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RCEP IP Chapter Leaked 15 Oct 2015 - Weatherall Section by Section Comments in Brief.pdf

Kimberlee G Weatherall

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Section by Section Commentary on the RCEP Leaked IP Chapter Dated 15 October 2015 (leaked online April 2016)
Kimberlee Weatherall*

Nature and scope of this document

This note comments on each provision of the leaked RCEP IP chapter (dated October 2015) in brief. Patent is omitted, where I defer to others with expertise in that area of international IP law.

The analysis is based on the text proposed. It is worth noting that in many cases, these provisions are not generally supported. Many of the strongest proposals come from Korea and/or Japan, often with Australian support. Many of the proposals do not have the support of ASEAN, or India; in some cases the disagreement of China is noted.

The material here is necessarily preliminary and does not purport to be complete. It is published on the basis that it may assist others' analysis and commentary, and further analysis, to make this background work available generally. Further work at a later point will offer more ‘high level’ analysis. I would welcome feedback or further comment, especially if provided with permission to incorporate insights into future iterations of this work for the benefit of others. I may be contacted at kimberlee.weatherall@sydney.edu.au.

This analysis is likely to grow and change over time as further insights become available. Please check back at the source or contact me for the latest version if citing.

Executive Summary

This is an extraordinary text, one that makes for very troubling reading.

Like so many negotiating (and unfortunately, final) texts of recent IP chapters in trade agreements, this is a radically unbalanced text that continues, at least as proposed by Korea/Japan (and sometimes Australia), to promote strong rights while providing little or no protection for other stakeholders in the IP system. Like the TPP text, provisions that suggest a degree of balance are mostly optional/exhortatory, where provisions for the benefit of right holders are mostly mandatory. An exception is the enforcement provisions which are, consistent with other agreements, mostly put in terms so as to require authority to make certain orders or grant certain remedies, rather than a requirement to actually make orders.

The most striking substantive proposals perhaps in this text (outside patent, not discussed here), are:

1. In terms of principles and objectives:
   a. A proposal that an objective of the chapter is to provide ‘certainty’ (really? When do we ever get ‘certainty’ in relation to IP rights???)
   b. Battles over Doha and the extent of parties’ commitments to Doha;

2. Copyright:
   a. Extensive rights for broadcasters – pre-empting multilateral developments in WIPO;

* Associate Professor, The University of Sydney, Sydney Law School.
b. An adoption and narrowing distortion of the TPP language positively promoting exceptions in copyright;

3. **Designs**: much more detailed provisions than are generally seen in the trade agreements – designs are probably not harmonized enough for this to make sense;

4. **Ambitious proposals** from India and China relating to genetic resources, traditional knowledge and folklore

5. **Undisclosed information**: some very odd provisions that might be aimed at strengthening employers’ hands to prevent competition from former employees;

6. **Enforcement**: some very strong/unqualified provisions that had better get watered down in the negotiation process, since they go well beyond anything in any existing agreement, and are completely lacking in safeguards. See eg statutory damages, seizure of goods (with no textual safeguards) (in both civil and criminal actions); and unqualified obligations to ensure effective enforcement in the online environment. And a massively overbroad anti-camcording proposal.

7. **Cooperation provisions**: a whole pile of provisions about cooperation and education completely lacking in any reference to balance or flexibility in IP rights. Apparently people only need to be assisted to make things stronger and nastier.

The text is also very notable for what it lacks:

- Any recognition of the need for mechanisms to address abuse of IP rights and abuse of market power;
- Safeguards for defendants in enforcement procedures;
- Safe harbours for internet service providers of any kind.

At least they don’t want to try to limit parallel importation.

The last thing we need at the level of international IP law is yet more slightly varying, complex language setting up IP obligations. The proliferation of overlapping but different legal texts in this field is **extremely troubling** and is potentially going to lead to a lawyers’ picnic one day when the legal effect of this all has to be worked out.

I would challenge anyone arguing in favour of this chapter to provide any evidence that any of this wonderfully complex text is going to lead to any real world benefit for any actual right holder sufficient to outweigh the costs of all these extra restrictions and rules affecting domestic IP law reform.

