

International Regulation of Intellectual Property

Timetable

Class	Topics
	The International IP Landscape
1	Introduction: The origins of the international IP regime: Paris Convention on Industrial Property 1883; Berne Convention on Literary and Artistic Works, 1886; Universal Copyright Convention
2	The WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) negotiation history
3	General principles – national treatment, most favoured nation, minimum standards
4	TRIPS Revision
5	TRIPS Jurisprudence
6	Bilateralism
	Patents and Biotechnological Innovations
7	The international patents regime: Paris Convention, Strasbourg Classification Agreement, Budapest Treaty on the Deposit of Micro-organisms, Patent Co-operation Treaty (PCT), TRIPS, Patent Law Treaty (PLT) and SPLT,
8	Morality issues: access to HIV AIDS medicines,
9	Patenting of DNA and climate change
10	Biopiracy
13	Protection of traditional knowledge
11	Access to biological resources- Convention on Biological Diversity, Nagoya Protocol
12	plant breeders' rights
	Trademarks and Geographical Indications
13	International Trademarks Regime – Madrid Agreement and Protocol, Nice Agreement, Trademark Registration Treaty
14	Well-known Marks
15	Geographical indications -foodstuffs, wines and spirits
17	Geographical indications -handicrafts
18	Certification and collective marks
	Copyright and Neighbouring Rights
19	International copyright regime- Berne Convention, WIPO Copyright Treaties

20	Unauthorised downloading- direct and vicarious infringement
21	Moral Rights, Exceptions, eg fair use
22	Protecting traditional cultural expressions
	Confidential Information
23	Trade Secrets
	Enforcement and Commercialization of IPRs
24	IPRs, Licensing and Technology Transfer
25	Civil Enforcement of IPRs
26	Border control of IPRs
27	Criminal Enforcement-
28	Anti-counterfeiting Trade Agreement (ACTA) 2010
29	Piracy and counterfeiting -involvement of organized crime and terrorists;
30	EU enforcement directive and national implementation

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Helpful IP Law Websites

- Dinwoodey Centre for Intellectual Property and Freedom of Expression:
<http://www.law.gwu.edu/dinwoode.htm>
- Franklin Pierce Law Centre: the FPLC Intellectual Property Mall:
<http://www.ipmall.fplc.edu>
- Intellectual Property Resources on the Web: Mountain Man Graphics:
http://magna.com.au/~prfbrown/ip_links.html
- Internet sites for lawyers: <http://www.viclf.asn.au/research.html>
- Max Planck Institute for International and Comparative Patent, Copyright and Competition Law, Munich: <http://www.intellecprop.mpg.de/>
- US Copyright Office: <http://lcweb.loc.gov/copyright>
- US House of Representatives Internet Law Library, Intellectual Property:
<http://law.house.gov/105.htm>
- World Intellectual Property Organisation, Geneva: <http://www.wipo.org/>
- World Wide Web Virtual Library, Law, Intellectual Property (Indiana University School of Law, Bloomington): <http://www.law.indiana.edu/law/v-lib/intellect.html>
- Copyright and the Internet, Canada, <http://www.lib.uwaterloo.ca/copyright.html>
- Web Law: Intellectual Property Resources (compiled by Murdoch University Library)
http://www.weblaw.edu.au/weblaw/display_page.phtml?WebLaw_Page=Intellectual+Property

WORLD TRADE ORGANIZATION AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS (TRIPS)

PART I	GENERAL PROVISIONS AND BASIC PRINCIPLES
PART II	STANDARDS CONCERNING THE AVAILABILITY, SCOPE AND USE OF INTELLECTUAL PROPERTY RIGHTS
	<ol style="list-style-type: none">1. Copyright and Related Rights2. Trademarks3. Geographical Indications4. Industrial Designs5. Patents6. Layout-Designs (Topographies) of Integrated Circuits7. Protection of Undisclosed Information8. Control of Anti-Competitive Practices in Contractual Licences
PART III	ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS
	<ol style="list-style-type: none">1. General Obligations2. Civil and Administrative Procedures and Remedies3. Provisional Measures4. Special Requirements Related to Border Measures5. Criminal Procedures
PART IV	ACQUISITION AND MAINTENANCE OF INTELLECTUAL PROPERTY RIGHTS AND RELATED <i>INTER-PARTES</i> PROCEDURES
PART V	DISPUTE PREVENTION AND SETTLEMENT
PART VI	TRANSITIONAL ARRANGEMENTS
PART VII	INSTITUTIONAL ARRANGEMENTS; FINAL PROVISIONS

AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS

Members,

Desiring to reduce distortions and impediments to international trade, and taking into account the need to promote effective and adequate protection of intellectual property rights, and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade;

Recognizing, to this end, the need for new rules and disciplines concerning:

- (a) the applicability of the basic principles of GATT 1994 and of relevant international intellectual property agreements or conventions;
- (b) the provision of adequate standards and principles concerning the availability, scope and use of trade-related intellectual property rights;
- (c) the provision of effective and appropriate means for the enforcement of trade-related intellectual property rights, taking into account differences in national legal systems;
- (d) the provision of effective and expeditious procedures for the multilateral prevention and settlement of disputes between governments; and
- (e) transitional arrangements aiming at the fullest participation in the results of the negotiations;

Recognizing the need for a multilateral framework of principles, rules and disciplines dealing with international trade in counterfeit goods;

Recognizing that intellectual property rights are private rights;

Recognizing the underlying public policy objectives of national systems for the protection of intellectual property, including developmental and technological objectives;

Recognizing also the special needs of the least-developed country Members in respect of maximum flexibility in the domestic implementation of laws and regulations in order to enable them to create a sound and viable technological base;

Emphasizing the importance of reducing tensions by reaching strengthened commitments to resolve disputes on trade-related intellectual property issues through multilateral procedures;

Desiring to establish a mutually supportive relationship between the WTO and the World Intellectual Property Organization (referred to in this Agreement as "WIPO") as well as other relevant international organizations;

Hereby agree as follows:

PART I GENERAL PROVISIONS AND BASIC PRINCIPLES

Article 1 Nature and Scope of Obligations

1. Members shall give effect to the provisions of this Agreement. Members may, but shall not be obliged to, implement in their law more extensive protection than is required by this Agreement, provided that such protection does not contravene the provisions of this Agreement. Members shall be free to determine the appropriate

method of implementing the provisions of this Agreement within their own legal system and practice.

2. For the purposes of this Agreement, the term "intellectual property" refers to all categories of intellectual property that are the subject of Sections 1 through 7 of Part II.

3. Members shall accord the treatment provided for in this Agreement to the nationals of other Members.¹ In respect of the relevant intellectual property right, the nationals of other Members shall be understood as those natural or legal persons that would meet the criteria for eligibility for protection provided for in the Paris Convention (1967), the Berne Convention (1971), the Rome Convention and the Treaty on Intellectual Property in Respect of Integrated Circuits, were all Members of the WTO members of those conventions.¹ Any Member availing itself of the possibilities provided in paragraph 3 of Article 5 or paragraph 2 of Article 6 of the Rome Convention shall make a notification as foreseen in those provisions to the Council for Trade-Related Aspects of Intellectual Property Rights (the "Council for TRIPS").

Article 2 Intellectual Property Conventions

1. In respect of Parts II, III and IV of this Agreement, Members shall comply with Articles 1 through 12, and Article 19, of the Paris Convention (1967).

2. Nothing in Parts I to IV of this Agreement shall derogate from existing obligations that Members may have to each other under the Paris Convention, the Berne Convention, the Rome Convention and the Treaty on Intellectual Property in Respect of Integrated Circuits.

Article 3 National Treatment

1. Each Member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection¹ of intellectual property, subject to the exceptions already provided in, respectively, the Paris Convention (1967), the Berne Convention (1971), the Rome Convention or the Treaty on Intellectual Property in Respect of Integrated Circuits. In respect of performers, producers of phonograms and broadcasting organizations, this obligation only applies in respect of the rights provided under this Agreement. Any Member availing itself of the possibilities provided in Article 6 of the Berne Convention (1971) or paragraph 1(b) of Article 16 of the Rome Convention shall make a notification as foreseen in those provisions to the Council for TRIPS.

2. Members may avail themselves of the exceptions permitted under paragraph 1 in relation to judicial and administrative procedures, including the designation of an address for service or the appointment of an agent within the jurisdiction of a Member, only where such exceptions are necessary to secure compliance with laws and regulations which are not inconsistent with the provisions of this Agreement and where such practices are not applied in a manner which would constitute a disguised restriction on trade.

Article 4 Most-Favoured-Nation Treatment

With regard to the protection of intellectual property, any advantage, favour, privilege or immunity granted by a Member to the nationals of any other country shall be accorded immediately and unconditionally to the nationals of all other Members. Exempted from this obligation are any advantage, favour, privilege or immunity accorded by a Member:

- (a) deriving from international agreements on judicial assistance or law enforcement of a general nature and not particularly confined to the protection of intellectual property;
- (b) granted in accordance with the provisions of the Berne Convention (1971) or the Rome Convention authorizing that the treatment accorded be a function not of national treatment but of the treatment accorded in another country;
- (c) in respect of the rights of performers, producers of phonograms and broadcasting organizations not provided under this Agreement;
- (d) deriving from international agreements related to the protection of intellectual property which entered into force prior to the entry into force of the WTO Agreement, provided that such agreements are notified to the Council for TRIPS and do not constitute an arbitrary or unjustifiable discrimination against nationals of other Members.

Article 5 Multilateral Agreements on Acquisition or Maintenance of Protection

The obligations under Articles 3 and 4 do not apply to procedures provided in multilateral agreements concluded under the auspices of WIPO relating to the acquisition or maintenance of intellectual property rights.

Article 6 Exhaustion

For the purposes of dispute settlement under this Agreement, subject to the provisions of Articles 3 and 4 nothing in this Agreement shall be used to address the issue of the exhaustion of intellectual property rights.

Article 7 Objectives

The protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.

Article 8 Principles

1. Members may, in formulating or amending their laws and regulations, adopt measures necessary to protect public health and nutrition, and to promote the public

interest in sectors of vital importance to their socio-economic and technological development, provided that such measures are consistent with the provisions of this Agreement.

2. Appropriate measures, provided that they are consistent with the provisions of this Agreement, may be needed to prevent the abuse of intellectual property rights by right holders or the resort to practices which unreasonably restrain trade or adversely affect the international transfer of technology.

PART II STANDARDS CONCERNING THE AVAILABILITY, SCOPE AND USE OF INTELLECTUAL PROPERTY RIGHTS

SECTION 1: COPYRIGHT AND RELATED RIGHTS

Article 9 Relation to the Berne Convention

1. Members shall comply with Articles 1 through 21 of the Berne Convention (1971) and the Appendix thereto. However, Members shall not have rights or obligations under this Agreement in respect of the rights conferred under Article 6bis of that Convention or of the rights derived therefrom.
2. Copyright protection shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such.

Article 10 Computer Programs and Compilations of Data

1. Computer programs, whether in source or object code, shall be protected as literary works under the Berne Convention (1971).
2. Compilations of data or other material, whether in machine readable or other form, which by reason of the selection or arrangement of their contents constitute intellectual creations shall be protected as such. Such protection, which shall not extend to the data or material itself, shall be without prejudice to any copyright subsisting in the data or material itself.

Article 11 Rental Rights

In respect of at least computer programs and cinematographic works, a Member shall provide authors and their successors in title the right to authorize or to prohibit the commercial rental to the public of originals or copies of their copyright works. A Member shall be excepted from this obligation in respect of cinematographic works unless such rental has led to widespread copying of such works which is materially impairing the exclusive right of reproduction conferred in that Member on authors and their successors in title. In respect of computer programs, this obligation does not apply to rentals where the program itself is not the essential object of the rental.

Article 12 Term of Protection

Whenever the term of protection of a work, other than a photographic work or a work of applied art, is calculated on a basis other than the life of a natural person, such term shall be no less than 50 years from the end of the calendar year of authorized publication, or, failing such authorized publication within 50 years from the making of the work, 50 years from the end of the calendar year of making.

Article 13 Limitations and Exceptions

Members shall confine limitations or exceptions to exclusive rights to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder.

Article 14 Protection of Performers, Producers of Phonograms (Sound Recordings) and Broadcasting Organizations

1. In respect of a fixation of their performance on a phonogram, performers shall have the possibility of preventing the following acts when undertaken without their authorization: the fixation of their unfixed performance and the reproduction of such fixation. Performers shall also have the possibility of preventing the following acts when undertaken without their authorization: the broadcasting by wireless means and the communication to the public of their live performance.

2. Producers of phonograms shall enjoy the right to authorize or prohibit the direct or indirect reproduction of their phonograms.

3. Broadcasting organizations shall have the right to prohibit the following acts when undertaken without their authorization: the fixation, the reproduction of fixations, and the rebroadcasting by wireless means of broadcasts, as well as the communication to the public of television broadcasts of the same. Where Members do not grant such rights to broadcasting organizations, they shall provide owners of copyright in the subject matter of broadcasts with the possibility of preventing the above acts, subject to the provisions of the Berne Convention (1971).

4. The provisions of Article 11 in respect of computer programs shall apply *mutatis mutandis* to producers of phonograms and any other right holders in phonograms as determined in a Member's law. If on 15 April 1994 a Member has in force a system of equitable remuneration of right holders in respect of the rental of phonograms, it may maintain such system provided that the commercial rental of phonograms is not giving rise to the material impairment of the exclusive rights of reproduction of right holders.

5. The term of the protection available under this Agreement to performers and producers of phonograms shall last at least until the end of a period of 50 years computed from the end of the calendar year in which the fixation was made or the performance took place. The term of protection granted pursuant to paragraph 3 shall last for at least 20 years from the end of the calendar year in which the broadcast took place.

6. Any Member may, in relation to the rights conferred under paragraphs 1, 2 and 3, provide for conditions, limitations, exceptions and reservations to the extent

permitted by the Rome Convention. However, the provisions of Article 18 of the Berne Convention (1971) shall also apply, *mutatis mutandis*, to the rights of performers and producers of phonograms in phonograms.

SECTION 2: TRADEMARKS

Article 15 Protectable Subject Matter

1. Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.
2. Paragraph 1 shall not be understood to prevent a Member from denying registration of a trademark on other grounds, provided that they do not derogate from the provisions of the Paris Convention (1967).
3. Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application.
4. The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.
5. Members shall publish each trademark either before it is registered or promptly after it is registered and shall afford a reasonable opportunity for petitions to cancel the registration. In addition, Members may afford an opportunity for the registration of a trademark to be opposed.

Article 16 Rights Conferred

1. The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.
2. Article 6bis of the Paris Convention (1967) shall apply, *mutatis mutandis*, to services. In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public,

including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.

3. Article 6bis of the Paris Convention (1967) shall apply, *mutatis mutandis*, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.

Article 17 Exceptions

Members may provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties.

Article 18 Term of Protection

Initial registration, and each renewal of registration, of a trademark shall be for a term of no less than seven years. The registration of a trademark shall be renewable indefinitely.

Article 19 Requirement of Use

1. If use is required to maintain a registration, the registration may be cancelled only after an uninterrupted period of at least three years of non-use, unless valid reasons based on the existence of obstacles to such use are shown by the trademark owner. Circumstances arising independently of the will of the owner of the trademark which constitute an obstacle to the use of the trademark, such as import restrictions on or other government requirements for goods or services protected by the trademark, shall be recognized as valid reasons for non-use.

2. When subject to the control of its owner, use of a trademark by another person shall be recognized as use of the trademark for the purpose of maintaining the registration.

Article 20 Other Requirements

The use of a trademark in the course of trade shall not be unjustifiably encumbered by special requirements, such as use with another trademark, use in a special form or use in a manner detrimental to its capability to distinguish the goods or services of one undertaking from those of other undertakings. This will not preclude a requirement prescribing the use of the trademark identifying the undertaking producing the goods or services along with, but without linking it to, the trademark distinguishing the specific goods or services in question of that undertaking.

Article 21 Licensing and Assignment

Members may determine conditions on the licensing and assignment of trademarks, it being understood that the compulsory licensing of trademarks shall not

be permitted and that the owner of a registered trademark shall have the right to assign the trademark with or without the transfer of the business to which the trademark belongs.

SECTION 3: GEOGRAPHICAL INDICATIONS

Article 22 Protection of Geographical Indications

1. Geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.
2. In respect of geographical indications, Members shall provide the legal means for interested parties to prevent:
 - (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;
 - (b) any use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (1967).
3. A Member shall, *ex officio* if its legislation so permits or at the request of an interested party, refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin.
4. The protection under paragraphs 1, 2 and 3 shall be applicable against a geographical indication which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another territory.

Article 23 Additional Protection for Geographical Indications for Wines and Spirits

1. Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind", "type", "style", "imitation" or the like.¹
2. The registration of a trademark for wines which contains or consists of a geographical indication identifying wines or for spirits which contains or consists of a geographical indication identifying spirits shall be refused or invalidated, *ex officio* if

a Member's legislation so permits or at the request of an interested party, with respect to such wines or spirits not having this origin.

3. In the case of homonymous geographical indications for wines, protection shall be accorded to each indication, subject to the provisions of paragraph 4 of Article 22. Each Member shall determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.

4. In order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system.

Article 24 International Negotiations; Exceptions

1. Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23. The provisions of paragraphs 4 through 8 below shall not be used by a Member to refuse to conduct negotiations or to conclude bilateral or multilateral agreements. In the context of such negotiations, Members shall be willing to consider the continued applicability of these provisions to individual geographical indications whose use was the subject of such negotiations.

2. The Council for TRIPS shall keep under review the application of the provisions of this Section; the first such review shall take place within two years of the entry into force of the WTO Agreement. Any matter affecting the compliance with the obligations under these provisions may be drawn to the attention of the Council, which, at the request of a Member, shall consult with any Member or Members in respect of such matter in respect of which it has not been possible to find a satisfactory solution through bilateral or plurilateral consultations between the Members concerned. The Council shall take such action as may be agreed to facilitate the operation and further the objectives of this Section.

3. In implementing this Section, a Member shall not diminish the protection of geographical indications that existed in that Member immediately prior to the date of entry into force of the WTO Agreement.

4. Nothing in this Section shall require a Member to prevent continued and similar use of a particular geographical indication of another Member identifying wines or spirits in connection with goods or services by any of its nationals or domiciliaries who have used that geographical indication in a continuous manner with regard to the same or related goods or services in the territory of that Member either (a) for at least 10 years preceding 15 April 1994 or (b) in good faith preceding that date.

5. Where a trademark has been applied for or registered in good faith, or where rights to a trademark have been acquired through use in good faith either:

- (a) before the date of application of these provisions in that Member as defined in Part VI; or
- (b) before the geographical indication is protected in its country of origin;

measures adopted to implement this Section shall not prejudice eligibility for or the validity of the registration of a trademark, or the right to use a trademark, on the basis that such a trademark is identical with, or similar to, a geographical indication.

6. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to goods or services for which the relevant indication is identical with the term customary in common language as the common name for such goods or services in the territory of that Member. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to products of the vine for which the relevant indication is identical with the customary name of a grape variety existing in the territory of that Member as of the date of entry into force of the WTO Agreement.

7. A Member may provide that any request made under this Section in connection with the use or registration of a trademark must be presented within five years after the adverse use of the protected indication has become generally known in that Member or after the date of registration of the trademark in that Member provided that the trademark has been published by that date, if such date is earlier than the date on which the adverse use became generally known in that Member, provided that the geographical indication is not used or registered in bad faith.

8. The provisions of this Section shall in no way prejudice the right of any person to use, in the course of trade, that person's name or the name of that person's predecessor in business, except where such name is used in such a manner as to mislead the public.

9. There shall be no obligation under this Agreement to protect geographical indications which are not or cease to be protected in their country of origin, or which have fallen into disuse in that country.

SECTION 4: INDUSTRIAL DESIGNS

Article 25 Requirements for Protection

1. Members shall provide for the protection of independently created industrial designs that are new or original. Members may provide that designs are not new or original if they do not significantly differ from known designs or combinations of known design features. Members may provide that such protection shall not extend to designs dictated essentially by technical or functional considerations.

2. Each Member shall ensure that requirements for securing protection for textile designs, in particular in regard to any cost, examination or publication, do not unreasonably impair the opportunity to seek and obtain such protection. Members

shall be free to meet this obligation through industrial design law or through copyright law.

Article 26 Protection

1. The owner of a protected industrial design shall have the right to prevent third parties not having the owner's consent from making, selling or importing articles bearing or embodying a design which is a copy, or substantially a copy, of the protected design, when such acts are undertaken for commercial purposes.
2. Members may provide limited exceptions to the protection of industrial designs, provided that such exceptions do not unreasonably conflict with the normal exploitation of protected industrial designs and do not unreasonably prejudice the legitimate interests of the owner of the protected design, taking account of the legitimate interests of third parties.
3. The duration of protection available shall amount to at least 10 years.

SECTION 5: PATENTS

Article 27 Patentable Subject Matter

1. Subject to the provisions of paragraphs 2 and 3, patents shall be available for any inventions, whether products or processes, in all fields of technology, provided that they are new, involve an inventive step and are capable of industrial application.¹ Subject to paragraph 4 of Article 65, paragraph 8 of Article 70 and paragraph 3 of this Article, patents shall be available and patent rights enjoyable without discrimination as to the place of invention, the field of technology and whether products are imported or locally produced.
2. Members may exclude from patentability inventions, the prevention within their territory of the commercial exploitation of which is necessary to protect *ordre public* or morality, including to protect human, animal or plant life or health or to avoid serious prejudice to the environment, provided that such exclusion is not made merely because the exploitation is prohibited by their law.
3. Members may also exclude from patentability:
 - (a) diagnostic, therapeutic and surgical methods for the treatment of humans or animals;
 - (b) plants and animals other than micro-organisms, and essentially biological processes for the production of plants or animals other than non-biological and microbiological processes. However, Members shall provide for the protection of plant varieties either by patents or by an effective *sui generis* system or by any combination thereof. The provisions of this subparagraph shall be reviewed four years after the date of entry into force of the WTO Agreement.

Article 28 Rights Conferred

1. A patent shall confer on its owner the following exclusive rights:
 - (a) where the subject matter of a patent is a product, to prevent third parties not having the owner's consent from the acts of: making, using, offering for sale, selling, or importing¹ for these purposes that product;
 - (b) where the subject matter of a patent is a process, to prevent third parties not having the owner's consent from the act of using the process, and from the acts of: using, offering for sale, selling, or importing for these purposes at least the product obtained directly by that process.
2. Patent owners shall also have the right to assign, or transfer by succession, the patent and to conclude licensing contracts.

Article 29 Conditions on Patent Applicants

1. Members shall require that an applicant for a patent shall disclose the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art and may require the applicant to indicate the best mode for carrying out the invention known to the inventor at the filing date or, where priority is claimed, at the priority date of the application.
2. Members may require an applicant for a patent to provide information concerning the applicant's corresponding foreign applications and grants.

Article 30 Exceptions to Rights Conferred

Members may provide limited exceptions to the exclusive rights conferred by a patent, provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner, taking account of the legitimate interests of third parties.

Article 31 Other Use Without Authorization of the Right Holder

Where the law of a Member allows for other use¹ of the subject matter of a patent without the authorization of the right holder, including use by the government or third parties authorized by the government, the following provisions shall be respected:

- (a) authorization of such use shall be considered on its individual merits;
- (b) such use may only be permitted if, prior to such use, the proposed user has made efforts to obtain authorization from the right holder on reasonable commercial terms and conditions and that such efforts have not been successful within a reasonable period of time. This requirement may be waived by a Member in the case of a national

emergency or other circumstances of extreme urgency or in cases of public non-commercial use. In situations of national emergency or other circumstances of extreme urgency, the right holder shall, nevertheless, be notified as soon as reasonably practicable. In the case of public non-commercial use, where the government or contractor, without making a patent search, knows or has demonstrable grounds to know that a valid patent is or will be used by or for the government, the right holder shall be informed promptly;

- (c) the scope and duration of such use shall be limited to the purpose for which it was authorized, and in the case of semi-conductor technology shall only be for public non-commercial use or to remedy a practice determined after judicial or administrative process to be anti-competitive;
- (d) such use shall be non-exclusive;
- (e) such use shall be non-assignable, except with that part of the enterprise or goodwill which enjoys such use;
- (f) any such use shall be authorized predominantly for the supply of the domestic market of the Member authorizing such use;
- (g) authorization for such use shall be liable, subject to adequate protection of the legitimate interests of the persons so authorized, to be terminated if and when the circumstances which led to it cease to exist and are unlikely to recur. The competent authority shall have the authority to review, upon motivated request, the continued existence of these circumstances;
- (h) the right holder shall be paid adequate remuneration in the circumstances of each case, taking into account the economic value of the authorization;
- (i) the legal validity of any decision relating to the authorization of such use shall be subject to judicial review or other independent review by a distinct higher authority in that Member;
- (j) any decision relating to the remuneration provided in respect of such use shall be subject to judicial review or other independent review by a distinct higher authority in that Member;
- (k) Members are not obliged to apply the conditions set forth in subparagraphs (b) and (f) where such use is permitted to remedy a practice determined after judicial or administrative process to be anti-competitive. The need to correct anti-competitive practices may be taken into account in determining the amount of remuneration in such cases. Competent authorities shall have the authority to refuse termination of authorization if and when the conditions which led to such authorization are likely to recur;

- (l) where such use is authorized to permit the exploitation of a patent ("the second patent") which cannot be exploited without infringing another patent ("the first patent"), the following additional conditions shall apply:
 - (i) the invention claimed in the second patent shall involve an important technical advance of considerable economic significance in relation to the invention claimed in the first patent;
 - (ii) the owner of the first patent shall be entitled to a cross-licence on reasonable terms to use the invention claimed in the second patent; and
 - (iii) the use authorized in respect of the first patent shall be non-assignable except with the assignment of the second patent.

Article 32 Revocation/Forfeiture

An opportunity for judicial review of any decision to revoke or forfeit a patent shall be available.

Article 33 Term of Protection

The term of protection available shall not end before the expiration of a period of twenty years counted from the filing date.¹

Article 34 Process Patents: Burden of Proof

1. For the purposes of civil proceedings in respect of the infringement of the rights of the owner referred to in paragraph 1(b) of Article 28, if the subject matter of a patent is a process for obtaining a product, the judicial authorities shall have the authority to order the defendant to prove that the process to obtain an identical product is different from the patented process. Therefore, Members shall provide, in at least one of the following circumstances, that any identical product when produced without the consent of the patent owner shall, in the absence of proof to the contrary, be deemed to have been obtained by the patented process:

- (a) if the product obtained by the patented process is new;
- (b) if there is a substantial likelihood that the identical product was made by the process and the owner of the patent has been unable through reasonable efforts to determine the process actually used.

2. Any Member shall be free to provide that the burden of proof indicated in paragraph 1 shall be on the alleged infringer only if the condition referred to in subparagraph (a) is fulfilled or only if the condition referred to in subparagraph (b) is fulfilled.

3. In the adduction of proof to the contrary, the legitimate interests of defendants in protecting their manufacturing and business secrets shall be taken into account.

SECTION 6: LAYOUT-DESIGNS (TOPOGRAPHIES) OF INTEGRATED CIRCUITS

Article 35 Relation to the IPIC Treaty

Members agree to provide protection to the layout-designs (topographies) of integrated circuits (referred to in this Agreement as "layout-designs") in accordance with Articles 2 through 7 (other than paragraph 3 of Article 6), Article 12 and paragraph 3 of Article 16 of the Treaty on Intellectual Property in Respect of Integrated Circuits and, in addition, to comply with the following provisions.

Article 36 Scope of the Protection

Subject to the provisions of paragraph 1 of Article 37, Members shall consider unlawful the following acts if performed without the authorization of the right holder:¹ importing, selling, or otherwise distributing for commercial purposes a protected layout-design, an integrated circuit in which a protected layout-design is incorporated, or an article incorporating such an integrated circuit only in so far as it continues to contain an unlawfully reproduced layout-design.

Article 37 Acts Not Requiring the Authorization of the Right Holder

1. Notwithstanding Article 36, no Member shall consider unlawful the performance of any of the acts referred to in that Article in respect of an integrated circuit incorporating an unlawfully reproduced layout-design or any article incorporating such an integrated circuit where the person performing or ordering such acts did not know and had no reasonable ground to know, when acquiring the integrated circuit or article incorporating such an integrated circuit, that it incorporated an unlawfully reproduced layout-design. Members shall provide that, after the time that such person has received sufficient notice that the layout-design was unlawfully reproduced, that person may perform any of the acts with respect to the stock on hand or ordered before such time, but shall be liable to pay to the right holder a sum equivalent to a reasonable royalty such as would be payable under a freely negotiated licence in respect of such a layout-design.

2. The conditions set out in subparagraphs (a) through (k) of Article 31 shall apply *mutatis mutandis* in the event of any non-voluntary licensing of a layout-design or of its use by or for the government without the authorization of the right holder.

Article 38 Term of Protection

1. In Members requiring registration as a condition of protection, the term of protection of layout-designs shall not end before the expiration of a period of 10 years counted from the date of filing an application for registration or from the first commercial exploitation wherever in the world it occurs.

2. In Members not requiring registration as a condition for protection, layout-designs shall be protected for a term of no less than 10 years from the date of the first commercial exploitation wherever in the world it occurs.

3. Notwithstanding paragraphs 1 and 2, a Member may provide that protection shall lapse 15 years after the creation of the layout-design.

SECTION 7: PROTECTION OF UNDISCLOSED INFORMATION

Article 39

1. In the course of ensuring effective protection against unfair competition as provided in Article 10*bis* of the Paris Convention (1967), Members shall protect undisclosed information in accordance with paragraph 2 and data submitted to governments or governmental agencies in accordance with paragraph 3.

2. Natural and legal persons shall have the possibility of preventing information lawfully within their control from being disclosed to, acquired by, or used by others without their consent in a manner contrary to honest commercial practices¹ so long as such information:

- (a) is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question;
- (b) has commercial value because it is secret; and
- (c) has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.

3. Members, when requiring, as a condition of approving the marketing of pharmaceutical or of agricultural chemical products which utilize new chemical entities, the submission of undisclosed test or other data, the origination of which involves a considerable effort, shall protect such data against unfair commercial use. In addition, Members shall protect such data against disclosure, except where necessary to protect the public, or unless steps are taken to ensure that the data are protected against unfair commercial use.

SECTION 8: CONTROL OF ANTI-COMPETITIVE PRACTICES IN CONTRACTUAL LICENCES

Article 40

1. Members agree that some licensing practices or conditions pertaining to intellectual property rights which restrain competition may have adverse effects on trade and may impede the transfer and dissemination of technology.

2. Nothing in this Agreement shall prevent Members from specifying in their legislation licensing practices or conditions that may in particular cases constitute an abuse of intellectual property rights having an adverse effect on competition in the relevant market. As provided above, a Member may adopt, consistently with the other provisions of this Agreement, appropriate measures to prevent or control such practices, which may include for example exclusive grantback conditions, conditions preventing challenges to validity and coercive package licensing, in the light of the relevant laws and regulations of that Member.

3. Each Member shall enter, upon request, into consultations with any other Member which has cause to believe that an intellectual property right owner that is a national or domiciliary of the Member to which the request for consultations has been addressed is undertaking practices in violation of the requesting Member's laws and regulations on the subject matter of this Section, and which wishes to secure compliance with such legislation, without prejudice to any action under the law and to the full freedom of an ultimate decision of either Member. The Member addressed shall accord full and sympathetic consideration to, and shall afford adequate opportunity for, consultations with the requesting Member, and shall cooperate through supply of publicly available non-confidential information of relevance to the matter in question and of other information available to the Member, subject to domestic law and to the conclusion of mutually satisfactory agreements concerning the safeguarding of its confidentiality by the requesting Member.

4. A Member whose nationals or domiciliaries are subject to proceedings in another Member concerning alleged violation of that other Member's laws and regulations on the subject matter of this Section shall, upon request, be granted an opportunity for consultations by the other Member under the same conditions as those foreseen in paragraph 3.

PART III ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

SECTION 1: GENERAL OBLIGATIONS

Article 41

1. Members shall ensure that enforcement procedures as specified in this Part are available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements. These procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.

2. Procedures concerning the enforcement of intellectual property rights shall be fair and equitable. They shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays.

3. Decisions on the merits of a case shall preferably be in writing and reasoned. They shall be made available at least to the parties to the proceeding without undue

delay. Decisions on the merits of a case shall be based only on evidence in respect of which parties were offered the opportunity to be heard.

4. Parties to a proceeding shall have an opportunity for review by a judicial authority of final administrative decisions and, subject to jurisdictional provisions in a Member's law concerning the importance of a case, of at least the legal aspects of initial judicial decisions on the merits of a case. However, there shall be no obligation to provide an opportunity for review of acquittals in criminal cases.

5. It is understood that this Part does not create any obligation to put in place a judicial system for the enforcement of intellectual property rights distinct from that for the enforcement of law in general, nor does it affect the capacity of Members to enforce their law in general. Nothing in this Part creates any obligation with respect to the distribution of resources as between enforcement of intellectual property rights and the enforcement of law in general.

SECTION 2: CIVIL AND ADMINISTRATIVE PROCEDURES AND REMEDIES

Article 42 Fair and Equitable Procedures

Members shall make available to right holders¹ civil judicial procedures concerning the enforcement of any intellectual property right covered by this Agreement. Defendants shall have the right to written notice which is timely and contains sufficient detail, including the basis of the claims. Parties shall be allowed to be represented by independent legal counsel, and procedures shall not impose overly burdensome requirements concerning mandatory personal appearances. All parties to such procedures shall be duly entitled to substantiate their claims and to present all relevant evidence. The procedure shall provide a means to identify and protect confidential information, unless this would be contrary to existing constitutional requirements.

Article 43 Evidence

1. The judicial authorities shall have the authority, where a party has presented reasonably available evidence sufficient to support its claims and has specified evidence relevant to substantiation of its claims which lies in the control of the opposing party, to order that this evidence be produced by the opposing party, subject in appropriate cases to conditions which ensure the protection of confidential information.

2. In cases in which a party to a proceeding voluntarily and without good reason refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes a procedure relating to an enforcement action, a Member may accord judicial authorities the authority to make preliminary and final determinations, affirmative or negative, on the basis of the information presented to them, including the complaint or the allegation presented by the party adversely affected by the denial of access to information, subject to providing the parties an opportunity to be heard on the allegations or evidence.

Article 44 Injunctions

1. The judicial authorities shall have the authority to order a party to desist from an infringement, *inter alia* to prevent the entry into the channels of commerce in their jurisdiction of imported goods that involve the infringement of an intellectual property right, immediately after customs clearance of such goods. Members are not obliged to accord such authority in respect of protected subject matter acquired or ordered by a person prior to knowing or having reasonable grounds to know that dealing in such subject matter would entail the infringement of an intellectual property right.
2. Notwithstanding the other provisions of this Part and provided that the provisions of Part II specifically addressing use by governments, or by third parties authorized by a government, without the authorization of the right holder are complied with, Members may limit the remedies available against such use to payment of remuneration in accordance with subparagraph (h) of Article 31. In other cases, the remedies under this Part shall apply or, where these remedies are inconsistent with a Member's law, declaratory judgments and adequate compensation shall be available.

Article 45 Damages

1. The judicial authorities shall have the authority to order the infringer to pay the right holder damages adequate to compensate for the injury the right holder has suffered because of an infringement of that person's intellectual property right by an infringer who knowingly, or with reasonable grounds to know, engaged in infringing activity.
2. The judicial authorities shall also have the authority to order the infringer to pay the right holder expenses, which may include appropriate attorney's fees. In appropriate cases, Members may authorize the judicial authorities to order recovery of profits and/or payment of pre-established damages even where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity.

Article 46 Other Remedies

In order to create an effective deterrent to infringement, the judicial authorities shall have the authority to order that goods that they have found to be infringing be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to avoid any harm caused to the right holder, or, unless this would be contrary to existing constitutional requirements, destroyed. The judicial authorities shall also have the authority to order that materials and implements the predominant use of which has been in the creation of the infringing goods be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to minimize the risks of further infringements. In considering such requests, the need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interests of third parties shall be taken into account. In regard to counterfeit trademark goods, the simple removal of the trademark unlawfully affixed shall not be sufficient, other than in exceptional cases, to permit release of the goods into the channels of commerce.

Article 47 Right of Information

Members may provide that the judicial authorities shall have the authority, unless this would be out of proportion to the seriousness of the infringement, to order the infringer to inform the right holder of the identity of third persons involved in the production and distribution of the infringing goods or services and of their channels of distribution.

Article 48 Indemnification of the Defendant

1. The judicial authorities shall have the authority to order a party at whose request measures were taken and who has abused enforcement procedures to provide to a party wrongfully enjoined or restrained adequate compensation for the injury suffered because of such abuse. The judicial authorities shall also have the authority to order the applicant to pay the defendant expenses, which may include appropriate attorney's fees.
2. In respect of the administration of any law pertaining to the protection or enforcement of intellectual property rights, Members shall only exempt both public authorities and officials from liability to appropriate remedial measures where actions are taken or intended in good faith in the course of the administration of that law.

Article 49 Administrative Procedures

To the extent that any civil remedy can be ordered as a result of administrative procedures on the merits of a case, such procedures shall conform to principles equivalent in substance to those set forth in this Section.

SECTION 3: PROVISIONAL MEASURES

Article 50

1. The judicial authorities shall have the authority to order prompt and effective provisional measures:
 - (a) to prevent an infringement of any intellectual property right from occurring, and in particular to prevent the entry into the channels of commerce in their jurisdiction of goods, including imported goods immediately after customs clearance;
 - (b) to preserve relevant evidence in regard to the alleged infringement.
2. The judicial authorities shall have the authority to adopt provisional measures *inaudita altera parte* where appropriate, in particular where any delay is likely to cause irreparable harm to the right holder, or where there is a demonstrable risk of evidence being destroyed.

3. The judicial authorities shall have the authority to require the applicant to provide any reasonably available evidence in order to satisfy themselves with a sufficient degree of certainty that the applicant is the right holder and that the applicant's right is being infringed or that such infringement is imminent, and to order the applicant to provide a security or equivalent assurance sufficient to protect the defendant and to prevent abuse.
4. Where provisional measures have been adopted *inaudita altera parte*, the parties affected shall be given notice, without delay after the execution of the measures at the latest. A review, including a right to be heard, shall take place upon request of the defendant with a view to deciding, within a reasonable period after the notification of the measures, whether these measures shall be modified, revoked or confirmed.
5. The applicant may be required to supply other information necessary for the identification of the goods concerned by the authority that will execute the provisional measures.
6. Without prejudice to paragraph 4, provisional measures taken on the basis of paragraphs 1 and 2 shall, upon request by the defendant, be revoked or otherwise cease to have effect, if proceedings leading to a decision on the merits of the case are not initiated within a reasonable period, to be determined by the judicial authority ordering the measures where a Member's law so permits or, in the absence of such a determination, not to exceed 20 working days or 31 calendar days, whichever is the longer.
7. Where the provisional measures are revoked or where they lapse due to any act or omission by the applicant, or where it is subsequently found that there has been no infringement or threat of infringement of an intellectual property right, the judicial authorities shall have the authority to order the applicant, upon request of the defendant, to provide the defendant appropriate compensation for any injury caused by these measures.
8. To the extent that any provisional measure can be ordered as a result of administrative procedures, such procedures shall conform to principles equivalent in substance to those set forth in this Section.

SECTION 4: SPECIAL REQUIREMENTS RELATED TO BORDER MEASURES¹

Article 51 Suspension of Release by Customs Authorities

Members shall, in conformity with the provisions set out below, adopt procedures¹ to enable a right holder, who has valid grounds for suspecting that the importation of counterfeit trademark or pirated copyright goods¹ may take place, to lodge an application in writing with competent authorities, administrative or judicial, for the suspension by the customs authorities of the release into free circulation of such goods. Members may enable such an application to be made in respect of goods which involve other infringements of intellectual property rights, provided that the requirements of this Section are met. Members may also provide for corresponding

procedures concerning the suspension by the customs authorities of the release of infringing goods destined for exportation from their territories.

Article 52 Application

Any right holder initiating the procedures under Article 51 shall be required to provide adequate evidence to satisfy the competent authorities that, under the laws of the country of importation, there is *prima facie* an infringement of the right holder's intellectual property right and to supply a sufficiently detailed description of the goods to make them readily recognizable by the customs authorities. The competent authorities shall inform the applicant within a reasonable period whether they have accepted the application and, where determined by the competent authorities, the period for which the customs authorities will take action.

Article 53 Security or Equivalent Assurance

1. The competent authorities shall have the authority to require an applicant to provide a security or equivalent assurance sufficient to protect the defendant and the competent authorities and to prevent abuse. Such security or equivalent assurance shall not unreasonably deter recourse to these procedures.
2. Where pursuant to an application under this Section the release of goods involving industrial designs, patents, layout-designs or undisclosed information into free circulation has been suspended by customs authorities on the basis of a decision other than by a judicial or other independent authority, and the period provided for in Article 55 has expired without the granting of provisional relief by the duly empowered authority, and provided that all other conditions for importation have been complied with, the owner, importer, or consignee of such goods shall be entitled to their release on the posting of a security in an amount sufficient to protect the right holder for any infringement. Payment of such security shall not prejudice any other remedy available to the right holder, it being understood that the security shall be released if the right holder fails to pursue the right of action within a reasonable period of time.

Article 54 Notice of Suspension

The importer and the applicant shall be promptly notified of the suspension of the release of goods according to Article 51.

Article 55 Duration of Suspension

If, within a period not exceeding 10 working days after the applicant has been served notice of the suspension, the customs authorities have not been informed that proceedings leading to a decision on the merits of the case have been initiated by a party other than the defendant, or that the duly empowered authority has taken provisional measures prolonging the suspension of the release of the goods, the goods shall be released, provided that all other conditions for importation or exportation have been complied with; in appropriate cases, this time-limit may be extended by another 10 working days. If proceedings leading to a decision on the merits of the case have been initiated, a review, including a right to be heard, shall take place upon

request of the defendant with a view to deciding, within a reasonable period, whether these measures shall be modified, revoked or confirmed. Notwithstanding the above, where the suspension of the release of goods is carried out or continued in accordance with a provisional judicial measure, the provisions of paragraph 6 of Article 50 shall apply.

Article 56 Indemnification of the Importer and of the Owner of the Goods

Relevant authorities shall have the authority to order the applicant to pay the importer, the consignee and the owner of the goods appropriate compensation for any injury caused to them through the wrongful detention of goods or through the detention of goods released pursuant to Article 55.

Article 57 Right of Inspection and Information

Without prejudice to the protection of confidential information, Members shall provide the competent authorities the authority to give the right holder sufficient opportunity to have any goods detained by the customs authorities inspected in order to substantiate the right holder's claims. The competent authorities shall also have authority to give the importer an equivalent opportunity to have any such goods inspected. Where a positive determination has been made on the merits of a case, Members may provide the competent authorities the authority to inform the right holder of the names and addresses of the consignor, the importer and the consignee and of the quantity of the goods in question.

Article 58 Ex Officio Action

Where Members require competent authorities to act upon their own initiative and to suspend the release of goods in respect of which they have acquired *prima facie* evidence that an intellectual property right is being infringed:

- (a) the competent authorities may at any time seek from the right holder any information that may assist them to exercise these powers;
- (b) the importer and the right holder shall be promptly notified of the suspension. Where the importer has lodged an appeal against the suspension with the competent authorities, the suspension shall be subject to the conditions, *mutatis mutandis*, set out at Article 55;
- (c) Members shall only exempt both public authorities and officials from liability to appropriate remedial measures where actions are taken or intended in good faith.

Article 59 Remedies

Without prejudice to other rights of action open to the right holder and subject to the right of the defendant to seek review by a judicial authority, competent authorities shall have the authority to order the destruction or disposal of infringing goods in accordance with the principles set out in Article 46. In regard to counterfeit trademark goods, the authorities shall not allow the re-exportation of the infringing

goods in an unaltered state or subject them to a different customs procedure, other than in exceptional circumstances.

Article 60 De Minimis Imports

Members may exclude from the application of the above provisions small quantities of goods of a non-commercial nature contained in travellers' personal luggage or sent in small consignments.

SECTION 5: CRIMINAL PROCEDURES

Article 61

Members shall provide for criminal procedures and penalties to be applied at least in cases of wilful trademark counterfeiting or copyright piracy on a commercial scale. Remedies available shall include imprisonment and/or monetary fines sufficient to provide a deterrent, consistently with the level of penalties applied for crimes of a corresponding gravity. In appropriate cases, remedies available shall also include the seizure, forfeiture and destruction of the infringing goods and of any materials and implements the predominant use of which has been in the commission of the offence. Members may provide for criminal procedures and penalties to be applied in other cases of infringement of intellectual property rights, in particular where they are committed wilfully and on a commercial scale.

PART IV

ACQUISITION AND MAINTENANCE OF INTELLECTUAL PROPERTY RIGHTS AND RELATED *INTER-PARTES* PROCEDURES

Article 62

1. Members may require, as a condition of the acquisition or maintenance of the intellectual property rights provided for under Sections 2 through 6 of Part II, compliance with reasonable procedures and formalities. Such procedures and formalities shall be consistent with the provisions of this Agreement.
2. Where the acquisition of an intellectual property right is subject to the right being granted or registered, Members shall ensure that the procedures for grant or registration, subject to compliance with the substantive conditions for acquisition of the right, permit the granting or registration of the right within a reasonable period of time so as to avoid unwarranted curtailment of the period of protection.
3. Article 4 of the Paris Convention (1967) shall apply *mutatis mutandis* to service marks.
4. Procedures concerning the acquisition or maintenance of intellectual property rights and, where a Member's law provides for such procedures, administrative revocation and *inter partes* procedures such as opposition, revocation and cancellation, shall be governed by the general principles set out in paragraphs 2 and 3 of Article 41.

5. Final administrative decisions in any of the procedures referred to under paragraph 4 shall be subject to review by a judicial or quasi-judicial authority. However, there shall be no obligation to provide an opportunity for such review of decisions in cases of unsuccessful opposition or administrative revocation, provided that the grounds for such procedures can be the subject of invalidation procedures.

PART V DISPUTE PREVENTION AND SETTLEMENT

Article 63 Transparency

1. Laws and regulations, and final judicial decisions and administrative rulings of general application, made effective by a Member pertaining to the subject matter of this Agreement (the availability, scope, acquisition, enforcement and prevention of the abuse of intellectual property rights) shall be published, or where such publication is not practicable made publicly available, in a national language, in such a manner as to enable governments and right holders to become acquainted with them.

Agreements concerning the subject matter of this Agreement which are in force between the government or a governmental agency of a Member and the government or a governmental agency of another Member shall also be published.

2. Members shall notify the laws and regulations referred to in paragraph 1 to the Council for TRIPS in order to assist that Council in its review of the operation of this Agreement. The Council shall attempt to minimize the burden on Members in carrying out this obligation and may decide to waive the obligation to notify such laws and regulations directly to the Council if consultations with WIPO on the establishment of a common register containing these laws and regulations are successful. The Council shall also consider in this connection any action required regarding notifications pursuant to the obligations under this Agreement stemming from the provisions of Article 6~~ter~~ of the Paris Convention (1967).

3. Each Member shall be prepared to supply, in response to a written request from another Member, information of the sort referred to in paragraph 1. A Member, having reason to believe that a specific judicial decision or administrative ruling or bilateral agreement in the area of intellectual property rights affects its rights under this Agreement, may also request in writing to be given access to or be informed in sufficient detail of such specific judicial decisions or administrative rulings or bilateral agreements.

4. Nothing in paragraphs 1, 2 and 3 shall require Members to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.

Article 64 Dispute Settlement

1. The provisions of Articles XXII and XXIII of GATT 1994 as elaborated and applied by the Dispute Settlement Understanding shall apply to consultations and the settlement of disputes under this Agreement except as otherwise specifically provided herein.

2. Subparagraphs 1(b) and 1(c) of Article XXIII of GATT 1994 shall not apply to the settlement of disputes under this Agreement for a period of five years from the date of entry into force of the WTO Agreement.

3. During the time period referred to in paragraph 2, the Council for TRIPS shall examine the scope and modalities for complaints of the type provided for under subparagraphs 1(b) and 1(c) of Article XXIII of GATT 1994 made pursuant to this Agreement, and submit its recommendations to the Ministerial Conference for approval. Any decision of the Ministerial Conference to approve such recommendations or to extend the period in paragraph 2 shall be made only by consensus, and approved recommendations shall be effective for all Members without further formal acceptance process.

PART VI TRANSITIONAL ARRANGEMENTS

Article 65 Transitional Arrangements

1. Subject to the provisions of paragraphs 2, 3 and 4, no Member shall be obliged to apply the provisions of this Agreement before the expiry of a general period of one year following the date of entry into force of the WTO Agreement.

2. A developing country Member is entitled to delay for a further period of four years the date of application, as defined in paragraph 1, of the provisions of this Agreement other than Articles 3, 4 and 5.

3. Any other Member which is in the process of transformation from a centrally-planned into a market, free-enterprise economy and which is undertaking structural reform of its intellectual property system and facing special problems in the preparation and implementation of intellectual property laws and regulations, may also benefit from a period of delay as foreseen in paragraph 2.

4. To the extent that a developing country Member is obliged by this Agreement to extend product patent protection to areas of technology not so protectable in its territory on the general date of application of this Agreement for that Member, as defined in paragraph 2, it may delay the application of the provisions on product patents of Section 5 of Part II to such areas of technology for an additional period of five years.

5. A Member availing itself of a transitional period under paragraphs 1, 2, 3 or 4 shall ensure that any changes in its laws, regulations and practice made during that period do not result in a lesser degree of consistency with the provisions of this Agreement.

Article 66 Least-Developed Country Members

1. In view of the special needs and requirements of least-developed country Members, their economic, financial and administrative constraints, and their need for flexibility to create a viable technological base, such Members shall not be required to apply the provisions of this Agreement, other than Articles 3, 4 and 5, for a period of

10 years from the date of application as defined under paragraph 1 of Article 65. The Council for TRIPS shall, upon duly motivated request by a least-developed country Member, accord extensions of this period.

2. Developed country Members shall provide incentives to enterprises and institutions in their territories for the purpose of promoting and encouraging technology transfer to least-developed country Members in order to enable them to create a sound and viable technological base.

