

TOPIC 10
IP AND APPLICABLE ENFORCEMENT
RELATED LEGISLATION

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Relevant international bodies

- World Intellectual Property Organization (WIPO) –
- World Trade Organization - GATT

Role of IP conventions/treaties

- Establish guidelines for
 - uniform definition
 - uniform protection.
- Recognize territoriality
- Require national treatment
- Recognize priority

National treatment

- Each country must treat the nationals of other member countries in the same manner as it treats its own citizens.
- Any advantage, favour, privilege or immunity granted to the nationals of any other country must be accorded to the nationals of all other Member countries.
- Thus: IP law and practice may not discriminate against foreigners.

WIPO treaties

Three types:

- Protection treaties, e.g.
 - Paris Convention for the Protection of Industrial Property 1883 (revised 1967)
 - Berne Convention for the Protection of Literary and Artistic Works 1886 (revised 1971)
- Global protection systems, e.g.
 - Patent Co-operation Treaty 1970
- Classification treaties, e.g.
 - Nice Agreement for the International Classification of Goods and Services 1957

TRIPS“AGREEMENT ON TRADE-RELATED ASPECTS OF IPRs.”

- Part of GATT (General Agreement on Trade and Tariffs).
- WTO (World Trade Organization) administered.
- Not a WIPO treaty.
- Reasons for TRIPS: Lack of effective international enforcement mechanisms in the WIPO treaties.
- Relevant provisions replicated in WIPO treaties.
- Cooperation agreement between WTO and WIPO.

Relevance of TRIPS

- Binds all WTO members.
- Its provisions have to be reflected in national laws.
- Not ipso facto national law.
- Local laws must be interpreted in the light of TRIPS.
- Benchmark for international acceptability /conformity of national laws.
- Creates conformity.
- Presentation works on the assumption that local laws comply.

Basics of TRIPS

The TRIPS agreement contains:

- General Provisions And Basic Principles
- Standards Concerning the Availability, Scope and Use of IP Rights
- Standards for Enforcement of IP Rights.

SUBSTANTIVE STANDARDS

- Countries must comply with the substantive provisions of the 'old' (Paris and Berne) IP conventions.
- Extends application and scope of these conventions.
 - Introduced additional rights and standards protection of computer programs
 - counterfeiting and piracy

Patentable inventions

Trips art 27(1):

- Patent must be available for any invention
- product or process,
- all fields of technology,
- the invention must -
 - Be new,
 - Involve an inventive step ('non-obvious'), and
 - Be capable of industrial application ('useful').

TM rights under TRIPS art 16.1

The owner of a registered trademark

- Has the exclusive right to prevent third parties
- 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.

Copyright: TRIPS art 9

- Members must comply with most substantive provisions of the Berne Convention (1971) and the Appendix.
- Copyright protection extends to expressions and NOT to
 - ideas,
 - procedures,
 - methods of operation or
 - mathematical concepts as such.

ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

GENERAL OBLIGATIONS

Art 41

General obligations (Art 41)

TRIPS requires:

- effective action against any act of infringement of IP rights
- expeditious remedies to prevent infringements, and
- remedies which constitute a deterrent to further infringements.

The object is to

- avoid the creation of barriers to legitimate trade and
- provide for safeguards against their abuse.

Procedural fairness

- 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.

Court decisions

- Decisions on the merits of a case preferably in writing and reasoned.
- Made available at least to the parties to the proceeding without undue delay.
- Decisions on the merits of a case based only on evidence in respect of which parties were offered the opportunity to be heard.

Reviews and appeals

- Opportunity for review by a judicial authority of final administrative decisions.
- Opportunity for review by a judicial authority of at least the legal aspects of initial judicial decisions on the merits of a case.
- No obligation to provide an opportunity for review of acquittals in criminal cases.

Special IP courts

- No obligation to put in place a judicial system for the enforcement of IPRs.
- No obligation to divert resources specially for the enforcement of IPRs.

CIVIL AND ADMINISTRATIVE PROCEDURES AND REMEDIES

Arts 42 - 49

Fair and Equitable Procedures (Art 42)

- Requires civil judicial procedures for enforcement of IPRs.
- Parties entitled to
 - substantiate their claims
 - present all relevant evidence.
 - protect confidential information.

Rights of defendants

Defendants entitled to

- timely written notice and
- sufficient detail, including the basis of the claims.
- independent legal counsel.
- o burdensome requirements re personal appearances.

Production of evidence (Art 43)

- Court must order production of relevant evidence
 - In the control of A
 - If B has prima facie evidence to substantiate its claims
 - And B can identify the evidence
- Subject to the protection of confidential information.

Production of evidence (Art 43)

Courts may make preliminary or final determinations, on the basis of the evidence presented if a party

- voluntarily and without good reason
- refuses access to, or
- does not provide necessary information within a reasonable period, or
- impedes procedures.