ASEAN should reject this push, and accept nothing more than a high level principles chapter focused on multilateral standards and enhancing practical cooperation that actually will help IP owners. Anything else will be more costly than beneficial in the medium term.
1 Section 1: General Provisions and Basic Principles

<table>
<thead>
<tr>
<th>Draft Article</th>
<th>Comments</th>
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<tbody>
<tr>
<td><strong>1.1 Objectives</strong></td>
<td>This is a dogs breakfast of a provision. It incorporates text from TRIPS and from the TPP. While described as an ‘objectives’ article it incorporates TPP text from both TPP art 18.2 (objectives) and 18.3 (principles). But it also is selective in what it includes from TRIPS/TPP, amends language from existing agreements, and incorporates some novel (proposed) language on ‘certainty’ for rights holders and users. Because the language varies significantly from existing international treaty language, it will create interpretive problems. In the event of a dispute (party-party or investor-state), lawyers will debate whether the intentions of parties to RCEP are different from the intentions of TRIPS or the intentions of the TPP, and how that might impact on interpretation of similar (or different) language in the different international IP instruments. The language on ‘certainty’ is dangerous, insofar as it might be used to argue against principles-based legislation (including for example fair use). Legislation that provides ‘certainty’ is not always superior (law that provides certainty of a bad result is not necessarily superior to law that creates the risk of a bad result). Inclusion of objectives and principles that properly reflect a full range of interests in the IP system is a good idea because it can influence interpretation of the text and support States in taking a range of interests into account. Australia’s proposal for language on a ‘balance of rights and obligations’ is helpful (and consistent with other international instruments: the language comes from TRIPS). Japan’s proposal to replace the text with an affirmation of TRIPS art 7 and 8 is not sufficient, because TRIPS art 7 and 8, while useful, are incomplete as a statement of the objectives of the IP system. See my commentary on the final TPP text for more on this.</td>
</tr>
<tr>
<td><strong>1.2 Principles</strong></td>
<td>1.2.1 affirms TRIPS (and maybe other multilateral agreements). This language could be important depending on the rest of the chapter text. 1.2.2 and 1.2.3 are mostly drawn from TRIPS art 8, with the addition of a proposed reference to preventing anti-competitive practices. Parties’ power to control anti-competitive licensing practices in particular is affirmed in TRIPS art 40.</td>
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<tr>
<td><strong>1.3 Obligations</strong></td>
<td>Basically matches TRIPS art 1.1.</td>
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<tr>
<td><strong>1.4 Scope of Intellectual Property</strong></td>
<td>The provision defines IP. Alternative 1 seems entirely circular (‘IP refers to all categories of IP that are the subject of this chapter’) and might give rise to questions whether ‘rights’ to data protection are IP rights. Alt 3 is similar to the definition found elsewhere (eg the TPP art 18.1).</td>
</tr>
<tr>
<td><strong>1.5 Exhaustion of IP rights</strong></td>
<td>The good news is that the parties to RCEP are not proposing (new) controls on parallel importation. The different texts here might have different possible meanings: alt 1 is a positive freedom to establish a local regime, which is stronger language than other alternatives which merely affirm ‘no effect’. The ‘no effect’ provisions vary between</td>
</tr>
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</table>
asserting the IP chapter has no effect, or the Agreement (presumably, RCEP) has no effect. Query what other chapters might have an impact?

### 1.6 National Treatment

At present, this article essentially provides for unqualified national treatment subject to TRIPS and WIPO Treaty exceptions. The provision is quite different from equivalent text in the TPP, in particular the TPP extends national treatment to payments/remuneration as well as aspects of IP protection.

The inclusion of the exceptions in TRIPS and other WIPO treaties is important – it enables parties to deny national treatment especially in the case of rights in sound recordings. I’ve not looked into the RCEP countries to check out derogations they might have, but there are countries in the world, including the US in particular, which provide big limitations on rights in sound recordings: exceptions to national treatment enable countries to deny protection (and money) in cases where their own creators do not get equivalent rights overseas.

### 1.7 TRIPS and Public Health

Some very interesting battles going on in this provision. There appear to be differences between:

- Parties who want a minimal approach that merely affirms that the Doha Declaration/Protocol is important (JP/KR);
- Parties who are prepared to commit to Doha and even include language requiring parties to accept the Protocol amending the TRIPS Agreement (AU) – but not go further;
- Parties who go a step further and would like language committing the parties to implementing their IP laws consistently with the Doha Declaration (NZ, ASEAN, China);
- India, who would commit to consistent implementation but who also takes the view that Doha alone may be insufficient and want commitments to accept any other legal instruments that succeed or modify Doha.

### Commitment to existing international treaties (1.7 or 1.8?)

The usual provision on adherence to existing IP treaties, with the expected disagreements on what treaties should be included. Not surprising that Australia would oppose inclusion of Hague Agreement on designs, to which it is not a party. Less expected that Australia would propose including the Beijing Treaty on Audiovisual Performances – to which Australia is not presently a party, and which is sufficiently controversial that 4 years after its conclusion it has only garnered 12 ratifications/accessions of the 30 it needs. Interestingly, Marrakesh is also on the list.

## 2  Section 2: Copyright

### 2.1 Exclusive Rights (communication and reproduction)

Notable points about this text:

- Unlike TRIPS, the WCT and even the TPP, authors’ rights to control communications to the public are not made subject to exceptions recognized in the Berne Convention (!!!)
- The provision potentially goes beyond both TRIPS and the TPP by granting rights to owners of copyright in sound recordings, and to performers, rights to control
3 communication to the public (although some versions of the language have this as optional). Note however that the provision is subject to reservations made to the WPPT (allowed under WPPT art 15).