Article 67 Technical Cooperation

In order to facilitate the implementation of this Agreement, developed country Members shall provide, on request and on mutually agreed terms and conditions, technical and financial cooperation in favour of developing and least-developed country Members. Such cooperation shall include assistance in the preparation of laws and regulations on the protection and enforcement of intellectual property rights as well as on the prevention of their abuse, and shall include support regarding the establishment or reinforcement of domestic offices and agencies relevant to these matters, including the training of personnel.

PART VII INSTITUTIONAL ARRANGEMENTS; FINAL PROVISIONS

Article 68 Council for Trade-Related Aspects of Intellectual Property Rights

The Council for TRIPS shall monitor the operation of this Agreement and, in particular, Members' compliance with their obligations hereunder, and shall afford Members the opportunity of consulting on matters relating to the trade-related aspects of intellectual property rights. It shall carry out such other responsibilities as assigned to it by the Members, and it shall, in particular, provide any assistance requested by them in the context of dispute settlement procedures. In carrying out its functions, the Council for TRIPS may consult with and seek information from any source it deems appropriate. In consultation with WIPO, the Council shall seek to establish, within one year of its first meeting, appropriate arrangements for cooperation with bodies of that Organization.

Article 69 International Cooperation

Members agree to cooperate with each other with a view to eliminating international trade in goods infringing intellectual property rights. For this purpose, they shall establish and notify contact points in their administrations and be ready to exchange information on trade in infringing goods. They shall, in particular, promote the exchange of information and cooperation between customs authorities with regard to trade in counterfeit trademark goods and pirated copyright goods.

Article 70 Protection of Existing Subject Matter

1. This Agreement does not give rise to obligations in respect of acts which occurred before the date of application of the Agreement for the Member in question.

2. Except as otherwise provided for in this Agreement, this Agreement gives rise to obligations in respect of all subject matter existing at the date of application of this Agreement for the Member in question, and which is protected in that Member on the said date, or which meets or comes subsequently to meet the criteria for protection under the terms of this Agreement. In respect of this paragraph and paragraphs 3 and 4, copyright obligations with respect to existing works shall be solely determined under Article 18 of the Berne Convention (1971), and obligations with respect to the rights of producers of phonograms and performers in existing phonograms shall be determined solely under Article 18 of the Berne Convention (1971) as made applicable under paragraph 6 of Article 14 of this Agreement.

3. There shall be no obligation to restore protection to subject matter which on the date of application of this Agreement for the Member in question has fallen into the public domain.

4. In respect of any acts in respect of specific objects embodying protected subject matter which become infringing under the terms of legislation in conformity with this Agreement, and which were commenced, or in respect of which a significant investment was made, before the date of acceptance of the WTO Agreement by that Member, any Member may provide for a limitation of the remedies available to the right holder as to the continued performance of such acts after the date of application of this Agreement for that Member. In such cases the Member shall, however, at least provide for the payment of equitable remuneration.

5. A Member is not obliged to apply the provisions of Article 11 and of paragraph 4 of Article 14 with respect to originals or copies purchased prior to the date of application of this Agreement for that Member.

6. Members shall not be required to apply Article 31, or the requirement in paragraph 1 of Article 27 that patent rights shall be enjoyable without discrimination as to the field of technology, to use without the authorization of the right holder where authorization for such use was granted by the government before the date this Agreement became known.

7. In the case of intellectual property rights for which protection is conditional upon registration, applications for protection which are pending on the date of application of this Agreement for the Member in question shall be permitted to be amended to claim any enhanced protection provided under the provisions of this Agreement. Such amendments shall not include new matter.

8. Where a Member does not make available as of the date of entry into force of the WTO Agreement patent protection for pharmaceutical and agricultural chemical products commensurate with its obligations under Article 27, that Member shall:

- (a) notwithstanding the provisions of Part VI, provide as from the date of entry into force of the WTO Agreement a means by which applications for patents for such inventions can be filed;
- (b) apply to these applications, as of the date of application of this Agreement, the criteria for patentability as laid down in this

Agreement as if those criteria were being applied on the date of filing in that Member or, where priority is available and claimed, the priority date of the application; and

- (c) provide patent protection in accordance with this Agreement as from the grant of the patent and for the remainder of the patent term, counted from the filing date in accordance with Article 33 of this Agreement, for those of these applications that meet the criteria for protection referred to in subparagraph (b).

9. Where a product is the subject of a patent application in a Member in accordance with paragraph 8(a), exclusive marketing rights shall be granted, notwithstanding the provisions of Part VI, for a period of five years after obtaining marketing approval in that Member or until a product patent is granted or rejected in that Member, whichever period is shorter, provided that, subsequent to the entry into force of the WTO Agreement, a patent application has been filed and a patent granted for that product in another Member and marketing approval obtained in such other Member.

Article 71 Review and Amendment

1. The Council for TRIPS shall review the implementation of this Agreement after the expiration of the transitional period referred to in paragraph 2 of Article 65. The Council shall, having regard to the experience gained in its implementation, review it two years after that date, and at identical intervals thereafter. The Council may also undertake reviews in the light of any relevant new developments which might warrant modification or amendment of this Agreement.

2. Amendments merely serving the purpose of adjusting to higher levels of protection of intellectual property rights achieved, and in force, in other multilateral agreements and accepted under those agreements by all Members of the WTO may be referred to the Ministerial Conference for action in accordance with paragraph 6 of Article X of the WTO Agreement on the basis of a consensus proposal from the Council for TRIPS.

Article 72 Reservations

Reservations may not be entered in respect of any of the provisions of this Agreement without the consent of the other Members.

Article 73 Security Exceptions

Nothing in this Agreement shall be construed:

- (a) to require a Member to furnish any information the disclosure of which it considers contrary to its essential security interests; or
- (b) to prevent a Member from taking any action which it considers necessary for the protection of its essential security interests;

- (i) relating to fissionable materials or the materials from which they are derived;
 - (ii) relating to the traffic in arms, ammunition and implements of war and to such traffic in other goods and materials as is carried on directly or indirectly for the purpose of supplying a military establishment;
 - (iii) taken in time of war or other emergency in international relations; or
- (c) to prevent a Member from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

Class 1. Intellectual Property in International Trade

From the late 1970's there was a growing realisation, particularly in the USA, that the counterfeiting of trade marked products was having a considerable impact adverse impact upon trade revenues. In 1979 the USA and the European Community had reached agreement on a draft 'Agreement on Measures to Discourage the Importation of Counterfeit Goods'¹. Between 1980 and 1982 informal meetings with a number of industrialised countries² resulted in a revised draft Anticounterfeiting Code.³

This US initiative was carried forward into the ministerial meeting of 1982 for the preparations for the forthcoming GATT Round.⁴ In the face of a US suggestion that the Draft Code be adopted as part of the GATT, the developing countries led by Brazil and India argued that intellectual property issues were the exclusive territory of WIPO and that, in any event, the GATT was concerned with trade in tangible goods and therefore, that the GATT had no jurisdiction over trade mark counterfeiting.⁵ The Resultant Ministerial Declaration requested the Director General of GATT to hold consultations with his counterpart at WIPO in order to clarify the appropriateness of joint action in relation to counterfeiting.⁶ During 1982 an Expert Group produced a report on the effects of trade mark counterfeiting on international trade.⁷ Discussions within the GATT Council renewed the questioning of the relevance of intellectual property rights to the GATT and, additionally, raised the question of whether the allegations of the trade impacts of trade mark counterfeiting could be quantified.

This challenge was taken up in the United States, both through Congressional hearings and through studies conducted by trade associations submitting to those hearings. The Subcommittee on Trade of the US House of Representatives was informed in its 1983 hearings⁸ that the annual losses of the video industry were approximately \$6 billion.⁹ The House Subcommittee on Oversight and Investigations, which conducted hearings on counterfeiting in 1984¹⁰, was informed by the Automotive Parts and Accessories Association that the industry lost some \$12 billion from the counterfeiting of spare parts.

In 1985 the International Intellectual Property Alliance (IIPA) representing seven trade associations of copyright-related industries¹¹ produced a study of the copyright laws of Brazil, Egypt, Indonesia, Malaysia, Nigeria, the Philippines, the Republic of

¹ GATT Doc. No. L/4817 (July 31, 1979).

² Viz. Canada, Japan and Switzerland.

³ Agreement on Measures to Discourage the Importation of Counterfeit Goods, GATT Doc. No. L/5382 (Oct 18, 1982).

⁴ See Bradley, 'Intellectual Property Rights, Investment and Trade in Services in the Uruguay Round; Laying the Foundations' (1987) 23 Stanford J. Int'l Law 57.

⁵ Ibid., 66-67.

⁶ Ministerial Declaration GATT, BISD 30th Supp.,9 (1983).

⁷ Trade in Counterfeit Goods, GATT Doc. No. L/5758 (1982).

⁸ Possible Renewal of the Generalised System of Preferences- Hearing Before the Subcommittee on Trade of the U.S. House of Rep. Comm. on Ways and Means , 98th Cong., 1st Sess. (1983)

⁹ Ibid., 57.

¹⁰ Unfair Foreign Trade Practices, Stealing American Intellectual Property: Imitation is Not Flattery, 98th Cong., 2d Sess.1-3 (1984).

¹¹ The IIPA comprised: the American Film Marketing Association, the Association of American Publishers, the Computer and Business Equipment Manufacturers Association, the Computer Software and Service Industry, the National Music publishers Association and the Recording Industry Association of America.

Korea, Singapore, Taiwan and Thailand. It estimated that ineffective copyright laws in these countries was responsible for annual losses to the American copyright industries of \$1.3 billion.¹² The IIPA submitted that “the U.S. Government’s goal must be to establish an international trading climate in which intellectual property is respected and protected”.

2 Intellectual Property Rights and the Uruguay Round- Preliminary Negotiations

Between 1982 and 1986 a Preparatory Committee of the GATT identified the issues which would be the concern of the forthcoming GATT Round.¹³ The U.S. proposed that the Round consider all intellectual property rights, affirming that the GATT was the appropriate forum to seek the enforcement of intellectual property rights. Subsequent negotiations led by the Swiss and Columbian Ambassadors sought a compromise between the opposing views on the jurisdiction of GATT in these matters. and produced a proposal which served as the basis for the Ministerial Declaration of 20 September 1986 which launched the Uruguay Round¹⁴. Identifying the subjects for negotiation in the Round, the Ministerial Declaration explained that

In order to reduce the distortions and impediments to international trade, and taking into account the need to promote effective and adequate protection of intellectual property rights, and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade, the negotiations shall aim to clarify GATT provisions and elaborate as appropriate new rules and disciplines.

Negotiations shall aim to develop a multi lateral framework of principles, rules and disciplines dealing with international trade in counterfeit goods, taking into account work already undertaken in the GATT.¹⁵

This initiative was expressed to be without prejudice to complementary initiatives which might be taken by WIPO or elsewhere.¹⁶

The Negotiating Plan settled by a Decision of 28 January 1987¹⁷ under the heading “Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods”, identified that the initial phase of the negotiating process would be taken up with gathering relevant factual material and with the tabling of the texts of interested participants. In response to this invitation, the Office of the United States Trade Representative in Geneva on 19 October 1987 submitted a substantive proposal for the interdiction of the trade in infringing products through the implementation of Customs controls and through the promulgation and implementation of legislative norms for the protection of intellectual property rights.¹⁸ Further suggestions were tabled by Switzerland, Japan and the European Community. The E.C. proposal was

¹² IIPA, *Piracy of US Counterfeited Works in Ten Selected Countries* (1985), 7.

¹³ For a comprehensive account of the negotiating history of the Round see Terence P. Stewart, Ed., *The GATT Uruguay Round. a Negotiating History (1986-1992)*, vols I-III. (Deventer, Boston; Kluwer, 1993).

¹⁴ See *ibid.*, vol. II, 2263-2264.

¹⁵ *Ministerial Declaration on the Uruguay Round*, reproduced *ibid.*, vol. III, 7-8.

¹⁶ *Ibid.*, 8.

¹⁷ Reproduced, *ibid.*, 11-25.

¹⁸ *Suggestion by the United States for Achieving the Negotiating Objective*, GATT Doc. No. MTN.GNG/NG11/W/14 (Oct. 20, 1987).

the most far reaching in that it suggested that a TRIPS Agreement should adhere to the basic GATT principles of national treatment, non-discrimination, reciprocity and transparency, as well as applying to the new categories of intellectual property right, such as semi-conductor layouts, and plant varieties as well as to the traditional categories, including utility models and appellations of origin.¹⁹

The subsequent negotiations of the Round were dominated and almost frustrated by a deadlock over agricultural policies. By the mid-term review, scheduled for December 1988, agreement had been reached or was close in the eleven other negotiating areas. An exception to this wide-ranging concord was intellectual property, where led by India and Brazil, the developing countries continued to question the relevance of intellectual property for the GATT, particularly because of the existence and availability of WIPO²⁰

3 Intellectual Property in U.S. Trade Legislation

(a) Section 301

A key factor in the ultimate success in securing the GATT TRIPS Agreement was the preparedness of the United States to define its negotiating objectives through domestic trade legislation. The impasse at the GATT, as well as the increasing cacophony of agitation from trade lobbyists had resulted in the introduction in 1984 of an amendment to s.301 of the Trade Act of 1974, which permitted the President to seek the elimination of “unjustifiable or unreasonable” trade practices. The 1984 Trade and Tariff Act made intellectual property protection explicitly actionable under s.301.²¹ Action under this section was taken against the Republic of Korea in 1985, because of complaints about the limited scope of that country’s patent, trade mark and copyright laws and against Brazil in the same year because of concerns about its restrictive laws dealing with the protection of computer programmes and computer software. Brazil was also the target of action under s.301 in 1987, when the USA increased tariffs on certain Brazilian exports to procure changes in Brazil’s protection of pharmaceutical patents.

The s.301 actions against the Republic of Korea and Brazil were successful in procuring the desired changes to the respective countries’ intellectual property regimes.

It was also found that the threat of s.301 action could have the desired result. For example, the report of the IIPA on the copyright laws of ten selected countries²² had identified Singapore as the largest producer of pirated records and tapes in the world, causing the loss to U.S. industry of some \$358 million.²³ Following bilateral negotiations, Singapore in 1987 improved its copyright statute and manifested an intention to adhere to the principles of the UCC and to become a member of WIPO.

(b) Special 301

¹⁹ *Guidelines Proposed by the European Community for the Negotiations on Trade Related Aspects of Intellectual Property Rights* GATT Doc. No. MTN.GNG/NG11/W/17 (Nov.20, 1987)

²⁰ For a comprehensive survey of the competing positions see F. Beier and G. Schriker, eds, *GATT or WIPO? New Ways in the International Protection of Intellectual Property* (Munich: VCH, 1989).

²¹ 98 Stat. 2948 (1984).

²² N.17 *supra*.

²³ *Ibid.*, i-ii.

The apparent success of s.301 and the contemporaneous stalling of the GATT TRIPS negotiations are explanations of the introduction of so called 'Special 301' by the Omnibus Trade and Competitiveness Act of 1988²⁴. Special 301 requires an annual review by the U.S. Trade Representative (USTR) of the intellectual property practices of the country's trading partners. The USTR is required to identify "priority foreign countries" which deny "adequate and effective protection of intellectual property rights" or which "deny fair and equitable market access" to U.S. traders. The USTR is then obliged to place those countries on either a watch list or a priority watch list, with a view to a fast track investigation, followed by trade retaliation in the form of increased duties or import restrictions.²⁵ Special 301 was explicitly introduced as a supplement to the U.S. TRIPS negotiating strategy. In the Conference Report on the legislation in Congress the explanation was proffered that

The purpose of the provisions dealing with market access is to assist in achieving fair and equitable market opportunities for U.S. persons that rely on intellectual property rights protection. as a complement to U.S. objectives on intellectual property rights protection in the Uruguay Round of trade negotiations, the conferees intend that the President should ensure, wherever possible, that U.S. intellectual property rights are respected and market access provided in international trade with all our trading partners.²⁶

Although questions were raised as to the legality of special 301 within the GATT itself²⁷, the provision subsequently achieved some significant successes in procuring remedial action by targeted countries.

In April 1991, the USTR designated the first priority countries under Special 301. India and Thailand were named as priority countries because of inadequate patent protection for pharmaceutical's and because of the extensive pirating in those countries of copyrighted books, sound recordings and videos.²⁸ At the same time the Peoples' Republic of China was identified as a priority foreign country for a similar inadequacy in its pharmaceutical patents law and because of an absence of copyright protection and an inadequate regime for the protection of trade marks. Brazil, the E.C. and Australia were placed on the Priority Watch List. Concern was expressed with the continuing piracy of computer software in Brazil. The E.C was listed because of its policy of ensuring European content in broadcast works and Australia because of its limitation of U.S. audiovisual imports. On the same date the USTR listed twenty-three countries on the Watch List.²⁹ These included a number of major industrialised countries such as Japan and Germany as well as developing countries from all parts of the world. On April 29, 1992 Egypt, Hungary, the Philippines,

²⁴ 19 U.S.C. §2242 (1990).

²⁵ See generally, Bello and Holmer, ' "Special 301": Its Requirements Implementation and Significance' (1989-1990) 13 *Fordham Int'l L.J.* 259.

²⁶ H.R. Conf. Rep. No. 576, 100th Cong. 2d sess. 580 (1988)

²⁷ E.g. see Evans, 'Intellectual Property as a Trade Issue' (1994) 18 *World Competition* 137 at 153-154.

²⁸ See Stewart n. 28 supra 2258-2259.

²⁹ These were Argentina, Canada, Chile, Columbia, Cyprus, Egypt, Germany, Greece, Indonesia, Italy, Hungary, Japan, New Zealand, Pakistan, the Philippines, Republic of Korea, Spain, Taiwan, Turkey, Saudi Arabia, U.A.E., Venezuela and Yugoslavia.

Poland, the Republic of Korea and Turkey were added to the Special 301 Priority Watch List and an additional six countries were added to the Watch List.³⁰

More significantly, in 1988 trade sanctions were imposed on Brazil for the perceived deficiencies in its protection of pharmaceutical patents. In 1992 sanctions were imposed on India, its other developing country antagonist, in respect of the same deficiency. In that year the tariff exemptions accorded Indian pharmaceutical products under the Generalized System of Preferences (GSP) was revoked. An effect of these listings, combined with the imposition of sanctions was inevitably to concentrate the mind of the world community on the stalled TRIPS Agreement.

4 GATT TRIPS- Breaking the Deadlock

The Mid-Term Review, held in Montreal at the end of 1988 had produced only a small convergence in the positions of the industrialised and the developing groups of countries. However, a decisive breakthrough was achieved at the April 1989 meeting of the Trade Negotiations Committee at which a Framework Agreement on the future direction of negotiations on intellectual property rights was settled. The Framework Agreement included acceptance of (a) the applicability of the basic principles of the GATT and of relevant intellectual property agreements and conventions; (b) the provision of adequate standards and principles concerning the availability, scope and use of trade-related intellectual property rights; (c) the provision of effective means for the enforcement of trade-related intellectual property rights; and the provision of effective and appropriate procedures for the prevention and settlement of disputes between governments, including the applicability of GATT procedures.³¹

Throughout 1989 the TRIPS negotiating group received submissions from a number of countries and by the beginning of 1990 these had been reduced to five texts. Texts were proposed by The E.C., Japan, Switzerland and the U.S. and a text was proposed by a group of developing countries. Further revisions during 1990 culminated in the presentation of a Draft TRIPS Agreement, dated 22 November 1990 to the Ministerial Meeting in Brussels scheduled for 3 December 1990.³² Differences remained over some of the detail of patent and copyright law principles, as well as the more important issues of incorporating intellectual property into the GATT and the applicability of dispute resolution procedures for intellectual property. In any event, these concerns were rendered nugatory by the collapse of the Brussels meeting due to the impasse over agriculture.

The Round was restarted the following year, with concerted attempts by the GATT Director General to identify the issues for resolution. Further draft texts were received by the TRIPS negotiating group during 1991 and in November 1991 the Director General, Arthur Dunkel issued a progress report which identified some twenty intellectual property issues which required resolution.³³ In a dramatic development the following month, the Director General of the GATT attempted to precipitate a conclusion of the Uruguay Round by tabling a Draft Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, which included a new

³⁰ These were Ecuador, El Salvador, Guatemala, Paraguay, Peru, and Spain. See Stewart, n.18 *supra*, 2259.

³¹ Framework Agreement, text in (1989) 3 *World Intell. Prop. Rep.* 109.

³² GATT Doc. No. MTN.TNC/W/35/Rev.1 (Dec.3, 1990).

³³ *Progress of Work in Negotiating Groups: Stock Taking*, GATT Doc. No. MTN.TNC/W/89/Add.1 (Nov.7, 1991).

TRIPS text which attempted to settle outstanding difficulties by proposing compromise formulae.³⁴

The Dunkel Draft attracted considerable criticism from U.S., particularly from the pharmaceutical and copyright industries. The pharmaceutical industry was concerned that developing countries were allowed too long a transitional period to implement appropriate patent laws.³⁵ The concerns of the copyright industries were summarised by Ralph Oman, the U.S. Registrar of Copyrights who criticised the problematical protection of computer programmes and because of the absence of coverage of the legal status of videogram producers and direct satellite broadcasting and the concept of theft in relation to cable and satellite communications.³⁶

Negotiations were resumed in Geneva in late 1992 following the resolution of differences between the E.C. and the U.S. on agricultural policies and both India and the U.S. proposed revisions of the Dunkel Draft. In the result the final draft of the TRIPS Agreement, which was adopted when the Uruguay round was brought to a close at the Ministerial meeting at Marrakesh, April 12-15, 1994, was very close in form and content to the Dunkel Draft.³⁷

Class 2 The International Patent Regime

Early negotiations in the Paris Union sought to establish a global patent registration system in which a single application would apply to all Paris Union countries. These discussions consistently foundered on the diversity of national patent systems, particularly the difference between the “first-to-invent” system of the USA, as opposed to the “first-to-file” approach of the rest of the world. Additionally, national patent offices were not insensitive to their own interests in perpetuating the individual national systems. The Patent Cooperation Treaty (PCT), 1970 represents a compromise in which a multi-country patent application is filed with WIPO and after an international search and sometimes, international examination phase, the application is dealt with by the national offices of designated countries. After a slow start, the PCT has become a very significant international system. As was mentioned above, an attempt was made at the time of the negotiation of the Patent Law Treaty (PLT), 2000 to address matters of substantive law, but this discussion was hived off to the Draft Substantive Patent Law Treaty, which remains under consideration. The PLT introduced harmonization of a number of national patent office procedures in the patent application process and this harmonization takes into account the procedures of the PCT. Under the Strasbourg Agreement Concerning the International Patent Classification 1971, an international system of classifying technologies, for use by patent offices has been developed. This is extremely useful in both searching and the retrieval of information in patent documents. In order to reduce the expense and complexity of the multiplication of the disclosure of an invention involving a micro-organism through the deposit of the micro-organism in each country in which protection is sought, the Budapest Treaty on the International Recognition of the Deposit of Micro-organisms for the Purposes of Patent Procedure, 1977, provides for a centralised filing of deposits.

³⁴ The Dunkel text is reproduced in (1992) 6 *World Intell. Prop. Rep.* 42-55.

³⁵ See Stewart, n.28 *supra* 2284-2285.

³⁶ Oman, ‘Berne Revision: the Continuing Drama’ (1993) 7 *World Intell. Prop. Rep.* 160-161.

³⁷ Agreement on Trade-Related Aspects of Intellectual Property Rights, reproduced in (1994) 33 *I.L.M.* 1197-1225.

a) **Patent Cooperation Treaty (PCT) 1970**

Following a proposal presented by the USA, the Executive Committee of the Paris Union on September 29, 1966 noting the complexity of patenting particularly in countries with a preliminary novelty examination system and the requirement for the filing of duplicate or substantially duplicate applications concerning the same invention in various countries, recommended that “the director of BIRPI undertake urgently a study on solution tending to reduce the duplication of effort both for applicants and national patent offices”.³⁸ In accordance with this recommendation, the Director of BIRPI consulted with experts from the International Patent Institute and with the six States with the highest number of applications, viz: France, Federal Republic of Germany, Japan, Soviet Union, UK and USA.³⁹ On the basis of these consultations, which occurred during January to April 1967, a draft Treaty was prepared by BIRPI.⁴⁰

The draft treaty was examined by a Committee of Experts, which met in October 1967. The committee included representatives from the patent offices of 23 states in which at least 5,000 patent applications were filed annually, ie Argentina, Australia, Austria, Belgium, Brazil, Canada, Czechoslovakia, Denmark, France, Federal Republic of Germany, Italy, Japan, Mexico, Netherlands, Norway, Poland, South Africa, Soviet Union, Spain, Sweden, Switzerland, UK, USA. The representatives of seven inter-governmental institutions⁴¹ and ten NGOs representing inventor, industry and industrial property profession organizations⁴² attended as observers.

In the first half of 1968 a series of meetings was conducted with a view to preparing a second draft treaty. The question of international search was considered in meetings held on January 18 to 20, 1968. International application and international preliminary examination were considered in meetings held from April 22 to 26 and on April 29 to May 3, 1968. A second draft treaty, together with a set of regulations, was submitted to a meeting of the six States mentioned above, together with the International Patent Institute, which was held from June 25 to 27, 1968. These drafts were published as working documents on July 15, 1968⁴³ and were communicated to all the member countries of the Paris Union and to the intergovernmental and NGOs referred to above.

All of the recipients of the drafts were invited to a meeting of a Committee of Experts which was held in Geneva from December 2 to 10, 1968. On the basis of the deliberations of this meeting, which considered each clause of the drafts, BIRPI

³⁸ WIPO/BIRPI Doc., PCT/PCD/1, para. 3.

³⁹ *Ibid.*, para.4.

⁴⁰ BIRPI Doc., PCT/I/3.

⁴¹ United Nations, International Patent Institute, Organization of African States, Council of Europe, European Free Trade Association, African and Malagassy Industrial Property Office.

⁴² Committee of National Institutes of Patent Agents (CNIPA), European Federation of Agents of Industry in Industrial Property, (FEMPI), European Industrial Research Management Association, Council of European Industrial Federations (CEIF), International Association for the Protection of Industrial Property (AIPPI), International Chamber of Commerce (ICC), International Federation of Patent Agents (FICPI), International Federation of Pharmaceutical Manufacturers Associations (IFPMA), National Association of Manufacturers (USA), Union of European Patent Attorneys before the European Patent Office (UNEPA), Union of Industries of the European Community (UNICE).

⁴³ BIRPI Doc. PCT/III/5 and 6.

revised them.⁴⁴ On April 21 to 24 1969 it convened a meeting of government experts from the six States, mentioned above, as well as members of the Council of Europe's Working Group on Patents, which was then considering revision of the European Convention Relating to the Formalities Required for Patent Applications. The revised drafts were also presented to two meetings of NGOs, held on April 28 and 29, 1969 and on May 1 to 2, 1969.

On the basis of these meetings and consultations with interested parties, further revisions of the draft treaty and regulations were discussed with the representatives who had attended the April 21 to 24, 1969 meeting and then issued on July 11, 1969.⁴⁵ All Paris Union member states and interested NGOs were invited to comment on the drafts. The member countries of the Paris Union and a number of intergovernmental and NGOs were invited to a Preparatory Study Group on the Draft Patent Cooperation Treaty Regulations, which was held in Geneva from March 9 to 19, 1970. The Study Group issued a report on the meeting, which embrace changes to two thirds of the 95 regulations.⁴⁶

On the basis of the conclusions reached at the Preparatory Study Group, invitations were issued to Member States of the Paris Union to participate in a Diplomatic Conference, which was held in Washington, D.C. from May 25 to June 19, 1970. The conference was attended by 55 Members of the Paris Union⁴⁷, 23 observer states⁴⁸, 11 intergovernmental organizations⁴⁹ and 11 intergovernmental organizations⁵⁰.

The Patent Cooperation Treaty (PCT) and annexed regulations, were unanimously adopted by the conference on June 17, 1970 and opened for signature until the end of 1970, by which time it had obtained 35 signatories.⁵¹ The Treaty entered into force on

⁴⁴ BIRPI Doc., PCT/R/2 and 3.

⁴⁵ BIRPI Doc., PCT/D4 and 5.

⁴⁶ BIRPI Doc., PCT/WGR/17.

⁴⁷ Algeria, Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Cameroon, Canada, Central African Republic, Denmark, Dominican Republic, Finland, France, Gabon, Federal Republic of Germany, Holy See, Hungary, Indonesia, Iran, Ireland, Israel, Italy, Ivory Coast, Japan, Luxembourg, Madagascar, Malawi, Malta, Mauritania, Mexico, Monaco, Netherlands, Niger, Norway, Peoples Republic of the Congo, Philippines, Poland, Portugal, Romania, South Africa, Soviet Union, Spain, Sweden, Switzerland, Togo, Trinidad and Tobago, Turkey, Uganda, United Arab Republic, United Kingdom, USA, Uruguay, Yugoslavia, Zambia.

⁴⁸ Barbados, Bolivia, Burundi, Chile, Republic of China, Costa Rica, Ecuador, Ghana, Guatemala, Guyana, Jamaica, Jordan, Laos, Libya, Malaysia, Nicaragua, Panama, Paraguay, Peru, Republic of Korea, Rwanda, Saudi Arabia, Thailand.

⁴⁹ United Nations, United Nations Conference on Trade and Development, United Nations Industrial Development Organization, International Patent Institute, International Institute for the Unification of Private Law, African and Malagassy Industrial Property Office, Commission of the European Communities, European Free Trade Association, Industrial Development Centre for Arab States, Intergovernmental Conference for the Setting up a European System for the Grant of Patents, Organization of American States

⁵⁰ Asian Patent Attorneys Association, Committee of National Institutes of Patent Agents (CNIPA), European Federation of Agents of Industry in Industrial Property, (FEMPI), European Industrial Research Management Association, Council of European Industrial Federations (CEIF), International Association for the Protection of Industrial Property (AIPPI), International Chamber of Commerce (ICC), International Federation of Patent Agents (FICPI) Pacific Industrial Property Association, Union of Industries of the European Community (UNICE).

⁵¹ Algeria, Argentina, Austria, Belgium, Brazil, Canada, Denmark, France, Federal Republic of Germany, Holy See, Hungary, Iran, Ireland, Israel, Italy, Ivory Coast, Japan, Luxembourg, Madagascar, Monaco, Netherlands, Norway, Philippines, Romania, Senegal, Soviet Union,

January 24, 1978, and became operational on June 1, 1978, with an initial 18 Contracting States.

The PCT is a special agreement under the Paris Convention open only to States, which are already party to that Convention

(i) *Procedures under the PCT*

The Treaty consists of two mandatory procedures: international application and international search, which are described as Phase I procedures and an optional procedure: preliminary examination, which is a Phase II procedure. In the First Phase, the applicant files an international application with his national office (“the receiving office”), which checks the application to see whether it complies with the PCT requirements as to form, which enable it to obtain an international filing date. One copy of the application is then sent to the International Bureau of WIPO, for the purposes of record and another copy is sent to the International Searching Authority. The latter is one of the national patent offices which is designated under the Treaty as having appropriate search facilities. Such an office will automatically deal with applications filed by nationals of the country in which the office is located. The International Searching authority, publishes an international search report, comprising the citation of documents considered to be relevant to the examination of the prior art. This report is provided to the applicant, who may maintain the application, amend it, or withdraw it. The international application, together with the search report is then transmitted to the national office of each contracting state, designated in the application. At this stage, the application enters the national phase, when national fees and fees for translation become due.

The international application is published by the International Bureau within 18 months from the priority date. The filing of an international application has the effect of a national application in each of the designated states. This effects savings resulting from the obligation to file only a single application in one language and upon the payment of single set of fees.

During the international phase, the national procedure is held in abeyance (for a period of at least 20 months), which provides the applicant with an opportunity to consider, on the basis of the international search report, whether to proceed with the national phase.

The second Phase, is available in those countries which provide for a preliminary search. The applicant in those countries may demand of the International Preliminary Examining Authority that an international preliminary examination be conducted, which is directed to the questions of whether the claimed invention is new, involves an inventive step and is industrially applicable. The preliminary examination report remains confidential. It has the effect of delaying the national phase until at least the 25th month after the priority date and provides the applicant with an opportunity to assess the likelihood of a national patent being granted.

(ii) *Advantages of the PCT*

Syria, Sweden, Switzerland, Togo, United Arab Republic, United Kingdom, USA, Yugoslavia.

The principal objective of the PCT is to facilitate rationalization and cooperation with regard to the filing, searching and examination of patent applications, which saves both time and money for the applicant and national industrial property offices, where a patent is sought for the same invention in a number of countries.

The saving of effort for the applicant consists in allowing the filing of a single international application in one language and for one set of fees having the effect of a national application in each of the countries in which protection is sought. The applicant has to comply only with a single set of formalities, which provide a cost saving, particularly as drawings will not have to be redrawn for each designated country. At the end of the international phase, the applicant is in a position to know whether it is worth pursuing applications through the national phase. If the applicant was not following the international procedure afforded by the PCT, he would be obliged to prepare for overseas filings within three to nine months from the expiration of the priority period, which would involve the preparation of documentation in the language and form of each country in which protection is sought.

The saving of effort for the national offices is in the area of examination, where they can take advantage of the international search reports, and preliminary examination reports. This is of particular importance in developing countries, where otherwise the establishment and maintenance of search facilities and the recruitment of examiners, would otherwise involve a significant commitment of resources. Currently a number of developing countries have a non-examining system, where the quality of patent protection which is offered is subject to subsequent litigation. National offices are also saved the expense and inconvenience of publication. The Treaty has no impact upon the annual and renewal fees, which are the principal sources of revenue for offices.

The high standard of international search and preliminary examination reports, results in stronger patents, in the sense that they are more able to withstand validity challenges in the courts. This is also of significance for developing countries, where the opportunity for securing the stronger protection which the PCT offers, would induce inventors and patent owners to expand investments and trade with those countries in which the PCT has been adopted.

Another objective of the PCT is to facilitate and accelerate access by the public to the technical information contained in patent documents. The PCT provides both for the publication of the international search report and of an abstract of the application. As the search report and documents associated with an international application are in a standard form, this facilitates the retrieval of technical information by researchers in all countries.

b) Strasbourg Agreement Concerning the International Patent Classification 1971

In order to judge the novelty of an invention which is the subject of a patent application, it is necessary for a patent office to search the large number of patent documents, which are published annually by patent offices around the world. To deal with this vast body of documentation, it was necessary for each patent office to develop a system for the classification of technologies. This entailed the

reclassification of documents classified by other offices and in other languages. A rational solution to this problem was the development of a universal classification on the basis of which offices could classify their own documents before exchanging them with other offices. This co-operation would effect considerable economies and result in a readily accessible system of technical documentation.

The first significant steps in this direction were taken by the member countries of the Council of Europe, which in 1954 concluded the European Convention on the International Classification of Patents for Invention. On the basis of this Convention a skeletal list of sections, classes and sub-classes of the International Patent Classification was adopted and a Committee of Experts on Patents was appointed to elaborate the system of classification. Each of the member countries of the Council of Europe was represented on the Committee and observer status was granted to Monaco, Portugal, Spain and the USA.⁵² In 1955, the Committee of Experts on Patents set up a Classification Working Party to revise the classification, which was accomplished in several drafts over the years to 1967 comprising 8 sections, 115 classes, 607 subclasses and over 46,000 groups and subgroups. This International Patent Classification was adopted in November 1967 by the Committee of Experts on Patents of the Council of Europe and it entered into force on September 1, 1968. By 1971 this had been adopted by some 38 countries and by the African and Malagassy Industrial Property Office, which included 13 countries.

Under this Convention each contracting state undertook to adopt the classification annexed to the Convention either as its main or subsidiary system of classification. They also agreed to use the classification symbols on all patent documents which they issued. The Classification was accompanied by a Foreword and Guide

The Council of Experts on Patents of the Council of Europe at meetings in November 6 to 8, and December 18 to 21, 1967, the expressed the view that BIRPI should be approached with a view to the adoption of the International Patent Classification on a world-wide basis. This conclusion was approved by the Executive Committee of the Paris Union at its meeting from November 18 to 21, 1968 and by the Council of Ministers of the Council of Europe at a meeting held from March 3 to 7, 1969. A Joint Ad Hoc Committee composed five members of the Council of Europe (France, Federal Republic of Germany, Netherlands, Switzerland and UK) and five non-member countries was appointed to prepare a Draft Agreement incorporating the international patent classification into a Special Arrangement within the Paris Convention.⁵³

At its first meeting held in Berne from April 14 to 16, 1969, the Joint Ad Hoc Committee agreed a set of "Principles Governing the Revision of the European Convention on the International Classification of Patents for Invention".⁵⁴ These Governing Principles identified the European Convention on the International Classification of Patents, the Nice Agreement on trade mark classification and the Locarno Agreement on designs classification, as being the inspiration for the patent classification agreement and that it would constitute a special agreement under the

⁵² See IPC/DC/2, June 25, 1970 in Council of Europe/WIPO, *Records of the Strasbourg Diplomatic Conference on the International Patent Classification*, March 14 to 24, 1971, 33.

⁵³ WIPO Doc. IPC/DC4

⁵⁴ BIRPI Doc. CE/BIRPI/14 Annex IV.

Paris Convention. It was proposed that the classification would be of an administrative character, with the right of each country to adopt it as a principal or subsidiary system and that the symbols of the classification would be included in official documents and notices concerning patents, inventors' certificates, utility models and utility certificates. Provision was also made for future revisions of the classification. These Governing Principles were considered by the Executive Committee of the Paris Union at its meeting of September 22 to 25, 1969⁵⁵⁵⁶ and by the Committee of Experts on Patents of the Council of Europe at its meeting of 12 to 14, November, 1969.

At its second session, held in Munich from October 21 to 24, 1969, the Joint Ad Hoc Committee and BIRPI set up five working groups to revise the patent classifications in the fields of chemistry, electricity and physics, mechanics and other technologies, together with a co-ordinating bureau.

Following the work of these bodies a Draft Agreement was submitted to the third session of the Joint Ad Hoc Committee, which met in Paris from April 7 to 10, 1970. This draft was amended to bring it into line with the provisions of the Patent Cooperation Treaty, adopted at Washington on June 19, 1970.⁵⁷

A Diplomatic conference was convened by the Secretary General of the Council of Europe and the Director General of WIPO in Strasbourg in from March 15 to 24, 1971 to adopt the International Classification. Some 38 members of the Paris Union attended⁵⁸, together with two states as observers⁵⁹ and the representatives of four intergovernmental organizations⁶⁰ and seven NGOs⁶¹.

The Strasbourg Agreement Concerning the International Patent Classification was adopted for signature on March 24, 1971.

The International Patent Classification (IPC) is amended from time to time and the current (sixth) version comprises: 8 sections, 20 subsections, 118 classes, 624 subclasses and over 67,000 groups of technologies. The symbol of at least the subclass or subclasses are carried on patent documents issued by the industrial property office of the country where the application is filed. The IPC exists in two authentic versions, English and French, which are published by WIPO.

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⁵⁶ BIRPI Doc. CEP/V/19, September 26, 1969.

⁵⁷ See IPC/DC/45 in Council of Europe/WIPO, *Records of the Strasbourg Diplomatic Conference on the International Patent Classification*, March 14 to 24, 1971, 143.

⁵⁸ Algeria, Argentina, Australia, Austria, Belgium, Brazil, Canada, Cuba, Cyprus, Denmark, Finland, France, Federal Republic of Germany, Greece, Holy See, Iran, Ireland, Italy, Japan, Liechtenstein, Luxembourg, Monaco, Netherlands, Nigeria, Norway, Philippines, Romania, South Africa, Spain, Sweden, Switzerland, Togo, Tunisia, Turkey, United Arab Republic, United Kingdom, USA, Yugoslavia.

⁵⁹ Burundi and Republic of China.

⁶⁰ United Nations, United Nations Conference on Trade and Development, International Patent Institute, African and Malagassy Industrial Property Office, European Free Trade Association.

⁶¹ Asian Patent Attorneys Association (APAA), International Chamber of Commerce (ICC), International Federation of Inventors Associations, (IFIA) International Federation of Patent Agents (FICPI) Pacific Industrial Property Association (PIPA), Union of European Patent Agents, Union of Industries of the European Community (UNICE).

The revision of the IPC is entrusted to an Intergovernmental Committee of Experts, of which all States party to the Agreement are members. The Committee of Experts has agreed that the primary purpose of the IPC is to be “an effective search tool for the retrieval of relevant patent documents by industrial property Offices and other users in order to establish the novelty and evaluate the inventive step (including the assessment of technical advance and useful results or utility) of patent applications.”⁶² It also serves as an instrument for the orderly arrangement of patent documents in order to facilitate access to the information contained therein; a basis for selective dissemination of information to all users of patent information; a basis for investigating the state of the art in given fields of technology; and a basis for the preparation of industrial property statistics which in turn permit the assessment of technological development in various areas.⁶³

c) Budapest Treaty on the International Recognition of the Deposit of Micro-organisms for the Purposes of Patent Procedure 1977

The patent procedure of most countries concerning the disclosure of an invention involving a micro-organism or the use of a micro-organism, required both the filing of a written description and also the deposit, with a specialised institution, of a sample of the micro-organism. In order to reduce the expense and complexity of the multiplication of such deposits in each country in which protection was sought, in 1973 the UK suggested to WIPO that it should study the possibility of establishing a system in which a single deposit could satisfy the patent requirements of all relevant States.⁶⁴ The proposal was adopted by the Executive Committee of the Paris Union at its 1973 meeting and a Committee of Experts was appointed to consider the issue.

At its first session in 1974, the Committee of Experts determined that the solution to the problem required the conclusion of a treaty. A Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure and accompanying regulations, was elaborated at sessions of the Committee of Experts in 1975 and 1976. A third draft of the Treaty was published on October 14, 1976 and served as a basis for the deliberations of the Diplomatic Conference to consider the Treaty, which was held in Budapest from April 14-28, 1977.

All States members of the Paris Union were invited to the Budapest Diplomatic Conference, of which 29 were represented⁶⁵, two States attended as observers,⁶⁶ as did the Interim Committee of the European Patent Organization. Eleven non-governmental organizations also attended as observers.⁶⁷

⁶² WIPO, *IP Handbook*, 1999, para 5.424.

⁶³ *Ibid.*

⁶⁴ WIPO Doc., Summary and Main Advantages of the Budapest Treaty', BP/PCD/2.Rev, June 15, 1977, para. 2.

⁶⁵ Australia, Austria, Bulgaria, Czechoslovakia, Denmark, Egypt, Finland, France, German Democratic Republic, Federal Republic of Germany, Hungary, Indonesia, Italy, Japan, Mexico, Netherlands, Norway, Philippines, Poland, Portugal, Romania, Senegal, Soviet Union, Spain, Sweden, Switzerland, United Kingdom, USA, Yugoslavia. See WIPO, *Records of the Budapest Diplomatic Conference for the Conclusion of a Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure*, 1977, Geneva, 1980, 463-470.

⁶⁶ Democratic People's Republic of Korea and Pakistan. *Ibid.*, 471.

⁶⁷ Committee of National Institutes of Patent Agents (CNIPA), European Federation of Agents

The Budapest Diplomatic Conference adopted a Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure on April 27, 1977. The principal feature of the Treaty is a procedure for designating an international depositary authority and the requirement that a contracting state which allows or recognises the deposit of microorganisms for the purposes of patent procedure, must recognise for such purposes, the deposit of a microorganism with any international depositary authority, irrespective of whether such authority is outside the borders of that state. In other words, a single deposit of a microorganism would suffice for all contracting states and for any regional patent office, such as the EPO, which recognised the effects of the Treaty.

An international depositary authority under the Treaty, is a scientific institution, typically a culture collection, which is capable of storing microorganisms and which, through one of the contracting states, provides assurances to the Director General of WIPO, that it complies with certain requirements prescribed under the Treaty.

Regulations also adopted by the contracting states contained detailed provisions on the deposit and receipt of samples of microorganisms, the testing of their viability, the access of industrial property offices to those samples and their certification of the access of others to those samples.

The States party to the Treaty constitute the Budapest Union. Membership is open only to States members of the Paris Union. The funding of the activities of the Budapest Union is provided from the budget of the Paris Union.

The obvious advantage of the Budapest Treaty is the cost-saving and convenience to an applicant for a patent, concerning microorganisms in more than one country. The system for the designation of international depositaries, ensures the continued existence and therefore the security of such deposits. Also the establishment of a network of depositary authorities provides a facility for those developing countries which would not otherwise be able to participate in the patenting of microorganisms.

d) Patent Law Treaty 2000

The Patent Cooperation Treaty (PCT) can be regarded as WIPO's first excursion into the area of patent harmonization. As in the case of trade mark harmonization, proposals for patent harmonization had been discussed in the late 1980s. The patent harmonization process was launched, by decisions of the General Assembly of WIPO and the Assembly of the Paris Union during their meetings in September and October 1995, to appoint a Committee of Experts to consider a Patent Law Treaty (PLT) which would harmonize both procedural and substantive patent law.

(i) Draft PLT [under negotiation]

of Industry in Industrial Property, (FEMPI), Council of European Industrial Federations (CEIF), International Association for the Protection of Industrial Property (AIPPI), International Chamber of Commerce (ICC), International Federation of Patent Agents (FICPI), International Federation of Pharmaceutical Manufacturers Associations (IFPMA), Pacific Industrial Property Association (PIPA), Union of European Patent Attorneys before the European Patent Office (UNEPA), Union of Industries of the European Community (UNICE), World Federation for Culture Collections (WFCC). *Ibid.*, 472-473.

Because of difficulties in reaching a consensus on substantive patent law issues such as the division between the first to invent approach of the USA and the first to file approach of most other countries as well as the scope of patentable technologies, obviousness/anticipation and industrial application/usefulness, the First Session of the Committee of Experts met in Geneva from December 11 to 15, 1995, confined its deliberations to procedural matters. The meeting considered a draft of the provisions of the PLT, Regulations and draft international forms pertaining to the formalities of national and regional patent applications, which had been prepared by the International Bureau of WIPO.

The Draft PLT contained eight substantive articles. Article 1, was concerned with definitions and did not generate much discussion, beyond raising the question of whether electronic filing would fall within the purview of the PLT. Article 2 concerned the contents of a patent application as well as formalities regarding the request, the language, and evidence in support of declarations contained in the application. These elements were considered to represent a maximum of what could be required by a Contracting Party. A concern was expressed that some of the elements listed were in the nature of substantive requirements. For example, the requirement of "a description disclosing the invention," particularly in relation to genetic sequences and to deposits of microorganisms, it was pointed out that such requirements could fall within the substantive definition of description. It was also recommended that the document quality requirements in this Article should be consistent with those of the PCT.

Articles 3 – 8 dealt with representation and address for service, signature, recording changes in name, address or ownership, correcting mistakes, amendments and correction. The Committee of Experts also discussed the corresponding Regulations as well as the Model International Forms. The Regulations were generally approved as proposed. The Model International Forms, which covered the Application for the Grant of a Patent, Power of Attorney, Request for Recording of Change in Name(s) or Address(es), Request for Recording of a Change in Ownership, Certificate of Transfer, and the Request for Correction of Mistake(s), also did not raise any particular comments other than the possibility of combining forms for simplicity.

A number of delegations suggested that the Draft PLT could be amended to include such topics as: unity of invention, identification of inventor, belated claiming of priority and filing date requirements. Opposition was expressed to the broadening of the scope of the treaty at this stage, beyond the harmonization of procedural aspects. The Director General of WIPO suggested that at its next meeting, which was scheduled for June 17 to 21, 1996, the Committee of Experts could consider draft provisions relating to the filing date of an application and unity of invention and would discuss which additional topics, if any, should also be included in the documents for the November 18 to 22, 1996 session.

Article 9 concerned the promulgation of regulations and the balance of the provisions of the Draft PLT addressed organizational matters concerning accession to and administration of the Treaty.

Subsequent meetings of the Committee of Experts in June and December 1997 considered the issues of electronic filing and languages. It was generally recognized

that the requirement of translations significantly added to the cost of obtaining worldwide patent protection and presented a particular burden to applicants. The political and cultural aspects of the language question was discussed and the fact that some offices are prohibited by national law to accept documents in foreign languages. To reduce translation costs several delegates suggested that the filing of an application be permitted in any language, or alternatively in only one of the WIPO languages, provided that a translation was submitted within a reasonable time period.

The Program and Budget for the 1998-1999 biennium, approved by the General Assembly of WIPO at its meeting from March 25 to 27, 1998, provided for consideration by the Standing Committee on the Law of Patents (SCP) of the preparation of a diplomatic conference for patent harmonization formalities, to be preceded by a preparatory meeting dealing with the procedural aspects of the conference.⁶⁸ The preparatory meeting was counselled to review the draft Patent Law Treaty and draft Regulations, using, wherever possible, solutions adopted for Patent Co-operation Treaty procedures. The WIPO General Assembly in its meeting of September 7 to 15, 1998, agreed that the discussions concerning the PLT should be undertaken in close coordination with discussions concerning PCT reform, electronic filing and information technology in other relevant WIPO bodies, including in particular bodies under the Patent Cooperation Treaty (PCT), and the Standing Committee on Information Technology (SCIT), and that a recommendation to that effect should be made to the SCIT and to the Assemblies of the Member States of WIPO. The Secretariat was enjoined to report to the Assemblies of the Member States of WIPO on the progress made at its first meeting and to notify them of the arrangements which had will notify those Assemblies that the Standing Committee, in undertaking preparations for a diplomatic conference at the preparatory meeting mentioned in Sub-program 09.1 of the WIPO Program and Budget for 1998-99, expects that it would, at one of its meetings in 1999, set dates for a diplomatic conference which could be held as early as 2000.

The SCP held its first session in Geneva, from November 16 to 20, 1998. At the end of the first session, the International Bureau was asked to schedule a preparatory meeting in conjunction with the second or third session of the SCP.⁶⁹ A Preparatory Meeting for the Diplomatic Conference for the Adoption of the Patent Law Treaty was held on April 15 and 16, 1999, in Geneva. The meeting adopted the draft Agenda of the Diplomatic Conference for the Adoption of the Patent Law Treaty as well as the draft Rules of Procedure for the Diplomatic Conference. The Preparatory Meeting also approved the proposal that the Conference take place in Geneva, from Thursday, May 11 to Friday, June 2, 2000. The holding of the Diplomatic Conference was approved by a joint session of the WIPO General Assembly and the Paris Union Assembly in September 1999.⁷⁰

⁶⁸ WIPO Doc., A/32/2, WO/BC/18/2, 88.

⁶⁹ WIPO Doc., SCP/1/11.

⁷⁰ WIPO doc. A/34/16.

