large extent technology-neutral. Therefore, it could be seen as if there is no need for legislative changes due to digitalisation. A copy is a copy, whether it is digital or not.

However, digitalisation led to e.g. social media and to a platform economy, hence the need for legislation to include rules on responsibilities for platforms.[17] Such an approach to technology is even more relevant today, for example in relation to AI.[18]

3. EVOLVEMENT ON THE PROTECTION OF TRADE SECRETS

3.1 The view on the legal framework

Trade secrets were, and to some extent still are, a strange legal figure. This is of course evident when comparing how different jurisdictions have legislated and viewed trade secrets. However, it is also evident when looking at it within the same jurisdiction.

At the time of writing the dissertation, the approach in Sweden was that protection of trade secrets was to a large extent a question of labour law. Several of the other researchers involved in research on the legal protection of trade secrets were predominantly researchers within labour law.[19]

At the time, few considered it as a part of intellectual property law. Indeed, protection of trade secrets is not a genuine intellectual property issue. The different intellectual property rights constitute exclusive rights, whereas the protection of trade secrets never constitutes exclusive rights. It merely protects against certain behaviour, like industrial espionage.

In many jurisdictions, protection of trade secrets has been a part of rules against unfair competition. This legal instrument has been circumvented in many jurisdictions by a development through jurisprudence, as for example in France and the Netherlands.

Today, reference is more often given to the fact that intellectual property rights and trade secrets are all intangible assets. As late as in 2015 it was still disputed that a person doing research on trade secrets could in fact be considered as a researcher in the field of intellectual property, even in official documents.[20]

This development could be linked to the fact that more and more researchers in the field of intellectual property understand the link between intellectual property rights and trade secrets.[21] For example, it is common today to write on trade secrets in close connection to patent law.[22] Trade secrets are seen as a complement as well as an alternative to patent protection. It is also common to write on trade secrets in relation to trademark protection, since strategies linked to that protection are often kept as trade secrets.

3.2 Increasing importance

The significance of trade secrets appears to be increasing. This is exemplified by a study conducted by Baker McKenzie some years ago, in which 48% of respondents indicated that they considered trade secrets to be more important than patents and trademarks.[23]

Another example of the increasing importance of trade secrets is the number of court cases that have flooded the courts, at least in Sweden, in recent years. By 2000, the Act on Protection of Trade Secrets had been subject to just a few court cases in the ten-year period since it came into force. Nowadays, the same number of court cases can come in one year alone.

Another reason for the increasing importance of trade secrets is the ever-growing complexity of innovation. Many have a conception that innovation is entailed in one product, covered by one intellectual protection. This can be typically heard when people ask questions like "who invented?" and "he invented this or that and then became rich". Of course this may still happen, but today innovation is often even more complex.

The level of complexity of innovation is the fact that many products include many different patented inventions, as well as it may market several different trade-

17 This aims at Article 17 in the Directive (EU) 2019/790 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market and amending Directives 96/9/EC and 2001/29/EC.

18 See for example EUIPO's report *The development of Generative Artificial Intelligence from a Copyright perspective* (EUIPO 2025) and OECD's report *Intellectual Property issues in Artificial Intelligence trained on scraped data* (OECD 2025).

19 For example, Professor Reinhold Fahlbeck at Lund University.

20 See for example Schovsbo, J, in an expert opinion from 2015 regarding a position at Stockholm University "*...men disputatsen angår dog samtidig et emne (erhvervshemmeligheder) som ikke traditionelt i Norden henregnes til det immaterialretlige område*".

21 One example is Schovsbo et al, *The harmonization and protection of trade secrets in the EU: – An Appraisal of the EU Directive* (Edward Elgar Publishing 2020).

22 See for example Domeij, B, *Patent och företagshemligheter* (Patents and Trade Secrets), Third edition, (Iustus 2023).

23 Report from Baker McKensie (2017), *The Board Ultimatum: Protect and preserve – The rising importance of safeguarding trade secrets*.

marks. Trade secrets can often be seen as the glue holding complex innovation together. They may include the overarching strategic plans; they may include how to use trademark protection to overarch obstacles due to an expiring patent.

3.3 New Swedish legislation

The Directive on Trade Secrets was implemented in Sweden by a new act on trade secrets. This legislation kept some of the structures from the old one but also incorporated those parts from the Directive that were not covered by the former Swedish legislation. For example, Article 12 had to be incorporated in the new act due to the fact that it covered new liabilities.

One concern regarding the implementation in Sweden is that the legislator, and to some extent the doctrine, did not fully grasp what the consequences of the Directive are. To give one example, penal liability is not covered by the Directive. However, it covers liability in the Swedish Act in relation to Trade Secrets as defined in Article 2 of the Directive. Therefore, even cases on penal liability will have to consider unitary legislation.

This relates to another concern: namely, that the Swedish courts still seem to be following case law developed under the old legislation. Consequently, they do not refer cases to the European Court of Justice as often as they should.

The concept of penal liability under the old Swedish legislation has been the subject of much debate.[24] The fact was that there was penal liability only for industrial espionage and for those receiving information that had been subject to industrial espionage. Employees or contractors having received the information in a lawful way did not have a penal liability, unlike the situation in most other countries in the world.[25]

In November 2025, the Swedish Parliament voted to impose criminal liability for acts committed by individuals with lawful access to information. However, this does not apply to all types of information, only technical trade secrets. This marks a departure from the Swedish tradition of treating commercial and administrative information in the same way as technical information.[26]

3.4 Coming legislation at EU-level

At the EU level, a reopening and revision of the Trade Secrets Directive is expected. This is not the only area of interest for the EU legislator when it comes to the protection of trade secrets. Several other legislative files currently have an impact on the protection of trade secrets.

In 2023, the EU Commission presented its Patent Package. One of the proposals concerned compulsory licensing in times of crisis. Reading Articles 8 and 13 of the proposal, it seemed as if trade secrets were also supposed to be part of the compulsory licences. This caused quite a stir, and the final legislation does not include trade secrets in these licences.

There are still some concerns regarding trade secrets in relation to upcoming legislation. The discussion surrounding the transparency rules in the AI Act is ongoing, as is the debate about what information should be included in digital product passports. The transparency rules in the DSM Directive on copyright have been implemented in different ways. In Sweden, trade secrets must be shared under the Copyright Act, but liability exists for how these trade secrets are used.[27]

Given the growing importance of information, the legislator has probably only just begun. We must continue to ensure that they at least aim to strike a balance between transparency and the protection of trade secrets.

4. FINAL REFLECTION

A doctoral dissertation is often a researcher's most significant piece of work. They are usually written early in a lawyer's career. There will inevitably be flaws that cannot be detected in later research. However, this is also a time when researchers have the greatest freedom to investigate complex questions. The habits that will later become cemented have not yet had the opportunity to develop.

Upon re-reading the thesis, it was astonishing to find that much of it was still relevant. Legislation has changed; the EU Directive eliminates the need for such comparative studies within the EU. The main areas that remain relevant are the relationship between technology and law, and the treatment of trade secrets as an intangible asset closely linked to innovation and intellectual property rights, such as patents and trademarks.

Christina Wainikka

Christina Wainikka has a background as a legal researcher as well as an entrepreneur but is currently working as a policy expert on intellectual property at the Confederation of Swedish Enterprise. She has written books on topics like trade secrets, innovation and IP, public procurement and IP. For several years she was in the advisory board of the national Intellectual Property office in Sweden.

24 See for example SOU 2008:63 and SOU 2017:45, that both entailed proposals for altering the limited penal liability. There the debate is summarized.

25 In SOU 2017:45 the debate and the previous proposals are described, see pp. 346–351.

26 Swedish Government proposition 2024/25:208, *Ett mer heltäckande straffansvar vid angrepp på företagshemligheter* (A more comprehensive penal liability for unlawful acts against trade secrets).

27 In section 29 c of the Swedish Copyright Act.

Pandora Opened the Box—What Actually Followed?

A Twenty-One-Year Reckoning

https://doi.org/10.59625/siplr.v8i2.63165

Frantzeska Papadopoulou Skarp

1. THE PROTECTION OF TRADITIONAL KNOWLEDGE AND GENETIC RESOURCES (TKGR); IN SEEK OF AN ENTITLEMENT

The topic I chose for my doctoral thesis did not fall within what would traditionally be considered a mainstream intellectual property subject. More precisely, it was not a topic that, at the time, would readily have come to the mind of a "traditional" IP scholar, particularly within the Nordic academic context.[1] I cannot recall with certainty what initially drew me to the subject, but in retrospect it seems likely that I first encountered it during my studies in the European Intellectual Property Law master's programme.

The beginning of my doctoral research coincided with the inauguration of the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC). Its first meeting took place between 30 April and 3 May 2001, only a few months before I formally commenced my doctoral position at Stockholm University. This period was marked by a sense of optimism among those who believed in the adaptability of the international intellectual property system and in its capacity to accommodate interests and rightholder groups beyond those traditionally recognised in the Global North.

Embarking on a research journey at a moment when international developments appeared to be moving in a promising and inclusive direction was both motivating and encouraging. At the time, it seemed plausible that sustained multilateral engagement could lead to meaningful innovation in intellectual property law, opening space for new forms of protection and recognition within the existing system.

The main priority of the IGC was to bring the objectives of the Convention on Biological Diversity closer to the international IP standard-setting imposed by the TRIPS Agreement and to find appropriate ways to assist right holders in the enforcement of their rights. By the time the doctorate thesis was defended several years of negotiations had passed, yet these were marked by a lack of concrete output, perhaps unsurprisingly. Hundreds of documents were produced while the Members of the IGC had convened for at least 20 sessions in Geneva. During my time as a doctorate candidate I had the opportunity (or let's call it pure luxury), to participate as a member of the Swedish delegation to the IGC. This was an extremely interesting and valuable experience, even if at times it had a rather demystifying effect, for a young researcher who thought that such international negotiations are mainly concerned with actually solving complicated legal questions.[2]

At the time of the defence, the IGC had not yet delivered any concrete solutions to the problems it was established to address. The focus of the doctorate thesis was the question of the legal entitlement protecting TKGR, and how such an entitlement would relate to and interact with the established international IP norms. While the IGC had not produced any concrete output, there was a plethora of national and regional regulatory initiatives that had attempted to achieve just that, with some questionable results. At the same time, papers and reports produced at the time, either under the framework of the IGC, by national states, NGOs or scholars, had focused primarily on the practical aspects of a sui generis right covering TKGR or on the necessary adjustments that would be required in order for the "new" subject-matter to qualify as protectable subject-matter under one of the traditional IP rights[3].

1 This was a subject that mainly concerned legal scholars from the Global South.

2 While in fact a considerable part of these negotiations were impacted by what was going on in other international fora and the question of the protection of TKGR had become one more bit in the overarching international diplomatic arena.

3 See from the work of the Intergovernmental Committee: WIPO/GRTKF/IC/11/7 Recognition of Traditional Knowledge within the Patent System, WIPO/GRTKF/IC/11/8 (A) Genetic Resources: List of Options, WIPO/GRTKF/IC/11/8 (B) Genetic Resources: Factual Update of International Developments, WIPO/GRTKF/IC/13/5 (A). The Protection of Traditional Knowledge: Overview, WIPO/GRTKF/IC/13/5 (B) The Protection of Traditional Knowledge: Draft Gap Analysis: Revision, WIPO/GRTKF/IC/8/8 Recognition of Traditional Knowledge within the Patent System:

My thesis adopted yet another perspective, investigating the actual need for a legal entitlement as such as well as exploring the structure that such an entitlement could adopt, attempting thus to challenge the dominating view that TKGR protection would be possible only under the realm of property rights.[4] The thesis claimed that the challenges related to the protection of TKGR are not completely new and that some of the particularities of TKGR were also present in the evolution of land rights[5], as well as in the more recent case of the allocation of rights on deep sea resources[6]. While building upon past experiences (theoretical and practical) on resource allocation constitute a valuable starting point, TKGR protection has its particularities, the main one being that it rests upon two main objectives, access and conservation. The TKGR regulation should thus "reward" the initial holders of TKGR (indigenous communities as well as the national states of origin) and promote further conservation, while on the other hand external actors should be able to access TKGR of interest and include them in sequential innovations[7][8].

Regional and national implementation initiatives, introduced at the time the thesis was defended, had attempted to interpret and elaborate on the provisions of the CBD introducing layers of new legal entitlements and a list of different groups of right-holders, ranging from ministries to governmental authorities and indigenous peoples' representatives. National legislation provided for rather detailed schemes of contractual structures (bioprospecting agreements), designed to regulate access to TKGR.

These agreements were frequently modeled on the base of standard licensing arrangements, which typically presuppose the existence of a clearly defined legal entitlement in the subject matter being exchanged. However, both the text of the Convention on Biological Diversity (CBD) and the subsequent implementation initiatives had been strikingly silent on the nature and structure of the rights that were supposedly being traded. At the international level, the only entitlement that was explicitly recognized is that of State sovereignty over national genetic resources. While the acknowledgment of national sovereignty represented a significant normative development and had implications for the legal status and circulation of traditional knowledge and genetic resources (TKGR), it did not in itself provide a stable or operational legal foundation for transactional arrangements.

Despite this ambiguity, the regulatory framework appeared to assume the existence of an underlying legal entitlement in TKGR. This still undefined right had largely been situated within the broader intellectual property rights (IPR) discourse, and negotiations on the establishment of an international sui generis regime for the protection of TKGR had been ongoing for several decades.[9]

The thesis had as its ambition to test the following:

- The scope and content of the constraints and requirements placed on the elaboration of a TKGR entitlement on the basis of the binding international agreements.
- The national and regional initiatives in the elaboration of such an entitlement, the choices made, the outcome and the extent to which available flexibilities were taken into account.
- The possibility to proceed to a systematisation of the principles and objectives to rule the process of the elaboration of a new entitlement, in this case on TKGR.
- And to which extent would present objectives and principles assist in the process and what outcome would they inflict on the TKGR protection?

2. METHODOLOGICAL HURDLES AND THE CROSSROAD OF RAWLS AND COASE IN THE SEEK OF A LEGAL ENTITLEMENT FOR TKGR

Addressing the objectives of the thesis, in principle recommending an appropriate legal entitlement for the protection of TKGR presented two sets of difficulties from a methodological perspective. Firstly, the protection of TKGR had been a particularly politically loaded issue and as such it had been treated in international negotiations and in the public debate with very little reference to the actual legal challenges. A second methodological difficulty, closely related to the first one of course has been the lack of "traditional" legal sources, in terms of binding legal requirements, court cases or other legal documents that could potentially provide guidance as to the interpretation of legal provisions.

Thus, in order to proceed with an evaluation of alternative forms of entitlement for TKG and do that on the basis of transparent scientific criteria, the thesis had to, as a first step, construct an appropriate methodological

Interim Draft, WIPO/GRTKF/IC/8/11 Disclosure of Origin or Source of Genetic Resources and Associated Traditional Knowledge in Patent Applications.

4 See also Jerome H Reichman, 'Of Green Tulips and Legal Kudzu: Repackaging Rights in Subpatentable Innovation' (2000) 53 Vanderbilt Law Review 1743, 1750.

5 Regulated by Human Rights norms. See for instance the UN Human Rights Committee, Ominayak and the Lubicon Lake Band v. Canada, 1990, Annual Report of the Human Rights Committee, U.N. Doc. A 45/40, Bd. II AP. A (1990).

6 See for instance the "common heritage of mankind" principle, a principle to be discussed in further part of the thesis.

7 In the case of TKGR, the protection framework seems to be burdened with another task, that of environmental protection in the form of conservation and sustainable use of biodiversity.

8 Bernd Siebenhüner, Tom Dedeurwaerdere and Eric Brousseau, 'Introduction and Overview to the Special Issue on Biodiversity Conservation, Access and Benefit Sharing and Traditional Knowledge' (2005) 53 Ecological Economics 439–444.

9 See also Keith E Maskus, 'Intellectual Property and the Transfer of Green Technologies: An Essay on Economic Perspectives' (2009) 1 The WIPO Journal 133; see also Chidi Oguamanam, 'Localizing Intellectual Property in the Globalization Epoch: The Integration of Indigenous Knowledge' (Paper presented at the 4th Annual Doctoral Students Conference of the Association of Pacific Rim Universities, Mexico City, 24–29 August 2003).

framework. That was gradually provided by means of a combination of the Coase Theorem and Rawls' theory of Justice. Both these theories are built upon a hypothetical model of consensus resulting from bargaining. Coase on the one hand, bases his theoretical model on a costless bargaining scheme. Rawls' consensus model on the other hand, relates to society's constitutional framework and the recognition of human or fundamental rights[10], as well as to principles of encouraging liberty and at the same time addressing inequalities, which are also based on a hypothetical model of consensus[11].

A major difference between the two models is the importance of rational empathy in the Rawlsian model and its total absence in the Coase Theorem. The Rawlsian veil of ignorance presupposes that individuals will take into consideration the importance and need of a "security net for all". The rational individuals in Rawls' original position would opt for the most efficient use of available resources in order to create the highest expected outcome. Risk aversion will have a balancing effect. Individuals will be willing to accept a lower-than-expected possible outcome in order to ensure the actual outcome. Rawls' "constructive empathy" is more than an emotion; it is rather a rational choice. Constructive empathy is not a result of pity and compassion but rather a strategic choice[12].

The two objectives of fairness and efficiency reflected in the combination between Coase and Rawls are obviously of paramount importance with regard to the elaboration of a legal entitlement covering TKGR and these were also equally present in the combination between the two theoretical models.

It is impossible to overlook the central role that traditional knowledge and genetic resources (TKGR) play in the lives of their holders, particularly given their close connection to spiritual and religious traditions as well as to the physical survival of the communities concerned. This profound relationship underscores the relevance of a *moral rights* perspective in any discussion of a potential legal entitlement to TKGR. Such a perspective highlights interests that extent beyond purely economic considerations and points to the need for recognition, respect, and continued control by the communities concerned.

Moreover, the pronounced asymmetry between the actors involved in the TKGR market further reinforces the importance of equity considerations. The providers or original holders of TKGR are typically local and Indigenous communities with limited economic resources and, in many cases, acute health and nutritional challenges. By contrast, the users—and often free-riders—are frequently multinational corporations based in the industrialised world, possessing significant financial and technological capacity. This imbalance accentuates the need to restore a measure of equity within the market and shapes the expectations placed on any legal protection regime for TKGR, expectations that may extent beyond the strict legal scope of such a regime.

