Intellectual Property in ACTA and the TPP: Lessons Not Learned

Kimberlee G Weatherall
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1 Introduction

The world has seen a renewed push in international intellectual property (IP) lawmaker in recent times. This can be seen in multilateral forums, in particular in the World Intellectual Property Organization (WIPO);¹ in bilateral forums, where Europe in particular appears to have increased its efforts to negotiate more detailed IP provisions in trade agreements than it has in the past,² and in plurilateral and regional contexts, most notably through the negotiations for the Anti-Counterfeiting Trade Agreement (ACTA), concluded late 2010,³ but also in the Asia-Pacific Region via current negotiations for a ‘Trans-Pacific Partnership’ between (at present) Brunei Darussalam, Chile, New Zealand, Singapore, Australia, Peru, the United States, Vietnam and Malaysia.⁴

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¹ According to an address by Francis Gurry, Director-General of WIPO, to the 15th Biennial Copyright Symposium in Sydney, Australia on 13-14 October 2011, there is a real prospect of a Diplomatic Conference to agree a Treaty on Audiovisual Performances, with 96 per cent of the provisions and ancillary instruments agreed to. There has also been progress on both an international instrument on exceptions and limitations for the visually impaired, and a treaty on Broadcasting Organizations.

² Strategy for the Enforcement of Intellectual Property Rights in Third Countries, 2005 O.J. (C 129) 3 (providing that the European Commission’s strategy includes a number of actions similarly modeled on U.S. practices, including an indication of the intention to ‘revisit the approach to the IPR chapter of bilateral agreements, including the clarification and strengthening of the enforcement clauses’ using existing E.U. Directives and regulations as an important approach to revising the IP standards); see also Free Trade Agreement, E.U.-South Korea, signed Oct. 6, 2010 (representing the bilateral trade agreement of the ‘new generation,’ including a chapter with extensive obligations on geographical indications and enforcement). EU negotiations with India for a trade agreement, which commenced in 2006, are also said to be at an advanced stage. It is also worth noting that although the US President’s trade negotiating authority has not been renewed, which would allow new bilateral negotiations by the US, three bilateral agreements which have been pending before Congress for some time, with Colombia, Panama, and South Korea, were passed on 12 October 2011: see US Trade Representative Ron Kirk, ‘Statement on Congressional Passage of Trade Agreements, Trade Adjustment Assistance and Key Preference Programs’, 12 October 2011.


⁴ This list is current as at 15 October 2011. See further below, Part 3 page 9 and following.
In this paper I am interested in what ACTA as it emerged from the negotiating process has to teach us about the negotiation of international agreements in IP, and in whether we can see any evidence that those lessons have been learned or are being applied to the TPP negotiations. As I will show below, the ACTA text that emerged from several years’ controversial negotiations was a quite different beast from the original aspirations of the negotiating parties. ACTA as it was finalised retreated significantly from earlier proposals: it contains more safeguards, and less detailed and stringent provisions, than was feared or expected by many commentators. This suggests that even in negotiations among ‘IP-enthusiast’ countries there are limits to the consensus on the appropriate scope of IP-protective measures. ACTA, therefore, as the closest thing we have to a ‘high protection consensus’, ought to be seen as a kind of ceiling to what is possible or desirable for the present. As I will further show, however, this is far from the approach being adopted by the US in the TPP negotiations. The US’ apparent determination to treat its existing FTAs, and ACTA, as a floor, rather than a ceiling, may well undermine the whole purpose of the TPP negotiations.

2 The ACTA, and what we can learn from it

The Anti-Counterfeiting Trade Agreement, or ACTA, is a plurilateral agreement addressing a range of matters relating to the enforcement of all forms of IP, both civil and criminal. The stated goal of the agreement was to provide ‘a high-level international framework that strengthens the global enforcement of intellectual property rights’. It was negotiated among a limited set of countries: Australia, the United States of America, Japan, the 27 nations of the European Union (EU), Mexico, Switzerland, Canada, Singapore, South Korea, New Zealand and Morocco. ACTA was concluded in December 2010 following several years of negotiation, and eight of the eleven negotiating countries officially signed the agreement on 1 October 2011. The Agreement has six chapters, but the core obligations are found in Chapter 2, which deals with general obligations, civil enforcement, border measures, criminal enforcement, and enforcement in the digital

5 This statement is drawn from one of the many ACTA ‘Fact Sheets’ published by the negotiating parties in the course of the negotiations. The wording of these fact sheets was agreed between the parties so that consistent documents were issued by all the negotiating governments. For this phrase, see European Union, ‘The Anti-Counterfeiting Trade Agreement’, 5 June 2008. http://trade.ec.europa.eu/doclib/docs/2008/june/tradoc_139085.pdf.

6 The Agreement was signed on 1 October 2011 by the United States, Australia, Canada, Japan, Morocco, New Zealand, Singapore and South Korea. The European Union, Mexico, and Switzerland have not yet signed but issued a statement affirming their intention to sign as soon as practicable. ACTA will enter into force when six instruments of ratification, acceptance or approval have been deposited: art 40.
environment. Subsequent chapters deal with enforcement practices, international cooperation, and the administration of the Agreement through an ACTA Committee.

ACTA was controversial from the outset of negotiations, which were conducted with a low degree of transparency, and continues to be the subject of debate, particularly in Europe where it has been alleged that, contrary to representations during the negotiations, the text goes beyond present EU law. These controversies are not the subject of this paper. The decision to limit the membership of ACTA in the negotiating phase was a deliberate one, designed to bypass negotiating blocks that had emerged in multilateral forums such as WIPO or the World Trade Organization (WTO), and further the goal of creating a ‘gold standard’ for IP enforcement by including only countries willing to countenance the highest, or strongest, IP enforcement rules. It is worth remembering that over a decade ago, a group of developed countries put together the first proposals for the TRIPS Agreement. One way the ACTA negotiations could be described as an important post-TRIPS attempt to undertake similar ‘North-North’ negotiations on areas of IP where the TRIPS agreement has been found to be lacking. In the longer term, the expectation is that standards established in ACTA will be extended to other countries, either by those countries acceding to the treaty directly, or by the inclusion of the ACTA standards in other bilateral or regional trade agreements. The preamble of ACTA, after all, refers to the impact of infringement of the world economy; it will be difficult effectively to address global counterfeiting and piracy without significantly broadening the membership of ACTA.