- In relation to the right of reproduction, the good news is that the language makes no reference to temporary copies;
- But in relation to the right of reproduction, the bad news is proposed footnote 10, which takes a restrictive approach to exceptions to the reproduction right.

### 2.2 Collective Management Organisations

The language potentially goes beyond existing international instruments by requiring parties to foster collective management organisations. (cf the TPP, which is limited to recognising the importance of collective management societies).

### 2.3 Circumvention of Effective Technological Protection Measures

Alternative 1 (which if ASEAN has its way, would be optional) largely repeats the relevant provisions of the WCT/WPPT.

Alternative 2 is the more fleshed-out version of anti-circumvention law, similar to the TPP except it would contain no ban on the act of circumvention (only trafficking).

Note that alternative 2 provides a different definition of TPM which may be broader than existing international instruments in some ways, and narrower in others:

- It would not apply to access control measures generally;
- On the other hand, it would seem to apply to TPMs that are designed to prevent or restrict unauthorised acts, not merely those which those that actually control such acts.

But the last sentence of the proposed definition, which purports to define which TPMs are effective is particularly difficult to interpret. It seems to be based on European language (talking about ‘achieving the objective of protection’), but also talks about measures that control access ‘which achieve the objective of protection’. Does this mean all access controls and use controls would count as TPMs? Only those where the TPM is ‘designed to’ prevent or restrict unauthorised acts? What does that even mean for an access control TPM. I think this language is a garbled mess.

There are debates internationally regarding the appropriateness of protecting access controls (and if protected, the appropriate scope of such protection). It would be far better to leave the language at the WCT/WPPT level rather than introduce new, weird, hard to understand language that some will interpret as requiring protection for all access controls, and others will interpret differently.

### 2.3bis Rights Management Information

Very similar to detailed version of protection for RMI found in recent international instruments. Differences between the versions appear minimal (without going into too much detailed parsing). RMI liability is relatively limited due to the several layers of knowledge required to establish liability: knowingly undertaking the act, knowing it will induce, enable, facilitate or conceal infringement, and in trafficking cases, knowing RMI has been removed/altered without authority.

### Art 2.3ter limitations and exceptions in

Interesting to put anti-circumvention and RMI laws together in considering exceptions: most international instruments to date have allowed for some anti-circumvention exceptions, but been far more
providing protection and remedies for TPM/RMI

restrictive in allowing exceptions for RMI. Some interesting variation in the alternative versions. The language that the obligations in 2.3 and 2.3bis are “without prejudice to the rights, limitations, exceptions or defences to copyright” is interesting: it is unclear whether this would mean that a party was allowed to introduce exceptions generally matching those found in copyright law, in addition to specific exceptions for anti-circumvention/RMI law. In any event, this provision is (usefully) permissive in allowing for exceptions. This is a good thing.

2.4 Government use of software

Nothing particularly notable about this provision, which aims to ensure governments have laws/policies etc to prevent use of infringing computer software by government.

2.5 Exceptions and Limitations

The parties seem to be debating two alternatives: the three step test simpliciter like you see in the multilateral conventions, and an alternative, building on the TPP, which positively affirms the need for balance.

Alternative 1 is the three step test from TRIPS.

Alternative 2 (proposed by Australia) would include language similar to TPP art 18.66 (promoting balance in copyright). BUT note that it seems Australia’s original proposal to include art 18.66 in whole must have been rejected, and that Australia is now proposing a narrower version of the TPP language:

- That requires parties to endeavor to promote balance by providing limitations (not, like the TPP, inter alia by means of exceptions)
- That makes no reference to exceptions in the digital environment and
- That talks about providing balance by exceptions for legitimate purposes including certain listed ones, rather than including but not limited to those specific listed purposes;
- That makes no specific reference to the Marrakesh Treaty (but note that Marrakesh is included in the list of treaties the parties undertake to (endeavor to) ratify/implement, in proposed art 1.8).

The effect of changing the TPP language in this way is unpredictable. It seems extraordinary to me that the RCEP parties would object to the broader language, since the usual culprits in wanting stronger protection (AU, Japan) are parties to the TPP language.

