PROTECTION AND ENFORCEMENT OF TRANSNATIONAL LAWS WITH RESPECT TO PRIVATE INTERNATIONAL LAW

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ABSTRACT

Transnational Law is a comparatively new branch of international law that has come into existence because of the result of globalization. The world has become a home to transactions of various kinds, be they monetary transactions or personal transactions. Individuals and organizations of various levels and governments from different countries enter into a transaction often and laws governing the same are called transnational laws. Such laws, because of their recent discovery are contested highly by jurists and scholars. There is still unrest amongst scholars regarding the applicability and legality of the same. Global recognition has not yet been attained, and loopholes exist in the majority in transnational law's execution, legislature, and jurisdictional legitimacy. Through this paper, the author wishes to bring forth the intricacies of transnational law, its nature, its significance in today's times, how it is approached in various cases, how UNIDROIT has helped in the arbitrary dispute resolution of transnational law, and lastly what can be done to make transnational law codified, how will codification influence the global legal systems, is codification necessary for it to be recognized strongly and prominently on an international level.

Keywords: Arbitration; Choice of law; Codification; Foreign Element; Globalization; Jurisdictions; Private-Public Actors; Transnational law.

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Introduction

Laws tend to run in complexity. Some have a globalized approach while some look after an indigenous chain of cases. Transnational law is a branch that has an umbrella-like structure and is inclusive of international as well as private sets of laws. This term was first coined by the author Phillip Jessup (more about Jessup has been discussed further in this paper). Transnational as defined by the Cambridge dictionary is "involving several nations." As far as the author's understanding ranges, Transnational Private Law is any law dealing with issues encompassing a foreign element and having native subjects. Today, all three spheres of law, which are private, public, and comparative international laws are likely to be interwoven in any given transnational interaction.² Hence, transnational law is a mixture of laws and its application rules may vary from case to case. Torts (lex loci delicti), judgement recognition, family issues, child adoption, kidnapping, (international) contracts, real property (lex rei site), and intellectual property are just a few of the topics covered by private international law. In addition to the rules established by national authorities, international organisations have introduced treaties, model laws, and other legal instruments to regulate the field of transnational disputes. The International Institute for the Unification of Private Law (UNIDROIT) and the Hague Conference on Private International Law are two well-known international organisations that focus on transnational law.³ When academicians or legal practitioners work with Transnational Private Law, they feel the need to challenge and question its applicability and authenticity using Private International Law rules and ultimately decide its rationality. In the book titled, 'Comparative Law as Transnational Law' the authors Russell A. Miller and Peer Zumbansen talked about the challenge of defining and imagining the transnationalism of different legal cultures. Transnational Private Law is subject to a variety of problems such as which jurisdiction to follow, which country's laws will be applicable, whether the evidence produced is legitimate or not, taking into consideration the cultural and ethical differences, etc.

¹Transnational Law (Cambridge Dictionary)

< https://dictionary.cambridge.org/dictionary/english/transnational >.

² The foundations of transnational law, Hofstra university School of Law, Spring 2012.

³ Author- Anonymous, 'Private International Law' (Peace Palace Library)

< https://peacepalacelibrary.nl/research-guide/private-international-law >.

⁴ Peer Zumbansen and Russell Miller, 'Comparative Law as Transnational Law' (First Published- 2011).

Had there been uniformity in the laws of all countries, international laws would have not existed in the first place. We need international laws to ensure smooth and peaceful functioning between various countries. International law is a much-needed branch of law since it acts as a backbone when international matters are concerned. The author will briefly talk about is what transnational law, how has it evolved, if it is a substantial branch of the international forum, how it has affected private international law, how modern-day factors affect its functioning, and what possible solutions can be drawn to reduce the existing problems in transnational law. This paper will also critically analyze transnational law's role in different cases and give a solid conclusion as to whether it has helped strengthen the functioning of private international law or weakened the international law system.