Principles of fairness and equity are explicitly embedded in both the text and the underlying rationale of the Convention on Biological Diversity (CBD). Indeed, the Convention itself reflects a political and legal commitment to redress historical imbalances by compensating Indigenous peoples and developing countries and by rebalancing the TKGR market. One of the Convention's core objectives, set out in Article 1, is the "fair and equitable sharing of the benefits arising out of the utilisation of genetic resources." Notably, the terms "fair" and "equitable" are not used synonymously but rather in a complementary and reinforcing manner, referring to both the processes through which benefits are distributed and the outcomes of that distribution. Through this framing, countries of origin and developing countries are recognised as having a legitimate claim to compensation for the conservation, development, and provision of access to TKGR for third-party use.

The concept of equity/fairness is often employed with regard to the relationship between the relevant players that is the relationship between the providers of TKGR and the purchasers of TKGR[13]. Though both the CBD and the ITPGRFA use the term "equity", they fail to provide for its definition. Though "equity" is a keyword in the discussion on TKGR protection, it is frequently used in an intuitive and non-specific manner. It could be assumed that it relates to issues of economic and political distributive justice. This is also one of the major objectives with choosing Rawls' fairness theoretical framework, since this guides as into deciding what equity and fairness is to entail in the TKGR protection.

Efficiency, though not as explicitly mentioned in the CBD provisions, functions as an overriding principle and objective. The shift from "commons" to "rights" by means of the CBD is motivated by an "efficiency argument". The objective to "facilitate access" and to provide for the "sustainable use of genetic resources" incorporates an efficiency perspective. The concept of "sustainability" itself is understood as integrating the different components that define the interrelationship between humanity and nature – that is, the economic, social and ecological factors[14]. The text of the CBD, and in particular Articles 11 and 15, link conservation and sustainable use of the components of biological diversity with economic issues, such as the creation of incentives for conservation and benefit sharing.

10 See also David Elkins, 'Responding to Rawls: Toward a Consistent and Supportable Theory of Distributive Justice' (2007) 21 BYU Journal of Public Law 267–323.

11 See Russell B Korobkin and Thomas S Ulen, 'Efficiency and Equity: What Can Be Gained by Combining Coase and Rawls?' (1998) 73 Washington Law Review 329–349.

12 Individuals are thus willing to give up part of the wealth surplus in order to guarantee that their actual welfare will not fall under a specific level.

13 The term "equity" was also of central importance in the United Nations Convention on the Law of the Sea (1982) where it was stated that "marine resources are to be used in an equitable and efficient manner".

14 Susette Biber-Klemm and Dorothee Szymura Berglas, 'Problems and Goals' in Susette Biber-Klemm and Thomas Cottier (eds), Rights to Plant Genetic Resources and Traditional Knowledge: Basic Issues and Perspectives (CABI 2006).

Article 8(j) states that national legislation should "encourage the equitable sharing of the benefits arising from the utilization" of traditional knowledge, innovations and practices. The Article provides for the "approval and involvement of the holders of such knowledge" promoting, in that way, the participatory aspect of fairness. The same participatory aspect of "fairness and equity" elements in the text can be found in Article 15 of the CBD. According to Article 15.4 and 15.5 access to genetic resources shall be granted "on mutually agreed terms", and under the precondition of "prior informed consent" of the country of origin.

Considering the increased transaction costs in the TKGR market, it is of utmost importance to choose the right type of entitlement, the appropriate rightholders and the most efficient managerial structure. Transaction costs include lengthy procedures, multiple permits, PICs, multiple fees, and overlapping procedures. Another important factor contributing to the increased transaction costs and consequently to the market failures in the field of TKGR, is of course the limited legal certainty. The entitlement and the overarching principles and procedures surrounding it should abide by the fundamental rule of legal certainty, now a principle provided for in the Nagoya Protocol[15]. Legal certainty and the limitation of transaction costs require a careful specification of the market failures the new entitlement is to remedy. North/South considerations should be taken into account only to the extent they are of relevance for the specific subject-market.

Since TKGR is found in various forms it could be plausible to provide different entitlements for different forms of TKGR. It would also be recommended to employ different entitlements in intra-national arrangements (relation between the state in the country of origin and the indigenous communities), as opposed to the relations of the country of origin with bioprospectors.

3. WHAT DID PANDORA KEEP IN THE BOX? THE RESEARCH RESULTS.

The thesis concluded that when it comes to the protection of TKGR, it would not be possible to apply an "One size does not fit all" model, and that the variations in innovative contribution as well as in the customary status of TKGR (sacred or not) should have an impact on the entitlement to be introduced.

The research questions posed in the thesis were responded in the following way:

What is the scope and content of the constraints and requirements placed on the elaboration of a TKGR entitlement by means of binding International Agreements?

An examination of binding international agreements lends a cautiously optimistic perspective to the discussion on the development of a legal entitlement for traditional knowledge and genetic resources (TKGR). The principal international instrument in this field, the Convention on Biological Diversity (CBD), sets out the overarching

15 See, paragraph 3(a) of the Nagoya Protocol.

objectives relevant to such an entitlement, including the recognition of the sovereign rights of states over genetic resources, the fair and equitable sharing of benefits arising from their utilisation, and the protection of Indigenous peoples and local communities. At the same time, the CBD does not define the nature, scope, or legal form of any such entitlement, nor does it provide concrete mechanisms for enforcement, as non-compliance with its provisions is not subject to sanctions.

In contrast, an analysis of intellectual property–related treaties makes clear that any proposed entitlement for TKGR would need to be compatible with the existing international intellectual property system, if not integrated within it. Fundamental reforms of the IP system to accommodate the particular characteristics of TKGR appear largely unrealistic. Proposals such as the introduction of a mandatory disclosure requirement have so far been limited in scope and effectiveness, functioning primarily as tools for monitoring use rather than as mechanisms of substantive protection. Nonetheless, the current text of the TRIPS Agreement contains a degree of flexibility that could, at least in part, accommodate TKGR-related concerns.

Within these flexibilities, several TRIPS-compliant options remain available, including the recognition of TKGR as prior art, its protection through sub-patentable forms of protection, or the establishment of liability-based regimes rather than exclusive rights. In this sense, compatibility with the existing international IP framework constitutes the most concrete constraint on the development of a TKGR entitlement. At the same time, the indeterminacy and flexibility embedded in international treaties on TKGR protection create both opportunities and challenges: while they allow for a wide range of regulatory approaches, they also contribute to uncertainty and difficulty in implementation.

What are the experiences of the national and regional initiatives in the elaboration of a TKGR entitlement, which were the choices made, what was the outcome and the extent to which available flexibilities were taken into account?

An internationally recognised and harmonised protection regime for traditional knowledge and genetic resources (TKGR) is of fundamental importance. The value of any legal entitlement in this field is inherently linked to its international character, since the market failures and instances of biopiracy that have prompted calls for protection typically arise in cross-border contexts. Experiences at the national and regional levels nonetheless provide valuable insights into how the Convention on Biological Diversity (CBD) has been implemented in practice, the challenges and opportunities encountered, and the ways in which TKGR-related measures interact with existing intellectual property systems.

A recurring observation from national and regional initiatives is that protective frameworks are often developed without a systematic examination of the overarching objectives of TKGR protection or the practical implications of the requirements imposed. In many cases, national and regional TKGR regimes are directly or indirectly linked to domestic patent systems, thereby creating functional connections between TKGR protection and intellectual property law. At the same time, responsibility for TKGR-related matters is frequently allocated to authorities other than national patent offices, involving a range of governmental bodies. In such systems, protection of TKGR often emerges as an indirect consequence of strict access and benefit-sharing mechanisms rather than as the result of an explicitly articulated legal entitlement.

One particularly significant lesson from national and regional legislation is that TKGR is not a uniform category but can be differentiated into distinct types, each requiring a tailored mode of protection. This implicit or explicit categorisation should serve as a key starting point in the design of any comprehensive TKGR entitlement. Certain forms of TKGR may be most effectively protected indirectly, for example by being recognised as prior art that prevents the granting of intellectual property rights to third parties. Other forms may qualify as innovations in their own right and thus warrant protection through conventional intellectual property mechanisms or through sui generis regimes. Finally, some TKGR may be inappropriate for market-based exploitation altogether, due to religious, cultural, or social considerations, and would therefore be best safeguarded through confidentiality or secrecy-based protections.

Is there a possibility to proceed to a systematisation of the principles and objectives to rule the process of the elaboration of a new entitlement, in this case on TKGR?

A systematisation of principles and objectives in the elaboration of a new entitlement such as that of TKGR is of vital importance. The side effects of the lack of clear-cut overarching principles and objectives are obvious in the previous critical analysis of regional and national initiatives on TKGR protection, as well as in the evaluation of bioprospecting agreements.

It seems rather impossible to successfully introduce a new entitlement, if one is not sure of the objectives the entitlement is to fulfil. Taking into consideration the vagueness and flexibilities of the International Treaties a systematisation of principles and objectives becomes of vital importance.

In this respect, an approach such as the one suggested by Calabresi & Melamed could have been valuable[16]. As a matter of fact, the end results of the implementation of the CBD, and thus of the crystallisation of a legal entitlement on TKGR, lack the systematic approach that would establish whether: a) there is a need for a new legal entitle-

16 See Guido Calabresi and A Douglas Melamed, 'Property Rules, Liability Rules, and Inalienability: One View of the Cathedral' (1972) 85 Harvard Law Review 1089; see also Keith N Hylton, 'Property Rules and Liability Rules, Once Again' (2006) 2 Review of Law and Economics, art 1 https://ssrn.com/abstract=946874.

ment; b) which objectives/purposes this entitlement would satisfy; c) what the overriding principles would be; and d) who the beneficiaries of the legal entitlement would be.

The lack of such a systematic and analytical approach in the national and regional TKGR-related legislation has, in a number of cases, provided for unclear and fragmented legal entitlements and numerous layers of right-holders with unspecified intra-relations.

The protection of TKGR has, to a large extent, been treated as other forms of sub-patentable/sub-copyrightable intangible assets and has as such been placed under the scope of property rights. Such a tendency is present both in the implementation initiatives as well as in the TKGR-related CBD and TRIPS negotiations. Property rules in the TKGR field are very often structured in different layers, imposing cumbersome procedures of access and use. Gradually TKGR, subject some decades ago to a "tragedy of the commons", is presently the focus of a new emerging "tragedy of the anticommons" as the one illustrated by Heller[17].

The answer to the first Calabresi & Melamed question would be yes, the market failures in the TKGR market are such that would require they be "lifted" from the public domain. At the same time, this has already been done by means of the CBD on an international convention level. The second question, is more complicated. For the purposes of this dissertation and for reasons earlier discussed, the principles/objectives of TKGR protection should be fairness and efficiency. Fairness and efficiency are also the answer to the question related to the overriding principles of the system. The most problematic issue to clarify is how to provide for the practical applications of these principles, and who are to be the beneficiaries.

At first glance, property rights seem to be an inappropriate form of protection for the main body of TKGR. There is certainly such TKGR that is closer to sub-patentable innovation and attributable to specific individuals and would benefit from a property regime. But in most cases, property rights-inspired entitlements on TKGR fail the efficiency and fairness test. The cumbersome procedures imposed due to the different layers of property rights granted, the unclear rules of representation of different right-holders and the weak enforcement provisions, increase transaction costs to the extent that bioprospecting becomes a prohibitive endeavour[18].

The recent developments with the adoption of Nagoya Protocol, confirm the concerns presented in this thesis, related to the increased transaction costs national and regional implementation initiatives have inflicted on the TKGR market. In an attempt to diminish transaction costs in TKGR trade, Nagoya Protocol provides for an obligation to make available to the ABS Clearing House Mechanism all information of relevance to ABS on the national or regional level[19]. Another means of providing for limited transaction costs is by using the Multilateral system introduced by means of ITPGRFA. This will of course only be of limited application taking into consideration the limited scope of crops included.[20]

And to which extent would present objectives and principles assist in the process and what outcome would they inflict on the TKGR protection?

Against the background of a differentiated categorization of TKGR-related innovations, the application of existing principles and objectives can play a decisive role in shaping and managing any future entitlement regime. Such principles may also guide the more fundamental question of whether legal protection is necessary at all, or whether market mechanisms could, over time, address the relevant externalities. Throughout this analysis, considerations of fairness and efficiency have served as the starting point for evaluating the choice between property rules and liability rules. Although property-based approaches have traditionally dominated diplomatic negotiations and academic debate, liability-based regimes appear, in several respects, to offer a more context-sensitive and adaptable alternative.

Liability rules may be particularly well suited to markets characterised by high transaction costs, such as bioprospecting. While the creation of property rights in TKGR may not necessarily lead to classic holdout behaviour, it risks significantly increasing transaction costs and thereby impeding access and use. In such cases, exclusive rights may contribute to blocking socially desirable exchanges rather than facilitating them. By contrast, liability regimes do not allow right-holders to deny access outright or to impose case-specific access conditions. For this reason, any liability-based system for TKGR would need to be grounded in an initial decision by right-holders—whether Indigenous communities, states, or both—regarding which resources are made available under "use now, pay later" conditions.

In this context, reward-based mechanisms may also provide an appropriate means of protection. Such systems could compensate communities for their role in the creation, preservation, and transmission of TKGR, without necessarily relying on exclusivity. Where TKGR

17 Michael A Heller, 'The Tragedy of the Anticommons: Property in the Transition from Marx to Markets' (1998) 111 Harvard Law Review 621 https://ssrn.com/abstract=57627.

18 On the tragedy of the anticommons in modern patent rights, see Domeij B., "Patent och innovationsprocessens avtal", in NIR nr. 2 (2012), pp. 122–140. In his article, Domeij proposes alternative means of remedying "anti-commons" effects that the patent system might inflict, such as for instance the possibility to place patents under some kind of management structure where the patent holder can state the royalty price, thus resembling a "creative commons structure".

19 Nagoya Protocol, Art 17(1)(a)(iv), providing that the information that should be available include information on legislative, administrative and policy measures on ABS, permits or their equivalent issued at the time of access as evidence of the decision to grant PIC, even additional information such as relevant competent authorities, model contractual clauses codes of conduct and best practices, may be required.

20 Halewood M. et al. (2013), pp. 68–96. For an analysis from an economics perspective, see Maskus K.E., "Intellectual Property Rights and Global Policy Challenges", in Private Rights and Public Problems: The Global Economics of Intellectual Property in the 21 st Century, manuskript prepared for Peterson Institute of International Economics, Maskus K.E. ed. (2012).

can be attributed to identifiable individuals or groups and exhibits characteristics comparable to other sub-patentable innovations, a sui generis regime conferring limited exclusive rights may be justified. Experiences drawn from plant variety protection and database rights demonstrate that such tailored regimes can be operationalised. Reward systems are also particularly well suited to protecting collective innovation and TKGR rooted in communal traditional knowledge, including forms of TKGR that would otherwise fall within the public domain. Legislative experiments in jurisdictions such as Thailand and Portugal illustrate how categorisation based on degrees of novelty and inventiveness can support differentiated protection models.[21]

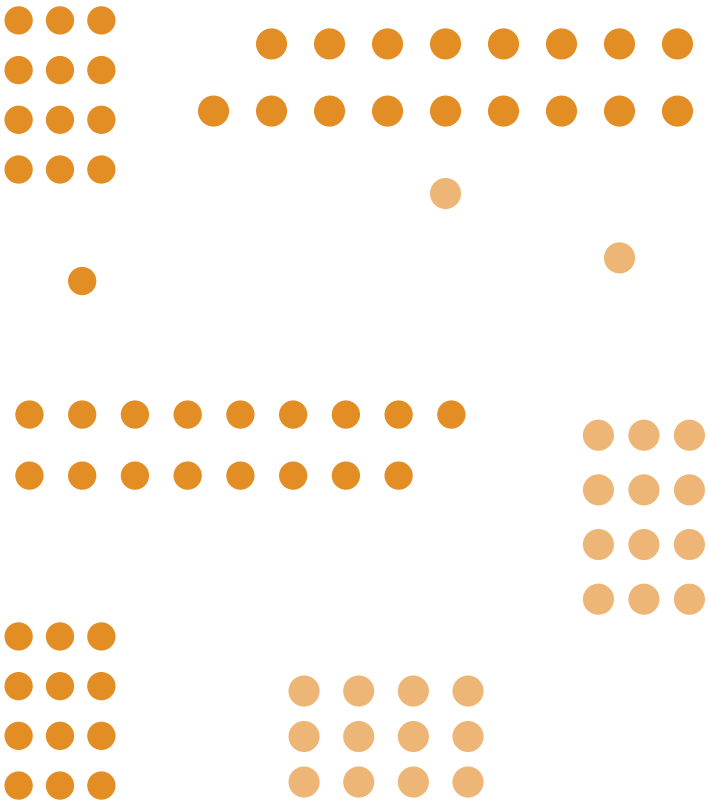
A further alternative lies in combining liability and reward mechanisms. Under such a model, a liability regime could govern relations between states and external users, such as bioprospectors, while reward mechanisms would regulate benefit-sharing between the state and Indigenous or local communities. This structure would allow the state to centralise rights management while ensuring that communities are compensated for their contributions. The effectiveness and fairness of such an approach would, however, depend heavily on domestic political conditions and on the nature of relations between state authorities and Indigenous communities.

One significant advantage of this combined approach is its potential to address a persistent weakness of many national and regional TKGR regimes: overregulation. Numerous existing initiatives illustrate what Michael Heller has described as the "tragedy of the anti-commons," where fragmented rights and overlapping approvals obstruct access and use. Evidence of this problem is also found in the operation of bioprospecting agreements. By establishing a two-tier governance structure—one internal (state, Indigenous communities, landowners) and one external (state and bioprospector)—it may be possible to create a more accessible and functional system for access and benefit-sharing and TKGR protection.

The identification of beneficiaries must necessarily reflect the diversity of TKGR itself. Indigenous communities and states of origin are central stakeholders whose interests cannot be sidelined, but the allocation of benefits may need to vary depending on the nature and provenance of the resources concerned.

Designing an optimal protection regime for TKGR is inherently complex. Multiple right-holders with often competing interests, a heterogeneous subject matter with varying degrees of innovation and value, a global market, and a dense web of international, regional, and national regulations all contribute to this complexity. This analysis does not claim to offer a ready-made model for a new TKGR entitlement, nor was that its primary objective.