2.6 Broadcast Copyright

This provision is significant because few international conventions deal with rights for broadcasting organisations, and a multilateral treaty is currently under negotiation in WIPO covering this field. TRIPS, AUSFTA and the TPP do not deal with broadcast. Locking something in RCEP is therefore clearly premature. The provision proposes:

- a 50 year term for copyright in broadcasts. The current term in the Rome Convention is 20 years. Broadcast is not covered by AUSFTA or the TPP or TRIPS;
- prohibits retransmission of television signals on the internet – notably a provision proposed in the TPP but ultimately rejected
- lists exclusive rights for broadcasting organisations (this, in particular, is premature in the absence of agreed rights at a
multilateral level);  

- addresses devices for decoding encrypted satellite broadcasts, or as an alternative, devices for decrypting encrypted broadcasts (which would potentially extend to IP-based technologies for broadcast)

### Section 3: Trade Marks

| 3.1 Trademarks Protection | 3.1 is a slightly odd provision that seems aimed at ensuring ‘adequate and effective’ protection for trade marks. Why this is needed, but apparently only in the trademarks section, is unclear.  
3.2 removes a TRIPS flexibility to deny registration to marks that are not visually perceptible. The current proposed text goes beyond the TPP to require registration of scent marks. Are there really so many valuable scent marks around??  
3.3 looks a lot like TRIPS art 15.1, but proposes to add in an additional kind of sign that must be registrable, namely 3D shapes (opposed by ASEAN). 3D shapes have caused a range of issues where registrable, especially around whole product shapes and functional shapes. |
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<tr>
<td>3.2 Protection of Certification and Collective Marks</td>
<td>There is no TRIPS equivalent to this provision. It is similar but not quite the same as TPP art 18.19. Note that the provision is not confined to the registered TM system – such signs could be protected if unregistered also.</td>
</tr>
<tr>
<td>3.3 Trademarks Classification System</td>
<td>Requires use of the Nice Classification to classify trade marks. Similar to a provision found in multilateral conventions.</td>
</tr>
<tr>
<td>3.4 Examination, Opposition and Cancellation Procedures</td>
<td>Requires a TM registration system with examination as to substance and formalities. I imagine there could be debates about whether this requires all grounds to be examined in substance (not all countries examine for all ground of rejection: some leave it to affected third parties to oppose on certain grounds).</td>
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</table>
| 3.5 Registration and Applications of Trademarks | Requires a fully-functioning registration system allowing for applicants to respond to adverse decisions and for interested third parties to oppose registration. Proposals too for a fully electronic system including an online database of applications and registrations. Could be expensive for countries that do not already have such a system in place.  
There is a second alternative which would set out requirements for all of trade marks, patents and designs (with similar requirements for applicant responses, opposition and invalidation) |
<p>| 3.5ter Ensuring any Person may provide information that a trade | Might seem relatively uncontroversial to allow people to provide information about non-registrability of a trade mark – but note that to be effective, this means having a good system for publishing applications so people can be aware of them. All part of a model in the agreement that assumes a certain kind of TM registration system. |</p>
<table>
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<th>mark should not be registered</th>
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<tr>
<td><strong>3.6 Rights Conferred</strong></td>
<td>Similar to TRIPS art 16.1 but adds a presumption of consumer confusion in the case of identical signs on identical goods/services. Also seeks to promulgate the model where existing trade marks prevail over “subsequent geographical indications”. It is not entirely clear what <em>counts</em> as a subsequent geographical indication – is a subsequent GI one <em>registered</em> subsequently, or one that only exists subsequently (many GIs could exist, but in unregistered form; albeit proving existence prior to the registration of a mark could be tricky).</td>
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<tr>
<td><strong>3.7 Exceptions</strong></td>
<td>Repeats TRIPS art 17 precisely.</td>
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<tr>
<td><strong>3.8 Madrid Protocol</strong></td>
<td>Only requires parties to endeavour to accede to the Madrid Protocol which facilitates international registration of trade marks.</td>
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<tr>
<td><strong>3.9 Protection of Trademarks that Predate Geographical Indications</strong></td>
<td>Positive obligation to protect trademarks where they ‘predate’ geographical indications in the Party’s jurisdiction. Unclear what ‘predate’ means (again, does it mean TM predates <em>registration</em> of the GI? Or the existence of a reputation in the GI?)</td>
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| **3.10 Protection of Well-Known Trade Marks** | Text here is all over the place. Regarding registration:  
- Some want refusal of registration of marks similar to well-known marks if use is in ‘bad faith’  
- India would like to allow registration of marks similar to well-known marks if registered in good faith  
- Another proposal is for refusing registration/cancellation where registration is on *related goods or services* and would cause confusion and harm the interests of the well known mark owner  
- Others want recognition of the WIPO Joint Recommendation. The *Joint Recommendation* is an interpretation of trade mark protection for well-known marks, that reflects a very broad model of protection for well-known marks and a potentially very low bar for establishing that a mark is well-known  
Regarding infringement  
- Alt 1 looks very similar to the TPP art 18.22.2 – it requires a prohibition on use of a mark similar to a well-known TM, on unrelated goods/services, where it would indicate a connection with the well known mark owner and damage the interests of the well known mark owner.  
- Alt 2 would confine the required protection for well-known marks to *registered* well known marks  
Footnote 27 is worrying because it would require strong well-known marks protection for marks with only ‘niche’ reputation. |
| **3.11 One and the same application relating to** | Weird drafting, and only a low level commitment to *endeavour* to allow multiple goods/services in a single application for a mark. |
4 Section 4 Geographical Indications

