
Graeme B. Dinwoodie (ed.)

Reviewed by Olga Sihtar*

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Graeme Dinwoodie, one of the most prolific, highly-regarded, and internationally renowned intellectual property (IP) scholars, has edited a fine-tuned collection of academic writings that explore the hierarchical relationship between IP and other areas of the law. Intellectual Property and General Legal Principles: Is IP a Lex Specialis? is a recent addition to Edward Elgar Publishing’s ATRIP Intellectual Property Series. Therefore, all writings gathered for this collection are products of ATRIP’s academics and researchers lecturing in a number of prestigious universities around the world.

A first valuable feature of this book stems from the fact that it asks one single question (i.e. is IP a lex specialis?) and provides the reader with eleven completely different answers. Moreover, because each of the eleven chapters takes on a different route and perspective (while still defining the territorial relevance of the issues it raises), the attentive reader is provided with much food for thought regarding the essence and role of IP law within a broader legal framework.

Namely, the question Dinwoodie and his colleagues try to tackle throughout this book is based on the Latin brocard lex specialis derogat legi generali, which concisely defines the general legal principle in cases of two conflicting laws. Indeed, whenever there are specific subject matter laws in place (lex specialis), general matter laws should be overridden (lex rex). At first glance, this is a simple rule to follow, but in reality it is a very tricky one to apply to matters of IP law. Why? This question is what this book, at its core, is all about.

A first (and more general) leitmotif carried out in Chapters 6, 8, and 11 considers the exceptional (i.e. specialis) nature of IP laws. Further on – and for those cases where national legislatives have failed to expressly affirm the

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supremacy of IP laws – Chapter 5 envisions a dual test of *coherency and consistency* in order to solve the conflict.

Another leitmotif, and perhaps the most interesting ones, regards the tension between IP laws and private law. Chapters 1, 2, and 3 inquire the thorny issue of conflicting rules between IP law and contract law; Chapter 4 looks at cases where key market players tend to alter IP principles by using asymmetrical negotiation powers as a leverage, while Chapter 7 provides a captivating analysis on the unstable balance between copyright law, consumer protection, and private orderings in Japan. Finally, Chapter 9 questions the accuracy of classifying IP rules as *lex specialis* vis-à-vis other potentially conflicting norms such as enforcement, human rights and civil procedure law.

Some parts of the book read exceptionally well. We see this in Chapter 1, for example, where D’Agostino argues that copyright law and contract law should necessarily work together, as the former grants the entitlement, while the latter serves to manage it. In fact, the doctrine of freedom of contract was embraced at the international level to assure that the entitlements granted by the Berne Convention can be exploited. Therefore, as D’Agostino puts it, *without contract law, copyright law has little meaning*. Nevertheless, due to a naïve assumption that different market players have equal bargaining powers, numerous shortcomings have emerged on a national level. This is seen especially in common law countries, which largely favour a *laissez faire* approach and therefore use the general principle of freedom of contract to hinder copyright’s *specialis* nature.

In order to recalibrate the necessary balance between the two conflicting areas of the Law, D’Agostino suggests a more *copyright-contract-centric approach*, i.e. a copyright law with clearly defined rules of contract formation between parties that suffer from unequal bargaining powers and informational
asymmetries. An interesting theory, indeed; and even more so, in the light of the EU Commission’s 2016 Proposal for the Revision of the EU Copyright Directive.\(^2\)

Chapter 2 looks at the enforceability of mass-market license clauses, both in e-commerce (Web 1.0) and in social networking (Web 2.0), and questions once again whether it is copyright law or contract law that should be considered as a *lex specialis*. Undeniably, Charles McManis and Brett Garrison provide a persuasive narrative on how certain doctrines in copyright law, such as the first sale doctrine and the fair use privilege, began to be contractually overruled once Article 2B of the Uniform Commercial Code was introduced in the United States, thus making contract law the *lex specialis*. McManis and Garrison also suggest that other doctrines, such as copyright pre-emption, misuse and unconscionability, could potentially serve to restrain overreaching licence terms and could ultimately recalibrate what seems to be at present the normative hierarchy among conflicting areas of the law.