21 Guido Calabresi and A Douglas Melamed, 'Property Rules, Liability Rules, and Inalienability: One View of the Cathedral' in Property Rules, Liability Rules and Inalienability: One View of the Cathedral (2007) https://doi.org/10.1002/9780470752135.ch3.



Rather, the ambition has been to propose an alternative mode of reasoning for the development of such an entitlement, demonstrating the value of theoretical frameworks in clarifying objectives and guiding regulatory design. TKGR offers a particularly compelling context in which to explore how systematic, principle-based analysis can inform entitlement design in a politically sensitive and normatively charged environment.

Moving beyond the routine replication of existing sui generis models—many of which have proven ineffective—opens space for a deeper examination of what different forms of legal entitlements actually entail. By critically analysing the content and consequences of property rights, liability rules, and reward mechanisms, decision-makers and right-holders may be better equipped to move beyond an almost automatic reliance on exclusivity as the default response to market failure.

A more critical and analytical approach holds the promise of more balanced, robust, and widely accepted protection regimes, while also enabling solutions to market failures that do not depend on the creation of strong exclusive rights. And for those inclined to view such rethinking as opening a Pandora's box, it is worth recalling that hope, too, was among its contents.

4. WHAT HAPPENED AFTER PANDORA'S BOX WAS OPENED, AND HOW RELEVANT ARE THESE RESEARCH RESULTS 10 YEARS LATER?

At the time when my doctorate thesis was defended, the issue of the protection of TKGR was for a number of years rather downplayed and although the work of the IGC

continued with two annual meetings, very little output was produced. It was not only a matter of minimal output, it was also a matter of loss of expectations and hopes that a solution, a form of protection would be possible for TKGR.

It is thus very interesting that when this text is written, some ten years later it coincides with what has been identified as the most decisive step towards a binding international legal framework for the protection of TKGR, namely the adoption of the *World Intellectual Property Organization Treaty on Intellectual Property, Genetic Resources and Associated Traditional Knowledge*.[22]

The adoption of the *World Intellectual Property Organization Treaty on Intellectual Property, Genetic Resources and Associated Traditional Knowledge* has been presented as a significant milestone in international intellectual property law. For the first time, a binding multilateral instrument directly addresses the interface between the patent system, genetic resources, and associated traditional knowledge (TK). At the same time, a closer examination of the Treaty text reveals that its regulatory ambition is both carefully circumscribed and structurally constrained.[23]

The Treaty's objectives, set out in Article 1, focus primarily on improving the efficacy, transparency, and quality of the patent system and on preventing patents from being erroneously granted for inventions that are not novel or inventive in light of genetic resources or associated TK. This framing is significant: rather than establishing substantive rights for TK holders, the Treaty positions itself as a corrective mechanism within existing patent procedures. The emphasis is thus placed on informational accuracy and procedural integrity, rather than on redistributive justice or the recognition of new legal entitlements.

This orientation is reflected most clearly in the Treaty's core operative provisions on disclosure, particularly Articles 3 and 4. These provisions require Contracting Parties to ensure that patent applicants disclose the country of origin of genetic resources, or the source of associated traditional knowledge, where an invention is "based on" such resources or knowledge. While this requirement constitutes a notable departure from the traditional insulation of patent law from questions of origin, its legal effect remains limited. Disclosure is conceived as an obligation owed to patent offices, not to Indigenous peoples or local communities, and the Treaty explicitly avoids linking disclosure failures to the invalidation of patents as a mandatory consequence.

The Treaty's cautious approach is further underscored by Article 6, which governs sanctions and remedies. It allows Parties to provide for "appropriate, effective and proportionate" measures in cases of non-compliance, but excludes remedies that would automatically affect the validity of granted patents, except in cases of fraudulent intent. This choice reflects a deliberate effort to maintain compatibility with existing international IP frameworks, particularly the TRIPS Agreement, but it also significantly limits the Treaty's capacity to function as a meaningful deterrent against misappropriation. At the same time, it throws back the point of reference from the international level to the national one, removing thus as such the rigor and enforceability of the legal framework introduced.[24]

Indigenous peoples and local communities are acknowledged in the Treaty's preamble and in Article 2, which defines "associated traditional knowledge" and recognizes its holders. The Treaty also refers, in general terms, to relevant international instruments concerning Indigenous rights. However, these references are largely declaratory. The Treaty does not establish rights of prior informed consent, benefit-sharing obligations, or direct procedural standing for communities within patent systems. Instead, Indigenous peoples and local communities appear primarily as sources of knowledge to be disclosed, rather than as rights-holders with enforceable claims.

22 WIPO IGC, Text of a Draft International Legal Instrument Relating to Intellectual Property, Genetic Resources, and Traditional Knowledge Associated With Genetic Resources, U.N. Doc. WIPO/GRTKF/IC/SS/GE/23/2 (June 30, 2023) (reviewed at Special Session Sept. 4–8, 2023); WIPO IGC, Decisions, U.N. Doc. WIPO/GRTKF/IC/SS/GE/23/4 (Sept. 8, 2023) (Special Session Sept. 4–8, 2023); Pedro Henrique D. Batista, The WIPO IGC Chair's Draft on IP and Genetic Resources—Reasons for Concern, 19 J. Intell. Prop. See, N.S. Gopalakrishnan, Srividhya Ragavan & Narendran Thiruthy, *Intellectual Property, Genetic Resources, and Associated Traditional Knowledge*, 54 Envt. L. Rep. 10829 (2024). Available at: https://scholarship.law.tamu.edu/facscholar/2119.

23 Vásquez Callo-Müller, María and Ortega, Diego and Matsuno Remigio, Alejandro, The WIPO Treaty on Intellectual Property, Genetic Resources and Associated Traditional Knowledge: Situating a Landmark Development in International Intellectual Property Governance (November 30, 2024).

24 The book of Wend Wendland – at the time of the adoption of the Treaty, the Director of WIPO's Traditional Knowledge Division and Secretary of WIPO's Intergovernmental Committee (IGC), provides a complete review of the process of the negotiation of the Treaty. The book elevates the importance of the Treaty to a major success. See Wendland, Wend. *The Journey to the WIPO Treaty on Genetic Resources and Associated Traditional Knowledge: Policy, Process and People*. Edward Elgar Publishing, 2025.

This reinforces concerns that the Treaty offers symbolic recognition without corresponding legal empowerment.

The Treaty's relationship to the broader international IP system is addressed explicitly in Article 9, which affirms that the instrument is to be implemented in a manner supportive of existing international agreements. While this ensures legal coherence and political feasibility, it also confirms that the Treaty does not seek to challenge the foundational logic of the patent system. Proposals for more transformative approaches—such as sui generis exclusive rights for TK or mandatory benefit-sharing mechanisms—are notably absent. As a result, the Treaty remains firmly anchored within a procedural, rather than substantive, conception of TK protection.

Implementation is further complicated by Article 10, which grants Contracting Parties considerable discretion in how the Treaty's obligations are incorporated into domestic law. While this flexibility accommodates legal diversity, it also risks uneven application and fragmented protection. States with limited administrative capacity may struggle to verify disclosures or meaningfully integrate TK considerations into patent examination, potentially reducing the Treaty's practical impact.

Taken together, the Treaty reflects a carefully negotiated compromise. It acknowledges long-standing concerns regarding the treatment of genetic resources and associated TK within patent systems, but it addresses these concerns through modest procedural adjustments rather than structural reform. Its reliance on disclosure, transparency, and administrative cooperation may improve patent examination practices, yet it leaves unresolved deeper questions of equity, control, and benefit-sharing that have driven international TK debates for decades. Another clearly positive aspect of the Treaty is that it is the outcome of a multilateral negotiation. Although the process has taken more than two decades, the adoption of a concrete legal instrument—even a relatively modest one—represents a meaningful result. Continuing the work of the Intergovernmental Committee (IGC) without any tangible outcome would arguably have been more damaging, both for the credibility of the process and for the vitality of multilateralism in a field where an international solution has long been recognized as necessary.[25]

In this respect, the Treaty embodies both progress and limitation. It constitutes progress insofar as it formally connects traditional knowledge and genetic resources to patent law at the international level. At the same time, it reflects clear limitations, as it ultimately reinforces rather than fundamentally reshapes the existing intellectual property paradigm. Whether the Treaty will meaningfully reduce misappropriation or merely add an additional procedural layer to patent systems will depend less on the text itself than on how its built-in flexibilities are interpreted and applied—or disregarded—at the national level.

This inevitably raises the question of how much, or perhaps how little, the proverbial opening of Pandora's box has influenced the drafting of the Treaty. The answer appears to be: very little, if at all. It is difficult to say whether this is a source of disappointment or merely a confirmation of how legal research is typically received within international negotiations and diplomatic fora. Having participated in the Swedish delegation to the IGC for several years, I was afforded direct insight into how international instruments such as this Treaty are negotiated and ultimately adopted. It quickly becomes apparent that drafting choices are rarely driven by academic research, even where such research may be directly relevant.

It is hardly surprising, therefore, that my own research had little impact on the substance of the negotiations or on the final wording of the Treaty. Yet, in revisiting this work for the purposes of the present article, I am reminded that legal research serves multiple functions. Ideally, it contributes to the development of more effective, balanced, and well-reasoned legislation. When that ambition is not realized, however, legal research retains significant value as an intellectual compass—one that can guide critical evaluation of legal rules and deepen our understanding of their real-world effects on individuals, stakeholders, and markets.

It has been both interesting and rewarding reading my thesis again and this time under the light of the recently adopted Treaty. It seems that the research results can yet again be used to critically assess the strengths and/or weaknesses of the Treaty and evaluate its long-term impact, which unfortunately in the specific case is deemed to be too restricted.

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25 Critical voices concerning the meaning and value of the Treaty (at the time the article was written, the Treaty was a draft), with a prominent example the article of professor Yu, see, Yu, Peter K., WIPO Negotiations on Intellectual Property, Genetic Resources and Associated Traditional Knowledge (December 6, 2023). Akron Law Review, Vol. 57, pp. 277–326, 2024, Texas A&M University School of Law Legal Studies Research Paper No. 23-71, Available at SSRN: https://ssrn.com/abstract=4656267.

Revisiting Territoriality in Intellectual Property Law: Ten Years Later

https://doi.org/10.59625/siplr.v8i2.63378

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1. INTRODUCTION

In 2016, I defended my dissertation on *Territoriality in Intellectual Property Law*.[1] This was before the Unified Patent Court began operating with pan-European jurisdiction and national courts determined global FRAND rates, and before non-fungible tokens (NFTs), virtual worlds and generative AI had entered our daily lives. International trade in intellectual property-related goods and services was however in full swing, and courts were grappling with the application of the territoriality principle of intellectual property (IP) law and how it affected their jurisdiction.

A basic premise of the territoriality principle is that each State determines whether and the extent to which IP rights exist and are protected within its own territorial borders. Although the territoriality principle as such was well-established, the digital revolution was changing the way IP-related goods and services were sold, thereby challenging the premise that for an act to be infringing, it must take place on the territory of the protecting State.

The territoriality principle is a rule of substantive law, yet its implications for private international law have long been a source of confusion. Did the principle mean that States had to exercise jurisdiction and apply domestic law to infringements of national rights but were prohibited from exercising jurisdiction over infringements of foreign rights?

My dissertation problematized the principle of territoriality of IP law, by investigating its legal basis, application, and impact on the exercise of jurisdiction in the European Union (EU) and the United States (US). In this article, I revisit the key findings of the dissertation and reflect on their contribution and continued relevance today.

2. SUMMARY OF KEY FINDINGS

In brief, the core research questions were: which connecting factors—acts in the forum, effects in the forum (and their required intensity), or both—governed international civil jurisdiction, the choice of applicable law, and the territorial scope of substantive IP law for each of the studied legal systems, and what were the reasons for any similarities and differences.

The dissertation began by tracing the development of the principle of territoriality in international law, private international law and international intellectual property law.[2] It found that the international IP conventions[3] have reinforced the territoriality principle of international law and introduced the principle of national treatment.[4] These two principles function in concert, leading to a bundle of separate, independent rights, with each right limited to the protecting State's territory. The IP conventions do not however exhaustively define what those rights are, nor do they localize where the restricted acts occur.[5] This makes it possible for contracting States to flexibly pinpoint the act of infringement to achieve economic, social and cultural policy goals.

The dissertation demonstrated that the territoriality principle underlying in the IP conventions did not lay down any specific rules of private international law, but suggested a territorial approach.[6] The dissertation also found that the territoriality principle does not obligate States to exercise jurisdiction over infringements of national rights or prohibit them from exercising jurisdiction over infringements of foreign rights.[7] That said, public international law prohibits one State from invalidating or amending with *erga omnes* effect a right granted by another State within its territory.[8] All this means that

* The author would like to thank Associate professor, Erik Sinander, Law Faculty, Stockholm University for his valuable input to an earlier version of this article. Any mistakes and omissions are solely my own.

1 Lydia Lundstedt, *Territoriality in Intellectual Property Law: A comparative study of the interpretation and operation of the territoriality principle in the resolution of transborder intellectual property infringement disputes with respect to international civil jurisdiction, applicable law and the territorial scope of application of substantive intellectual property law in the European Union and United States* (Stockholm University 2016) (Lundstedt 2016).

2 Lundstedt 2016 27–123.

3 Paris Convention for the Protection of Industrial Property, 20 March 1883; Berne Convention for the Protection of Literary and Artistic Works, 9 September 1886; Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), Annex 1C to the Marrakesh Agreement Establishing the World Trade Organization (WTO), concluded on 15 April 1994.

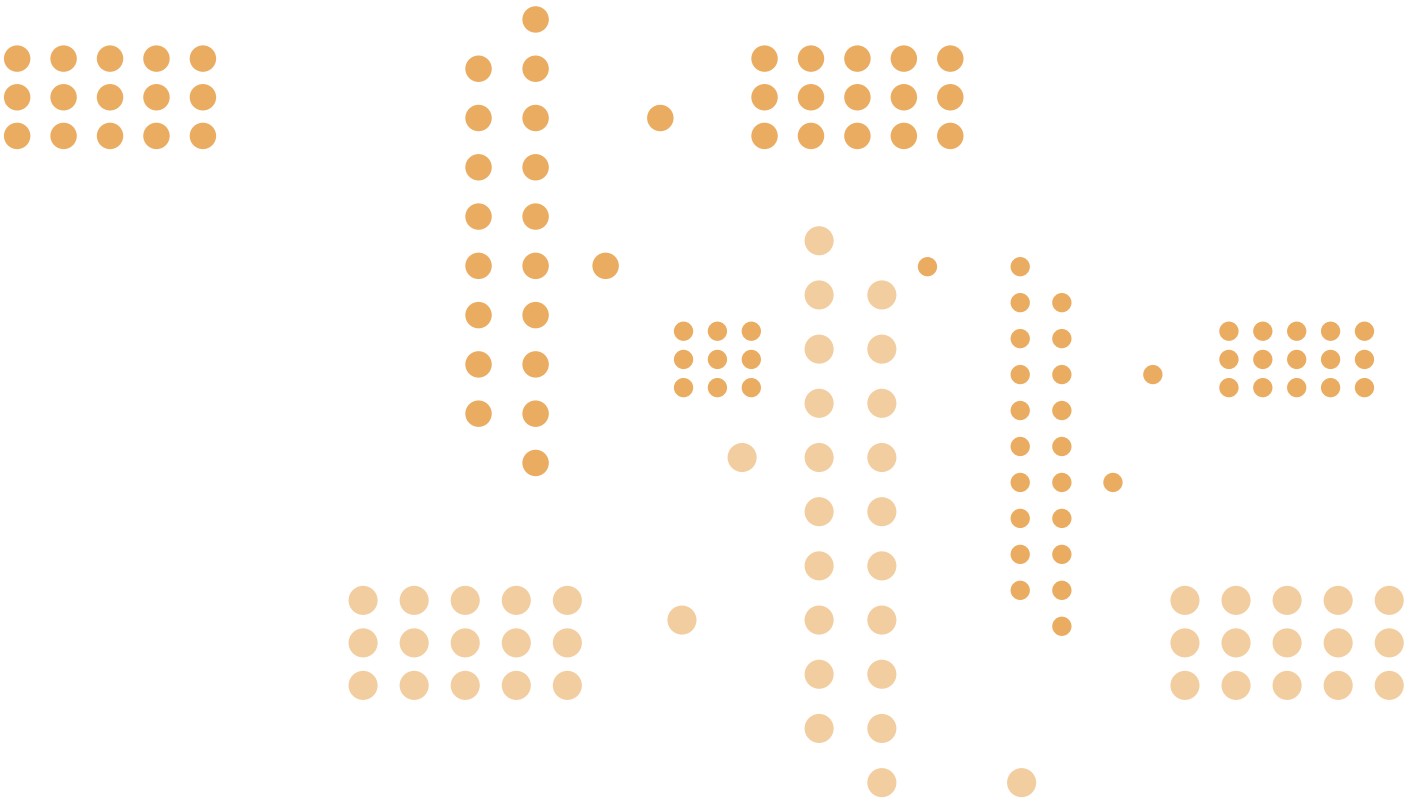
4 Ibid. 91–99.

5 Ibid. 99–104.

6 Ibid. 104–118.

7 Ibid. 105–109.

8 Ibid. 106.



the international IP framework leaves States with broad discretion when formulating and applying their rules on private international law and substantive IP law.

Regarding the two compared legal systems, the dissertation found that in both the EU and the US the rules on international civil jurisdiction, choice of law and the territorial scope of substantive IP law operated in tandem to produce similar results, but that the principle of territoriality operated more cogently at different levels in the EU and the US.[9] The dissertation showed that these differences could be explained by the different legal traditions and different perceptions on the function of private international law and IP rights in the EU and the US.[10]

The dissertation concluded by recommending that States strive after an international consensus with respect to defining and localizing the various infringing acts. It also observed that States primarily have an interest in regulating conduct that has IP impairing effects within their own territories, regardless of where the conduct takes place.[11] In addition, the dissertation argued in favour of a liberal approach to the territoriality principle's impact on private international law.[12]

3. SIGNIFICANCE AND CONTRIBUTION OF THE WORK AT THE TIME OF COMPLETION

At the time of completion, the dissertation was one of few in-depth investigations into the territoriality principle in international IP law. The dissertation contributed to the field by uncovering a legal basis for the territoriality principle of IP law but also demonstrated the principle's flexibility. At the time, my aim was to challenge the view that harmonized rules on private international law alone would solve conflict of laws problems for cross-border IP infringements arising from the same set of facts, without considering the territorial scope of the applicable substantive law. The dissertation intervened in this debate by providing a detailed and systematic comparison of approaches taken in the EU and the US. It showed that the substantive IP law in both jurisdictions regulated inbound and outbound IP-related goods and services, while applying the same or similar choice of law rules. In practice, although choice of law rules direct a court to the proper legal system, the territorial scope of substance IP law does all of the actual doctrinal work.