WORLD TRADE ORGANIZATION

WT/MIN(01)/DEC/2
20 November 2001

(01-5860)

MINISTERIAL CONFERENCE
Fourth Session
Doha, 9 - 14 November 2001

DECLARATION ON THE TRIPS AGREEMENT AND PUBLIC HEALTH

Adopted on 14 November 2001

1. We recognize the gravity of the public health problems afflicting many developing and least-developed countries, especially those resulting from HIV/AIDS, tuberculosis, malaria and other epidemics.
2. We stress the need for the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) to be part of the wider national and international action to address these problems.
3. We recognize that intellectual property protection is important for the development of new medicines. We also recognize the concerns about its effects on prices.
4. We agree that the TRIPS Agreement does not and should not prevent Members from taking measures to protect public health. Accordingly, while reiterating our commitment to the TRIPS Agreement, we affirm that the Agreement can and should be interpreted and implemented in a manner supportive of WTO Members' right to protect public health and, in particular, to promote access to medicines for all.

In this connection, we reaffirm the right of WTO Members to use, to the full, the provisions in the TRIPS Agreement, which provide flexibility for this purpose.

5. Accordingly and in the light of paragraph 4 above, while maintaining our commitments in the TRIPS Agreement, we recognize that these flexibilities include:

In applying the customary rules of interpretation of public international law, each provision of the TRIPS Agreement shall be read in the light of the object and purpose of the Agreement as expressed, in particular, in its objectives and principles.

Each Member has the right to grant compulsory licences and the freedom to determine the grounds upon which such licences are granted.

Each Member has the right to determine what constitutes a national emergency or other circumstances of extreme urgency, it being understood that public health crises, including those relating to HIV/AIDS, tuberculosis, malaria and other epidemics, can represent a national emergency or other circumstances of extreme urgency.

The effect of the provisions in the TRIPS Agreement that are relevant to the exhaustion of intellectual property rights is to leave each Member free to establish its own regime for such exhaustion without challenge, subject to the MFN and national treatment provisions of Articles 3 and 4.

6. We recognize that WTO Members with insufficient or no manufacturing capacities in the pharmaceutical sector could face difficulties in making effective use of compulsory licensing under the TRIPS Agreement. We instruct the Council for TRIPS to find an expeditious solution to this problem and to report to the General Council before the end of 2002.

7. We reaffirm the commitment of developed-country Members to provide incentives to their enterprises and institutions to promote and encourage technology transfer to least-developed country Members pursuant to Article 66.2. We also agree that the least-developed country Members will not be obliged, with respect to pharmaceutical products, to implement or apply Sections 5 and 7 of Part II of the TRIPS Agreement or to enforce rights provided for under these Sections until 1 January 2016, without prejudice to the right of least-developed country Members to seek other extensions of the transition periods as provided for in Article 66.1 of the TRIPS Agreement. We instruct the Council for TRIPS to take the necessary action to give effect to this pursuant to Article 66.1 of the TRIPS Agreement.

GENERAL COUNCIL

WT/L/641
8 December 2005

Amendment of the TRIPS Agreement

Decision of 6 December 2005

Having regard to paragraph 1 of Article X of the Marrakesh Agreement Establishing the World Trade Organization (“the WTO Agreement”);

Conducting the functions of the Ministerial Conference in the interval between meetings pursuant to paragraph 2 of Article

IV of the WTO Agreement;

Noting the Declaration on the TRIPS Agreement and Public Health (WT/MIN(01)/DEC/2) and, in particular, the instruction of the Ministerial Conference to the Council for TRIPS contained in paragraph 6 of the Declaration to find an expeditious solution to the problem of the difficulties that WTO Members with insufficient or no manufacturing capacities in the pharmaceutical sector could face in making effective use of compulsory licensing under the TRIPS Agreement;

Recognizing, where eligible importing Members seek to obtain supplies under the system set out in the proposed amendment of the TRIPS Agreement, the importance of a rapid response to those needs consistent with the provisions of the proposed amendment of the TRIPS Agreement;

Recalling paragraph 11 of the General Council Decision of 30 August 2003 on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health;

Having considered the proposal to amend the TRIPS Agreement submitted by the Council for TRIPS (IP/C/41);

Noting the consensus to submit this proposed amendment to the Members for acceptance;

Decides as follows:

1. The Protocol amending the TRIPS Agreement attached to this Decision is hereby adopted and submitted to the Members for acceptance.
2. The Protocol shall be open for acceptance by Members until 1 December 2007 or such later date as may be decided by the Ministerial Conference.
3. The Protocol shall take effect in accordance with the provisions of paragraph 3 of Article X of the WTO Agreement.

ATTACHMENT [back to top](#)

PROTOCOL AMENDING THE TRIPS AGREEMENT

Members of the World Trade Organization;

Having regard to the Decision of the General Council in document WT/L/641, adopted pursuant to paragraph 1 of Article X of the Marrakesh Agreement Establishing the World Trade Organization (“the WTO Agreement”);

Hereby agree as follows:

1. The Agreement on Trade-Related Aspects of Intellectual Property Rights (the “TRIPS Agreement”) shall, upon the entry into force of the Protocol pursuant to paragraph 4, be amended as set out in the Annex to this Protocol, by inserting Article 31bis after Article 31 and by inserting the Annex to the TRIPS Agreement after Article 73.

2. Reservations may not be entered in respect of any of the provisions of this Protocol without the consent of the other Members.

3. This Protocol shall be open for acceptance by Members until 1 December 2007 or such later date as may be decided by the Ministerial Conference.

4. This Protocol shall enter into force in accordance with paragraph 3 of Article X of the WTO Agreement.

5. This Protocol shall be deposited with the Director-General of the World Trade Organization who shall promptly furnish to each Member a certified copy thereof and a notification of each acceptance thereof pursuant to paragraph 3.

6. This Protocol shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva this sixth day of December two thousand and five, in a single copy in the English, French and Spanish languages, each text being authentic.

ANNEX TO THE PROTOCOL AMENDING THE TRIPS AGREEMENT [back to top](#)

Article 31bis

1. The obligations of an exporting Member under Article 31(f) shall not apply with respect to the grant by it of a compulsory licence to the extent necessary for the purposes of production of a pharmaceutical product(s) and its export to an eligible importing Member(s) in accordance with the terms set out in paragraph 2 of the Annex to this Agreement.

2. Where a compulsory licence is granted by an exporting Member under the system set out in this Article and the Annex to this Agreement, adequate remuneration pursuant to Article 31(h) shall be paid in that Member taking into account the economic value to the importing Member of the use that has been authorized in the exporting Member. Where a compulsory licence is granted for the same products in the eligible importing Member, the obligation of that Member under Article 31(h) shall not apply in respect of those products for which remuneration in accordance with the first sentence

of this paragraph is paid in the exporting Member.

3. With a view to harnessing economies of scale for the purposes of enhancing purchasing power for, and facilitating the local production of, pharmaceutical products: where a developing or least developed country WTO Member is a party to a regional trade agreement within the meaning of Article XXIV of the GATT 1994 and the Decision of 28 November 1979 on Differential and More Favourable Treatment Reciprocity and Fuller Participation of Developing Countries (L/4903), at least half of the current membership of which is made up of countries presently on the United Nations list of least developed countries, the obligation of that Member under Article 31(f) shall not apply to the extent necessary to enable a pharmaceutical product produced or imported under a compulsory licence in that Member to be exported to the markets of those other developing or least developed country parties to the regional trade agreement that share the health problem in question. It is understood that this will not prejudice the territorial nature of the patent rights in question.

4. Members shall not challenge any measures taken in conformity with the provisions of this Article and the Annex to this Agreement under subparagraphs 1(b) and 1(c) of Article XXIII of GATT 1994.

5. This Article and the Annex to this Agreement are without prejudice to the rights, obligations and flexibilities that Members have under the provisions of this Agreement other than paragraphs (f) and (h) of Article 31, including those reaffirmed by the Declaration on the TRIPS Agreement and Public Health (WT/MIN(01)/DEC/2), and to their interpretation. They are also without prejudice to the extent to which pharmaceutical products produced under a compulsory licence can be exported under the provisions of Article 31(f).

ANNEX TO THE TRIPS AGREEMENT [back to top](#)

1. For the purposes of Article 31bis and this Annex:

(a) “pharmaceutical product” means any patented product, or product manufactured through a patented process, of the pharmaceutical sector needed to address the public health problems as recognized in paragraph 1 of the Declaration on the TRIPS Agreement and Public Health (WT/MIN(01)/DEC/2). It is understood that active ingredients necessary for its manufacture and diagnostic kits needed for its use would be included ¹;

(b) “eligible importing Member” means any least-developed country Member, and any other Member that has made a notification² to the Council for TRIPS of its intention to use the system set out in Article 31bis and this

Annex (“system”) as an importer, it being understood that a Member may notify at any time that it will use the system in whole or in a limited way, for example only in the case of a national emergency or other circumstances of extreme urgency or in cases of public non-commercial use. It is noted that some Members will not use the system as importing Members³ and that some other Members have stated that, if they use the system, it would be in no more than situations of national emergency or other circumstances of extreme urgency;

(c) “exporting Member” means a Member using the system to produce pharmaceutical products for, and export them to, an eligible importing Member.

2. The terms referred to in paragraph 1 of Article 31bis are that:

(a) the eligible importing Member(s)⁴ has made a notification² to the Council for TRIPS, that:

(i) specifies the names and expected quantities of the product(s) needed⁵;

(ii) confirms that the eligible importing Member in question, other than a least developed country Member, has established that it has insufficient or no manufacturing capacities in the pharmaceutical sector for the product(s) in question in one of the ways set out in the Appendix to this Annex; and

(iii) confirms that, where a pharmaceutical product is patented in its territory, it has granted or intends to grant a compulsory licence in accordance with Articles 31 and 31bis of this Agreement and the provisions of this Annex⁶;

(b) the compulsory licence issued by the exporting Member under the system shall contain the following conditions:

(i) only the amount necessary to meet the needs of the eligible importing Member(s) may be manufactured under the licence and the entirety of this production shall be exported to the Member(s) which has notified its needs to the Council for TRIPS;

(ii) products produced under the licence shall be clearly identified as being produced under the system through specific labelling or marking. Suppliers should distinguish such products through special packaging and/or special colouring/shaping of the products themselves, provided that such distinction is feasible and does not have a significant impact on price; and

(iii) before shipment begins, the licensee shall post on a website⁷ the following information:

– the quantities being supplied to each destination as

referred to in indent (i) above; and

– the distinguishing features of the product(s) referred to in indent (ii) above;

(c) the exporting Member shall notify⁸ the Council for TRIPS of the grant of the licence, including the conditions attached to it.⁹ The information provided shall include the name and address of the licensee, the product(s) for which the licence has been granted, the quantity(ies) for which it has been granted, the country(ies) to which the product(s) is (are) to be supplied and the duration of the licence. The notification shall also indicate the address of the website referred to in subparagraph (b)(iii) above.

3. In order to ensure that the products imported under the system are used for the public health purposes underlying their importation, eligible importing Members shall take reasonable measures within their means, proportionate to their administrative capacities and to the risk of trade diversion to prevent re-exportation of the products that have actually been imported into their territories under the system. In the event that an eligible importing Member that is a developing country Member or a least-developed country Member experiences difficulty in implementing this provision, developed country Members shall provide, on request and on mutually agreed terms and conditions, technical and financial cooperation in order to facilitate its implementation.

4. Members shall ensure the availability of effective legal means to prevent the importation into, and sale in, their territories of products produced under the system and diverted to their markets inconsistently with its provisions, using the means already required to be available under this Agreement. If any Member considers that such measures are proving insufficient for this purpose, the matter may be reviewed in the Council for TRIPS at the request of that Member.

5. With a view to harnessing economies of scale for the purposes of enhancing purchasing power for, and facilitating the local production of, pharmaceutical products, it is recognized that the development of systems providing for the grant of regional patents to be applicable in the Members described in paragraph 3 of Article 31bis should be promoted. To this end, developed country Members undertake to provide technical cooperation in accordance with Article 67 of this Agreement, including in conjunction with other relevant intergovernmental organizations.

6. Members recognize the desirability of promoting the transfer of technology and capacity building in the pharmaceutical sector in order to overcome the problem faced by Members with insufficient or no manufacturing capacities in the pharmaceutical sector. To this end, eligible importing Members and exporting Members are encouraged to use the system in a way which would promote this objective. Members

undertake to cooperate in paying special attention to the transfer of technology and capacity building in the pharmaceutical sector in the work to be undertaken pursuant to Article 66.2 of this Agreement, paragraph 7 of the Declaration on the TRIPS Agreement and Public Health and any other relevant work of the Council for TRIPS.

7. The Council for TRIPS shall review annually the functioning of the system with a view to ensuring its effective operation and shall annually report on its operation to the General Council.

APPENDIX TO THE ANNEX TO THE TRIPS AGREEMENT [back to top](#)

Assessment of Manufacturing Capacities in the Pharmaceutical Sector

Least-developed country Members are deemed to have insufficient or no manufacturing capacities in the pharmaceutical sector.

For other eligible importing Members insufficient or no manufacturing capacities for the product(s) in question may be established in either of the following ways:

(i) the Member in question has established that it has no manufacturing capacity in the pharmaceutical sector;

or

(ii) where the Member has some manufacturing capacity in this sector, it has examined this capacity and found that, excluding any capacity owned or controlled by the patent owner, it is currently insufficient for the purposes of meeting its needs. When it is established that such capacity has become sufficient to meet the Member's needs, the system shall no longer apply.

Class 5 Biotechnological inventions, plant breeders' rights; biopiracy and biodiversity

1. Introduction

Access to the plant genetic resources of a country is governed by an evolving composite of national legislation pursuant to international legal conventions and agreements concerning biodiversity and intellectual property and voluntary codes of international practice developed within the context of the FAO Global System for the Conservation and Utilization of Plant Genetic Resources for Food and Agriculture. Within this framework of legal as well as non-binding instruments attempts are on-going to harmonise the private proprietary intellectual property system with principles of unrestricted access to genetic resources

2. The United Nations Convention on Biological Diversity

2.1 General Principles

The Rio Earth Summit which was convened in June 1992, promulgated the Convention on Biological Diversity (CBD), The Rio Declaration on Environment and Development and Agenda 21. Agenda 21 was the strategic plan of the Rio participants for achieving sustainable environmental and developmental goals into the next century.⁷¹ The CBD represented an attempt to establish an international programme for the conservation and utilization of the world's biological resources⁷² and for the "fair and equitable sharing" of the benefits arising from the utilisation of genetic resources⁷³. An obvious tension exists between the dual objectives of conservation and utilisation. This tension is further exacerbated by the acknowledgement in Art.3 of the sovereign right of nations to exploit their own genetic resources pursuant to their own environmental policies and a number of provisions of the CBD which require contracting parties to create conditions to facilitate access to genetic resources. An additional complication is the repeated incantation that access should be on mutually agreed terms and conditions on the basis of "prior informed consent" and with the provision of equitable remuneration. The architects of the CBD saw some possibilities for the reconciliation of the objectives of conservation and utilisation in the environmental management practices which had been evolved and were practised by the indigenous peoples of the world. Acknowledgement of the significance of this traditional environmental wisdom is made in the Convention. The knowledge of indigenous peoples had also informed the commercial bioprospecting of plant genetic resources and the CBD enjoins the equitable remuneration of that contribution. Outlined below are the key access and benefit sharing provisions of the CBD.

2.2 Access Regime of the CBD

(a) Scope

Article 1 of the CBD envisages "appropriate access to genetic resources" and "the fair and equitable sharing of benefits arising out of the utilization of genetic resources". "Genetic resources" are defined in Art.2 as meaning "genetic material of actual or potential value". The term "genetic material" is then defined in Art.2 to mean "any material of plant, animal, microbiological or other origin containing functional units of heredity". On a strict analysis of this definition, it is suggested that biochemical extracts which do not contain DNA or RNA would be outside the scope of the CBD.⁷⁴

1. See Meyers, 'An EIA for Rio: Assessing the Environmental Impacts of the United Nations Conference on Environment and Development', (1994) 1(2) *The Australasian Journal of Natural Resources Law and Policy* 1 at 15.

⁷² See F.McConnell, *The Biodiversity Convention. A Negotiating History*, London, The Hague, Boston, Kluwer, 1996.

⁷³ CBD, Art.1.

⁷⁴ See L. Glowka, F. Burhenne-Guilmin and H. Synge *A Guide to the Convention on Biological Diversity*, Gland, IUCN, 1994, 3.

Thus the Convention would apply to seeds and cuttings and DNA extracted from a plant, such as a chromosome, gene, plasmid or any part of these such as the promoter part of a gene.⁷⁵

Article 9 deals with "the conservation of components of biological diversity outside their natural habitats", for example, in germplasm and seed banks, botanical gardens, museums, laboratories and agricultural research institutions. This article calls for national legislation to provide for the acquisition, conservation, storage and management of these *ex situ* collections. The access and benefit-sharing provisions of the CBD do not apply to the genetic resources of a country which were collected prior to the entry of the CBD into force in that country.⁷⁶ Thus a country with a pre-existing collection of genetic material has the sovereign right to control access to that collection, but has no legal right to insist upon a share of any benefits derived from the use of that collection. Also, the CBD applies to those genetic resources which originate in the country of a contracting party.⁷⁷ As will be explored below, complications arise from questions of access to the gene banks established by the Consulting Group of International Agricultural Research Institutes (CGIAR), which is administered by the Food and Agricultural Organization (FAO). The CGIAR, established in 1971, is an informal association of 57 public and private sector members that supports a network of 16 international agricultural research centres.⁷⁸ This collection currently comprises over 600,000 accessions of more than 3,000 crop, forage and pasture species⁷⁹ which are held at the Centro Internacional de Agricultura Tropical (CIAT), Center for International Forestry Research (CIFOR), Centro Internacional de Mejoramiento de Maiz y Trigo (CIMMYT), Centro Internacional de la Papa (CIP), International Center for Agricultural Research in the Dry Areas (ICARDA); International Center for Living Aquatic Resources Management (ICLARM), International Center for Research in Agroforestry (ICRAF), International Crop Research Institute for the Semi-Arid Tropics (ICRISAT); International Livestock Research Institute (ILRI), International Institute of Tropical Agriculture (IITA), International Plant Genetic Resources Institute (IPGRI) International Rice Research Institute (IRRI) and the West Africa Rice Development Association (WARDA).

(b) Sovereign Rights over Genetic Resources (Art 15 (1))

Article 15(1) of the CBD affirms "the sovereign rights of States over their natural resources" and provides that "the authority to determine access to genetic resources rests with the national governments and is subject to national legislation". This provision, dealing as it does with access to genetic resources, does not refer to the question of the ownership of genetic resources. These resources may be of two types: *ex situ*, in that they are preserved outside their natural habitats, in for example gene banks; or *in situ*, where genetic resources exist within ecosystems and natural habitats or, where domesticated or cultivated, they exist in their agricultural surroundings.

⁷⁵ See L. Glowka, *A Guide to Designing Legal Frameworks to Determine Access to Genetic Resources*, Gland, IUCN, 1998, 4.

⁷⁶ CBD, Art.15(3) and see Yusuf, 'International Law and Sustainable Development: The Convention on Biological Diversity' in A.A. Yusuf, (ed) *African Yearbook of International Law*, vol. 2, The Hague, Boston and London, Kluwer, 1995, 109.

⁷⁷ *Ibid.*

⁷⁸ See 'About the CGIAR', <http://www.cgiar.org:80/whatis.htm>

⁷⁹ *Ibid.*

Different ownership regimes may apply to these two categories of genetic resources. In recent years difficult questions have been raised concerning the legal status of the germplasm collections of the agricultural research institutes which are members of the CGIAR. Some of the gene banks which make up the CGIAR were established in the 1960s and 70s as a means of fomenting what became known as the "Green Revolution". At that time the questions of ownership and intellectual property rights in the collections were very much subordinated to the mission to increase crop yields to feed a burgeoning world population. It has only been in recent years that ownership issues have become important, either as a bargaining counter in North-South negotiations or as a source of revenue.⁸⁰

The question of the ownership of the CGIAR collections issue arises in two principal contexts. First, the status of the collection upon the dissolution of the relevant gene bank and, secondly, the related question of the authority of the centres to permit third parties to exploit their genetic resources. The starting place for these inquiries commences with an analysis of the legal status of these institutes themselves. The legal status of these collections has always been problematic. In 1986 the FAO had conducted a review of the legal status of all national and international institutions operating genebanks.⁸¹ In relation to the CGIAR centres, the FAO report concluded that as control over their operation was shared between national and international representatives, they were not international in the strict sense, as they were not created by any international instrument or organization. On the other hand the report concluded that because they were not either in the private sector or under the control of any State or national authority, the CGIAR centres were *sui generis*. Consequently, the report reached no firm conclusion on the ownership of the genetic resources controlled by the Centres.

For example, ownership concerns were raised recently as a consequence of Plant Breeder's Rights applications made in Australia by agricultural research institutes in relation to a peavine and a lentil which had been bred from genetic stock obtained from the CGIAR gene bank: International Centre for Agricultural Research in the Dry Areas (ICARDA), located in Aleppo, Syria.⁸² A charter for ICARDA had been established in November 1975 on the basis of an agreement between the World Bank, FAO and UNDP and the Canadian International Development Research Centre (IDRC), as the executing agency. Subsequently establishment agreements were negotiated by IDRC with Syria (28 June 1976), Lebanon (6 July 1977) and Iran (20 July 1976). These parallel agreements provide for the establishment of ICARDA in "the region" defined as the "Near East, North Africa and the Mediterranean region". ICARDA's headquarters were established in Aleppo, Syria. The agreements also provided for the Chairman of CGIAR to declare that ICARDA has been established as a legal entity allowing IDRC's role to lapse. This formal step does not appear to have been taken. The question of ownership of the ICARDA collection was raised in the context of whether its Director-General acted in breach of trust obligations, which he owed in relation to ICARDA genetic material, in permitting the Australian

⁸⁰ See Blakeney, 'Access to Genetic Resources: The View from the South' [1997] 3 *Bioscience Law Rev.* 97-103.

¹¹ FAO Commission on Plant Genetic Resources, *Legal Status of Base and Active Collections of Plant Genetic Resources*, Doc. CPGR/87/5, Dec.1986.

¹² 'Editorial. Lest We Starve', No. 2121, *New Scientist*, 14 February, 1998, 3; Edwards and Anderson, 'Seeds of Wrath', *Ibid*, 14.

agricultural research institutes to seek intellectual property rights in applications of that material.⁸³

(c) Facilitating Access to Genetic Resources between Parties (Art.15(2))

National sovereignty over genetic resources is qualified by Art.15 (2) which requires parties to "endeavour to create conditions to facilitate access to genetic resources for environmentally sound uses by other Contracting Parties" and the provision prohibits the imposition of conditions that run counter to the objectives of the Convention. Like much of the CBD⁸⁴, this provision has a breadth and vagueness which will require its meaning to be settled through usage. Alternatively, national obligations to facilitate access will be formulated within the context of the FAO International Undertaking on Plant Genetic Resources, which is discussed below.

(d) Access Subject to Mutually Agreed Terms and Prior Informed Consent (Article 15(4) and (5))

Article 15(4) envisages that where access is granted it will be subject to mutually agreed terms. Currently the conventional form of access agreement is the Material Transfer Agreement (MTA).⁸⁵ The International Service for National Agricultural Research is currently formulating a standard form of MTA for use by research institutes within the CGIAR system.

Article 15(5) requires access to genetic resources to be subject to the "prior informed consent" of the Contracting Party providing those resources, unless it waives that right. Glowka suggests that the mutual agreement on terms could be part of a larger access determination regime administered by a designated competent authority.⁸⁶ As is discussed in the chapters below, a number of States already require bioprospecting to be subject to the grant of a permit. In this administrative process, full disclosure by the bioprospector is usually required.⁸⁷

(e) Benefit Sharing and Access to Technology

The countries of the South have been the principal source of the genetic material which forms the basis of many or all of the agri-industries of the industrialised North.⁸⁸ This fact coupled with celebrated allegations of "biopiracy" by Northern

⁸³ See Blakeney, 'Intellectual Property Rights in the Genetic Resources of International Agricultural Research Institutes- Some Recent Problems' [1998] 1 *Bioscience Law Rev.* 3-11.

⁸⁴ For a full range of difficult interpretative phrases in the CBD see W. Lesser, *Sustainable Use of Genetic Resources under the Convention on Biological Diversity*, Oxford, CAB International, 1998, 10-11.

⁸⁵ See J.I.Cohen, C.Falconi, J.Komen and M. Blakeney, *The Use of Proprietary Biotechnology Research Inputs at Selected CGIAR Centres*, International Service for National Agricultural Research (ISNAR), The Hague, 1998.

⁸⁶ See L. Glowka, 'Legal and Institutional Considerations for States Providing Genetic Resources' in J. Mugabe, *et al* (eds), *Access to Genetic Resources: Strategies for Sharing Benefits*, Nairobi, ACTS Press, 1997.

⁸⁷ See Downes, Laird, Klein and Carney, 'Biodiversity Prospecting Contract' in W.V.Reid *et al* (eds), *Biodiversity Prospecting: Using Genetic resources for Sustainable Development*, Washington DC, WRI, 1993, 255-287.

⁸⁸ Eg see charts depicting the regional sources and utilization of major food and industrial crops in Kloppenburg and Kleinman, 'The Plant Germplasm Controversy' (1987) 37 *BioScience* 190 cited in Lesser, n. 14 *supra*.

corporations,⁸⁹ has resulted in agitation for the equitable sharing of benefits and technology by the providers and exploiters of genetic resources. A number of the provisions of the CBD refer to the equitable sharing of benefits arising from the utilisation of the genetic resources of a signatory. Article 15(7) requires each Contracting Party to "take legislative, administrative or policy measures, as appropriate" and in accordance with a number of specified provisions of the Convention, "with the aim of sharing in a fair and equitable way, the results of research and development and the benefits arising from the commercial and other utilization of genetic resources with the Contracting Party providing such resources". Article 8(j) envisages the "equitable sharing" of benefits with indigenous and local communities, arising out of the use of the traditional knowledge, innovations and practices of those communities. Article 21 provides for the establishment of a "mechanism" for the provision of financial resources to developing country parties to the CBD.

Complementary to the equitable sharing of benefits, the CBD provides for the access of developing country signatories to technologies which may result from the utilisation of the genetic resources which they may provide. Article 16(1) recites the importance of access to biotechnologies to attain the objectives of the CBD and Art 16(2) provides for the access to technologies by developing countries on "fair and equitable terms, including on concessional and preferential terms". Article 19(1) requires parties to take appropriate measures to "provide for the effective participation in biotechnological research activities by those Contracting Parties, especially developing countries, which provide the genetic resources for such research". Article 19(2) requires parties to "take all practicable measures to promote and advance priority access on a fair and equitable basis..., especially developing countries, to the results and benefits arising from biotechnologies based upon genetic resources provided by those Contracting Parties" on mutually agreed terms.

(f) Indigenous and Local Communities

The Rio Declaration in Principle 22 stated that 'Indigenous peoples and their communities...have a vital role in environmental management and development because of their knowledge and traditional practices'. Chapter 26 of Agenda 21 detailed the relationship which conference participants recognised between indigenous peoples and their lands. The Agenda, at para.26.3(a), required governments:

to establish a process to empower indigenous peoples and their communities' through measures that include:

- recognition of their values, traditional knowledge and resource management practices with a view to promoting environmentally sound and sustainable development;
- enhancement of capacity- building for indigenous communities based on the adaptation and exchange of traditional experience, knowledge and resource-management practices, to ensure their sustainable development;
- establishment, where appropriate, of arrangements to strengthen the active participation of indigenous peoples and their communities in the national

⁸⁹ Eg see Kocken and van Roosendoal, 'The Neem Tree Debate', (1997) 30 *Biotechnology and Development Monitor* 8.

formulation of policies, laws and programs relating to resource management and other development processes that may affect them.

The Preamble to the CBD recognised the

...close and traditional dependence of many Indigenous and local communities embodying traditional lifestyles on biological resources, and the desirability of sharing equitably arising from the use of traditional knowledge, innovations and practices relevant to the conservation of biological diversity and sustainable use of its components.

Article 8(j) of the Convention required each signatory

...subject to its national legislation, respect, preserve and maintain knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity and promote their wider application with the approval and involvement of the holders of such knowledge, innovations and practices and encourage the equitable sharing of the benefits arising from the utilization of such knowledge, innovations and practices.

The provisions of Art.8(j) require implementation through national legislation. It is expressed to be subject to national legislation, in order to preserve legislation on this subject which predates the CBD.⁹⁰

3. International Intellectual Property Instruments Relating to Access to Plant Genetic Resources

The CBD adopts an equivocal attitude to the role of intellectual property rights in the area of plant genetic resources. Article 16(3) of the CBD in providing for the access of developing countries to biotechnology, requires that where such technology is subject to patents or other intellectual property rights, such access shall be "provided on terms which recognize and are consistent with the adequate and effective protection of intellectual property rights". On the other hand, Art. 16(5) of the CBD "recognizing that patents and other intellectual property rights may have an influence on the implementation of this Convention, shall cooperate in this regard subject to international law in order to ensure that such rights are supportive of and do not run counter to its objectives".

Parallelling the formulation of the Convention on Biological Diversity, were the negotiations of the Uruguay Round of the General Agreement on Tariffs and Trade. Attempts by the World Intellectual Property Organization to revise the Paris Convention on Industrial Property, 1883, which deals with the international patents, industrial designs and trade marks regime, had foundered on the irreconcilability of the position of developing countries and industrialised countries on the compulsory licensing of patents.⁹¹ For this and other reasons, the US proposed that the GATT formulate legislative norms for intellectual property protection and that it require the introduction of a range of mechanisms for the enforcement of intellectual property

⁹⁰ See Chandler, 'The Biodiversity Convention: Selected Issues of Interest to the International Lawyer' (1993) 4 *Colorado Jnl of Int'l Law and Policy* 141.

⁹¹ See M. Blakeney, *Legal Aspects of the Transfer of Technology to Developing Countries*, Oxford: E SC, 1989. 98ff.

rights.⁹² The resultant Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs) was annexed as a condition of membership to the Agreement Establishing the World Trade Organization (WTO).⁹³ Article 27.3 of the TRIPs Agreement permits signatories to exclude from patentability “plants and animals other than microorganisms, and essentially biological processes for the production of plants or animals, other than non-biological and microbiological processes”. However, the provision requires that “Members shall provide for the protection of plant varieties either by patents or by an effective *sui generis* system or by any combination thereof”. Article 65.2 permits developing countries a period of five years for compliance with TRIPs commencing from the date of entry into force of the WTO Agreement, in April 1994. Least developed countries are permitted an additional five years for the implementation of TRIPs.

In all probability, to comply with this TRIPs obligation, countries will introduce legislation based on the International Convention for the Protection of New Varieties of Plants (UPOV), which was amended in March 1991. The UPOV Convention provides for the registration and grant of intellectual property rights⁹⁴ in relation to new, distinct, stable and uniform plant varieties. Article 6 of the UPOV Convention deems a variety to be new if at the date of filing the application, “propagating or harvested material of the variety has not been sold or otherwise disposed of, for purposes of exploitation of the variety” earlier than one year within the date of filing the application in the territory of the contracting party, or earlier than four years, or in the case of trees and vines, earlier than six years in a territory of a non-contracting party. This formulation of novelty, which is much more liberal than the requirement of novelty under patent law, facilitates the acquisition of plant variety rights in relation to germplasm.

4. FAO Global System for the Conservation and Utilization of Plant Genetic Resources for Food and Agriculture

In 1983 the FAO Conference had established the Commission on Plant Genetic Resources as a permanent intergovernmental forum to deal with questions concerning plant genetic resources. The International Undertaking on Plant Genetic Resources was adopted as the formal framework for its activities. The 1995 FAO Conference adopted Resolution 3/95 which broadened the Commission’s mandate to embrace all components of biodiversity of relevance to food and agriculture. This broader mandate was reflected in the renaming of the Commission as the Commission on Genetic Resources for Food and Agriculture.. The FAO considered that this would “facilitate an integrated approach to agrobiodiversity”.⁹⁵ The statutes for the broadened Commission provide for cooperation between the FAO and other governmental and non-governmental bodies, in particular the Conference of the Parties to the

91 See Blakeney, ‘Intellectual Property in World Trade’ [1995] 1 *Int’l Trade Law & Regulation* 76.

92 See M. Blakeney, *Trade Related Aspects of Intellectual Property Rights: A Concise Guide to the TRIPs Agreement*, London: Sweet & Maxwell, 1996.

93 The scope of these rights is defined in Art.14 of the UPOV Convention, to include the authorization of the production, conditioning for propagation, sale, export, import or stocking of the variety for these purposes.

94 FAO, *Progress Report on the FAO Global System for the Conservation and Utilization of Plant Genetic Resources for Food and Agriculture*, UNEP/CBD/COP/3/15, [Internet] URL: <http://web.icppgr.fao.org/CPGR/COP/cop3gs.html>.

Biodiversity Convention. The Commission was specifically required to cooperate with the CBD in the area of genetic resources of relevance to food and agriculture. In the discharge of its mandate, the Commission has coordinated the development of the *Global System for the Conservation and Utilization of Plant Genetic Resources for Food and Agriculture*. The objectives of the Global System are “to ensure the safe conservation and promote the availability and sustainable utilization of plant genetic resources by providing a flexible framework for sharing the burdens and benefits”.⁹⁶ The Global System mediated through the International Undertaking on Plant Genetic Resources comprises three elements. The first element consists of voluntary codes of conduct for plant germplasm collecting and transfer and on biotechnology, as well as the 1994 FAO/CGIAR Agreement on Genebanks. The second element is a “Global Mechanism” comprising A World Information and Early Warning System, networks of *ex situ* and *in situ* and on farm collections and crop specific networks. The third element consists of three global instruments: an inventory of the “State of the Worlds Plant Genetic Resources”, a “Global Plan of Action on Plant Genetic Resources” and the “International Fund for the Implementation of Farmers’ Rights”.

4.1 International Undertaking on Plant Genetic Resources

(a) Introduction

In 1983 the Conference of the FAO adopted the International Undertaking on Plant Genetic Resources (the Undertaking) as a non-legally binding instrument. The Undertaking provides for the exploration and collection of genetic resources (Art.3), for conservation *in situ* and *ex situ* (Art.4), for the availability of plant genetic resources (Art.5), for international cooperation in conservation, exchange and plant breeding (Art.6), for international coordination of genebank collections and information systems (Art.7) and for funding (Art.8). By September 1996 the Undertaking had attracted the subscription of some 111 countries, excluding the USA.⁹⁷

(b) The International Undertaking and Plant Breeder's Rights

The Undertaking was originally predicated on the principle that plant genetic resources should be freely exchanged as a “heritage of mankind” and should be preserved through international conservation efforts. In subsequent years the principle of free exchange was gradually narrowed. In November 1989 the 25th Session of the FAO Conference adopted two resolutions providing an “agreed interpretation” that plant breeders’ rights were not incompatible with the Undertaking.⁹⁸ The acknowledgment of plant variety rights obviously benefitted industrialised countries, which were active in seed production. In exchange for this concession, developing countries won endorsement of the concept of “farmers’ rights”. This was a moral commitment by the industrialised commitment to reward “the past present and future contributions of farmers in conserving, improving and making available plant genetic resources particularly those in centers of origin/diversity. These rights are vested in the International Community, as trustee for present and future generations of farmers.”⁹⁹

⁹⁶ *Ibid.* para.6.

⁹⁷ FAO, ‘Global Participation in the Development of Major Components of the Global System for the Conservation and Utilization of Plant Genetic resources’ (September 1996), <http://193.43.36.7/waice...GP/AGPS/PGR/globapp1.htm>.

⁹⁸ Resolutions 4/89 and 5/89 adopted by FAO Conference, 25th Sess., Rome, 11-29 Nov.1989.

⁹⁹ Resolution 5/89 *ibid.*

A further narrowing of the free-flow principle occurred at the 26th Session of the FAO Conference in November 1991 which in Resolution 3/91, while reaffirming that plant genetic resources were the common heritage of mankind, subordinated it to “the sovereignty of states over their plant genetic resources”.

(c) The International Undertaking and the CBD

In November 1993 the 27th Session of the FAO Conference unanimously adopted Resolution 7/93 calling for The Commission to undertake “the adaptation of the International Undertaking on Plant Genetic Resources in harmony with the Convention on Biological Diversity” which had been concluded by the Rio Earth Summit the previous year. The Resolution instructed the Commission to consider “the issue of access on mutually agreed terms to plant genetic resources including *ex situ* collections not addressed by the Convention” and “for the realization of Farmers’ Rights”.¹⁰⁰ Negotiating Texts have been considered by the Commission in a series of sessions between 1994 and 1997. Its 1997 sessions have prepared a simplified draft text concentrating on articles: 3 (scope), 11 (availability of plant genetic resources) and 12 (Farmers’ Rights).¹⁰¹

The draft text was considered in a negotiating session between 8-12 June 1998. The negotiation divided on North-South lines, in which the South conceived of access to the genetic resources of developing countries in terms of an exchange of nature for debt and maintained the right of farmers to save, exchange and enhance seed as a traditional right.¹⁰² Malaysia, speaking on behalf of the developing economies of Asia, “emphasized that the revision of the International Undertaking had to recognise (i) facilitated access, (ii) benefit sharing, (iii) Farmers’ Rights and (iv) the international fund as inseparable components of equal importance”.¹⁰³ The EU and European States proposed the establishment of “a mechanism to promote and better channel the flow of funds from available sources” to developing countries and economies in transition.¹⁰⁴ This was supported in principle by the countries of the North American Region, Japan and the Republic of Korea.

(d) Farmers’ Rights

The concept of Farmer’s Rights was formulated in 1989, in the context of the renegotiation of the International Undertaking, as a basis for recognising and rewarding the contribution of farmers to the conservation and management of plant genetic resources. Farmers’ Rights were defined in a Resolution of the FAO Conference¹⁰⁵ as:

...rights arising from the past, present and future contribution of farmers in conserving, improving and making available plant genetic resources, particularly those in centres of origin/diversity. These rights are vested in the International Community, as trustee for present and future generations of farmers, for the purpose of ensuring full benefits to farmers, and supporting the continuation of their contributions.

30 CGRFA, ‘Revision of the Undertaking. Issues for Consideration in Stage II: Access to Plant Genetic Resources and Farmers’ Rights’, <[http:// web.icppgr.fao.org/cpgr6.1/CPGR6.1-6.html](http://web.icppgr.fao.org/cpgr6.1/CPGR6.1-6.html)>.

¹⁰¹ See <http://web.icppgr.fao.org/cpgr/cpgr6.1/e/CPGR6.1-6.html>.

¹⁰² See FAO, *Report of the Fifth Extraordinary Session of the Commission on Genetic Resources for Food and Agriculture*, Rome, 8-12 June, 1998.

¹⁰³ *Ibid.*, para.33.

¹⁰⁴ *Ibid.*, para.16.

¹⁰⁵ Annex II, Resolution 5/89 adopted by FAO Conference, 25th Sess., Rome, 11-29 Nov.1989.

Farmers' rights were intended to promote a more equitable relation between the providers and users of germplasm by creating a basis for farmers to share in the benefits derived from the germplasm which they had developed and conserved over time.¹⁰⁶ An International Fund for Plant Genetic Resources was proposed in a Resolution of 1991 as a means of implementing Farmers' Rights. This Fund will support plant genetic conservation and utilization programmes, particularly in the developing countries.

Farmers' Rights are conceived of as a "retrospective equity,"¹⁰⁷ primarily as the recognition of the moral obligation, rather than an economic incentive. Its implementation is uncertain, although suggestions have been made in India for a seed tax, where the revenue yield will be distributed through a Community Gene Fund.¹⁰⁸

¹⁰⁶ Glowka, n. 5 *supra*, 6.

¹⁰⁷ Brush, 'Whose knowledge, whose genes, whose rights?', in S.B. Brush, and D. Stabinsky (eds), *Valuing Indigenous Knowledge: Indigenous Peoples and Intellectual Property Rights*, Washington DC, Island Press, 12.

¹⁰⁸ M.S. Swaminathan and V. Hoon, *Methodologies for Recognizing the Role of Informed Innovation in the Conservation and Utilization of Plant Genetic Resources*, Madras, CRSARD Proceedings, no. 9, 1994.

Class 6 The international trademarks regime: Madrid convention, domain names and the regulation of electronic commerce

1. Trade Marks

The first of the Special Arrangements under the Paris Convention concerned trade marks and the closely related subject of indications of origin. The Madrid Agreement Concerning the International registration of Marks, 1891 was the first step along the road to a global trade mark registration system, but it contained a number of perceived disadvantages and failed to gain support, in particular from the UK and the USA. These deficiencies were remedied over 100 years later by the enactment of a Protocol to the Madrid Agreement and the latter has obtained the support of the key market economies. Enhancing the Madrid system has been the adoption of common registration standards and procedures in the Trademark Law Treaty, 1994. The Madrid system of international registration of marks, is also supplemented by a number of regional agreements such as the Benelux Convention and the Banjul Protocol, and by regional legislation, such as the EU's Community Trade Mark Regulation. The early discussion of trade marks also concerned the establishment of uniform systems of classification, to be adopted by the trade mark offices of the world. The resultant Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks and the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks have placed the approaches of national offices to trade mark classification on a harmonised basis.

(a) Madrid Agreement Concerning the International Registration of Marks 1891

(i) Introduction

The Paris Convention of 1883 contained a number of general provisions dealing with trade marks. Article 14 envisaged the possibility of amendments to the Convention itself and Article 15 permitted signatories to make "special arrangements" for the protection of industrial property, which were consistent with the Paris Convention. Ladas explains that the proposal to streamline international trade marks protection by effecting a single application which would apply to other designated countries, was mooted in the Rome Revision Conference of 1886 and consummated at the Madrid Revision Conference of 1890-91, not for the purpose of effecting efficiencies, but as a means of consolidating the gains of the nascent Paris Convention.¹⁰⁹ Linking a system for the international registration of trade marks, was considered to offer a sufficiently large incentive for the retention of the rest of the Paris Convention package of measures.

¹⁰⁹ See S.P. Ladas, *Patents, Trademarks and Related Rights. National and International Protection*, Cambridge, Mass., Harvard University Press, 1975, 1424.

A draft arrangement for the international registration of trade marks, which was proposed at the First Paris Revision Conference in Rome in 1886, was referred to the next Revision Conference, scheduled for Madrid.¹¹⁰

At the Madrid Conference in 1890, the draft arrangement was signed and adopted in 1891, by nine countries.¹¹¹ The original proposal, which had been advanced by Switzerland, was that an applicant could apply directly to the International Bureau. This was replaced by an Italian proposal that the application should be filed with the industrial property office of the country of origin. Upon registration by the International Bureau, the trade mark would secure the same protection in each of the signatory countries as if registration had been sought in those countries. Any contracting party, within twelve months of registration with the International Bureau, could declare its refusal to protect a mark. The duration of international registration was fixed at twenty years.

(ii) Revision Conferences

The Madrid Agreement of 1891 provided for two classes of persons who were entitled to use the system. First, citizens of the contracting states and, secondly, citizens of non-contracting states, who were domiciled or had industrial or commercial establishments in the territory of one of the states of the Paris Union. The question of the apparently limited appeal of the Madrid Agreement was addressed in the Brussels Revision Conference of 1900, which restricted the second category of eligible applicants to those which had a domicile or effective commercial establishment in one of the states of the Madrid Union.

The Hague Revision Conference of 1925 addressed the question of country of origin for enterprises which had more than one commercial establishment. It had been noted that enterprises which had a number of such establishments, were choosing to file applications in countries where fees were lowest, or where trade mark administrations were more efficient.¹¹² The Hague act in Article 6 required that an enterprise have a real and effective commercial establishment in its country of origin and that in the absence of such an establishment, the country of domicile would be the country of origin.

At the London Revision Conference of 1934, Article 5 was amended by the insertion of the obligation requiring a country refusing acceptance of an international registration to give reasons for the refusal of acceptance.¹¹³

An issue which particularly concerned delegates at the London Conference was the criticism that in automatically extending international registrations automatically to all contracting parties, national registers were becoming encumbered with large numbers of marks which might never be used.¹¹⁴ Responding to this criticism, the International Bureau in a study published in 1942, canvassed the possibility of

¹¹⁰ *Conference de Rome* (1886), 150-155.

¹¹¹ Belgium, France, Guatemala, Italy, the Netherlands, Portugal, Spain, Switzerland and Tunis. *Conference de Madrid* (1891), 101-14.

¹¹² *Actes de la Conférence de la Haye de 1925*, 227.

¹¹³ *Actes de Londres* (1935), 203ff.

¹¹⁴ See Ladas, n.1 *supra* at 1427.

designating countries in which an international registration would apply.¹¹⁵ This proposal was revisited at the 1947 Hague Revision Conference, when the International Bureau suggested that the original Agreement could be supplemented by an Arrangement which permitted the designation of individual countries. This suggestion did not meet with approval and it was proposed to consider this question at a special Revision Conference in Nice in 1957, rather than at the Lisbon Revision Conference of 1958.

The Nice Conference accepted revisions to the Madrid Arrangement which accepted the principle of territorial limitation and a system of registration in which the fate of the international registration was independent of the home registration.¹¹⁶ The Nice text came into force on December 15, 1966, on receipt of 15 ratifications. The Nice Conference also adopted a new arrangement for the International Classification of Products and Services for Trademarks.¹¹⁷

The Stockholm Conference in 1967 adopted a revised text of the Madrid Arrangement for the International Registration of Trademarks, which created an Assembly for the Madrid Special Union.

(iii) Perceived disadvantages of the Madrid Arrangement

The Madrid Arrangement did not achieve the same level of support as the Paris Convention, with almost all of the post-World War II signatories of the Paris Convention declining to adhere to the Madrid Arrangement. The principal reasons attributed for the reluctance of countries to subscribe to Madrid, included the automatic extension of trade mark protection to all signatory countries.¹¹⁸ This was a particular problem for common law countries, where registration was dependent upon use or a bona fide intention to use a mark. Also applicants in those countries which had time-consuming examination and opposition procedures, were placed at a disadvantage by the requirement that an international registration could not be sought, until registration had been obtained in the country of origin.

Accession to the Madrid Arrangement would have meant that a large number of marks would have instantly been transmitted to the acceding country's trade mark registry, imposing significant expense in relation to many marks which would not have been used in that country.¹¹⁹

Additionally, the principle of "central attack," in the Madrid Arrangement was considered unacceptable to a number of potential signatories. This principle described the situation where all international registrations are cancelled if the country of origin registration is cancelled in the first five years. This was considered to be unjust where a national registration, which was the basis of an international registration was cancelled (within the first five years) for reasons that were valid only in the country of that national registration, but not in designated countries.

¹¹⁵ (1942) *Prop. Ind.* 31ff

¹¹⁶ New articles 3*bis* and 3*ter*.

¹¹⁷ See ch.5.

¹¹⁸ See Ladas, n.1 *supra* at 1480.

¹¹⁹ See S.P. Ladas, 'Should the United States Adhere to the Madrid Arrangement' (1966) 56 *Trade Mark Reporter* 345, 361.

Finally, a particular problem for a number of states was the requirement that applications under the Madrid arrangement be in the French language.

(iv) Trademark Registration Treaty 1973

In the mid-1960s, attempts were made to draw up a treaty that would remedy the limitations of the Madrid Agreement, while harmonizing international trademark practice. This led to the drafting of the Trademark Registration Treaty (TRT), which was adopted in Vienna in 1973.

The TRT sought to establish a multilateral filing arrangement for lodging, administering, and maintaining national registrations. To accomplish this, applications were to be filed with WIPO and would have the same effect in each Member State designated by the applicant. The filings would be recorded on an international register, after which an application would be examined under national laws. Each signatory nation was required to suspend any domestic requirements for use of the mark for a period of three years. The USA, in particular, was not prepared to change the fundamental principle of use as the basis of trade mark rights.

The TRT became effective in 1980 with five contracting states: Burkina Faso, Congo, the Gabon, the Soviet Union, and Togo. However, it was unable to achieve the objective of its drafters, which was to replace the Madrid Agreement.

- **Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks 1989**

The failure of the TRT to attract support from the USA, in particular, led WIPO to the conclusion that the Madrid Agreement should be preserved, while formulating a Protocol which eliminated its perceived weaknesses.¹²⁰ A Protocol was the form of instrument chosen, to emphasise that the Madrid Agreement remained in force for those countries which were satisfied with its operation.

In order to remove the principal impediments, which were identified to membership of the Madrid Agreement, the Protocol allowed international registrations to be based upon national applications, as well as upon national registrations. It allowed a period of 18 months, instead of one year for refusals and a longer period for oppositions. The Protocol allowed the transformation of a failed international registration into national applications in each designated country, with the filing date and priority date of the international registration. The Protocol also provided that the national office of a designated country could receive the full amount or a substantial percentage of the fee charges for a national registration.

At the Diplomatic Conference held in Madrid from June 12 to 28, 1989 the States party to the Madrid Agreement concluded a Protocol, which was signed by 27 of the 29 States party to the Madrid Agreement. The Protocol establishes an international trademark registration system which is independent of, but parallel to, the Madrid

¹²⁰ See Records of the Diplomatic Conference for the Conclusion of Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, Madrid 1989, Geneva, 1991, 75.

Agreement. Article 14(4)(a) of the Protocol provides for entry into force of the Protocol three months after ratification, acceptance, approval or accession by four States or organizations, as provided therein. China, Spain, Sweden and the United Kingdom deposited instruments of ratification that caused the Protocol to come into force on December 1, 1995.

The Protocol exists independently of, and contains significant modifications to, the Madrid Agreement. It attempted to address relation to the above-stated concerns, the Protocol provides: (1) in addition to a country of origin registration, a country of origin application may be the basis of an international application (Because a trademark owner may now file an application in the United States based upon a bona fide intention to use a mark, protection could be sought internationally at an early stage in the development of the trademark.); (2) if the basis of an international registration is extinguished during its first five years, the registration may be converted into a national application in a designated country, and retain its original effective filing date; (3) the working languages, determined by the proposed Regulations, are English and French;

a) Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks 1957

As with other forms of registered industrial property, the establishment of uniform systems for classifying trade marks, greatly facilitates the harmonized operation of trade marks offices and, more importantly, facilitates the global marketing activities of traders. The advantages of uniform classification systems are particularly important for developing countries which do not have the necessary staff to maintain and administer classification systems.