ACTA’s goal of setting an ambitious, strong set of IP enforcement standards was fulfilled to some degree. The provisions of ACTA are far more elaborated than any other existing multilateral agreement. The obligations included in ACTA extend considerably

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8 For a discussion, see Kimberlee Weatherall, ‘Politics, Compromise, Text, and the Failures of the Anti-Counterfeiting Trade Agreement’ (2011) 33 Sydney Law Review 229 (hereafter Weatherall, Politics, Compromise, Text); see also Peter Yu, ‘Six Secret (and Now Open) Fears of ACTA’ (2011) 64 Southern Methodist University Law Review.
9 Weatherall, Politics, Compromise, Text, above n8, 237; also Yu, above n 8.
10 A similar ‘small group’ negotiating process was used to generate the developed country proposal for the TRIPS Agreement: see Drahos with Braithwaite, Information Feudalism (Earthscan 2001), 137-138.
12 As contemplated under ACTA Article 43.
13 Kimberlee Weatherall, Politics, Compromise, Text, above n 8, 236; see also Anselm Kamperman Sanders, et al, above n7, 9.
beyond TRIPS as the latter relates to enforcement. Examples of ‘TRIPS-plus’ provisions include the obligations to provide for an account of profits as a remedy for IP infringement,\(^ {14}\) to provide statutory or at least additional damages\(^ {15}\) and legal costs,\(^ {16}\) obligations on an infringer or alleged infringer to provide information about the origin and distribution network of the infringing goods,\(^ {17}\) powers for customs authorities to provide right holders with information where goods have been seized at the border,\(^ {18}\) broader criminal provisions including secondary criminal liability for aiding and abetting activities\(^ {19}\) and liability of corporate persons,\(^ {20}\) an optional ‘camcording’ offence, and provisions on enforcement in the digital environment that have no equivalent in TRIPS and include detail not found in the relevant WIPO Treaties.\(^ {21}\) In sum, ACTA is ‘significantly more stringent and rightholder friendly than the TRIPS Agreement’.\(^ {22}\) As noted above, the strength of these provisions has generated considerable controversy, particularly, in recent times, in Europe.\(^ {23}\)

However, the final text of ACTA concluded in December 2010 is very different from the early leaked texts that started to emerge in January 2010.\(^ {24}\) The Final Text retreats from some of earlier proposals for even stronger and less qualified IP enforcement measures. If we are trying to understand what ACTA can teach us about the

\(^{14}\) ACTA Article 9(2).

\(^{15}\) ACTA Article 9(3).

\(^{16}\) ACTA Article 9(5). Legal costs including attorneys’ fees are optional under TRIPS Article 45.

\(^{17}\) ACTA Article 11. Under TRIPS Article 47, some more limited information is required.

\(^{18}\) ACTA Article 22. Under TRIPS, Members may give competent authorities the authority to provide information to right holders.

\(^{19}\) ACTA Article 23(4).

\(^{20}\) ACTA Article 23(5).

\(^{21}\) *WIPO Copyright Treaty*, adopted by Diplomatic Conference 20 December 1996, 36 ILM 65 (entered into force 6 March 2002); *WIPO Performances and Phonograms Treaty*, adopted by Diplomatic Conference 20 December 1996, 36 ILM 76 (entered into force 20 May 2002). These treaties provide basic obligations in relation to anti-circumvention law and the protection of electronic rights management information. The ACTA provisions on digital enforcement include further elaboration on anti-circumvention and rights management information provisions, in addition to some very broad, general level obligations concerning digital enforcement generally. As will be seen below, more detailed proposals relating to digital enforcement did not survive the negotiating process.

\(^{22}\) Kamperman Sanders et al, above n 7, 6.

\(^{23}\) Kamperman Sanders et al, above n 7. See also ‘Opinion of European Academics on the Anti-Counterfeiting Trade Agreement’, published on [http://www.iri.uni-hannover.de/acta-1668.html](http://www.iri.uni-hannover.de/acta-1668.html) (an opinion, issued by a well-regarded set of academics, that ACTA is not consistent with the European *acquis communautaire*).

\(^{24}\) Earlier negotiating texts of ACTA, both ‘official’ and leaked, are collected at [https://sites.google.com/site/iipenforcement/acta](https://sites.google.com/site/iipenforcement/acta).
present dynamics of international IP lawmaking, what ACTA failed to achieve is equally significant to what was achieved in terms of enforcement standard-setting. While the ACTA text illustrates areas where the ‘coalition of the willing’ agreed on the appropriateness of a measure, proposals removed from the text point to areas where there is a lack of consensus.

Without purporting to be comprehensive, the following table illustrates some key changes that occurred between January 2010 (the date of the first full leaked text of the agreement) and the final legal text as published in December 2010. Table 1 does not capture the full extent of those amendments, particularly the ways that nuances in language in individual provisions have created a different agreement from what was originally proposed.

Table 1: The January Leaked Text of ACTA versus the Final Text of December 2010

<table>
<thead>
<tr>
<th>Issue</th>
<th>ACTA January 2010 Leaked Text(^{25})</th>
<th>ACTA December 2010 Final Text</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preamble</td>
<td>None.</td>
<td>Preamble referring both to the importance of enforcement on the one hand, and the need for balance, and to ensure that measures do not become barriers to trade on the other.</td>
</tr>
<tr>
<td>Distribution of policing resources</td>
<td>Not mentioned.</td>
<td>General provision that ACTA creates no obligations regarding allocation of resources to IP enforcement versus other policing (Article 2.2)</td>
</tr>
<tr>
<td>TRIPS Article 7 and 8(^{26})</td>
<td>Not mentioned.</td>
<td>Applied to the ACTA (Article 2.3)</td>
</tr>
<tr>
<td>Privacy</td>
<td>No general provision although mentioned in some articles.</td>
<td>General provision allowing protection of privacy (Article 4).</td>
</tr>
<tr>
<td>Proportionality, fairness</td>
<td>Some mention in some proposals for some provisions.</td>
<td>General provision on fairness, protection of the rights of participants, and</td>
</tr>
</tbody>
</table>

\(^{25}\) Note that in the case of this leaked text dating from January 2010 there is much bracketed text and proposals of varying stringency. In this table, the more stringent proposals are included, better to illustrate the difference between the strongest aspirations for the agreement demonstrated by various parties, and the final outcome of the negotiations.