Evolution

Transnational law came into existence because the world opened its borders to include various kinds of cultural, economic, and political transactions between two territorially defined countries. Transnational law is a product of globalization because the countries have expanded their scope in terms of social, cultural, and economic relations and are now dealing with various international transactions on multiple levels. (Private and state level)

Transnational law was first introduced in 1956 by American lawyer, diplomat, and later judge Phillip Jessup, who served on the first panel of the International Court of Justice. According to him, transnational law "includes all laws that govern actions or events that cross national boundaries. It includes both public and private international law as well as other laws that do not entirely fall under these predefined categories. Additionally, it covers domestic "private international law" rules that are used to mediate disputes between national legal systems. We have been following laws deeply rooted in our beliefs and culture for centuries. Before globalization, these laws were governing individuals, then there came laws that governed these individuals collectively, and as civilizations spread there felt the need to have laws that will govern the various economic, cultural, and political transactions between two nations and between two individuals belonging to different nations and hence the need for a new branch of law was felt. As this branch of law is comparatively new, there were mixed reviews about the same even at its inception. Some jurists like Ulpian and Brian Z. Tamanaha praised Jessup for including private actors in the purview of cross-border regulation and expanding the otherwise narrow approach of international law that focused primarily on inter-state relations. However,

⁵ Tamanaha Brian Z., 'A Realistic Theory of Law' (Cambridge University Press, 2017).

questions of the reach of anti-trust statutes, jurisdictional boundaries and competencies, and global governance lingered in the minds of jurists and legal authorities.⁶

Significance of Transnational Law in Today's World

A lot of individuals, groups and companies are looking to expand their business or relations with foreign countries. Such transactions with different countries aim to make goods and services available, stabilize and protect the economy, and get any kind of profit or personal gain. With globalization increasing and countries and individuals entering into complex transactions. Transnational law becomes more significant and crucial now than ever. For instance, Merkel-Meadow states that transnational law is "the study of legal phenomena, including law-making processes, rules, and legal institutions, that affect or have the power to affect behaviors beyond a single state border." The term "legal phenomena" used by the scholar provides a broad definition that could also include non-state actor rules and norms created for use in several states/jurisdictions. It guarantees hassle-free international trade in a sector where disputes are common due to varied currencies, customs, cultures, and economies. However, it is now increasingly acknowledged from a modern perspective that rather than being solely influenced by public factors, private or hybrid actors tend to play a larger role in the creation of modern law. For example, the internet's governing body, with the help of public and private stakeholders, has been structured to avoid governance under multilateral treaties. This statement focuses on the importance of private actors in international law cases. Anything that can be considered law, even if it was primarily created by private actors in international business networks (as lex mercatoria) or by corporations and corporate groups (as globally applicable standards of corporate social responsibility), will have significant public implications. Hence, transnational law may include a company or the public at large but the focus of dispute resolution will be private interests. The emphasis on private actors in private transnational law may help in demarcating the line between public-private laws. As a result, transnational private law may be thought of (temporarily) as belonging to a different regulatory category from, say, the international economic law produced by the individual or collective acts of nation-states through municipal law or public international law. Again, provisionally and pragmatically, transnational private law might be considered "bottom-up" law (developed through social interaction) as opposed to "top-down" (legislated) law.7 Though there still exists uncertainty

⁶ Zumbansen, Peer, 'Transnational Law, Evolving' (Comparative Research in Law & Political Economy. Research Paper No. 27/201) http://digitalcommons.osgoode.yorku.ca/clpe/65.

⁷ Roger Cotterrell, 'What is transnational law' (Law and Social Inquiry, 2012) < https://www.law.uh.edu>

amongst a group of scholars on whether this branch of law works in the practical legal world, the author believes that a branch like transnational law was necessary to bridge the gap between cross-border transnational vagueness. Disputes are meant to occur when different nationalities are involved and transnational law tries to hold together the essence of both nationalities and at the same time serve justice. Its main focus is not only on the parties to the case but also on the factors that are being affected by the dispute. Non-severance of proper authority and jurisdiction may even lead to tensions between two countries. Hence, transnational law plays an important law in maintaining good relations and safeguarding the rights of individuals on an international level.