Interim injunctions/interdicts (Art 50)

Prompt and effective provisional measures:

- to prevent an infringement of any IPR from occurring,
 - in particular to prevent the entry into the channels of commerce in their jurisdiction of goods, including imported goods immediately after customs clearance;
- to preserve relevant evidence of infringement.

Ex parte measures (Art 50)

Ex parte provisional measures if appropriate, in particular where

- any delay is likely to cause irreparable harm, or
- there is a demonstrable risk of evidence being destroyed.

Provisional measures

The applicant must provide reasonably available evidence about

- The IP right
- That the applicant is the right holder
- Infringement OR
- Imminent infringement.

Provisional measures

They are subject to

- Security by the applicant
- Notice to parties affected without delay.
- Return day for review.

Injunctions/Interdicts (Art 44)

- Injunctions to order a party to desist from an infringement,
- *inter alia* to prevent the entry into the channels of commerce of imported goods that involve the infringement of an IPR, immediately after customs clearance of such goods.

Damages (Art 45): Minimum

- Damages adequate to compensate for the injury suffered because of the infringement of the IPR by an infringer who
 - knowingly, or
 - with reasonable grounds to know, engaged in infringing activity.
- Appropriate cost orders.

Damages: optional provision

Infringement without knowledge or reasonable grounds

Remedies are

- Recovery of profits and/or
- payment of pre-established damages

Destruction (Art 46)

Effective deterrent to infringement

- Judicial authorities have authority to order that infringing goods
 - Are destroyed OR disposed of
 - outside channels of commerce
 - in a manner avoiding harm to the right holder
- Without compensation of any sort.

Destruction 2

In considering a request for destruction, the following must be taken into account:

- proportionality between the seriousness of the infringement and the remedies ordered
- the interests of third parties

Destruction 3

Counterfeit trademark goods:

Simple removal of the unlawful trademark

- not sufficient to permit release of the goods into the channels of commerce
- except in exceptional cases.

SPECIAL REQUIREMENTS RELATED TO BORDER MEASURES

Art 51 - 60

Suspension of Release by Customs Authorities (Art 51)

- A right holder,
- With valid grounds for suspecting that importation may take place of
 - counterfeit trademark goods or
 - pirated copyright goods,
- may lodge an application with
 - customs or
 - courts
- for the suspension of the release of such goods.

Definitions

Footnote 14 defines

- Counterfeit trademark goods
- Copyright pirated goods

Requirements for suspension (Art 52-53)

- Prima facie right of an infringement of the right holder's IPR
- sufficiently detailed description of the goods to make them readily recognizable by the customs authorities
- Security may be required to prevent abuse.

Consequences of suspension (Art 54-56)

- Prompt notice to importer and applicant of suspension.
- Proceedings on merits initiated within 10 days.
- A review upon request of the defendant to decide, within a reasonable period, whether the measures are to be modified, revoked or confirmed.
- The applicant to compensate for any injury caused through the wrongful detention.

Ex officio action (Art 58-59)

- Customs may act upon their own initiative to suspend the release of goods if they have *prima facie* evidence that an IPR is being infringed.
- Customs may order the destruction or disposal of infringing goods in accordance with the principles set out in Article 46.

De minimis exclusion (Art 60)

- Member countries 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.

CRIMINAL PROCEDURES

Art 61

General

- TRIPS requires criminalisation of trademark counterfeiting and copyright piracy.
- All trademark infringement is not counterfeiting.
- All copyright infringement is not piracy.
- Countries may provide for criminalization of other cases of infringement of IPRs, in particular where they are committed wilfully and on a commercial scale.

Counterfeiting

Countries must provide for criminal procedures and penalties *at least* in cases of

- wilful trademark counterfeiting
- on a commercial scale.

Applies to a trademark which is

- identical to or
- cannot be distinguished in its essential aspects from the registered trademark.

PIRACY

Member states must provide for criminal procedures and penalties *at least* in cases of

- wilful copyright piracy
- on a commercial scale

It must be a 'copy'

made directly or indirectly from the copyright work.

Penalties

- Remedies available shall include imprisonment and/or monetary fines
 - sufficient to provide a deterrent,
 - consistently with the level of penalties for crimes of a corresponding gravity.
- In appropriate cases, remedies available shall also include
 - the seizure, forfeiture and destruction and
 - of any materials and implements the predominant use of which has been in the commission of the offence.

FAILURE TO COMPLY WITH TRIPS MAY LEAD TO TRADE SANCTIONS



Reference material

- *WIPO Intellectual Property Handbook: Policy, Law and Use ch 5 para 5.217 - 248*

<http://www.wipo.int/export/sites/www/about-ip/en/iprm/pdf/ch5.pdf>

- *Golan v. Holder, Attorney General*, No. 10–545. January 18, 2012: US Supreme Court: www.supremecourt.gov/opinions/11pdf/10-545.pdf.