\(^{26}\) TRIPS Articles 7 and 8 are concerned with technology transfer, balancing rights and obligations under intellectual property, the ability of states to act in the public interest, and the ability to have provisions to prevent abuse of intellectual property rights.
<table>
<thead>
<tr>
<th><strong>Injunctions</strong></th>
<th>No safeguards or limitations; proposal for injunctions against intermediaries whose services are used for infringement.</th>
<th>Parties can limit remedies against government/third parties authorised by government to remuneration. Injunctions against third parties to prevent infringing goods entering channels of commerce (Article 8).</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Measure of damages</strong></td>
<td>One proposal would require judicial authorities to consider measures of damage submitted by the right holder.</td>
<td>Judicial authorities need only have authority to consider legitimate measures of value submitted by the right holder.</td>
</tr>
<tr>
<td><strong>Statutory damages</strong></td>
<td>Must have statutory damages or presumptions.</td>
<td>Must have statutory damages, presumptions, or, at least for copyright, additional damages.</td>
</tr>
<tr>
<td><strong>Destruction of implements</strong></td>
<td>Addresses destruction of materials/implements used in infringement.</td>
<td>Addresses destruction of materials/implements predominantly used in infringement.</td>
</tr>
<tr>
<td><strong>Border Measures: scope</strong></td>
<td>All IPRs potentially covered, including patents, geographical indications, and designs.</td>
<td>Patents and undisclosed information excluded from the Chapter. Otherwise parties required not to discriminate unjustifiably between IPRs.</td>
</tr>
<tr>
<td><strong>Border Measures: points for seizure</strong></td>
<td>Export, import, and in-transit.</td>
<td>Export and import required; in-transit seizures optional.</td>
</tr>
<tr>
<td><strong>Border measures: disclosure of information</strong></td>
<td>Party required to authorise its authorities to provide certain information to a right holder where goods found to infringe.</td>
<td>Party may give authorities authority to provide certain information (not limited to cases where the goods have been found to be infringing).</td>
</tr>
</tbody>
</table>
| **Criminal Enforcement: copyright.** | Copyright piracy ‘on a commercial scale’ (and hence criminal) to include:  
  - Significant wilful copyright infringements with no direct or indirect motivation of financial gain; and  
  - Wilful copyright infringement for commercial advantage or private financial gain. | Copyright piracy on a commercial scale to include ‘at least those [acts] carried out as commercial activities for direct or indirect economic or commercial advantage’. |

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27 As I have set out elsewhere, this language arguably allows parties to exclude other IP rights, such as geographical indications, provided some justification is given: see Weatherall, *Politics, Compromise, Text*, above n8, 247.
<table>
<thead>
<tr>
<th><strong>Criminal enforcement: trade mark</strong></th>
<th>Criminal enforcement to cover trade mark infringement caused by confusingly similar trade mark goods.</th>
<th>Criminal enforcement only to cover wilful trade mark counterfeiting; no reference to ‘confusingly similar’ marks.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Criminal enforcement: camcording</strong></td>
<td>Offence required for knowingly copying or transmitting the public of a film, taken from a performance in a cinema.</td>
<td>This offence optional.</td>
</tr>
<tr>
<td><strong>Criminal enforcement: <em>ex officio</em></strong></td>
<td><em>Ex officio</em> powers to be conferred for all offences in the ACTA.</td>
<td><em>Ex officio</em> powers only required ‘in appropriate cases’, meaning freedom to party to determine what is appropriate.</td>
</tr>
<tr>
<td><strong>Digital Environment: Intermediaries</strong></td>
<td>Detailed proposals for protection of intermediaries subject to obligations to act (eg to have notice and take down), based on US or EU Safe Harbours.</td>
<td>No detail; obligation to apply enforcement to infringement over digital networks, in such a manner as to avoid creating barriers to legitimate activities. Protection for online service providers is a possibility mentioned in footnote 13.</td>
</tr>
<tr>
<td><strong>Digital Environment: ‘Graduated Response’</strong></td>
<td>Some reference in the text to an obligation to have a policy to address online infringement, one example of which would be a policy providing for termination of the accounts of repeat infringers.</td>
<td>No reference to any such idea; only a provision that parties will ‘endeavour to promote cooperative efforts within the business community’ to address online infringement, ‘preserving fundamental principles such as freedom of expression, fair process, and privacy’.</td>
</tr>
<tr>
<td><strong>Digital Environment: anticircumvention law</strong></td>
<td>Proposals to require bans on circumvention of access and copy controls.</td>
<td>Technological measures covered by the rules are largely left to law of the party: see footnote 14.</td>
</tr>
<tr>
<td><strong>ACTA Committee</strong></td>
<td>Some suggestion in the text that Committee might have powers to ‘monitor’ implementation and to undertake dispute resolution.</td>
<td>Committee has role of ‘reviewing’ implementation and operation. No dispute resolution. A party can request consultations with another party regarding implementation.</td>
</tr>
</tbody>
</table>

Overall, the finalised version of the ACTA introduced a series of safeguards, exceptions and protections for users and parties to litigation, backed away from significant strengthening of the enforcement apparatus in relation to patents and geographical indications,28 left the scope of border measures in the hands of individual

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28 In particular, by removing patents and arguably removing geographical indications from the provisions on border measures. On the detail of how this works, see Weatherall, *Politics, Compromise, Text*, above n8, 244-254.
countries, almost completely abandoned any attempt to dictate the way that enforcement will occur in the digital environment or the ways that intermediaries in that environment will be regulated,\textsuperscript{29} and significantly watered down the provisions on criminal enforcement. In all these areas, the countries who have, historically, been the most enthusiastic proponents of strong IP law and strong IP enforcement, could not reach agreement.