The dissertation also intervened in the debate about the consequences of the territoriality principle of private international law by demonstrating the discretion left to the States at the international level and the difference in approaches adopted by the EU and the US. At the time, this debate was critical because the Hague Conference on Private International Law had recently revived the work on the Judgments Project and initially included IP-related

9 Ibid. 541–544.

10 Ibid. 544–545.

11 Ibid. 548–549.

12 Ibid. 547–548.

judgments within its scope.[13] This was a positive first step. Under the 2016 draft, contracting states would be obligated to recognize and enforce IP judgments rendered in other contracting states—even concerning foreign IP rights—if the rendering court's jurisdiction was based on an acceptable ground. One such ground would be if the person against whom recognition or enforcement is sought was habitually resident there at the time that the proceedings were initiated.[14] Judgments that ruled on registration or validity of patents and other registered rights were, however, excluded from this obligation, unless the judgment was rendered in the country of registration.[15]

My dissertation supported this work by adding to the growing academic criticisms of interpreting the territoriality principle in a strict way to claim exclusive jurisdiction over domestic IP rights and refuse jurisdiction over foreign IP rights.[16] The Hague proposal was, however, too bold for the international community. The regulation of IP judgments at the international level remains a controversial and difficult question. The Judgments Convention was ultimately adopted, but IP judgments were excluded from its scope.[17]

The dissertation also engaged with the debate on the territoriality principle's impact on choice of law. It rejected a strict interpretation of the territoriality principle to lay down a mandatory application of the *lex loci protectionis* rule. This was timely because work at the International Law Association (ILA) was ongoing to develop guidelines on IP and private international law.[18] An important issue was the possibility of departing from the *lex loci protectionis* rule in cases of ubiquitous infringement and to allow for party autonomy. The global reach of offers for IP-related goods and services exposed sellers to potentially as many applicable laws as there were countries in which the content was accessible. The ILA's guidelines ultimately adopted a single law approach for ubiquitous infringements and allowed party autonomy with respect to the law applicable to infringement remedies. However, they did not adopt the dissertation's recommendation that commercial parties should be permitted to choose the applicable law, provided that the interests of third parties were not negatively affected.[19]

Lastly, the dissertation made a methodological contribution in the field of comparative law.[20] The dissertation was an example of what Strömholm called a *härskande* or dominant approach to comparative research where the comparison itself is the main objective element, and is made from outside and independent of the compared legal systems.[21] The dissertation applied a functional approach to compare the EU and the US legal systems and explain the reasons why the systems operate as they do in the regulation of transborder IP disputes.[22]

4. CONTINUING RELEVANCE OF THE FINDINGS

Despite the ten years that have passed since the dissertation was published, the topic itself and underlying findings remain highly relevant today. Indeed, legislators, courts and policymakers continue to address challenges regarding the application of the principle of territoriality and the definition and localization of the infringing acts.

A much-debated question today is how to deal with Generative AI models that are trained on copyright protected works in one State, where this is lawful, but used in other States, where this is unlawful, to compete with the very works that the AI models have trained upon.

13 See Hague Conference on Private International Law, 2016 Preliminary Draft Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters (Working Document No 76 E revised, 2016), https://assets.hcch.net/docs/42a96b27-11fa-49f9-8e48-a82245aff1a6.pdf (visited 12 February 2026). See also the World International Property Organization (WIPO)'s comments on the text, World Intellectual Property Organization, Comments Submitted by the WIPO Secretariat on the 2016 Preliminary Draft Convention on the Recognition and Enforcement of Foreign Judgments (Work. Doc. No 77, 6 September 2016), https://assets.hcch.net/docs/cea6387f–05f4-4233-8fdc-b72aa0ef09bf.pdf (visited 12 February 2026).

14 Article 5(1) ibid.

15 Article 6 ibid.

16 See American Law Institute, Intellectual Property: Principles Governing Jurisdiction, Choice of Law and Judgments in Transnational Disputes (ALI Publishers 2008); European Max Planck Group on Conflict of Laws in Intellectual Property, Conflict of Laws in Intellectual Property: The CLIP Principles and Commentary (London: Oxford University Press 2013); Transparency of Japanese Law Project, 'Transparency Proposal on Jurisdiction, Choice of Law, Recognition and Enforcement of Foreign Judgments in Intellectual Property', available in J. Basedow, T. Kono & A. Metzger (eds), Intellectual Property in the Global Arena – Jurisdiction, Applicable Law, and the Recognition of Judgments in Europe, Japan and the US, 394–402 (Mohr Siebeck 2010); Private International Law Association of Japan and Korea, Joint Proposal on 'Principles of Private International Law on Intellectual Property Rights', available in The Quarterly Review of Corporation Law and Society 112–163 (2011).

17 Article 2(m) Convention of 2 July 2019 on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters (concluded 2 July 2019, entered into force 1 September 2023). See also Lydia Lundstedt, 'The Newly Adopted Hague Judgments Convention: A Missed Opportunity for Intellectual Property' (2019) 50 IIC – International Review of Intellectual Property and Competition Law 933. Judgments concerning IP contracts are within the Convention's scope, provided the judgment is mainly based on contract law and not on IP law. Francisco Garcimartín and Geneviève Saumier, Explanatory Report: Convention of 2 July 2019 on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters (HCCH 2020), para 65.

18 See The International Law Association's Committee on Intellectual Property and Private International Law operated from 2010 to 2020, addressing jurisdiction, applicable law, and recognition of judgments in cross-border IP disputes, https://www.ila-hq.org/en_GB/committees/intellectual-property-and-private-international-law (accessed 26 November 2025).

19 See International Law Association, 'Kyoto Guidelines on Intellectual Property and Private International Law' (2021) Journal of Intellectual Property, Information Technology, and Electronic Commerce Law 1.

20 In his review, Professor Marcus Norrgård wrote: 'Lundstedt's dissertation is a successful attempt at using comparative law. The strength is not only in the theoretical description of how comparative law should be done, but especially in the way she actually does comparative law... The dissertation is, apart from being a work on the territoriality principle, also an example of 'comparative law in action'. Lundstedt has a very good command of the comparative law method, and she employs it rigorously.' Marcus Norrgård, 'Recension: Lydia Lundstedt, Territoriality in Intellectual Property Law (Stockholm University 2016) (2017) Juridisk tidskrift 761, 764, 769.

21 Stig Strömholm, 'Har den komparativa rätten en metod?' (1972) SvJT 456, 462.

22 Lundstedt 2016 12–18.

Article 53(1)(c) of the EU AI Act requires providers of general-purpose AI models to comply with EU law, even if their models are trained abroad, when those models are placed on the EU market.[23] Commentators disagree about whether this is an extraterritorial application of EU law.[24] The answer depends on how one defines an infringing act. It is clearly an extraterritorial application of EU law if one focuses on the reproduction of the works abroad, but the answer is different if one focuses on the placing of the model on the market in the EU.[25]

Despite the developments to date, IP laws continue to lack clear guidance on what constitutes an infringing act and which policy objectives are at stake, especially in digital environments. In 2023, a divided majority of the US Supreme Court held that the territoriality principle in trademark law limits the US trademark act's[26] reach to uses in commerce in the US.[27] These justices relied on the presumption against extraterritoriality which holds that Congress's laws apply only within US borders unless otherwise indicated.[28] Four concurring justices, while agreeing with the result in the case at hand, maintained that applying the trademark act to conduct occurring abroad is fully compatible with the territoriality principle where that foreign conduct is likely to cause consumer confusion in the US.[29] The gap between the majority and concurring opinions stems from their different approaches: the majority focused on the conduct to localize the infringing act, while the concurrence focused on the effects in the country of protection.

Likewise, in Japan, the Intellectual Property High Court confirmed that the territoriality principle limits the Japanese Patent Act to acts of infringement occurring within Japan.[30] However, it disagreed with the lower courts on where the allegedly infringing acts took place. The IP High Court held that even if some components of the accused activity were performed abroad, infringement might still occur 'in Japan' where, viewed as a whole, the acts can be substantively assessed as having taken place in Japan. In making this determination, the court considered multiple factors, including where the effects of the patented invention are realized, and may find domestic infringement even when parts of the system or conduct are located overseas.

The unauthorized minting of IP-protected works, the sale of NFTs, and the licensing of the underlying digital assets all introduce new IP-related phenomena that raise complex private international law questions. Unlike traditional internet-based forms of digital communication, NFTs and blockchain technologies decentralize not only the effects of online activities but also the conduct and storage of the underlying digital files, distributing them across a network rather than locating them in any single place. A report from the European Parliament stresses that traditional territorial principles on jurisdiction and applicable law might prove inadequate to virtual worlds, that rely on decentralized technologies such as blockchain.[31] These examples underscore that the dissertation's insight remains pertinent: the territoriality principle's inherent flexibility to adapt to new environments by pinpointing the infringement where the IP-impairing effects materialize.

Questions also continue to persist about the effect of the territoriality principle of private international law. Does this principle imply that States should exercise jurisdiction when domestic rights are alleged to be infringed without requiring any other connection to the domestic territory? As the dissertation found, this is the situation under EU private international law where the Court of Justice of the European Union (CJEU) applies an accessibility approach to jurisdiction under Article 7(2) of the Brussels I Regulation.[32]

Two of my subsequent works building on my dissertation have been cited in a 2021 study on cross-border enforcement of IP rights commissioned by the European Parliament's Committee on Legal Affairs.[33] This study

23 See Article 53(1)(c) and recital 106 Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act).

24 See Eleonora Rosati, 'Infringing AI: Liability for AI-Generated Outputs under International, EU, and UK Copyright Law' (2025) European Journal of Risk Regulation 603, 613–615; Malte Stieper and Michael Denga, 'The international reach of EU copyright through the AI Act' (2024) Beiträge zum Transnationalen Wirtschaftsrecht, No. 194, 13–15; Mattias Rättzén, 'Location Is All You Need: Copyright Extraterritoriality and Where to Train Your AI' (2024) 26 The Columbia Science and Technology Law Review 175, 241–247; João Pedro Quintais, 'Generative AI, copyright and the AI Act' (2025) 56 (106107) Computer Law & Security Review heading 4.4; Alexander Peukert, 'Copyright in the Artificial Intelligence Act – A Primer' (2024) 73(6) GRUR International 497, 505–506.

25 Even before the AI act, the act of importing into the country of protection of copies of works made abroad was an infringing act. However, a difficulty in applying these provisions is that it is not clear whether the model itself contains copies of the works it trained upon. See Getty Images (US), Inc v Stability AI Ltd, [2025] EWHC 2863 (Ch) para 600–602 (finding that the AI model itself did not contain any copies of the works so its importation into the UK was not an infringing act) and Munich District Court I (LG München I), 42 O 14139/24 (11 November 2025) 33–40 (finding that the models themselves were copies of the works). See also a recent report by the European Parliament which called for a 'reassessment of the territoriality principle': 'We cannot allow AI models to be trained just anywhere in the world using European copyright-protected data only for them to be then made available in Europe.' European Parliament, Copyright and generative artificial intelligence – opportunities and challenges (Draft Report, Committee on Legal Affairs, 2025/2058(INI), 27 June 2025) 14, 9.

26 Lanham Act 1946 (Trademark Act of 1946), 15 USC §§ 1051 et seq. (US).

27 Abitron Austria GmbH v. Hetronic International, Inc., 600 U.S. 412 (2023), opinion of the Court.

28 Ibid.

29 Ibid. Sotomayor J, concurring in judgment.

30 Masabumi Suzuki, 'Patent Infringement by Cross-border Acts: Introduction and Analysis of Recent Case Law in Japan' (2024) 53(2) Patents & Licensing 24.

31 European Parliament, 'Policy implications of the development of virtual worlds – civil, company, commercial and intellectual property law issues' (European Parliament resolution of 17 January 2024) P9_TA(2024)0029.

32 Lundstedt 2016 192–212. See also Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast).

33 European Parliament, Cross-Border Enforcement of Intellectual Property Rights in the EU (Policy Department for Citizens' Rights and Constitutional Affairs, Study 703387, 2021) 27, 53–54 (citing Lydia Lundstedt, 'Jurisdiction and choice of law in online copyright cases' in E.

feeds into the Parliament's broader reflections on how to adapt EU private international law to online IP infringements. The study noted my critique that the CJEU's accessibility approach to jurisdiction was inconsistent with the Brussels I Regulation objectives of foreseeability and proximity, while at the same time noting my observation that frivolous lawsuits will not likely be successful under applicable law. The proper balance between access to justice for right holders and protecting defendants from unforeseeable and sometimes frivolous lawsuits in foreign States has gained new relevance in today's highly polarized world where IP litigation can be used in an attempt to silence criticism and dissenting views.[34]

More generally, the dissertation has become part of the standard literature on the territoriality principle of IP in the fields of both intellectual property law and private international law.[35] It has also been referenced as an example of comparative research in the field of IP law.[36] The dissertation is freely available on the Swedish Digital Academic Archive database (DIVA), and to date, there have been 19,231 downloads and 25,633 page visits, making it the platform's 18th most visited doctoral thesis of all time.[37]

5. THE EVOLUTION OF THE TERRITORIALITY PRINCIPLE

Since the publication of my dissertation ten years ago, the territoriality principle and its implications on private international law is continuing to evolve. There have been a number of significant developments that confirm and refine the interpretation of the principle and its effect on private international law.

In July 2025, for instance, a WTO arbitral panel clarified that the territoriality principle not only means each State defines and enforces IP rights inside its borders but also obligates States to refrain from frustrating the enforcement of IP rights in other States' territories.[38] The EU had brought this case in response to China's policy of issuing anti-suit injunctions (ASIs) against SEP holders to prevent them from enforcing their rights in the State of protection while proceedings were ongoing in China

Rosati (ed.), The Routledge Handbook of EU Copyright Law (Routledge 2021) 396; Lydia Lundstedt, 'AMS Neve and Others (C-172/18): Looking for a Greater 'Degree of Consistency' Between the Special Jurisdiction Rule for EU Trade Marks and National Trade Marks', (2020) 69(4) GRUR Int 355.)

34 CASE Handbook: How to prevent SLAPPs or get help if it's too late (Coalition Against SLAPPs in Europe (CASE) 2024); See Cathay Y N Smith, 'Copyright Silencing' (2021) 106 Cornell Law Review Online 71. See also Directive (EU) 2024/1069 of the European Parliament and of the Council of 11 April 2024 on protecting persons who engage in public participation from manifestly unfounded claims or abusive court proceedings.

35 See e.g., Marta P. Sender, 'International Property Law and Territoriality' in Morten M Fogt, *Private International Law In An Era Of Change* (Edward Elgar 2024) (citing Lundstedt's dissertation to explain the territorial nature of IP and its limits); Mattias Rattzén, 'Location Is All You Need: Copyright Extraterritoriality and Where to Train Your AI' (2024) 26 The Columbia Science and Technology Law Review 175, 261 fn 431 (citing the dissertation for summarizing the territoriality limitations of intellectual property rights); Stefan Koos, 'Digital Globalization and Law' (2022) 6(1) Lex Scientia Law Review 33, 45(citing the dissertation for the premise that ' the scope of national intellectual property rights is historically linked to the reach of state sovereignty and thus limited to the national territory.'); Christian Heinze, 'Transition and Continuity in the Private International Law of Intellectual Property' 134 fn 4 in Niklas Bruun, Graeme B. Dinwoodie, Marianne Levin, Ansgar Ohly (eds), *Transition and Coherence in Intellectual Property Law: Essays in Honour of Annette Kur* (Cambridge University Press 2020) (citing the dissertation for providing an extensive analysis on the territoriality principle); Annette Kur & Ulf Maunsbach, 'Choice of Law and Intellectual Property Rights (2019) 6(1) Oslo Law Review 43 ('An insightful discussion as regards early bilateral conventions in the fields of private international law, and an acknowledgment as regards the importance of the Paris and Berne Conventions, may be found in Lydia Lundstedt, Territoriality in Intellectual Property Law'); Emmanuel K. Oke, 'Territoriality in Intellectual Property Law: Examining the Tension between Securing Societal Goals and Treating Intellectual Property as an Investment Asset' (2018) 15(2) SCRIPTed 313 (citing Lundstedt's dissertation several times for the historical and conceptual account of territoriality); See Elena Leanovich, 'Intellectual Property Rights on the Internet: Private International Law Questions in Belarus' in WIPO–WTO Colloquium Papers 2018 (Chapter 2) 19 ('Lydia Lundstedt conducted a detailed and comprehensive study of the various approaches to territoriality of intellectual property in EU Member States and the United States.').

36 See Päivi Hutukk, 'Copyright Law in the European Union, the United States and China' (2023) 54 IIC – International Review of Intellectual Property and Competition Law 1044, 1046.

37 Lydia Lundstedt, Territoriality in Intellectual Property Law: A comparative study of the interpretation and operation of the territoriality principle in the resolution of transborder intellectual property infringement disputes with respect to international civil jurisdiction, applicable law and the territorial scope of application of substantive intellectual property law in the European Union and United States (Stockholm University 2016) https://su.diva-portal.org/smash/record.jsf?dswid=-4392&pid=diva2%3A972658 (accessed 22 November 2025). Stockholm University Library, 'DiVA Statistics – Publication' https://su.diva-portal.org/smash/statistics.jsf?dswid=310&faces-redirect=true&statisticType=publication&language=en (accessed 22 November 2025).

38 WT/DS611/ARB25 – China – Enforcement of Intellectual Property Rights (21 July 2025) 4.70–4.75.

to set global FRAND rates.[39] The arbitral panel found that the territoriality principle includes a negative obligation alongside the classic positive right. In other words, territoriality is bidirectional: every Member regulates patents inside its borders but must not interfere with how other Members regulate patents inside theirs.