<table>
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<tr>
<th>Protection</th>
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<td>General provision suggesting GIs can be protected through the TM system or separately.</td>
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<tr>
<th>Protection of Geographical Indications and country and Regional Names</th>
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<tr>
<td>Requires a system of objections for GI registration, including on the basis that it would cause confusion with a TM or GI already registered for or applied for in good faith, or would cause confusion with a pre-existing TM or GI (which could be unregistered), or it is generic. Also a provision requiring positive rights to use common generic terms if GIs are recognised containing generic terms.</td>
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5 Patents

Not analysed here: others are more expert in relation to the patent texts of the various trade agreements.

6 Plant Varieties and Industrial Designs

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<th>New Varieties of Plants</th>
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<td>Requires an ‘effective plant varieties protection system which is consistent with the 1991 UPOV Convention’ (one covering ‘all plant genera and species’).</td>
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<thead>
<tr>
<th>Protection of Industrial Designs</th>
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<tr>
<td>Very similar to the TRIPS text, although the proposed KR/JP/CN additions are additions to the TRIPS text. 6.1.5 proposes an extension of the term of protection of designs from the 10 years required by TRIPS, to 15 years (which is required by Hague).</td>
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<tr>
<th>Hague Agreement</th>
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<tr>
<td>Low level requirement to endeavour to accede to the Hague Agreement. Australia is not a party to Hague at present.</td>
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<tr>
<th>Worldwide Novelty for Industrial Design</th>
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<tr>
<td>Would require absolute novelty standard for designs – ie no registration if the design is known anywhere in the world prior to the attempt to register. Australia does not presently apply an absolute novelty standard: novelty is assessed against designs publicly used or published in Australia.</td>
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<tr>
<th>Registration and Applications of Industrial Designs</th>
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<tr>
<td>Proposes a registration system with opportunities to respond to refusals to register, opportunities for opposition to registration, and opportunities for cancellation. Would not be consistent with Australia’s current approach in which designs are registered without substantive examination.</td>
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<table>
<thead>
<tr>
<th>Introduction</th>
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<td>Low level ‘endeavour to achieve’ system of classification consistent</td>
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### 7 Section 7 Genetic Resources, Traditional Knowledge and Folklore (GRTKF)

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<tr>
<th>7.1 Alternative 1 (China Proposal)</th>
<th>This is new: similar provisions do not exist in TRIPS, ACTA or past USFTAs. The provision in the TPP (18.16) is lower level than this one. The language proposed is relatively ambitious, it would:</th>
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<td>- Cite the CBD</td>
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<td>- Encourage Parties to establish ‘appropriate measures’ to protect GRTKF and prevent misappropriation/misuse of GRTK</td>
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<td>- Recognize the importance of disclosure of origin of sources of Genetic Resources/Traditional Knowledge</td>
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<td></td>
<td>- In language proposed by China, require parties to ask applicants to disclose detailed origin information in patent applications, and require refusal of patents for failure to disclose.</td>
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<td></td>
<td>Maybe unlikely to be in any final chapter (given the way the TPP proposals were watered down in the negotiation process) but shows the extent of ambition in this space.</td>
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<tr>
<th>7.1 Alternative 2 (India Proposal)</th>
<th>Another ambitious proposal, that would:</th>
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<td>- Require parties to ensure adequate and effective implementation of international treaties dealing with GRTK</td>
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<td></td>
<td>- Affirm sovereign rights over natural resources and rights under CBD, including fair and equitable benefit sharing</td>
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<td></td>
<td>- Require accession to the Nagoya Protocol to the CBD</td>
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<td></td>
<td>- Take measures to ensure access to GR of any other Party is with prior informed consent</td>
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<td></td>
<td>- Put terms and conditions on access to GR and associated TK within each Party</td>
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<td></td>
<td>- Require legislative, administrative or policy measures to ensure fair and equitable benefit sharing arising from use of GR/TK</td>
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<td>- Require a mandatory declaration of origin/source of GR/TK by patent applicants, and evidence of prior informed consent</td>
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<td>- Recognize the importance of databases/digital libraries of GR/TK</td>
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<td></td>
<td>- Provide for legal means to revoke IPRs in the case of non-compliance with legal provisions in another Party relating to GR/TK, and take adequate and effective deterrent measures in cases not relating to grant of IPRs.</td>
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8  Section 8 Unfair Competition

8.1 Effective Protection against Unfair Competition

Would require
- protection under 10bis of the Paris Convention, including (JP/NZ) unfair competition in relation to supply of services. Covers basically attempts to create confusion with the commercial activities/goods of a competitor; false allegations trying to discredit a competitor, or indications liable to mislead the public regarding manufacturing, features, purpose, quantity of goods.
- Prohibitions on use of names of the Parties (an internal regions) in a way likely to mislead the public
- Effective protection against unfair competition, repeating 10bis language but also adding
  - a reference to use of domain names identical/similar to trade marks in order to gain unfair profit or cause damage; and
  - products that imitate the “configuration of another person’s products” (but this last subject to local terms and conditions in local law)