The lack of consensus is more significant in some areas than others. For example, it is arguable that both the US and EU (and other negotiating countries like Singapore, and Australia) could agree on the principle that internet intermediaries ought to have some shield from full copyright liability, in return for their taking some action to assist rightholders enforce their rights online. Both the US\textsuperscript{30} and EU\textsuperscript{31} have their own schemes for shielding intermediaries, although they operate in quite different ways.\textsuperscript{32} The lack of consensus on this issue is more likely owing to the failure to agree to language that sufficiently accommodates the different existing systems, than to the principle underlying those systems.\textsuperscript{33} On the other hand, the differences in relation to criminal copyright enforcement appear to be more fundamental. To date, the European Commission has not

\textsuperscript{29} Both through the removal of detailed provisions on online service provider liability and the removal of language in the injunction provisions that might have required injunctions to be available against non-infringing intermediaries in the digital environment.

\textsuperscript{30} Digital Millennium Copyright Act, 17 U.S.C. §512 (US);


\textsuperscript{32} The US scheme provides intermediaries with protection from full copyright liability provided they comply with regulations requiring, for example, a notice-and-takedown regime and a policy for the termination of repeat infringers in appropriate circumstances. Within the safe harbour, an intermediary can only be subject to certain injunctions: for the termination of a particular account or blocking a particular website. In the EU, the requirements that an intermediary must comply with are less heavily specified, however, the EU has an additional provision that ensures that injunctions may be ordered even against an intermediary that has the benefit of protection from liability: see Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society, O.J. L 167, 22/06/2001 P. 0010 – 0019 (Information Society Directive), Article 8(3).

\textsuperscript{33} Note however that according to the leaked text from January 2010, Japan too had difficulties with proposed language for intermediary liability, as, unlike the US and EU, Japan does not recognise particular ‘categories’ of internet intermediary, but has a general rule that an ISP will not be liable if it is (a) technically impossible for an ISP to take measures for preventing transmission of the relevant information, or (b) an ISP does not know and does not have a reasonable ground to know that infringing activity is occurring. Canadian draft legislation the subject of consultations at the time of the ACTA negotiations had a different structure of liability again: applying ‘notice and notice’ rather than ‘notice and takedown’, and de-linking infringement liability from separate obligations to take measures to assist rightholders.
proposed any explicit extension of criminal liability that would extend to personal, non-commercial activities, and the European Parliament has affirmatively adopted a position that acts carried out by private users for personal and not-for-profit purposes should be excluded from criminal liability (or at least, excluded from any criminal liability that would be required by inclusion of such acts in a proposed EU Directive on enforcement). On the other hand the US position on criminal enforcement, and the extension of ‘commercial scale’ infringement to cover substantial but non-commercial activities is predicated directly on the perceived need to impose criminal liability on individual users, particularly in the online context where substantial harm to right holders may occur despite the non-commercial nature of an activity, such as file-sharing. Similarly the imposition of liability for even small-scale activity carried out for ‘private financial gain’ in the various US Free Trade Agreements is arguably aimed at the acts of individuals. Criminal enforcement may, it seems, be an area where even the countries more enthusiastically pro-IP and pro-enforcement have real philosophical differences.

Differences concerning the appropriateness of applying border measures to patent, and extending enforcement protection for geographical indications (GIs), are also areas of

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34 Proposal for a European Parliament and Council Directive on criminal measures aimed at ensuring the enforcement of intellectual property rights [SEC(2005)848]*COM/2005/0276 final – COD 2005/0127*/. The text of this proposed directive refers only to ‘intentional infringements of an intellectual property right on a commercial scale’. On its face, such language, while broader than TRIPS (because it extends to all IP rights, not just copyright piracy and trade mark counterfeiting) does not seem to cover private non-commercial acts.


36 The US extension of criminal copyright enforcement to non-commercial activities dates from the 1997 No Electronic Theft Act, otherwise known as the NET Act, PL 105-147, (codified in scattered sections of 17 USC (1997)). Subsequent to the NET Act, criminal liability may arise for willful infringement through the reproduction or distribution, including by electronic means, during any 180-day period, of one or more copies or phonorecords of one or more copyrighted works, which have a total retail value of more than $1,000: 17 USC §506(a)(1). The Act was a response to United States v La Macchia 871 F. Supp. 535 (D Mass 1994), in which the US was unable to prosecute La Macchia for criminal copyright infringement after he facilitated the uploading and downloading of significant quantities of software via an electronic bulletin board, because he received no payment for copies of the software.

37 Although the final ACTA Article 23(1), which states that commercial scale includes ‘at least those [acts] carried out as commercial activities for direct or indirect economic or commercial advantage’ would, if adopted globally, require China to abandon the numerical minima which were in question in the WTO case brought against China by the US: China - Measures Affecting the Protection and Enforcement of Intellectual Property Rights - Report of the Panel, WT/DS362/R, January 26, 2009. As TRIPS presently stands, the WTO Dispute Settlement Body in that case found that China was entitled to maintain these thresholds.
strong difference between the negotiating parties. On the latter, the US remains opposed to extensions to rights in GIs; the EU on the other hand sees GI protection as critical.

What lessons should we draw from the experience of the ACTA negotiations? For present purposes, the most important lesson is that even in the context of ‘North-North’ negotiations on IP and IP enforcement, there remain significant differences in philosophy and approach. One way to see ACTA, then, is as an exemplar of the maximum level of enforcement that will draw support from these important countries, and, hence, as a maximum set of provisions that could conceivably be ‘multilateralised’ in some future global negotiations, even before the interests of large developing countries and the BRIC countries are taken into account. A further lesson from ACTA was that even signing up a number of countries to detailed IP provisions will not guarantee the success of those detailed provisions in later negotiations with a larger group. Although several ACTA parties were signatories to earlier US FTAs (in particular, Singapore, Australia, Morocco and to a lesser extent, Mexico through the North American Free Trade Agreement or NAFTA), other parties in the ACTA negotiations such as Europe and Japan were not, and were clearly not prepared to go along with the US model where it conflicted with their own law.