In February 2025, the EU made its own major clarification of the implication of the territoriality principle on international civil jurisdiction. The CJEU held that international law does not prevent a State from exercising jurisdiction over alleged infringements of foreign patents when the defendant is domiciled within its territory, nor from examining the validity of those foreign patents when validity is raised as a defence.[40] However, the Court also made clear that the principle of non-interference prohibits a court from taking any action that would affect the existence or substantive content of a foreign patent, or from ordering changes to that patent's registration in the foreign State's national register.[41] This ruling, when applied by the EU Member State courts as well as the nascent Unified Patent Court is a real game-changer in cross-border patent litigation.[42]

Both the rise of global FRAND determinations and the CJEU's decision in BSH reflect a judicial preference for procedural efficiency and coherent dispute resolution across borders, even at the cost of diluting traditional notions of territorial sovereignty over IP rights. By contrast, the recent US clarification on trademarks and territoriality points in the opposite direction, signalling a continued insistence on keeping IP questions firmly within domestic control.

6. CONCLUSION: LOOKING BACK, LOOKING FORWARD

Looking back over the past ten years, my dissertation has contributed to the fields of IP law and private international law with an in-depth study of the territoriality principle of IP law. The dissertation has demonstrated the flexibility of the territoriality principle enabling the EU and the US to regulate both inbound and outbound IP-related goods and services. The dissertation also has showed that while the principle has an impact on international civil jurisdiction and applicable law, it does not lay down specific rules and leaves discretion to States to formulate their rules to suit their legal traditions on the function of private international law and IP rights in their legal systems. The dissertation has also become an example of how a comparative method can be fruitfully applied to describe and explain the similarities and differences between two vastly different legal systems.

The territoriality principle continues to evolve as States reinterpret it to advance a range of policy objectives—whether preserving sovereignty over domestic IP rights, ensuring procedural efficiency and legal certainty, or strengthening the protection of their rights holders in foreign markets. Looking forward, however, a unilateral pursuit of national (and regional) policy objectives is not sustainable. Instead, States should strive to achieve an international consensus with respect to which connecting factors—acts in the forum, effects in the forum (and their required intensity), or both—should govern international civil jurisdiction, the choice of applicable law, and the territorial scope of substantive IP law.

Lydia Lundstedt

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39 See Enrico Bonadio and Nicola Lucchi, 'Antisuit injunctions in SEP disputes and the recent EU's WTO/TRIPS case against China' (2023) 26(3) The Journal of World Intellectual Property 477. China's policy was in response to Western courts exercising jurisdiction over global FRAND disputes. See e.g., Unwired Planet International Ltd v Huawei Technologies Co Ltd; Huawei Technologies Co Ltd v Conversant Wireless Licensing SÀRL [2020] UKSC 37.

40 Judgment of 25 February 2025, BSH Hausgeräte (C-339/22, Publié au Recueil numérique) ECLI:EU:C:2025:108, para 70–77.

41 Ibid.

42 Lydia Lundstedt, 'BSH Hausgeräte: A Game-Changer in Cross-border Patent Litigation, 5 March 2025, EAPIL blog, https://eapil.org/2025/03/05/bsh-hausgerate-a-game-changer-in-cross-border-patent-litigation.

Right of Communication to the Public in the EU Revisited – What Lesson(s) are in Store for the Future

https://doi.org/10.59625/siplr.v8i2.61387

Branka Marušić

INTRODUCTION

In 2016, when I started my doctoral journey, the problem of online content availability was already proving to be quite a nuisance. From YouTube's famous sentence of 'This video is not available in your country', to alternative (not so legal) ways of accessing content via Pirate Bay and LimeWire, for example, the proverbial chaos of legal uncertainty of access to content was in full bloom. Stakeholders reacted in two different ways as a result of this legal uncertainty. The first was the initial immobilisation of rightholders, who were unsure whether they had the right to prevent or allow use of their content. As a result, an environment where anything found online could be used without restriction was created. This made it possible for a number of services to grow, including YouTube, Pirate Bay, Napster, and LimeWire. Aggressive lawsuits followed when these services began to significantly reduce rightholders' income. The second response to this aggressive litigation was the immobilisation of end users, who were now unsure if they were infringing copyright. While some of these services, like Pirate Bay,[1] persevered in the face of the new situation, others, like YouTube, modified their business strategy to stay out of legal trouble. Nevertheless, neither of these opposing responses clarified the legal uncertainty around online access, much less how to resolve it.

ONLINE ACCESS TO CONTENT IN THE EU

Online access to content – within the European Union (EU) legal order, although found in other EU harmonising measures, is embodied in Article 3 InfoSoc Directive,[2] which is an implementation of Article 8 of the WCT[3] in EU law. This online access to content fund in the EU harmonising measure (InfoSoc Directive), and the international copyright treaty (WCT) – in legal terms – is called the economic right of communication to the public. In recent decades, this right has become the main economic right of a rightholder[4] in online spaces – meaning that it furnishes the rightholder with a possibility to prevent content from being made available online or conversely allow it to be.

In general terms the underlying restricted act of communication to the public is an act that enables original work to be disseminated (communicated) to a public (audience) without making a reproduction in a material form. This means that when this right was first formulated it was suited for particular types of works, such as dramatical and musical works – theatre plays and operas for example. Nevertheless, literary works are equally capable of dissemination in a non-material form, for example, if they are recited, and artistic works could be communicated by being exhibited to the public. With technological progress, it became possible to communicate all works on a much wider scale.

The manner in which a work is communicated to the public was and is contingent upon different ways that the audience is being enlarged. The first way to widen an audience is by sharing a work with the public by reading, reciting or performing that work in front of the said public – for example in public spaces such as squares, circuses, theatres. This type of action is sanctioned by the right of performance and recitation. The second way to enlarge an audience is by use of technical means – wire or wireless transmission – that can share the work with a public that is not physically present at the place where the work is being read, recited or performed – for example

1 Niklas Elert, Magnus Henrekson, Joakim Wernberg 'Two sides to the evasion: The Pirate Bay and the interdependencies of evasive entrepreneurship' (2016) 5(2) Journal of Entrepreneurship and Public Policy 176.

2 Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society [2001] OJ L 167/10 (the 'InfoSoc Directive').

3 World Intellectual Property Office Copyright Treaty Dec. 20, 1996, 2186 UNTS 121; 36 ILM 65 (1997) (the 'WCT').

4 Gaetano Dimita, 'The WIPO right of making available' in P. Torremans (ed), *Research Handbook on Copyright Law* (2nd edn, Edward Elgar Publishing 2017) 135, 136; Justin Koo, 'The influence of football on the development of the communication to the public right' (2019) 41(9) EIPR 571, 573.

via radio waves and television screens. This type of action is sanctioned by the right of communication to the public.[5] Lastly, work can be shared with an audience across space and time, making the public the initiator of access to work – at the place and time of their own choosing, through on-demand actions – for example by choosing a song to listen on Spotify and a film to see on Netflix. This type of action is sanctioned by the right of making available to the public.[6] All of the above ways form a wider concept of communication to the public, nevertheless, it is generally understood that the core right of communication to the public entails a spatial distance between the place where communication occurs and the place where the public is situated.

Article 8 of the WCT – which was implemented in Article 3 of the InfoSoc Directive – contains both the communication to the public right and the making available right. The making available right in Article 8 of the WCT is formulated in a technology-neutral way and has therefore been dubbed the *umbrella right*. This is because it leaves it to the Contracting Parties to incorporate it through different economic rights under national legislation, as long as the subject matter from the said article is fully incorporated.[7] For example, the making available to the public right has been incorporated in the USA as a combination of the rights of distribution, public performance, and public display.[8] The EU has incorporated it under a broad right of communication to the public;[9] Australia has incorporated it as an exclusive right with slightly different wording;[10] and Japan has incorporated it as a separate making available to the public right alongside a legal characterisation of the free transmission right.[11] This means that the act of communication in the USA is broadly understood involving all types of restricted acts of presentation, communication and making available, in the EU the act of communication includes the act of making available, whereas Australia and Japan delineate act of communication and act of making available.

However, the manner of, and the intention behind, a formulation of a right in a legislative measure – particularly on an international level, and how a court interprets this legislative formulation, might not correspond.[12] Whereas the traditional understanding of the scope of this right presumed the existence of two cumulative criteria – an *act* that is directed to a *public*, the Court of Justice of the European Union (CJEU) introduced other supplementary criteria in the assessment of the scope. These were the criteria of the *new public*[13] and of the *profit-making nature*[14] of an act of communication. This introduction of the new criteria by the CJEU – firstly in the assessment of the right of communication to the public, and later in the assessment of the right of making available – dazed and confused national courts of the Member States on how these newly introduced criteria were to be applied. The situation of confusion has not been mitigated by the CJEU, but rather exacerbated once the two new criteria have been supplemented by the two additional complimentary cri-

5 Commission, 'Green paper on Copyright and Related Rights in the Information Society' COM (1995) 382 final 56–57; Commission 'Proposal for a European Parliament and Council Directive on the harmonization of certain aspects of copyright and related rights in the Information Society' COM (97) 628 final COM (97) 628 final OJ C 108/6 recital 16; see also European Copyright Society 'Opinion on The Reference to the CJEU in Case C466/12 Svensson 15 February 2013' <www.europeancopyrightsocietydotorg.files.wordpress.com/2015/12/european-copyright-society-opinion-on-svensson-first-signatoriespaginatedv31.pdf> accessed on 31 October 2025.

6 World Intellectual Property Office 'Basic Proposal for the Substantive Provisions of the Treaty on Certain Questions Concerning the Protection of Literary and Artistic Works to Be Considered by the Diplomatic Conference (CRNR/DC/4) (1996)' 46 para 10.16.

7 Sam Ricketson and Jane C Ginsburg, *International Copyright and Neighbouring Rights* (2nd edn, OUP 2005) 747; Mihály Ficsor, *Guide to the Copyright and Related Rights Treaties Administered by WIPO and Glossary of Copyright and Related Rights Terms* (Geneva 2004) 227.

8 United States Copyright Office, 'The Making Available Right in the United States, a report of the Register of Copyrights, February 2016'.

9 Sari Depreeuw, Jean-Benoit Hubin et al, 'Study on the making available right and its relationship with the reproduction right in cross-border digital transmissions (2014)'1, 85.

10 Cheryl Foong, *The Making Available Right: Realizing the Potential of Copyright's Dissemination Function in the Digital Age* (Elgar Law Technology and Society 2020) 82–83.

11 Mihály Ficsor, *The Law of Copyright and the Internet: The 1996 WIPO Treaties, their Interpretation and Implementation* (OUP 2002) 502–509; Hiroshi Saito, 'Significance of the Making Available Right' in Gunnar Karnell, Annette Kur, Per Jonas Nordell, Daniel Westman, Johan Axhamn, Stephan Carlsson (eds) *Liber Amicorum Jan Rosén* (Visby:eddy.se 2016) 705.

12 Sari Depreeuw, *The Variable Scope of the Exclusive Economic Rights in Copyright* (Kluwer Law International 2014); Emanuela Arezzo 'Hyperlinks and making available right in the European Union – what future for the Internet after Svensson?' (2014) 45(5) IIC 524, 534–535; Bernt P Hugenholtz and Sam C van Velze, 'Communication to a new public? three reasons why EU copyright law can do without a "New public"', (2016) 47(11) IIC 797; Jan Rosén, 'How Much Communication to the Public Is "Communication to the Public"?' in Irini A Stamatoudi (ed), *New Developments in EU and International Copyright Law* (Kluwer Law International 2016) 331, 341–343, 431–435.

13 Judgment in *Sociedad General de Autores y Editores de España (SGAE) v Rafael Hoteles SA*, C-306/05, EU:C:2006:764, para 41.

14 Ibid, para 44.

teria of *specific technical means*[15] and of *knowledge of copyright infringement*,[16] deepening even more the legal uncertainty about the scope of this right. In an attempt to alleviate the growing legal uncertainty regarding the regulation of copyright in an online setting, the EU legislator introduced the DSM Directive.[17] Nevertheless, even after the enactment of the DSM Directive – which only minutely solves the problem by an introduction of *sui generis* regime for large platform liability for copyright infringement in Article 17, the legal problem of the scope of this right in the EU remains the same.[18]

A mere glance at the literature list found in the footnotes of this contribution reveals the sheer volume of scholarly articles, opinions, studies, and case notes written on the topic. During my doctoral journey there have been at least six monographs that have extensively discussed the right of communication to the public: Makeen's *Copyright in a Global Information Society*;[19] Efroni's *Access Right: The Future of Digital Copyright Law*;[20] Depreeuw's *The Variable Scope of the Exclusive Economic Rights in Copyright*;[21] Koo's *The Right of Communication to the Public in EU Copyright Law*;[22] Foong's *The Making Available Right: Realizing the Potential of Copyright's Dissemination Function in the Digital Age*;[23] and Oprysk's *Reconciling the Material and Immaterial Dissemination Rights in the Light of the Developments under the EU Copyright Acquis*.[24] Makeen's monograph from 1998 discusses the right of communication to the public through a comparative lens of international, US, UK and French law, and unlike my thesis does not encompass EU harmonisation of this right and the CJEU's case law. Efroni's contribution focuses on the use of Shannon and Weaver's communication model – which depicts linear technological environment in order to explain why copyright is in essence an access right for rightholders and a right-of-access for end users. My thesis, which is as well socio legal study, uses three different communication models to shed light on the legal uncertainty around online access caused by the CJEU's case law. Depreeuw's extensive and seminal monograph offers an historical account of developments in this area and an in-depth analysis of both the reproduction right and the right of communication to the public, including the right of making available to the public in the EU; however, the last development in case law discussed in said monograph ends in 2014, when the number of internet cases before the CJEU soared. My thesis draws on this monograph and adds an analysis of developments in case law since 2014. Koo's monograph from 2019 builds on Depreeuw's case analysis, however it advocates that the right of communication to the public in the EU should be read in the light of the Berne Convention – and its underlying technology of linear transmission. As explained below in my conclusions, it is difficult to apply provisions made in 1930's technology (linear transmission of radios and TVs) to 2020's technology (non-linear transmission of Spotify and Netflix) – if not only since we are technologically not there, but also the law and the interpretation have progressed so far that we are beyond the point of no return. Foong's monograph from 2020 discusses the right of making available to the public in the US, the EU and Australia, however my thesis narrows the field of analysis to the EU, while at the same time widening it by examining the right of making available to the public as a species of the right of communication to the public. Lastly, while Oprysk's monograph discusses both the right of distribution and the right of communication to the public, including the right of making available to the public in the EU, the main point of departure in our work is that she advocates for an exhaustion principle to be available in online settings, while my thesis argues the opposite.

After my disputation and the publishing of a book[25] based on my thesis, one more doctoral thesis has been defended – with a focus on the right of communication to the public on digital platforms.[26] To add insult to injury, as of the date of writing this contribution, there are five pending referrals[27] in front of the CJEU on this same economic right. To put it simply – this topic was and is a never-ending saga.

15 Judgment in *ITV Broadcasting Ltd and Others v TVCatchUp Ltd*, C-607/11, EU:C:2013:147, para 26.

16 Judgment in *GS Media BV v Sanoma Media Netherlands BV and Others*, C-160/15, EU:C:2016:644, para 47.

17 Directive (EU) 2019/790 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market and amending Directives 96/9/EC and 2001/29/EC [2019] OJ L 130/92 (the 'DSM Directive').

18 Christophe Geiger, Giancarlo Frosio, Oleksandr Bulayenko 'The EU Commission's proposal to reform copyright limitations: a good but far too timid step in the right direction' (2018) 40(1) EIPR 404; Ed Baden-Powell and Rachael Heeley 'Copyright in the Digital Single Market–long-debated Directive approved' (2019) 30(5) Entertainment Law Review 143 (note); Benjamin Farrand '"Towards a modern, more European copyright framework", or, how to rebrand the same old approach?' (2019) 41 (2) EIPR 65; Sylvia Stavridou, 'Copyright in the Digital Single Market in Europe: The Quest for Legal Certainty Still Remains' (2021) 70 (1) GRUR Int 1.

19 Makeen F Makeen, *Copyright in a Global Information Society: The Scope of Copyright protection Under International, US, UK and French Law* (Kluwer Law International 2000).

20 Zohar Efroni, *Access Right: The Future of Digital Copyright Law* (OUP 2011).

21 Sari Depreeuw, *The Variable Scope of the Exclusive Economic Rights in Copyright* (Kluwer Law International 2014).

22 Justin Koo, *The Right of Communication to the Public in EU Copyright Law* (Hart Publishing 2019).

23 Cheryl Foong, *The Making Available Right: Realizing the Potential of Copyright's Dissemination Function in the Digital Age* (Elgar Law Technology and Society 2020).

24 Liliia Oprysk, 'Reconciling the Material and Immaterial Dissemination Rights in the Light of the Developments under the EU Copyright Acquis' (PhD theses University of Tartu 2020).

25 Branka Marušić, The autonomous legal concept of communication to the public: interpretation in EU copyright law (Edward Elgar 2003).

26 Mbonu, JO, 'The Right of Communication to the Public on Digital Platforms – Issues of Liability, Proportionality and Creativity in EU Copyright Law' (PhD theses QMUL 2024).

27 Referral in *VHC 2 Seniorenresidenz*, C-127/24; Referral in *Austro-Mechana and AKM*, C-579/24; Referral in *Streamz and Others*, C-663/24; Referral in *Anne Frank Fonds*, C-788/24; Referral in *Like Company*, C-250/25.

CONCLUSIONS IN MY THESIS

I would like to lift one conclusion from my thesis –on the possibility of regulating technology in a technology neutral way. For the rest of the conclusions – most prominently the operational model on how to understand when we are breaching the right of communication to the public in the EU – I invite the reader to see my doctoral thesis (as of recently in open access)[28] or read my book (with less methodology and more clarity and an altered operational model).[29]

The conclusion I wish to highlight concerns the attempt to create a *technology-neutral* rule for a fundamentally *technology-driven* provision. The right of communication to the public, as formulated in the WCT and the InfoSoc Directive, has often been described as a technology-neutral rule – one intended to encompass all copyright-relevant acts that involve a spatial distance between the originator of a communication and the public to whom it is directed. In essence, this right ensures that rightholders receive remuneration for acts that enable audiences to see or hear their work– particularly when the number of audience members have been enlarged beyond initial authorisation, or the space has been changed to welcome a new type of audience.

