



**Asia-Pacific
Economic Cooperation**

**APEC Training Program on the Enforcement of
Intellectual Property Rights for
Developing Member Economies**

**11 – 14 May 2004
Ha Noi, Viet Nam**

**APEC Intellectual Property Rights Experts' Group (IPEG)
APEC Committee on Trade and Investment (CTI)**

May 2004

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APEC Training Course On IPRs Enforcement

11-14 May, 2004
Melia Hotel, Ha noi.

**APEC Training Program on the Enforcement of Intellectual Property
Rights for Developing Member Economies**

*11-14 May, 2004
Melia Hotel, Ha Noi, Viet Nam*

Agenda

Tuesday May 11

08:00-09:00 Registration of Participants

09:00-09:45 Opening Remarks: *Dr. Le Danh Vinh*, Vice Minister, Ministry of Trade,
Viet Nam
Dr. Juneho Jang, Chair of APEC Intellectual Property Experts' Group
Chaired by *Mr. Nguyen Duc Thinh*, Director General of the Market
Control Department, Ministry of Trade

09:45-10:00 Photograph Taking

10:00-10:30 Coffee Break

- 10:30-11:45
- General introduction of the TRIPs Agreement (including dispute prevention and settlement);
 - The status of TRIPs implementation and WTO negotiation on TRIPs so far;
 - WTO schedule for future TRIPs' negotiation; Difficulties of developing and least developed WTO members in implementing the TRIPs.

Mrs. Thu Lang TRAN WASESCHA, Counsellor, Intellectual Property
Division, WTO

11:45-12:15 Q&A

12:15-14:00 Lunch

- 14:00-15:00
- Provisional measures against infringement of IPRs;
 - Special requirements related to border measures;
 - Criminal procedures to combat counterfeiting and piracy.

Mrs. Thu Lang TRAN WASESCHA, Counsellor, Intellectual Property Division, WTO

15:00-15:30 Coffee Break

15:30-16:30 Actual situation and solutions in enforcing IPR in Vietnam

Mr. Nguyen Duc Thinh, Director General of the Market Control Department, Ministry of Trade

16:30-17:00 Q&A

Wednesday May 12

- 09:00-10:00 - General briefing of main APEC's cooperation programs/activities in the field of IPRs, with special regards to IPRs enforcement;
- Plans for APEC's future cooperation in IPRs (IPRs Service Center, Digital Economy, Transparency, IPEG activities...);
 - Assessment of whether current APEC cooperation programs are effective or not? If not, what should be done for its improvement in the future?

Dr. Juneho Jang, Chairman of APEC Intellectual Property Experts' Group (IPEG)

10:00-10:30 Coffee Break

10:30-11:30 Institutional, Legal and Administrative Measures for Effective IPR Enforcement

Robert Stoll, Director, Office of Enforcement, U.S. Patent and Trademark Office

11:30-12:00 Q&A

12:00-14:00 Lunch

14:00-14:45 The Roles of Government in IPR Enforcement (including IPRs enforcement within WIPO framework).

Mr. Philip Griffith, Professor of Law, Faculty of Law, University of Technology, Sydney, Australia.

14:45-15:30 Digital Economy and the enforcement of IPRs (internet, e-commerce...).

Mr. Martin Moscoso, Head of the Copyrights Office, INDECOPI, Peru

15:30-16:00 Coffee Break

16:00-16:45 Market Control in the Implementation Process of Industrial Property Rights

Mr. Huynh Tan Phong, Director of Market Control Office in Hochiminh City, Vietnam

16:45-17:00 Q&A

Thursday May 13

09:00-9:30 The importance of intellectual property protection based on Japan's experience

Mr. Junichi Matsuo, Japan Patent Office

09:30-10:00 The function and situation of Chinese Administrative Patent Enforcement

Mr. Zhao Meisheng, Director of the State Intellectual Property Bureau, P.R of China