3 The Trans-Pacific Partnership: lessons learned or more mistakes?

3.1 Introduction to the TPP

This brings me to current events, or rather, current negotiations, relating to the proposed Trans-Pacific Partnership, or TPP. The question of interest here is whether the lessons of the ACTA negotiation have been learned. Sadly, the answer is no.

38 See Weatherall, Politics, Compromise, Text, above n 8, 247-248.


40 For other lessons from ACTA, see also Weatherall, Politics, Compromise, Text, above n 8; see also Kimberlee Weatherall, ‘ACTA as a New Kind of International Lawmaking’ (2011) 26 American University International Law Review 838. The latter in particular considers the lessons of ACTA for the ‘one way global IP ratchet’ that has been discussed in the international literature on IP lawmaking.

41 Brazil, Russia, India and China.

42 For further discussion of this point, see Weatherall, ‘ACTA as a New Kind of International Lawmaking’, above n40.
The TPP is presently being negotiated between Brunei Darussalam, Chile, New Zealand, Singapore, Australia, Peru, the United States, Vietnam and Malaysia. The genesis of the TPP is in an earlier agreement, the P-4 (Singapore, Chile, New Zealand and Brunei). The P-4 includes an open accession provision, which enabled the US in 2008 to announce its intention to join negotiations; soon after, both Australia and Peru also expressed interest.

The Trans-Pacific Partnership (TPP) is a very different kind of agreement from ACTA. Most obviously, where ACTA only relates to IP rules, the TPP is being negotiated as a comprehensive regional Free Trade Agreement, which will include chapters dealing with a full range of trade issues including market access for both goods and services, rules of origin, government procurement, investment and financial services, telecommunications, and sanitary and phytosanitary Rules; in all 20 chapters are the subject of negotiation. Intellectual property is only one chapter in this negotiation, albeit from a US perspective at least, an important one.

The TPP has been presented as an opportunity to tie together existing trade agreements and hence ‘tame the tangle’ of existing agreements. But it is also being touted as an opportunity to create a platform for broader regional trade integration. In

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44 Trans-Pacific Strategic Economic Partnership Agreement, text available at http://www.sice.oas.org/Trade/CHL_Asia_e/mainAgreemt_e.pdf.

45 Trans-Pacific Strategic Economic Partnership Agreement, Article 20.6.


other words, the ambition is that other countries will, in the future, also accede to the Agreement, thus over time extending its membership throughout the Asia-Pacific region. In his Ministerial Statement on the TPP in November 2008, Trade Minister Simon Crean reinforced the Australian Government’s ‘absolutely clear … commitment to reinforcing the primacy of the multilateral trade system – and ensuring that FTAs support the multilateral trading system.’ According to Minister Crean, the Australian government favours ‘initiatives that ensure that bilateral and regional trade arrangements are more consistent with the multilateral trading system’. According to Minister Crean, the TPP negotiations are ‘perhaps the most important initiative the … government has taken to fulfil that aim.’

The TPPA, he stated, ‘has the potential to serve as a viable building block to even greater regional integration in the Asia Pacific’. In a later press release, Minister Crean suggested that the TPP could be a potential building block to a larger Free Trade Area of the Asia Pacific (FTAAP). Australian industry has echoed these goals.

Nor is this hope confined to Australia. The US has long grappled with the need to engage with the Asia-Pacific region. On trade and economic integration in particular, the US has struggled with the Asian countries’ apparent preference for voluntarism and non-binding processes, which are largely at odds with the US preference for binding trade liberalisation. The establishment of the Asia Pacific Economic Cooperation forum

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48 See also the April 2011 statement of Australian Trade Policy, Department of Foreign Affairs and Trade, Commonwealth of Australia, *Trading our way to more jobs and prosperity*, April 2011. In that document, the Australian government clearly states that ‘multilateral agreements offer the largest benefits’, and, importantly, that ‘regional and bilateral agreements must not weaken the multilateral system’. Thus the Australian government ‘will pursue high quality, comprehensive regional and bilateral trade deals only where they offer net benefits to Australia and do not impede progress on the multilateral front’.


52 See, eg, Ian Fergusson and Bruce Vaughn, ‘The Trans-Pacific Partnership Agreement’, Congressional Research Service Paper R40502, June 25 2010, noting that ‘[i]t is envisaged that the TPP will add members in successive tranches’, at 3.

53 See generally John Ravenhill, *APEC and the Construction of Pacific Rim Regionalism* (Cambridge University Press 2001). Trade and economic integration are, of course, not the only area where the US has grappled with issues in the region; security, too, is an area where US preparedness to engage in
(APEC) in 1989 was one key early step towards engagement with the region, but lost some relevance in the later 1990s as a wave of bilateral trade agreements rose in the region. The US’ involvement in bilateral negotiations in the region was limited: while it concluded agreements with Singapore (2003)\textsuperscript{54} and Australia (2004),\textsuperscript{55} and, later, South Korea,\textsuperscript{56} this last, and most significant agreement required renegotiation in light of Congressional opposition, and even then waited Congressional approval for years: only achieving that approval in late 2011. Meanwhile more than a hundred trade negotiations in the Asian region were launched from the late 1990s onward.\textsuperscript{57} Beyond the ‘noodle bowl’ of bilateral arrangements, in the mid-2000s, broader East Asian integration had developed some momentum without the US, with China favouring an ASEAN+3 grouping, and Japan favouring a broader grouping to include India, Australia and New Zealand (ASEAN+6).\textsuperscript{58} The US decision in 2008 to join negotiations with the P-4 was a response to these other regional moves, and reflects a concern that the US might otherwise be left out of regional groupings.\textsuperscript{59} Like Australia, the US sees the TPP as the