UNIDROIT and Transnational Law

With its headquarters in Rome's Villa Aldobrandini, the International Institute for the Unification of Private Law (UNIDROIT) is a free intergovernmental organisation. Its goal is to investigate the requirements and strategies for updating, harmonising, and coordinating private law, particularly commercial law, between States and groups of States, and to develop uniform legal instruments, principles, and regulations to accomplish those goals. The UNIDROIT Principles provide a useful compromise between the parties' respective domestic laws and the law of a third country. The UNIDROIT Principles, which were created by a team of experts representing all of the major legal systems in the world and are available in nearly all of the major international languages, are also intended for use everywhere in the world, regardless of the legal traditions or political and economic conditions of the nations in which they are to be adapted. This is perhaps even more significant. 8 The UNIDROIT Principles, along with other "private" instruments like the INCOTERMS or the UCP, are unquestionably a part of transnational law. To establish a relationship between transnational law and UNIDROIT, one must concentrate on the broad definition of transnational law, which essentially includes all principles and rules other than those established by a specific domestic law.9 UNIDROIT principles cater to different ways in which the parties to the transnational dispute choose neutral laws.

The criticism of transnational law can be diminished through the application of UNIDROIT principles. UNIDROIT has aided this area of law by lowering or removing the threat posed

⁸ UNIDROIT, 'Model Clauses for the Use of the UNIDROIT Principles of International Commercial Contracts' https://www.unidroit.org/.

⁹ Michael Joachim Bonell, 'The UNIDROIT Principles and Transnational Law'

< https://www.unidroit.org/english/publications/review/articles/2000-2-bonell-e.pdf >.

by transnational law. The principles of transnational law have been observed to be the law of choice for parties at will; UNIDROIT was established to control such willful behaviour. These uncertainties would be greatly reduced if the UNIDROIT Principles were used. In fact, arbitrators would have access to a clear set of guidelines like the UNIDROIT Principles rather than being forced to come up with solutions on the fly. 10 We can therefore confidently assert that the UNIDROIT principles are a source of general principles or transnational law. Consider a situation involving a contract between an Italian business and a Middle Eastern governmental organisation. Due to the fact that both parties insisted on the use of their respective national laws, the contract did not include a choice-of-law clause. The Arbitral Tribunal had stated in a partial award that it would base its decision on the "terms of the contract, supplemented by general principles of trade as embodied in the lex mercatoria," when it came to the issue of the applicable law. Then, when addressing the merits of the dispute, it applied specific provisions of the UNIDROIT Principles without further explanation, implicitly viewing them as a source of the lex mercatoria. 11 So principles of UNIDROIT come into the picture when the choice of law for the parties to a dispute is conflicting and general rules or principles are needed to be applied by the judge in order to give a fair judgment. It becomes mandatory for the parties to accept this course of action.

To conclude, UNIDROIT principles mainly focus on dispute resolution between parties where laws of transactions are to be applied. When parties having foreign element present get into a dispute UNIDROIT works to solve the same through unified laws. It can also be observed that though the principles of UNIDROIT are in unification the application of the same can be based solely on the facts of the case. The judgment passing will take less time, the applicability of laws will become easy and parties to the dispute will receive fair and just result. The principles and rules of UNIDROIT can be clubbed with Creeping Codification (described below) to form a well-defined set of laws in the field of transnationalism.

Analysis of various cases involving elements of Transnational Law

1) Operation Fox Hunt

¹⁰ *Ibid*.

¹¹ Ibid.

Operation Fox Hunt, a component of China's anti-corruption drive, seeks to apprehend businessmen and government officials who are suspected of lining their pockets with illicit funds. China has made attempts to persuade these suspects and fugitives to surrender or be extradited, and China seeks to work with other nations like the United States. Even though it generated controversy regarding human rights and national security, the Fox Hunt operation has achieved success.

The laws of various jurisdictions are involved in this case, which can serve as a prime illustration of transnational law. The issues at stake include national security, individual rights, and cultural and political differences between China and other nations. The nations mentioned as well as particular (public and private) organisations that play a crucial role, such as China's Ministry of Public Security, Interpol, other nations' national security agencies, and human rights NGOs, are all significant factors.¹²

2) India-based Call Centre Scheme

Under the guise of Internal Revenue Service tax collectors, a global criminal organisation used call centres in India to steal millions of dollars from Americans. Over 15,000 victims and \$300 million have reportedly been obtained through the scam. Following a three-year investigation, 61 individuals and organisations from around the world were charged by US federal prosecutors. The India-based Call Center Scheme is an example of a common international circumstance. ¹³