The ambition to create a technology-neutral rule in Article 8 of the WCT and Article 3 of the InfoSoc Directive, arose against the historical backdrop of the Berne Convention,[30] which has been repeatedly revised in response to new technological developments that broadened access to works. The earliest technological stage was based on oral-formulaic traditions, where audiences could only experience protected works at predetermined places and times, such as local squares and theatres. This stage is reflected in the Berne Convention through provisions covering acts of presentation and recitation, applicable to certain types of works (Articles 11(1)(i), 11(2), 14(1)(ii), 14*bis*(1), 11*ter*(1)(i) and 11*ter*(2)).

The next technological stage – the era of linear transmission technologies, such as radio and television – posed significant challenges for legislative formulation. Provisions such as Articles 11(1)(ii), 11(2), 11*ter*(1)(ii), 11*ter*(2), 11*bis*(i) and (ii), and 14(1)(ii) Berne Convention reflect attempts to address these challenges. Yet, interpretation and application difficulties persist, particularly regarding the artificial division of transmission technologies into *primary* and *secondary* transmissions. This division arose from practical considerations linked to early mechanical transmission infrastructure.[31] Because analogue radio and television signals were large and required substantial

28 Branka Marušić, 'The Autonomous Legal Concept of Communication to the Public in the European Union' (LLD theses Stockholm Universitet 2021).

29 Branka Marušić, The autonomous legal concept of communication to the public: interpretation in EU copyright law (Edward Elgar 2003).

30 Berne Convention for the Protection of Literary and Artistic Works (adopted 9 September 1886, completed May 1896, revised 13 November 1908, completed 20 March 1914, revised 2 June 1928, revised 26 June 1948, revised 14 July1967, revised 24 July1971, amended 28 September 1979) WIPO TRT/BERNE/001 (1984) (the 'Berne Convention').

31 João Pedro Quintais and Joost Poort, 'A Brief History of Value Gaps: Pre-Internet Copyright Protection and Exploitation Models' in P Bernt Hugenholtz (ed), *Copyright Reconstructed: Rethinking Copyright's Economic Rights in a Time of Highly Dynamic Technological and Economic Change* (Kluwer Law International 2018) 11, 39.

bandwidth, the transmission process had to be split into segments across several mechanical devices. While digitisation has since mitigated these infrastructure limitations – transforming large analogue content into compressed digital form[32] – the outdated legislative formulations and terminology continue to complicate the interpretation of this economic right. To be specific, this relates to the use of the criteria of 'an organisation other than the original one' in Article 11*bis*(1)(ii) Berne Convention as delimiting criteria between primary and secondary transmission, which has been abandoned by the CJEU for the criteria of 'the new public' to assess the division between two transmissions – setting aside the idea that there are primary and secondary transmission.

With the emergence of the third technological stage – on-demand technologies such as the ones used by Spotify and Netflix – which expanded audience access both spatially and temporally, legislators sought to establish genuine technology-neutral rule, exemplified by Article 8 of the WCT and Article 3 of the InfoSoc Directive. However, residual problems from earlier technology-specific provisions have persisted, rendering the right of communication to the public a continuing source of complexity. The rapid pace of technological change has often made it practically impossible for such 'neutral' rules to function as intended. The legislative responses embodied in the NetCab[33] and DSM Directives at the EU level reflect this ongoing struggle. These measures – such as the *sui generis* regime for large online platforms in the DSM Directive, and provisions on regulating the technology of TV injections in the NetCab Directive – much like the historical revisions of the Berne Convention, represent reactive interventions designed to address technological evolution. In doing so, they introduce new copyright-relevant acts and even new categories of rightholders – a return, in many respects, to the cyclical legislative pattern established by the Berne Convention.

However, these modern 'return to Berne' provisions do little to clarify the operation of copyright rules in the online spaces. The central argument advanced in my thesis is that much of this uncertainty – regarding the clarity, functioning, and scope of copyright law – stems from an insufficient understanding of the underlying technological environment. My research adopts a technological perspective on the problem of online content access, using the technological environment – in the form of communication models[34] – as the analytical starting point for assessing copyright infringement. The findings demonstrate that this approach can be applied consistently across all types of copyright-relevant acts. Yet, the fragmented legislative framework (on international and EU level) – both in defining and harmonising such acts – limits the broader applicability of these conclusions. Moreover, this legislative fragmentation of harmonised copyright-relevant acts has produced three major consequences.

First, it has led to inconsistencies in the level of protection afforded to different categories of rightholders in the EU. For example, the objective of ensuring a 'high level of protection' appears explicitly in most EU directives but is absent from the Rental and Lending Rights Directive.[35] Consequently, holders of related rights receive a 'high level of protection' for the right of making available to the public, but are excluded from such protection concerning the right of communication to the public. This inconsistency has tangible legal implications. Under Article 17 of the DSM Directive, holders of related rights under Article 8 of the Rental and Lending Rights Directive are excluded from its scope, meaning that performers, phonogram producers, and broadcasters cannot oppose the use of their works by online content-sharing service providers (OCSSPs).

Second, in an effort to overcome the inconsistencies created by fragmented legislation, the CJEU has sought to interpret technology-driven provisions in a uniform manner. This interpretative effort mirrors the legislative goal of technological neutrality. However, in practice, the CJEU's case law has tended to privilege on-demand technologies (non-linear transmission), effectively marginalising traditional liner transmission-based forms of communication, and favouring on-demand technology over transmission technology.

Third, and finally, this interpretative evolution has transformed the scope of the economic right in online contexts – a paradigm shift in determining who must obtain authorisation to access protected works online. By interpreting the economic right through the lens of on-demand technologies, the CJEU has effectively placed responsibility with the person who creates the access point. As a result, rightholders are required to be vigilant in the dissemination of their content, and the online platforms are required to be diligent in obtaining authorisation when content is being disseminated through their facilities.

PRESENT DAY RELEVANCE OF THE RIGHT OF COMMUNICATION TO THE PUBLIC

One could say that an 'easy fix' to the never-ending saga of the interpretation of the right of communication to the

32 Eric Fleischmann, 'The Impact of Digital Technology on Copyright Law' (1987) 8 Computer Law Journal 1, 2–5.

33 Directive (EU) 2019/789 of the European Parliament and of the Council of 17 April 2019 laying down rules on the exercise of copyright and related rights applicable to certain online transmissions of broadcasting organisations and retransmissions of television and radio programmes, and amending Council Directive 93/83/EEC (Text with EEA relevance) [2019] OJ L 130/82 ('NetCab Directive').

34 For linear transmissions (communication to the public right) my thesis uses Shannon and Weaver's model (for a technological environment that does not need to artificially split the signal), and Gerbner's model (for technological environment that requires a transmission signal to be split), for non-linear transmissions (making available right) my thesis uses both versions of the Westley and MacLean model.

35 Directive 2006/115/EC of the European Parliament and of the Council of 12 December 2006 on rental right and lending right and on certain rights related to copyright in the field of intellectual property (codified version) [2006] OJ L 376/28 ('Rental and Lending Rights Directive').

public would be to match the ambition of a technology-neutral rule to a legally neutral rule – one that encompasses all types of copyright-relevant actions, objects of protection, and rightholders. By this, the legislative fragmentation would not get in the way of technology and the proper functioning of rules. However, I do acknowledge the fact that this might be easier said than done. Nevertheless, and the reason I wanted to lift up the conversation on the possibility of a true technology-neutral rule is that since I have defended my thesis in late 2021, a new type of technology became commercial – artificial intelligence (AI).

Since the commercial emergence of AI, the debate surrounding the right of communication to the public has acquired new urgency and complexity. Drawing on historical patterns of technological development, one might argue that we are now midway through the regulatory cycle that typically accompanies major innovations. The first phase has been dominated by disputes over copyright inputs, specifically, whether training AI systems on online materials without explicit authorisation constitutes infringement. As with previous technological turning points, these initial conflicts are gradually giving way to a more pragmatic equilibrium. One of the questions before the CJEU in a pending case[36] touches upon the issue of whether chatbot training can fall under the text-and-data mining exception, and STIM, the Swedish collecting management organisation, launched an AI license for AI training.[37] These occurrences suggest that the legal system may ultimately accommodate AI training through a mixture of exceptions and licensing frameworks. Historically, copyright law has tended to evolve in ways that facilitate technological progress, even when doing so has required recalibrating the balance between creators and innovators. The story from the introduction on the state of 'uncertainty and lawfulness' on online access that has shifted into the rise of streaming platforms today (such as Spotify) illustrates how pragmatic solutions eventually prevailed over 'everything is free' and 'everything is infringement' views on online access to copyright-protected content.

Assuming a similar outcome for AI inputs, attention will inevitably shift towards the post-training phase, namely, the use of trained models in inference, fine-tuning, and retrieval-augmented generation (RAG). While inference is a neutral act of applying a model's learned parameters, fine-tuning and RAG raise more complex questions. In particular, RAG systems, which dynamically retrieve and integrate external information, could challenge established understandings of communication to the public. To explain RAG in simple terms, this is a technique that combines a retrieval system with a large language model to provide more accurate and up-to-date responses by grounding the AI's answers in external data.

The key issue is whether such systems, by summarising or referencing third-party content, might be seen as engaging in acts analogous to linking, framing, or streaming – activities that have historically tested the boundaries of the right. Extending this logic to AI-driven retrieval could lead to renewed debates about whether such outputs amount to new acts of communication, especially given their potential to substitute for the original content rather than direct users towards it. Applying the findings of my thesis – such a qualification will be contingent on the fact of whether the content that is being summarised or referenced can be found in a closed technological environment, or an open one. An open technological environment – one without technological protection measures – creates a situation where no such infringement claim can be made. This circles back to one of the conclusions on technology neutral rules in technology driven online spaces – that being that rightholders need to be vigilant on protection, and online platforms diligent in obtaining authorisation. How this vigilance is going to be manifested, and whether the new and improved rules on online platform liability – both in the DSM Directive and the DSA[38] – boost diligence, is a question for the 9th book on communication to the public.

In this sense, AI exposes the limitations of a fragmented, technology-contingent approach to copyright. A genuinely technology-neutral rule – one that applies consistently across diverse modes of creation, rightholders, and access – could provide greater coherence and predictability. However, achieving such neutrality remains a formidable legislative challenge, not least because each technological stage introduces distinct economic and normative considerations. Nevertheless, the advent of AI underscores the need to move beyond reactive, technology-driven regulation and to consider a more principled, legally neutral framework capable of accommodating future innovations without constant interpretive upheaval.

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36 Referral in *Like Company*, C-250/25.

37 STIM 'STIM Launches the World's First AI License for Music' <https://www.stim.se/en/news/stim-launches-the-worlds-first-ai-license-for-music> accessed on 31 October 2025.

38 Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC (Digital Services Act) (Text with EEA relevance) [2022] OJ L 277 ('DSA').

The Swedish Cross-protection of Company Names and Trademarks Revisited

https://doi.org/10.59625/siplr.v8i2.63351

Merit Berlips Persson

1. INTRODUCTION

In my dissertation *Företagsnamnet som varukännetecken. En rättsvetenskaplig studie av det korsvisa skyddet*. (*Eng.* The company name as a trade sign. A study of the Swedish law of cross-protection), completed in 2022[1], I set out to offer the first, to my knowledge, comprehensive study of the Swedish legal concept of cross-protection between company names and trade marks, i.e. signs used in trade. One doctoral dissertation had been written on the subject of names and company names before mine, by Gösta Eberstein in 1909, long before the adoption in 1974 of the predecessor of today's Company Names Act, which was adopted in 2019.[2]

Under Sweden's first Trade Marks Act of 1884, company names were regarded as natural trade signs and were afforded protection as trade marks when used on goods. Subsequent developments in Swedish trade mark law and company name law – particularly following Sweden's membership of the European Union in 1995 and the continuing evolution of harmonised EU trade mark law – have resulted in a regulatory framework that grants company names automatic protection as trade signs, even in the absence of use in relation to goods or services.

There are differences in the requirements for protection between company names and trade marks, such as, lower requirements of distinctiveness when registering a company name, a broader description of the business than the equivalent description of goods and services for trade marks, and a different application of genuine use. These differences create the possibility of circumventing trade mark law, and allow company names to obtain broader protection than that afforded to equivalent trade marks.

I undertook to study these issues from the perspective of company names and analyse the legal concept of the cross-protection under Swedish law. The overall aims of the dissertation was to consider and analyse the legal coordination between company names and trade marks, and to examine the extent to which the concept of cross-protection complied with the EU harmonised trade mark law.

2. SIGNS USED IN TRADE AND THE SWEDISH CONCEPT OF CROSS-PROTECTION

The rationale behind intellectual property protection of signs is that they are used commercially. Signs used in trade can among other things be a company name or a trade mark. These signs differ in that a company name or trade name distinguish a *business*, whereas a trade mark or trade sign distinguish *goods and services*.

The use of company names and trade marks in the market often overlap, especially for well-known signs. For the consumer, the sign outside a McDonald's is equally comprehended as representing the burgers and services inside as it is the business.

Due to this overlapping use and that company names historically were so-called natural trade marks, the Swedish Trade Marks Act (2010:1877) grants company names

1 Merit Berlips Persson, *Företagsnamnet som varukännetecken. En rättsvetenskaplig studie av det korsvisa skyddet*. LLD thesis Stockholm University 2022.

2 Gösta Eberstein, Bidrag till läran om namn och firma enligt svensk rätt, Uppsala, Almqvist & Wiksell, 1909. Gösta Eberstein had a significant influence on the development of intellectual property rights in Sweden, the Nordic countries and internationally for a long time. Not least, he wrote a number of books and articles on trade mark law and company names law. He was chairman of both the trade mark report SOU 1958:10 and the inquiry for the 1974 Company Names Act SOU 1967:35. The closest jurisprudence that follows Eberstein's thesis on the trademark law aspects of company names, apart from his own continued work in the field, is Seve Ljungman's treatment of the subject in Namn-, firma-, och varumärkesrätt. Illojal konkurrens, in SvJT 1952 p. 824 f. (by the same author also, Några reflexioner kring den nya firmalagen och dess förhållande till varumärkesrätten, NIR 4/1974, p. 384–393 Firmaretten og forholdet mellom firma og varemerker, NIR 3/1981, p. 134–140), and Marianne Levin's article En ny nordisk känneteckensrätt inför 2000-talet, NIR 4/1994, p. 516 ff. – In terms of doctrine, the standard work was Firmarätt – företagsnamn i praktiken by Eric W. Essén, whose fourth edition in 2013 was co-authored by Peter Adamsson and Anders Kylhammar (Stockholm, Norstedts Juridik 2013). Adamson and Kylhammar have since authored Lagen om Företagsnamn – En kommentar, published in 2021 and updated the last time in January 2025 (JUNO version 1C, Norstedts Juridik 2025). The subject has also naturally been treated as a limited part in other intellectual property law text books (Marianne Levin et al., Lärobok i immaterialrätt. Upphovsrätt, patenträtt, formskydd, känneteckensrätt och internationell privaträtt i Sverige och EU, JUNO version 14, 2025; Ulf Bernitz et al., Immaterialrätt och Otillbörlig konkurrens, 16th ed., Stockholm, Jure 2023; Stojan Arnerstål et al., Immaterialrätten. Sverige och EU., Uppsala, Iustus, 2025.) and in articles, especially a number of articles in NIR 6/2008. In doctrine on company law, the subject is treated very sparse (see, for example, Torsten Sandström, Swedish Company Law, 7th ed., Norstedts Juridik, 2020, p. 79 f., half a page). – As noted the text books have had new editions after my dissertation and the same year as my dissertation a book was also published called *Kännetecknensrätt. Skydd för varumärken och företagsnamn*, (Stojan Arnerstål, Uppsala, Iustus, 2022) with a short section regarding cross-protection. I too have published a book based on my thesis (Merit Berlips Persson, *Företagsnamn och varumärken. Det korsvisa skyddet*. JUNO version 1, 2023).

the same protection as trade marks and *vice versa* in the Company Names Act (2018:1653). This cross-protection is explained by the legislator to be automatic.

Although the use of the two categories of signs clearly overlaps, it is essential to keep the terminology distinct so as not to introduce further misunderstanding into an already complex concept. The terminology used in the following is: company name (*Swe.* företagsnamn) for the registered company name; trade name[3] (*Swe.* näringskännetecken) for an unregistered name used for a business; trade mark (*Swe.* varumärke) for the registered trade mark; trade sign (*Swe.* varukännetecken) for marks protected through use and unregistered marks. When the term sign/s is used by itself it refers to all of the above, i.e. company names, trade names, trade marks and trade signs. – In the Swedish Company Names Act the term trade name is also used as an umbrella term for company names and trade names. Similarly in the Swedish Trademarks Act the term trade sign is used as an umbrella term for trademarks and other trade signs.

Cross-protection refers to the relationship between company names/trade names and trademarks/trade signs, and is provided for under the Swedish Trademarks Act and the Swedish Company Names Act. These two categories of signs are in Sweden protected both *against* and *as* the other. There are two aspects of the concept of cross-protection i) signs belonging to one category may constitute grounds for refusal of registration of signs in the other category[4] and ii) signs belonging to one category may exercise exclusive rights as being a sign of the other category[5].

While cross-protection encompasses these two aspects, the present article focuses mainly on the aspect relating to exclusive rights, since this is the one that may be most questionable in relation to the EU harmonised trademark law[6]. It is this aspect – which appears unique to Sweden – that, according to Section 8, Chapter 1, first paragraph of the Trade Marks Act and Section 3, Chapter 1, first paragraph of the Company Names Act, entitles the holder of one type of sign to exclusive rights also to the other type of sign, without any requirement of use as such.

This means that, under the Trademarks Act, the proprietor of a company name is entitled to exclusive rights in that name as a trade sign, i.e. the equivalent to a trademark, without the company name having been used for goods and services. In other words, a company name is protected as a trademark even in cases where its function is not the same as the trademark's function, which is as an indicator of the origin of goods and services. The function of a company name is not to indicate the origin of goods and services, but rather to identify and establish the legal entity according to company law and, when used as a trade name, to indicate the business according to the Company Names Act. Consequently, the use of a younger trademark/trade sign that is identical or confusingly similar to the company name may constitute an infringement of the exclusive right in the company name under trademark law, and *vice versa*. This relationship can be illustrated by the following table. The scope of cross-protection is marked in italics.