\begin{itemize}
\item intervention is at odds with the preference of key regional players — such as China — for non-intervention.
\item \textit{US-Singapore Free Trade Agreement} (signed May 6, 2003; in force January 1, 2004).
\item \textit{Australia-United States Free Trade Agreement}, signed 18 May 2004 [2005] ATS 1 (in force 1 January 2005) (hereafter ‘AUSFTA’).
\item \textit{US-Republic of South Korea Free Trade Agreement} (signed June 30, 2007; further legal texts signed 10 February 2011). As at the time of writing, the agreement was awaiting Korean ratification; assuming this occurs the agreement may come into force in early 2012.
\item Masahior Kawai and G. Wignaraja, ‘Multilateralizing regional trade agreements in Asia’, in R. Baldwin and P. Low (eds) \textit{Multilateralizing Regionalism: Challenges for the Global Trade system} (Cambridge University Press 2009). In 2000, there were only three preferential trade agreements involving countries in the East Asian region; in January 2008, there were 38, with a further 68 under negotiation or consideration.
\item See, for example, the President’s 2008 Annual Report on the Trade Agreements Program, which notes that ‘US participation in the TPP could position US businesses better to compete in the Asia-Pacific Region, which is seeing a proliferation of preferential trade agreements among US competitors and the development of several competing regional economic integration initiatives that exclude the United States’: Office of the United States Trade Representative, \textit{President’s 2008 Annual Report on the Trade
\end{itemize}
potential basis for broader regional integration. As many commentators have noted, the economic benefits of a TPP confined to the currently-negotiating countries would be limited; only if the membership expands will there be payoff to justify the work presently being done.

If the goal is to provide a platform for broader regional integration, then logically, one would expect this goal to impact on the way the agreement is negotiated and the text proposed and adopted. As the Australian Trade Minister recognised, ‘if we’re to encourage others to dock on to the agreement, we want to make sure we’ve got the foundations right… we … need to start “knitting together” bilateral trading arrangements if we are to make progress towards our goal of ensuring FTAs are truly consistent with the multilateral system.’ Or, as Meredith Kolsky Lewis put it:

*For the TPP to serve as a model for a future FTAAP, it will have to be an agreement that other countries are interested in joining. The TPP agreement is not the only option available for Asia-Pacific regionalism, and if the TPP is not sufficiently attractive, one of the other visions for regional economic integration may instead fill the role as FTAAP model. China would like to see ASEAN+3 serve this function, particularly because it would exclude the United States. Japan prefers ASEAN+6 because it would include more economies to counterbalance China, and would still exclude the United States. The TPP needs to be more attractive to potential partners than ASEAN+3, ASEAN+6, or any other potential regional models.*

The truth of this comment has only been underlined by the very recent announcement out of ASEAN, that it intends to prepare a framework of general principles to steer the establishment of an Asia-Pacific free trade agreement, labelled the

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60 It should be noted that the desire to create a high standard trade agreement that could serve as a model for a broader APEC-wide agreement was already in the ‘DNA’ of the P-4 Agreement: see Meredith Kolsky Lewis, above n58, 33. This is reflected in the open accession provision, Ibid Article 20.6.

61 Solis, above n58, 9-10; Kolsky Lewis, above n58, 35-36; Myron Brilliant, Senior Vice President, International Affairs, US Chamber of Commerce, Oral Testimony to the Trade Police Staff Committee, Office of the United States Trade Representative, March 4 2009, at 2 (cited in Kolsky Lewis at note 50); Elms, above n51, 4-5.

62 Crean, Ministerial Statement, above n49.

63 Kolsky Lewis, above n58, 50-51 (footnotes excluded).
‘ASEAN Framework for a Comprehensive Regional Economic Partnership’. This initiative ‘reflects a deep concern among some member countries that ASEAN could be sidelined by the US-backed Trans-Pacific Partnership’. In other words, it is clear that the TPP will continue to have competitors in its quest to provide a framework for regional integration.

Commentators have pointed out a number of issues that may prevent the TPP becoming the attractive framework it needs to be to fulfil its region-building goal. Among these potential barriers are some approaches adopted by the US: for example, the US preference for market access agreements and concessions to remain bilateral in nature under a broader common framework, and the US desire to introduce new disciplines on non-tariff barriers to trade, such as the requirement to create a regulatory coordinating body, and binding obligations on State-Owned Enterprises to curb unfair advantages vis-a-vis private companies. Differences between the East Asian and North American approaches to Rules of Origin (ROOs) are another potential issue. Ravenhill notes the fact that trade agreements in the Asian region have tended not to follow the WTO-plus model utilised by the US in its FTAs — and pushed, it would seem, by the US in the TPP negotiations. Other potential issues include the lack of a business lobby in favour of the agreement and domestic political forces in major countries such as the US and Japan that may stymie attempts to conclude and ratify a comprehensive agreement.

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65 Ibid.
66 For a discussion, see Kolsky Lewis, above n 58, 48-50; Solis, above n58, 11-12. In short, the US is proposing that market access concessions remain bilateral, so that market access negotiated in earlier FTAs should remain the same (the US deal with Australia would remain the same, for example, excluding sugar) and new market concession arrangements would be negotiated where they did not already exist (thus New Zealand would negotiate with the US on this point). This approach not only makes the agreement more difficult to negotiate now, and reduces its attractiveness to business groups who would have hoped to gain increased concessions (such as the Australian sugar industry), but it also necessarily decreases the attractiveness of later accession by other countries, in that they would face market access negotiations with each TPP country rather than being able to sign up to a blanket deal: see Solis, above n58.
67 Solis, above n58, 14.
68 Capling and Ravenhill, above n43 at 6.
69 Ravenhill, above n47, 5.
70 Ravenhill, above n 69; see also Capling and Ravenhill, above n43.
3.2 **IP in the TPP**

Relevantly for our purposes, however, it seems that the US approach to IP could also be a significant barrier. The lessons of ACTA have not been learned; the US is still pushing a detailed model that will likely act as a significant barrier to the aspirations for the TPP’s regional future.

Like the ACTA negotiations and like many trade negotiations, the TPP negotiations are taking place with a high degree of secrecy surrounding the issues being negotiated and the negotiating text. No text is officially available. To date, the (apparent) negotiating proposals of New Zealand, Chile (both undated, leaked February 2011), and the US (dated February 2011) have been the subject of very public leaks. Assuming these leaked documents are genuine, they demonstrate a divide between the largely TRIPS-consistent, broad and general suggestions of New Zealand and Chile on the one hand, and very detailed US proposals which are not only ‘TRIPS-plus’, but go further than the chapters included in previous US trade agreements and further, notably, than ACTA. For example, the US draft dating from February 2011 for the IP Chapter of the TPP proposes:

- Limits on parallel importation;
- Extension of the copyright term for films and sound recordings to 95 years;
- A presumption of validity for patents and trade marks; and
- Detailed regulations governing the management of geographical indications and their relationship with trade marks.