The establishment of a uniform system for classifying goods for which trade marks could be registered, was an early priority for the Paris Union. At the first Conference of Revision in Rome in 1886, a 36 class classification was proposed to replace the heterogeneity of national classifications.¹²¹ This proposal was not taken up in Rome, but was revisited in the Brussels and Washington Revision Conferences.

No consensus could be reached on the classification to be adopted. The International Bureau had adopted an unofficial classification of 80 classes, which it proposed to place before the 1925 Hague Revision Conference.¹²² This was criticised on the basis that it was impractically large and failed to group together products which were linked together in the channels of production and trade.¹²³

A series of meetings of a Committee of Experts, culminating with a meeting in Berne in April 1929 adopted a classification of 34 classes, together with an Alphabetical Index of goods.¹²⁴ The classification was based upon the observation by the Committee of Experts of the associations of goods for which trade mark registrations were sought, rather than be cause of any intrinsic relationships between the goods, such as their composition or manufacturing method. Thus the classification established classes 1-5 for chemical and related goods; classes 6-14 for metal and

¹²¹ *Conférence de Rome* (1886), 141.

¹²² See *Actes de la Conférence de La Haye* (1926), 307-309.

¹²³ See (1926) 'Report of the Meeting of Experts' (1926) *Ind Prop.* 247.

¹²⁴ See *Actes de la Conférence de Londres* (1935), 157-158, 345-346.

metal-related goods; classes 15-21 for other technical products; classes 22-27 for raw materials; class 28 for toys and sporting goods; and classes 29-34 for food, beverages and tobacco products.

This classification was adopted by the London Paris Revision Conference, as the classification to be utilized on a voluntary basis by the Trade Marks Offices of Paris Union members.¹²⁵ By 1953 it had been adopted by 16 countries.¹²⁶ In 1953 a Consultative committee of Directors of the Industrial Property offices of the Madrid Arrangement countries, established a Technical Committee, which met in September 1953 to promulgate an agreement for the adoption of the trade mark classification as mandatory legal obligation. The draft agreement prepared by the Committee was submitted to the Nice diplomatic conference, which met in June 1957, to consider revision of the Madrid Arrangement. The Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, was adopted by the conference on June 15, 1957. It entered into force on April 8, 1961.

The Nice Conference adopted a resolution for the creation of a provisional Committee of Experts to proceed with the task of revising the International Classification. In May 1962 it adopted the eight classifications which the USA had adopted for service marks.

The Nice Arrangement was revised in Stockholm on July 14, 1967 to take account the new administrative arrangements for the Paris Union, consequent upon the establishment of WIPO. The Nice Special Union was established along the same lines as the other Special unions under the Paris Convention.

Each of the countries party to the Nice Agreement is obliged to apply the Nice Classification in connection with the registration of marks, either as the principal classification or as a subsidiary classification and has to include in the official documents and publications relating to its registration of marks the numbers of the classes of the classification to which the goods or services to which the marks are registered belong. Use of the Nice Classification is mandatory for both the national registration of marks by Nice Union members, but also for the international registration of marks under the Madrid Agreement or Protocol and for the registration of marks by the African Intellectual Property Organization (OAPI), y the Benelux Trademark Office and by the Office for Harmonization in the Internal Market (Trademarks and Designs) (OHIM). Additionally, over 70 countries which are not party to the Nice Agreement, also apply the classification.

The Nice Agreement provided for the establishment of a Committee of Experts to decide upon changes in the Classification, in particular the transfer of goods and services between various classes, the updating of the alphabetical list and the introduction of necessary explanatory notes. The first edition of the Nice Classification was published in 1963 and the second in 1971. A general revision of

¹²⁵ *Ibid.*, 476.

¹²⁶ Egypt, France, Great Britain, Haiti, India, Iran, Ireland, Israel, Italy, Jordan, Morocco, New Zealand, Pakistan, Portugal, Singapore and Tangier

the International Classification was considered by the Nice Union in May 1, 1977, which was incorporated in the Geneva Act adopted on May 13, 1977.¹²⁷

The fourth edition of the Nice Classification was published in 1983, with further editions in 1987, 1992, 1996 and 2001. The current edition, which came into force on January 1, 2002, provides for 34 classes of goods and 11 classes of services.¹²⁸

b) Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks 1973

In 1967 the trade marks offices of the Netherlands and Switzerland requested that WIPO establish an international classification for the figurative elements of trade marks. In the same year, the WIPO Coordination Committee approved the creation of a Committee of Experts to consider the promulgation of such a classification.¹²⁹ In May 1970, the International Bureau of WIPO had prepared a draft classification in collaboration with the Swiss trademark office, which was presented to the Committee of experts which met in Geneva from November 22 to 26, 1971. The draft classification was refined by the Committee of Experts¹³⁰, which proposed that the classification be adopted either as a draft Protocol to the Nice Agreement, or as an independent agreement.

These options were presented to the Diplomatic Conference on Industrial Property, which met in Vienna from May 17 to June 12, 1973, which adopted the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks as a Special Agreement under the Paris Convention. The Agreement entered into force on August 9, 1985.

The “International Classification” established under the Agreement is modelled on the Nice Agreement, although in some particulars it adopts some of the provisions of the Strasbourg Agreement Concerning the International Patent Classification.

The classification consists of a list which, proceeding from the general to the particular, divides all the figurative elements into categories, divisions and sections. It also contains explanatory notes.

Under the Agreement, the International Classification has no effect on the scope of protection afforded to device marks, signatories are, however, permitted to give the Classification legal effect beyond its administrative application.

States may also use the International Classification either as its principal system of classification or as subsidiary to a national classification system. The responsible Offices of the Vienna Union countries are required, by the Agreement, to include in the official documents and publications relating to registrations and renewals of marks the numbers of the categories, divisions and sections in which the figurative elements

¹²⁷ See WIPO, *Records of the Diplomatic Conference on the Revision of the Nice Agreement* 1977, Geneva 1981.

¹²⁸ See CLIM/CE/18/5, October 11, 2000.

¹²⁹ WIPO Doc. CCIU/V/16, para.15.

¹³⁰ WIPO Doc., CMF/DC/4.

of those marks have been placed. The numbers of the categories, divisions and sections given in the official documents and publications relating to registrations must be preceded by the words “Classification of Figurative Elements” or the abbreviation “CFE”, determined by the Committee of Experts, which is set up under the Agreement. Member countries are also permitted to reserve the possibility of not applying the whole of the International Classification. This is particularly important for those Offices which register a small number of marks. However, the countries party to the Agreement are required to apply the International Classification as it stands, without varying the content or number of categories, divisions or sections.

This enables a common approach by trade mark offices in the comparison of device marks and facilitates anticipation searching of these marks.

The Agreement establishes a Committee of Experts to make amendments and additions to the International Classification, as required by changes in technology and trade or as suggested by the operation of the system. The recommendations of the Committee of Experts are notified by the International Bureau of WIPO to the competent Offices in the Union countries, and enter into force six months after notification.

Class 7 Geographical Indications

THE PROTECTION OF GEOGRAPHICAL INDICATIONS AFTER DOHA: QUO VADIS?

**G.E. Evans
Michael Blakeney**

The future protection of geographical indications (GIs) in the World Trade Organization (WTO) seems as intractable a problem as the agricultural negotiations to which it is inevitably linked.¹³¹ During the last 20 years the international protection of GIs has experienced a notable worldwide resurgence. Given the ancient provenance of the modern geographical indication, it is a matter of historical irony that the reasons for this increase may be found in a local reaction to the industrialization and globalization of agricultural production. The current development of the law of geographical indications has been spurred by both the greater need and the additional opportunities offered by the global marketplace for the diversification of agricultural products and foodstuffs.

The industrialized model of agriculture based on the Green Revolution of the 20th century¹³² proved capable of producing prodigious food surpluses that might feed the world, but the resulting economies of scale simply made it uneconomical for small

¹³¹ For the purpose of the present study, the term geographical indication will be used in its widest sense, covering indication of source, geographical indication (within the meaning of Article 22.1 of the TRIPS Agreement) and appellation of origin.

¹³² A term coined by US Agency for International Development director William Gaud (March 1968) with respect to the movement to increase yields by using new crop cultivars irrigation fertilizers pesticides and mechanization.

producers to continue to cultivate the land. As plentiful supplies of commodities such as sugar and cotton in Europe and the US threatened the incomes of their farmers and the stability of rural regions, their governments responded with subsidies and artificially inflated returns.¹³³ Yet, even with a sizeable commodity producing acreage farmers still have difficulty making a predictable profit given the large scale distribution, monopolistic state marketing agencies and the market power of large-scale buyers such as supermarket chains.

Accentuating the trend to mass production of agricultural and food products, the revolution in agricultural biotechnology of the 21st century means that innovation, knowledge and technology are increasingly affecting the competitive base.¹³⁴ This latest transformation is further affecting the structure and location of agricultural production.¹³⁵ In the past, competitive position in agri-food production was based on high-quality land and capital-intensive production processes. That is changing, with knowledge becoming the defining factor in much of the food industry.¹³⁶ When combined with the presence of spill-overs that are localized, institutional economic theory¹³⁷ suggests that over time the research, commercialization and even production activities of an innovative industry will converge on relatively few locations.¹³⁸

In the developing world such concentration and protectionism has become untenable. Forty three developing countries depend on exports of a single agricultural commodity for more than 20 percent of their total revenues from merchandise exports. Three-quarters are classified as least developed countries. Most common among the commodities they depend on are coffee, cocoa, cotton, sugar and bananas. For non oil-exporting countries, agricultural exports represent the mainstay of foreign exchange earnings. Nearly all of Malawi's agricultural exports, for example, come from tobacco and tea. Benin depends on cotton for over 80 percent of its merchandise export earnings. Ethiopia relies on coffee for over 70 percent of agricultural exports.¹³⁹

¹³³ WTO trade ministers agreed at the Hong Kong Ministerial Conference 'to ensure the parallel elimination of all forms of export subsidies and disciplines on all export measures with equivalent effect to be completed by the end of 2013': Sixth Session, Hong Kong, 13 - 18 December 2005, Ministerial Declaration, adopted on 18 December 2005, WT/MIN(05)/DEC.

¹³⁴ Although biotechnology applications have existed for many centuries, modern, Mendelian plant breeding has, since 1973, been increasingly influenced by new molecular biology techniques (OECD, 1999). In the knowledge-based agri-food sector commodities are differentiated by their transgenically-based nature, e.g. the canola sector: *The Biotechnology Revolution in Global Agriculture: Invention, Innovation and Investment in the Canola Sector*, Biotechnology in Agriculture Series, No 24., edited by P W B Phillips, G G Khachatourians, May 2001.

¹³⁵ E.g. western Canada's competitive position in agri-food production was formerly based on high-quality land and capital-intensive production processes. That is now changing, with knowledge becoming the defining factor in much of the food industry, *ibid.*

¹³⁶ *Id.*

¹³⁷ Given that knowledge-based innovations are usually transferable at low or no marginal cost this creates significant economies of scale, which yields declining average costs and a major barrier to imitators: Shapiro and Varian, 1999.

¹³⁸ The evolving theory of 'institutional' economics helps to define the potential for industrial structure to adapt to the market opportunities. Coase (1937) posits that firms exist to manage risk – namely those risks and uncertainties related to price discovery, negotiation and monitoring of transactions. This theoretical approach has been further pursued by Williamson (1985) who argues that contracting is not costless.

¹³⁹ For a brief overview of price trends and other developments for these commodities see FAO Food Outlook No 1 April 2005, No.1.

When farmers in the developing world attempt to export to the markets, they are likely to be met with protectionism in the form of higher tariffs, and non-tariff barriers such as quotas and sanitary regulations from ICs and what is more, increasingly from DCs as well.¹⁴⁰ They cannot export their agricultural products to the OECD markets because the tariff barriers faced by them are 10-times or more those on typical inter-OECD trade. In 2001, the agricultural subsidies and other support in the OECD economies amounted to \$311 billion, which was 1.3 percent of the GDP of this country group. The level support to the agriculture sector has not reduced much over the last decade-and-a-half. The magnitude of support—which led to large agricultural output in the OECD economies—tended to depress the international prices of those commodities that low-income developing economies are attempting to export.¹⁴¹ As a result, the pattern of food imports has changed as DCs have shifted from being net exporters to net importers of food and the long term downward trend in agricultural commodity prices for commodity dependent countries threatens the food security of their populations as many farmers and exporting countries still themselves trapped by their dependency producing and exporting more but earning less than they did.

Coffee prices provide a dramatic example of low commodity returns to farmers. Significant oversupply and sluggish demand growth in the world market resulted in coffee prices falling by 58 percent between 1998 and 2001 to an all time low of US 45.67 cents per pound. Prices have remained weak since and although some rises occurred in the interim period, it was only until February 2005 that prices actually reached the same level they averaged in 1999 of more than US 85 cents per pound.¹⁴² In addition, structural changes have occurred in the coffee market as a result of depressed conditions including the exit from the industry of higher cost producers and several major developments in the retail sector, including auctions of gourmet beans and increasing quantities of fair traded coffee beans being sold.

In the wake of the gene revolution, the increasingly influential role of intellectual property rights in agricultural and food production also plays a significant part in sustaining the asymmetry of markets between developed and developing countries. In the 1980s and 1990s, as private seed and agrochemical companies, headquartered chiefly in North America and Europe, began to invest increasingly in crop science, the international protection of intellectual property became central to the development and commercialization of production in the agri-biotech sector. Confirming the trend to economies of scale and tightly integrated production systems and two-way trade in differentiated products, institutional economic theory suggests that innovation-driven industries are inherently imperfectly competitive because large up-front research and development costs and low marginal costs yield rapidly increasing returns to scale in production.¹⁴³

¹⁴⁰ See Chile — Price Band System and Safeguard Measures Relating to Certain Agricultural Products: Appellate Body Report, Sept. 2002. Argentina disapproved the measures adopted by Chile in order to comply with the DSB rulings. As a result, Argentina asked for the establishment of a compliance panel in January 2006 (WT/DS207/16).

¹⁴¹ Stern, 2003.

¹⁴² Preliminary returns point to a similar crop size in 2004-2005 as that harvested in 2003-04 and a continued upward trend in prices: < http://www.ico.org/coffee_prices.asp>

¹⁴³ P.W.B. Phillips and G.G. Khachatourians, *supra* at 6 ff.

Given the significance of intellectual property to the knowledge-based agricultural sector, dramatic changes to international intellectual property laws might have been anticipated. The year 1994 saw the promulgation of universal minimum standards within the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS).¹⁴⁴ Such an unprecedented development in international intellectual property law marked the new found primacy of IPRs within the global information economy. Throughout the following decade the capacity of IPRs to re-structure and control markets for agricultural commodities became manifest as millions of patients in DCs struggled to obtain life-saving drugs, as subsistence farmers in the poorest parts of the developing world opposed to transgenic seed licensing practices of the TNCs fought for the right to save and exchange seed, and breed their own crops their seeds.¹⁴⁵

The response to such a highly industrialized, privatized and technocratic means of agricultural production dominated by science and technical expertise might be anticipated. Local farming communities and their respective governments have responded by seeking a complementary means of legal control – the geographical indication. The definition accorded geographical indications in TRIPS favours associations of small producers being a category of intellectual property chiefly applicable to agricultural products and foodstuffs that originate in a specific place and possess qualities, a reputation, or other characteristics that are essentially attributable to that place of origin.¹⁴⁶

Owing to transference regarding adverse developments regarding access to knowledge and its management in access to medicines and the distribution of transgenic plant products, the protection of GIs has gained a certain moral authority that weighs in favour of DCs having access to knowledge while at the same time having the freedom to exploit their available knowledge. Where necessary the international enforcement of GIs might permit DCs to reclaim property rights from previous usurpation.

India for example, possesses well known geographical names for such staple commodities as 'Darjeeling' tea and 'Basmati' rice. Yet tea from Kenya or Sri Lanka has often been passed off abroad as 'Darjeeling tea'.¹⁴⁷ Corporations in France and the US have been producing rice based on 'Basmati' varieties in those countries, and registering trademarks that refer to 'Basmati', thereby seeking to gain from this renowned geographical name. The US-patent on 'Basmati Rice Lines and Grains' granted to Texas based Rice Tec Inc, which triggered a lot of controversy in the recent past, is a glaring example of wrongful exploitation of a renowned GI from India. Not surprisingly, there is an increasing trend in such countries who are producers of such well known and identifiable commodities to rely on protection of geographical indications (GIs) to protect their markets both at home and abroad. Many developing

¹⁴⁴ Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, Marrakesh Agreement Establishing the World Trade Organisation, signed at Marrakesh (Morocco), April 15, 1994 [hereinafter WTO Agreement], Annex IC, Agreement on Trade-Related Aspects of Intellectual Property Rights [hereinafter TRIPS Agreement or TRIPS], reprinted in *The Results of the Uruguay Round of Multilateral Trade Negotiations—The Legal Texts*, 1-19, 365-403 (GATT Secretariat, Geneva 1994).

¹⁴⁵ In recent years, transnational corporations have patented and now own a considerable number of seed varieties.

¹⁴⁶ TRIPS Art. 22.

¹⁴⁷ Darjeeling is a tea-growing region in West Bengal.

country governments and NGO, cognizant of the potential commercial advantage inhering in local geographical names and the marketing of agricultural products are now desirous of ensuring the 'repatriation' of rights that historically may inadvertently have gone to distributors in the earlier industrialized countries of Europe or North America. Given the potential of GIs to increase market share and price premiums, in 1999, India enacted separate legislation to protect geographical indications.¹⁴⁸ Following the WTO ruling of 2005 that served to clear the way for registration of foreign GIs within the European Union, that same year the coffee producers agency "Café de Colombia applied to register the geographical indication of "Café de Colombia" (Colombian coffee) as a protected designation of origin (PDO) under EC Regulation 2081/92.¹⁴⁹

It is not without political irony that, in view of their vehement opposition to the TRIPS Agreement, leading DCs such as India and Brazil, should subsequently espouse GIs, at the launch of the Doha Round, as the best available means exploiting their traditional knowledge. Geographical indications comprise part of the EC's domestic agricultural policy. They are considered to constitute a means of sustaining the viability of small farming and rural communities.¹⁵⁰ During the Uruguay Round, with a view to seeing its GIs protected in foreign markets, the EC successfully advocated their inclusion in the TRIPS Agreement as a discrete form of intellectual property. However, further harmonization is subject to a fundamental problem in so far as the geographical indication is not uniformly recognised within the domestic legal systems of WTO Members. The origins of this regulatory problem may be identified in the historical development of the international protection of geographical indications. Its path to acceptance has consequently been long and arduous. While it is generally agreed among WTO member states that GIs for agricultural products are deserving of protection, the means of protection continues to be disputed. The inclusion of geographical indications within the TRIPS Agreement as a mandatory and legally enforceable form of intellectual property marked a turning point in their long and often controversial journey towards recognition and protection in the treaties of the 19th and 20th centuries. Questions associated with different means of protecting GIs between civil and common law countries were not resolved during the UR TRIPS negotiations, so that, in witness to the strength of the divide, the TRIPS Agreement itself contains a provision requiring continuing negotiation.

The Hong Kong Ministerial Declaration affirms the 'central importance of the development dimension in every aspect of the Doha Work Programme'. The significance of the Doha Declaration in the institutional life of the WTO cannot be underestimated. Following Doha, the results of the multilateral trade negotiations must be seen to make economic development 'a meaningful reality, in terms both of the results of the negotiations on market access and rule-making and of the specific development related issues' identified in the Work Programme.¹⁵¹ In the case of

¹⁴⁸ The Geographical Indications of Goods (Registration and Protection) Act, 1999: the 'Geographical Indications Registry' in Chennai has national jurisdiction. A number of NGOs are working for the betterment of community farmers and raising awareness about the use of geographical indications.

¹⁴⁹ The application is currently being examined by the European Commission. If it proceeds to registration, only producers complying with the PDO's specification will be permitted to trade in the EU under the designation "Café de Colombia".

¹⁵⁰ In 1992 Regulation 2081 established a special Community-wide system for the protection of GIs of Member States.

¹⁵¹ Clause 2, Doha Ministerial Declaration, 14 November 2001, WT/MIN(01)/DEC/1.

geographical indications the regulatory difficulties of harmonization are further compounded by the fact that continuing negotiations must take account of the 'Doha mandate' in favour of providing ways and means to promote economic development among the world's poorest peoples.

At the launch of the current round of trade negotiations launched in 2001 in Doha, Qatar they succeeded in having trade ministers commit to a 'development round' of multilateral trade negotiations. The resulting Doha Declaration signalled that the necessary re-balancing of trade concessions could only be achieved with substantial concessions regarding special and differential treatment for their agricultural commodities and manufactures, technology transfer and technical assistance. Not since the Declaration for a New International Economic Order have DCs shown such consensus regarding their right to economic development.¹⁵²

GIs constitute a significant part of the Doha development negotiating agenda. Clause 18 of the Declaration, states that with a view to completing the work started in the Council for Trade-Related Aspects of Intellectual Property Rights (Council for TRIPS) members are to negotiate the establishment of a multilateral system a register for wines and spirits, as well as the extension of GI protection beyond wines and spirits. The principal protagonists in negotiations are the European Communities, which favour an expanded international regime, and the United States, which argues that the current TRIPS and trademark protections are sufficient. The EC and its supporters would see major reform in the introduction of a multilateral system for the registration and enforcement of GIs. June 2005 saw the European Communities (EC) submit a radical proposal to amend the TRIPS Agreement to provide global protection for GIs in a multilateral system of registration.¹⁵³ This proposal seeks to bring international protection for GIs into conformity with the European Union where a Community-wide system for their registration is considered an indispensable part of agricultural policy, serving both to preserve the incomes of small to medium-size producers and to guarantee the sustainability of the rural economy. Given the fact that it possesses over 700 registered geographical indications, ¹⁵⁴ sophisticated

¹⁵² The Declaration for the Establishment of a New International Economic Order was adopted by the United Nations General Assembly in 1974. It refers to a wide range of trade, financial, commodity, and debt-related issues; a revision of the international economic system in favour of developing countries. See also the United Nations International Covenant On Economic, Social And Cultural Rights, 1966, Art. 6(2); Declaration on the Right to Development, adopted by General Assembly resolution 41/128 of 4 December 1986. Generally see Bhagwati, Jagdish N. ed. (1977) *The New International Economic Order: The North South Debate* Cambridge, Mass: MIT Press. Krasner, Stephen (1985) *Structural Conflict* Berkeley: University of California Press. Argues that many North-South conflicts are rooted in asymmetries of power.

¹⁵³ In June 2005 the EC submitted a proposal for amending Section 3 of the TRIPS Agreement with a view to extending the regime of protection today available for geographical indications on wines and spirits to geographical indications on all products ("extension") and; in addition a proposal for the inclusion of an annex to the TRIPS Agreement establishing a multilateral system of notification and registration of geographical indications (GIs). World Trade Organization, General Council, Trade Negotiations Committee, Council for Trade-Related Aspects of Intellectual Property Rights, Special Session on Geographical Indications, Communication from the European Communities 14 June 2005, WT/GC/W/547, TN/C/W/26, TN/IP/W/11. See earlier submissions of the EC, 22 June 2000, IP/C/W/107/Rev.1 with respect to the register and; submission of 2002 in respect of the extension, IP/C/W/353
24 June 2002.

¹⁵⁴ 'Since 1993, more than 700 names, designating *inter alia* over 150 cheeses, 160 meat and meat-based products, 150 fresh or processed fruits or vegetables and 80 types of olive oil, have been

institutional infrastructure and technical prowess, the European Union is Europe is exceptionally well placed to leverage the benefits of an expanded international system of GI protection. On the other hand, the US and its supporters largely endorse the *status quo* favouring voluntary multilateral registration and the choice of the means of protection - whether by special system or the established trade mark system - left to national discretion.

However, it would be wrong to think that the general question of whether protection should be afforded and indeed expanded is a simple North-South debate between the old industrialised and the developing worlds. Newly industrializing and leading developing countries such as India, China and Kenya are similarly well placed to take advantage of intellectual property protection afforded agricultural GIs. On the other hand, given the cost in establishing and maintaining the institutions necessary to intellectual property protection, serious doubts remain over the ability of less advanced or less advantageously placed developing nations to take advantage of GI protection. Countries such as India and Kenya for example have GIs that are already known and the financial means and the know how to enforce their protection. Other developing countries, however, may lack either the agricultural tradition related to place or the financial means to enforce the worldwide protection of their GIs.

In as much as these differing capacities and needs have been recognised in ongoing negotiations in the WTO over the last decade, no ready solution to the further global harmonization of GIs has been found. WTO members are divided as to their capacity to take advantage of GI protection no less than they are radically divided as to the means of regulation. Whereas the current TRIPS provisions allow Member States to choose the means by which they protect GIs, the deep transatlantic division between the major powers of the EU and the US over the method of protection risks retarding further progress on harmonization for the foreseeable future.

While agricultural policy remains a highly controversial issue among WTO members, we are unlikely to see any lessening of pressure by the EC and supporting WTO Members for the extension of specific GI protection for an unlimited range of agricultural commodities and foodstuffs. The text of the Doha Declaration lends support to DCs who are seeking forms of knowledge, less than high technology that they have the capacity to exploit. It recognizes 'the need for all our peoples to benefit from the increased opportunities and welfare gains that the multilateral trading system generates.'¹⁵⁵ GIs, pertaining to both agriculture and handicrafts may contain traditional knowledge which is capable of exploitation in sophisticated consumer markets as natural medicinal, culinary, cosmetic or lifestyle products.

Nevertheless, the United States (US), Australia, Canada and Argentina are among those countries who are adamantly opposed to the proposal, being of the view that international protection of GIs is adequate as it stands and that such a drastic development would only serve to undermine future gains in market access for non-

registered in this context. The Commission has also received over 300 further applications for the registration of names and/or amendments to specifications from Member States and third countries'. Proposal for a Council Regulation on the Protection of Geographical Indications and designations of origin for agricultural products and foodstuffs, Commission Of The European Communities, Brussels, 5.1.2006, para.3.

¹⁵⁵ Clause 2, Doha Ministerial Declaration, 14 November 2001, WT/MIN(01)/DEC/1.

European food and agricultural products.¹⁵⁶ Developing countries are similarly divided. On the one hand, those who support the US and Australia have serious misgivings concerning the additional costs of implementing a distinct system of GI protection in addition to the TRIPS obligations that are outstanding. On the other hand, India and Kenya, as countries already in possession of valuable GIs, are among those who support the EC proposal.

Regrettably, the Hong Kong Ministerial Declaration of December 2005 does not record any notable progress since the last Ministerial Conference, concerning the extension of the protection of geographical indications to products other than wines and spirits; or the multilateral register for geographical indications for wines and spirits.¹⁵⁷ Admittedly, the momentum of negotiations was derailed by United States and Australian requests for consultations with the European Communities concerning the discriminatory nature of the European registration system. In the aftermath, the ruling of the WTO Panel of March 2005 in the case of *EC – Geographical indications* has done little to quell the strength of this regulatory dispute. In the result, the United States (US) and Australia successfully challenged Council Regulation (EEC) No 2081/92 on the protection of geographical indications for agricultural products (EC Regulation) as discriminatory of foreign rightholders. In fact, the decision, which nonetheless sanctioned the substantive provisions of the EC Regulation, only appears to have emboldened the EC's bid to see its system of GI protection promulgated within the TRIPS Agreement.¹⁵⁸

To this end, the EC proposal of June 2005 would extend GI protection to all agricultural products as well as indigenous handicrafts and see their notification in a mandatory multilateral register.¹⁵⁹ The emergence of the first truly global intellectual property rights would constitute a unprecedented departure from the classical system

¹⁵⁶ See US Submissions on GIs at the WTO TRIPS Council: "Joint Proposal for a Multilateral System of Notification and Registration of Geographical Indications for Wines and Spirits," Communication from Argentina, Australia, Canada, Chile, Ecuador, El Salvador, New Zealand and the United States, TN/IP/W/9, 13 April 2004; and "Multilateral System of Notification and Registration of Geographical Indications for Wines (and Spirits)," Communication from Argentina, Australia, Canada, Chile, New Zealand and the United States, TN/IP/W/6, 29 October 2002; and "Proposal for a Multilateral System for Notification and Registration of Geographical Indications for Wines and Spirits based on Article 23.4 of the TRIPS Agreement," Communication from Argentina, Australia, Canada, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Japan, Namibia, New Zealand, Philippines, Chinese Taipei, and the United States, TN/IP/W/5, 23 October 2002.

¹⁵⁷ Clauses 29 and 39, Sixth Session, Hong Kong, 13 - 18 December 2005, Ministerial Declaration, adopted on 18 December 2005, WT/MIN(05)/DEC. Further see Special Session of the Council for TRIPS Report by the Chairman, Ambassador Manzoor Ahmad, to the Trade Negotiations Committee, 23 November 2005, TN/IP/14, in which Ambassador Manzoor Ahmad lament the lack of progress at para. 5.

¹⁵⁸ Following the decision, EU Trade Commissioner Mandelson summed up the EC's position: "By confirming that geographical indications are both legal and compatible with existing trademark systems, this WTO decision will help the EU to ensure wider recognition of geographical indications and protection of regional and local product identities, which is one of our goals in the Doha Round of multilateral trade negotiations: http://www.delcan.cec.eu.int/en/press_and_information/press_releases/2005/05PR009.shtml

¹⁵⁹ World Trade Organization, General Council, Trade Negotiations Committee, Council for Trade-Related Aspects of Intellectual Property Rights, Special Session on Geographical Indications, Communication from the European Communities 14 June 2005, WT/GC/W/547, TN/C/W/26, TN/IP/W/11.

of international intellectual property law, based as it is on the territorial principle of national systems of registration for GIs and trade marks. In addition, it would entail an erosion of the property rights of trade mark owners and the corresponding capacity of Member States to determine economic policy.

The future global regulation of GIs is now at a crossroads. The Agreement on Trade-Related Aspects of Intellectual Property Law (TRIPS) is widely recognized as having set new standards for the international protection of GIs, having succeeded at one stroke in recognising GIs as a major category of intellectual property alongside patents and copyright and trademarks.¹⁶⁰ While we may have agreement as to the fundamental principles of protection, there is a lack of precision as to legal terms and, a number of novel legal issues arising from the proposal for extended global protection, notably the extent to which legal effects at the national level should affect the registration of a geographical indication; and legal effect attendant upon whether Members participation in the system is on a prescriptive or voluntary basis.

We have a subject matter that is complex and uncertain due to its lack of systematic development and to considerable variations in the law within different jurisdictions. *A priori*, given its legal and moral authority, negotiations must also take account of the Doha Declaration that is intended to make it easier for developing countries to adopt measures that are conducive to their economic development.¹⁶¹ Ambitious claims associating the protection of GIs with economic development are now made by those DCs who support the international protection of geographical indications. It is put forward as a means of sustaining rural communities by helping to guarantee food security for those without cash incomes, helping to natural environmental disasters and biodiversity.¹⁶²

To what extent then, we may ask, has the rationale for, and implications of protecting GIs been lost in the heated debate concerning the extension of subject matter and the character of the multinational register that has ensued in the decade since the conclusion of the TRIPS Agreement? While geographical indications have been promoted as a 'development-friendly' form of intellectual property, there are also costs to consider, not only to the public in higher prices and reduced competition, but also to developing countries who are not well placed to implement further protection?¹⁶³ All IPRs by their nature are restrictive of competition. The rationale is

¹⁶⁰ Blakeney M., Stimulating Agricultural Innovation, in K.E. Maskus and J.H. Reichman (Editors), International Public Goods and Transfer of Technology under a Globalized Intellectual Property Regime, Cambridge: Cambridge University Press, 2005, 367-390. Evans, G., Intellectual Property As A Trade Issue: The Making of the Agreement On Trade Related Aspects of Intellectual Property [1994] 18(2) World Competition, Law and Economics Review 137-180.

¹⁶¹ At the fourth ministerial meeting of the World Trade Organization in Doha, Qatar during November 9-13, 2001 ministers agreed to "undertake [a] broad and balanced work programme... that incorporates both an expanded negotiating agenda and other important decisions and activities necessary to address the challenges facing the multilateral trading system": paragraph 11) Doha Ministerial Declaration, 14 November 2001, WT/MIN(01)/DEC/1.

¹⁶² See UNDP, Environmental Mainstreaming Strategy, A strategy for enhanced environmental soundness and sustainability in UNDP policies, programmes, and operational processes, June 2004, at 8: <<http://www.undp.org/fssd/docs/envmainstrat.doc>>

¹⁶³ TRIPS Art. 22 and Doha paragraph 18: Members agree as part of the Doha mandate, to negotiate to establish a multilateral system of notification and registration of geographical indications for wines and spirits. In accordance with paragraph 12 of the Doha Declaration an extension of the protection of

based on the notion that a temporary restriction is justified in providing an incentive and a return to the inventor or entrepreneur.¹⁶⁴ The question is whether these demands or requirements for extended protection and a mandatory multilateral register can be justified?

Quo vadis? Before moving forward it behoves us to reflect on the past. In order to lend perspective to the current state of play regarding negotiations, this paper will review the history of the international protection of GIs. In so doing, it keeps the light of the Doha mandate firmly to the foreground, so that at the end, we may better discern the outline of the road ahead. The paper argues in favour of an incremental approach in order to allow DCs the flexibility to adjust the protection of GIs according to their level of economic development.¹⁶⁵

Accordingly, Part I reviews the provenance and development of geographical indications from their appearance in medieval commerce as geographical marks to their inclusion in the first comprehensive international agreement for the protection of intellectual property in the TRIPS Agreement. The recent phenomenon of regional protection is considered as exemplified in the most advanced form of the European Regulation for a specialized system of protection of geographical indications across the 25 Member States of the Community. Part II examines some notable problems in the European regulation of geographical indications as exemplified by conflicts concerning the coexistence of trade marks and geographical indications. Section 6 the possible transposition of problems to the international level, in view of the seemingly historic impasse concerning generic names. Turning to the transatlantic differential concerning the protection of GIs, Part III analyzes the WTO decision concerning *EC – Protection of Trademarks and Geographical Indications* as an instance of regulatory arbitrage by the US and the EC, as these two most influential WTO Members bid for global regulatory leverage. Finally in the light of the Doha Declaration, PART IV considers the future direction of the protection of geographical indications with respect to the proposed extension of eligible subject matter and the introduction of a mandatory multilateral register.

PART I

PROVENANCE OF GEOGRAPHICAL INDICATIONS

1.1 The collective goodwill of medieval geographic indications

geographical indications provided for in Article 23 to products other than wines and spirits, is to be addressed in the TRIPS Council forum.

¹⁶⁴ See Maskus, K., Encouraging International Technology Transfer, Intellectual Property Rights and Sustainable Development May 2004, UNCTAD, Issue Paper No. 7 at 31; Drahos P., An Alternative Framework for the Global Regulation of Intellectual Property Rights, forthcoming publication in *Austrian Journal of Development Studies*, Centre For Governance Of Knowledge And Development Working Paper: October 2005, at 14: <<http://cgkd.anu.edu.au/menus/workingpapers.php>>. See generally, J Braithwaite & P Drahos, *Global Business Regulation* (2000).

¹⁶⁵ Bernard M. Hoekman, Keith E. Maskus, Kamal Saggi, *Transfer of Technology To Developing Countries: Unilateral and Multilateral Policy Options*, World Bank Policy Research Working Paper 3332, June 2004, develops a typology of country types and appropriate policy rules as a guide to both national policymakers and rule making in the World Trade Organization (WTO). See summary table at 32

Historically, GIs have been described as having led a 'shadowy or subterranean existence, rarely emerging in solid form.'¹⁶⁶ This reputation is, no doubt, largely due to the varying concepts under which they are protected as well as the considerable diversity of definition. Geographical indications are protected on the national and regional levels under a wide range of different principles, such as protected appellations of origin, registered geographical indications, protection under trademark law, and unfair competition or passing off. Such conceptual variety is reflected in the diversity of applicable terminology that distinguishes between "geographical indications", "indications of source" and "appellations of origin."¹⁶⁷ Geographical indications are more broadly defined than appellations of origin. In other words, all appellations of origin are geographical indications, but some geographical indications are not appellations of origin. Indication of source is the broadest term. It comprises geographical indication and appellation of origin. Indications of source only require that the production which the indication of source is used originate in a certain geographical area.¹⁶⁸

As with the trademark, the main function of the geographical indication is to distinguish goods originating from a certain source. As distinct from trademarks, geographical indications distinguish the goods for which they are used through a reference to the place where they were made, and not through a reference to their manufacturing source. The reference to the place of manufacturing or production is inherent to geographical indications. Unlike trademarks, geographical indications are not chosen arbitrarily and the reference to the geographical origin cannot be substituted. Part II, Section 3 of the TRIPS Agreement is dedicated solely to the protection of geographical indications.

It is a matter of historical irony that in the global harmonization of intellectual property rights, geographical indications should constitute a separate category as distinct from trademarks, the very category of intellectual property to which they trace their provenance. Trade mark historians have attributed those very characteristics that characterize the modern trade mark, goodwill and recognition of an individual interest in the quality of the goods, to the geographical or collective mark of the Middle Ages.¹⁶⁹ The notion of a collective goodwill enjoyed by a given locality or

¹⁶⁶ N. Dawson, 'Locating Geographical Indications - Perspectives from English Law' (2000) 90 Trademark Reporter 590, 590.

¹⁶⁷ Article 1(1) of the Madrid Agreement on Indications of Source defines what is meant by the term 'indication of source': it can be defined as an indication referring to a country or to a place situated therein as being the country or place of origin of a product. Note that this definition does not require that the product in question have a certain quality or characteristics, which are derived from its geographical origin. The term "appellation of origin" is defined in Article 2 of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration, of 1958 ("Lisbon Agreement"). An appellation of origin can be regarded as a special kind of indication of source because the product for which an appellation of origin is used must have a quality and characteristics which are due exclusively or essentially to its geographical environment; e.g. "Bordeaux" for wine or "Jaffa" for oranges.

¹⁶⁸ Indications of source whose use on products does not imply a particular quality, reputation or characteristic of those products appear not to be covered by the definition of geographical indication under the TRIPS Agreement.

¹⁶⁹ F.I. Schechter, *The Historical Foundation of the Law Relating to Trade-Marks*, 1925. See generally Diamond, "The Historical Development of Trademarks" (1983) 73 TMR 222; McCarthy and Devitt, 'Protection of Geographical Denominations: Domestic and International' (1979) 69 TMR 1979; Coerper,

organization and of the protection of a mark or seal as the symbol of that collective goodwill was common in the history of medieval as well as of modern commerce. In the competition to earn revenues from the international trade, which was developing at that time, it became apparent that the products of particular regions were more saleable than comparable products from other regions, because of their superior quality. This superior quality was said to be the result of either natural geographic advantages, as in the case of wine from Burgundy; or food processing techniques local to a region such as ham from Parma, or indigenous manufacturing skills as in the case of lace from Bruges. To take advantage of the commercial attractiveness of these local reputations, goods were branded with marks which designated the place of origin of these products. These brands were tantamount to a warranty of the quality of these goods and goods to which they were affixed were sold merely upon the strength of these marks without the formality of opening or carefully scrutinising the bales or bolts to which they were affixed. The mark of the town of Osnabrück, the center of the Westphalian linen industry, was held in so great respect and esteem abroad that, in England, in the middle of the fifteenth century, linen bearing this mark commanded a price twenty per cent higher than other Westphalian linens.¹⁷⁰ The law followed commercial practice, seeking to protect the commercial reputation of traders in such geographical localities. In Yugoslavia, for example, a Charter of Steven I governed the sale of wine as early as 1222, permitting only products emanating from the region to carry the geographic indication.

The conceptual variety that characterizes the protection of geographical indications and the commensurate difficulties presently encountered in their international harmonization give tacit support to the continuing role played by legal history and cultural tradition. In the rise of individual enterprise and trade mark protection in the New World, in its immigrants' use of European geographical descriptions, and equally, in the persistence of the notion of collective goodwill among producers of towns and cities of Europe, we can see the roots of the most intractable issues that have characterized the development of international protection.

During the Industrial Revolution, the mass production of standardized goods on a large scale led to the desire of traders to identify their particular enterprise rather than the geographical place, as the place of origin of goods. New individualized forms of commercial and political organization saw the emergence of the modern trade mark as any distinct word, phrase or symbol capable of distinguishing the goods of one undertaking from those of another. In contrast to the early marks which collectively conferred public rights on producers in defined localities, registered trade mark systems were enacted to permit individual traders to enforce their marks as a private property rights. Because traders in particular localities, might legitimately wish to associate their products with that region, trade mark laws tended to remove the possibility of an individual trader, establishing through registration, a private monopoly in a geographical indication. Geographical indications could be incorporated into a composite trade mark, only where exclusivity in relation to that mark was disclaimed, or where the geographical element was not the primary

'The Protection of Geographical Indications in the United States of America, with Particular Reference to Certification Marks' (July/August 1990) *Industrial Property* 232.

¹⁷⁰ Ibid at 40 – 42; 78ff and 122.

signification. Geographical names *per se* became primarily geographically descriptive and hence unregistrable as a trade mark in the absence of secondary meaning.¹⁷¹

Nonetheless, while legislation creating registered trade mark systems became the norm for the majority of countries, such a development did not result in the disappearance of the geographic mark. In continental Europe, substantial processed foods markets and markets for alcoholic beverages remained dependent upon the continued recognition of geographical marks. In these countries national systems for the registration of geographical indications were established.¹⁷²

THE RISE OF INTERNATIONAL PROTECTION FOR TRADE MARKS AND GEOGRAPHICAL INDICATIONS

Industrialization and internationalisation of the economy brought increased intermediation to the supply and distribution chain, giving rise to problems of informational asymmetries between sellers and buyers abroad. Mass production, a rising market of consumers and improved transportation led to the need for the international protection of trade marks and laws against unfair competition. As goods moved across national borders so came the need to promote legitimate trade between nation states by preventing deceptive and misleading trade conduct.¹⁷³ In France, between 1870 and 1914, the commercial world was concerned about the increase in “fraud” and “counterfeiting” within the beverage and food industries, including artificially coloured wines, margarine passed off as butter, and watered down milk.¹⁷⁴

Like trademarks, geographical indications are subject to the principle of territoriality in so far as they are protected for a given territory only and are subject to the laws and regulations applicable in that territory.¹⁷⁵ As a result, a particular geographical indication such as *Feta* for cheese, may be protected in one country, whereas in another country, the same geographical indication may be considered as a generic expression for the kind of products for which it is used. The territorial scope of a geographical indication can be extended through international agreements. In the latter 19th century therefore, the nations of Europe and America and their exporters

¹⁷¹ Graeme Dinwoodie, Mark D. Janis, Trademarks and Unfair Competition: Law and Policy, 2004.

¹⁷² See for example French Legislation on Appellations of Origin, Article L.721-1; JO n° 200 of August 30, 2000 : Decree n° 2000-826 of August 28, 2000 concerning examination proceedings for registration of protected appellations of origins and protected geographical indications.

¹⁷³ The continuing need to regulate trade marks and trade practices on an international scale is reflected in the revisions of the Paris Convention (1883) at Brussels (1900), Washington (1911), The Hague (1925), London (1934), Lisbon (1958) and Stockholm (1967).

¹⁷⁴ Legislation protecting wine, butter, and milk was enacted between 1887 and 1902; finally a general law on food adulteration was adopted in 1905: Alessandro Stanziani,

”Qualifying products in a market economy: foodstuffs and beverages adulteration in 19th century France” IDHE-Cachan (CNRS, Paris.)

¹⁷⁵ World Intellectual Property Organization, Standing Committee On The Law Of Trademarks, Industrial designs and Geographical Indications, Possible Solutions For Conflicts Between Trademarks And Geographical Indications And For Conflicts Between Homonymous Geographical Indications: nonetheless, arguing that the unauthorized use of a famous geographical indication takes unfair advantage of, or is detrimental to the reputation of that geographical indication and, therefore, constitutes an act of unfair competition (see, for example, Article 3(1) of the *WIPO Model Provisions on Protection Against Unfair Competition*): SCT/5/3, at page 8.

moved to protect the quality and reputation of agricultural products by obtaining the extraterritorial application of laws against unfair competition and the infringement of trade marks and geographical indications.¹⁷⁶

2.1 Paris Convention for the Protection of Industrial Property

The Paris Convention for the Protection of Industrial Property of March 20, 1883,¹⁷⁷ provides for the protection of trade marks, geographical indications and other indications of source against misleading use.¹⁷⁸ In this respect, Article 10 of the Paris Convention states that, in cases of "direct or indirect use of a false indication of the source of the goods or the identity of the producer, manufacturer or merchant,"¹⁷⁹ Article 9 of the Paris Convention is to be applied. Article 9 provides that goods bearing a false indication of source are subject to seizure upon importation into countries party to the Paris Convention, or within the country where the unlawful affixation of the indication of source occurred or within the country of importation.¹⁸⁰

Article 10*bis* of the Paris Convention provides the basic international standard for protection against acts of unfair competition. Although the use of false indications of source is not mentioned in the non-exhaustive list of acts which are prohibited under Article 10*bis*(3), such use may be considered an act of competition contrary to honest practices in industrial or commercial matters liable to mislead the public.¹⁸¹

2.2 The Madrid Agreement on Indications of Source

¹⁷⁶ The proscription of false indications of the source of goods was included within the Paris Convention of 1883. The significance of the subject can be seen from the fact that the first special agreement under the Paris Convention, the Madrid Agreement for the Repression of False or Deceptive Indications of Source of Goods 1891 ("the Madrid Agreement") dealt with this subject; its continuing importance is reflected in the revisions of the Madrid Agreement at Washington (1911), The Hague (1924), London (1934), Lisbon (1958) and Stockholm (1967).

¹⁷⁷ As revised at Brussels on December 14, 1900, at Washington on June 2, 1911, at The Hague on November 6, 1925, at London on June 2, 1934, at Lisbon on October 31, 1958, and at Stockholm on July 14, 1967, and as amended on September 28, 1979).

¹⁷⁸ Note the breadth of the definition of industrial property in Article 1(3) of the Paris Convention for the Protection of Industrial Property, 1883 that stated: 'Industrial property shall be included within the broadest sense and shall apply not only to industry and commerce proper, but likewise to agricultural and extractive industries and to all manufactured or natural products, for example, wines, grain, tobacco leaf, fruit, cattle, minerals, mineral waters, beer, flowers and flour.'

¹⁷⁹ Art. 10(2) states: 'Any producer, manufacturer, or merchant whether a natural person or legal entity, engaged in the production or manufacture of or trade in such goods and established either in the locality falsely indicated as the source, or in the region where such locality is situated, or in the country falsely indicated, or in the country where the false indication of source is used, shall in any case be deemed an interested party'.

¹⁸⁰ This seizure shall take place at the request of the public prosecutor, or any other competent authority, or any interested party. However, Article 9(5) and (6) of the

Paris Convention allows that countries party to the Paris Convention whose national laws do not permit seizure on importation or inside the country to replace those remedies by either a prohibition of importation or by any other nationally available remedy. Note also the cases in which the use of an indication of source which is literally true may still be misleading or deceptive; as in the case where a given geographical name exists in two different countries, but was used as an indication of source only for products originating from that place in one country. Use of that indication of source by producers from the other country cannot be regarded as use of a "false" geographical indication, although consumers may be deceived by such use.

¹⁸¹ See Article 4(2) of the *WIPO Model Provisions on Protection Against Unfair Competition*.

Desirous of procuring market exclusivity for its wines and foodstuffs, France in particular has fought to obtain enhanced international protection of GIs. The Paris Convention afforded the prestigious champagne houses of France only "limited protection" to indications of source, failing to define the conditions of protection, and prohibiting only "cases of serious fraud".¹⁸² There are cases in which the use of an indication of source which is literally true may still be misleading or deceptive. This may be the case where a given geographical name exists in two different countries, but was used as an indication of source only for products originating from that place in one country. Use of that indication of source by producers from the other country cannot be regarded as use of a "false" geographical indication, although consumers may be deceived by such use. The Madrid Agreement on Indications of Source provides for a remedy in such situations, Article 1 of the Madrid Agreement contained a prohibition on the use of misleading geographical indications, requiring that all goods 'bearing a false or misleading indication' to signatory country, or to a place in that country 'shall be seized on importation.' The Agreement prohibited even the non-misleading use of an indicator, such as "Champagne-style cheese."

Nevertheless, the established vintners of Europe did not garner widespread international support for the enhanced protection of indications of source. While one hundred and seventeen countries agreed to the original Paris Convention, subsequent attempts to establish a higher level of protection of GIs in the 1891 Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods ("Madrid Agreement")¹⁸³ failed to achieve the support of significant trading nations such as the USA, Germany and Italy.

2.3 The Lisbon Agreement

A further attempt to provide geographic indicators with an even higher standard of harmonized protection is contained in the Lisbon Agreement for the Protection of Appellations of Origin and Their International Registration of 1958. The Lisbon Agreement provides indications of source with even stronger protection, although it is only applicable to a special kind of indications of source, namely to appellations of origin which are already protected on the national level of a State party to that Agreement.¹⁸⁴ Like the present EC proposal for the amendment of the TRIPS Agreement, it envisages a system whereby Member states register geographic indications, which receive protection under the national laws of their country of

¹⁸² In its original form, the Paris Convention only barred the use of geographic indicators or appellations of origin in cases of "serious fraud": Murphy, Bodenhausen. However, it may be argued that Article 10*bis* of the Paris Convention also covers non misleading use of geographical indications to the extent that such use is considered to constitute an act of unfair competition.

¹⁸³ See Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, Apr. 14, 1891, as amended July 14, 1967, 21 U.S.T 1583, 828 U.N.T.S. 389 [hereinafter Madrid Agreement] (proscribing the false or deceptive use of indicators which suggest that a good originated in the territory of a Member state, and granting national courts the discretion to determine whether an indicator has degenerated into genericism, except in the case of wines), available at: <[http://www.wipo.org/Madrid Agreement.pdf](http://www.wipo.org/Madrid%20Agreement.pdf)>

¹⁸⁴ The "Lisbon Agreement" provides the most exclusive definition of geographic indications.¹⁸⁴ which includes "appellations of origin": Art.2(1) defines appellations of origin as "the geographical name of a country, region or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors."

origin, with a central office at the World Intellectual Property Organization in Geneva. After its registration, the appellation of origin is published and notified to all other States party to the Lisbon Agreement. Following receipt of that notification, those States may declare during a period of one year that they cannot protect the appellation of origin which was the subject of the notification.