8.2 Protection of Undisclosed Information

Reaffirms article 39.2 of TRIPS, but Japan is proposing an additional rider: a positive prohibition on Parties requiring disclosure of undisclosed information without legitimate reasons. Although the drafting is weird, it also seems Japan wants to ban limits on the duration of protection of undisclosed information stipulated in private contracts – perhaps this is aimed at rules like common law rules against restraint of trade, that limit the duration of prohibitions on employee competition with former employers?

9  Section 9 Enforcement of IP Rights

9.1  Civil Enforcement

9.1 (ASEAN/India)  Simple proposal to require TRIPS-level enforcement, and allow more extensive enforcement.

9.1bis (AU)  Just repeats TRIPS art 41.1, requiring effective enforcement, expeditious remedies, and the avoidance of barriers to legitimate trade and safeguards against abuse.

9.2 (opposed by ASEAN)  Requires that procedures are fair and equitable, and protect rights of all participants; requires procedures not be unnecessarily complicated or costly or impose unreasonable time limits/delays. Mandatory under TRIPS anyway: 41.2.

9.3 (opposed by ASEAN)  Requirement to take into account the need for proportionality between the seriousness of the infringement, interest of third parties, and measures, remedies and penalties. Important to have.

9.3bis (AU)  No separate legal system required; no obligation re distribution of law enforcement resources. Important to have.
### 9.4 Presumptions of authorship or ownership

Low level provision relating to presumption arising from inclusion of name on work. Covered by Berne/TRIPS except extended here to performances, and phonograms, and broadcasts. No presumption of subsistence.

### 9bis.1 Civil and Administrative Procedures and Remedies

Requires civil procedures for enforcement of any IPR covered by the chapter. Identically worded to TRIPS 42 as well as TPP 18.74.1. Different in extending to federations or associations with legal standing.

### 9bis.2 Damages

The basic obligation to provide for compensatory damages is consistent with TRIPS.

But Japan, Korea and Australia are pushing for certain measures of damage, including retail value.

Also a provision for profits from copyright/TM counterfeiting: this is TRIPS plus but common in more recent bilaterals.

### 9bis.3 Pre-established damages (Korea proposal)

Korea wants statutory damages for copyright infringement and trade mark counterfeiting, sufficient to constitute a deterrent. Everyone else seems to oppose this.

### 9bis.4 Costs

Authority to order recovery of court costs and reasonable attorneys fees. TRIPS plus but common in more recent trade agreements.

### 9bis.5 Seizure of allegedly infringing goods

TRIPS plus; equivalent to TPP art 18.75.3. TRIPS only requires measures to prevent infringement and to preserve relevant evidence – this provision covers seizure of everything. Note that TRIPS requires specific safeguards in the case of provisional measures (these are mandatory in any event, but should be included in any enforcement text in RCEP):

- Parties affected must be given notice, without delay after the execution of the measures at the latest (TRIPS Art 50.4);
- A review, including a right to be heard, must take place upon the defendant’s request with a view to deciding, within a reasonable period after the notification of the measures, whether these measures shall be modified, revoked or confirmed (TRIPS Art 50.4); and
- The measures must be revoked on the defendant’s request if proceedings on the merits are not initiated within a reasonable period (not to exceed the longer of 20 working days or 31 calendar days) (TRIPS Art 50.6).

Should be deleted in light of 9bis.10.

### 9bis.6 Destruction of infringing goods, materials and implements

TRIPS provides for destruction of infringing goods, and materials and implements the predominant use of which has been in creation of infringing goods. TRIPS is more flexible and potentially environmentally and socially sustainable (allows for disposal outside of channels of commerce). Key debate appears to be around destruction of implements...
| 9bis.7 information | The drafting here is different from TRIPS, different from ACTA, different from AUSFTA, and different from the TPP. Talk about legal complexity!!!! It also lacks important qualifications, like a reference to proportionality, confidentiality, or privacy laws. |
| 9bis.8 sanctions for violating orders re confidential information | Nothing equivalent in TRIPS; identical provision in AUSFTA. There is a question whether ‘confidential information’ extends only to commercially valuable confidential information, or whether it extends to information treated as confidential because it implicates personal privacy interests. |
| 9bis.9 ADR | Optional (each party may) permit use of ADR. Seems rather pointless. |
| 9bis.10 Provisional Measures | Notably lacking here are the TRIPS safeguards that apply to provisional measures:  
  - Parties affected must be given notice, without delay after the execution of the measures at the latest (TRIPS Art 50.4);  
  - A review, including a right to be heard, must take place upon the defendant’s request with a view to deciding, within a reasonable period after the notification of the measures, whether these measures shall be modified, revoked or confirmed (TRIPS Art 50.4); and  
  - The measures must be revoked on the defendant’s request if proceedings on the merits are not initiated within a reasonable period (not to exceed the longer of 20 working days or 31 calendar days) (TRIPS Art 50.6) |