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72 The New Zealand proposal (ibid) for example focuses on issues such as cooperation on and transparency of IP systems, capacity building, cooperation on emerging issues, and a small number of substantive provisions on trade mark and copyright enforcement.


74 US Draft TPP IP Chapter, above n 71, Article 4.2. No similar limitation presently exists in the AUSFTA (above n 55).

75 US Draft TPP IP Chapter, above n 71, Article 4.5. In the AUSFTA, the copyright term for these items was extended to 75 years (from a previous 50 years).

76 US Draft TPP IP Chapter, above n 71, Article 10.2.

77 US Draft TPP IP Chapter, above n 71, Article 2, especially Article 2.14-2.22.
Critically, the draft includes proposals either not put forward, or rejected, in the context of the ACTA negotiations:

- Statutory damages in copyright and (in a new development) for breaches of the anti-circumvention provisions;\(^{78}\)
- Mandatory provision for customs authorities to seize allegedly infringing in-transit goods;\(^{79}\)
- Expansion of criminal liability in copyright to include private, non-commercial activities;\(^{80}\)
- A level of detail on anti-circumvention law based on past models of US FTAs — detail not included in the ACTA;\(^{81}\)
- A camcording offence;\(^{82}\) and
- Detailed online safe harbour provisions.\(^{83}\)

Further, the TPP draft produced by the US includes none of the safeguards for users and parties to litigation which were negotiated into the ACTA, such as the inclusion of a reference to TRIPS Articles 7 and 8,\(^{84}\) allowance for the protection of privacy,\(^{85}\) a requirement that procedures be fair, equitable, and proportionate,\(^{86}\) and that measures not create barriers to legitimate trade.\(^{87}\) The draft even includes a provision stating that ‘a decision that a Party makes on the distribution of enforcement resources shall not excuse that Party from complying with this Chapter’ — the exact opposite of the position under ACTA.\(^{88}\)

On questions relating to the relationship between patents and pharmaceuticals, the TPP seems likely to be particularly controversial. In this area, the information available on the actual text being proposed by the US is more limited, as the US’ leaked text of February 2011 included only placeholders for the relevant provisions. The most recent information released by the US was in the form of a White Paper entitled *Trans-Pacific*}

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\(^{78}\) US Draft TPP IP Chapter, above n 71, Articles 12.4, 12.2.

\(^{79}\) US Draft TPP IP Chapter, above n 71, Article 14.4.

\(^{80}\) US Draft TPP IP Chapter, above n 71, Article 15.1.

\(^{81}\) US Draft TPP IP Chapter, above n 71, Article 4.9.

\(^{82}\) US Draft TPP IP Chapter, above n 71, Article 15.3.

\(^{83}\) US Draft TPP IP Chapter, above n 71, Article 16.3.

\(^{84}\) ACTA, above n 3, Article 2.3.

\(^{85}\) ACTA, above n 3, Article 4.

\(^{86}\) ACTA, above n 3, Article 6.2—6.3.

\(^{87}\) ACTA, above n 3, Article 6.1.

\(^{88}\) US Draft TPP IP Chapter, above n 71, Article 10.1. Article 2.2 of ACTA, above n 3, provides that ‘[n]othing in this Agreement creates any obligation with respect to the distribution of resources as between enforcement of intellectual property rights and enforcement of law in general.’
Partnership Trade Goals to Enhance Access to Medicines. This document talks in general language about US goals for the TPP, and the US’ ‘new strategic initiative’, Trade Enhancing Access to Medicines (TEAM), which, according to the document, is ‘designed to deploy the tools of trade policy to promote trade in, and reduce obstacles to, access to both innovative and generic medicines, while supporting the innovation and intellectual property protection that is vital to developing new medicines’.

Prior to the release of the White Paper, the US had two approaches on the relationship between patents and pharmaceuticals. The model for developed countries, reflected in its most stringent form in the US-Korea Free Trade Agreement, requires patent term adjustments to compensate for unreasonable delays that occur in granting a patent or in obtaining marketing approval for pharmaceutical patents, data exclusivity protecting clinical test data submitted for marketing approval for five years, and an obligation to refuse marketing approval to a company seeking to rely on clinical test data submitted by another without the consent of the previous patent owner during the patent term (known as ‘patent linkage’). For developing countries, these stringent obligations were relaxed, pursuant an agreement known as the May 10, 2007 Bipartisan Trade Agreement, negotiated between Democrats and Republicans in order to secure Congressional approval for already-negotiated trade agreements with Panama, Peru, Colombia and Korea. Under that agreement, developing countries were entitled to apply exceptions to protection for clinical test data, protect test data only as long as it was

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90 US-Republic of South Korea Free Trade Agreement (signed June 30, 2007; further legal texts signed 10 February 2011).

91 Ibid Article 18.8.6(a).

92 Ibid Article 18.8.6(b).

93 Ibid Article 18.9.1(a). In addition the Korean agreement provides for 3 years’ data exclusivity for data relating to a chemical entity previously approved for marketing in another pharmaceutical product.

94 Ibid Article 18.9.5.


96 The IP provisions of the May 10, 2007 Agreement were not applied to Korea, which was considered a developed country less in need of these balancing provisions. Other aspects of the Agreement did apply to Korea.
protected in the US, only optionally provide for patent term extensions to compensate for delays in the patent or marketing approval process, and were not required to ‘link’ drug regulatory agencies approval processes and patent issues.

Under the White Paper approach, it appears that the flexibilities accorded to developing countries under the May 10, 2007 Agreement to deny the various special protections for pharmaceutical patents will no longer apply. Instead, it seems that these ‘pharmaceutical-specific IP protections’ — patent term extensions, data exclusivity and patent linkage — will be available in TPP countries, but conditional on the pharmaceutical patent holder bringing medicine to TPP markets within an agreed window of time (the ‘TPP access window’). Non-government organisations concerned with access to medicines have been critical so far: of the lack of detail in the White Paper, but also the apparent suggestion that flexibilities accorded in the past to developing countries might be abandoned.