The scope of protection for internationally registered appellations of origin is broader than the protection for indications of source under the Paris Convention and the Madrid Agreement on Indications of Source. Once an appellation of origin is internationally registered and the one-year objection period under Article 5(3) has expired, the appellation cannot, or no longer, be used by third parties. In addition, Article 5(6) provides that, where in a State which is a party to the Lisbon Agreement, the internationally registered appellation of origin is already used by third parties, and a declaration according to Article 5(3) has not been made, that State may grant such third parties a period not exceeding two years to terminate such use. This means that Members must prohibit the use of registered geographic indicators, even if the labelling discloses the product's true place of origin or clearly denotes that the indicator is false (for example, by the use of language such as "imitation" or "style").

Thus not only misleading use of a protected appellation of origin is prohibited, but "any usurpation or imitation [of the protected appellation of origin], even if the true origin of the product is indicated or if the appellation is used in translated form or accompanied by terms such as 'kind,' 'type,' 'make,' 'imitation' or the like." Needless to say, given its highly protectionist nature, the Lisbon Agreement failed to win broad international support. As of 1996, only seventeen countries were party to the Lisbon Agreement, and again, the United States was not among them.

UNIVERSAL MINIMUM STANDARDS OF PROTECTION UNDER TRIPS

At the time of the Paris and Madrid conferences, the primary concern of those seeking to protect geographical indications was the protection of the European wine and spirit industries. This concern has remained constant right up to the promulgation of the first comprehensive international agreement for the protection of intellectual property: the TRIPS Agreement of 1994. Desirous of procuring market exclusivity for its wines and foodstuffs, the EU has long fought to obtain the international protection of GIs. As early as 1987, the EC submitted its views regarding the inadequacy of existing international protection of appellations of origin and the deleterious effect on the marketing of Community products, the wine and spirits sector is one which is 'particularly vulnerable to imitation, counterfeit and usurpation'. The draft text of EC submitted to the Uruguay Round would have protected all foodstuffs, including wine, to the same high level, prohibiting use of such geographical indications in question even when accompanied by words such as "type" or "style" and in the absence of "misleading use".¹⁸⁵ The competing positions were those of the EU and Switzerland which proposed a broad 'Lisbon-style' protection that would protect geographic indications for all foodstuffs; and the United States, which favoured the protection of

¹⁸⁵ Stewart TP (ed), *The GATT Uruguay Round, A Negotiating History (1986-1992)* vols 1 - III (Deventer: Kluwer, 1993).

geographic indications through a certification mark system.¹⁸⁶ In the result the draft final act of December 1991 shows a compromise. While the EC succeeded in having GIs recognized as a distinct category of IPR within Section 3 of the TRIPS Agreement and in securing additional protection for wines and spirits, Member States generally have the freedom to determine the legal means of protection for all other foodstuffs.¹⁸⁷ As the law currently stands, TRIPS mandates a two-tiered model of regulation, giving enhanced protection to wines and spirits but for other agricultural products and foods leaving the legal means of protection to national governments.

¹⁸⁶ The Swiss draft text defined a geographical indication as: any direct or indirect reference to the geographical origin of a product, including characteristics or qualities which are related to that origin; and an appellation of origin as, “a qualified geographical indication denominating a country, region or locality indicating that a product is originating there from.” Stewart, *loc. cit.*

¹⁸⁷ TRIPS, Article 22(2).

3.1 Enhanced protection for geographical indications for wines and spirits

Enhanced, additional protection is provided geographical indications for wines and spirits by virtue of Art.23. This enhanced protection has two components:

- (a) protection for geographical indication for wines in the case of homonymous indications and;
- (b) the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system.

Significantly, for the rural development of commodity-dependent countries such India and Kenya, these provisions give geographical indications for wines and spirits stronger protection than that provided in Article 22 for all other products.

3.2 Registration Requirements

In order to accommodate the differing means of protection among Member States, TRIPS Agreement stops short of setting out the requirements for the registration of geographical indications. It addresses the issue negatively by permitting, in Art.23.2, Members to legislate to provide ‘an interested person’ to request the refusal or invalidation of the registration of a trademark which contains a geographical indication identifying wines or spirits, which contains or consists of a geographical indication which do not have the indicated origin. Such ‘interested persons’ will usually include relevant producers from the geographical location, representative associations from those areas, or even associations of consumers. Typically an application for registration of a geographical indication will specify the applicant, the appellation, the relevant geographical area, the products for which the appellation is used and the ‘essential characteristic qualities of the product for which the appellation is used’.¹⁸⁸

3.3 Prohibited use

With respect to unauthorized use, Article 23.1 allows each Member the flexibility to ‘provide the legal means to interested parties to prevent the use of a geographical indication’ identifying wines or spirits which do not originate in the place indicated by the geographical indication in question. Registration of trademarks falling under that provision has to be refused or cancelled, either *ex officio* if the applicable law so allows, or at the request of an interested party.

In addition, this prohibition, borrowing from Art.3 of the Lisbon Agreement, includes indications which refer to the true origin of such goods, or where the geographical indication is used in translation, or where the geographical indication ‘is accompanied by expressions such as ‘kind’, ‘type’, ‘style’, ‘imitation’ or the like. The scope of exclusivity granted GIs for wines and spirits approximates dilution-style protection for trade marks. For example, it is *prima facie* an infringement of a GI to use it for any

¹⁸⁸ WIPO, *Model Law for Developing Countries on Appellations of Origin and Indications of Source* (1975), s.7.

similar product, or other product or service, if the use is likely to result in an appropriation of the reputation of the geographical indication, or in the weakening of its reputation.¹⁸⁹

3.4 Homonymous Geographical Indications for Wine

Conflict may arise where products on which homonymous geographical indications¹⁹⁰ are used are sold into the same market. The problem is accentuated where the homonymous geographical indications in question are used on identical products. In the case of homonymous geographical indications for wine, Art.23.3 permits each Member to ‘determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled’. Honest use of such geographical indications should be possible, because the indications designate the true geographical origin of the products on which they are used. However, concurrent use of homonymous geographical indications in the same territory may be problematic where the products on which a geographical indication is used have specific qualities and characteristics which are absent from the products on which the homonym of that geographical indication is used. In this case, the use of the homonymous geographical indication would be misleading, since expectations concerning the quality of the products on which the homonymous geographical indication is used are not met.¹⁹¹

3.5 General protection for other foodstuffs and traditional handicrafts

In so far as GIs generally are concerned the flexibility of Article 22 permits Members to provide ‘interested parties’ with comprehensive protection by the ‘legal means’ of their choice. Article 22 facilitates a high standard of protection by the unprecedented breadth of the definition it accords GIs, allowing Members to accord protection ‘where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.’ This definition expands the Lisbon Agreement concept of appellation of origin to protect goods which merely derive a reputation from their place of origin without possessing a given quality or other characteristics which is due to that place. In addition, while a geographical indication to be eligible for protection has to identify goods as originating in a particular territory, it does not necessarily have to be a geographical name. Thus, “Basmati” for example, is taken

¹⁸⁹ E.g. applying Belgian law on geographical indications and fair trade practices, in 2003, the Nivelles Commercial Court ordered SA de Landtsheer Emmanuel to cease using the word ‘champagne’ in relation to its new product, as well as the slogan ‘the beer world’s answer to Veuve Cliquot’ (RG A/02/01496).

¹⁹⁰ Homonymous indications are those which are spelled and pronounced alike but which are different in meaning and which are used to designate the geographical origin of products stemming from different countries. For example, “Rioja” is the name of a region in Spain and in Argentina and the expression applies for wines produced in both countries.

¹⁹¹ The WIPO Standing Committee on the Law Of Trademarks, Industrial Designs And Geographical Indications recommended that, it may be considered to extend this principle to geographical indications regardless of the kind of products for which they are used WIPO Standing Committee On The Law Of Trademarks, Industrial Designs and Geographical Indications, ‘Possible Solutions For Conflicts Between Trademarks and Geographical Indications and For Conflicts Between Homonymous Geographical Indications’ WIPO Doc. SCT/5/3, 8 June 2000.

to be an indication for rice coming from the Indian sub-continent, although it is not a place name as such.

Codifying existing international protection against unfair trade practices, Article 22.2 prohibits any use which ‘constitutes an act of unfair competition under Article 10*bis* of the Paris Convention.’ Nonetheless, TRIPS extends the ambit of Art. 10*bis* to a geographical indication ‘which, although literally true as to a territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another territory’.

Article 22.2 is supplemented by Article 22.3 and 22.4. Article 22.3 deals specifically with the registration of trademarks, containing or consisting of a geographical indication, for goods not originating in the territory indicated, if the use of those trademarks for such goods would be misleading as to the true place of origin of the goods.¹⁹² The remedy that must be available in that situation is refusal or invalidation of the trademark registration, either *ex officio*, if the applicable law so allows, or at the request of an interested party. Thus, an application for a trade mark containing the name Parma Ham were submitted to the Canadian trade marks office, or indeed any other national trade mark office, with the exception of Italy, it must be refused.

Article 22.4 stipulates that the protection under Article 22.1 to 3 must also be made available in respect of the use of deceptive geographical indications, i.e., geographical indications that are literally true, although they falsely represent to the public that the goods on which they are used originate in a different territory.

3.6 General Exceptions

Article 24 contains a number of exceptions to the obligations under Articles 22 and 23. Generally speaking, there are three categories of exceptions, namely continued and similar use of geographical indications for wines and spirits, prior good faith trademark rights, and generic designations.¹⁹³

- (a) The first exception in Article 24.4 gives the right to WTO Members to allow continued and similar use of a particular geographical indication of another Member identifying wines or spirits, in connection with goods or services by any of its nationals or domiciliaries who have used that geographical indication in a continuous manner with regard to the same or related goods or services in the territory of that Member either for at least 10 years preceding April 15, 1994, or in good faith preceding that date.
- (b) The second exception Article 24.5 relates to rights in trademarks. In essence, it ‘grandfathers’ trade marks containing a GI that were in use prior to the application of TRIPS. It stipulates that the implementation of the Section on geographical indications by a WTO Member is without prejudice to the registration of trademarks identical with or similar to geographical indications,

¹⁹² Id at page 11.

¹⁹³ Note also: ‘Fair use’ of personal names in Art.24.8 preserves ‘the right of a person to use, in the course of trade, that person’s name or the name of that person’s predecessor in business, except where such name is used in such a manner as to mislead the public.’

to the application for registration of such trademarks, or the right to use such trademarks. Such trade mark owners were not provided with an indefinite dispensation however, since, Article 24.7 allows no more than a five year 'window of opportunity' to register or enforce their rights. The following conditions must be fulfilled:

- i. An application for the registration of such a trademark must have been filed, or the trademark must have been registered, or,
- ii. where the right to the trademark was acquired by use, that trademark must have been used, in good faith, in the WTO Member concerned, before the TRIPS Agreement became applicable in that Member,
- iii. or before the geographical indication in question is protected in its country of origin.

(c) The third exception in Article 24.6 is related to geographical indications of a WTO Member which are considered by another WTO Member to be a term customary in common language as the common name for goods or services or, where the geographical indication is used for products of the vine, it is identical with the customary name of a grape variety existing in the territory of that Member as of the date of entry into force of the TRIPS Agreement.

In all, while European negotiators once again failed to attain the high level of protection they desired, the very inclusion of these GIs in the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement) as a distinct category of intellectual property marked a milestone in the international protection of GIs.

THE REGULATORY STRUCTURE OF GEOGRAPHICAL INDICATIONS AS A MATTER FOR WTO DISPUTE SETTLEMENT

6.1 EC: Protection of Trademarks and Geographical Indications

In view of the global markets at stake in the agricultural and food processing sectors, the US and Australia became so concerned at the systematic discrimination its trade mark owners faced in enforcing their rights against European registered GIs that it invoked the WTO dispute settlement procedure.¹⁹⁴ On the 18 August 2003, the US and Australia requested the establishment of a WTO dispute settlement panel to review the consistency of the EU Regulation 2081/92 with the rules of the TRIPS and GATT Agreements.¹⁹⁵

¹⁹⁴ The statement of the United States (US) to the WTO in a WTO trade policy review of the European Union expressed the concern that "foreign persons wishing to obtain protection for their GIs in the EU itself face a non-transparent process that appears to come into some conflict with the EU's TRIPS obligations" and that "EU rulemaking processes are often perceived by third countries as exclusionary, allowing no meaningful opportunity for non-EU parties to influence the outcome of regulatory decisions" WTO Trade Policy Review of the European Union, Statement by the United States to the WTO, 24 July 2002, <<http://www.state.gov/e/eb/rls/rm/2002/12242.htm>>

¹⁹⁵ See documents WT/DS174/20 and WT/DS290/18.

The US and Australia argued that the EU scheme for the protection of geographical indications fails to comply with TRIPS in three chief respects:

First, they claimed the EC Regulation was discriminatory and in violation of the national treatment obligations and the most-favoured-nation obligations in Articles 3 and 4 of the TRIPS Agreement and Articles I and III of the General Agreement on Tariffs and Trade 1994. The TRIPS Agreement requires that Members accord most-favoured-nation treatment to the GIs of fellow Member States and national treatment to the geographical indications of their citizens. The US and Australia argued that Regulation 2081/92 does not provide the same treatment to other nationals and products originating outside the EC that it provides to the EC's own nationals and products, does not accord immediately and unconditionally to the nationals and products of each WTO Member any advantage, favour, privilege or immunity granted to the nationals and products of other WTO Members, diminishes the legal protection for trademarks, does not provide legal means for interested parties to prevent the misleading use of a geographical indication, does not define a geographical indication in a manner that is consistent with the definition provided in the TRIPS Agreement, is not sufficiently transparent, and does not provide adequate enforcement procedures.

As a result of the alleged violation, when US holders of geographic indications such as FLORIDA ORANGES and IDAHO POTATOES sought registration under the EC Regulation, they were subject to a requirement of reciprocity and equivalence. Although expressed to be 'without prejudice to international agreements' Article 12 states that the Regulation 'may apply to an agricultural product or foodstuff from a third country provided that:

- (a) the third country is able to give guarantees identical or equivalent to those referred to in Article 4,
- (b) the third country concerned has inspection arrangements and a right to objection equivalent to those laid down in this Regulation,
- (c) the third country concerned is prepared to provide protection equivalent to that available in the Community to corresponding agricultural products for foodstuffs coming from the Community.

Secondly, they claimed that the grant of exclusive rights in the use of the mark provided by virtue of TRIPS Article 16.1 require Member States to make available to earlier trademark owners rights against GIs. The United States argued that the Regulation was inconsistent with the exclusivity of the trade mark owners' rights under Article 16.1 of the TRIPS Agreement because it does not ensure that a trademark owner may prevent uses of GIs which would result in a likelihood of confusion with a valid prior trademark.¹⁹⁶

Thirdly, they argued that Regulation 2081/92 was inconsistent with the EC's obligations under Article 24.5 of the TRIPS Agreement, since the Regulation failed to provide sufficient protection to pre-existing trademarks that were similar or identical to a geographical indication.

¹⁹⁶ See variously, United States' first written submission, paras. 137-140, 170; United States' first oral statement, paras. 42-43.

In short, food exporters in the United States were concerned that geographical indications should not be given precedence over trade mark rights. The issue was one of priority between a coexisting GI and a trademark and whether the principle of first-in-time, first-in-right should be enforced as it is in the trade mark law of the United States. In contrast, in the European Union, trade marks are required to coexist with geographical indications. As we noted in the *Gerolsteiner* case, under European law a trademark owner's rights cannot prevail over a third party using a duly registered GI in accordance with honest business practices.¹⁹⁷ As a result private trade mark suits brought by US litigants against European owned GIs might well result in the US trade mark owner having to forfeit valuable rights to priority and exclusivity. Thus, trade mark wars over the competitive European market for beer, had seen US trademarks “BUDWEISER” and “BUD,” subject to termination in various Member States of the European Communities because the European law holds “BUDWEISER” and “BUD” to be geographical indications for beer from the Czech Republic.¹⁹⁸ The cancellation of the Budweiser and Bud trademarks for beer in Europe caused unease among U.S. trade mark owners. The obstacles to registering US certification marks as GIs in Europe gave rise to further uncertainty about the security of protection and conditions of competition.

The Panel Report in the dispute concerning *European Communities: Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs*, was adopted at a meeting of the Dispute Settlement Body on 20 April 2005.¹⁹⁹ Concerning the discriminatory conditions regarding the registration of foreign GIs and requirement for reciprocity of protection, the Panel gave a resounding decision in favour of the US and Australia. Pursuant to Article 19.1 of the DSU, the Panel recommended that:

- (a) The European Communities bring the Regulation into conformity with the TRIPS Agreement and GATT 1994.
- (b) The European Communities could implement the above recommendation with respect to the equivalence and reciprocity conditions, by amending the Regulation so as for those conditions not to apply to the procedures for registration of GIs located in other WTO Members.

However, as far as the future protection of GIs as a discrete form of intellectual property is concerned, a substantive victory went to the EC. In an affirmation of the geographical indication as intellectual property, the Panel endorsed the European principle of their coexistence with all but the most famous of prior trademarks. The Panel concluded that while the Regulation is inconsistent with Article 16.1 of the TRIPS Agreement, this derogation is justified by Article 17 of the TRIPS Agreement.

¹⁹⁷ *Gerolsteiner Brunnen GmbH & Co. v Putsch GmbH* (Case C-100/02).

¹⁹⁸ The battle over the right to the name ‘Budweiser’ has pitted the world’s largest brewer, Anheuser-Busch of the United States, against the ‘boutique’ Czech brewer Budejovický Budvar. The latter, based in the Czech town of Ceske Budejovice (also known as Budweis), claims it has been brewing a beer under the name since the 13th century, although the American beer has gained broader international reputation in recent years. See WTO, 1999: Preparations for the 1999 ministerial conference – Agreement on TRIPS: Extension of the additional protection for geographical indications to other products. Communication from the Czech Republic. WT/GC/W/206.

¹⁹⁹ WT/DS290/R.

6.2 The interrelationship of geographical indications and trademarks

The WTO ruling on the interrelationship of GIs and trade marks has important implications for current debate in the TRIPS Council concerning the possible extension of protection to all agricultural products and foodstuffs. One of the key concerns of those who oppose an extension of the GI protection is the potential conflict between geographical indications and identical or similar trademarks.

The US claimed that the grant of exclusive rights in the use of the mark provided by virtue of TRIPS Article 16.1 require Member States to make available to earlier trademark owners rights against GIs. The United States argued that the Regulation was inconsistent with the exclusivity of the trade mark owners' rights under Article 16.1 of the TRIPS Agreement because it does not ensure that a trademark owner may prevent uses of GIs which would result in a likelihood of confusion with a valid prior trademark.²⁰⁰ The US further claimed that Regulation 2081/92 was inconsistent with the EC's obligations under Article 24.5 of the TRIPS Agreement, since the Regulation failed to provide sufficient protection to pre-existing trademarks that were similar or identical to a geographical indication.

In the event there is a conflict between a trademark and a GI, the TRIPs Article 24 appears to offer certain protections for trademark owners who use or register marks in good faith. A trademark that has been used or registered in good faith in one jurisdiction cannot be preempted by a later established GI that conflicts with the trademark. As for whether this meant that the later in time geographical indication could not even be used in the event it conflicted with an earlier-established, good faith trademark, this was by no means certain. Examination of matter required the Panel examine the relationship between protection of GIs and prior trademarks under the TRIPS Agreement.

6.3 Coexistence under Article 14(2) of the EC Regulation

In response, the European Communities successfully argued before the WTO that the boundary between GIs and trademarks as independent but equal forms of intellectual property is defined by Article 24.5, which provides for coexistence with earlier trademarks.

Under Community law the system for the registration of GIs established by Regulation 2081/92 is required to coexist alongside the Community Trade Mark system.²⁰¹ The term "coexistence" refers to a legal regime under which a GI and a

²⁰⁰ United States' first written submission, paras. 137-140 and 170; United States' first oral statement, paras. 42-43.

²⁰¹ In point, Art. 159 of the CTM as amended provides as follows: "This Regulation shall not affect Council Regulation (EEC) No. 2081/92 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs of 14 July 1992, and in particular thereof." The Community Mark Trade Regulation (CTM) and the Harmonization Directive contain stipulations ensuring that the GI prevails over a registered trade mark. Article 142 of the original Council Regulation (EC) No. 40/94 was renumbered Article 159 by Article 156(5) of Council Regulation (EC) No. 1992/2003.

trademark can both be used concurrently to some extent even though the use of one or both of them would otherwise infringe the rights conferred by the other. Article 14.2 of the EC Regulation is intended to implement Article 24.5 of the TRIPS Agreement.²⁰² It provides as follows:

With due regard for Community law, use of a trade mark corresponding to one of the situations referred to in Article 13 which was registered in good faith before the date on which application for registration of a designation of origin or geographical indication was lodged may continue notwithstanding the registration of a designation of origin or geographical indication, where there are no grounds for invalidity or revocation of the trade mark....

Article 14(2) begins with the introductory phrase "[w]ith due regard to Community law". This is a reference to the Community Trademark Regulation and the First Trademark Directive²⁰³, both of which provide that trademark registration confers the right to prevent "all third parties" from certain uses of "any sign", including uses where there exists a likelihood of confusion.²⁰⁴ *Prima facie*, the trademark owner's exclusive rights under TRIPS Article 16.1 cannot be exercised against a person who uses a registered GI in accordance with its registration where the trademark is subject to Article 14(2) of the Regulation.

With the exception of well-known marks, Article 14 privileges the GI to the extent that the rights conferred by a trademark registration against "all third parties" and uses of "any sign" do not prevail over a third party using a GI in accordance with its European registration.²⁰⁵ It will be recalled, for example, that in *Gerolsteiner Brunnen GmbH & Co v Putsch GmbH*,²⁰⁶ the European Court of Justice (ECJ) in accordance with the principle of coexistence of the trade mark and GI systems, ruled that trademark owners cannot stop others from using similar sounding geographical indications where they are used honestly in industrial or commercial matters.²⁰⁷

6.4 Earlier trade mark owners' rights of priority

In respect of the earlier trade marks owners' rights of priority, the European Communities argued that Article 14.3 of the Regulation, together with the criteria for registrability of trademarks applied under EC law, prevent the registration of a GI, use

²⁰² Paragraph 11 of the recitals to the April 2003 amending Regulation explained that the dates referred to in Article 14(2) should be amended in line with Article 24.5 of the TRIPS Agreement. Article 14(2) has been interpreted once by the European Court of Justice, in Case C-87/97, *Consorzio per la tutela del Formaggio Gorgonzola v Käserai Champignon Hofmeister GmbH & Co Kg* [1999] ECR I-1301, concerning the trademark CAMBOZOLA for cheese and the GI "Gorgonzola".

²⁰³ European Communities' response to Panel question No. 138. The "Community Trademark Regulation" refers to Council Regulation (EC) No. 40/94 on the Community trade mark, as amended by Council Regulation (EC) No. 1992/2003 and Council Regulation (EC) No. 422/2004.

²⁰⁴ Article 9 of the Community Trademark Regulation and; Article 5 of the First Trademark Directive.

²⁰⁵ The scope of Article 14(2) is confined in time to those trademarks applied for, registered or established by use either before the GI is protected in its country of origin or before the date of submission to the Commission of an application for GI registration. Art. 14(3) stipulates that a designation of origin or geographical indication shall not be registered where, in the light of a trade mark's reputation and renown and the length of time it has been used, registration is liable to mislead the consumer as to the true identity of the product.

²⁰⁶ (Case C-100/02).

²⁰⁷ Trade Mark Directive, 1989, Article 6(1) defence.

of which would result in a likelihood of confusion with a prior trademark. Article 14.3 provides as follows:

A designation of origin or geographical indication shall not be registered where, in the light of a trade mark's reputation and renown and the length of time it has been used, registration is liable to mislead the consumer as to the true identity of the product.

It can be invoked before the courts after registration of a GI, including trade mark infringement proceedings brought against a user of the GI.²⁰⁸ It amounts to a condition for the registration of a GI, as it provides for the refusal of registration of a GI that is liable to mislead the consumer as to the true identity of the product in light of certain factors relevant to a prior trademark. This, in effect, provides that a prior trademark may prevail over a later application for GI registration under certain conditions. For example, Bayerisches Bier was registered as a protected geographical indication in 2001 subject to the proviso that the use of certain prior trademarks, for example, BAVARIA and HØKER BAJER, was permitted to continue under Article 14(2). The GI refers to a beer and the trademarks are registered in respect of beer. The GI and the trademarks are, respectively, the words "Bavaria" or "Bavarian Beer" rendered in the German, English and Danish languages. Upon its registration, the EC Council concluded that the GI would not mislead the public as to the identity of the product, which is the standard embodied in Article 14(3) of the Regulation.

In respect of the operation of Article 14.3, the Panel found that the United States had a *prima facie* case that Article 14.3 limits exclusive rights of trade mark owner in so far as it cannot prevent all situations from occurring in which Article 14(2) would operate to limit the rights provided in TRIPS Art. 16. The EC Regulation therefore was found to limit the availability of that right for the owners of trademarks which are subject to Article 14(2). The Panel therefore concluded that, under Article 16.1 of the TRIPS Agreement, Members are required to make available to trademark owners a right against certain uses, including uses as a GI. Although Article 16 does not specifically exclude use of signs protected as GIs, the Panel found no implied limitation vis-à-vis GIs in the text of Article 16.1 on the exclusive right which Members must make available to the owner of a registered trademark. That right may be exercised against a third party not having the owner's consent on the same terms, whether or not the third party uses the sign in accordance with GI protection, subject to any applicable exception.

6.5 GIs as an exception to trade mark rights

The EC successfully argued that the general exception as to trade mark rights in TRIPS Article 17 constitutes a valid and affirmative defence against derogation of the

²⁰⁸ A trademark owner may raise the invalidity of the measure before the courts under the preliminary ruling procedure in Article 234 of the EC Treaty. Depending on the factual circumstances of each case, a trademark owner may also have standing to bring an action in annulment under Article 230 of the EC Treaty, if a GI registration were considered to affect adversely specific substantive trademark rights. Under both procedures, judicial review is available on points of fact and law. The cancellation procedure is set out in Article 11a of the Regulation and the grounds mentioned in Articles 11 and 11a are exhaustive. Further see European Communities' responses to Australia's question Nos. 2 and 3 after the second substantive meeting and; European Communities' responses to Panel question Nos. 67 and 142; rebuttal submission, paras. 294-297; second oral statement, paras. 174-179.

trade mark owner's exclusive rights in the EC Regulation.²⁰⁹ Article 17 permits Members to provide limited exceptions to the rights conferred by a trademark, which include the right provided for in Article 16.1 of the TRIPS Agreement. The Panel found that Art. 14.2 of the EC Regulation constituted a limited exception within the purview of TRIPS Article 17. The Panel held Article 14(2) of the Regulation to be a "limited exception" because it only allows use by those producers who are established in the geographical area on products that comply with the specification. The trademark owner retains the exclusive right to prevent use by any other persons. Coexistence falls within the example of "fair use of descriptive terms" because GIs are descriptive terms, even where they consist of a non-geographical name, and their use to indicate the true origin of goods and the characteristic associated with that origin is "fair".²¹⁰

With respect to the construction of the term 'limited exceptions' the Panel had regard to previous TRIPS jurisprudence concerning the exceptions provided for copyright and patents, but was of the view that as the text differs in certain respects, it was important to interpret Article 17 according to its own terms. The Panel proceeded in its decision-making on the literal basis of the text of Art. 17 in so far as it requires (a) a 'limited exception' permitting only a small diminution of rights and;²¹¹ (b) one that is subject to the proviso that "such exceptions take account of the legitimate interests of the owner of the trademark and of third parties".

Notwithstanding the decision's compromising the classic principles of priority and exclusivity of marks, foreign trade mark holders derive some relief from the finding that registration as a European GI does not confer a positive right to use any such other signs or combination of signs or to use the name in any linguistic versions not entered in the register.²¹² As a result of the Panel's interpretation of Article 24, not only may the trademark continue to be used, but that the trademark owner's right to

²⁰⁹ Generally, on the interpretation of TRIPS exceptions see Panel reports on *US – Section 110(5) Copyright Act*, para. 6.239; and *Canada – Pharmaceutical Patents*, para. 7.16. The Panel in the latter case observed that a respondent cannot demonstrate that no legitimate interest of a patent owner has been prejudiced until it knows what claims of legitimate interests can be made by the complainant. Similarly, the weight of legitimate third party interests cannot be fully appraised until the legitimacy of the patent owner's legitimate interests, if any, are defined: see para. 7.60 of the Report.

²¹⁰ European Communities' first written submission, paras. 315-318; rebuttal submission, paras. 333-338, 348-350; responses to Panel question No. 75(b). Enhanced Protection by Filing – chief justifications for GI protection distinct from trade mark. Under traditional trade mark law, geographical marks such as PARMA HAM are routinely denied registration on the grounds of non-distinctiveness: e.g. Dry-cured ham produced in Parma has to be marketed as "super ham" or "No 1 ham" in Canada because a Canadian company holds the local trademark rights to the Parma name: see dismissal of application to expunge in *Consorzio del Prosciutto di Parma v. Maple Leaf Meats Inc.* November, [2001] 2 F.C. 536: <<http://reports.fja.gc.ca/fc/src/shtml/2001/pub/v2/2001fc28097.shtml>>

²¹¹ With respect to the construction of the term 'limited exceptions' the Panel had regard to previous TRIPS jurisprudence concerning the exceptions provided for copyright and patents. The Panel cited the opinion of the Panel in *Canada – Pharmaceutical Patents*, which interpreted the identical term in Article 30, that "[t]he word 'exception' by itself connotes a limited derogation, one that does not undercut the body of rules from which it is made" Panel report on *Canada – Pharmaceutical Patents*, para. 7.30.

²¹² The European Communities explained that "[t]he positive right extends only to the linguistic versions that have been entered into the register" in its response to Panel question No. 140; see also its rebuttal submission, paras. 288 and 293; response to Panel question No. 137 and comment on US response to that question. A different "linguistic version" means a translation which renders the name differently. Some GIs are registered in more than one linguistic version.

prevent confusing uses, remains unaffected except with respect to the use of a GI as entered in the GI register in accordance with its registration.²¹³

6.6 EC compliance with the WTO ruling

With the aim of complying with the WTO panel recommendations, the European Commission has drafted an amended version of Regulation 2081/92 that is intended to assist foreign applicants to gain protection for geographical indications throughout the EU.²¹⁴ Under the Commission's new proposals foreign applicants will no longer have to apply for registration under the system through their national governments. They will be able to register their specialty foods directly with the European Commission, reducing the time needed for the application and approval process. The proposed changes would also abolish the requirements of reciprocity that non-EU applicants must be from countries that make equivalent guarantees on their home market and for third countries to give EU GIs the same protection.

TAKING ACCOUNT OF THE DOHA AGENDA FOR ECONOMIC DEVELOPMENT

8.1 Are geographical indications 'development-friendly'?

In support of extension, a number of developing countries have identified geographical indications as a category of intellectual property from which they might profit. Prior to the Seattle Ministerial, a submission by Turkey of 9 July 1999 proposed the extension of geographical indications in TRIPS beyond wines and spirits.²¹⁵ Endorsing this proposal an African group of countries, including Kenya, Nigeria and South Africa, requested that the protection of geographical indications be extended "to other products recognizable by their geographical origins, notably agricultural, food and handicraft products."²¹⁶ This proposal was also adopted up by Cuba, Czech Republic, Dominican Republic, Honduras, India, Indonesia, Nicaragua, Pakistan and Sri Lanka and Venezuela. These developing countries support an extended GI regime for food in order to facilitate market differentiation for a variety of common commodities such as tea, coffee and rice. In addition, the protection of geographical indications has been identified as a useful legal instrument for the protection of traditional knowledge.²¹⁷ A number of industrialised countries also

²¹³ See United States' first oral statement, para. 75. The United States appears to acknowledge that the GI registration does not extinguish the trademark owner's rights against other third parties, although it alleges that use of the GI will affect the distinctiveness of the trademark: see United States' second oral statement, para. 101.

²¹⁴ The changes must be approved by the EU's Council and Parliament to meet the WTO deadline of April 2006. The Commission's proposals to meet the WTO Panel's recommendations must first be approved by the Council of Ministers and by the parliament. The WTO will then examine it again if the US and Australia file further protests. See: 'New rules ease foreign access to protected name status', 05/01/2006.

²¹⁵ WTO Doc No WT/GC/W/249, 13 July 1999.

²¹⁶ *Preparations for the 1999 Ministerial Conference the TRIPS Agreement Communication from Kenya on Behalf of the African Group*, WTO Doc WT/GC/W/302, 6 August 1999.

²¹⁷ D.Downes and S. Laird, *Innovative Mechanisms for sharing benefits of biodiversity and related knowledge: Case studies on geographical indications and trademarks*, UNCTAD, Geneva, 1999; Blakeney, 'Proposals for the International Regulation of Geographical Indications', (2001) 4 *Journal of World Intellectual Property* 629-652.

support the commercial opportunities provided by the extension of Art.23 to niche handicraft markets in their countries. In an examination of product categories protected under the Lisbon Agreement, Sergio Escudero notes that 84% of geographical indications are attributable to four product categories: wines (61.4%), spirits (9.5%), agricultural products (6.7%) and cheese (6.5%).²¹⁸ As with traditional knowledge, these products have a strong association with the land and reflect strong historical links between a particular region and the products of that region.

The United States and opponents of an extension of the protection of geographical indications for wines and spirits under TRIPS to all products, warn that the extension of Art. 23.1 would oblige Members of the WTO protect the geographical indications all other Members at the enhanced level of protection and that 'this could involve a considerable burden, particularly in view of the fact that some Members, such as the European Communities, have over 700 hundred domestic geographical indications'.²¹⁹ Opponents, including Australia, Chile and Guatemala, further point out that the extension of Art. 23.1 to cover other products "will undoubtedly be accompanied by claims from certain producer groups that they have the exclusive rights to particular terms. Any grant of exclusive rights to one group of producers necessarily involves depriving others of the right to use those terms." The example of "Feta" cheese which is produced by a range of companies including Australia, Canada, Denmark, Greece, New Zealand and the United States is given in the Communication as an example of the way in which the extension of Art 23.1 might cause conflicts between WTO Members.

The debate in the TRIPS Council for an extension of the higher standard of protection granted wines and spirits to all products is said to lack the negotiating mandate of the register, since it is part of the 'built-in agenda' concerning implementation issues. Controversy therefore surrounded the interpretation of Article 24, which somewhat ambiguously obliges Members to enter into negotiations 'aimed at increasing the protection of individual geographical indications under Article 23', while simultaneously ensuring that there is no reduction in 'the protection of geographical indications that existed in that Member immediately prior to the date of entry into force of the WTO Agreement'.²²⁰ Nevertheless, the two issues are incontrovertibly linked in the current political economy. As evidence of this effect, Clause 39 of the Hong Kong Ministerial Declaration exhorts WTO Members to redouble their efforts to find appropriate solutions to 'outstanding implementation-related issues' including 'the extension of the protection of geographical indications provided for in Article 23 of the TRIPS Agreement to products other than wines and spirits'.

Equally, in light of the Doha Declaration, as Director-General Pascal Lamy recently averred, 'current negotiations must integrate the issues and concerns of developing countries "in every stage"'.²²¹ Yet finding the means by which each Member is able to leverage some benefit from the protection of GIs, as the lack of progress in

²¹⁸ S. Escudero, *International Protection of Geographical Indications and Developing Countries*, South Centre, TRADE Working Papers no 10, 2001.

²¹⁹ WTO Doc. IP/C/W/289.

²²⁰ Art. 24.3.

²²¹ See 'Lamy Highlights Doha Round's Development Benefits', in a speech in Lima, Peru on 31 January 2006: <http://www.wto.org/english/news_e/sppl_e/sppl17_e.htm>

negotiations since 2001 evinces, will be no easy task. On the one hand, proponents of the GI extension and multilateral register observe that it is to ensure that GIs will only be used for products actually originating from the place indicated by the GI, that is, to prevent their usurpation in third countries.²²² Certainly, an enhanced system of registration for geographical indications would have been useful for dealing with the kinds of controversies involving Basmati Rice, Neem, Enola Beans, Ayahuasca. Classic intellectual property law gives value to knowledge that is innovative and capable of industrial or commercial application. Geographical indications however are capable of transforming traditional knowledge into intellectual capital. In this respect, the Doha discussions relating to geographical indications recognize that knowledge related to food have existed for a long period in Africa and can be found in foods linked to a particular location. For some African nations, this food origin link offers a means to promote small businesses, exports, and rural development.

8.2 Discerning the road ahead

There are no commercial, economic or legal reasons to limit effective GI protection exclusively to wines and spirits or to avoid extending such protection to all other products. The DC proponents of extension are justified in their criticism that industry specific TRIPS protection is untenable. They argue that Article 23 is discriminatory in so far as it gives additional protection and unfair advantage to wines and spirits. When France accorded protection to appellations of origin for wines it was justified on the basis that the industry had long been subject to deceptive and dishonest practice. Given the significance of the industry to France, additional protection could be justified. However, when similar protection is advocated on a global basis for an industry that is limited in reach and application, the policy appears to be self serving.

Extension would create a level playing field in the TRIPS Agreement for all products in the sense that legally all Members have an equal opportunity to provide enhanced protection. DCs that have products of unique characteristics, quality and reputation could potentially benefit from GI protection.²²³ On the other hand, not all DCs have the means to take advantage of such an opportunity. In order for Korhogo fabrics from Cote D'Ivoire or Gabon sweet potato, Mananara vanilla from Madagascar to become well known in global market, there must be investment in modern manufacture, packaging, distribution and promotion of their having unique geographical attributes.

Legally speaking, even if the status quo were maintained DCs might take further advantage of the flexibilities offered by TRIPS Article 22 protection. Few WTO Members' nationals have made full use of the protections provided under Article 22.2. Article 22.2 also prohibits any use which 'constitutes an act of unfair competition under Article 10bis of the Paris Convention. The ambit of Art 10bis is extended to geographical indications 'which, although literally true as to a territory, region or

²²² See WTO Doc. TN/C.W/14 "Geographical Indications – The Significance of Extension in the TRIPS Agreement and Its Benefits for WTO Members. See also IP/C/W/204/Rve.1, IPC/C/W/247/Rev.1 and IP/C/W/353.

²²³ E.g. in Kenya, the products that could benefit from GI extension include agricultural products such as Kericho tea, kikuyu grass, Mombasa mango, and Muranga bananas. Livestock products that could benefit from GI extension include Molo lamb and Omena fish.

locality in which the goods originate, falsely represent to the public that the goods originate in another territory’.

In any event, in the decade since the conclusion of TRIPS, further harmonization has been occurring from the ‘bottom up’. In a bid to comply with both TRIPS and TRIPS Plus²²⁴ obligations, WTO Members are moving towards the statutory protection of geographical indications by three distinct but related means: countries such as the US protect geographical indications as an integral part of the trade marks regime; countries such as the EU and India have chose to enact specialized geographical indications systems of protection and; countries such as Japan have moved to implement a system of collective regional marks as a sub-set of their trade marks regime. Regional trade agreements (RTAs) such as the United States FTAs and EU Economic Partnership Agreements (EPAs) further serve to reinforce this effect by export their preferred means of protection in so-called TRIPS Plus provisions. By this means the EU and the US are building a critical mass of support for their preferred means of GI protection, utilizing RTAs with Member States throughout Africa, South America, Asia and the Middle East.²²⁵

It is not only a question of deciding which group, the EC or the US and supporters, has the most convincing case for harmonization, but equally of determining what constitutes a principled case for increased protection of geographical indications. In the case of GIs these questions are all the more pertinent due to intersection of this form of intellectual property with a number of policy areas critical to the needs of economic development including agricultural policy, rural regeneration, cultural heritage and environmental conservation.²²⁶

Critical also because all forms of intellectual property are to some extent trade restrictive. IPRs are, as the Preamble to the TRIPS Agreement reminds us ‘private rights’ residing not in the public but in a natural or legal person. A geographical indication inures to the benefit of a collective, who may might or might not comprise a group of nationals indefinitely without the capacity to assign or license the intellectual property for use on the domestic market or internationally.

Further, it must be recognised that the rights granted by the intellectual property laws, when combined with market power, can be used for anti-competitive ends. This occurs when the rights are used to claim for the owner not merely a share of the efficiency gains society obtains from the creation, but also extra profits means that ultimately reduce social output. We have previously noted in the case of mineral waters, that in markets where there is a high level of substitutability on the supply side, geographical indications may not be the optimal form of protection.

²²⁴ The term given to the higher standard of protection often required by the EC and the US in bilateral and regional trade agreements: further see Evans, G, ‘TRIPS-Plus and the Rule of Law, (forthcoming) OUP, 2006.

²²⁵ E.g. Central America-Dominican Republic-FTA, Final Text, ch. 15, Intellectual Property: < http://www.ustr.gov/Trade_Agreements/Bilateral/CAFTA/Section_Index.html> and EU Chile Association Agreement *supra*.

²²⁶ Intellectual Property and Development Keith Maskus and Carsten Fink eds., World Bank and OUP, 2005, ch. 2 at 19ff.

The potential for anti-competitive conduct is reason why opponents of extended protection warn of possible closing-off of future market access opportunities for emerging industries, and uncertainty concerning the continued use in existing markets. Many such countries and their industry associations are concerned that, depending on the outcome of discussions and the scope of any agreement, they might have to re-label products and forego names or words that are well-known to their consumers. In this regard the European case of Feta cheese previously examined, is instructive. These label changes could be required by a new rule regarding the geographical indications-trade mark interface or because the use of certain traditional or generic expressions would be prohibited. An example given by the Grocery Manufacturers of America is the consumer consternation and confusion that would be caused if manufacturers have to replace 'parmesan' with 'grated' on cheese labels.

CONCLUSION

The demand for increased protection of geographical indications is unlikely to abate. As we observed, its roots are to be found in the untenable nature of agricultural production and distribution for small farmers and developing countries. The foregoing analysis has shown that due to historical reasons there exist considerable differences in the legal concepts which are applied for the protection of geographical indications. These differences have a direct bearing on important questions such as condition of protection, entitlement to use and scope of protection.

Fierce competition among nations for the most lucrative markets, a deep division between Europe and the United States as to manner in which GIs should be regulated, and a concomitant difference among WTO members that transcends the customary developed-developing divide, are likely to ensure the protection of GIs remains a contentious issue for some time to come. If the opportunities and risks, the benefits and burdens of the continued harmonization of GIs are to be legitimately assessed and in the event protection is extended, its implementation appropriately planned, lawmakers must begin by having a better understanding of the project upon which they are about to embark.

Class 8 International copyright regime, digital rights, performers rights and software patenting

The bedrock of the international protection of copyright is the Berne Convention for the Protection of Literary and Artistic Works. At the time of its formulation in 1883 its substantive provisions were inevitably conditioned by the reprographic technologies of that time. To take account of technological advances in this area, a series of revision conferences effected additions to the Convention. The Berne Convention, which was an enterprise, initially of a number of European countries, was paralleled in the Western Hemisphere by the Universal Copyright Convention (UCC), 1952. Following the accession of the USA to the Berne Convention and the promulgation of the TRIPS Agreement, which incorporates a significant proportion of the Berne Convention, the UCC has been largely superseded in effect. The impact of the digital technologies upon copyright have been accommodated in the WIPO Copyright Treaty 1996.

Innovations in reprographic and communications technologies have necessitated the recognition of rights which neighbour on copyright. The Berne Convention originally focussed upon the rights of authors, artists and writers of musical works. The development of the phonogram was accommodated in the Rome Convention (International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations 1961) and the Geneva Phonograms Convention (Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms 1971). The introduction of the transmission of works by satellite has been accommodated by the Convention Relating to Distribution of Programme-Carrying Signals Transmitted by Satellite 1974. A particular problem in relation to the unauthorised recording of performers (bootlegging) was addressed in the WIPO Performers and Phonograms Treaty 1996.

a) WIPO Copyright Treaty 1996

The WIPO Copyright Treaty is a special agreement under Article 20 of the Berne Convention binding only those members of the Berne Union that ratify it.²²⁷ Along with its sibling convention, the WIPO Performances and Phonograms Treaty, it was agreed at the WIPO Diplomatic Conference on Certain Copyright and Neighbouring Rights Questions in Geneva on 20 December 1996. The origins of the Diplomatic Conference lay in the perception that the Berne Convention was unable to respond adequately to the threat to the integrity of copyright and neighbouring rights law posed by new forms of information and communications technology.²²⁸ The convening of the Diplomatic Conference may also have been motivated by a desire on the part of WIPO to recover its influence in international intellectual property law-making in the wake of the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (the TRIPS Agreement).

²²⁷ WIPO Copyright Treaty, Art 1(1). Subscribing states that are not members of the Berne Union are required to comply with Articles 1-21 and the Appendix to the Berne Convention: Art 1(4).

²²⁸ For a discussion of the patchy coverage of the Berne Convention provisions in the light of technological developments, see Macmillan & Blakeney, "The Internet and Communication Carriers' Copyright Liability" [1998] *European Intellectual Property Review* 52, 53.

Specifically, two related areas of technological development since the 1967 and 1971 Stockholm and Paris Revisions of the Berne Convention precipitated the Diplomatic Conference that led to the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty. These were, first, the ability to produce copyright works in digital form; and, secondly, the new means of transmitting or delivering copyright works, in particular, the development and widespread use of the Internet. Digitisation made it extremely cheap, easy and quick to make excellent copies of works and distribute them widely. This meant that the scope for economic loss to the copyright owner was considerably increased. When added to the width and speed of distribution on the Internet, this economic loss was exponentially increased.²²⁹ The potential for this type of behaviour to damage the ability of authors and creators to control the communication of their work and to gain financial recompense as a result of the exploitation of their work strikes at the heart of copyright and neighbouring rights law.

The development of the Internet and other similar forms of transmission has also had implications for copyright and neighbouring rights law that go beyond its abilities to achieve rapid and widespread delivery. In particular, while such services involve mass distribution, they also involve a move away from concepts traditionally associated with broadcasting. Rather than someone in the position of the broadcaster composing a broadcast to be sent out to the public at a particular time selected by the broadcaster, material is made available to individual users to access at will. Further, this material is not necessarily made available by a wireless communication, as in the traditional broadcast, but may be made available by a wired communication, a wireless communication, or a combination of both. To date, in fact, the facilitation of interactivity on the Internet has relied to a considerable extent on the use of terrestrial telephone lines. This has greatly increased the role that a variety of communications carriers have in transmitting copyright works. It has also spawned a new cast member in the form of the Internet Service Provider, which places the material in question on servers and thereby provides a bridge between the communications carrier and the individual users.

In response to the lacunae in the Berne Convention and the challenges caused by rapid technological development, WIPO established a Committee of Experts on a Possible Protocol to the Berne Convention in 1991, and in 1992 it established a Committee of Experts on a Possible Instrument for the Protection of the Rights of Performers and Producers of Phonograms. The Committee of Experts on a Possible Protocol to the Berne Convention was given a wide remit, embracing the following matters:

(1) computer programmes, (2) databases, (3) rental rights, (4) non-voluntary licences for sound recordings of musical works, (5) non-voluntary licences for primary broadcasting and satellite communication, (6) distribution rights, including an importation right, (7) duration of the protection of photographic works, (8) communication to the public by satellite broadcasting, (9) enforcement of rights, and (10) national treatment.²³⁰

²²⁹ See further, eg, Dixon & Hansen, "The Berne Convention Enters the Digital Age" [1996] 11 *European Intellectual Property Review* 604, 605-607.

²³⁰ *Diplomatic Conference on Certain Copyright & Neighbouring Rights Questions (Geneva, 2-20 December 1996), Basic Proposal for the Substantive Provisions of the Treaty on Certain*

The even more general remit of the Committee of Experts on a Possible Instrument for the Protection of the Rights of Performers and Producers of Phonograms was to discuss “all questions concerning the effective international protection of the rights of performers and producers of phonograms”. Even at the time of the establishment of this Committee the question of whether the proposed treaty should deal with performers’ rights in audio-visual, as well as audio, fixations was problematic.

(b) *Draft Treaty on Intellectual Property in Respect of Databases*

In addition to the draft copyright and performers rights treaties, the Geneva Diplomatic Conference also considered a new treaty on database protection. Even at the preparatory stage it was unclear whether there was sufficient political will for the conclusion of this treaty.²³¹ Thus, by the time of the Diplomatic Conference the proposed Treaty on Intellectual Property in Respect of Databases²³² was already dogged by questions about its necessity and/or desirability. Ultimately, it appears to have fallen victim to a combination of these concerns and the distracting effects of other contentious matters at the Diplomatic Conference. The Diplomatic Conference did, however, adopt a “Recommendation Concerning Databases”²³³ as follows:

The Delegations participating in the Diplomatic Conference on Certain Copyright and Neighbouring Rights Questions in Geneva,

Recognizing that databases are a vital element in the development of a global information infrastructure;

Conscious of the importance of encouraging further development of databases;

Aware of the need to strike a balance between the interests of the producers of databases in protection from unfair copying and the interests of users in having appropriate access to the benefits of a global information infrastructure;

Expressing interest in examining further the possible implications and benefits of a *sui generis* system of protection of databases at the international level;

Noting that a treaty on such a *sui generis* system was not negotiated or adopted at the Conference;

Recommend the convocation of an extraordinary session of the competent WIPO Governing Bodies during the first quarter of 1997 to decide on the schedule of further preparatory work on a Treaty on Intellectual Property in Respect of Databases.

Questions Concerning the Protection of Literary & Artistic Works to be Considered by the Diplomatic Conference, WIPO Doc CRNR/DC/4, 30/8/1996, para 4.

²³¹ See, eg, *Diplomatic Conference on Certain Copyright & Neighbouring Rights Questions (Geneva, 2-20 December 1996)*, *Basic Proposal for the Substantive Provisions of the Treaty on Intellectual Property in respect of Databases to be considered by the Diplomatic Conference*, WIPO Doc CRNR/DC/6, 30/8/96, para 5, which notes: “Several Delegations took the position that the question of the *sui generis* protection of databases could be submitted for consideration by the Diplomatic Conference in December 1996. Several other Delegations held the view that further study was still necessary.”

²³² *Basic Proposal for the Substantive Provisions of the Treaty on Intellectual Property in respect of Databases to be considered by the Diplomatic Conference*, n 84 *supra*.

²³³ *Diplomatic Conference on Certain Copyright & Neighbouring Rights Questions (Geneva, 2-20 December 1996)*, *Recommendation Concerning Databases*, WIPO Doc CRNR/DC/100, 23/12/96.

While the protection of databases has been the subject of further international discussion²³⁴ no binding conclusion has yet been reached.

