The Proposed Comprehensive and Progressive Agreement on the Trans-Pacific Partnership: A Submission to the Senate Foreign Affairs, Defence and Trade References Committee

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THE SENATE FOREIGN AFFAIRS, DEFENCE AND TRADE REFERENCES COMMITTEE

THE PROPOSED COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR THE TRANS-PACIFIC PARTNERSHIP

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Executive Summary

This submission reconsiders the *Trans-Pacific Partnership* in light of the departure of the United States from the negotiations under the Trump Administration.

This submission considers further amendments, revisions, suspensions, and side-letters which have been made as part of the ‘*Comprehensive and Progressive Trans-Pacific Partnership*’ – better known as the *Trans-Pacific Partnership-11*.

The footprint of the agreement has been significantly diminished with the absence of the United States. The potential market benefits of the *Trans-Pacific Partnership-11* have been accordingly reduced. Likewise, the ability of United States-based companies to deploy certain measures – like investor-state dispute settlement – will be hampered.

This submission focuses upon the relationship between intellectual property, investment, and trade under the *Trans-Pacific Partnership-11*. In particular, it examines copyright law, electronic commerce, and the digital economy; trade mark law; tobacco control; patent law, biologics, and access to medicines; trade secrets; agriculture; the environment; Indigenous rights; and investor-state dispute settlement. This submission is based upon research in respect of intellectual property and trade – particularly focusing on the *Trans-Pacific Partnership*.

This submission highlights that there remain a number of significant issues and problems with the *Trans-Pacific Partnership-11*, notwithstanding the suspensions and side-letters. In particular, there remains major ambiguity about the status of suspended provisions in the Intellectual Property Chapter, and whether they could be revived at a future date. Moreover, the Investment Chapter – with the investor-state dispute settlement mechanism – remains the subject of controversy. There is also concern that the *Trans-Pacific Partnership-
is neither progressive or comprehensive when it comes to regulatory issues such as public health, the protection of the environment, and labor rights.

The *Trans-Pacific Partnership-11* is increasingly being overshadowed by President Donald Trump’s ‘America First’ Trade Policy. Trump has withdrawn from the *Trans-Pacific Partnership-11*. He has emphasized that he would only reconsider the *Trans-Pacific Partnership-11* if it was renegotiated on much better terms for the United States. Trump has also demanded revisions of the *North American Free Trade Agreement* 1994. He has threatened to withdraw altogether from the regional agreement if it is not modernised and improved. After engaging in Special 301 investigation, Trump’s United States Trade Representative has also brought a trade action against China in the World Trade Organization. Trump has alleged that China has engaged in acquisitions, appropriations, and infringements of flagship United States companies. President Donald Trump’s ‘America First’ Trade Policy will certainly have both direct and indirect implications for the operation of the *Trans-Pacific Partnership-11*. 
Recommendation 1

Copyright Law, Electronic Commerce, and the Digital Economy

In my analysis, the Intellectual Property Chapter of the Trans-Pacific Partnership is problematic in terms of treatment of copyright law, policy, and practice.¹

The Intellectual Property Chapter of the Trans-Pacific Partnership has been affected by the suspension of a number of controversial copyright provisions – including Article 18.63 (copyright term), Article 18.68 (technological protection measures), Article 18.69 (rights management information), Article 18.79 (protection of encrypted program carrying satellite and cable signals), Article 18.82 (legal remedies and safe harbours), and Annex 18-E and Annex 18-F.

There is concern that such measures have not been revoked altogether, or excised from the agreement.

Such controversial copyright provisions could come into force at a later date, particularly if the United States rejoins the Trans-Pacific Partnership.

The text of the Electronic Commerce Chapter of the Trans-Pacific Partnership has been unaffected by the departure of the United States. There remain issues about the impact of this regime upon privacy, consumer rights, open source software, and network neutrality.

¹ See Matthew Rimmer, 'Back to the Future: The Digital Millennium Copyright Act and the Trans-Pacific Partnership' (2017) 6 (3) Laws http://www.mdpi.com/2075-471X/6/3/11 (See Attachment 1)
Recommendation 2

Trade Mark Law

The *Anti-Counterfeiting Trade Agreement* 2011 was rejected because it failed to provide appropriate safeguards in respect of human rights, consumer protection, competition, privacy laws, and access to justice and rule of law.²

The *Trans-Pacific Partnership* seeks to implement measures relating to trade mark law and related rights, counterfeiting, and border measures, which were previously rejected with the *Anti-Counterfeiting Trade Agreement*. There is little emphasis upon other public policy concerns such as freedom of speech, consumer rights, and competition policy.