10:00-10:30 Coffee Break

10:30-11:00 IPRs Enforcement in Vietnam

Mr. Nguyen Thanh Hong, Deputy Director of the Intellectual Property Department, Vietnam

11:00-11:30 The Mexican Institute of Industrial Property as Administrative

Enforcement Authority

Mr. Roman IGLESIA, Mr. Francisco SILVA, Mexican Institute of Industrial Property (IMPI)

11:30-12:00 Q&A

12:00-14:00 Lunch

14:00-14:30 China's Legislative Work in Implementing Obligations Under TRIPs Agreement

Mr. Wang Qiang, Ministry of Commerce, P.R.China

14:30-15:00 Q&A

15:00-15:30 Coffee Break

15:30-16:00 2003 Performance Report on Intellectual Property Protection in Chinese Taipei

Chang Yuh-Ying, TIPO, Chinese Taipei

16:00-16:30 Civil Procedures for Enforcement of IPRs in Hong Kong, China

Caroline, Mun Wai CHOW, Director of Intellectual Property Department, HKSAR, Hongkong, China

16:30-17:00 Intellectual Property Law Enforcement in Indonesia

John Henry and Parlagutan Lubis, Department of Justice and Human Rights, Directorate General of Intellectual Property Rights

Friday May 14

- 9:00-11:30 - Country reports
- 11:30-12:00 - Closing remarks
- 13:30-17:00 - Study tour

**APEC Training Program
on
The Enforcement of Intellectual Property Rights**

Opening Address

*by
Dr. Le Danh Vinh
Vice Minister
Ministry of Trade, Vietnam*

**May 11, 2004
Hanoi, Vietnam**

- Doctor Juneho JANG, Chairman of the APEC Intellectual Properties Expert Group
- Distinguished guests
- Delegates from APEC member economies

On behalf of the Ministry of Trade of the Socialist Republic of Vietnam, I would like to express our warmest welcome to Doctor Juneho JANG, Chairman of the APEC Intellectual Properties Expert Group (IPEG), distinguished guests and delegates from APEC member economies who are attending the *APEC Training Course on Strengthening the Enforcement of Intellectual Property Rights for Developing Member Economies*.

With 21 members, including very dynamic economies from four continents, a total population of 2.5 billions, accounting for 42% of the world population, a total GDP of over USD 17 trillions equivalent to 50% of the world GDP and total trade value of USD 5.5 trillions or 47% of the world trade volume¹, APEC economic community is really the locomotive for trade growth in the world as a whole and in Asia-Pacific Region in particular. APEC economies have been more and more prosperous thanks to active pursuit of economic and trade policies that are open, transparent, predictable and integrated into the multilateral trading system the world economy.

In economic development process, both global and regional, intellectual property rights (IPRs) have played an increasingly important role, especially for sustaining and developing a level trading playground and sound transaction mechanisms amid rapid expansion of e-commerce and online transactions as well as lightning emergence of new technologies. Therefore, effective enforcement of IPRs will best protect achievements of inventive activities,

¹ APEC Secretariat, APEC Economic Outlook 2003.

which will strongly encourage the inventiveness of businesspeople, create a favourable and safe business environment for investors in general and IPRs holders in particular.

Diversity in development level is the basic feature of APEC. To achieve duly the Bogor goals on Trade and Investment Liberalization by 2010 for developed members and by 2020 for developing members, therefore, APEC has been implementing a series of capacity building programs for developing member economies, covering all areas of cooperation, including IPRs in order to enable developing members to quickly catch up with the rapid development in the region and the world.

Ladies and Gentlemen,

Since gaining full APEC membership in 1998, Vietnam has been making its best efforts in consolidating and improving its policies, laws, IPRs enforcement so that the economy can participate more deeply and effectively in APEC cooperation activities, especially in the IPRs field. It is believed that this training course will provide participants from Vietnam and other APEC developing members with valuable knowledge, necessary skills and practical experience about IPRs activities, thus making them more capable of meeting requirements of international IPRs regimes such as the WIPO, the TRIPS, the Bern and Rome Conventions. Particularly, in implementing the TRIPS, developing economies including Vietnam are facing technical difficulties. The lack of knowledge and skills required to enforce effectively IPRs in a manner appropriate and consistent to WTO rules is viewed as one of biggest challenges facing developing members.

