



WORLD TRADE ORGANIZATION
ORGANISATION MONDIALE DU COMMERCE
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الجامعة الإسلامية العالمية ماليزيا
INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA
يُؤْتِي بَرِيَّتِي سَلَامًا وَأَنْبَارًا يَجْنِبُنَا مَلِكِيَّتَنَا

**WTO-ESCAP-IIUM REGIONAL WORKSHOP ON INTELLECTUAL PROPERTY
AND PUBLIC HEALTH AND ENVIRONMENT POLICY
FOR ASIA AND THE PACIFIC REGION
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Compliance Issues in the Context of Public Health

The WTO context: TRIPS and Enforcement Provisions; Discussions and Work

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Outline

- General observations
- TRIPS provisions on enforcement
- Discussion and work
 - In the TRIPS Council
 - In other fora and contexts
- Dispute settlement

General observations

- Tokyo Round 1978: trade in counterfeit goods.
 - (Draft Agreement on measures to Discourage the Importation of Counterfeit Goods)
- Punta del Este Declaration in 1986
- TRIPS (Trade-related Aspects of Intellectual Property Rights) = first international treaty with detailed section on enforcement
- Addresses action against IPR infringement in general, with some mandatory provisions specifically applying to counterfeiting and piracy

Objectives of TRIPS Part III (enforcement)

- *Make available* (→ private rights) effective tools to guarantee **application of substantive rules**, including:
 - Expeditious remedies to **prevent** infringements
 - Remedies constituting a **deterrent** to further infringements
- Protect **against abuse**: built-in safeguards
- Avoid **new barriers to legitimate trade**
- Preserve balance between different interests

Application of basic principles

- **Minimum level of protection**, but not harmonisation at multilateral level
 - higher level of protection possible as long as TRIPS obligations, including safeguards, are respected
 - but: is there a limit to higher standards?
- Freedom to determine appropriate method of implementation within WTO Members' own legal system and practice (art. 1.1)
- Subject to non-discrimination rules and WTO dispute settlement
- p.m.: LDC transition periods apply (2013/2016)

Other Principles Regarding Enforcement

- Taking into account of:
 - different legal systems (common/civil law)
 - WTO Members' resource constraints:
 - no obligation to establish distinct judicial system to enforce IPRs
 - TRIPS enforcement rules are not to affect Members' capacity to ensure law enforcement in general
 - no obligation relating to distribution of resources for enforcement of IPRs and law in general
- Recognition of judicial discretion
- Different types of provisions:
 - Mandatory (“shall”)
 - Optional (“may”)
 - Mandatory but with discretion for authorities (“...shall have the authority”)

All Types of IPR Infringements

- General obligations:
 - Effective enforcement
 - Procedures not to become barriers to legitimate trade
 - Fair and equitable procedures
 - Decisions on the merits of a case
 - Opportunity for review by a judicial authority
 - Civil and administrative procedures/remedies:
 - Fair and equitable procedures
 - Evidence
 - Remedies: injunctions, damages, other
 - Right of information
 - Indemnification of the defendant
 - Prompt and effective provisional measures (to prevent infringement / entry into channels of commerce and to preserve evidence)
- demonstrates search for a balanced regime

Counterfeiting and Piracy (1)

Additional measures required

1. Border measures for “Counterfeit trademark and pirated copyright goods”

- Suspension of release by customs authorities
 - Conditions / safeguards
 - adequate evidence
 - detailed description of the goods
 - security or equivalent assurance
 - indemnification
 - Procedures
 - notice of suspension
 - 10 working days to initiate proceedings leading to decision on merits
 - right of inspection and information
 - Remedies: destruction / disposal of infringing goods outside channels of commerce

Counterfeiting and Piracy (2)

2. Criminal procedures

– Obligatory if:

- wilful act
- of **trademark counterfeiting or copyright piracy**
- on a commercial scale

– Remedies:

- imprisonment and/or monetary fines sufficient to provide a deterrent

Definition / Scope of Counterfeiting (1)

- Footnote 14(a) to Article 51 defines the term “counterfeit trademark goods” as:
 - any goods, including packaging
 - bearing without authorization a trademark identical to / which cannot be distinguished from the trademark validly registered for such goods
 - which infringes the owner’s rights in the country of importation.
- *Link with trademarks clearly established*
- *Distinct from other forms of trademark infringement*

Definition / Scope of Counterfeiting (2)