Despite the general lack of attention afforded at the Diplomatic Conference to the Draft Treaty on Intellectual Property in Respect of Databases, its echoes were discernible during debates of the Conferences on the other two Draft Treaties. For instance, the Indian proposal to alter Draft Article 5 of the WIPO Copyright Treaty was premised on the desire to avoid the premature introduction of a *sui generis* database regime.²³⁵ This proposal, which was incorporated in Article 5 of the Treaty, altered the second and qualifying sentence of the Article so that the protection for collections of data in Article 5 is “without prejudice to any copyright subsisting in the data or material contained in the compilation”, rather than the original formulation that made it “without prejudice to any right” in the relevant material. Similarly, the Chinese proposal in relation to the rental right in Draft Article 9, which became Article 7 of the WIPO Copyright Treaty, appears to have gained effect due to the non-conclusion of the Draft Treaty on Intellectual Property in Respect of Databases. Draft Article 9 originally had the effect of requiring an exclusive rental right in respect of, amongst other things, “collections of data or other material in machine-readable form”. No reference to such material appears in Article 7.

(iv) *Developing Countries*

Despite the fact that developing countries were somewhat sidelined during the major dispute at the Diplomatic Conference over the protection of audio-visual performances, developing countries appear to have had considerable influence over the development of the 1996 WIPO Treaties both during the preparatory period and at the Diplomatic Conference. This contrasted with their role in the negotiation and conclusion of the TRIPS Agreement, which had taken place only shortly before the Geneva Diplomatic Conference.

While the processes of international diplomacy are opaque, it would seem that the appointment of the Head of the Kenyan Delegation as the President of the Conference and the Head of the Indian Delegation as the chair of the Drafting Committee, were reflective of developing country influence. It is also interesting to note the way in which groups of developing countries, in particular the African countries, acted as a highly influential bloc at the Diplomatic Conference. For example, thirty African countries²³⁶ acting together made a set of proposals that were highly influential on the final shape of the WIPO Copyright Treaty. Their proposal in relation to Draft Article 10, which became Article 8 of the Treaty is reflected in the Agreed Statement on Article 8, which notes “that the mere provision of physical facilities for enabling or making a communication does not in itself amount to a communication within the

²³⁴ See, eg, WIPO Standing Committee on Copyright & Related Rights (Ninth Session), Geneva, 23-27 June 2003.

²³⁵ Proposal by India on behalf of itself, Jordan, Pakistan, the Philippines, Qatar, Republic of Korea, Singapore, Sri Lanka & Thailand, *Diplomatic Conference on Certain Copyright & Neighbouring Rights Questions (Geneva, 2-20 December 1996), Amendment to Article 5 of Draft Treaty No 1*, WIPO Doc CRNR/DC/19, 9/12/96.

²³⁶ Algeria, Angola, Burkina Faso, Cameroon, Chad, Côte d'Ivoire, Egypt, Ethiopia, Gabon, Gambia, Ghana, Kenya, Lesotho, Libya, Madagascar, Malawi, Mali, Mauritius, Morocco, Namibia, Niger, Nigeria, Senegal, South Africa, Sudan, Togo, Tunisia, Tanzania, Zambia and Zimbabwe.

meaning of this Treaty or the Berne Convention”. Their proposal in relation to Draft Article 13 on obligations concerning technological measures, which became Article 11 of the Treaty, is almost exactly reflected in the terms of the final Treaty provision.²³⁷ Likewise, the proposal of the African delegations in relation to Draft Article 14(1) on obligations concerning rights management information,²³⁸ which became Article 12(1) of the Treaty, is almost mirrored by the final Treaty provision.

Conventions in the Field of Related Rights

a) WIPO Performers and Phonograms Treaty 1996

Unsurprisingly, many of the issues that were controversial in relation to the negotiation of the WIPO Copyright Treaty were also debated in relation to the Draft Treaty for the Protection of the Rights of Performers and Producers of Phonograms.²³⁹ Thus, for example, the proposed temporary reproduction exception in Draft Articles 7(2) (in relation to the rights of performers) and 14(2) (in relation to the rights of phonogram producers) was the subject of a number of proposed alterations and, in the end, dealt with in the same way as it was in relation to the WIPO Copyright Treaty.²⁴⁰ A similar story applies to Draft Article 22 on anti-circumvention devices²⁴¹ and Draft Article 23 on dealings with rights management information.²⁴² These issues were, however, dwarfed by three much more contentious matters. These were: first, the issue of single equitable remuneration for performers and phonogram producers; secondly, the issue of moral rights for performers; and, thirdly, the question of whether or not the Treaty should apply only to audio performances only or also to audio-visual performances. These matters are dealt with here in ascending order of contentiousness.

The right to single equitable remuneration in respect of phonograms broadcast or otherwise communicated to the public was provided for in Draft Article 12 for performers and Draft Article 19 for phonogram producers. There was some debate over the scope of this right and the permitted exceptions. The African States, for example, proposed an expansion of the right so that it covered phonograms published for any purpose, not just for commercial purposes.²⁴³ The United States and Canada took differing positions on the extent to which contracting parties to the Treaty should be able to limit or except the right to single equitable remuneration in relation to phonograms broadcast or communicated to the public digitally by fee-paying

²³⁷ The only difference is that Article 11 of the Treaty refers to measures used by “authors”, rather than “rights holders” as was proposed by the African Delegations in n.22051 *supra*.

²³⁸ Note 151 *supra*.

²³⁹ *Diplomatic Conference on Certain Copyright & Neighbouring Rights Questions (Geneva, 2-20 December 1996), Basic Proposal for the Substantive Provisions of the Treaty for the Protection of the Rights of Performers & Producers of Phonograms to be considered by the Diplomatic Conference*, WIPO Doc CRNR/DC/5, 30/8/96.

²⁴⁰ See WIPO Performances & Phonograms Treaty, Art 16 & the Agreed Statement Concerning Article 16.

²⁴¹ See WIPO Performances & Phonograms Treaty, Art 18.

²⁴² See WIPO Performances & Phonograms Treaty, Art 19.

²⁴³ *Diplomatic Conference on Certain Copyright & Neighbouring Rights Questions (Geneva, 2-20 December 1996), Amendment to Articles 2, 7, 11, 12, 14, 18, 19, 22 & 23 of Treaty No 2*, WIPO Doc CRNR/DC/57 Rev, 12/12/96.

subscription.²⁴⁴ As is shown by the final form of Article 15 of the Treaty on single equitable remuneration, in which the rights of performers and phonogram producers are dealt with together,²⁴⁵ the Diplomatic Conference did not adopt any of these proposals in the Treaty text. The Agreed Statement concerning Article 15 refers, without equivocation, to the fact that consensus on the scope of Article 15 was not achieved and that the matter would require “future resolution”.²⁴⁶

Given the mixed reception of the moral rights provision in Article 6bis of the Berne Convention, it is hardly a surprise that Draft Article 5 on the moral rights of performers was contentious. To some extent the disputes over this Draft Article are connected with the question of the application of the Treaty to audio-visual performances, which is dealt with in more detail immediately below. Thus, while the European Community²⁴⁷ and China²⁴⁸ supported the inclusion of performers’ moral rights in respect of all performances, and not just musical performances, the United States proposed the deletion of the Article as part of its compromise proposal with respect to the much contested matter of extension of the Treaty to audio-visual performances.²⁴⁹ This proposal by the United States was in accordance with an early proposal by Singapore to delete the provision.²⁵⁰ Even delegations that supported the inclusion of the provision were concerned with questions concerning the feasibility of full moral rights protection in all circumstances. For example, Argentina proposed an exception to the right of paternity in the case of performances given by two or more performers provided the “collective designation” of the group of performers is mentioned.²⁵¹ This proposal was not accepted, but the final form of Article 5 does

²⁴⁴ *Diplomatic Conference on Certain Copyright & Neighbouring Rights Questions (Geneva, 2-20 December 1996), Amendment to Articles 1, 12, 19 & 23 of Draft Treaty No 2*, WIPO Doc CRNR/DC/48, 11/12/96.

²⁴⁵ In accordance with the proposal of Australia, *Diplomatic Conference on Certain Copyright & Neighbouring Rights Questions (Geneva, 2-20 December 1996), Amendment to Articles 2, 7, 10, 12, 14, 17, 19 & 21 of Draft Treaty No 2*, WIPO Doc CRNR/DC/54, 12/12/96.

²⁴⁶ WIPO Performances & Phonograms Treaty, Agreed Statement Concerning Article 15 reads: It is understood that Article 15 does not represent a complete resolution of the level of rights of broadcasting and communication to the public that should be enjoyed by performers and phonogram producers in the digital age. Delegations were unable to achieve consensus of differing proposals for aspects of exclusivity to be provided in certain circumstances or for rights to be provided without the possibility of reservations, and have therefore left the issue to future resolution.

²⁴⁷ *Diplomatic Conference on Certain Copyright & Neighbouring Rights Questions (Geneva, 2-20 December 1996), Amendment to Articles 4 & 25, and Deletion of Alternative A in Draft Treaty No 2*, WIPO Doc CRNR/DC/32, 11/12/96. This proposal allowed for the possibility of national reservations having the effect of applying the provisions of Article 5 to sound performances only.

²⁴⁸ *Diplomatic Conference on Certain Copyright & Neighbouring Rights Questions (Geneva, 2-20 December 1996), Amendment to Partly Consolidated Text of Draft Treaty No 2 (CRNR/DC/58)*, WIPO Doc CRNR/DC/71, 13/12/96.

²⁴⁹ *Diplomatic Conference on Certain Copyright & Neighbouring Rights Questions (Geneva, 2-20 December 1996), Scope of Coverage for Audio-Visual Performers*, WIPO Doc CRNR/DC/34, 11/12/96.

²⁵⁰ *Diplomatic Conference on Certain Copyright & Neighbouring Rights Questions (Geneva, 2-20 December 1996), Amendments to Articles 5 & 9 of Treaty No 2*, WIPO Doc CRNR/DC/13, 6/12/96.

²⁵¹ *Diplomatic Conference on Certain Copyright & Neighbouring Rights Questions (Geneva, 2-20 December 1996), Amendment to Article 5 of Draft Treaty No 2*, WIPO Doc CRNR/DC/31, 10/12/96.

reflect the more general proposal of Argentina to limit the right of paternity in accordance with the manner of use of performance.²⁵²

The matter of whether the protection of performers in the proposed Treaty should extend to audio-visual performances or be limited to audio performances dominated all other differences of opinion at the Diplomatic Conference. In the run up to the Diplomatic Conference, the issue provoked a head to head conflict between the big guns of the European Community and the United States. The European Community and its member states advocated the extension of the rights of performers to cover audio-visual performances. The United States argued strenuously for the limitation of performers' rights to audio performances. The significance of the film production sector in the United States is, of course, directly related to its negotiating position on this issue. Intense lobbying from the media and entertainment sector had focussed on the damage to the profitability of the film industry that would ensue if the relevant bargaining position of screen actors was enhanced through the conferral of performers' rights, rather than managed contractually.

As a result of these differences of opinion, the various meetings of the Committees of Experts had been unable to find any consensus on the audio/audio-visual issue. Consequently, the Draft Treaty considered at the Diplomatic Conference contained alternative approaches to performers' protection. The effect of Alternative A was to extend protection to musical performances while Alternative B gave protection more generally in respect of performances. While substantially adhering to their earlier positions, both the European Community and the United States made compromise proposals. The European Community proposed the deletion of Alternative A and the insertion of a re-drafted Article on permitted reservations, allowing contracting parties to make a notification to the effect that they would limit the application of all or any of the provisions on the right of reproduction,²⁵³ the right of distribution,²⁵⁴ the right of rental,²⁵⁵ the right of making available,²⁵⁶ and term of protection,²⁵⁷ to sound performances.²⁵⁸ The compromise proposal of the United States²⁵⁹ also involved the deletion of Alternative A in most of the provisions of the Draft Treaty, except Draft Article 10 on the right of rental.²⁶⁰ However, the proposal of the United States took the sting out of this otherwise surprising *volte face* by requiring the deletion of some Draft Articles and the insertion of other new Articles. As already noted, one condition of the compromise proposal was the deletion of the moral rights provision in Draft Article 5. The United States also wanted the deletion of Draft Articles 8 and 15 on the so-called right of modification for performers and phonogram producers, respectively. Unlike the proposal to delete the moral rights provision, this proposal was not particularly controversial. This is witnessed by the fact that, despite the failure of the delegations to achieve a compromise position on the protection of audio-visual performances, Draft Articles 8 and 15 did not make it into the final version of the Treaty.

²⁵² *Ibid.*

²⁵³ Draft Art 7 & WIPO Performances & Phonograms Treaty, Art 7.

²⁵⁴ Draft Art 9 & WIPO Performances & Phonograms Treaty, Art 8.

²⁵⁵ Draft Art 10 & WIPO Performances & Phonograms Treaty, Art 9.

²⁵⁶ Draft Art 11 & WIPO Performances & Phonograms Treaty, Art 10.

²⁵⁷ Draft Art 21 & WIPO Performances & Phonograms Treaty, Art 17.

²⁵⁸ Note 328 *supra*. As noted above, *ibid.*, this proposal also included the possibility of a similar notification in respect of Art 5 on the moral rights of performers.

²⁵⁹ Note 330 *supra*.

²⁶⁰ WIPO Performances & Phonograms Treaty, Art 9.

Apart from the deletion of the moral rights provision, the crucial part of the compromise position of the United States was the insertion of a new provision on transferability of rights. If included, this provision would have had the effect of emasculating the rights of performers in audio-visual performances. Concomitantly, it would have ensured that the film production industry could continue to rely on contract as the basis of its legal relation with performers. The provision, proposed as Article 13*bis*, made all the exclusive rights under the Treaty freely transferable. It went on to provide as follows:

Once a performer has consented to the fixation of his performance in an audio-visual fixation, he shall be presumed to have transferred all rights granted under this Treaty to the producer of the fixation, subject to contractual clauses to the contrary. Contracting Parties may provide that such presumptions are irrebutable.

This proposed provision was buttressed by a further proposed provision allowing parties to the Treaty to determine the way in which it would protect the rights arising under the Treaty, including with respect to the rights of performers “by the application of collective bargaining agreements where such agreements provide the equivalent of the protection required by this Treaty to a substantial majority of performers who are nationals of that Contracting Party”.

Rather predictably, neither the attempt of the EU or the US at compromise over the issue of protection to audio-visual performers was acceptable to the other. In the end, Alternative A protecting only audio-performances was accepted²⁶¹ as the minimum upon which the parties could agree. This was not regarded as a happy outcome, at least in some quarters. The Diplomatic Conference adopted a “Resolution Concerning Audiovisual Performances”:²⁶²

Noting that the development of technologies will allow for a rapid growth of audiovisual services and that this will increase the opportunities for performing artists to exploit their audiovisual performances that will be transmitted by these services;

Recognizing the great importance of ensuring an adequate level of protection for these performances, in particular when they are exploited in the new digital environment, and that sound and audiovisual performances are increasingly related;

Stressing the urgent need to agree on new norms for the adequate legal international protection of audiovisual performances;

Regretting that, in spite of the efforts of most Delegations, the WIPO Performances and Phonograms Treaty does not cover the rights of performers in the audio-visual fixations of their performance ...

The Resolution concluded by making a call for the competent WIPO Governing Bodies to decide on a schedule for preparatory work for a Protocol to the Treaty dealing with audiovisual performances. The Resolution called for the adoption of this Protocol by 1998. To date no such Protocol has, however, been agreed.

²⁶¹ In accordance with a proposal by China, n 63 *supra*.

²⁶² *Diplomatic Conference on Certain Copyright & Neighbouring Rights Questions (Geneva, 2-20 December 1996), Resolution Concerning Audiovisual Performances*, WIPO Doc CRNR/DC/99, 20/12/96.

Although satisfied slightly later, the conditions for the coming into force of the WIPO Performances and Phonograms Treaty mirror those applying to the WIPO Copyright Treaty. Thus, the Treaty came into force on 20 May 2002. It had at that time thirty contracting parties in accordance with its Article 29.²⁶³ Since then a further eleven states have joined,²⁶⁴ taking the total number of contracting parties to forty one. There is, of course, considerable overlap between both the initial and subsequent contracting parties to the two treaties, although the membership of the two treaties is not, at present, identical.²⁶⁵ Given the nature of the controversies that marked the negotiation of the Treaties, especially the WIPO Performances and Phonograms Treaty, it is not especially surprising that neither the European Community nor any current member of the European Union has yet become a party to either Treaty.²⁶⁶ However, a number of the candidate states for entry into the European Union are members of both Treaties.

²⁶³ Albania, Argentina, Belarus, Bulgaria, Burkina Faso, Chile, Colombia, Costa Rica, Croatia, Czech Republic, Ecuador, El Salvador, Gabon, Georgia, Honduras, Hungary, Latvia, Lithuania, Mali, Mexico, Panama, Paraguay, Republic of Moldova, Romania, Saint Lucia, Senegal, Slovakia, Slovenia, Ukraine, & the United States of America.

Guatemala, Guinea, Jamaica, Japan, Kyrgyzstan, Mongolia, Nicaragua, Peru, Philippines, Serbia & Montenegro, & Togo.

²⁶⁵ Indonesia is a contracting party to the WIPO Copyright Treaty, but not to the WIPO Performances & Phonograms Treaty. Albania is a contracting party to the WIPO Performances and Phonograms Treaty, but not to the WIPO Copyright Treaty.

²⁶⁶ Despite both Treaties containing a special provision on the accession of the European Community: WIPO Copyright Treaty, Art 21(iii); WIPO Performances and Phonograms Treaty, Art 30(iii).

Class 9 Traditional knowledge and traditional cultural expression

The Protection of Traditional Knowledge under Intellectual Property Law

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1. What is Traditional Knowledge?

Until recently, discussion about the intellectual creativity of Indigenous peoples and traditional communities, was conducted under the rubric of “folklore”. For various reasons this term has been replaced by terms such as “Indigenous intellectual property”, the “cultural expressions of Indigenous peoples” and “traditional knowledge”. As is explained below, the term “folklore” is considered to be inappropriate in contemporary discourse.

"Folklore"

Since the mid 1980s, when WIPO and UNESCO had convened a Group of Experts on the Protection of Expressions of Folklore by Intellectual Property, there has been a lively debate about the terminology which should be used to describe the creations of a cultural community. The representatives of the Spanish-speaking countries at the 1985 meeting of the Group of Experts took the position that "folklore" was an archaism, with the negative connotation of being associated with the creations of lower or superseded civilizations. However, over that objection, the 1985 meeting adopted the following definition:

Folklore (in the broader sense, traditional and popular folk culture) is a group-oriented and tradition-based creation of groups or individuals reflecting the expectations of the community as an adequate expression of its cultural and social identity; its standards are transmitted orally, by imitation or by other means. Its forms include, among others, language, literature, music, dance, games, mythology, rituals, customs, handicrafts, architecture and other arts.

This definition was elaborated in the resultant *WIPO/UNESCO Model Provisions for National Laws for the Protection of Folklore Against Illicit Exploitation and Other Prejudicial Actions*. The misgivings expressed about the negative connotations of the term folklore were deflected by participants at the 1985 meeting who pointed out that "in recent times the term 'folklore' obtained a new meaning and is widely accepted as a term suitable for the purposes of a relevant international treaty".²⁶⁷

This terminological approach persisted until the conclusion of the World Forum on the Protection of Folklore, convened by WIPO and UNESCO in Phuket in April 1997. That Forum was convened in response to the recommendations in February 1996 of

i. 'Report', [1985] *Copyright: Monthly Review of the World Intellectual Property Organization*, 40 at 41.

the WIPO Committee of Experts on a Possible Protocol to the Berne Convention and the Committee of Experts on a Possible Instrument for the Protection of the Rights of Performers and the Producers of Phonograms, that arrangements be made for the organization of an international forum to explore "issues concerning the preservation and protection of expressions of folklore, intellectual property aspects of folklore and the harmonisation of different regional interests".²⁶⁸

At the Forum, a number of speakers referred to the negative connotations and eurocentric definition of the term "folklore". For example, Mrs Mould-Idrissu, in a paper on the African Experience on the preservation and conservation of expressions of folklore²⁶⁹, observed that the western conception of folklore tended to focus on artistic, literary and performing works, whereas in Africa it was much more broad; encompassing all aspects of cultural heritage.²⁷⁰ For example, she noted that under the Ghanaian Copyright Law of 1985, folklore included scientific knowledge.²⁷¹ Speakers criticised the western attitude to folklore as something dead to be collected and preserved, rather than part of an evolving living tradition.²⁷² In a statement issued by Indigenous Australian representatives at the Forum, exception was taken to the use of "folklore" as being too narrowly defined and implying an inferiority of the cultural and intellectual property of Indigenous peoples to the dominant culture.²⁷³ The Indigenous Australian representatives expressed a preference for the term "Indigenous Cultural and Intellectual Property", which had been coined by Ms Erica Daes, Special Rapporteur of the Sub-Commission on Prevention of Discrimination and Protection of Minorities.²⁷⁴

(a) "Traditional Knowledge"

The expression "Traditional Knowledge", accommodates the concerns of those observers who criticize the narrowness of "folklore". However, it significantly changes the discourse. Folklore was typically discussed in copyright, or copyright-plus terms.²⁷⁵ Traditional knowledge, would be broad enough to embrace traditional knowledge of plants and animals in medical treatment and as food. In this circumstance the discourse would shift from the environs of copyright to those of patents law²⁷⁶ and biodiversity rights.²⁷⁷ This shift is, in part, an explanation of the

²⁶⁸ '1967, 1982, 1984: Attempts to Provide International Protection for Folklore by Intellectual Property Rights', WIPO doc., UNESCO-WIPO/FOLK/PKT/97/19 (March 21,1997), 15.

²⁶⁹ WIPO doc, UNESCO-WIPO/FOLK/PKT/97/1 (March 17,1997)

²⁷⁰ *Ibid.*, 3.

²⁷¹ *Ibid.*

²⁷² Eg see Janke, 'UNESCO-WIPO World Forum on the Protection of Folklore: Lessons for Protecting Indigenous Australian Cultural & Intellectual Property' (1997) 15 *Copyright Reporter* 104 at 109.

²⁷³ *Ibid.*, at 110.

²⁷⁴ Working Group on Indigenous Populations, *Study on the Protection of the Cultural and Intellectual Property of Indigenous Peoples*, E/CN.4/Sub.2/1993/28, 28 July 1993.

²⁷⁵ Eg, Puri, 'Copyright protection of folklore; a New Zealand perspective' (1988) XXII, No.3 *Copyright Bulletin* 18; Blain & De silva, 'Aboriginal Art and copyright' (1991) 75 *Copyright Bulletin* 1; Blakeney, 'Protecting expressions of Australian Aboriginal Folklore under Copyright Law', [1995] 9 *EIPR* 442; Chengsi, 'On the copyright protection of Folklore and Other Legislation in China' (1996) 3 *China Patents and Trade Marks* 91; Puri, 'Preservation and conservation of expressions of folklore' (1998) XXXII No.4 *Copyright Bulletin* 5; Brown, 'Can culture be copyrighted?', (1998) 39 *Current Anthropology* 193.

²⁷⁶ Eg see Blakeney, 'Bioprospecting and the Protection of Traditional Medical Knowledge of

suggestions for *sui generis* solutions to the protection of traditional knowledge. Thus Simpson adopts Daes' view that it is inappropriate to subdivide the heritage of Indigenous peoples "as this would imply giving different levels of protection to different elements of heritage".²⁷⁸

(b) "Intellectual Property"

The criticism that the concept of folklore was derived from Eurocentric precepts is equally applicable to the concept of intellectual property itself. The propertization of traditional knowledge implies, rights such as authorship, ownership, alienation and exploitation. The intellectual property paradigm also involves the incentivization of creativity. If the beliefs and practices of Australian Indigenous Peoples are any guide, authorship may reside in pre-human creator ancestors, such as the Wandjina of the Kimberley region. Authorship, is replaced by a concept of interpretation through initiation. Ownership yields to a concept of custodianship of dreamings, or legends. Alienation, is contradicted by the concept of immutable communal property. Exploitation, is subject to cultural restraints and taboos. Incentivization also has to yield to concerns about spiritual adulteration.

Another problem with the intellectual property discourse is that it is often considered rather too sectional. "Underpinning the concept of Indigenous intellectual property is a holistic view that cultural products are intimately connected to Dreamings, ceremony, sacred sites and objects and also land".²⁷⁹

(c) "Traditional Peoples"

In the debate about the protection of traditional knowledge, the implied beneficiaries of this protection are traditional peoples. Invariably, these are referred to as "Indigenous Peoples". A definitional issue related to the delineation of the content of traditional knowledge, is defining the groups or communities who can assert property rights over this knowledge.

The definition which appears to enjoy widest support, is that of Dr Martinez Cobo²⁸⁰ who describes indigenous communities, peoples and nations as "those which, having historical continuity with pre-invasion and precolonial societies that developed on their territories, consider themselves distinct from other sectors of the society now prevailing in those territories or parts of them". However, it should be acknowledged that a number of representatives of these groups have asserted that the diversity of the worlds indigenous peoples renders problematic an all-embracing definition and that efforts by the international community to develop a binding, all-inclusive definition are a diversion of energies.

Indigenous Peoples: An Australian Perspective' [1997] 6 *EIPR* 298.

²⁷⁷ See Blakeney, 'Biodiversity Rights and Traditional Resource Rights of Indigenous Peoples' [1998] 2 *Bio-Science Law Review* 52.

²⁷⁸ T. Simpson, *Indigenous Heritage and Self-Determination*, IWGIA Document 86 (Copenhagen, 1997), 55.

²⁷⁹ Australian Copyright Council, *Protecting Indigenous Intellectual Property. A Discussion Paper* (September, 1998), 14.

²⁸⁰ Study of the Problem of Discrimination Against Indigenous Populations, E/CN.4/Sub.2/1986/7 and Add.1-4.

Dr Erica-Martin Daes identifies four factors²⁸¹ which provide practical definitional guidance:

- (a) priority in time with respect to the occupation and use of a specific territory;
- (b) the voluntary perpetuation of cultural distinctiveness, which may include the aspects of language, social organization, religion and spiritual values, modes of production, laws and institutions;
- (c) self-identification, as well as self-recognition by other groups; and
- (d) an experience of subjugation, marginalisation, dispossession, exclusion, or discrimination, whether or not these conditions persist.

A perceived corollary to an acceptable definition of the concept “Indigenous Peoples” is the expectation that as peoples they will be able to avail themselves of the protections conferred by international instruments such as the UN Charter, which in Article 1 refers to “the principle of equal rights and self determination of peoples” and the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights which similarly refer to the “right of all peoples to self-determination”. However, as General Assembly Resolution 1514 (XV) on the Granting of Independence to Colonial Countries and Peoples, subsequently provided, the rights of peoples are subordinated to the sovereignty of states. This statist interpretation of the rights of peoples has been a barrier to the recognition of various political and property rights, including intellectual property rights, of Indigenous Peoples and traditional communities.

2. Why Protect Traditional Knowledge?

Alan Jabbour suggested a taxonomy of four "inchoate" concerns or anxieties which have led to international proposals for the protection of folklore.²⁸² First, a concern for the authentication of folklore in the face of the economic, psychological and cultural threat from alien sources. Secondly the expropriation, not only of physical objects, but also the documentary and photographic record of traditional societies. Thirdly, the issue of compensation for appropriation and cultural harm. Fourthly, the issue of nurture, or cultural health.

In Australia, these concerns have been manifested in five main areas: (a) the infringement of the copyright of individual artists; (b) the copying of works not authorised by aboriginal groups and communities; (c) the appropriation of Aboriginal images and themes; (d) the culturally inappropriate use of Aboriginal images and styles by non-Aboriginal creators; and (e) the uncompensated expropriation of traditional knowledge.

Each of these problems is addressed below, together with a consideration of the efficacy of existing intellectual property law to provide a remedy.

²⁸¹ Daes, ‘Rights of Indigenous Peoples’, paper presented at *Pacific Workshop on the United Nations Draft Declaration on the Rights of Indigenous Peoples*, Suva, Fiji, September, 1996, 28.

²⁸² Jabbour, ‘Folklore protection and national patrimony: developments and dilemmas in the legal protection of folklore’ (1982) XVII, No.1 *Copyright Bulletin* 10 at 11-12.

(a) *Copyright Infringements*

There are numerous instances of the designs of Australian Aboriginal artists being reproduced without their permission. The Australian Copyright Act 1968 provides a remedy to artists whose works have been copied without authorisation. The first case which attracted significant attention concerned the 1989 action brought by John Bulun Bulun and 13 other artists to obtain compensation concerning the unauthorised reproduction of their works on T-shirts.²⁸³ The case attracted some attention as it came immediately after the Bicentennial celebrations and injunctions and an out of court settlement of \$150,000 was obtained in this matter.²⁸⁴ A more recent reported case, concerning the unauthorised copying of the designs of Aboriginal artists was *Milpurrruru v. Indofurn Pty Ltd*²⁸⁵ This concerned the importation by a Perth-based company of carpets manufactured in Vietnam, upon which were reproduced the designs of George Milpurrruru, Banduk Marika, Tim Payungka Tjapangati and five deceased Aboriginal Artists. These designs had been copied from a portfolio of artworks produced by the Australian National Gallery. The defendants in this case were obliged to pay substantial damages.²⁸⁶ This case inspired a travelling exhibition, in 1996: *Copyrites, Aboriginal Arts in the Age of Reproductive Technologies*, which contained numerous examples of the illicit exploitation of the work of Aboriginal Artists.²⁸⁷

(b) *Copying Not Authorised by Aboriginal Groups and Communities*

Although, the Australian Copyright Act provides a remedy in relation to the unauthorised copying of the works owned or licensed by individual creators it does not recognise the communal harm which may result from the unauthorised reproduction of Aboriginal designs.

The claim of communal proprietorship in sacred images was rejected by the Federal Court in *Yumbulul v. Reserve Bank of Australia*²⁸⁸ That case concerned an attempt by representatives of the Galpu Clan to prevent the reproduction by the Reserve Bank, of the design of a Morning Star Pole on a commemorative banknote. The pole had been created by a member of the clan who had obtained his authority and knowledge to create the pole through initiation and revelatory ceremonies. The Galpu asserted that the communal obligation of the artist was such that he owed an obligation to the clan to prevent the design of the pole from being used in any way which was culturally offensive Although sympathetic to this argument, the trial Judge considered that the artist who had created the pole had successfully disposed of his intellectual property

²⁸³ *Bulun Bulun v Nejlum Pty Ltd*, Federal Court of Australia, Darwin, 1989 (unreported), referred to in Golvan, 'Aboriginal Art and copyright. The Case for Johnny Bulun Bulun', [1989] 10 *European Intellectual Property Reporter* 346; C. Golvan, *An Introduction to Intellectual Property Law* (Sydney: Federation Press, 1992), 51.

²⁸⁴ *Ibid.*

²⁸⁵ (1995) 91-116 *CCH Australian Intellectual Property Cases* 39,051.

²⁸⁶ See also the discussion of this case in Miller, 'Collective Ownership of the Copyright in Spiritually-Sensitive Works: *Milpurrruru v Indofurn Pty Ltd*', (1995) 6 *UNSW Law Jnl.* 185.

²⁸⁷ See NIAAA, *Copyrites. Aboriginal Art in the Age of Reproductive Technologies*, Touring Exhibition Catalogue (1996).

²⁸⁸ (1991) 2 *Intellectual Property Reports* 481.

rights in it through a legally binding agreement. He lamented that “Australia’s copyright law does not provide adequate recognition of Aboriginal community claims to regulate the reproduction and use of works which are essentially communal in origin”,²⁸⁹ and concluded by recommending that “the question of statutory recognition of Aboriginal communal interests in the reproduction of sacred objects is a matter for consideration by law reformers and legislators”.²⁹⁰

A related issue to the failure of the courts to recognise communal proprietorship of traditional works is their failure to compensate communal harm.²⁹¹ In *Milpururru*, mentioned above, the court awarded damages for breach of copyright to a number of Aboriginal artists whose designs were wrongfully reproduced on carpets. The court agreed that this was a particularly egregious breach of copyright, involving a culturally demeaning use of the infringed works. However, the court considered itself unable to compensate the communities whose images were used in culturally inappropriate ways, as ‘the statutory remedies do not recognise the infringement of ownership rights of the kind which reside under Aboriginal law in the traditional owners of the dreaming stories’.²⁹²

Indeed a major problem, which has been identified in analysing traditional knowledge and cultural expression in conventional intellectual property terms, is the observation that “indigenous peoples do not view their heritage in terms of property at all...but in terms of community and individual responsibility. Possessing a song, story or medical knowledge carries with it certain responsibilities to show respect to and maintain a reciprocal relationship with the human beings, animals, plants and places with which the song, story or medicine is connected”.²⁹³

The most recent Australian case concerned with the communal rights of an Aboriginal people in Australia, *Bulun Bulun & Anor v. R & T Textiles Pty Ltd*,²⁹⁴ arose out of the importation and sale in Australia of printed clothing fabric which infringed the copyright of the Aboriginal artist, Mr John Bulun Bulun, in his work "Magpie Geese and Water Lillies at the Waterhole". The proceedings were commenced on 27 February 1997 by Mr Bulun Bulun and by Mr George Milipurruru. Both applicants were members of the Ganalbingu people. Ganalbingu country is situated in Arnhem Land in the Northern Territory of Australia. Mr Bulun Bulun sued as legal owner of the copyright in the painting and sought remedies for infringement under the Australian Copyright Act 1968. Mr Milpururru brought the proceedings in his own name and as a representative of the Ganalbingu claiming that they were the equitable owners of the copyright subsisting in the painting.

²⁸⁹ (1991) 2 *Intellectual Property Reports* at 490.

²⁹⁰ *Ibid.*, at 492.

²⁹¹ See Blakeney, 'Communal Intellectual Property Rights of Indigenous People in Cultural Expressions', (1998) 1 *Jnl of World Intellectual Property* 985.

²⁹² (1995) 91-116 *CCH Australian Intellectual Property Cases* at 39,077.

²⁹³ E.I. Daes, *Discrimination Against Indigenous Peoples: Study on the Protection of the Cultural and Intellectual Property of Indigenous Peoples* (1993), para.26 quoted in Puri, 'Cultural Ownership and Intellectual Property Rights Post-Mabo: Putting Ideas into Action', (1995) 9 *Intellectual Property Journal* 293 at 308.

²⁹⁴ [1998] 1082 FCA (3 September 1998), reported at <http://www.austlii.edu.au/au/cases/cth/federal_ct/1998/1082.html>.

Upon commencement of the proceedings, the respondents admitted to infringement of Mr Bulun Bulun's copyright and consented to permanent injunctions against future infringement. In its defence to Mr Milpurrruru's actions the respondent pleaded that as Mr Bulun Bulun's claim had been satisfied, it was unnecessary to consider the question of the equitable ownership of the copyright. Mr Milpurrruru sought to continue the action as a test case on the communal intellectual property rights of indigenous Australian peoples arising from the copyright infringement.

The principal questions for the court to address were whether the communal interests of traditional Aboriginal owners in cultural artworks, recognised under Aboriginal law, created binding legal or equitable obligations on persons outside the relevant Aboriginal community. This depended upon there being a trust impressed upon expressions of ritual knowledge. The Court acknowledged that amongst African tribal communities, tribal property was regarded as being held on trust by the customary head of a tribal group.²⁹⁵ However, in the instant case the court considered there to be no evidence of an express or implied trust created in respect of Mr Bulun Bulun's art. This was an issue of intention and the court found no evidence of any practice among the Ganalbingu whereby artworks were held in trust.

In an extensive *obiter dictum* in this test case, the court was prepared to impose fiduciary obligations upon Mr Bulun Bulun, as a tribal artist, to his people. The factors and relationships giving rise to fiduciary obligations under equity law do not admit of easy definition.²⁹⁶ In the instant case, the Court found the subsistence of a fiduciary relationship between Mr Bulun Bulun and his people, arising from the trust and confidence reposed in him, that his artistic creativity would be exercised to preserve their integrity, law, custom, culture and ritual knowledge. The fiduciary obligation imposed on Mr Bulun Bulun was "not to exploit the artistic work in such a way that is contrary to the laws and customs of the Ganalbingu people, and, in the event of infringement by a third party, to take reasonable and appropriate action to restrain and remedy infringement of the copyright in the artistic work."

(c) *Simulation of Aboriginal Images by Non-Aboriginal Creators*

A controversial issue in recent years in Australia, has been the creation of works or products: (a) which are claimed to be produced by Aboriginal creators or which are got up in the style of Aboriginal schools of art; (b) by people who think that they are Aboriginal creators; (c) or which are allegedly inspired by Aboriginal spirits or muses.

In relation to works which are falsely claimed to be produced by Aboriginal persons, trade descriptions remedies would seem to provide an adequate remedy. Because of these remedies, some traders pass their work off as "Aboriginal-style" or "Aboriginal inspired". This sort of qualification may well avoid liability, but it remains as a dilution of the repute of genuine Aboriginal creations. A particular problem which has arisen in a couple of instances in Western Australia, is that of works produced by persons who assert that they are of Aboriginal descent or who claim to be inspired by

²⁹⁵ Citing, Asante, 'Fiduciary Principles in Anglo-American Law and The Customary Law of Ghana' (1965) 14 *International and Comparative Law Qlty* 1144 at 1145.

²⁹⁶ See P. Finn, *Fiduciary Obligations*, (Sydney; Law Book Co, 1977), 1; Weinrib, 'The Fiduciary Obligation' (1975) 25 *University of Toronto Law Jnl.* 1 at 4; Sealy, 'Fiduciary Obligations, Forty Years On' (1995) 9 *Journal of Contract Law* 37.

an Aboriginal muse. In the first category are the books of Colin Johnson, written under the name of 'Mudrooroo Nyoongar' and the books of Leon Carmen written as those of an Aboriginal woman, 'Wanda Koolmatrie'. Similarly, the Western Australian artist, Elizabeth Durack, painting under the pseudonym, 'Eddie Burrup' claims to be inspired by an Aboriginal spirit. These impostures, range from the malicious to the misguided, but each has been criticised as offensive to Aboriginal Peoples²⁹⁷ On the other hand, in western eyes, the reinterpretation of classical stories is often considered to stand at the heart of some modern literature.

(d) *Culturally Offensive Use of Aboriginal Images and Themes*

The adoption of Aboriginal themes and motifs in products has sometimes caused harm to those Aboriginal Peoples for whom those matters have great spiritual and cultural significance. The National Indigenous Arts Advocacy Association, Inc (NIAAA) reported the use of the Wandjina spirit as a logo for a surfboard company.²⁹⁸ The Wandjina are the Creation Ancestors of the Kimberley Aboriginal People and their painted images are found in the rock galleries in that region. The question of authorship is impossible to resolve as it is believed that the paintings were done by the Wandjina.²⁹⁹ In any event, the antiquity of these images means that their authorship is unknown. Wandjina images may be retouched or painted today, provided that appropriate deference is given to the ancient spirits. The Kimberley Aborigines believe that inappropriate treatment of these images will cause death and devastation.³⁰⁰ However, there is currently no law to prevent the use of these images by commercial enterprises.³⁰¹

In *Foster v Mountford*³⁰² an anthropology text, *Nomads of the Desert*, which was written to document the life of the Pitjantjatjara People, reproduced images which were forbidden to uninitiated members of the Pitjantjatjara. The court in this case was prepared to grant an injunction to prevent the book being distributed in the Northern Territory because the author had been shown these sacred matters in confidence.³⁰³

However, Aboriginal Peoples have no right equivalent to those which are conferred under the action of blasphemy. The NIAAA Report refers to a story used in the television series 'Heartlands' which belonged to a Western Australian Aboriginal community, but which was represented as coming from New South Wales.³⁰⁴ Because the story was in the public domain, the relevant community had no rights to prevent

²⁹⁷ Eg see van der Berg, 'Intellectual Property Rights for Aboriginal People', *Oceania Newsletter*, 20 March, 1998, [Internet] <http://www.kun.nl/cps/20/nb20c.html>.

²⁹⁸ NIAAA, *Stopping the Ripoffs*, Sydney, May, 1995, 5.

²⁹⁹ See J. Isaacs, *Australian Dreaming: 40,000 Years of Aboriginal History*, Sydney: Ure Smith, 1980, 73.

³⁰⁰ *Ibid.*, 74.

³⁰¹ See also Golvan, 'Aboriginal Art and the Protection of Indigenous Cultural Rights', (1995) 2 *Aboriginal Law Bulletin*, 5.

³⁰² (1976) 14 *Australian Law Reports* 71

³⁰³ Applied also in *Pitjantjatjara Council Inc. v. Lowe* (Unreported, Vic. Sup Ct, 26 March 1982) noted in (1982) 4 *Aboriginal Law Bulletin* 11.

³⁰⁴ NIAAA, n.4, *supra*, 7.

the transmission of this programme. The law does not currently recognise the proprietary interests of Aboriginal peoples in their Dreamings, stories, sacred images or dances.

Related to the culturally offensive use of Aboriginal themes is the misrepresentation of Aboriginal cultural life. A recent spectacular instance of this concerns the publication in 1990 of the book *Mutant Message Down Under*, by American author, Marlo Morgan. This book contained an account of Morgan's alleged travels among 'cannibalistic' Western Australian Aboriginal tribes. The book was on the US best sellers list for 25 weeks and was shortlisted for the 1995 American Booksellers Book of the Year, and the author merchandised CDs and videos to promote the work and her form of new age spiritualism. Following a detailed investigation for the Kimberley Law Centre, it was revealed that the author had never visited Australia. And she confessed that the work was a hoax.

(e) *The Uncompensated Expropriation of Traditional Knowledge*

The traditional medical knowledge of Indigenous peoples throughout the world has played an important role in identifying biological resources worthy of commercial exploitation. The search for new pharmaceuticals from naturally occurring biological material has been guided by ethnobiological data.³⁰⁵ In Western Australia, for example, there has been considerable discussion about the commercial exploitation of Smokebush as an anti-Aids drug, which had apparently been identified by Aboriginal Peoples as having therapeutic attributes.³⁰⁶ The recent passion for environmental sensitivity in Western countries has resulted in a heightened interest in natural products. Australia has a burgeoning "bush tucker" industry guided by the Australian Native Bushfood Industry Committee.³⁰⁷ Research into these products has been guided by the knowledge of Indigenous Peoples. In 1991, Merck, a multinational pharmaceutical company, entered into a bioprospecting agreement with the Costa Rican Association Instituto Nacional de Biodiversidad (INBio) a non profit organisation. Under the agreement, over a two year period, Merck received 10,000 plant samples³⁰⁸. The samples were supplied with information about their traditional use. Merck has paid a reported US \$1.35 million for the 10,000 samples, and has agreed to pay a royalty of between 2% - 3%³⁰⁹. Currently, three of the drugs that Merck sells earn over US \$1 billion each. If one of the 10,000 samples becomes a billion dollar drug then Merck has agreed to pay 20 - 30 million dollars in royalties. Conceivably, the royalties from the 10,000 samples could earn Costa Rica well in excess of US \$100 million per annum. This is clear evidence of the commercial value which the pharmaceutical industry places on indigenous peoples intellectual property. In 1995 the estimated market value of pharmaceutical derivatives from indigenous

³⁰⁵ See McChesney, 'Biological Diversity, Chemical Diversity and the Search for New Pharmaceuticals' in M. Balick, E. Elisabetsky and S. Laird, eds., *Medicinal Resources of the Tropical Forest: biodiversity and its importance to human health*, Columbia; U. of Columbia press, 1996, 12.

³⁰⁶ See Blakeney, 'Protection of Traditional Medical Knowledge of Indigenous Peoples' [1997] 19 *European Intellectual Property Review* 298-302

³⁰⁷ See Fourmile, 'Protecting Indigenous Property Rights in Biodiversity', (Feb/Mar. 1996) *Current Affairs Bulletin* 36.

³⁰⁸ Indigenous People, Biodiversity, and Health COURTS Canada IPBN Factsheet Nov 1995.

³⁰⁹ Ibid

peoples traditional medicine is US \$43 billion³¹⁰ world wide. Under current intellectual property law, there is no obligation for companies which utilize the traditional medical knowledge of Aboriginal Peoples to provide any compensation to recognise their equity in the commercial application of this knowledge.

To be patentable, an invention has to be novel, involving an addition to the existing state of relevant technology. Novelty is assessed by reference to the prior art. Novelty will be destroyed by prior publication. A problem with the patent claims of Indigenous Peoples in relation to traditional medical remedies, is that it has been the practice of ethnobotanists and ethnopharmacologists to publish accounts of the uses of plants by indigenous peoples.³¹¹ Another obstacle to the recognition of the contribution of Aboriginal Peoples to the development of new drugs, are the fairly strict rules that apply to the concept of joint invention. Joint inventorship typically requires that each of the joint inventors must have contributed to the inventive conception, “working toward the same end and producing an invention by their aggregate efforts”.³¹² It is not necessary that they did not work physically together at the same time and that each did not make the same type or amount of contribution. However, both must work on the same subject matter and make some contribution to the inventive thought and to the final result.³¹³

The economic factor has played an important role in agitation for the protection of traditional cultural works. As in other areas of piracy and counterfeiting, Ralph Oman, has highlighted the developments in communications and reprographic technologies, which have exposed formerly isolated cultures to digital imitation and to global transmission, without compensation.³¹⁴ As with the exploitation of developing countries through bioprospecting, the exploitation of traditional cultural resources without exploitation raises similar issues.³¹⁵ Indeed Chengsi has suggested that folklore protection has become a “trade-related issue”.³¹⁶

3. Modalities for the Protection of Traditional Knowledge

Proposals of mechanisms for the protection of traditional knowledge have ranged across two axes. Along one axis are various suggestions to improve the private law rights of the creators or custodians of traditional knowledge. These suggestions range from proposals to modify existing copyright law through to the creation of sui generis traditional knowledge rights. Along another axis are suggestions to deal with the protection of traditional knowledge as a public law right. These suggestions range from the creation of a public protection authority, through *domaine public payant* proposals, to the empowerment of Indigenous peoples' protective agencies. These various suggestions are considered below.

³¹⁰ Ibid

³¹¹ See Huft, n. 1 supra at 1718.

³¹² 269 F. Supp. 818 (DDC 1967)

³¹³ *Ibid* at 824.

³¹⁴ Oman, ‘Folkloric Treasures: The Next Copyright Frontier’ (1996) 15(4) *Nwesletter* (ABA Section of Intellectual Property Law, 3.

³¹⁵ See Wiener, ‘Protection of Folklore: A Political and Legal Challenge’ (1987) 18 *IIC* 59 at 67.

³¹⁶ Chengsi, ‘On the Copyright Protection of Folklore and Other Legislation in China’ (1996) 3 *China Patents and Trade Marks* 91 at 93.

At the minimalist end of discussions concerning the protection of traditional knowledge, are suggestions to deal with the perceived inadequacies of existing intellectual property laws by supplementary legislation. It should be noted at the outset that a number of commentators have questioned whether traditional knowledge is amenable to private law remedies. For example, Rosemary Coombe has raised the issue of the applicability of private law concepts to cultural expressions.³¹⁷ Puri, questions whether property concepts are cognizable under customary Aboriginal law.³¹⁸ Daes, explains,

...indigenous peoples do not view their heritage as property at all- that is something which has an owner and is used for the purpose of extracting economic benefits- but in terms of community and individual responsibility. Possessing a song, story or medicinal knowledge carries with it certain responsibilities to show respect to and maintain a reciprocal relationship with the human beings, animals, plants and places which the song, story or medicine is connected. For indigenous peoples, heritage is a bundle of relationships rather than a bundle of economic rights.³¹⁹

However, bearing these reservations in mind, the various private and public law suggestions for the protection of traditional knowledge are canvassed below.

(a) *Copyright*

As has been indicated, in the survey of Australian cases above, existing copyright law does not easily recognise communal authorship and to a lesser extent, communal ownership. Both of these matters can be dealt with by statutory amendment. For example, a form of representative or class action, could be brought by Indigenous and communal groups.

Another ownership issue, is the matter canvassed in the *Yumbulul* case, discussed above, whether notwithstanding an assignment of copyright, a communal group retains the underlying right to the folklore. It has been suggested that this could be dealt with by the recognition of an underlying equitable right in the communal group.³²⁰ This right would seem to have a similar quality to the moral rights which are recognized in civil law jurisdictions.

A major limitation of western copyright law, is its insistence upon material fixation as a precondition for protection. The Tunis Model Law on Copyright for Developing Countries, 1976, in s1(5*bis*) provides a useful precedent of the fixation requirement being waived for folklore.

³¹⁷ Eg see R. Coombe, *The Cultural Life of Intellectual Properties: Authorship, Appropriation and the Law* (Duke UP, 1998) and Coombe, 'Critical Cultural Legal Studies', (1998) 10 *Yale Jnl of Law & the Humanities* 463

³¹⁸ Puri, 'Cultural Ownership and Intellectual Property Rights Post Mabo: Putting Ideas into Action' (1995) 9 *IPJ* 293.

³¹⁹ Daes, n.xvii, *supra*, para.26.

³²⁰ Golvan, 'Aboriginal Art and the Protection of Indigenous Cultural Rights' [1992] 7 *EIPR* 227 at 230.

The limited duration of copyright protection has been perceived as a problem for traditional works, some of which may have originated many thousands of years ago. Again this is a problem which could yield to appropriate legislative drafting.

It has been suggested that the unauthorised appropriation of the styles of Indigenous peoples, could be dealt with by the concept of copyright in derivative works.³²¹

In general, the view of many commentators and committees of review is that the legal structure of copyright, with its emphasis on private proprietary rights, is ill suited to protect traditional works.³²²

(b) Moral Rights

Another copyright possibility for the protection of traditional knowledge is within the rubric of moral rights. Each of the moral rights of publication, paternity and integrity, have an applicability to the protection of traditional knowledge. The right of publication allows a creator to decide whether a work should be made public. This would permit the creators of spiritually sensitive works to control their dissemination. The right to have paternity acknowledged, would be useful in securing the authentication of traditional works. Most important is the right of integrity, which protects works from distortion, alteration, or misrepresentation.