It is the very issue afore-mentioned that brings us together today in Ha

Noi to discuss and exchange meaningful experience on how to effectively enforce IPRs in an effort to maximize benefit of APEC cooperation schemes in general and IPRs projects in particular.

We are very grateful and appreciative to the financial assistance from the APEC Trade and Investment Liberalization and Facilitation (TILF) Fund, the cooperation of the APEC Secretariat and especially the active cooperation and assistance of the APEC Intellectual Properties Expert Group for the duly implementation of the “APEC Training course on Strengthening the Enforcement of Intellectual Properties for Developing Member Economies”.

On this occasion, I would also like to convey sincere thanks to international IPRs experts who come and share their valuable knowledge and experience in IPRs enforcement.

Finally, on behalf of the Ministry of Trade of the Socialist Republic of Vietnam, I wish the course a great success and I wish all of you good time during your stay in Ha Noi.

Thank you.

APEC Training Program
on
The Enforcement of Intellectual Property
Rights

Opening Address

by
Dr. Juneho JANG
APEC IPEG Chair
Senior Deputy Director
Korean Intellectual Property Office (KIPO)

May 11, 2004
Hanoi, Vietnam

Your Excellency, Dr. Le Danh Vinh, Vice Minister of Trade of Vietnam, Mr. Nguyen Duc Thinh, General Director of Directorate of Market Control, Distinguished Guests, Speakers, and Ladies and Gentlemen:

It is both a great pleasure and an honor for me to address you here today and I would like to express my appreciation to the Government of Vietnam for organizing this important training course on the key issues of the protection and enforcement of intellectual property rights (IPRs).

I am delighted to see such large participation: 30 senior government officials from 13 developing economies, and 7 experts from the leading countries and international organizations in the field of intellectual property.

As the Chair of the APEC Intellectual Property Rights Experts Group (IPEG), I would like to take this opportunity to brief you on the importance of APEC in the global economy and APEC's IP-related activities.

With its 21 member economies accounting for over 47 percent of global trade, APEC is an impressive player on the international scene. A combined gross domestic product of more than 19 trillion US dollars testifies to the vitality of its diverse membership. Although separated by thousands of kilometers, continents are linked by common concerns and goals. One of those common goals is the fostering of a dynamic, adaptable IP system as a powerful tool for development.

APEC members realize that traditional assets, such as land, labor and capital, are no longer the prime generators of economic growth. We have moved into the era of the knowledge-based economy and intellectual property is vital for protecting the innovation and creativity that drives the economy. Adequate protection of IPRs and the vigorous enforcement of IPR laws and regulations are crucial for promoting foreign trade and investment as well as boosting economic development.

There has been a substantial change in the intellectual property society since the WTO/TRIPs Agreement came into force in 1995. IPRs have become a new criterion for evaluating a nation's competitiveness in the global market. As a result, the rules of international trade require an effective IPR protection system.

The growth of the digital economy creates new challenges for IPR enforcement. This was stressed in the Leaders' statement at Los Cabos, Mexico. They encouraged the implementation of APEC policies on trade and the digital economy. Taking appropriate measures to improve IPR enforcement in the digital economy is vital. With this, IP assets can function as catalysts to provide a stable business environment.

While the individual efforts of each economy are crucial to the success of adequate and effective IPR protection in the region, we need to build the capacity, especially in developing economies for protecting and enforcing IPRs. In such a context, this training course is very timely and

important for APEC's developing member economies.

The course offers high-level training with material prepared by specialists. It will help member economies that require technical cooperation to develop national IP policies. It will help us to make our IPR systems more efficient and to ensure an effective enforcement mechanism.

In the knowledge-based economies, this training course will give an opportunity and challenge to the developing member economies to recognize the necessity of vigorous IPR enforcement.