In sum, the US is treating neither its existing FTAs which the US has agreed with parties involved in the TPP negotiations, nor its past negotiations with Congress in the form of the May 10, 2007 Agreement, nor ACTA, as a ceiling for the IP provisions it will seek to include in the TPP. Rather, the US appears to be treating past FTAs and ACTA as a starting point on which to build further and stronger IP-related obligations. The wisdom of this approach is questionable, to say the least. I argued above that the ACTA ought to be seen as a ceiling to the kinds of IP enforcement provisions that, at present, could be multilateralised. It is true that the goals of the TPP are confined to the Asian region, whereas the ACTA was designed to establish a standard that could be applied globally. Nevertheless, if, as I have contended, ACTA could be seen as a ceiling to the IP enforcement obligations that are acceptable across a range of (even IP-enthusiastic) countries globally, then it is also, surely, a ceiling where the aspiration is to create an agreement for a region made up of both highly industrialised countries, and developing countries.

97 This is coupled too with a series of other proposals relating to medicines: such as the elimination of tariffs on medicines, reducing customs obstacles, taking steps to curb trade in counterfeits, reducing internal barriers to distribution of medicines, and promoting ‘transparency and procedural fairness’ in the operation of government healthcare reimbursement programs: White Paper, above n89.


99 The US has existing FTAs with three of the TPP negotiating countries: Australia (AUSFTA, above n55), Singapore (above n 54) and Peru (US-Peru Free Trade Agreement (signed April 12, 2006; in force February 1, 2009)).
It is difficult indeed to see major powers in the Asian region, such as China or India, as being willing to accept the kinds of proposals presently being made by the US. Indeed, it is worth noting that both countries expressed concern about ACTA as it was being negotiated;\footnote{All three countries made critical statements at the July 2010 meeting of the TRIPS Council. A summary of the meeting and discussion is published on the WTO’s website at http://www.wto.org/english/news_e/news10_e/trip_08jun10_e.htm.} in this context ‘ACTA-plus’ would seem unlikely to be wholeheartedly embraced. Even some developing countries might find it difficult to swallow provisions which impacted on their ability to take steps to promote access to medicines. If the US persists in its FTA-plus and ACTA-plus approach, in my view, it is likely to doom any resulting TPP to a minor role in the region, and give up any momentum presently being generated towards economic integration on a US model.

I would not contend that the IP chapter of a TPP would necessarily be a ‘make or break’ factor in any given Asian country’s decision whether or not to join the TPP once negotiated. A decision to join, or not join, any given trade agreement is influenced by many factors, both economic and political. Nevertheless, an overly-stringent IP chapter would be one factor that could impact the attractiveness of the TPP. Nor do I mean to suggest that the US is likely to get all its own way on the content of any IP chapter. I suspect, on the contrary, that it will be difficult for Australia to go further than it went in AUSFTA, especially on medicines and pharmaceutical issues which were highly controversial in the debates that followed Australia’s decision to sign the agreement. According to media reports, the Peruvian Minister of Foreign Commerce and Tourism José Luis Silva has publically stated Peru’s intention to refuse policy proposals on medicines and intellectual property that go beyond the current FTA between Peru and the US.\footnote{Gestión, ‘Medicinas Pueden subir de precio por propuesta de EE.UU’, available at http://gestion.pe/noticia/1309598/medicinas-pueden-subir-precio-propuesta-euu (English translation on file with author).} Further, if Japan joins the negotiations, then the history of the ACTA negotiations shows that aspects of the digital enforcement provisions would be difficult to reconcile with Japan’s existing copyright law.

As an aside, a question which arises is why the US would adopt what appears to be a counterproductive negotiating stance? Given the overall goals for the TPP being espoused, why would the US propose text on IP that would render agreement for the negotiating countries difficult and potentially create disincentives for other countries to join at a later point? The US approach is even more mystifying given the real possibility that other institutional frameworks exist or are proposed which could act as an alternative basis for a regional economic integration framework? The short answer is likely to be found in domestic political considerations. As Solis states, the difficulty the US trade negotiators face is ‘[t]he political imperative of negotiating trade agreements that can win
domestic ratification in a climate of increasingly divisive Congressional politics and public skepticism about the benefits of free trade as the economy falters. The USTR might well take the view that departure from previous strong FTA IP provisions would be seen in a very negative light by important constituencies in the US that are important to obtaining Congressional support for any concluded agreement. USTR sensitivity to the demands of Congress can only have been heightened by the recent October votes on the US Free Trade Agreements with Korea, Colombia, and Panama, which were opposed by a majority of House Democrats. This would not, of course, be the first time that domestic politics stood in the way of good global outcomes in trade. Nevertheless, if such domestic demands cannot be overcome, one could legitimately wonder whether the effort and time being devoted to the negotiation of the TPP is worthwhile.

4 Conclusions

Together ACTA and the TPP represent an interesting juncture in international IP lawmaking. ACTA revealed, perhaps for the first time, the limits of international consensus on IP enforcement measures among the traditional proponents of strong international IP laws. The TPP shows us the perhaps fatally counterproductive impact of US domestic pressures relating to IP on the achievement of the US’ (and other countries’) broader trade goals. After all the touted success of the trade-IP linkage, I cannot help but wonder whether we are beginning to see the very real downsides, for trade and trade negotiations in general, of that link. It would be ironic indeed if IP were a factor that dashed US trade aspirations in the Asian region. I await the results of the TPP negotiations with very real interest.

102 Solis, above n58, 2.
103 See also Elms, above n51, at 18 (noting certain US lobby groups who urged attention to IP issues in the context of the TPP).
104 The Colombia FTA was opposed by 82.3% of House Democrats, the Korea FTA by 67.7% of House Democrats, and the Panama FTA by 64.1% of House Democrats. The agreements were only supported as a result of House Republican votes in favour.