(c) *Domaine Public Payant*

To deal with the fact that copyright works fall into the public domain after a finite time, a number of states have introduced legislation to prevent or sanction the use of such works, which would prejudice their authenticity or identity.³²³ Additionally, a fee may be imposed for the use of such works. The moneys thereby received can be diverted to the promotion of cultural activities. This scheme is particularly suited for the nurturing of traditional works. The Tunis Model Law on Copyright encourages the use of *domaine public payant* to assist developing countries to “protect and disseminate national folklore”.³²⁴ However, the extent to which this sort of law can protect traditional works has been questioned.³²⁵

(c) Authentication Marks

A suggestion emanating from IP Australia, the Australian intellectual property office, is the appending of an authentication mark to works of Indigenous creativity. This would be in the nature of a certification mark,³²⁶ although, of course, it will be limited to certain manifestations of traditional knowledge.

³²¹ See Australian Copyright Council, n.xiii, at 43-44.

³²² For a recent survey, see Berryman, ‘Towards a More Universal Protection of Intangible Cultural Property’, (1999) <www.lasch.uga.edu/~jipl/vol.1/berryman.html>.

³²³ See, ‘Study of Comparative Copyright Law: Protection of Works in the Public Domain’ (1981) 15(2) *Copyright Bulletin* 33.

³²⁴ Tunis Model Law on Copyright for Developing Countries, s.17.

³²⁵ Eg Jabbour, n.xvi *supra*, at 14; Niedzielska, ‘The Intellectual Property Aspects of Folklore Protection’ (1980) 16 *Copyright* 339 at 344.

³²⁶ See Annas, ‘The Label Authenticity: A Certification Trade Mark for Goods and Services of Indigenous Origin’ (1997) 3 *Aboriginal Law Bulletin* 4.

(d) **Public Protection Models**

The approach to protection, which was adopted in the *Model Provisions for National Laws on the Protection of Expressions of Folklore Against Illicit Exploitation and Other Prejudicial Action*, envisaged a system of prior authorisation to be administered by a competent authority which representing the relevant traditional community's interest in protecting its folklore. Authorisation was required for commercial uses of folklore other than in the traditional and customary context, subject to the supervision of the competent authority.

Where folklore was used in a traditional context, an authorisation was needed for the publication, recitation, performance or distribution. Use of folklore outside its traditional context would have to seek the prior consent of the community or an authorised person. Authorisation was not required for uses of expressions of folklore if the purposes relates to research, conservation and archiving. Furthermore, there is no need for authorisation, outside of the traditional or customary context, when an expression of folklore was used: for educational purposes; by way of illustration; for creating an original new work; for reporting of a current event; and where folklore is permanently situated in a public place.

The Model Law prohibited unauthorised commercial use of expressions of folklore. It provided that where the competent authority granted authorisation, it could set the level of remuneration and collect fees. The fees would be used for the purpose of promoting or safeguarding national culture or folklore. The commentary on the Model Law suggested that it would be advisable to share this fee with the community from which the folklore originated. The Model Law provided for offences relating to distortions of expressions of folklore. The offence provisions required the element of "wilful intent", with fines and imprisonment imposed as punishment. There were also civil sanctions and seizure provisions.

The *Model Law*, was anticipated in Australia, by the 1981 *Report of the Working Party on the Protection of Aboriginal Folklore*, which envisaged the appointment of Commissioner of Aboriginal Folklore to exercise a protective jurisdiction. The Commissioner, rather than Indigenous peoples would initiate litigation against infringing activities. This Report was commended in the 1982 WIPO/UNESCO meeting of experts on folklore³²⁷, but it was not implemented. The notion of a protective jurisdiction would certainly not find favour today. Certainly in Australia, the notion of a government-administered, protective, jurisdiction has been thoroughly discredited, particularly because of the disastrous consequences of other paternalistic policies of protectivism.

However, in countries which have not endured this sort of colonial experience, the protective model is considered unobjectionable. For example, the folklore provisions of the Nigerian Copyright Act 1988 are based extensively on the WIPO/UNESCO

Model Law and the supervision of the exploitation of cultural works is conferred upon the Nigerian Copyright Council.³²⁸

4. For Whom and by Whom?

The discourse about the protection of traditional knowledge assumes the necessity for this protection and also assumes that the primary beneficiaries of this protection will be Indigenous peoples and community groups. However, the state as guardian of its people's cultural heritage, also has an interest in the preservation of the traditional knowledge which exists within it³²⁹. The various African laws which seek to protect folklore, stress its significance as part of the national heritage.³³⁰ Multiculturalism has begun to replace nationalist uniformity as the new orthodoxy. An incidental beneficiary will be the nation state, first from the vigour of cultural health and secondly, from the commercial exploitation of traditional knowledge.

A corollary to the assumption of the necessity to protect traditional knowledge, is the assertion of the right of Indigenous peoples and traditional communities "to determine the appropriateness of the use being made of their culture"³³¹. Thus Erica-Irene Daes, declared that "each indigenous community must retain permanent control over all elements of its own heritage. It may share the right to enjoy and use certain elements of its heritage under its own laws and procedures, but always reserves a perpetual right to determine how shared knowledge is used".³³²

The increasing involvement of Indigenous peoples in models for the protection of traditional knowledge can be seen in the Australian experience. In the 1981 *Report of the Working Party on the Protection of Aboriginal Folklore*, proposed the establishment of a Commissioner for Aboriginal Folklore, who would exercise a protective jurisdiction on behalf of traditional peoples. Further reports in 1987,³³³ 1989³³⁴ and 1994³³⁵ made recommendations which envisaged an increasing role for Indigenous peoples in the protection of traditional knowledge. In 1998-99 Australian Indigenous Peoples conducted their own inquiry, based on a discussion paper *Our*

³²⁸ See Shyllon, 'Conservation, preservation and the legal protection of folklore in Africa: a general survey' (1998) XXXII (4) *Copyright Bulletin* 37 at 42.

³²⁹ See Niec, 'Legislative Models of Protection of Cultural Property' (1976) 27 *Hastings LawJnl* 1089.

³³⁰ Eg the Copyright Acts of Angola, Gabon, Democratic Republic of Congo, Malawi, and Tunisia, discussed in Shyllon, 'Conservation, preservation and the legal protection of folklore in Africa: a general survey' (1998) XXXII (4) *Copyright Bulletin* 37.

³³¹ Pask, 'Cultural Appropriation and the Law: An Analysis of the Legal Regimes Concerning Culture' (1993) 8 *IPJ* 57 at 61.

³³² Daes, 'Study on the Protection of the Cultural and Intellectual Property of Indigenous Peoples', paper presented to the 45th session of the UN Sub-Commission on Prevention of Discrimination and Protection of Minorities, Geneva, 1993, quoted in Australian Copyright Council, n.xiii, 56.

³³³ Committee of Inquiry into Folklife, *Folklife: Our Living Heritage* (Canberra: AGPS, 1987).

³³⁴ Department of Aboriginal Affairs Review Committee, *The Aboriginal Arts and Crafts Industry* (Canberra: AGPS, 1989).

³³⁵ Ministers for Justice, Aboriginal and Torres Strait Islander Affairs, Communications and the Arts, *Stopping the Rip-Offs- Intellectual Property Protection for Aboriginal and Torres Strait Islanders*. (Canberra: AGPS, 1994)

*Culture, Our Future: Proposals for the recognition and protection of Indigenous cultural and intellectual property.*³³⁶

Today in Australia, Indigenous peoples regard the protection of traditional knowledge as an issue of self-determination.³³⁷ For other countries, with a less unfortunate colonial history, the issue of who controls the protection and conservation of traditional knowledge might be less politicised.

Among the political issues which have been raised in Australia are: whether eurocentric intellectual property law can be trusted with the subject of traditional knowledge³³⁸ Similarly, it has been suggested that “a suspicious eye should be cast over any assertion of legal or moral authority by non-Indigenous people to adjudicate disputes between traditional and non-traditional artists”.³³⁹

5. Indigenous Peoples and the Protection of Traditional Knowledge

The debate in Australia about the forms and modalities for the protection of traditional knowledge, has to be seen in the context of the burgeoning global self-confidence of Indigenous peoples. One of the results of the United Nations International Year for the World's Indigenous Peoples, was the promulgation of a *Draft Declaration on the Rights of Indigenous Peoples*. Article 12 of the *Draft Declaration* recognised the right of indigenous peoples to ‘practice and revitalize their cultural traditions and customs, including the right

...to maintain, protect and develop the past, present and future manifestations of their cultures, such as ...artefacts, designs, ceremonies, technologies and visual and performing arts and literature, as well as the right to the restitution of cultural, intellectual, religious and spiritual property taken without their free and informed consent or in violation of their laws, traditions and customs.

Article 29 recognised the entitlement of indigenous peoples ‘to the full ownership, control and protection of their cultural and intellectual property’. This article also asserted the right of indigenous peoples ‘to special measures to control, develop and protect their...cultural manifestations, including ...oral traditions, literatures, designs and visual and performing arts.’

The growing self-realisation of indigenous peoples that the international recognition of their intellectual property rights in their cultural expressions would depend upon their own efforts, has resulted in the development of international solidarity through international conferences of indigenous peoples. These conferences have promulgated intellectual property declarations, formulating norms for the protection of traditional knowledge.³⁴⁰

³³⁶ Available at <http://www.icip.com.au>

³³⁷ Eg see, Fourmile, ‘Aboriginal Heritage Legislation and Self Determination’ (1989) 7 *Australian-Canadian Studies, Special Issue*, 45.

³³⁸ Eg. see Maddocks, ‘Copyright and traditional design: An Aboriginal Dilemma’ (1988) 2(34) *Aboriginal Law Bulletin* 6.

³³⁹ Gray, ‘Black Enough? Urban and non-traditional Aboriginal art and proposed legislative protection for Aboriginal art’ (1996) 7 (3) *Culture and Policy* 29.

³⁴⁰ See Appendix 1 for a full list of Indigenous Peoples’ Declarations.

A significant initiative during the UN International Year for the World's Indigenous Peoples was the First International Conference on the Cultural and Intellectual Property Rights of Indigenous Peoples which was convened by the Nine Tribes of Mataatua in the Bay of Plenty Region of Aotearoa, New Zealand in June 1993. The resultant *Mataatua Declaration on the Cultural and Intellectual Property Rights of Indigenous Peoples* insisted that the protection of the rights of indigenous peoples in their traditional knowledge was an aspect of the right of indigenous people to self determination. The *Mataatua Declaration* recommended in art.1 that in the development of policies and practices, indigenous peoples should:

- 1.1 Define for themselves their own intellectual and cultural property.
- 1.2 Note that existing protection mechanisms are insufficient for the protection of Indigenous Peoples Intellectual and Cultural Property Rights.
- 1.3 Develop a code of ethics which external users must observe when recording (visual, audio, written) their traditional and customary knowledge.
- 1.4 Prioritise the establishment of indigenous education, research and training centres to promote their knowledge of customary environmental and cultural practices.
-
- 1.6 Develop and maintain their traditional practices and sanctions for the protection, preservation and revitalization of their traditional intellectual and cultural properties.
-
- 1.8 Establish an appropriate body with appropriate mechanisms to:
 - (a) preserve and monitor the commercialism or otherwise of indigenous cultural properties in the public domain;
 - (b) generally advise and encourage indigenous peoples to take steps to protect their cultural heritage;
 - (c) allow a mandatory consultative process with respect to any new legislation affecting indigenous peoples cultural and intellectual property rights.
- 1.9 Establish international indigenous information centres and networks.

The *Mataatua Declaration* in art.2.1 recommended that in the development of policies and practices, States and national and international agencies should recognise that indigenous peoples are the guardians of their customary knowledge and have the right to protect and control dissemination of that knowledge.' In art. 2.2 it urged the recognition that 'indigenous peoples also have the right to create new knowledge based on cultural traditions'. The insufficiency of existing protection mechanisms was asserted in art. 2.3. The conference delegates recommended that the UN incorporated the *Mataatua Declaration* be incorporated in its Study on Cultural and Intellectual Property of Indigenous Peoples.

The Statement issued by the International Consultation on Intellectual Property Rights and Biodiversity organised by the Coordinating Body of the Indigenous Peoples of the Amazon Basin (COICA), held at Santa Cruz de la Sierra, Bolivia in September 1994 reiterated the assertion of the *Mataatua Declaration* that

All aspects of the issue of intellectual property (determination of access to natural resources, control of the knowledge or cultural heritage of peoples, control of the use of their resources and regulation of the terms of exploitation) are aspects of self determination.

The COICA Statement in art.9 pointed to the danger of distortion to indigenous systems in adjusting them to the prevailing intellectual property regime. The Statement formulated short and medium term strategies to deal with these problems. In the short term it identified intellectual property principles and mechanisms which were either inimical to or useful for indigenous peoples. For example, art.12 recognised that ‘there are some formulas that could be used to enhance the value of our products (brand names, appellations of origin), but on the understanding that these are only marketing possibilities, not entailing monopolies of the product or of collective knowledge’.

The Statement in art.14 proposed the design of a protection and recognition system in the short and medium term of mechanisms which ‘will prevent appropriation of our resources and knowledge’. These would include ‘appropriate mechanisms for maintaining and ensuring rights of indigenous peoples to deny indiscriminate access to the resources of our communities or peoples and making it possible to contest patents or other exclusive rights to what is essentially indigenous’.

Although the COICA Statement was largely concerned with indigenous peoples rights in biodiversity³⁴¹, it called for the training of indigenous leaders in aspects of intellectual property.

In Australia, the *Julayinbul Statement on Indigenous Intellectual Property Rights*, was adopted by a Conference on Cultural and Intellectual Property held at Jingarrba on 25-27 November 1993. The *Julayinbul Statement* affirmed the unique spiritual and cultural relationship of Indigenous Peoples with the Earth which determined their perceptions of intellectual property. The Statement asserted that “Aboriginal intellectual property, within Aboriginal Common Law, is an inherent inalienable right which cannot be terminated, extinguished or taken”. The Statement called on governments to review legislation and non-statutory policies which did not recognise indigenous intellectual property rights and to implement such international conventions which recognised these rights. The Conference also issued a *Declaration Reaffirming the Self Determination and Intellectual Property Rights of the Indigenous Nations and Peoples of the Wet Tropics Rainforest Area*. This *Declaration* was primarily concerned with bioprospecting and the intellectual property rights of indigenous peoples to traditional knowledge.

In April 1995 the South Pacific Regional Consultation on Indigenous Peoples’ Knowledge and Intellectual Property Rights, held in Suva, Fiji in April 1995. The Final Statement issued by the Regional Consultation declared ‘the right of indigenous peoples of the Pacific to self-governance and independence of our lands, territories and resources as the basis for the preservation of indigenous peoples’ knowledge’. Article 7 urged the strengthening of indigenous networks and encouraged the UN and

³⁴¹ See Blakeney, ‘Bioprospecting and the Protection of Traditional Medical Knowledge’, *Symposium on Intellectual Property Protection for the Arts and Cultural Expression of Aboriginal and Torres Strait Islander Peoples*, Perth, 1 October 1996.

regional donors to continue and support discussions on indigenous peoples' knowledge and intellectual property rights'. Article 8 pointed out the importance of strengthening 'the capacities of indigenous peoples to maintain their oral traditions, and encourage initiatives by indigenous peoples to record their knowledge in a permanent form according to their customary access procedures'.

6. International Developments

(a) UNESCO/WIPO

As early as April 1973, the Government of Bolivia had sent a memorandum to the Director General of UNESCO requesting that the Organization examine the opportunity of drafting an international instrument on the protection of indigenous creative works in the form of a protocol to be attached to the Universal Copyright Convention, which is administered by UNESCO. Following that request a study was prepared in 1975 by the Secretariat of UNESCO on the desirability of providing for the protection of the cultural expressions of indigenous peoples on an international scale. Because of a perception of the broad scope of this analysis, in 1977 the Director General of UNESCO convened a Committee of Experts on the Legal Protection of Folklore, which in a report in 1977 concluded that the subject required sociological, psychological, ethnological, politico-historical studies 'on an interdisciplinary basis within the framework of an overall and integrated approach'.³⁴²

Pursuant to a resolution adopted by the General Conference of the United Nations Educational, Scientific and Cultural Organization (UNESCO) in Belgrade, in September-October 1980 and a decision taken by the Governing Bodies of the World Intellectual Property Organization (WIPO) in November 1981, a Committee of Governmental Experts on the Intellectual Property Aspects of the Protection of Expressions of Folklore was convened. After a series of meetings the Committee formulated *Model Provisions for National Laws on the Protection of Expressions of Folklore Against Illicit Exploitation and Other Prejudicial Action* which were adopted by the two organizations in 1985. Pursuant to a resolution adopted by the General Conference of the United Nations Educational, Scientific and Cultural Organization (UNESCO) in Belgrade, in September-October 1980 and a decision taken by the Governing Bodies of the World Intellectual Property Organization (WIPO) in November 1981, a Committee of Governmental Experts on the Intellectual Property Aspects of the Protection of Expressions of Folklore was convened. After a series of meetings the Committee formulated *Model Provisions for National Laws on the Protection of Expressions of Folklore Against Illicit Exploitation and Other Prejudicial Action* which were adopted by the two organizations in 1985. The *Model Provisions* follow the registration and custodianship approach of the 1981 Australian Report.

The General Conference of UNESCO at its 25th session in 1989 adopted a Recommendation on the Safeguarding of Traditional Cultures and Folklore, which proposed a programme of measures to be taken at the national level for the

³⁴² Study on the International Regulations of Intellectual Property, UNESCO/WIPO/WG.1/FOLK/3, Tunis, 11-13 July 1977.

identification, conservation, preservation and dissemination of the cultural works of indigenous peoples.

A parallel course of was pursued within WIPO. The 1967 Diplomatic Conference in Stockholm for the revision of the Berne Convention on Copyright and Neighbouring Rights set up a special Working Group to decide "what would be the most suitable place in the Convention for a provision dealing with works of folklore"³⁴³ A consequence of this proposal was the promulgation of Article 15(4) of the Stockholm and Paris Acts of the Convention which provides:

- (a) In the case of unpublished works where the identity of the author is unknown, but where there is every ground to presume that he is a national of a country of the Union, it shall be a matter for legislation in that country to designate the competent authority which shall represent the author and shall be entitled to protect and enforce his rights in the countries of the Union.

Provision is made for notification to the Director General of WIPO of the authority Berne Convention on Copyright and Neighbouring Rights thus designated. He would then inform Member countries of the Berne Union of the notification.

Paralleling the developments within UNESCO, expert working groups were appointed by WIPO to consider how folklore protection could be implemented within Berne. During the February 1996 joint sessions of the WIPO Committee of Experts on a Possible Protocol to the Berne Convention and the WIPO Committee of Experts on a Possible Instrument for the Protection of the Rights of Performers and Producers of Phonograms, the delegations of a number of developing countries expressed the view that the protection of the artistic and cultural expressions of indigenous peoples should again be addressed at the international level. The Committees of Experts recommended the "organization of an international forum in order to explore issues concerning the preservation and protection of expressions of folklore, intellectual property aspects of folklore and the harmonization of the different regional interests".³⁴⁴ To this end in April 1997 a joint UNESCO/WIPO World Forum on the Protection of Folklore was convened in Phuket.

The Forum continued the joint venture in this area between WIPO and UNESCO, which had commenced in the 1980s. However it pointed up the tension between the mandates of the two organizations.³⁴⁵ UNESCO's concern has is with cultural creativity and copyright, whereas WIPO's interest also embraces industrial property. The shift in 1999 to the nomenclature of traditional knowledge, reflects a movement away from the common ground of the two organizations.

At the end of the Forum a 'Plan of Action' was adopted by the participants expressing their view about the inadequacy of copyright law to protect folklore and the formulation of a new international regime which would balance the interests of

³⁴³ *Records of the Intellectual Property Conference of Stockholm* (1967) vol. 2 , Summary Minutes, Main Committee I, 964-981, 1505-15.

³⁴⁴ WIPO Doc. BCP/CE/VI/16-INR/CE/V/14 para 269 (9 Feb 1996).

³⁴⁵ See McDonald, 'UNESCO-WIPO World Forum on the Protection of Folklore: Some Reflections and Reactions' (1997) 15 *Copyright Reporter* 128 at 136.

communities owning folklore and its users, to be reflected in “a new international agreement on the sui generis protection of folklore”.³⁴⁶

The participants from the UK and USA expressly disassociated themselves from the Plan of Action.³⁴⁷ In May 1997, the Director General of WIPO received a request from Thailand to place the Plan of Action before the governing Bodies of WIPO and in the same month Ghana urged the taking of steps towards the adoption of a Folklore treaty and the holding of regional consultations on this issue.

WIPO in its 1998-99 biennium instituted a schedule of regional fact-finding missions “to identify and explore the intellectual property needs, rights and expectations of the holders of traditional knowledge and innovations, in order to promote the contribution of the intellectual property system to their social, cultural and economic development”. Australia was chosen as the first port of call for this expert mission, which visited Darwin and Sydney from 14-18 June 1998. Among the matters considered by the Expert Mission were:

- The feasibility of establishing databases of traditional knowledge;
- The need for, and possible nature and scope of, new or adapted forms of protection for expressions of folklore; and
- The use of the existing intellectual property system for the beneficial commercialisation of expressions of folklore, such as by way of multimedia and Internet technologies.

During 1998 and 1999 similar expert, fact-finding missions visited, Peru, South Africa, Thailand and Trinidad and Tobago.

In August 1998 WIPO hosted a Roundtable on Intellectual Property and Indigenous Peoples. In the paper presented by Antonio Jacanimijoy, a representative of the Coordinating Body of Indigenous Peoples' Organizations of the Amazon Basin (COICA), a plea was made for the legal recognition of traditional knowledge.³⁴⁸ He suggested that until this was established the traditional knowledge of Indigenous peoples “should be given recognition as innovations of informal and collective character”.³⁴⁹

A issue raised by the delegation of Iran in a meeting of WIPO's Permanent Committee on Cooperation for Development Related to Intellectual Property, held in Geneva June 1999, was the importance of the protection of traditional knowledge also in communities without indigenous communities.³⁵⁰

An indication of the shift in WIPO's conception of the issue was its convening in November 1999 of a World Forum on Traditional Knowledge.

³⁴⁶ *Ibid.*, at 137.

³⁴⁷ International Bureau of WIPO, ‘The Protection of Expressions of Folklore: the Attempts at International Level’ (Jan-Jun 1998) NO. 56/57 *Intellectual Property in Asia and the Pacific* 45 at 59.

³⁴⁸ Jacanimijoy, ‘Initiatives for the Protection of Rights of Holders of Traditional Knowledge, Indigenous Peoples and Local Communities’ WIPO Doc. WIPO/INDIP/RT/98/4E, July 15, 1998.

³⁴⁹ *Ibid.*, at 8.

³⁵⁰ WIPO document PCIPD/1/12, para 152.

(b) WTO

A particular contemporary impetus for the formulation of an international positions on the protection of traditional knowledge has been the current debate concerning the review of Art.27.3(b) of the plant variety provision of the TRIPs Agreement.³⁵¹ Review of this provision is mandated by the TRIPs Agreement itself, to be completed by the end of 1999. Developing country participants in the review process have suggested the importation into the TRIPs Agreement of the provisions in the Convention on Biological Diversity, which provide for equitable sharing with indigenous peoples of the benefits of the utilization of traditional medical knowledge³⁵². The African Group of countries proposed the inclusion of this issue in the Ministerial Conference to set the agenda for the Seattle Round of the WTO.³⁵³ On 25 July 1999 a federation of Indigenous Peoples groups issued a statement for the purposes of the review, pleading for a legislative structure which “Builds upon the indigenous methods and customary laws protecting knowledge and heritage and biological resources” and which prevents the appropriation of traditional knowledge and integrates “the principle and practice of prior informed consent, of indigenous peoples’ as communities or as collectivities”. The Statement concluded with an affirmation of the commitment of Indigenous Peoples “to sustain our struggle to have our rights to our intellectual and cultural heritage and our lands and resources promoted and protected.”

On 4 October 1999 Bolivia, Columbia, Ecuador, Nicaragua and Peru specifically proposed that the Seattle Ministerial Conference establish within the framework of the Round a mandate

- (a) To carry out studies, in collaboration with other relevant international organizations in order to make recommendations on the most appropriate means of recognizing and protecting traditional knowledge as the subject matter of intellectual property rights.
- (b) On the basis of the above-mentioned recommendations, initiate negotiations with a view to establishing a multilateral legal framework that will grant effective protection to the expressions and manifestations of traditional knowledge.
- (c) To complete the legal framework envisaged in paragraph (b) above in time for it to be included as part of the results of this round of trade negotiations.³⁵⁴

³⁵¹ See Blakeney, ‘International Framework of Access to Plant Genetic Resources’ in M. Blakeney, *Intellectual Property Aspects of Ethnobiology* (London: Sweet & Maxwell, 1999), 1.

³⁵² See Blakeney, ‘Biotechnology, TRIPs and the Convention on Biological Diversity’ [1998/1999] 4 *Bio-Science Law Review* 144-150.

³⁵³ *Communication to the WTO from Kenya, on behalf of the African Group*, WT/GC/W/302 6 August 1999.

³⁵⁴ Communication from Bolivia, Columbia, Ecuador, Nicaragua and Peru, ‘Proposal on Protection of the Intellectual Property Rights Relating to the Traditional Knowledge of Local and Indigenous Communities’, World Trade Organization, WT/GC/W/362 12 October 1999.

Covert International Intellectual Property Legislation: The Ignoble Origins of the Anti-counterfeiting Trade Agreement (ACTA)

Michael Blakeney

Considerable controversy was generated in the USA by the introduction into the Senate in May 2011 of the Protect IP Act (PIPA)³⁵⁵ and by the Stop Online Piracy Act (SOPA)³⁵⁶ which was introduced into the House of Representatives in October 2011. Both pieces of legislation sought to facilitate the capacity of the IP enforcement authorities in the US to combat the online trade in pirated copyright works and counterfeit trademarked goods. Provisions included court orders to take down websites which made infringing products available and payment facilities from conducting business with infringing websites, and search engines from linking to the sites, and court orders requiring Internet service providers to block access to the sites. Existing criminal laws were to be extended to penalise the unauthorized streaming of copyrighted content.

Characterizing SOPA and PIPA as attempts to introduce censorship of the Internet, Tumblr, Mozilla, Techdirt, and the Center for Democracy and Technology were among many Internet companies that protested by participating in American Censorship Day on November 16, 2011.³⁵⁷ They displayed black banners over their site logos with the words "STOP CENSORSHIP". On January 18, 2012 English Wikipedia and an estimated 7,000 other smaller websites coordinated a service blackout, to raise awareness.³⁵⁸ In excess of 160 million people viewed Wikipedia's banner. Other protests against SOPA and PIPA included petition drives, with Google stating it that it had collected over 7 million signatures, as well as boycotts of companies that supported the legislation.³⁵⁹ Paradoxically, in a protest about censorship, the web sites of organizations which were considered supporters of the legislation such as the Justice Department, FBI, Universal Music Group, the Recording Industry Association of America (RIAA) and the Motion Picture Association of America (MPAA) were slowed or shut down with denial of service attacks.³⁶⁰

On January 18, 2012, Senate Majority Leader Harry Reid announced that a vote on PIPA would be postponed until issues raised about the bill were resolved and on 20 January 2012, House Judiciary Committee Chairman Lamar Smith announced that

³⁵⁵ Preventing Real Online Threats to Economic Creativity and Theft of Intellectual Property Act, Senate Bill 968.

³⁵⁶ HR 3261.

³⁵⁷ For a comprehensive account of the protests see http://en.wikipedia.org/wiki/Protests_against_SOPA_and_PIPA, accessed 10 June 2012

³⁵⁸ See *ibid* and http://en.wikipedia.org/wiki/Stop_Online_Piracy_Act, accessed 10 June 2012

³⁵⁹ *Ibid*.

³⁶⁰ http://news.cnet.com/8301-31322_3-57362437-256/anonymous-goes-nuclear-everybody-loses/. retrieved 10 June 2012.

the Committee would postpone consideration of SOPA until there was wider agreement.³⁶¹

Although lauded as a triumph for the Internet community, the apparent demise of SOPA and PIPA was paralleled by the covert triumph of the Anti-counterfeiting Trade Agreement (ACTA), was described on Internet blogs as: being “SOPA’s Pimp Daddy”³⁶², as “SOPA and PIPA on Steroids”³⁶³ and as being “more dangerous than SOPA”³⁶⁴ and “worse than SOPA”.³⁶⁵

ACTA was adopted by the negotiating parties, including the US, on April 15, 2011.³⁶⁶ On 1 October 2011 a special signing ceremony was held in Tokyo with the United States, Australia, Canada, Japan, Morocco, New Zealand, Singapore and South Korea all signing ACTA.³⁶⁷ This article explores how ACTA came to be negotiated without the scale of the protests which attended SOPA and PIPA.

The Road to ACTA- Failure of Enforcement Negotiations in other Fora.

The World Trade Organization (WTO) Agreement on Trade Related aspects of Intellectual Property Rights (TRIPS Agreement) had originated as a response to the frustration which principally the US and the EU shared about the inadequacy of the international IPR regime to deal with the growth of counterfeiting and piracy.³⁶⁸ The proposal made by the United States that intellectual property rights (IPR) regulation be shifted to the General Agreement on Tariffs and Trade (GATT), made at the launch of the Uruguay Round in 1987,³⁶⁹ was because of its disillusionment with the World Intellectual Property Organization (WIPO) as an effective custodian of the international IPR system.³⁷⁰ The creation of the World Trade Organization as the body responsible for the administration of the GATT and the TRIPS Agreement, suggested that IPR enforcement would be placed on a sound footing.³⁷¹ However, within 10 years of the commencement of the TRIPS agreement, a more than ten-fold increase in counterfeiting and piracy from \$US60 billion annually to at least \$US650 billion³⁷², together with the difficulties which the United States had in raising the

³⁶¹ Jonathan Weisman, ‘After an Online Firestorm, Congress Shelves Antipiracy Bills’. <http://www.nytimes.com/2012/01/21/technology/senate-postpones-piracy-vote.html>. Retrieved 20 June 2012.

³⁶² <http://politicalfilm.wordpress.com/2012/01/24/acta-is-sopas-pimp-daddy/>, accessed 10 June 2012.

³⁶³ <http://freakoutnation.com/2012/01/22/meet-acta-its-sopa-and-pipa-on-steroids-the-global-edition/> accessed 10 June 2012.

³⁶⁴ <http://mashable.com/2012/01/26/acta-more-dangerous-than-sopa/> accessed 10 June 2012.

³⁶⁵ <http://www.forbes.com/sites/erikkain/2012/01/23/if-you-thought-sopa-was-bad-just-wait-until-you-meet-acta/> accessed 10 June 2012.

³⁶⁶ Press Release, Ministry of Foreign Affairs of JP., Anti-Counterfeiting Trade Agreement (ACTA) (Opening for Signature) (May 1, 2011), *available at* http://www.mofa.go.jp/announce/announce/2011/5/0501_01.html.

³⁶⁷ See <http://www.ustr.gov/acta>.

³⁶⁸ See M. Blakeney, *Trade Related Aspects of Intellectual Property Rights. A Concise Guide to the TRIPs Agreement*, London: Sweet & Maxwell, 1996, ch.2.

³⁶⁹ ‘The Uruguay Round. Decisions of 28 January 1987’ GATT doc., GATT/1405, 5 February 1987.

³⁷⁰ See W. Walker ‘A Program to Combat International Commercial Counterfeiting’ 70 *Trademark Reporter* 119 (1980).

³⁷¹ For a comprehensive account of the negotiating history of the Round see Terence P. Stewart, Ed., *The GATT Uruguay Round. a Negotiating History (1986-1992)*, Deventer, Boston, Kluwer, 1993

³⁷² It should be noted that there is a significant lack of agreement about the size of the annual trade in infringing products. See C. Fink, K. Maskus and Yi Qian, ‘The Economic Effects of

enforcement issue in the TRIPS Council, as well as the fairly poor result which the it obtained in its complaint about the enforcement of China's copyright law³⁷³ meant that the WTO had not turned out to be the effective forum which the United States had sought. In June 2005 the EU had sought to initiate discussions on IPR enforcement.³⁷⁴ At the TRIPS Council meeting in June 2006 it called an "in-depth discussion" of enforcement issues.³⁷⁵ This proposal met with strong opposition from the leading developing countries such as Argentina, Brazil, China, and India who considered the enforcement issue a diversion from the Doha Development Agenda.³⁷⁶ At the TRIPS Council meeting in October 2006, the EU, with support from Japan, Switzerland, and the US submitted a joint communication which asserted that the TRIPS Council was "an appropriate forum to examine and assist Members in the implementation of enforcement provisions of the TRIPS Agreement" and that the work of the TRIPS Council "should complement Members' efforts to use other cooperative mechanisms to address IPR enforcement."³⁷⁷ The co-sponsors stated that they:

- Invite other Members to engage in a constructive discussion of how to implement the enforcement provisions of TRIPS in a more effective manner.
- Invite other Members to engage in a constructive discussion of accompanying measures which could enhance the effectiveness of national implementing legislation and enforcement efforts, such as for example promoting interagency co-operation, fostering a higher public awareness, and reinforcing institutional frameworks.
- Ask the Secretariat to prepare a synopsis of Members' contributions to the Checklist of Issues on Enforcement that would serve as a basis for the above-mentioned discussion.
- Stand ready, in cooperation with recipients of technical assistance and with relevant international organizations, to better focus the technical assistance they provide in favour of developing countries in order to facilitate the implementation of enforcement provisions.³⁷⁸

A number of Least Developed Countries (LDCs) objected to this proposal on procedural grounds and it was rejected.³⁷⁹ The LDCs apparently interpreted the joint

Counterfeiting and Piracy: A Literature Review', WIPO doc., WIPO/ACE/6/7, September 3, 2010; L. Yager, 'Observations on Efforts to Quantify the Economic Effects of Counterfeit and Pirated Goods', WIPO/ACE/6/4, September 3, 2010.

³⁷³ The interpretation of Article 61 was raised in *China – Measures Affecting the Protection and Enforcement of Intellectual Property Rights* which arose on a complaint by the USA about the enforcement of China's copyright law (*Report of the Panel WT/DS362/R*, 26 January 2009).

³⁷⁴ *Enforcement of Intellectual Property Rights: Communication from the European Communities*, WTO doc., IP/C/W/448, June 9, 2005.

³⁷⁵ *Enforcing Intellectual Property Rights: Border Measures: Communication from the European Communities*, WTO doc., IP/C/W/471, June 9, 2006.

³⁷⁶ 'EU Gets Little Support for Enforcement Proposal at WTO; CBD Issue Unresolved', INTELL. PROP. WATCH (June 16, 2006), <http://www.ip-watch.org/weblog/2006/01/25/ustr-clarifies-demand-for-details-on-chinas-ipr-enforcement-cases/>.

³⁷⁷ *Enforcement of Intellectual Property Rights: Joint Communication from the European Communities, Japan, Switzerland and the United States*, WTO doc., IP/C/W/485, Nov. 2, 2006, para.4.

³⁷⁸ Ibid., para. 7.

³⁷⁹ See T.I. S. Gerhardsen, 'WTO TRIPS Council Stumbles over Inclusion of Enforcement', *Intell. Prop. Watch*, Oct. 27, 2006, accessed at <http://www.ip-watch.org/weblog/2006/10/27/wto-trips-council-stumbles-over-inclusion-of-enforcement/>

communication as an “implied threat that countries failing to provide ‘adequate’ protection of intellectual property rights ultimately could be found not to be in compliance with TRIPS.”³⁸⁰ Taking a more capacity-building approach, the US at the next TRIPS Council meeting in January 2007, circulated a paper, sharing its experience on border enforcement of intellectual property rights, calling on the TRIPS Council to “make a positive contribution to addressing [IPR enforcement] problems through a constructive exchange of views and experiences.”³⁸¹ Although the LDCs found this approach to be procedurally acceptable, they reiterated that the issue of enforcement did not belong in the TRIPS Council.³⁸² China, with the support of Argentina, Brazil, Cuba, India, and South Africa, declared that “enforcement could not be a permanent agenda item in the council.”³⁸³ In June 2007, Switzerland introduced a paper, suggesting ways to implement the enforcement provisions of the TRIPS Agreement and to improve the overall enforcement of IPRs, particularly in the area of border measures.³⁸⁴ Finally, on 11 October 2007 Japan introduced a paper on border enforcement of IPRs which outlined the recent trend on IPR infringements.³⁸⁵ Less than two weeks later, on 23 October 2007, each of these countries joined in the announcement of commencement of the ACTA negotiations.³⁸⁶ Although, as we will see below the proponents of ACTA would be criticised for ignoring multilateral fora such as the WTO and WIPO in their efforts to establish ACTA, they had unsuccessfully attempted to initiate discussions on IPR enforcement in the TRIPS Council. Thus Yu points out as “these countries have claimed, the unwillingness of less-developed countries to discuss enforcement issues gave them no choice but to explore discussions in another forum.”³⁸⁷

Interestingly, after the ACTA negotiations were well under way and it seemed that an agreement was likely to be forthcoming the issue of IPR enforcement was again placed on the TRIPS Council agenda, but this time on the initiative of China and India. A meeting of the TRIPS Council in June 2010 the representative of China expressed concern “about the TRIPS-plus enforcement trend” embodied in ACTA, which might cause at least the following problems.

First were potential legal conflicts and unpredictability. Though TRIPS required only minimum standards of IP protection and allowed Members to implement in their laws more extensive protection, it also provided certain conditions for applying such extensive protection. First, such protection should

³⁸⁰ Ibid., discussed in Peter K. Yu, *TRIPS and Its Discontents*, (2006) 10 Marq. Intell. Prop. L. Rev. 369 at 383-386.

³⁸¹ *Enforcement of Intellectual Property Rights (Part III of the TRIPS Agreement): Experiences of Border Enforcement: Communication from the United States*, , WTO doc, IP/C/W/488, Jan. 30, 2007.

³⁸² See T. I. S. Gerhardsen, ‘TRIPS Meeting: Boost to IP Issues as Part of Resumed Trade Talks, US Submits Enforcement Proposal’, *Intell. Prop. Watch* (Feb. 14, 2007), accessed at <http://www.ip-watch.org/weblog/2007/02/14/trips-meeting-boost-to-ip-issues-as-part-of-resumed-trade-talks-us-submits-enforcement-proposal/>.

³⁸³ Ibid.

³⁸⁴ *Enforcement of Intellectual Property Rights: Communication and Coordination as a Key to Effective Border Measures: Communication from Switzerland*, WTO doc., IP/C/W/492, May 31, 2007.

³⁸⁵ *Enforcement of Intellectual Property Rights: Communication from Japan*, IP/C/W/501 (Oct. 11, 2007).

³⁸⁶ See Press Release, Office of the USTR, ‘Ambassador Schwab Announces U.S. Will Seek New Trade Agreement to Fight Fakes (Oct. 23, 2007’, available at <http://www.ustr.gov/ambassador-schwab-announces-us-will-seek-new-trade-agreement-fight-fakes>.

³⁸⁷ Peter K. Yu, ‘Six Secret (and Now Open) Fears of ACTA’ (2011) 64 *SMU L R* 101 at 120.

"not contravene the provisions" of TRIPS. Secondly, it required Members to ensure that measures and procedures to enforce intellectual property rights did not themselves become barriers to legitimate trade. Thirdly, these extensive protections should not inappropriately restrict the inbuilt flexibilities and exceptions in the TRIPS Agreement. Fourthly, according to the chapeau of Article 20 of GATT 1994, if applied as border measures, they should not violate other covered agreements under the WTO and not be applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination among Members or a disguised restriction on international trade, and only measures necessary to secure compliance with laws or regulations could be applied, which was the so-called necessity test.³⁸⁸

The Chinese delegate expressed her country's concern that ACTA would break the delicate balance "between the three pillars of GATT, GATS and TRIPS" and "between developed and developing countries, rights and obligations, technology innovation and transfer and dissemination of technology, the advantage of producers and interests of users of technology" and between "economic welfare and social welfare including public health and nutrition." She noted the imbalance of interests between the developed and developing world in IP protection caused by the digital divide and the impact of TRIPS-plus enforcement on the allocation of public resources in developing countries.³⁸⁹ She concluded that IPR infringement "was largely a problem during the process of development" therefore, "development was the crux of the matter".³⁹⁰

The representative of India supported China's statement that the high levels of protection envisaged in ACTA were likely to disturb the balance of rights and obligations in the TRIPS Agreement and could restrain TRIPS flexibilities.³⁹¹ He suggested that the released ACTA text "showed a general shift in the focus of enforcement which enhanced the power of IP holders beyond reasonable measure" by "shifting the enforcement forum towards customs administrative authorities and away from civil courts."³⁹² The US representative said that the notion that TRIPS-plus enforcement standards were somehow a trend "was a problematic one and was misplaced" as every national IP enforcement regime was TRIPS-plus "in the sense that national implementing measures for IP enforcement were necessary to address numerous procedural and substantive issues for which there was no TRIPS requirement."³⁹³ He mentioned the attempts of the US, together with the EU, Japan, and Switzerland to support a dialogue in the Council for TRIPS on the implementation of the existing enforcement obligations under the TRIPS Agreement, and to identify solutions to implementation deficiencies. However, he noted "through the course of past meetings of the Council, that Members of the WTO had widely divergent views on the nature of the enforcement provisions of the TRIPS Agreement and even, regrettably, on the appropriateness of discussing those provisions in the Council" and that "Members should not be surprised to see the concerned Members seeking to combat this threat elsewhere."³⁹⁴

³⁸⁸ Minutes of Meeting of Council for Trade-Related Aspects of Intellectual Property Rights, WTO Doc., 8-9 June, 2010, IP/C/M/63, 4 October 2010, para 253.

³⁸⁹ Ibid., paras 255-258.

³⁹⁰ Ibid., para 262.

³⁹¹ Ibid., para. 264, 270.

³⁹² Ibid., para 271.

³⁹³ Ibid., para 279.

³⁹⁴ Ibid., para. 282.

Among the other ACTA negotiators, the representative of Korea referred to the right of WTO Members under Article 1.1 of TRIPS to implement in their domestic law more extensive protection than was required by the Agreement and that the public text of ACTA stated that "[n]othing in this Agreement shall derogate from any international obligation of a Party with respect to any other Party under existing agreements to which both Parties are party" and that "there was nothing more than this to clarify the concerns raised."³⁹⁵ A similar point was made by the Japanese representative who added that discussion on enforcement practices "should be conducted in a fact-based and analytical manner taking into account concrete situations and the types of measures to be considered."³⁹⁶ The representative of Canada pointed out that "effective enforcement of IPRs was a fundamental aspect of the TRIPS Agreement that was not only a matter of establishing procedural remedies, but also of improving cooperation, capacity building and communication" and that "the objective of ACTA was not to undermine the TRIPS Agreement but to complement it by focusing on improving aspects of enforcement, including legal procedures, cooperation and communication, that the Council for TRIPS had so far been prevented from considering."³⁹⁷ The representative of Australia also referred to the previous difficulty in discussing enforcement within the Council for TRIPS and explained that "[s]tandards in ACTA were largely built upon those negotiated within the WTO, and reflected the TRIPS consistent measures already in place in many WTO Member countries."³⁹⁸ The Swiss representative also explained that the ACTA initiative was being undertaken because "thus far, attempts to even only discuss issues relating to the growing problem of counterfeiting and piracy in an open and constructive spirit in multilateral forums such as the Council for TRIPS had met with absolute rejection by some delegations, including China and India" and that it considered its participation in the ACTA negotiations "as additional to its commitment and efforts at the multilateral level, particularly the WTO and WIPO."³⁹⁹ The representative of New Zealand explained its participation in ACTA because it believed that ACTA would be an important tool more effectively to combat the "increasingly prolific trade in counterfeit and pirated goods, through better enforcement mechanisms for intellectual property rights, including through international co-operation."⁴⁰⁰ Finally, the representative of the EU explained that with the tenfold increase of counterfeiting and piracy 15 years after the commencement of the TRIPS Agreement, "he failed to understand why Members who rightly enjoyed the flexibilities under the TRIPS Agreement had to prevent other Members from also enjoying the flexibilities under the TRIPS Agreement to tackle a growing problem, the consequences of which in terms of risks for safety and health, and in terms of criminal organizations, were even worse in developing countries that had less means, and were more exposed to traffic of spurious medicines."⁴⁰¹ Of the major developing countries, the representative of Brazil said his country "had always taken the position that enforcement was essentially a matter of domestic policy making and priority setting that had no place on the agenda of the Council" and that it preferred the sharing of national experiences on enforcement "at WIPO's Advisory

³⁹⁵ Ibid., para.287.

³⁹⁶ Ibid paras. 294-295.

³⁹⁷ Ibid., paras 301-302.

³⁹⁸ Ibid., para 303.

³⁹⁹ Ibid., paras 314-315.

⁴⁰⁰ Ibid. para. 323.

⁴⁰¹ Ibid., para 326.

Committee on Enforcement that had been specifically designed for that purpose.”⁴⁰² In addition to supporting the concern of China and India about the impact of ACTA upon the delicate balance of TRIPS, he expressed the concern that the ACTA negotiating process “lacked the legitimacy of initiatives conducted in multilateral organizations” and that might “end up being TRIPS-minus to the extent that it contributed to narrowing down the scope for flexibilities.”⁴⁰³ The representative of Nigeria, speaking on behalf of the African Group, expressed concern “about the erosion of policy space that might curtail Members' ability to access medicines critical for the African continent” but he reported that the African Group was also concerned about the issue of counterfeiting and piracy “which had an economic impact in Members countries as many industries were closing down.”⁴⁰⁴

When the 2 October 2010 of ACTA became available in the public domain, the delegations of India and Indonesia took the opportunity of the 26-27 October 2010 meeting of the TRIPS council to revisit the implications of ACTA for WTO Members.⁴⁰⁵ The delegate from India noted the broad reach of the border measures and that in scaling up the minimum enforcement level enshrined in the TRIPS Agreement, through its MFN provisions ACTA would have a direct impact on exports, even of Members which were not involved in ACTA negotiations, “contrary to one of the main principles of the WTO rules based system, which was to liberalize trade.”⁴⁰⁶ He alleged that ACTA negotiators had “decided among themselves to overturn the decision of the WTO dispute settlement panel in the recent *China-IPRs* case by reinterpreting the phrase ‘commercial scale’ with respect to wilful trademark counterfeiting and copyright piracy so as to refer to any activity carried out for a direct or indirect economic or commercial advantage.”⁴⁰⁷ He said that ACTA would substantially increase customs authorities' *ex officio* activity in enforcing intellectual property rights, limit the protection otherwise available to accused infringers under the TRIPS Agreement by potentially lowering knowledge thresholds and limiting due process requirements, and expressed concern that ACTA would set up “a plurilateral intellectual property enforcement body outside the purview of either WIPO or the WTO, which might undermine the role of the multilateral organizations.”⁴⁰⁸ After reiterating the arguments about interference with the delicate balance of the TRIPS Agreement he concluded that “to find an effective and enduring solution to the problem, Members needed to step back from a purely mercantilist approach and needed to avoid exaggerating the issue of counterfeiting and piracy in view of the lack of empirical data.”⁴⁰⁹ The representative of Indonesia “urged WTO Members to refrain from supporting this TRIPS-plus initiative as it could create a new type of non-tariff barrier, particularly for developing and least-developed country Members.”⁴¹⁰

Among the other major developing countries, the representative of Brazil added the concern that ACTA might be converted “into a truly international organization dealing with the enforcement of intellectual property rights, whose impact on WIPO and the WTO, especially on capacity building and technical assistance, was

⁴⁰² Ibid., para. 316.

⁴⁰³ Ibid., paras 317-318.

⁴⁰⁴ Ibid., para. 319.

⁴⁰⁵ Minutes of Meeting of Council for Trade-Related Aspects of Intellectual Property Rights, WTO Doc., 26-27 October 2010, IP/C/M/64, 17 February 2011, para. 440.

⁴⁰⁶ Ibid., para 444.

⁴⁰⁷ Ibid., para. 445.

⁴⁰⁸ Ibid., para. 446.

⁴⁰⁹ Ibid., paras 449-450.

⁴¹⁰ Ibid., para. 454.

unpredictable at this stage.”⁴¹¹ The representative of China said that excessive or unreasonably high standards for intellectual property protection could unfairly increase monopolistic profits of right holders, eating into the consumer surplus and further broadening the gap between the rich and the poor in the world. She also pointed out that as ACTA did not have any multilateral WTO mandate, any negative spill-over effects of ACTA on WTO Members which were not party to ACTA would “be subject to review in various WTO councils and committees, but also subject to the WTO dispute settlement mechanism and possible counter measures in accordance with the DSU, the TRIPS Agreement, GATT, GATS, and other WTO Agreements.”⁴¹²

Of the ACTA signatories, the representative of the US outlined the provisions which were contained in the final draft of the ACTA highlighting the fact that ACTA would “be the first agreement of its kind to promote several key best practices that contributed to effective enforcement of intellectual property rights” and he welcomed all Members who were interested in enhancing IPR enforcement to consider joining the agreement.⁴¹³ The representative of Japan reiterated that ACTA was consistent with WTO obligations and would be implemented in such a manner as to avoid the creation of barriers to legitimate trade.⁴¹⁴ The representative of Canada said that ACTA was consistent with the TRIPS Agreement and “that the objectives and principles of the TRIPS Agreement applied *mutatis mutandis* to ACTA.”⁴¹⁵ Nor did ACTA create or alter rights relating to the protection of intellectual property rights, but rather “it set new standards for the enforcement of existing intellectual property rights which were complementary to those provided in the TRIPS Agreement.”⁴¹⁶ This was supported by Australia.⁴¹⁷ The representative of the EU claimed “a clear preference for dealing with enforcement within the WTO or WIPO” but that this had been frustrated by the refusal of a number of WTO Members to engage in any discussion on IP enforcement in the TRIPS Council obliging it to pursue such discussions outside this forum⁴¹⁸ The representative of Mexico explained that his country had suffered from counterfeiting and piracy in its new economic sectors such as clothing, tobacco, medical drugs, music, books etc. and that Mexico was a party to ACTA “because it was important to have effective border measures to combat counterfeiting and piracy.”⁴¹⁹ In a written statement Singapore focussed its comments on the value that it saw in participating in the ACTA process, which included the encouragement of innovation, creativity and the growth of industry and commerce and “strengthening cooperation to better protect the interests of consumers and industries alike”.⁴²⁰ It saw ACTA as complementing and strengthening the role of the multilateral institutions and their processes.

⁴¹¹ Ibid., para. 451.

⁴¹² Ibid., para 459

⁴¹³ Ibid., paras 460-463.

⁴¹⁴ Ibid., para 464.

⁴¹⁵ Ibid., para 466.

⁴¹⁶ Ibid.

⁴¹⁷ Ibid, para 468.

⁴¹⁸ Ibid., para 469.