Ladies and Gentlemen,

In IP-oriented societies, where knowledge, innovation and creativity bring exciting opportunities for growth and advancement, I hope that the APEC member economies will continue to work together. In this way, we can ensure that these opportunities are available to everyone and that the creative and innovative potential of every economy can be realized for the common good.

Thank you for your attention.



APEC Training Program on the Enforcement of Intellectual Property Rights

Hanoi

11-14 May 2004

**Introduction to the WTO and to the TRIPS
Agreement; Current Discussions and
Negotiations; Dispute Settlement Mechanism**

**Thu-Lang TRAN WASESCHA
Counsellor
Intellectual Property Division**



Structure of the presentation

- **The WTO multilateral trade system**
- **The TRIPS Agreement: overview**
- **Ongoing work, discussions and negotiations relevant to TRIPS**
- **Dispute settlement**
- **Challenges for developing economies**



Core principles of the WTO multilateral trade system

- Belief that an open, stable and rules-based multilateral trading system is beneficial for welfare of all countries, especially smaller and developing countries
- Recognition of need for flexibility to take account of the trade and development interests of developing countries



The WTO: Three Basic Functions

- Set of rules for international trade
- Forum for negotiations
- Forum for monitoring implementation and resolution of disputes



The Main WTO Agreements

- The Agreement Establishing the World Trade Organization (Marrakesh Agreement):
 - Multilateral Agreements on Trade in Goods
 - GATT (1994)
 - 13 agreements on specific issues
 - The General Agreement on Trade in Services
 - The Agreement on Trade-Related Aspects of Intellectual Property Rights
 - The Dispute Settlement Understanding