The *Trans-Pacific Partnership* seeks to boost the substantive and procedural rights of trade mark holders – particularly well-known and famous trade mark holders. The *Trans-Pacific Partnership* also expands the range of civil remedies and criminal offences in respect of trade mark law – particularly with respect to wilful trademark counterfeiting. The *Trans-Pacific Partnership* also expands the range of border measures in respect of trade mark law.

The *Trans-Pacific Partnership* also contains provisions on Internet Domain Names and cybersquatting. Such regional provisions further complicate the regulation of Internet Domain Names, internationally.

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Recommendation 3

Tobacco Control

My research considers the long history of tobacco companies deploying trade mechanisms and investor clauses to challenge tobacco control measures – such as graphic health warnings and plain packaging of tobacco products.³

The Trans-Pacific Partnership provides protection against investor actions in respect of tobacco control measures – but only if nation states elect to do so. A broader exclusion for tobacco control would have been a better approach. Overall,

it would have been preferable to excise the regime on investor-state dispute settlement from the *Trans-Pacific Partnership* altogether.

There have been concerns about how Technical Barriers to Trade will operate in respect of tobacco control measures under the *Trans-Pacific Partnership*.

There remain larger concerns about the use of State-to-State dispute resolution in respect of tobacco control measures under the *Trans-Pacific Partnership*.

The World Health Organization remains concerned about how tobacco companies have sought to deploy intellectual property, investor clauses, and trade agreements against public health measures.

The *Trans-Pacific Partnership* should be redesigned to respect the primacy of the *WHO Framework Convention on Tobacco Control*. 
Recommendation 4
Patent Law, Biologics, and Access to Medicines

Having undertaken research on the topic, the Intellectual Property Chapter of the Trans-Pacific Partnership is highly questionable in terms of its impact upon patent law, public health, and access to medicines. 4

The Intellectual Property Chapter of the Trans-Pacific Partnership-11 has been subject to a number of suspensions in this field – including Article 18.37 (patentable subject matter), Article 18.46 (Patent Term Adjustment), Article 18.48 (Patent Term Adjustment), Article 18.50 (Protection of Undisclosed Test or Other Data), and Article 18.51 (Biologics).

Such provisions should have been excluded from the agreement altogether. There is a danger that such costly provisions could be revived in the future (particularly if the United States was to rejoin the discussions).

Nonetheless, drug companies, medical providers, and the biotechnology industry can still make use of the Investment Chapter of the Trans-Pacific Partnership-11 to bring actions in respect of intellectual property.

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Recommendation 5

Trade Secrets

The *Trans-Pacific Partnership* (has sought to strengthen the protection of trade secrets throughout the Pacific Rim. The United States Congress has passed the *Defend Trade Secrets Act 2016* (US). The United States Trade Representative has pushed for the inclusion of criminal penalties and procedures in international trade agreements such as the *Trans-Pacific Partnership*.

Nonetheless, there has been concerns that the closed model of trade secrets protection in the *TPP* could have a chilling effect upon innovation, knowledge diffusion, and entrepreneurship. In light of the case of Aaron Swartz, there is a particular concern about how the language about computer crimes in the *Trans-Pacific Partnership* will be interpreted. Moreover, there is a concern about how the trade secrets provisions of the *Trans-Pacific Partnership* will impact upon journalism, whistleblowing, and the freedom of speech. There is a lack of adequate defences and safeguards in the text in respect of freedom of the press, whistleblowing, and public policy in the *Trans-Pacific Partnership*.

Given the departure of the United States from the *Trans-Pacific Partnership* under President Donald Trump, there is an opportunity to revise – or even abandon altogether – the text on trade secrets in the *Trans-Pacific Partnership*. Disturbingly, though, *Trans-Pacific Partnership* -11 still continues the flawed text on trade secrets (despite the suspension of a number of other intellectual property provisions). Article 18.78 of the *Trans-Pacific Partnership* remains a highly controversial provision in the agreement.
Recommendation 6

Agriculture

There is a need for a proper comprehensive assessment of the economic impacts of the Trans-Pacific Partnership in respect of farming, agriculture, and food security.⁵

There are both market opportunities and challenges for rural and regional Australia.

The Intellectual Property Chapter of the Trans-Pacific Partnership raises significant issues for agriculture – with text on plant breeders’ rights, patents, trade marks, geographical indications, and data protection for agricultural chemicals. There has been significant controversy in Australia over US agricultural biotechnology companies filing broad patents in respect of the bovine genome.

The Investment Chapter of the Trans-Pacific Partnership will raise major issues in respect of agriculture, farming, and food security.