- From a narrow to a broader meaning ?
- Some Members laws and practice link term to other IPR categories in addition to trademarks
- Consequences of "loose use" of the term: clear separation from other forms of trademark infringement is diluted

Optional Provisions

- Border measures with respect to:
 - IPRs other than counterfeit trademark and pirated copyright goods
 - exports and goods in transit
 - parallel imports
 - *de minimis* imports
 - ex officio action
- Criminal procedures with respect to:
 - IPRs other than counterfeit trademark and pirated copyright goods
- Other optional provisions

Ad hoc discussions in TRIPS Council

- Communications from EU, US, Switzerland, Japan (2005-06)
- Dutch Customs / in-transit generic medicines (2009-10):
 - mostly about cases of alleged patent infringement in transit country
 - issues raised included:
 - confusion between counterfeit, sub-standard, spurious and fake medicines
 - expansive use of term “counterfeit” to include all forms of IPR infringements
 - need to clearly distinguish generic medicines from counterfeit medicines
 - need to separate IPR-related issues from public health considerations
- FTAs/RTAs/ACTA

TRIPS Council: Other Useful Sources of Information

- Review of TRIPS implementing legislation
- Checklist of Issues on Enforcement:
 - Responses submitted by 99 Members
 - But: not regularly updated by all Members
- Use of Article 63.3 to gather information
- Notification of contact points (Article 69):
 - Exchange of information on trade in infringing goods
 - Promotion of cooperation between customs authorities with regard to *counterfeit* trademark / pirated copyright goods
 - Objective: elimination of international trade in goods infringing IPRs
- TPR reports

Enforcement-related Work in the TRIPS Council (1)

- EC Initiatives: June 2005 (IP/C/W/448); March 2006 (IP/C/W/468); June 2006 (IP/C/W/471); Joint Communication from EC/Japan/ Switzerland/US in October 2006 (IP/C/W/485); United States' Communication in Feb.2007 (IP/C/W/488); Swiss Communication in June 2007 (IP/C/W/492)
- Several ACTA signatories put “TRIPS Enforcement Trends” on the agenda of the October 2011 TRIPS Council to inform about ACTA

Enforcement-related Work in the TRIPS Council (2)

- India and China put “TRIPS Enforcement Trends” on the agenda of the June 2010 TRIPS Council to discuss ACTA developments and goods in transit; raised again in Oct 2010.
- US put “Exchange of Information on Securing Supply Chains Against Counterfeit Goods” on agenda of June 2012 TRIPS Council; China and India asked to limit to “...Counterfeit *Trademarks*” (cf. also IP/C/W/570 (US) and IP/C/W/571)

Dispute Settlement Cases (1)

- China - Measures affecting the Protection and Enforcement of Intellectual Property Rights (WT/DS362)
- Claims and findings:
 - Thresholds for criminal procedures and sanctions: inconsistency with Art.61 not established
 - Disposal of IPR-infringing goods confiscated by Customs authorities: (i) Art.59 not applicable to Customs measures applying to goods destined for exportation; (ii) with respect to principles in first sentence of Art.46, inconsistency of Customs measures with Art.59 not established; (iii) with respect to principles in fourth sentence of Art.46, inconsistency of Customs measures with Art.59 established
 - Denial of copyright and related rights protection and enforcement to works that have not been authorized for publication / distribution within China: inconsistent with Art.5(1) Berne Convention and Art.41.1
- Panel Report adopted by DSB on 20 March 2009
 - no appeal
 - China regularly reports on implementing measures to DSB

Dispute Settlement Cases (2)

- EU and member State – seizure of generic drugs in transit: consultations requested by India (WT/DS408/1) and Brazil (WT/DS/409/1), both cases pending
- Measure at issue:
 - EU Customs Regulation 1383/2003 and other EU / Dutch legislative provisions, as well as Dutch Court decisions
- Both requests refer to:
 - GATT: Art. V (freedom of transit), Art. X:3
 - TRIPS:
 - Art. 28 in conjunction with Art.2 and Art.4bis Paris Convention, para.6(i) of August 2003 Decision (limits to patent rights conferred)
 - Art.41, 42 (barriers to legitimate trade)
 - Art. 31 in conjunction with August 2003 Decision (interference with right to grant CL for export under Para.6 System)
 - TRIPS interpretation and implementation in light of Art.7 and 8, Doha Declaration on TRIPS and Public Health, as well as International Covenant on Economic, Social and Cultural Rights
- Brazil's requests adds a number of other TRIPS provisions (Art.1.1, 49 to 55)



Consult our website

www.wto.org

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