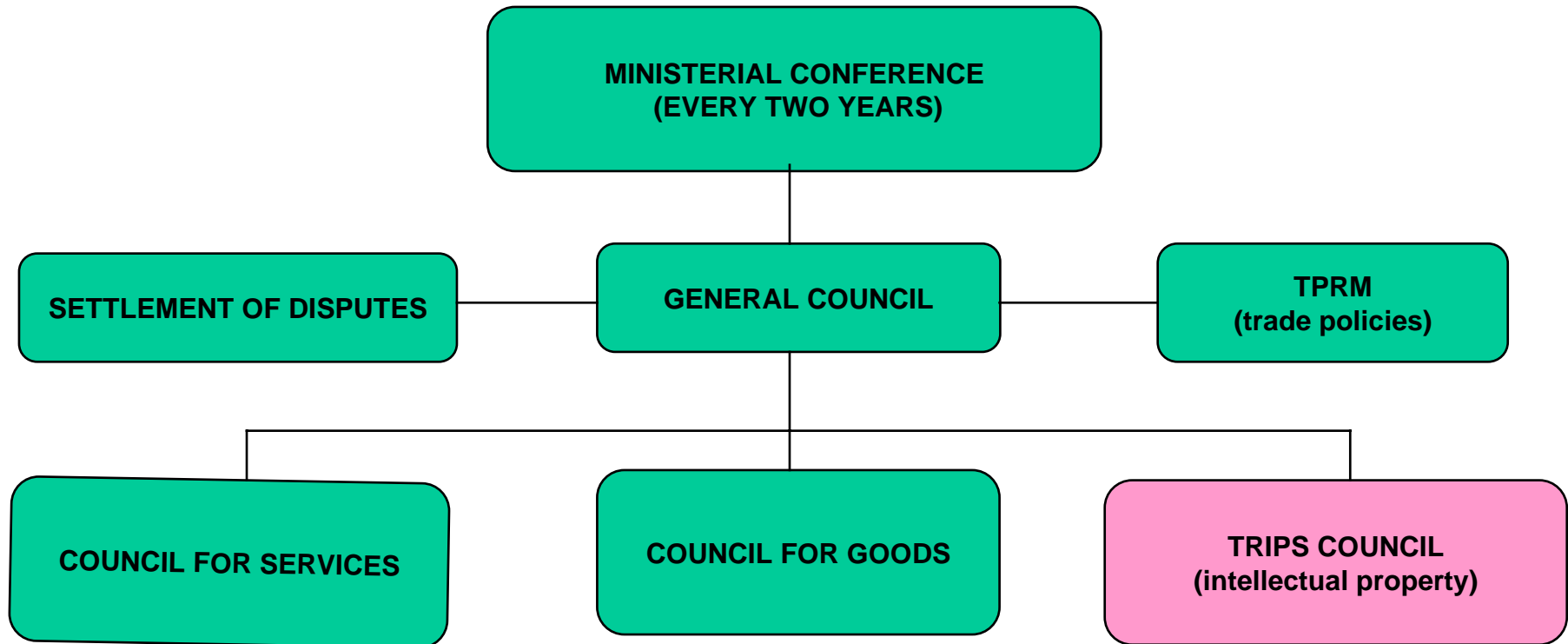


The WTO: Institutional

- Membership: 147
- Observers (acceding and non-acceding): 30 (also “participants in the negotiations” under Doha Development Agenda)
- Main bodies (see separate organigram + next slide)
- Geneva delegations
- Secretariat
- Decision-making



Structure of the WTO





What are IPRs?

- Intellectual property rights (IPRs) are the rights given to persons over the creation of their minds, at certain conditions.
- IPRs usually give the creator the right to prevent others from using without his/her authorization his/her creation for a limited period of time.

"Social contract": example of patents: grant of a patent – disclosure of the invention



Importance of IPRs

- Fierce competition for markets and investments
- IPRs = added value for commodities and results and activities
- **Interests of society at large; need to have a balance between interests. Not a new debate. What would it be "new" then?**
 - **Complexity, technology advances, global village**



The TRIPS Agreement

- TRIPS = ANNEX 1C of the WTO Agreement
- Why in GATT?
- Central body of international rights and obligations in the intellectual property (IP) field. Comprehensiveness.
- N-S issues but also N-N ones.
- Not a one-sided



Some concepts and basic principles of IP law

- **Intangible property**
- **Territoriality**
- **Independence of IPRs (see for example the Paris Convention)**
- **Balance of rights and obligations**



The TRIPS Agreement

Main features:

- Coverage; basic principles; minimum standards for each category of IPR; enforcement; dispute settlement; transitional arrangements; transition law; administrative provisions
- **Minimum level of protection, subject to certain provisions for DCs and LDcs**
- "Shall" provisions and "may" provisions



TRIPS Structure

Part I: General provisions and basic principles

Part II: Standards concerning the availability, scope and use of IPRS

- Section 1: Copyright and related rights
- Section 2: Trademarks
- Section 3: Geographical indications
- Section 4: Industrial designs
- Section 5: Patents
- Section 6: Lay-out designs (topographies) of integrated circuits
- Section 7: Protection of undisclosed information
- Section 8: Control of anti-competitive practices in contractual licenses

Part III: Enforcement of IPRs

- Section 1: General obligations
- Section 2: Civil and administrative procedures and remedies
- Section 3: Provisional measures
- Section 4: Special requirements related to border measures
- Section 5: Criminal procedures

Part IV: Acquisition and maintenance of IPRs and related *inter partes* procedures