Infringing sign / Earlier right	**Company name/ Trade name**	**Trade mark/ Trade sign**
Company name	Company Names Act	*Trade Marks Act*
Trade mark	*Company Names Act*	Trade Marks Act

The table shows that when the earlier right is a company name and the infringing sign is a younger trademark/trade sign, the infringement will be tried under the Trademarks Act. That is to say, that the trademark/trade sign is infringing the company name's exclusive right as a trademark according to Section 8, Chapter 1, first paragraph the Trademarks Act. Thus, the catalogue of remedies in Chapter 8 of the Trademarks Act applies.

Equally, when the earlier right is a trademark and the infringing sign is a younger company name/trade name, the company name/trade name is infringing the trademark's exclusive right as a company name under the Company's Names Act.

Since company names are not subject to requirements as strict as those applicable to trademarks, e.g. regarding distinctiveness, my research examined the imbalance created by cross-protection between signs used in trade. It analysed how this imbalance has increased over time, particularly as a result of the EU harmonisation of trademark law[7], and considered whether cross-protection was, in fact, compatible with the harmonised trademark framework.

If Sweden, as a Member State, grants trade mark protection to one undertaking to a greater extent or under different requirements than those provided for in the Trade Marks Directive 2015/2436 (EUTMD), this could create obstacles to other undertakings selling goods or services across borders because they may be claimed to infringe trade mark rights in Sweden which are not based on EU law. Thus, affecting the free movement of goods and services.

3 Note that the term commercial designation has also been used for trade name in ECJ Case C-365/24 *Purefun Group [2025]*.

4 Section 9, Chapter 2, first paragraph and section 8, Chapter 2, first paragraph 1–3 the Trademarks Act, and section 4, Chapter 2 and section 3, Chapter 2 the Company Names Act. Cf. article 8.4 EUTMR (see also article 60.1 c) and 60.2 c) EUTMR).

5 Section 8, Chapter 1, first paragraph of the Trademarks Act and Section 3, Chapter 1, first paragraph of the Company Names Act. Cf. article 9.3 d) EUTMR and articles 138.1 and 138.3 EUTMR.

6 It should be noted that the former poses difficulties in registrations matters where company names are given wider protection than equivalent trademarks. Relative grounds for refusal under the cross-protection concept, without qualifying conditions, together with the broad business descriptions used in Sweden, results in the problem that a large number of relatively insignificant company names' rights – that is, comparatively descriptive company names with a limited scope of protection, which may not even be used as signs in trade – block legitimate trade mark applications.

7 Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trademarks.

In addition, taking also a *lege ferenda* approach, the dissertation contained a wish for a legislative solution.

3. SUMMARY OF KEY FINDINGS

The overall aim of the study was to consider and analyse the legal coordination between company names and trademarks, and to examine the extent to which this complied with EU harmonised trademark law. Two hypotheses were tested in relation to cross-protection: 1. there is an imbalance in how the legal concept of signs is applied to company names and trademarks; and 2. the automatic protection of company names as trademarks is not in compliance with EU harmonized trademark law. As mentioned above the study also aimed to present a legislative solution *de lege ferenda*.

The first hypothesis was substantiated by four explanatory models.

1. *Tradition*: the Swedish solution can be traced back in time to the emergence of company names and trademarks.

Company names were originally the primary commercial signs, and early legislation reflected this dominance. Although trademarks have since become the dominant sign in modern commerce, the law continues to reflect historical practices, particularly in accepting lower distinctiveness requirements for company names. The traditional structure of company names – often personal names combined with descriptive elements – persists in both law and practice, contributing to an imbalance between the Swedish Trademarks Act and the Swedish Company Names Act.

2. *Function*: company names and trademarks have different core functions but have been deemed to have corresponding functions in the Swedish Company Names Act and the Swedish Trade Marks Act.

Company names primarily identify and establish a business entity, particularly in relation to authorities and business partners, whereas trademarks primarily indicate commercial origin and may also carry goodwill and advertising functions. Legislative drafting and case-law on genuine use reflect these functional differences. The distinction between the primary functions of a company name and a trade name is an additional factor contributing to the imbalance between the Swedish Trademarks Act and the Swedish Company Names Act.

3. *Needs*: company name rightsholders have a primary need for the company name to identify and establish the legal entity in accordance with company law, and then varying degrees of need for its protection as a sign, while the trade mark proprietor only has the need to gain exclusive right for the mark.

Company names are mandatory and serve varying intellectual property needs, while trademarks are optional. Most company names contain descriptive elements, and relatively few businesses seek trademark protection for their company names. Registration data suggests that company names function effectively in the market with limited protection and little friction. In view of the large number of company names available, company names still seem to work in the market without much friction. There seems to be no need for trademarks to act as trade names based on the expanding scope of the concept of trademark use. Consequently, cross-protection does not appear to respond to a genuine market need and instead reinforces the imbalance between company name and trademark regulation.

4. *Application*: the corresponding rules in the Swedish Company Names Act and the Swedish Trademarks Act, such as the requirements for distinctiveness and genuine use, apply differently to company names and trademarks.

While trademark law is harmonised at EU level, trade name protection remains largely unharmonised, despite international obligations under the Paris Convention and TRIPS. Attempts to align the Swedish Trademarks Act and the Swedish Company Names Act have led to equivalent

rules on exclusive rights that are difficult to apply in practice, particularly given differing applications of distinctiveness and genuine use. Lower thresholds for company names create incentives to circumvent trademark law, thereby contributing to the between the Swedish Trademarks Act and the Swedish Company Names Act.

These four models explained the imbalance between signs used in trade, which in turnled to a more extensive scope of protection for company names than the equivalent for trademarks. It was particularly evident in a conflict between company names and trademarks, but it was also reflected in the partly different approaches to the functions of signs in the market, when these should, in principle, be fundamentally uniform.

The second hypothesis, that the automatic protection of a company name as a trademark did not conform with EU harmonised trademark law, was substantiated by a fifth explanatory model, which related to the fourth model above:

5. EU harmonised trademark law: the overarching framework for the development of trademark law and practice is set at EU level.

As mentioned above, while trade mark law is EU harmonised for the registered trade mark, there is no real harmonisation of the exclusive rights to a trade name. On the other hand, it is clear that trade names are protected throughout the EU by the Paris Convention and the TRIPS Agreement, although under which conditions is not as clear.

EU law has clear case-law relating to trade marks on grounds of refusal of registration and grounds of invalidity of a trade mark, the concepts of distinctiveness and genuine use, and the meanings of exclusive rights – double identity, likelihood of confusion and protection of reputation – and limitations.

The objective of coordinating the Swedish Company Names Act and the Swedish Trade Marks Act, which in turn is in compliance with the EUTMD has, *inter alia*, led to the adoption of fully equivalent rules in Sweden concerning the meaning of the exclusive right, which are difficult to apply in the case of cross-protection.

Furthermore, the coordination between the Swedish Company Names Act and the Swedish Trade Marks Act has meant that the corresponding provisions relating to distinctiveness and genuine use have been applied differently because of the difference in functions between company names and trade marks. The lower requirements on the distinctive character of company names mean that there are incentives for those who want an exclusive right to circumvent the stricter rules laid down for trade marks by registering a company name or a secondary company name.

My conclusion was that the Swedish legislation on cross-protection went beyond the external framework provided by EU law through the EUTMD, inasmuch as cross-protection gave a company name protection under trade mark law. The EUTMD only covers registered trade marks but allows the Member States to grant protection also to trade marks acquired through use (recital 11). Prior rights in the form of trade names may only be taken into account in the national legislation in registration or invalidity proceedings if there is a corresponding exclusive right or an industrial property right (article 5.4 EUTMD).

In addition, the application of the Swedish law originating from or equivalent to the EU harmonised trade mark law departed from the EU harmonised trade mark law, in particular with regard to distinctiveness and genuine use. The validity of company names has been assessed on grounds other than those of trade mark law, even though

due to cross-protection it is granted exclusive rights as a trade mark.

The explanatory model number 5 thus explains and states that cross-protection in general falls outside the framework set by EU law, although the part of the cross-protection that relates to grounds for refusal and invalidity does not appear to fall outside the EU framework. Nevertheless, the assessment of a Swedish sign according to trade mark law must be done in accordance with EU rules and practices, but this is not currently the case for company names, in all respects, when assessed in accordance with the Swedish Trade Marks Act. In particular, the Swedish legislation on cross-protection and practice regarding conditions of importance for cross-protection – and exclusive rights – such as distinctiveness and genuine use for the company name, is not in accordance with EU law.

Since the functions of a company name are not the same as the functions of a trade mark, it is not in compliance with EU harmonised trade mark law to give company names automatic protection as trade marks.

4. IMPORTANCE AND CONTRIBUTION TO THE FIELD AT THE TIME OF COMPLETION AND RELEVANCE OF THE TOPIC TODAY

As mentioned there had not been a thorough analysis made before of the cross-protection and the imbalance between signs that it imposed. I therefore found the work important and have seen it cited in some case law since.[8] See further below.

Since the completion of my dissertation there has been no legislative change to Section 8, first paragraph, Chapter 1 of the Swedish Trade Marks Act and Section 3, first paragraph, Chapter 1 of the Swedish Company Names Act or any precedents affecting the cross-protection. Hence, the results and topic remains as relevant as when the dissertation was published.

5. DEVELOPMENTS IN THE FIELD SINCE THE COMPLETION OF THE RESEARCH

Then it finally happened, in 2024 the Patent and Market Appeal Court referred two questions to the European Court of Justice (ECJ) regarding the cross-protection.[9] Would we finally get an answer to the question whether the Swedish legal concept of cross-protection complied with the Trade Marks Directive 2025/2436 and the principle of the free movement of goods?

The questions referred were:

1. In the light of the [FEU Treaty] and the fundamental principle of the free movement of goods and services under EU law, is it compatible with the provisions of [Directive 2015/2436], in particular Articles 1 and 5(4), to have a system under national law whereby an earlier right in a company name may constitute a basis for prohibiting the use of a subsequent trade sign in the entire field of activity in respect of which the company name is registered and without any requirement that the company name must have been used to distinguish goods or services?
2. If the answer to Question 1 is in the negative, is it compatible with [Directive 2015/2436] and EU law in general for a company name, which is used per se as a sign to distinguish certain kinds of goods or services in the field of activity in respect of which the company name is registered, to constitute grounds for prohibiting the use of a subsequent trade sign in connection with kinds of goods or services other than those in respect of which the company name is used as a sign?

The Patent and Market Appeal Court wanted to know whether the cross-protection offering the proprietor of a company name protection similar to that of a trade mark, illustrated in italics below, was in compliance with the EUTMD and the Treaty on the Functioning of the European Union (TFEU), even though company names are not subject to conditions as strict as those applicable to trade marks. In particular, the different application of genuine use and revocation, as well as the fact that the activities registered for a company name is broader than the specification of goods and services required when registering a trade mark.

Infringing sign / Earlier right	**Trade name**	**Trade sign**
Company name	Company Names Act	*Trade Marks Act*
Trade mark	Company Names Act	Trade Marks Act

The dispute in the main proceedings was an infringement action initiated by Doggy AB, a Swedish company, which produced, *inter alia*, dog food. Its object was the manufacturing and trading of foodstuffs and other animal products and related activities. It was the proprietor of the company name Doggy AB and *inter alia* the word mark DOGGY, registered in Sweden for foodstuffs for animals in Class 31. The action was directed at Purefun Group AB, another Swedish company, which activity included the retail sale of, *inter alia*, dog food and dog treats. Purefun Group AB sold its goods on its website under the domain

8 Patent and Market Appeal Court's judgement 2 October 2025 in Case PMÄ 4987-25 and 4988-25 Trav & Galopp (in the Patent and Market Court's reasoning); and the Patent and Market Court's judgement 20 May 2025 Case PMT 20633-24.

9 Judgement of the Court of 10 July 2025, *Purefun Group AB./. Doggy AB*, C-365/24, EU:C:2025:558.

name doggie.se and used the sign DOGGIE in the course of its activities.[10]

My hopes, which I must admit were not particularly high to start with, were further diminished when it was clear that the Court would proceed to judgement without an Opinion from the Advocate General, meaning it had been decided that the case raised no new questions of law.

From the ruling in the ECJ it is evident that ECJ did not consider the concept of cross-protection in this case. ECJ stated, for example, that "Here, in the case in the main proceedings, the conflict between the sign 'Doggy', used in an earlier company name, and the sign 'DOGGIE', used as a trade name or as a domain name, does not involve any trade mark."

Though it is true that DOGGIE was not a trade mark, it was used for online retail services and should therefore have been deemed a trade sign.[11] Due to this (mis) interpretation ECJ continued "Where a question arises of resolving a conflict between two trade names, Directive 2015/2436, in so far as it seeks only to approximate national trade mark laws, is not relevant. The compatibility of national measures governing such conflicts must then be assessed in the light of primary law and not of that directive." (para 36)

In the end the Court tried "whether Directive 2015/2436 and Articles 34 and 36 TFEU must be interpreted as precluding national rules under which the exclusive right conferred by a company name allows its proprietor to prohibit a third party from using an identical or similar sign, as a trade name or as a domain name, in respect of goods or services which are identical or similar to those falling within activities for which its company name is registered, even though those rules do not provide that failure to use that company name may lead to the revocation of that exclusive right or require, for the purposes of registering that company name, the goods or services which are part of the object of the proprietor to be specified." (para 30)

The answer received from the ECJ was that "Directive 2015/2436 and Articles 34 and 36 TFEU must be interpreted as not precluding a national system which provides, first, that the exclusive right conferred by a company name allows its proprietor to prohibit a third party from using an identical or similar sign, as a trade name or as a domain name, for goods or services which are identical or similar to those falling within the scope of activities for which its company name is registered, and, second, that failure to use that company name may, under certain conditions, lead to the revocation of that exclusive right and that the proprietor is required to describe and limit the nature of the activities falling within its object with sufficient precision to enable third parties to be effectively informed of them." (para 49)[12]

In other words, what ECJ examined – and found not to be in contradiction with the EUTMD and the TFEU – concerned solely a conflict between company names and trade names under the Swedish Company Names Act, in italics in the table below, and not the legal concepts of cross-protection, even though it was stated that the trade name[13] [or domain name] was *for goods or services*.

Earlier right \ Infringing sign	Trade name	Trade sign
Company name	*Company Names Act*	Trade Marks Act
Trade mark	Company Names Act	Trade Marks Act

Secondly, it was ruled that the EUTMD and TFEU do not stop a Member State from having national rules to revoke the exclusive right of a company name if it is not used and that the proprietor is required to describe and limit the nature of the activities falling within its object with sufficient precision.

Admittedly, it may not have been the best case to refer to the ECJ in relation to cross-protection, since the case could have been decided even without the use of cross-protection and the infringing sign was not a younger exclusive right.[14] However, in the end the ECJ did not try the question of cross-protection in relation to EUTMD and TFEU.

Hence, the question to ECJ remains: Is it in compliance with the EUTMD and TFEU that a company name may automatically acquire exclusive right as a trade mark under the Swedish Trade Marks Act?

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10 C-365/24 *Purefun (2025)*, paras 16 and 17.

11 Or was the ECJ trying to say that when the exclusive right is derived from a company name the conflict sign will inevitably have to be a trade name?

12 Note that ECJ uses the terminology "as a trade name or as a domain name, for goods or services".

13 Cf. Judgement of the Court of 11 September 2007, C-17/06, Céline SARL./. Céline SA, EU:C:2007:497, para 21.

14 If the younger sign was a trade mark, the ECJ would have had to consider the EUTMD.

Patent Law Harmonisation in Transit

https://doi.org/10.59625/siplr.v8i2.63169

Anna Horn

1. INTRODUCTION

There is a long and winding road to patent law harmonisation, and it has not yet reached its final destination, though it may be at an important transitional stage. Since the establishment of the Treaty of Rome and the Common Market in 1958, the European Union (EU) has strived for patent law harmonisation. However, the Union has failed to establish almost any provisions on the infringing acts and the applicable limitations. In June 2023, EU's harmonisation efforts reached a new milestone with the entering into force of the Unified Patent Court (UPC) system. Even though the EU has finally succeeded in providing a system for a unitary patent right, the regulation of its effects and limitations generally remains outside EU law.

On the 22nd of November 2024, I successfully defended my doctoral dissertation 'Harmonising the Acts of Patent Infringement in Europe' in private law at Stockholm University, Department of Law. The dissertations topic is harmonisation in Europe of the acts amounting to a patent infringement and applicable limitations.[1]

In Europe, an invention can be protected in three ways. The first is as a national patent protected within a certain state. The second is a European Patent granted by the EPO, which is a bundle of territorial protections, each limited to the state where protection has been designated. The third alternative is the newly introduced unitary patent providing protection throughout the participating Member States of the EU.

In this article I summarise my key findings and the dissertation's main contributions. I also reflect upon how my research may be relevant for today's legal developments and lastly, I note how the field of my research has developed since last year. Some parts of the following text are directly taken from my dissertation.

To begin with, I would argue that the European patent system is characterised by three irreconcilable factors: territoriality, fragmentation and harmonisation. There has been a consistent striving for harmonisation within the European patent system in response to the territorial and thereby fragmented protection of patent rights.

My study on patent law harmonisation has been conducted at three levels. First, through the legal order of the EU, including the EU's exclusive competence over the World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement). Second, through national case law from the courts of Sweden, Germany, England and Wales as well as judicial dialogues between domestic courts. Third, through the newly established UPC system. The national jurisdictions were chosen based on different criteria. The dissertation was defended at a Swedish university, and I am a Swedish lawyer. It therefore existed a predetermined interest of Swedish patent law. Further, the Swedish jurisdiction lacks a well-established case law on patent infringement proceedings. This is opposite to England and Wales which holds a high amount of court cases relating to the question of the infringing acts. England and Wales were therefore chosen due to the jurisdiction's high amount of court cases and a well-established case law. Germany was chosen due to its importance for establishing general principles of European patent law. In this sense it could be argued that German legislation and precedents have sometimes worked as models for the patent legislation.

In this article I focus on two key findings of my research. First, that judicial dialogue on a national level has created a semi harmonisation of the law on patent infringement which EU has failed to do. Second, that there are similarities in how supplementary protection certificates (SPC) and unitary patents are regulated under EU law which may give clues on how the Court of Justice of the European Union (CJEU) might handle cases regarding unitary patents. Lastly, a section follows where I reflect upon the legal developments of the UPC and what lies ahead.