The United States, India, and several other nations have jurisdiction over this case as well. It also includes private and public actors from the US and the government of India, as well as their institutions (like the IRS), call centres and other businesses based in India, and the people who committed the crime and were its victims. In addition, a number of legal matters, including extradition, criminal law, and national security, are involved. The crime ring also poses interdisciplinary issues. There is a clear legal issue, but there are also social and political issues that need to be addressed, such as outsourcing and the politics of cross-border arrests. ¹⁴

¹² Clemens Kaupa, 'Examples of transnational legal' (medium.com Nov 3, 2016)

https://medium.com/@clemenskaupa/1-c-examples-of-transnational-legal-problems-637b7f1208fc

¹³Ibid.

¹⁴Ibid.

3) Yahoo Vs France Case

Yahoo is an online store where customers can purchase a variety of goods from around the globe. In this instance, Yahoo marketed Nazi goods on its online store. The French government wanted to shut down this platform because these products were purchased by French citizens, and such purchases are illegal under French domestic law. The issue of whether or not that is possible was brought up by this. Yahoo asserted that because these products are outside the purview of the French government, they cannot simply block French users online and that selling them does not violate any laws. But even if Yahoo was correct, which other international or transnational organisations would have the authority to make such decisions?

The internet is governed by a combination of various organisations and markets from various states rather than by a specific government of a particular state. As a result, the issue of multiple jurisdictions arises. Because this platform requires collaboration between private and public actors, laws governing it in its entirety are necessary.¹⁵

In the above scenarios, we find similarities like questions of various jurisdictions, privatepublic actors working alongside to attain a certain goal, domestic and international laws, etc.

Transnational law as mentioned in the starting deals with matters that include a wide range of
factors, it deals with cases having cross-border transactions and gives answers to which laws
are to be applied in a particular case. In every mentioned case above, transnational law will
give answers to the appropriate application of laws, rightful jurisdictions, jurisdictional
authorities, practicability, and long-term repercussions of the judgments.

Critical Analysis of Transnational Law

We already know that since the inception of the term, "Transnational Law" by Phillip Jessup there have been mixed reviews by various scholars and jurists. His focus throughout has been on issues and the law that can be applied to address them rather than actions or events per se. In his book, "Transnational Law," Jessup expresses interest in "analysing the problems of the world community and the law regulating them," as it is stated on the first page. His book's main sections are all explicitly focused on issues for which he considers legal solutions: "The Universality of the Human Problems", "The Power to Deal with the Problems", and "The

Choice of Law Governing the Problems." Focus on these problems highlights the liberalism of interpretation of the law. It shows a path to creating transnational laws that will mould smoothly into the legal framework of the legal system of the world. Hence, jurists and scholars expressed and therefore felt the need for an all-inclusive wider term like Transnational Law which will bridge the gap between two transnational countries while, on the other hand, some scholars questioned the very existence, necessity, and applicability of the same. Transnational Law came into existence to include and establish a system of justice that will cover various cultural, economic, and social aspects of public-private actors which international law as a whole lacked. Though it might seem like an extension of international law, it shall, however not be perceived as the same because of its different nature and subject matter.

Because its primary sources and addressees are not international institutions based on treaties or conventions or nation-state agencies, but rather private (individual, corporate, or collective) actors engaged in transnational relations, writers have treated transnational law as conceptually distinct from national and international law. As a result, a perception that transnational law favours private actors emerged. Private actors do have a significant impact on how they are governed by international law. People and businesses frequently engage in international transactions, so a significant portion of the transactional study will concentrate on these factors.

American Scholar Harold Koh revived the transnational doctrine and emphasized how transnational law helps in interpreting and applying the rules of international law. He argued on the aspect of how various governments, companies, and individuals are constantly in a transnational loop and how the question of enforcement of law comes into play often. ¹⁷ This sheds a positive light on the working of transnational law but lacks clarity on the point of distinction between international and transnational law. In order to prove the goodness of and benefit of transnational law, its clear demarcation and effects on its subjects are very crucial.