There has been significant concern as to how the Trans-Pacific Partnership will impact upon public regulation in respect of food labelling. There has been significant conflict in respect of GM food labelling, country of origin, nutrition labelling such as with Health Stars, and palm oil labelling. Moreover, there has

been significant trade disputes over eco-labels – such as the dispute between Mexico and the United States of America over the Dolphin-Safe Ecolabel.

The *Trans-Pacific Partnership* also contains a Chapter which deals with sanitary and phytosanitary (SPS) measures. It is worthwhile considering how the trade agreement will affect the regulation of food safety across the Pacific Rim.

The *Trans-Pacific Partnership* should be the subject of a human rights assessment – particularly in respect of the right to food.
Recommendation 7
The Environment

According to my research, the Trans-Pacific Partnership is inadequate in terms of its protection of the environment.\(^6\)

The Environment Chapter of the Trans-Pacific Partnership provides weak overall protection of the environment, biodiversity, and the climate in the Pacific Rim. The Trans-Pacific Partnership fails to reinforce the international framework of multilateral environment agreements.

The Environment Chapter of the Trans-Pacific Partnership lacks meaningful enforcement of environmental rules and standards. The Environment Chapter of the Trans-Pacific Partnership fails to address the 21st century international environmental problem of climate change. This is problematic, given the interaction between trade and climate change.

Recommendation 8

Indigenous Rights

According to my research, the Trans-Pacific Partnership is inadequate in terms of its recognition of Indigenous rights. There are significant issues in respect of Indigenous intellectual property, access to genetic resources, investor-state dispute settlement, and sustainable development. The unsuccessful challenge to the Trans-Pacific Partnership under the Treaty of Waitangi raises larger issues about Indigenous procedural and substantial rights in respect of the negotiation of international trade agreements.

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Recommendation 9

Investor-State Dispute Settlement

The Trans-Pacific Partnership contains complex yet murky provisions on whether Intellectual Property owners can invoke Investor-State Dispute Settlement. As noted by the Law Council, there are concerns about the exact nature of the interrelationship between the intellectual property regime and Investor-State Dispute Settlement. There have been some further modifications of the investment regime in the Trans-Pacific Partnership-11. Notably, there have been suspensions in Chapter 9 of provisions in Article 9.1, Article 9.19, Article 9.25 and Annex 9-L. There remain concerns about the impact of investor-state dispute settlement upon domestic courts and parliaments. Moreover, there is larger concerns about the impact of investor-state dispute settlement upon the regulation of public health, access to medicines, tobacco control, the environment, labor rights, and the digital economy.

Dr Matthew Rimmer is a Professor in Intellectual Property and Innovation Law at the Faculty of Law, at the Queensland University of Technology (QUT). He is a leader of the QUT Intellectual Property and Innovation Law research program, and a member of the QUT Digital Media Research Centre (QUT DMRC) the QUT Australian Centre for Health Law Research (QUT ACHLR), and the QUT International Law and Global Governance Research Program (QUT IP IL). Rimmer has published widely on copyright law and information technology, patent law and biotechnology, access to medicines, plain packaging of tobacco products, intellectual property and climate change, and Indigenous Intellectual Property. He is currently working on research on intellectual property, the creative industries, and 3D printing; intellectual property and public health; and His work is archived at QUT ePrints SSRN Abstracts Bepress Selected Works.

Dr Matthew Rimmer holds a BA (Hons) and a University Medal in literature (1995), and a LLB (Hons) (1997) from the Australian National University. He received a PhD in law from the University of New South Wales for his dissertation on *The Pirate Bazaar: The Social Life of Copyright Law* (1998-2001). Dr Matthew Rimmer was a lecturer, senior lecturer, and an associate professor at the ANU College of Law, and a research fellow and an associate director of the Australian Centre for Intellectual Property in Agriculture (ACIPA) (2001 to 2015). He was an Australian Research Council Future Fellow, working on Intellectual Property and Climate Change from 2011 to 2015. He was a member of the ANU Climate Change Institute.

Dr Matthew Rimmer has written extensively on intellectual property and trade, intellectual property and trade, looking at the *Trans-Pacific Partnership*, the *Regional Comprehensive Economic Partnership*, and the *Trans-Atlantic Trade and Investment*
Partnership, and the Trade in Services Agreement, as well as bilateral agreements, and multilateral regimes such as the TRIPS Agreement. His representative publications in this field include:


Rimmer has extensively participated in Australian parliamentary inquiries into intellectual property and trade, as well as public policy processes, such as investigations by the Productivity Commission.
Rimmer is the author of *Digital Copyright and the Consumer Revolution: Hands off my iPod* (Edward Elgar, 2007). With a focus on recent US copyright law, the book charts the consumer rebellion against the *Sonny Bono Copyright Term Extension Act 1998* (US) and the *Digital Millennium Copyright Act 1998* (US). Rimmer explores the significance of key judicial rulings and considers legal controversies over new technologies, such as the iPod, TiVo, Sony Playstation II, Google Book Search, and peer-to-peer networks. The book also highlights cultural developments, such as the emergence of digital sampling and mash-ups, the construction of the BBC Creative Archive, and the evolution of the Creative Commons. Rimmer has also participated in a number of policy debates over Film Directors’ copyright, the *Australia-United States Free Trade Agreement 2004*, the *Copyright Amendment Act 2006* (Cth), the *Anti-Counterfeiting Trade Agreement 2011*, and the *Trans-Pacific Partnership*. He has been an advocate for Fair IT Pricing in Australia.

Rimmer is the author of *Intellectual Property and Biotechnology: Biological Inventions* (Edward Elgar, 2008). This book documents and evaluates the dramatic expansion of intellectual property law to accommodate various forms of biotechnology from micro-organisms, plants, and animals to human genes and stem cells. It makes a unique theoretical contribution to the controversial public debate over the commercialisation of biological inventions. Rimmer also edited the thematic issue of Law in Context, entitled *Patent Law and Biological Inventions* (Federation Press, 2006). Rimmer was also a chief investigator in an Australian Research Council Discovery Project, “Gene Patents In Australia: Options For Reform” (2003-2005), an Australian Research Council Linkage Grant, “The Protection of Botanical Inventions (2003), and an Australian Research Council Discovery Project, “Promoting Plant Innovation in Australia” (2009-2011). Rimmer has participated in inquiries into plant breeders’ rights, gene patents, and access to genetic resources.
Rimmer is a co-editor of a collection on access to medicines entitled *Incentives for Global Public Health: Patent Law and Access to Essential Medicines* (Cambridge University Press, 2010). The work considers the intersection between international law, public law, and intellectual property law, and highlights a number of new policy alternatives – such as medical innovation prizes, the Health Impact Fund, patent pools, open source drug discovery, and the philanthropic work of the (Red) Campaign, the Gates Foundation, and the Clinton Foundation. Rimmer is also a co-editor of *Intellectual Property and Emerging Technologies: The New Biology* (Edward Elgar, 2012).

Rimmer is a researcher and commentator on the topic of intellectual property, public health, and tobacco control. He has undertaken research on trade mark law and the plain packaging of tobacco products, and given evidence to an Australian parliamentary inquiry on the topic. Rimmer has edited a special issue of the QUT Law Review on the topic, *The Plain Packaging of Tobacco Products* (2017).

Rimmer is the author of a monograph, *Intellectual Property and Climate Change: Inventing Clean Technologies* (Edward Elgar, September 2011). This book charts the patent landscapes and legal conflicts emerging in a range of fields of innovation – including renewable forms of energy, such as solar power, wind power, and geothermal energy; as well as biofuels, green chemistry, green vehicles, energy efficiency, and smart grids. As well as reviewing key international treaties, this book provides a detailed analysis of current trends in patent policy and administration in key nation states, and offers clear recommendations for law reform. It considers such options as technology transfer, compulsory licensing, public sector licensing, and patent pools; and analyses the development of Climate Innovation Centres, the Eco-Patent Commons, and environmental prizes, such as the L-Prize, the H-Prize, and the X-Prizes. Rimmer is currently working on a manuscript, looking at green branding, trade mark law, and

Rimmer has also a research interest in intellectual property and traditional knowledge. He has written about the misappropriation of Indigenous art, the right of resale, Indigenous performers’ rights, authenticity marks, biopiracy, and population genetics. Rimmer is the editor of the collection, *Indigenous Intellectual Property: A Handbook of Contemporary Research* (Edward Elgar, 2015).

Rimmer is currently working as a Chief Investigator on an ARC Discovery Project on “Inventing The Future: Intellectual Property and 3D Printing” (2017-2020). This project aims to provide guidance for industry and policy-makers about intellectual property, three-dimensional (3D) printing, and innovation policy. It will consider the evolution of 3D printing, and examine its implications for the creative industries, branding and marketing, manufacturing and robotics, clean technologies, health-care and the digital economy. The project will examine how 3D printing disrupts copyright law, designs law, trade mark law, patent law and confidential information. The project expects to provide practical advice about intellectual property management and commercialisation, and boost Australia’s capacity in advanced manufacturing and materials science. Along with Dinusha Mendis and Mark Lemley, Rimmer is the editor of the forthcoming collection, *3D Printing and Beyond* (Edward Elgar, 2018).