### 9.2 Section 9ter: Border Measures

Key points to note:  
- Confined to imports and exports, not in transit  
- Requires a system of registration of right holder requests  
- Provides for possibly optional system for release of information about shipments, manufacturers, importers, exporters etc  
- Provides for ex officio action to suspend goods  
- Requires procedures to determine within a reasonable period whether goods are actually infringing  
- Provides that competent authorities have the authority to order destruction following determination that goods are infringing  
- Allows for storage/disposal fees but not excessive  
- Text (9quater) contains a proposal (from JP/KR/AU) for criminal remedies as applied to border measures. This is new but a bit confused in the leaked text  
- Notably omits the procedural guarantees and protections that apply to border measures from TRIPS:
- Art 53.2: requiring release in certain circumstances of goods involving industrial designs, patents, layout-designs or undisclosed information;
- Art 54: the importer (and applicant) shall be promptly notified of the suspension of the release of goods (this applies also to \textit{ex officio} seizures: art 58(b));
- Art 55: requiring release of the goods if within 10 working days (or 20, if extended), if the authorities have not been informed that proceedings have been initiated, or that the ‘duly empowered authority has taken provisional measures prolong the suspension’;
- Art 55: If proceedings 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 suspension measures shall be modified, revoked or confirmed (these to apply also to \textit{ex officio} seizures: art 58);
- Art 56: authorities to have the power to order the applicant to pay the importer, consignee and owner of the goods compensation for any injury caused to them through the wrongful detention of goods;
- Art 57: competent authorities shall have the authority to give the right holder and importer sufficient opportunity to have any detained goods 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;
- Art 58: with \textit{ex officio} seizures, Parties are only allowed to exempt public authorities/officials from liability for remedial measures in those cases where actions are taken or intended in good faith (art 58(c)).

**9.3 Criminal remedies and enforcement**

Note: the text gets pretty confusing around here, so there’s a risk I’ve misread stuff.

<table>
<thead>
<tr>
<th>9quater.1</th>
<th>Provision very similar to first sentence of TRIPS art 61: ie general statement that criminal procedures/penalties must be applied to wilful trademark counterfeiting or copyright piracy on a commercial scale. Note that there is no attempt here to define what counts as ‘commercial scale’. (cf US FTAs, TPP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9quater.2</td>
<td>Wilful importation of counterfeit trade mark or pirated goods to be treated as criminal – not required to be ‘commercial scale’, but provision allows parties to limit it to importation for distribution, sale or offer for sale on a commercial scale.</td>
</tr>
<tr>
<td>9quater.3</td>
<td>Wilful importation of labels and packaging. Similar to TPP art 18.77. No equivalent in TRIPS.</td>
</tr>
<tr>
<td>9quater.4 aiding and abetting</td>
<td>Criminal aiding and abetting. No equivalent in TRIPS; found in ACTA but not AUSFTA. Significant expansion of international rules possibly capturing a large range of possible offenders depending on how it is applied. What level of knowledge would be required for liability? It is for individual countries to decide – are we confident it would be applied appropriately? What defences? Would incitement or the elements of conspiracy be required?</td>
</tr>
<tr>
<td>9quater.5</td>
<td>Criminal liability for legal persons (ie companies), without prejudice</td>
</tr>
</tbody>
</table>
to criminal liability also for natural persons. This is new.

9quater.6 Forfeiture and Destruction

Very broad seizure and destruction power proposed here: infringing goods and materials/implements merely used in creation of infringing goods (no requirement that materials/implements be predominantly used for infringement. Much less qualified than the equivalent text in TRIPS art 61 and less qualified even than TPP text.

9quater.6.2

Requires both imprisonment and monetary fines sufficient to be a deterrent, consistent with policy of removing monetary incentive. TRIPS frames these as alternative remedies.

Also requires authority to order seizure of suspected infringing goods, related materials and implements ‘used in the commission of the offence’, documentary evidence and assets traceable to the infringing activity. Weird drafting, because no reference to forfeiture of assets, just seizure.

9.4 Enforcement in the Digital Environment

9quinquies.1

Vague commitment to ‘endeavour to ensure’ enforcement procedures permit effective action against infringement in the digital environment. Proposal from AU to bring in language from ACTA requiring parties to ensure that this does not create a barrier to legitimate activity including ecommerce, and is consistent with fundamental principles such as freedom of expression, fair process and privacy.