On the other hand, some contemporary scholars have questioned the significance of the same. They thought that the term "Transnational Law" is itself confusing as to whether it refers to procedural law or substantive law. The author also feels that the term is overlapping and needs an altogether different demarcation. Though, since transnational law is a new branch for convenience, it may be a parent to both kinds of laws. It can lay down the rules and regulations

¹⁶ Peer Zumbansen, 'The many lives of Transnational Law: Critical Engagements with Jessup's Bold Proposal' (First Published- 2020).

Alexandru Boston, 'Transnational Law- a new system of law?' (ResearchGate October 2021) https://www.researchgate.net/publication/355681208_Transnational law - a new system of law#pf3.

to be followed and include the procedure of application of such laws in various foreign judgments. Transactions happen in contracts law, torts law, marriage law, adoption law, etc.; hence, codification of the same is required.

Transnational law raises questions about its legitimacy because of its special position as a component of and contributor to the development of increasingly complex public-private as well as formal-informal, "inter-legal" regulatory arrangements. Do this law's fundamental foundations still rest on nation-state law and international law, the latter of which upholds and recognises state sovereignty, or does it herald a new arrangement between the two, in which some legal sources now exist wholly outside the purview of state authority? Or, if transnational law governs transnational relations, are these specifically the relationships between people, businesses, and organisations in civil society, or, as Jessup argued, can it also include relationships involving states and governmental institutions? The answers to these questions can be found in a complex state of nature.¹⁸

That being said, some scholars have argued about the legality of Transnational law. Laws are a set of rules every individual is expected to abide by for justice and peace. Laws are a mandate and not based on ethics. Simple terms like "fairness" or "best possible options" and "customs and traditions", cannot suffice as laws. Legal practitioners have questioned "how" transnational laws can be made mandatory and have a base on the principles of justice keeping in mind the traditional and cultural background. According to Kaarlo Tuori, transnational law exhibits characteristics of a legal system because, in addition to having a distinct normative order, it also has court-like bodies for adjudicating disputes or enforcing sanctions. This statement provides a positive approach to the branch and lays a base for its mandate and execution. Even if transnational law is based on the principles of traditions and customs, different economies, or internal state laws, the statement focuses on the ultimate goal: justice.

Hence, when we analyze the branch of transnational law a conclusion of endless possibilities can be made. Because of its wide range of subjects and nature scholars can come up with a number of permutations and combinations to make this branch of law more systematic and

Roger Cotterrell, 'What is transnational law' (ResearchGate, March 2012) https://www.researchgate.net/publication/256015227 What Is Transnational Law.

Roger Cotterrell, 'What is transnational law' (ResearchGate, March 2012) https://www.researchgate.net/publication/256015227 What Is Transnational Law.

²⁰ Kaarlo Tuori, Transnational law: Rethinking European Law and Legal Thinking (First published in May 2014).

approachable. A deep study of the same becomes necessary when a legal practitioner or a scholar wishes to deal with the same.

Understanding the Concept of Creeping Codification

Berger's creeping codification is an attempt to codify the commercial transnational law. It is backed by modern-day international law scholars as its success of it will bring a significant change in the field of transnational law. Halliday and Shaffer define a transnational legal order as "a collection of formalized legal norms and associated organizations and actors that authoritatively order the understanding and practice of law across national jurisdictions." ²¹Codification refers to the process of creating a list of transnational law rules and principles for codification. Undoubtedly, Berger's "creepy code" has made a significant contribution to the field of transnational law. However, the technique that created the list and is intended to ensure its open-endedness and ongoing evolution represents the most important contribution. ²² A group of academicians and scholars have come together to work on the codification of transnational laws to prove that this set of laws is not an abstract subject but has a practical base and can be implemented in the modern world. The codification of the same is going to bring uniformity in the spread-over laws and establish a proper system.