2. JUDICIAL DIALOGUE'S IMPORTANCE FOR HARMONISATION

My dissertation shows that, in some instances, national courts handling patent infringement cases have acted as a vehicle for patent law harmonisation to compensate for the lack of centralised harmonisation measures in form of common European legislation. Such dialogues are not sanctioned by any common centralised legislation, instead they are self-imposed and may be an act of compensation for lack of a centralised force. These dialogues are often indirect and are conducted when courts discuss the case law of other foreign courts. The dialogue

1 Anna Horn, 'Harmonising the Acts of Patent Infringement in Europe' (PhD thesis, Stockholm University 2024) https://su.diva-portal.org/smash/get/diva2:1903902/FULLTEXT01.pdf accessed [21 January 2026].

is generally used in a persuasive manner and may have been invoked by the parties. On the basis that the dialogue occurs voluntarily and is informal, it cannot be seen as equally rigorous as centralised legislation imposing harmonisation.

The topic of indirect patent infringement is a perfect example of how harmonisation has been achieved without common legislation in force. In the case of indirect infringement, there is a high degree of harmonisation when comparing case law from Sweden, Germany, England and Wales. I argue that this is dependent on two factors. First, the Community Patent Convention 1975 and the Community Patent Agreement 1989 from the EU which never went into force but nevertheless laid down a foundation for the domestic provision in many European countries. The draft agreements have also created leeway for national courts to consider the case law of foreign courts. Hence, national courts refer more freely to foreign case law due to the different domestic legislations' common base in the Community Patent Convention 1975 and the Community Patent Agreement 1989.

The second factor that promotes harmonisation is the judicial dialogue between courts. The coherence of the case law is due to a judicial dialogue. Interestingly, this dialogue is self-imposed by the courts. I would submit that the judicial dialogue is made in the light of the Community Patent Convention 1975 and the Community Patent Agreement 1989. However, the draft agreements are not enough to ensure harmonisation. Instead, the judicial dialogue embeds the coherence achieved through the drafts in the domestic statutory laws. I would further argue that judicial dialogue becomes particularly relevant in regard to well-defined legal questions that could be easily compared across jurisdictions.

This gives the result that harmonisation has been achieved through case law. I would in this regard argue that judicial dialogue strengthens the legal reasoning of domestic courts. Foreign judgments have been employed as a reference in the studied court decisions. The judgments of a foreign court are often used as benchmark for domestic law. This in turn creates carefully deliberated judgments.

3. SIMILARTIES BETWEEN SUPPLEMENTARY PROTECTION CERTIFICATES AND UNITARY PATENTS

In order to understand the complex relationship between the unitary patent and the EU legal order one first must understand how the entire UPC system is modelled. The UPC, which was established in June 2023, adds to the EU's attempts to resolve the fragmentation of the European patent system. However, the system underlying the UPC is dependent on law outside the EU legal order, such as the European Patent Convention and the Agreement on a Unified Patent Court, an international agreement inter se the participating Member States of the EU. Arguably, the UPC system is designed to prevent the CJEU from having too much influence on the enforcement of patents. The Member States removed the provisions regulating the infringing acts and the applicable limitations from a proposal for the EU Regulation on the protection of the unitary patent. The provisions are now part of the international agreement on the UPC. Thus, they aimed at preventing the CJEU from having interpretative jurisdiction over the effects and limitations of the EU unitary patent right.

The unitary effect of a unitary patent is an add-on to a regular European patent granted by the European Patent Office (EPO). The unitary effect is regulated in Regulation (EU) No 1257/2012 of the European Parliament and of the Council of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection (UPR). The UPR can be described as a regulation in regard to the post-grant phase for patents granted by the EPO. The fact that the UPR does not regulate the infringing acts and the applicable limitations is due to a demand from the Member States to prevent the CJEU from having jurisdiction over such issues. Even though the UPR is an EU regulation within the competence of the CJEU, in accordance with article 267 TFEU, the acts deemed to be infringing and the applicable limitations relating to the unitary patent are not part of Union law.

Article 3(1) UPR simply states that 'A European patent granted with the same set of claims in respect of all the participating Member States shall benefit from unitary effect in the participating Member States provided that its unitary effect has been registered in the Register for unitary patent protection.' In summary, the EU provides for a unitary patent right but it does not regulate the right's effect or scope.

Relating to the structure of the unitary patent as a 'EU right', I would submit that there is a similarity between how the SPCs and the unitary patent are regulated. The EU provides protection, through EU regulations, in the form of SPCs for medicinal products protected as patents and plant-protected products.[2] The right is connected to an earlier 'basic patent' granted by either the EPO or a national patent authority. However, a SPC is not an extended patent right, but a sui generis right. For instance, a SPC for medicinal products protects the active ingredients or a combination of active ingredients protected by a basic patent. Generally, a SPC extends the protection up to five years after the expiry of the patent. To be granted an SPC, the applicant must hold a basic patent and a valid authorisation to place the product on the market as a medicinal product.

One of the questions on intellectual property law most frequently referred to the CJEU relates to issues concerning the interpretation of article 3 of Regulation No 496/2009 for SPC for medicinal products. Article 3

2 See Regulation (EC) 469/2009 concerning the supplementary protection certificate for medicinal products [2009] OJ L152/1; Regulation (EC) 1610/96 concerning the creation of a supplementary protection certificate for plant protection products [1996] OJ L198/30.

regulates the conditions for obtaining a SPC. The CJEU has established that the scope of protection of a SPC is decided by non-EU law relating to the protection conferred by the patent claims.[3] The Court has therefore refrained from taking further control of the scope of protection provided by SPCs. This is an interesting development, especially since there are several similarities between how SPCs are regulated under EU law and unitary patents.

For instance, article 5 in Regulation 469/2009 concerning the supplementary protection certificate for medicinal products provides that the certificate shall confer the same rights as are conferred by the basic patent and shall be subject to the same limitations and same obligations. Interestingly, the issue of infringement and scope of protection of a SPC is therefore not established by EU law even though the right is based on and granted through EU regulations. One can thus see similarities with the protection provided to unitary patents through the UPR.

The SPCs regulations are similar to the UPR as the SPCs are provided by EU law. However, the contents of the rights are decided by law outside the EU legal order. I would argue that article 3 in the regulation on SPCs for medicinal products can be compared to article 3 UPR, which establishes the requirements for obtaining unitary effects for European patents granted by the EPO.

Further, article 4 and article 5 of the regulation establishing SPCs for medicinal products and article 5 UPR are comparable as they both establish, in a very limited way, the effects of the granted rights without regulating their contents. Therefore, the CJEU's handling of the interpretation of the rights of the SPCs may provide some clues on how the CJEU would handle requests in regard to the unitary patent. The CJEU has not been involved in the direct interpretation of the scope of the SPC rights and this might be an argument against further involvement by the CJEU on matters of protection of the unitary patent.[4]

In summary, even though the SPC is a sui generis right granted through EU secondary law, its scope of protection and issues relating to infringement of such protection are not decided by EU law. Instead, these follow from the law related to the basic patent, regulated outside the EU legal order. It is possible to argue that this division of, on the one hand, EU law providing protection and, on the other hand, non-EU law determining the scope of protection has created complexities resulting in a high number of questions referred by national courts to the CJEU. The interpretation of article 3 in Regulation 469/2009 on the conditions for obtaining a certificate for medicinal products has given rise to several uncertainties. It can further be claimed that the judgments of the CJEU have not yet fully remedied the provision's unclarity. I would further argue that there are several similarities between the regulations on SPCs and the UPR regarding their relationships to the EU legal order. Therefore, the way in which the CJEU has handled issues regarding the scope of protection of SPC may give guidance on how the CJEU will handle issues relating to the scope of unitary patents.

4. FUTURE FORSIGHT

The intended increase of harmonisation achieved by the UPC system is complicated by several factors. The UPC system is based on an enhanced cooperation in the EU based on article 20 of the Treaty of the European Union, formulated in the light of the dissatisfaction of the Member States relating to EU patent law and is dependent on the international agreement on the UPC and the EPC.

3 Case C-121/17 *Teva UK Ltd v Gilead Sciences Inc* EU:C:2018:585, para 57.

4 Ibid.

This makes it both less supportive of and less supported by the EU legal order. This in turn complicates how the court system functions within the internal market of the EU.

I claim in the dissertation that the fact that the UPC is a highly specialised court indicates that its decisions will be skilful and consistent. However, it may also lead to a decrease in the influences from other legal fields, and that the decisions of the UPC may not resonate with the principles of the internal market or the EU legal order in general. National law may also, in turn, diminish in importance due to the high degree of specialisation of the UPC. A natural result of this is fewer national patent cases in domestic courts.

There are further several opportunities for increased harmonisation and cooperation *within* the UPC system, between the first instance in the form of local and regional divisions and the central division and the Court of Appeal. Hopefully, the divisions of the UPC will draw inspiration from the judicial dialogues between national courts handling patent issues and thereby cooperate with each other. The UPC may also include national decisions in its legal reasoning, as the agreement regulating the UPC is worded in a similar way as the Community Patent Convention and the Community Patent Agreement. This has not been seen yet in the case law from the court.

The fact that the agreement on the UPC mirrors the provisions in the drafts agreements from 1975 and 1989 may not be solely positive. The legislator has missed a chance to improve the provisions on the infringing acts and the applicable limitations. As a result, there has not been much development of the statutory law on the infringing acts since the creation of the draft in 1975. The provisions of the agreement are 'past-oriented', as they have not been modernised. Therefore, the legislator has missed a chance to clarify the application on certain provisions on infringement and applicable limitations. For instance, how broad the experiment exemption shall be interpreted, the application of indirect infringement to action failing in under the so-called Bolar exemption and further a general clarification of the prerequisite amounting to indirect infringement to mention some examples. Hopefully, the UPC will find space to answer unanswered questions on patent law infringement.

Studying the case law from the UPC one cannot find many surprises. The UPC is as specialized as expected. Even though it has not provided full coherence in case law between all local and regional divisions. Up to this date, December 2025, the UPC has not referred any questions to the CJEU. This might lead to the conclusion that the cases in the UPC are shielded from general EU law questions. However, in the UPC case Fujifilm *v* Kodak the local division in Dusseldorf decided before the CJEU had decided in a referral that the case in UPC was somewhat dependant on.[5] One could argue that this was a rather bold move, however, the local division's conclusions were coherent with the CJEU's judgment.

Patent law harmonisation may still be in transit. Only two and half years have passed since the UPC system went into force. Much more must be done in order to create coherence in the European patent system. The UPC is key to achieve harmonisation, but from a perspective of European law in total, it cannot be a shielded entity only deciding cases based on its own agreement. In fact, when reviewing the case law from the court, it becomes apparent that it does not refer much to legal sources outside its own agreement and sometimes the European Patent Convention.

5. CONCLUSION

I maintain that the conclusion of my dissertation remains valid. If the UPC system is to assume the role traditionally exercised by national courts within the European patent system, its divisions must cooperate closely in order to ensure consistency. Moreover, the court must take due account of the EU legal order and the functioning of the internal market if genuine harmonisation is to be achieved. The EU legal order therefore cannot be entirely insulated from the decisions of the UPC. In this respect, the UPC still has significant work to do.

In conclusion, the future of patent law harmonisation largely rests with the UPC. As a court situated at the intersection of international, EU, and national legal orders, it is obliged to take EU law fully into account while at the same time remaining attentive to established national patent practices. By doing so, the UPC has the potential to bridge long-standing divergences within the European patent landscape. Ultimately, the court must strive to deliver consistent and predictable rulings across the participating Member States, thereby strengthening legal certainty and supporting the effective functioning of the internal market. Whether the UPC succeeds in fulfilling this role will be decisive for the long-term coherence and legitimacy of the European patent system as a whole.

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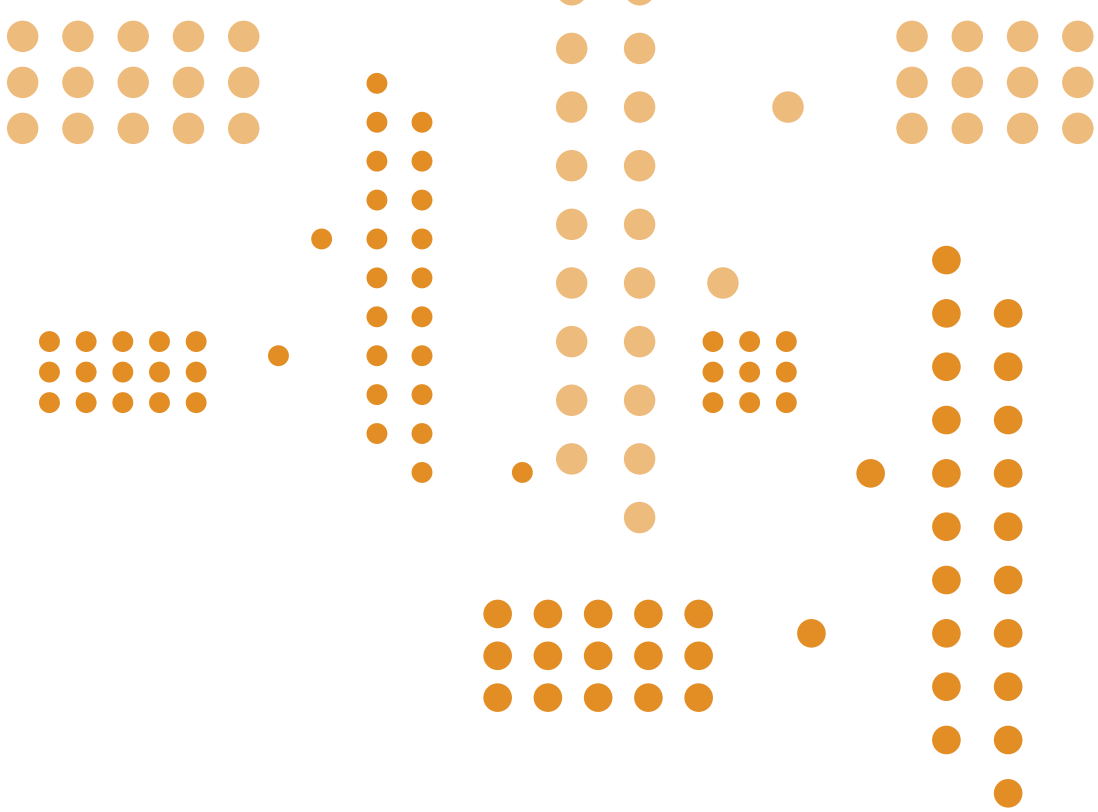
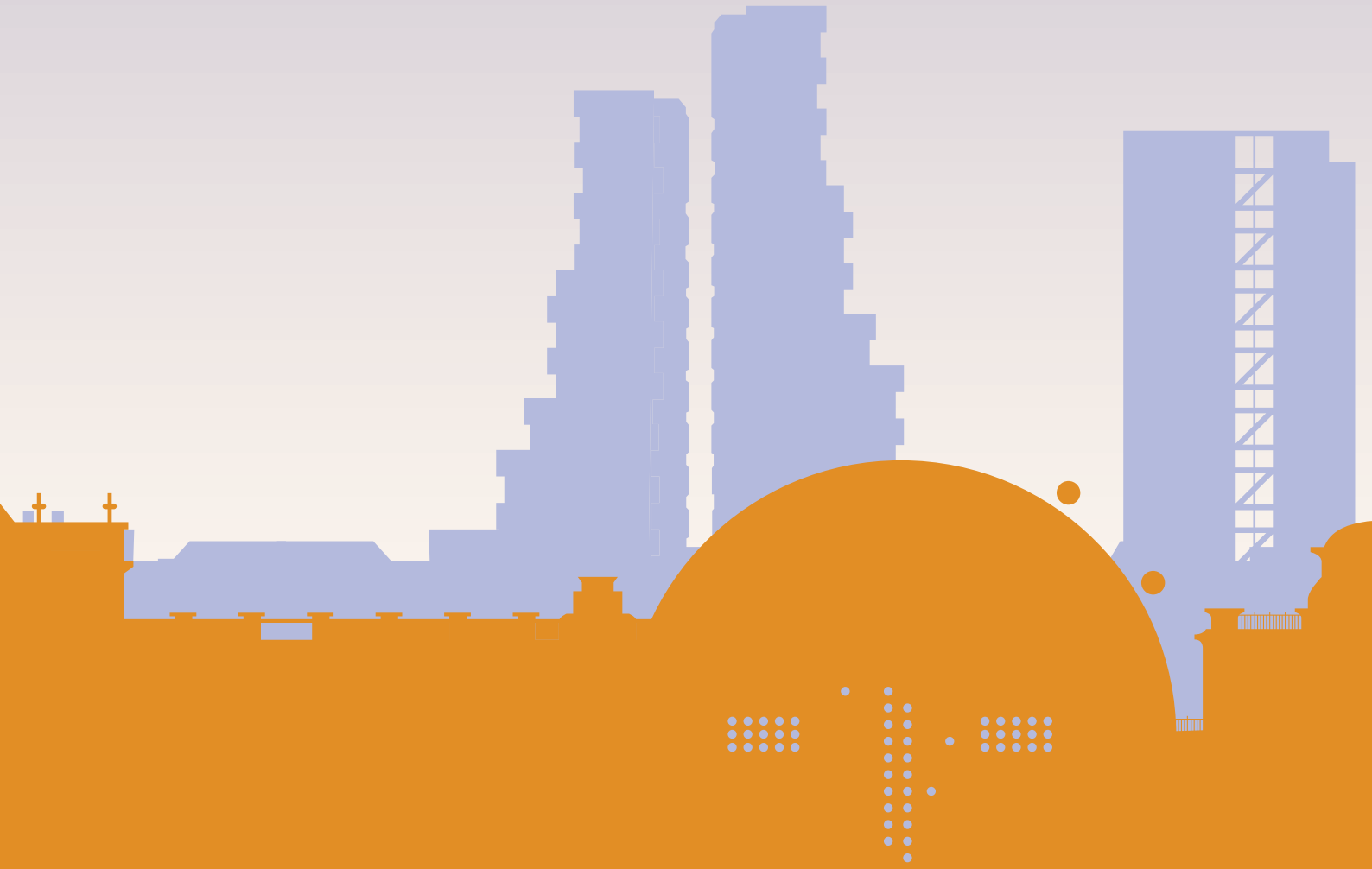
5 *Fujifilm v Kodak* [2025] UPC_CFI_355/2023; Case C-339/22 *BSH Hausgeräte GmbH v Electrolux AB* EU:C:2025:108.





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