⁴¹⁹ Ibid., para 473.

⁴²⁰ Ibid., para 481.

On 17 October the final text of ACTA was circulated to WTO Members at the request of the delegations of Australia, Canada, the European Union, Korea, Japan, New Zealand, Singapore, Switzerland and the US.⁴²¹

Plurilateral Anti-Counterfeiting Trade Agreement (ACTA) Proposed

The idea to establish a new agreement on IPR enforcement has its origins in the Global Congress on Combating Counterfeiting organised for the first time in 2004 by the World Customs Organization ("WCO") in collaboration with Interpol with the participation of a number of business organizations, concerned with "the rampant theft of intellectual property."⁴²² At the Second Global Congress on Combating Counterfeiting and Piracy hosted by Interpol at Lyon in November 2005, Japan had proposed a Treaty on Non-proliferation of Counterfeits and Pirated Goods. The twin central features of this proposed treaty were proposals for the confiscation of the proceeds of IP crimes and the extradition of IP criminals.

The Treaty also proposed to address a number of matters which had been omitted from the border control provisions of the TRIPS Agreement. These provisions focus upon the imports of infringing products. It also also proposed controls over the export and transshipment of counterfeits and pirated goods. The Japanese Treaty also proposed the removal of the *de minimis* exception contained in TRIPS of importation for private use. A area of enforcement which the Treaty addressed was deterring the distribution and sale of counterfeits and pirated goods on the Internet. Finally, a dispute settlement mechanism was proposed, together with deterrent sanctions. At the end of the Congress, the participants adopted the Lyon Declaration, which recommended the further consideration of "Japan's proposal for a new international treaty."⁴²³ The Japanese Treaty proposal was reiterated at the Third and Fourth Global Congresses on Counterfeiting and Piracy in Brussels 2006 and Geneva 2007.

Paralleling the Japanese initiative the US contemplated collaborating with its trading partners to develop an international strategy to fight counterfeiting and piracy. In 2005, pursuant to its Strategy Targeting Intellectual Property ("STOP!") Initiative,⁴²⁴ the USTR, Susan Schwab, "led interagency teams to meet with key trading partners to advocate closer cooperation in fighting piracy and counterfeiting, and to advocate sharing of 'best practices' for strong legal frameworks."⁴²⁵ In 2006 the USTR encouraged the interagency Trade Policy Staff Committee (TPSC), representing the interests of twenty U.S. government agencies, to endorse the concept of a multi-party, 'TRIPS-plus' ACTA.⁴²⁶ In explaining the origins of ACTA, in a Freedom on Information proceeding, Assistant USTR, Stanford McCoy, explained:

USTR proposed that a group of leading IPR-protecting nations could work together to set a new standard for IPR enforcement that was better suited to contemporary challenges, both in terms of strengthening the relevant laws and

⁴²¹ *Enforcement of Intellectual Property Rights, Communication From Australia, Canada, the European Union, Korea, Japan, New Zealand, Singapore, Switzerland and the United States*, WTO DOC. IP/C/W/563, 17 October 2011.

⁴²² Global Congress Combating Counterfeiting & Piracy, 'About the Global Congress', <http://www.ccapcongress.net/about/about.htm>, accessed 1 November 2010.

⁴²³ Second Global Congress on Combating Counterfeiting & Piracy, Nov. 14–15, 2005, *The Lyon Declaration* 4 (Nov. 15, 2005), available at <http://www.ccapcongress.net/archives/Lyon/files/OutcomesStatement20051115.pdf>

⁴²⁴ See <http://www.stopfakes.gov/pdf/factsheet.pdf>.

⁴²⁵ Declaration of Stanford McCoy at 4–5, Elec. Frontier Found. v. Office of the U.S. Trade Representative, No. 1:08-cv-01599-AMC (D.D.C. May 29, 2009), quoted in Peter K. Yu, 'Six Secret (and Now Open) Fears of ACTA' (2011) 64 *SMU L R* 101 at 110.

⁴²⁶ *Ibid.*

in terms of strengthening various frameworks for enforcing those laws. The interagency TPSC concurred with USTR's recommendation that USTR begin contacting trading partners to join a plurilateral ACTA.⁴²⁷

From 2006 the US. and Japan had began joint discussions on a new multilateral treaty to combat counterfeiting and piracy.⁴²⁸ During 2006 and 2007 these discussions were extended to include Canada, the E.U. and Switzerland. The Japanese treaty proposal was superseded by the announcement on 23 October 2007, by the USA, European Union, Japan, South Korea, Mexico, New Zealand, Switzerland, and Canada of negotiations for a Plurilateral Anti-Counterfeiting Trade Agreement (ACTA). The use of the word "plurilateral" was presumably to distinguish ACTA from existing multilateral trade agreements, such as TRIPS and from the various bilateral free trade agreements that have been negotiated between various trading partners subsequent to the establishment of the WTO and the regional free trade agreements such as the North American Free Trade Agreement (NAFTA) and the trade agreements of the EU.⁴²⁹

The US announcement stated that the "ACTA will not involve any changes to the TRIPS Agreement, rather, the goal is to set a new, higher benchmark for enforcement that countries can join on a voluntary basis." The European Commission indicated that it would use the ACTA "to create a new layer of intellectual property protections because it mandate from EU Member States to negotiate the ACTA with a list of specific countries, including the US, Japan, Korea, Mexico and New Zealand."⁴³⁰ One of its aims is described as "creating a strong modern legal framework which reflects the changing nature of intellectual property theft in the global economy".⁴³¹ A statement by METI Minister Akira Amari, stated that "it is essential to establish a new international framework aimed at strengthening the enforcement of intellectual property rights" to deal with "serious and significant threat to the world economy" caused by the proliferation of pirate and counterfeit goods.⁴³²

Transparency of the ACTA Negotiations

In December 2007, before formal negotiations commenced, the USTR requested that its negotiating partners agree to be bound by a confidentiality agreement which it had prepared.⁴³³ Subsequently, this was used by the USTR to classify all correspondence between ACTA negotiating countries as "national security" information on the

⁴²⁷ Ibid.

⁴²⁸ Office of the United States Trade Representative, The Anti-Counterfeiting Trade Agreement, 'Summary of Key Elements Under Discussion', http://www.ustr.gov/webfm_send/1479, accessed 1 December 2010.

⁴²⁹ See C.R. McManis, 'The Proposed Anti-Counterfeiting Trade Agreement (ACTA): Two Tales of a Treaty', (2009) 46 Houston Law Rev. 1235 at n.3.

⁴³⁰ OUT-LAW News, 25/10/2007.

⁴³¹ Press Release, 'European Commission seeks mandate to negotiate major new international anti-counterfeiting pact', IP/07/1573, Brussels, 23 October 2007, <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/07/1573&format=HTML&aged=1&language=EN&guiLanguage=en>

⁴³² Akira Amata (Minister, METI), 'Regarding "Anti-Counterfeiting Trade Agreement (ACTA) [tentative]"', Statement, 23 October 2007, p. 1
<www.meti.go.jp/press/20071023001/004_danwa=eng.pdf>, 11 May 2009.

⁴³³ Declaration of Assistant USTR Stanford McCoy, Elec. Frontier Found., No. 081599; Declaration of Warren H. Maruyama paras. 4-5 & attach. A, cited in E. Katz and G. Hinze, 'The Impact of the Anti-Counterfeiting Trade Agreement on the Knowledge Economy: The Accountability of the Office of the U.S. Trade Representative for the Creation of IP Enforcement Norms Through Executive Trade Agreements' (2009) The Yale Journal of International Law Online 24 at 31, n.30.

grounds that it was confidential “foreign government information.”⁴³⁴ Similarly, its negotiating partners justified their failure to divulge information about ACTA to their confidentiality obligation. Thus for more than two years no official drafts of the treaty were released for public scrutiny and the specific terms under discussion in the negotiations were not identified. This lack of information, as well as the restricted participation of states in the negotiation of the ACTA and the exclusion of public interest groups from the negotiating process was the subject of widespread criticism, particularly by civil society groups.⁴³⁵ Exacerbating this criticism was the revelation that certain favoured bodies were obtaining access to documents.

In September 2008 the Electronic Frontier Foundation and Public Knowledge, US civil society organizations, filed a lawsuit under the Freedom of Information Act ("FOIA") requesting release of records concerning ACTA “as a matter of public interest” to acquire documents such as "participant lists, agendas, presentations and documents distributed at, or received at, meetings of USTR staff with" representatives of the entertainment, luxury, and pharmaceutical industries, "agents, representatives and officials of international entities dealing with the enforcement of intellectual property," and any other "agency memoranda, briefing notes, and analysis concerning ACTA. However, the two organizations dropped the lawsuit in June 2009 after the Obama administration classified the ACTA negotiations a matter of national security.⁴³⁶

In November 2008, the Foundation for a Free Information Infrastructure ("FFII") applied to the Council of the European Union for access to documents concerning ACTA. This request was refused by the Council on the ground that "unauthorised disclosure . . . could be disadvantageous to the interests of the European Union or of one or more of its Member States," as the negotiations are still in progress and their disclosure “could impede the proper conduct of the negotiations.”⁴³⁷

In September 2009 a US civil society organization, Knowledge Ecology International (KEI)⁴³⁸, reported that [the USTR was using nondisclosure agreements](#) “to selectively share copies of the ACTA Internet text outside of the USTR formal advisory board system.”⁴³⁹ On September 11, 2009, KEI submitted a [Freedom of Information request to the USTR](#), asking for the names of persons who had signed these agreements, as well as copies of them. On October 9, 2009 it received copies of these agreements

⁴³⁴ Exec. Order No. 12,958, 60 Fed. Reg. 76 (Apr. 17, 1995), amended by Exec. Order No. 13,292, 68 Fed. Reg. 60 (Mar. 25, 2008).

⁴³⁵ Eg IP Justice White Paper on the Proposed Anti-Counterfeiting Trade Agreement (ACTA), 25 March 2008, <http://ipjustice.org/wp/2008/03/25/ipj-white-paper-acta-2008/>; Public Knowledge, Anti-Counterfeiting Trade Agreement, <http://www.publicknowledge.org/issues/acta>; R. Weissman, http://wikileaks.org/wiki/Secret_Counterfeiting_Treaty_Public_Must_be_Made_Public,_Global_Organizations_Say, 15 September 2008.

⁴³⁶ Note, ‘Recent Development: The Anti-Counterfeiting Trade Agreement’, (2010) 28 Cardozo Arts & Entertainment 175 at 188

⁴³⁷ Letter from Ramón Jiménez Fraile, on behalf of the General Secretariat of the Council of the European Union, to Ante Wessels, Foundation for a Free Information Infrastructure (Nov. 5, 2008), available at <http://action.ffii.org/acta/Analysis?action=AttachFile&do=get&target=08-1835en.wes.wsjj.pdf>.

⁴³⁸ KEI was created as an independent legal organization in 2006, assimilating the staff and work program of the Consumer Project on Technology (CPTech) to engages inter alia in global public interest advocacy, and to enhance the “transparency of policy making” <http://keionline.org/about>.

⁴³⁹ <http://keionline.org/node/660>.

identifying a total of 32 persons who received the Internet texts.⁴⁴⁰ These included representatives from the Business Software Alliance (3), eBay (4), Google (3), News Corporation (2), a law firm, Wilmer Hale (2), Intel (2) Dell, Verizon, Sony Pictures Entertainment, Time Warner, Consumer Electronics Association (2) the International Intellectual Property Alliance (IIPi) and four persons from two civil society organizations: Public Knowledge (3) and the Centre for Democracy and Technology. The USTR also informed KEI that seven persons received the ACTA Internet text as members of the Industry Trade Advisory Committees on Intellectual Property Rights (ITAC 15)⁴⁴¹, as well as three persons from the Industry Trade Advisory Committee on Information and Communications Technologies, Services, and Electronic Commerce (ITAC 8)⁴⁴². These are two of a number of committees which were established by the U.S. Department of Commerce and the Office of the USTR to “engage business leaders in formulating U.S. trade policy”.⁴⁴³ The role of the business community in the formulation of United States IPR trade policy has been the subject of extensive analyses in relation to the negotiation of the TRIPS Agreement⁴⁴⁴ and so it is unexceptional that similar business representatives have been involved in contributing to US policy on the formulation of the ACTA. As will be seen below criticism was levelled about the lack of transparency by those persons within and outside the USA who were denied access to negotiating texts.

Indeed, the official position taken by the negotiating parties until April 2010 was draft texts did not exist. Yu suggests that on the basis of the history of the way in which the TRIPS Agreement evolved, this may well have been the case, as the earlier sessions may have been taken up with amassing information.⁴⁴⁵ In any event, as the USTR noted in its denial of the Electronic Frontier Foundation’s request under the Freedom of Information Act, ACTA-related documents concerned “information that is properly classified in the interest of national security pursuant to Executive Order 12958.”⁴⁴⁶ This Executive Order, issued in April 1995 allowed documents to be classified as confidential when their unauthorized disclosure “reasonably could be expected to result in damage to the national security.”⁴⁴⁷ It is difficult to see how information

⁴⁴⁰ Ibid.

⁴⁴¹ Anissa S. Whitten, Vice President, International Affairs and Trade Policy, Motion Picture Association of America, Inc; Eric Smith, President, International Intellectual Property Alliance; Neil I. Turkewitz Executive Vice President, International Recording Industry Association of America; Sandra M. Aistars, Assistant General Counsel, Intellectual Property, Time Warner Inc.; Stevan D. Mitchell, Vice President, Intellectual Property Policy, Entertainment Software Association; Thomas J. Thomson, Executive Director, Coalition for Intellectual Property Rights; Timothy P. Trainer, President, Global Intellectual Property Strategy Center, P.C., Zippo Manufacturing Company (also former president of the IIPA).

⁴⁴² Jacquelynn Ruff, Vice President, International Public Policy, and Regulatory Affairs Verizon Communications Inc.; John P. Goyer, Vice President, International Trade, Negotiations and Investment, U.S. Coalition of Service Industries; Mark F. Bohannon, General Counsel and Senior Vice President, Public Policy, Software and Information Industry Association.

⁴⁴³ <http://www.trade.gov/itac/index.asp>.

⁴⁴⁴ See P. Drahos and J. Braithwaite, *Information feudalism: who owns the knowledge economy?* Oxford, Oxford University Press, 2003; S. Sell, *Private Power, Public Law. The globalization of IPRs* Cambridge, Cambridge University Press, 2003.

⁴⁴⁵ P. K. Yu, ‘Six Secret (and now open) Fears of ACTA’ (2011) 64 *SMU Law Review* 1 at 24.

⁴⁴⁶ See letter from Carmen Suro-Bredie, Chief FOIA Officer, USTR, to James Love, Director, Knowledge Ecology International (Mar. 10, 2009), available at http://www.keionline.org/misc-docs/3/ustr_foia_denial.pdf.

⁴⁴⁷ Exec. Order No. 12,958, 60 Fed. Reg. 19,825 (Apr. 20, 1995).

about an agreement concerned with intellectual property enforcement could have national security implications.

The first intimation of the content of the ACTA was a *Discussion Paper on a Possible Anti-Counterfeiting Trade Agreement* which was posted to the Wikileaks website⁴⁴⁸. Other sources include the websites of negotiating parties which identified the matters under discussion in the ACTA negotiations, from which the content of the ACTA could be inferred.⁴⁴⁹ Responding to an increasing crescendo of calls for the publication of the ACTA, in February 2009 the USTR issued a *Summary of Key Elements Under Discussion*⁴⁵⁰. The USTR's *Summary* stated that "ACTA delegations are still discussing various proposals for the different elements that may ultimately be included in the agreement. A comprehensive set of proposals for the text of the agreement does not yet exist." It provides "an overview of the elements suggested under the different headings and highlights the main issues." The USTR noted that "discussions are ongoing; new issues might come up and other issues may finally not be included in the agreement."

Calls for greater transparency were made even by supporters of ACTA. For example, Dan Glickman, the CEO of the Motion Picture Association of America wrote to Senator Patrick Leahy, chairman of the Senate Judiciary Committee, and to USTR, Ron Kirk that "outcries on the lack of transparency in the ACTA negotiations ... distract from the substance and the ambition of the ACTA which are to work with key trading partners to combat piracy and counterfeiting across the global marketplace."⁴⁵¹ In March 2010 a fact sheet was published informing on the content and the objectives of the agreement.⁴⁵² It addressed the transparency issue by stating that among the steps negotiating parties had taken to provide more information to the public included: "issuing a summary of the issues under discussion, publishing agendas ahead of each negotiating round and issuing press releases shortly after the conclusion of each round." However the press releases did little more than list the participating countries and the subjects which were addressed.

The problem with this lack of transparency was that various versions of the alleged ACTA have been made available causing concern to those who consider themselves to be adversely affected. For example the French civil rights organisation La Quadrature du Net on 18 January 2010 placed on the Internet a 56-page consolidated version of the text shortly after an EU stakeholder dialogue meeting.⁴⁵³ This version was of particular concern to NGOs and organizations concerned with the Internet freedom.

⁴⁴⁸ 'Proposed US ACTA multi-lateral intellectual property trade agreement (2007)' Wikileaks (May 22, 2008), [http://wikileaks.org/wiki/Proposed_US_ACTA_multi-lateral_intellectual_property_trade_agreement_\(2007\)](http://wikileaks.org/wiki/Proposed_US_ACTA_multi-lateral_intellectual_property_trade_agreement_(2007)).

⁴⁴⁹ Eg the website of the Australian Department of Foreign Affairs and Trade: http://www.dfat.gov.au/trade/acta/summary_of_discussions.html, the Department of Foreign Affairs and International Trade, Canada: http://www.international.gc.ca/trade-agreements-accords-commerciaux/fo/intellect_property.aspx and the Swiss Federal Institute of Intellectual Property <https://www.ige.ch/en/legal-info/legal-areas/counterfeiting-piracy/acta.html>.

⁴⁵⁰ http://www.ustr.gov/assets/Document_Library/Fact_Sheets/2009/asset_upload_file917_15546.pdf?ht=

⁴⁵¹ Letter from Dan Glickman, Chairman & CEO, Motion Picture Association of America, Inc., to Senator Patrick Leahy (Nov. 19, 2009), *available at* <http://www.scribd.com/doc/22785108/MPAA-letter-re-ACTA>.

⁴⁵² https://www.ige.ch/fileadmin/user_upload/Juristische_Infos/e/acta_factsheet.pdf

⁴⁵³ http://www.laquadrature.net/wiki/ACTA_20100118_version_consolidated_text.

Probably the most strident calls for transparency were made by politicians. Michael Geist lists legislators from Canada, France, Germany, New Zealand, Sweden and the USA who called for the ACTA to be made public.⁴⁵⁴ On 21 January 2010 UK Junior Business Minister David Lammy was quoted as saying that he could not put documents about ACTA in the House of Commons Library, because other countries wanted to maintain secrecy.⁴⁵⁵ However, on 17 March 2010 he was reported as being in favour of placing the draft text in the public domain.⁴⁵⁶ This change of heart was no doubt attributed to a resolution of the European Parliament on Transparency and State of Play of the Anti Counterfeiting Trade Agreement that “the European Commission should immediately make all documents related to the ongoing international negotiations on the Anti-Counterfeiting Trade Agreement (ACTA) publicly available”.⁴⁵⁷ The Resolution stated that

The Anti-Counterfeiting Trade Agreement (ACTA) will contain a new international benchmark for legal frameworks on what is termed intellectual property right enforcement. The content as known to the public is clearly legislative in character. Further, the Council confirms that ACTA includes civil enforcement and criminal law measures. Since there can not be secret objectives regarding legislation in a democracy, the principles established in the ECJ *Turco* case must be upheld.

The *Turco* case had concerned a request by Mr Maurizio Turco, the Italian Radical MP and former MEP, to the European Council for access to documents appearing on the agenda of a Justice and Home Affairs Council meeting, including an opinion of the Council’s legal service on a proposal for a directive laying down minimum standards for the reception of applicants for asylum in Member States. The Council had refused to disclose the legal opinion on the ground that it deserved special protection so as not to create uncertainty regarding the legality of the measure adopted further to that opinion. The Court of First Instance upheld the Council’s refusal⁴⁵⁸ but this decision was reversed by the European Court of Justice (ECJ).⁴⁵⁹ As regards the fear expressed by the Council that disclosure of an opinion of its legal service relating to a legislative proposal could lead to doubts as to the lawfulness of the legislative act concerned, the ECJ held that it was precisely this openness which contributed to conferring greater legitimacy on the institutions in the eyes of European citizens and increasing their confidence in them by allowing different points of view to be openly debated.

On April 15, 2010 a number of European Members of Parliament from the Greens Party wrote to the WIPO Director General drawing his attention your attention to the EU Resolution of 10 March 2010 “ showing the growing concern of European

⁴⁵⁴ MP Charlie Angus, Canada; Senators Bernie Sanders and Sherrod Brown, Reps. Mike Doyle, Zoe Lofgren, United States; Nicolas Dupont-Aignan, France; Tom Watson (Labour), John Whittingdale (Conservative), Lindsay Hoyle (Labour), and Don Foster (Lib Democrats), United Kingdom, Minister Åsa Torstensson, Sweden, MEPs Jens Holms, Sweden, Axel Voss, Germany; MPs Clare Curran, and Peter Dunne, New Zealand. Geist n.44 supra.

⁴⁵⁵ ‘MPs frozen out of super-secret copyright talks’, http://www.theregister.co.uk/2010/01/21/acta_lammy/ Posted in Music and Media, 21st January 2010.

⁴⁵⁶ ‘UK IP Minister Lammy Backs EU Release of ACTA Text’ *Intellectual Property Watch*, 17 March 2010.

⁴⁵⁷ <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&language=EN&reference=P7-TA-2010-0058>

⁴⁵⁸ Case T-84/03 *Turco v Council*.

⁴⁵⁹ Joined Case C-39/05 P and C-52/05 P *Sweden and Turco v Council*

citizens regarding ACTA” and requesting “an expert assessment and analysis of the current provisions of ACTA” from WIPO’s institutional viewpoint “as one the two specialised organisations entrusted with the issue of norm-setting in the field of intellectual property rights and related issues.”⁴⁶⁰ The letter noted “with disappointment that ACTA has bypassed the multilateral WTO and WIPO institutions which have structured and practised processes to assure participation, information sharing and transparency in international norm-setting negotiations” and it commended WIPO’s “practices of making negotiating texts available, when distributed to all members of the negotiation as well as procedures which allow accredited non-governmental organisations to attend meetings and organise side-events.” This was contrasted with the negotiations for the 8th round of ACTA being negotiated in New Zealand, which was characterised as “secret from the public and consumers, and in defiance of the principles of democratic decision making.” The letter then sought answers to a number of questions about the negotiation of international IP norms. There is no formal record of an answer to this letter, although in a joint statement issued by the ACTA negotiating partners it was suggested that “it is accepted practice during trade negotiations among sovereign states to not share negotiating texts with the public at large, particularly at earlier stages of the negotiation.”⁴⁶¹ Although the word “trade” appears in the title of the ACTA, it is questionable whether the Agreement can properly be characterised as a “trade agreement” given that it is largely concerned with IP enforcement and contains no provisions which facilitate or promote trade.⁴⁶²

In anticipation of the ACTA negotiators meeting in Wellington in April 2010 participants at a “PublicACTA Conference” of 10 April 2010 promulgated the Wellington Declaration for the consideration of the negotiators.⁴⁶³ This Declaration appears to have been actuated by concerns about possible attacks on Internet freedoms. In relation to transparency it called for full transparency and public scrutiny of the ACTA process including release of the text after each round of negotiations.

On 16 April 2010 following the 8th round of negotiations a Joint Statement was issued by participants explaining that “negotiations have now advanced to a point where making a draft text available to the public will help the process of reaching a final agreement” and that “the consolidated text coming out of these discussions” would be made available to the public on 21 April 2010.⁴⁶⁴ On that day a “Consolidated Text” prepared for public release was made available, described as a “PUBLIC Predecisional/Deliberative Draft”.⁴⁶⁵ Most of the text was in square brackets, indicating a lack of agreement on those provisions. In a press release, the EU Trade Commissioner Karel De Gucht declared that the ACTA “will be fully in line with

⁴⁶⁰ Reproduced at <http://keionline.org/node/838>.

⁴⁶¹ Eg reproduced at <http://www.international.gc.ca/trade-agreements-accords-commerciaux/fo/key-summary-resume-cle.aspx?lang=en>. M. Geist, ‘ACTA Guide, Part Three: Transparency and ACTA Secrecy’ 27 January 2009, <http://www.mp3newswire.net/stories/0102/acta-guide-3.htm>, commented on this statement by annexing two schedules of international the negotiating committees of international organizations, including: WTO, WIPO, WHO, UNCITRAL, UNIDROIT, UNCTAD, OECD, Hague Conference on Private International Law, in which negotiating documents are freely available.

⁴⁶² See K. Weatherall, ‘Politics, Compromise, Text and Failures of the Anti-Counterfeiting Trade Agreement’ (2011) 33 *Sydney Law Rev.* 229 at 233-234.

⁴⁶³ <http://publicacta.org.nz/wellington-declaration/>.

⁴⁶⁴ <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/437&format=HTML&aged=0&language=EN&guiLanguage=en>

⁴⁶⁵ http://trade.ec.europa.eu/doclib/docs/2010/april/tradoc_146029.pdf.

current EU legislation it will not modify substantive intellectual property law, create new rights or change their duration....”⁴⁶⁶ The publication of the consolidated text was described as a partial victory for transparency, which would not have happened without the agitation of civil society organizations and the various leaked documents.⁴⁶⁷ The victory was described as partial because the published text was decided “without any input from consumer organisations or ordinary people”.⁴⁶⁸

Responding to these concerns, meetings were held between ACTA negotiators and civil society representatives at the time of the 9th round of negotiations in Lucerne in July 2010 and civil society and business representatives at the time of the Tokyo round in October 2010. Consolidated texts of ACTA were issued in August, October and November 2010. The final text was released on 6 December 2010 after a meeting of negotiators in Sydney for what they called “legal scrubbing”. It was noted that “in fitting form” this final meeting was “performed behind closed doors” and that the host Australian Ministry for Foreign Affairs and Trade “did not answer press inquiries on the agenda or a list of discussed changes”.⁴⁶⁹

The negotiation of ACTA by a select group of invited countries, in negotiations attended by a lack of transparency will inevitably taint its acceptance as an international IP enforcement standard, particularly on the part of the uninvited. In an early account of the ACTA a commentator wrote that “the activity envisaged by the plan is more usually undertaken by trade bodies such as the WTO, the G8 group of industrialised nations and WIPO” but that a statement by the European Commission “said that it felt it needed more room to maneuver than those bodies provided.”⁴⁷⁰ It was pointed out that the “European Commission wants to create a new layer of intellectual property protections because it says that existing structures such as WIPO are not flexible enough.”⁴⁷¹ As the Director General of WIPO pointed out, at the time of the Lucerne round, it is “a bad development for a multilateral agency, that member states start to do things outside. Either the machinery works, or it doesn’t” concluding that “That I think is the real significance of ACTA.”⁴⁷² He said that the challenge is first, to “make the multilateral system relevant” because international problems require an international solution, as opposed to a partial one. Secondly, the most vulnerable countries are the ones that most need the inclusiveness of the international system in which all countries have a voice. Thirdly it is bad public policy for solutions to happen by default.

A study by Jeremy Malcolm of a number of international institutions observed that “even the WTO, the least participatory of the organizations studied, posts all of its official documents online, and most of the other institutions also make available

⁴⁶⁶ <http://trade.ec.europa.eu/doclib/press/index.cfm?id=552>

⁴⁶⁷ G. Moody, ‘One Act is over for ACTA: How Will the Drama End?’ *Computerworld*, 21 April 2010, <http://www.computerworlduk.com/community/blogs/index.cfm?blogid=14&entryid=2922>.

⁴⁶⁸ Ibid.

⁴⁶⁹ M. Emert, ‘‘Final final’ ACTA Text Published; More Discussion Ahead For EU’ Intellectual Property Watch, 6 December 2010, <http://www.ip-watch.org/weblog/2010/12/06/%E2%80%98final-final%E2%80%99-acta-text-published-more-discussion-ahead-for-eu/>

⁴⁷⁰ OUT-LAW News, 25/10/2007.

⁴⁷¹ Ibid.

⁴⁷² Quoted in C. Saez, ‘ACTA A Sign Of Weakness In Multilateral System, WIPO Head Says’, <http://www.ip-watch.org/weblog/2010/06/30/acta-a-sign-of-weakness-in-multilateral-system-wipo-head-says/>

negotiating texts.”⁴⁷³ He concluded that “ACTA meets none of the basic best practices for transparency of the existing institutions of the intellectual property policy regime.”⁴⁷⁴ This study was referred to in the submission to the USTR of 30 US legal academics cautioning against the acceptance of the Agreement by the President as an executive act.⁴⁷⁵ They pointed out that ACTA was drafted under unusual levels of secrecy for a legislative minimum standards agreement”.⁴⁷⁶ They concluded that the “kind of secrecy envisioned and practiced by the USTR needlessly created and fostered an adversarial relationship with the public that reinforced the worst fears and criticism about international intellectual property lawmaking” and that this “has further undermined the legitimacy of the ACTA negotiating process, and ACTA itself.”⁴⁷⁷

Despite the criticisms about the ACTA negotiating process, concerns about the lack of transparency continue. In March 2011 a request under the US Freedom of Information Act by the NGO Knowledge Ecology International (KEI) to study Congressional Research Service study of ACTA and its legality that was undertaken for the US Senate and shared with the USTR was denied.⁴⁷⁸

Post Negotiation Developments

ACTA was submitted to the respective authorities in participating countries to undertake relevant domestic processes. Article 39 provides for ACTA to remain open for signature by participants in its negotiation⁴⁷⁹ and by any other WTO Members the participants may agree to by consensus, from 31 March 2011 until 31 March 2013. Article 40 provides that ACTA enters into force thirty days after the date of deposit of the sixth instrument of ratification, acceptance, or approval. The Government of Japan will receive signatures as the nominated Depositary of the Agreement.⁴⁸⁰

USA

⁴⁷³ J. Malcolm, ‘Public Interest Representation in Global IP Policy Institutions, Am. Univ. Washington Coll. Law Program on Info. Justice and Intellectual Prop., Research Paper No. 2010-06, Sept. 2010, *available at* <http://digitalcommons.wcl.american.edu/research/6/> at 15,17.

⁴⁷⁴ Ibid at 20.

⁴⁷⁵ <http://infojustice.org/wp-content/uploads/2011/02/ACTA-Comment-Thirty-Professors-USTR-2010-0014.pdf>.

⁴⁷⁶ Ibid. at 8. See also D. S. Levine, ‘Transparency Soup: The ACTA Negotiating Process and —Black Box Lawmaking’, Am. Univ. Washington Coll. Law Program on Info. Justice and Intellectual Prop., Research Paper No. 2011-20, Feb. 2011, *available at* <http://digitalcommons.wcl.american.edu/research/18/>;

⁴⁷⁷ Ibid. at 12-13.

⁴⁷⁸ See M Masnick ‘USTR Refuses To Release Congressional Research Service Study on Legality of ACTA’, TechDirt 28-03-2011, *available at* <http://www.techdirt.com/articles/20110325/04480513628/ustr-refuses-to-releasecongressional-research-service-study-legality-acta.shtml>

⁴⁷⁹ Identified in footnote 17 as: Australia, the Republic of Austria, the Kingdom of Belgium, the Republic of Bulgaria, Canada, the Republic of Cyprus, the Czech Republic, the Kingdom of Denmark, the Republic of Estonia, the European Union, the Republic of Finland, the French Republic, the Federal Republic of Germany, the Hellenic Republic, the Republic of Hungary, Ireland, the Italian Republic, Japan, the Republic of Korea, the Republic of Latvia, the Republic of Lithuania, the Grand Duchy of Luxembourg, the Republic of Malta, the United Mexican States, the Kingdom of Morocco, the Kingdom of the Netherlands, New Zealand, the Republic of Poland, the Portuguese Republic, Romania, the Republic of Singapore, the Slovak Republic, the Republic of Slovenia, the Kingdom of Spain, the Kingdom of Sweden, the Swiss Confederation, the United Kingdom of Great Britain and Northern Ireland, and the United States of America.

⁴⁸⁰ See http://www.mofa.go.jp/announce/announce/2011/5/0501_01.html

The Office of the United States Trade Representative (USTR) sought written comments from the public on the final text of the ACTA in connection with consideration of U.S. signature of the agreement, with a deadline of February 15, 2011.⁴⁸¹ In response to this request the US NGO, Public Knowledge, urged that the USTR should seek to include, as part of the agreement, an agreed statement reflecting the understanding that ACTA would not require changes to US, that it would not coerce non-ACTA countries to accede to the agreement and “employ a more open and inclusive process as it negotiates the proposed Transpacific Partnership (TPP) agreement.”⁴⁸² The International Trademark Association (INTA), responding to this invitation, in a letter of 15 February 2011, recommended that the ACTA Committee, established under the Agreement, “should help other countries develop assessments of the economic, social and other benefits of participating in ACTA or at a minimum adopting its principles” and that the Committee “should also ‘recruit’ other non-signatories to sign and implement this agreement.”⁴⁸³

It had been pointed out that “the US Government has made clear that it intends to conclude ACTA as a ‘sole executive agreement’, meaning that it will enter into effect upon the signature of the President or his representative, without being formally presented for approval to either house of Congress.”⁴⁸⁴ In a submission to the USTR 30 US legal academics wrote a submission calling “on the Obama administration to comply with the Constitution by submitting the Anti-Counterfeiting Trade Agreement (ACTA) to Congress for approval” pointing out that “the executive branch lacks constitutional authority to enter international agreements on intellectual property without congressional consent.”⁴⁸⁵ A Global Congress on Intellectual Property and the Public Interest, held August 25-27, 2011, convened over 180 experts from 32 countries and six continents to “help re-articulate the public interest dimension in intellectual property law and policy.”⁴⁸⁶ It issued the Washington-Declaration on Intellectual Property and Public Interest which made a plea for reasonableness and proportionality of legal penalties, processes, and remedies to the acts of infringement they target and to preserve the right of countries to “retain the rights to implement flexibilities to enforcement measures and to make independent decisions about the prioritization of law enforcement resources to promote public interests.”⁴⁸⁷ The Declaration was a response to the passage of ACTA.

Europe

On 24 November 2010 the European Parliament adopted a resolution on ACTA, which stressed, inter alia, that “any agreement reached by the EU on ACTA must comply fully with the *acquis communautaire*” and noted that “as a result of the entry into force of the Lisbon Treaty in December 2009, the Parliament will have to give consent to the ACTA text prior to the agreement’s entry into force in the EU”. In

⁴⁸¹ USTR_FRDOC_0001-0137

⁴⁸² <http://infojustice.org/wp-content/uploads/2011/02/Public-Knowledge1.pdf>.

⁴⁸³ <http://www.inta.org/Advocacy/Documents/INTA%20Response%20to%20USTR%20FRN%20Docket%20USTR%E2%80%93932010%E2%80%93930014.pdf>

⁴⁸⁴ O. A. Hathaway and A. Kapczynski, ‘Going It Alone: The Anti-Counterfeiting Trade Agreement as a Sole Executive Agreement’ (2011) 15 (23) *Insights*
<http://www.asil.org/pdfs/insights/insight110824.pdf>

⁴⁸⁵ <http://infojustice.org/wp-content/uploads/2011/02/ACTA-Comment-Thirty-Professors-USTR-2010-0014.pdf>.

⁴⁸⁶ <http://infojustice.org/wp-content/uploads/2011/09/Washington-Declaration.pdf>

⁴⁸⁷ Ibid.

November 2010 the Policy Department of the European Commission's (EC) Directorate-General for External Policies issued the terms of reference for an external Study on ACTA to "provide a concise and comprehensive overview" on the Agreement and to "respond to certain key questions which have been raised by the MEPs during the negotiation of the agreement."⁴⁸⁸ In February 2011 an Opinion was issued by a group of European academics on ACTA which claimed that certain ACTA provisions were not entirely compatible with EU law particularly in relation to criminal enforcement.⁴⁸⁹ In response to the criticisms made in the Opinion in March 2011 the EC held a meeting with representatives of non-governmental organisations, as part of its "DG Trade Civil Society Dialogue".⁴⁹⁰ At this meeting the Commission rejected the Academics Opinion stating that no legislative changes would be required as ACTA went no further than the existing EU enforcement rules. On 27 April 2011 the EC released a Working Paper in which they took issue with this Opinion.⁴⁹¹ In June 2011, the Study which the Policy Department of the EC's Directorate-General for External Policies had commissioned on ACTA was published.⁴⁹² The primary recommendation of the assessment was that "unconditional consent would be an inappropriate response from the European Parliament".⁴⁹³ It proposed that if the European Parliament decided to give its consent "this should be conditional on the inclusion of statements that provide interpretation and guidance on how member states should apply ACTA in a way that complies with EU member states international obligations."⁴⁹⁴ It found that "the letter of the agreement is not incompatible with the Acquis but that there are no guarantees that its implementation will be." Consequently, it was recommended that the European Parliament "may therefore wish to consider a need for a clarification of and guidance on how ACTA will be implemented especially the border and criminal enforcement measures as well as the in-transit procedures."⁴⁹⁵

On 28 June 2011 the EC circulated a Proposal for a Council Decision on the conclusion of the ACTA with the country parties to the negotiation.⁴⁹⁶ At the request of the Greens/European Free Alliance group in the European Parliament an Opinion was prepared on whether the final version of ACTA and its foreseen legislative procedure was in line with the European Convention on Human Rights and/or the EU Charter of Fundamental Rights.⁴⁹⁷ This concluded that the current draft of ACTA "seriously threatens fundamental rights in the EU and in other countries, at various levels."⁴⁹⁸ Specifically, it asserted that "an explicit *de minimis* rule and an explicit public interest defence are the minimum that are required" to bring the criminal

⁴⁸⁸ <http://people.ffii.org/~ante/acta/EXPO-Terms-of-Reference.pdf>.

⁴⁸⁹ <http://www.statewatch.org/news/2011/jul/acta-academics-opinion.pdf>

⁴⁹⁰ Minutes available from: http://trade.ec.europa.eu/doclib/docs/2011/february/tradoc_147497.pdf.

⁴⁹¹ http://trade.ec.europa.eu/doclib/docs/2011/april/tradoc_147853.pdf

⁴⁹² Directorate-General for External Policies of The Union, Directorate B, Policy Department, *Study The Anti-Counterfeiting Trade Agreement (ACTA): An Assessment*, Brussels, European Parliament, June 2011, http://www.erikjosefsson.eu/sites/default/files/DG_EXPO_Policy_Department_Study_ACTA_assessment.pdf

⁴⁹³ Ibid., at 66.

⁴⁹⁴ Ibid. at 67.

⁴⁹⁵ Ibid, at 8.

⁴⁹⁶ COM(2011) 380 final.

⁴⁹⁷ D. Korff and I. Brown, Opinion on the compatibility of ACTA with the ECHR and the EU Charter of Fundamental Rights, 31 August 2011, <http://rfc.act-on-acta.eu/fundamental-rights>.

⁴⁹⁸ Ibid. at 59.

enforcement provisions into conformity with the European Convention and Charter.⁴⁹⁹ The overall assessment was that “ACTA tilts the balance of IPR protection manifestly unfairly towards one group of beneficiaries of the right to property, IP right holders, and unfairly against others. It equally disproportionately interferes with a range of other fundamental rights, and provides or allows for the determination of such rights in procedures that fail to allow for the taking into account of the different, competing interests, but rather, stack all the weight at one end.”⁵⁰⁰ In September 2011 the Committee on International Trade (INTA) of the European Parliament has filed a request to its Legal Services to advise on the compliance of ACTA with the EU acquis. Mindful of the controversy generated by the ACTA negotiations on 22 February 2012 the EC announced that it would seek an advisory opinion from the European Court of Justice (ECJ) before moving forward with the ratification of the ACTA.. This was explained as a means of easing the concerns of European citizens about whether the agreement could lead to censorship.⁵⁰¹ On 4 April 2012 the EC referred ACTA to the ECJ requesting an advisory opinion on whether it was compatible with treaties which established the EU “particular with the Charter of Fundamental Rights of the European Union”.⁵⁰²

On 21 June 2012 the Trade Committee of the European Parliament voted to reject ACTA by 19 votes to 12 on the grounds that ACTA was too vague a document, that it “left many questions unanswered”, including the role of ISPs in policing the internet and that the sanctions for breaches of copyright were “disproportionate”.⁵⁰³ On 4 July 2012 ACTA was rejected by the European Parliament by 478 votes to 39, with 165 abstentions.⁵⁰⁴ Its rejection probably means that neither the EU nor its individual member states can join the agreement as under the EU Treaty articles 207 and 218, most international agreements need Parliament's consent to enter into force and all EU countries need to ratify them. The same day, however, EU Trade Commissioner Karel De Gucht, who was the principal EU negotiator on ACTA, announced that the European Commission will continue to seek the legal opinion of the ECJ on whether ACTA harms any of the fundamental rights of European citizens and that it “will then consult with our international partners on how to move forward on this issue.”⁵⁰⁵

Australia

⁴⁹⁹ Ibid.

⁵⁰⁰ Ibid., at 61.

⁵⁰¹ ‘Statement by Commissioner Karel De Gucht on ACTA (Anti-Counterfeiting Trade Agreement)’, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=778>

⁵⁰² European Commission, Press release, ‘Update on ACTA's referral to the European Court of Justice’

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/354&format=HTML&aged=0&language=EN&guiLanguage=en>, accessed 22 July 2012

⁵⁰³ See A. Sewell, ‘The International Trade Committee of EU Parliament rejects ACTA’ June 21, 2012, <http://digitaljournal.com/article/327131>, accessed 22 July 2012.

⁵⁰⁴ European Parliament, News, ‘ACTA before the European Parliament’, 4 July 2012, <http://www.europarl.europa.eu/news/en/pressroom/content/20120717BKG38488/html/ACTA-before-the-European-Parliament>, accessed 22 July 2012.

⁵⁰⁵ K. De Gucht, ‘European Plenary Vote on ACTA (Anti-Counterfeiting Trade Agreement)’ Press Release, 4 July 2012, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=818>, accessed 22 July 2012

Australia and New Zealand reported that their respective parliamentary committees would be scrutinizing ACTA before action is taken.⁵⁰⁶ On 16 October 2010 the Australian Minister for Trade commended the Agreement, stating that the Government would make a final decision on ratifying the ACTA treaty after it was examined by the Joint Standing Committee on Treaties.⁵⁰⁷ This examination does not yet appear to have taken place, but in March 2011 the Australian Government released for public comment by 4 April 2011, the *Intellectual Property Laws Amendment (Raising The Bar) Bill 2011*⁵⁰⁸ which proposed to make a number of significant amendments to the major Australian industrial property statutes. In addition it contained a suite of measures for enhancing trade mark and copyright enforcement, including measures for the confiscation of counterfeit and pirate goods in line with ACTA. The Bill was introduced into the Senate on 22 June 2011.

In Australia, prior to tabling in Parliament, major treaties are subject to a National Interest Analysis (NIA) which outlines the treaty obligations and considers arguments for and against the treaty, and any regulatory or financial implications. It also, reports the results of consultations undertaken with government agencies and with industry or non-government organisations. The ACTA text and accompanying NIA was tabled in the Australian Parliament on 21 November 2011.⁵⁰⁹ The NIA observed that no new legislative measures were required to implement obligations under ACTA in Australia and that as ACTA obligations were directly aligned with Australia's IP enforcement standards, any expansion in ACTA membership would bring more countries into conformity with Australian standards.⁵¹⁰ The NIA was subjected to analysis by the Joint Standing Committee on Treaties (JSCOT) of both Houses of the Australian Parliament. Its report tabled 27 June 2012⁵¹¹ recommended against immediate ratification, particularly having "regard to events related to ACTA in other relevant jurisdictions, including the EU and the US".⁵¹²

The JSCOT report noted that the NIA's assertion that ACTA would require no new legislative measures was not supported by evidence.⁵¹³ The JSCOT report referred to a number of submissions which identified the lack of clarity of the terms of ACTA,⁵¹⁴ however, it is probably the way in which ACTA was negotiated which caused the greatest misgivings on the part of JSCOT. A number of submissions pointed to the secrecy of the negotiations which contrasted with the treaty making processes of international organizations.⁵¹⁵ The Australian Department of Foreign Affairs and Trade (DFAT), which had custody of the ACTA negotiations was criticised for its

⁵⁰⁶ See <http://www.ip-watch.org/weblog/2011/09/08/still-a-long-way-to-go-for-anti-counterfeiting-trade-agreement/> 8 September, 2011.

⁵⁰⁷ http://www.trademinister.gov.au/releases/2010/ce_mr_101116.html.

⁵⁰⁸ See Explanatory Memorandum, **Intellectual Property Laws Amendment (Raising The Bar) Bill 2011** http://parlinfo.aph.gov.au/parlInfo/download/legislation/ems/s837_ems_561ef790-9811-43d0-b14f-04c924723c94/upload_pdf/356916em.pdf;fileType=application%2Fpdf

⁵⁰⁹ See http://www.aph.gov.au/Parliamentary_Business/Committees/House_of_Representatives_Committees?url=jsct/21november2011/tor.htm

⁵¹⁰ National Interest Analysis [2011] ATNIA 31, paras 7 and 11.

⁵¹¹ http://www.aph.gov.au/Parliamentary_Business/Committees/House_of_Representatives_Committees?url=jsct/21november2011/report.htm

⁵¹² The Parliament of the Commonwealth of Australia Joint Standing Committee on Treaties, Report 126 (ACTA), Canberra, AGPS, June 2012, para 8.16.

⁵¹³ Ibid., at para 3.39

⁵¹⁴ Ibid at para 4.16 -17.

⁵¹⁵ Ibid., para 7.4-8.

lack of transparency in the negotiation process. The JSCOT report noted that submissions “argued that the participating members had taken an exclusive ‘club approach’ to the treaty’s negotiation process. Moreover, this approach had been to the benefit of industry rather than the broader community.”⁵¹⁶ DFAT’s contested response was that it had adopted a transparent approach but the JSCOT report stated that there was “no valid rationale for the level of secrecy that DFAT has maintained for what is essentially a copyright treaty.”⁵¹⁷ It noted that the public consultations offered by DFAT between November 2007 and April 2010 were conducted without any public access to the draft text and negotiating documents, which “negated meaningful public consultation” and that “queries as to substantive aspects of the negotiating texts were not satisfactorily answered.”⁵¹⁸

Conclusion

As was predicted by the early commentators on the lack of transparency in the negotiation of ACTA the growing public awareness of ACTA amongst the nations involved in the negotiations has been paralleled by an increased level of disquiet about its potential impact. These public concerns have prompted a number of countries which were originally signatories to the Agreement, to indicate they will either postpone ratification or not ratify ACTA at all. Mention has been made above of the positions taken by Australia, the EU and the USA in this regard.

A Working Group of the Mexican Senate conducted hearings which had resulted in a resolution of the Senate on 28 September 2010 requesting that the President stop the process of negotiations for Mexico to sign the agreement.⁵¹⁹ This was largely based on objections to the lack of transparency in the negotiating process.⁵²⁰ A resolution of the Mexican Senate of 27 July 2011 requested the President not to proceed with signature of ACTA.⁵²¹

A press release issued by the Swiss Federal Council on 9 May 2012 announced that Switzerland would defer signature of ACTA referring to the strong increase in criticisms of ACTA since negotiations were concluded, which concerned the Federal Council because these misgivings “concern basic freedoms and important rights.”⁵²²

It would possibly have been satisfying to some if the story of ACTA could have operated as some kind of cautionary tale concerning the way in which IP treaties at least should or should not be negotiated. However, precisely the same lack of

⁵¹⁶ Ibid., para 7.10.

⁵¹⁷ Ibid., para 7.26.

⁵¹⁸ Ibid., para 7.29.

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<http://translate.google.com/translate?u=http%3A//www.senado.gob.mx/index.php%3Fver%3Dsp%26mn%3D2%26sm%3D2%26id%3D5264%26lg%3D61&hl=en&langpair=auto>

⁵²⁰ <http://www.techdirt.com/articles/20101005/17320811304/mexican-senate-unanimously-votes-to-remove-mexico-from-acta-negotiations.shtml>

⁵²¹

http://comunicacion.senado.gob.mx/index.php?option=com_content&task=view&id=18984&Itemid=1

⁵²²

https://www.ige.ch/fileadmin/user_upload/Juristische_Infos/e/press_releases/ACTA_e_09052012.pdf

transparency which characterized the negotiation of ACTA now characterizes the negotiations for the Trans Pacific Partnership Agreement (TPP) between Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, USA and Vietnam. This Agreement is described by some commentators as the “Son of ACTA”⁵²³ or as “everything the US wanted in ACTA but didn’t get”.⁵²⁴ In a Factsheet *Transparency and the Trans Pacific Partnership*⁵²⁵ the USTR explains that

Major trade and investment negotiations address a broad range of often complex and commercially sensitive sectors and issues and often take many months or even years to conclude. In order to reach agreements that each participating government can fully embrace, negotiators need to communicate with each other with a high degree of candor, creativity, and mutual trust. To create the conditions necessary to successfully reach agreement in complex trade and investment negotiations, governments routinely keep their proposals and communications with each other confidential.⁵²⁶

The justification for the lack of transparency on this occasion is that the TPP is a trade agreement and that when the TPP negotiations got underway in 2009, “the United States and its TPP negotiating partners entered into a confidentiality arrangement reflecting the customary understanding between countries engaged in trade negotiations that the negotiations should be carried out in private.”⁵²⁷ Interestingly, the justification which the USA advanced for shifting the international regulation of IPRs from WIPO to the GATT, at the beginning of the GATT Uruguay Round, was that IPR enforcement had become “trade related”.⁵²⁸

⁵²³ <http://arstechnica.com/tech-policy/news/2011/03/son-of-acta-meet-the-next-secret-copyright-treaty.ars>; <http://www.mektek.net/forums/topic/176299-us-proposals-for-secret-tpp-son-of-acta-treaty-leaked/>

⁵²⁴ <http://www.michaelgeist.ca/content/view/5686/125/>

⁵²⁵ <http://www.ustr.gov/about-us/press-office/fact-sheets/2012/june/transparency-and-the-tpp>

⁵²⁶ Ibid.

⁵²⁷ Ibid.

⁵²⁸ See, M. Blakeney, *Trade Related Aspects of Intellectual Property Rights. A Concise Guide to the TRIPs Agreement*, London, Sweet & Maxwell, 1996, ch.2.