The normative laws and applications that frequently arise during various cross-border transactional activities are included in the list of principles. The main objective is to create a comprehensive list of laws and codify them, which will ultimately lead to more efficient and expedient justice. The list unifies the various sources that have aided in the development of a transnational commercial legal system into a single, open-ended set of rules and principles: acceptance of general legal principles, codification of international trade law by "formulating agencies," case law of international arbitral tribunals, the law-making power of international model contract forms and general trade conditions, and comparative legal science analysis. Due to the fact that many authors of case notes, articles, and books on transnational commercial law also work in the field of international commercial arbitration, there is a particular need for scientific research in this area of law that is extremely practical.²³

 $^{23}Ibid.$

²¹ Shaffer, Gregory C. (2017) "Introduction: Transnational Elements of Constitution-Making," UC Irvine Journal of International, Transnational, and Comparative Law: Vol. 2, 1. https://scholarship.law.uci.edu/ucijil/vol2/iss1/2.

²² Professor Dr. Klaus Peter Berger, 'The concept of Creeping Codification of Transnational Commercial Law' (Trans-Lex) https://www.trans-lex.org/4.

Like most of the sub-branches of transnational law, this list is also subjected to some praise and criticism. On one hand, the lists as Dr. Berger have mentioned in his article act as a bridge between theoretical book principles and the practical world, provides a clear legal framework, and eliminate most of the practical world problems. The consolidation and autonomation of transnational commercial law that goes along with the drafting of these lists can therefore be viewed as a basic prerequisite for the choice of law. This codification gives an ample amount of importance to dispute resolution through arbitration.²⁴ This is where the loopholes exist. The initial attempts at codification saw difficulties because the law is deeply rooted in its ancient tradition despite being a comparatively new branch of law. During its inception, such lists were not taken too seriously and scholars used them as a theoretical piece of study. No substantial efforts were made to code the laws and have long-term effects of the same. The rule lists were also said to be misfits in the court of law because of the influence of theoretical and cultural background. It lacked practicality.

Sooner, scholars like Georges Ripert, Josef Esser, and Bin Cheng started to focus on the wider aspect of transnational law and picked relevant principles, theories and doctrines from private and public international law. Transnational commercial law has been codified as a result of the restatements of international contract law offered by UNIDROIT and the Lando Commission.²⁵ In today's world, a reformative law system is followed rather than blindly following ancient laws.

Conclusion

Transnational law per se looks like an extension of international law. The focus lies more on solving transactional disputes through the proper course of the legal system. Codification of transnational laws will give a separate entity and questions such as applicable laws, jurisdictions, evidence will also be solved without any vagueness. Globalization has been a founding stone for this branch and as the world evolves transnational law will also be subjected to evolution. The greater focus on academics in transnational law will change and its practical applicability will be enhanced. The author feels that to protect this very criticized branch of law scholars across the globe should make an effort to bring out a set of laws as mentioned in Berger's Creeping Codification and give transnational law a definite shape. The current

²⁴ Ibid.

²⁵ Ibid.

situation of the branch if viewed acutely is not very celebrated. Transnational law is still not encouraged and put forth, because of its shortcomings, but a little work on it would lead to a solid set of laws that will ensure smooth justice. Transnational law despite being a new branch has deep roots in the traditions and customs a state has been following and the same needs to be changed to adapt to this modern world. Newer challenges and newer laws will be felt and required for the constant evolution of transactions, whether on an individual or collective level.

To conclude, the author would like to give remark that the sooner the codification of transnational law takes place the sooner it will create room for better theories, doctrines, and applications. Transnational law will pave the way for "global legal systems". The codification of transnational law will introduce the concept of unification. According to the author, the same would not be subjected to many obstacles as the trade or transactions are more or less the same for every state. Unification may bring a solid set of laws that may help in reducing the ongoing malpractices in the transnational world. Transnational law will help ease the question of "which law to apply?" for the judges, determination of courts will not take up time, and judgment passing will become easy because of the presence of various liberal doctrines, laws, and theories. Though, a crucial task of codification may take time to come into execution because of the often-changing rules of transnational law and its vast subject matter. As mentioned in UNIDROIT, rules of transnational law will have to be general in nature and should not be restricted to one aspect of execution, legislation, and judiciary because of the constant change in transactions between individuals. This obstacle can be overcome if the laws are liberal and inclusive of different aspects of dispute resolution in nature. Pre-determined courts, a fixed set of rules, and execution bodies will help transnational law in a positive manner. Overall, the transnational law to prove its separate existence, and have a definite system and application will have to get codified and the countries acknowledging the same will be bound to follow the laws of transaction.