9quinquies.2

Elaboration requiring that enforcement procedures ‘endeavour to apply’ to infringement over digital networks ‘which may include the unlawful use of means of widespread distribution for infringing purposes’. Text appears to come from ACTA article 27.2.

9quinquies.3

A proposal to ‘take effective measures to curtail repetitive infringement of copyright’ on the internet. An unattainable standard it seems, and notably an attempt to impose stronger language even than the Australia-Korea Agreement which talks about taking measures not effective measures. Also suggests putting the onus on the Party rather than private copyright owners to take measures to curtail infringement. This provision definitely should not be allowed to proceed. Notably it lacks support even from AU and JP.

9quinquies.4 Information on infringers from online service providers

Alt 1 (Japan): Drafted as optional, allowing party to provide authority to order online service providers to disclose expeditiously information identifying infringing subscribers to right holders. Would require filing of proceedings prior to information being sought/provided.

Arguably inconsistent with approach adopted in Australian (and UK and Canadian courts to date) where courts can order disclosure but have been exercising strong supervision over what right holders propose to do with the information (eg, requiring production of draft letters to subscribers before disclosure). Although arguably the references to fundamental principles such as freedom of expression, fair
process and privacy allow for such a supervisory approach. 
Alt 2 (Korea): Requires process for obtaining information identifying infringers. **No limits or safeguards: this is entirely inappropriate.**

| 9quinquies.5 Camcording | Camcording provision. **Massively overbroad.** No requirement of harm to copyright owner; no requirement of distribution or intent to distribute; no lower limit on the size of the portion which must be copied to give rise to an offence; no qualification for accidental recording in context of trying to record something else. Just massive overreach of criminal law. No, no, no. Broader than ACTA (ACTA is optional); broader than carefully drafted TPP provision. |

## 10 Section 10 Cooperation and Consultation

### 10.1 Provision of Assistance/Cooperation: dialogue and information exchange

Acknowledges differences in capacity and suggests that parties assist others in implementation including to enhance national framework.

Should not be drafted in such an unbalanced form. Only suggests assistance in enhancing the “national framework for the acquisition, protection, enforcement, utilisation, and creation of intellectual property, with a view to developing intellectual property systems that foster domestic innovation in the requesting Party”.

*What about balanced systems that recognise a range of interests? Assistance should not be provided that fails to take into account or promote a nation’s ability to take advantage of flexibility that will enable it to ensure protection of societal/public interests as well as the interests of innovators.*

### 10.2 Dialogue and information Exchange

Agreement to promote dialogue and information exchange on IP issues. Again, **unbalanced.** What about exchanging information on methods for addressing IP abuse? Appropriate drafting of exceptions and flexibility?

### 10.3 Cooperation

Promotes cooperation in:
- Patent examination, including mutual use of search and examination results;
- Cooperation on IT and database infrastructure;
- Patent examiner training
- Patent examination practice and its improvement
- Promoting “education and awareness regarding the benefits of effective protection and enforcement of intellectual property rights”
- Exchanging information to eliminate trade in infringing goods

Again, significantly one-sided. Nothing about promoting awareness about the costs of using IP, and/or alternative
<table>
<thead>
<tr>
<th>10.4 Committee on IPRs</th>
<th>Committee to facilitate cooperation, to meet every year. Yet another committee meeting to talk about IP. Pretty much every trade agreement has established something like this: how much government resources are we planning to spend on bureaucrats meeting to talk about IP law? An annual meeting round creates pressure to ‘do stuff’ and seems like it will involve a lot of pointless duplication.</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.5 Public Health Crises</td>
<td>Parties will consider requests for assistance in the event of a public health crisis. Why is this in an IP chapter? What kind of cooperation or assistance is envisaged?</td>
</tr>
</tbody>
</table>

## 11 Section 11 Transparency

### 11.1

Requirement to make laws, regulations, judicial decisions publicly available in at least the national language or English. Suggestion that judicial decisions should be in writing and state relevant findings of fact, reasoning, legal basis for rulings.

### 11.2

Parties to **endeavour** to make pending and registered TM rights databases available online.

### 11.3

Japan’s proposal to extend this to all IP rights: make available information on applications, registrations, registration and expiration dates, patent examination guidelines etc.

## 12 Section 12 Special and Differential Treatment/Additional Flexibilities for LDCs, transitional period and transitional arrangements

### 12.1

Suggests that flexibilities and transitional arrangements for LDCs under TRIPS articles 65 and 66 are intended to continue. Proposal to allow LDCs not to apply the IP chapter for so long as they are not required to apply TRIPS.

## 13 13 Procedural Matters

### 13.1

Recognising importance of efficient administration; parties to **endeavour** to improve administrative procedures. *Really? They wouldn’t anyway??*

### 13.2

Weird provision on not requirement authentication of signatures in administrative processes, unless it relates to surrender of a patent, design or trade mark, or if the office has reasonable doubt regarding authenticity of the signature.