Caroline Ncube makes a similar consideration within Chapter 3, but this time within the context of licensing reprographic rights to learning institutions. Namely, Ncube argues that South African copyright law, which is largely based on English law and has ratified both Berne Convention and TRIPS Agreement, lacks provisions that could be efficiently used to invalidate contractual clauses attempting to override copyright exceptions and limitations. Ncube therefore questions whether a viable solution could be for users to look at the national Consumer Protection Act (2008). Indeed, the applicability of consumer protection legislation to copyright protected goods distinguishes South Africa from the United Kingdom. While in the UK, the Unfair Contract Terms Act (1977) is not

applicable to copyright contracts that create or assign rights, in South Africa, consumer protection laws envision general substantive rules of fairness that could be used to argue bad faith of licensors that adopt the above-mentioned clauses. However, because South African consumer laws set a maximum institution turnover limit, Ncube worries most of the higher learning institutions would fall out of its scope. The better solution would therefore be for the national legislature to spell out the imperative status of copyright exceptions and limitations.

Also focusing on the interlock between consumer rights, IP law, and contract law is Chapter 7, written by Branislav Hazucha, Hsiao-Chien Liu, and Toshihide Watabe. Referring to the exhaustion of rights doctrine, the authors grade the Japanese legal system as more akin to the continental Europe jurisdictions than to the American one. In fact, Japanese courts tend to restrict both – copyright holders’ exclusive rights and freedom of contract – so as to allow consumers’ second-hand selling. Therefore, any price-fixing practice attempting to determine the minimal retail price on already sold copies of books, magazines, and music media (the situation is different for cinematographic works) would be considered unfair in Japan (p. 126).

An interesting observation, indeed. However, if there is a flaw in this chapter, it is that it omits to go deeper and consider other existing price-fixing practices, like the one carried out by the Japanese music recording industry. The Japanese music market is the second largest market for music production and consumption in the world, although it is still based on physical sales for the greater part. Indeed, Japan was only starting to open to the streaming

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consumption of creative works in 2015. Hence, it would have been extremely interesting to learn whether the Japanese delay in switching from physical to digital has anything to do with the fact that Article 23 (ss. 1 and 4) of the Japanese Prohibition of Private Monopolization and Maintenance of Fair Trade Act (1947) contains an exception by which major labels can set retail prices only for CDs but not also for digital music. Indeed, one might wonder how such price fixing exceptions fit within a larger legal framework of fair dealing, free competition and also IP law.

Returning to the core question of this book, in Chapter 4, Begoña Otero evaluates whether the EU Commission’s proposal to introduce a compulsory licence as a lex specialis rule for disclosure of software interoperability information is a risk for innovation or a balanced solution. After having considered the costs of reverse engineering and the difficulties involved in closing voluntary negotiations, Otero seems to suggest that none of the mentioned solutions would assure a high level of interoperability. Moreover, the same EU legislative goal does not seem to be a desirable one, as “high levels of interoperability bring high levels of standardisation” (p. 77), which ultimately stifles innovation. The preferable solution would therefore rather be the complete revision of the EU Software Directive as well as an open standards definition in

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line with this new world of open innovation, where IP law should serve to “include partners instead of excluding competitors” (p. 90).6

Further analysis on this “inclusivity trend” is provided in Chapter 6, where Séverine Dusollier writes that the “subversion of exclusivity is very much a modernist kind of property” (p. 110).7 In fact, while the commons are the exact reverse of IP as they describe situations with no property at all, the public domain should not be negatively characterised as a lack of exclusivity but rather as a collective use of res communes, i.e. as inclusivity. In this sense, on the one hand, public domains serve the larger purpose of providing inspiration for new creations; on the other hand, exceptions and limitations become two pillars for disseminating knowledge and innovation.

Notwithstanding the above, Dusollier warns the reader that because all forms of free licensing, including open sources for software, mentioned under Chapter 4, are established by contracts, the choice to voluntarily renounce to IP rights is not quite a final or irreversible one.

To conclude, I thoroughly enjoyed reading this book, despite there being no definitive answer to the question the book’s title poses. As is not uncommon with edited collections, some chapters were more enlightening than others, yet the sum of all provides the reader with a useful starting point to further develop scholarly investigation. Thus, students and researchers with an interest in better understanding the relationship between IP law and other areas of the law, especially contract law, should most certainly consider adding this book to their reading list.

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