Part V: Dispute prevention and settlement

Part VI: Transitional arrangements

Part VII: Institutional arrangements; final provisions

"Incorporation" technique

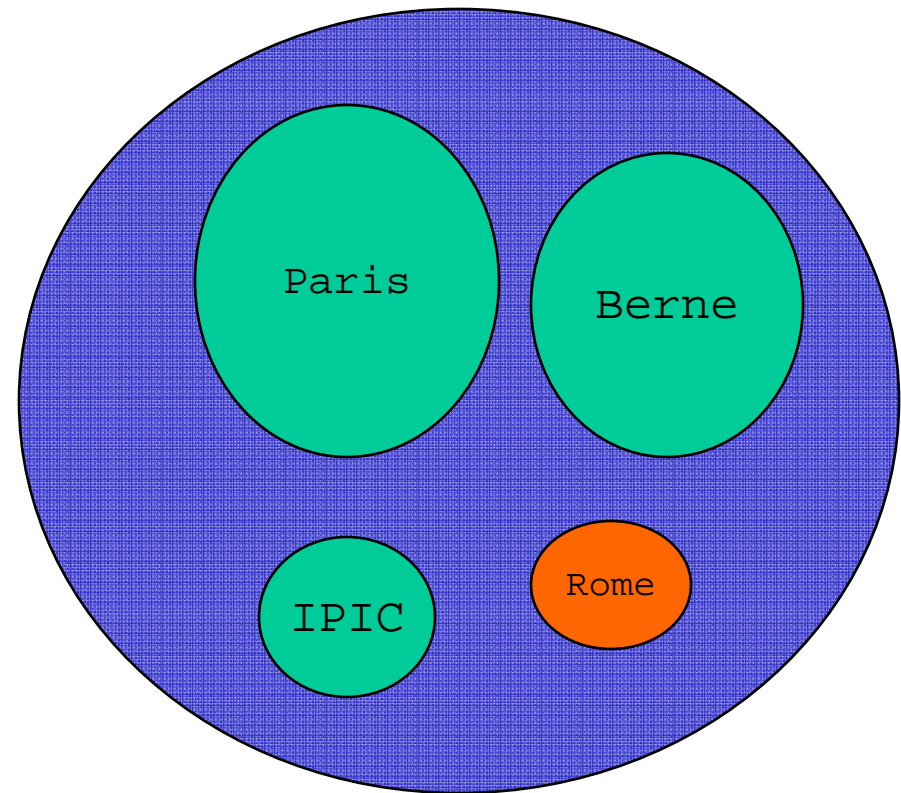
- Existing conventions
- To avoid re-opening of existing texts
- To negotiate the "plus" elements
- To have a short but comprehensive text

Conventions fully incorporated or almost fully incorporated

Plus elements

Conventions with very few elements incorporated

IPD/tlw





General provisions and basic principles (Part I)

- **Freedom** to determine the appropriate method of implementing the Agreement (Art. 1.1)
- Incorporation of existing conventions
- **National treatment** (Art. 3)
- **Most-favoured nation treatment (MFN)** (Art. 4, 5)



General provisions and basic principles

- **Exhaustion of rights (Art. 6);** see also (WT/MIN(01)/DEC/2) and session on public health
- **Objectives (Art. 7);** see also (WT/MIN(01)/DEC/2) and session on public health
- **Principles (Art. 8);** see also (WT/MIN(01)/DEC/2) and session on public health

See also the Doha Declaration on the TRIPS Agreement and Public Health



Substantive Standards (Part II)

"Structure" of a section on standards for an IPR

- Reference to the incorporated treaty, if any
- Whenever possible, definition of the subject-matter; conditions for protection
- Term for protection
- Exclusive rights; limitation and exceptions
- Other provisions



Enforcement (Part III)

See next presentation on enforcement



Acquisition and maintenance of rights (Part IV)

Registration procedures

Reasonable period of time to avoid unwarranted curtailment of the period of protection

Same general principles as enforcement in case of opposition, revocation, etc.

Final administrative decisions subject to judicial and quasi-judicial review

DCs and LDCs

- 1.1.2000: DCs (+ 5 years for pharmaceuticals and agro-chemicals) and economies in transition
- 1.1.2006: for LDCs (+ possible extensions) (Art. 66.1). **Doha: 1.1.2016 for pharmaceuticals (patents and undisclosed information)**

Acceding LDCs: WT/L/508!

["Mailbox" and EMRs (exclusive marketing rights) for product inventions of pharmaceuticals and agro-chemicals]

- Obligation for developed countries to provide incentives to their enterprises to transfer technology to LDCs (Art. 66.2)

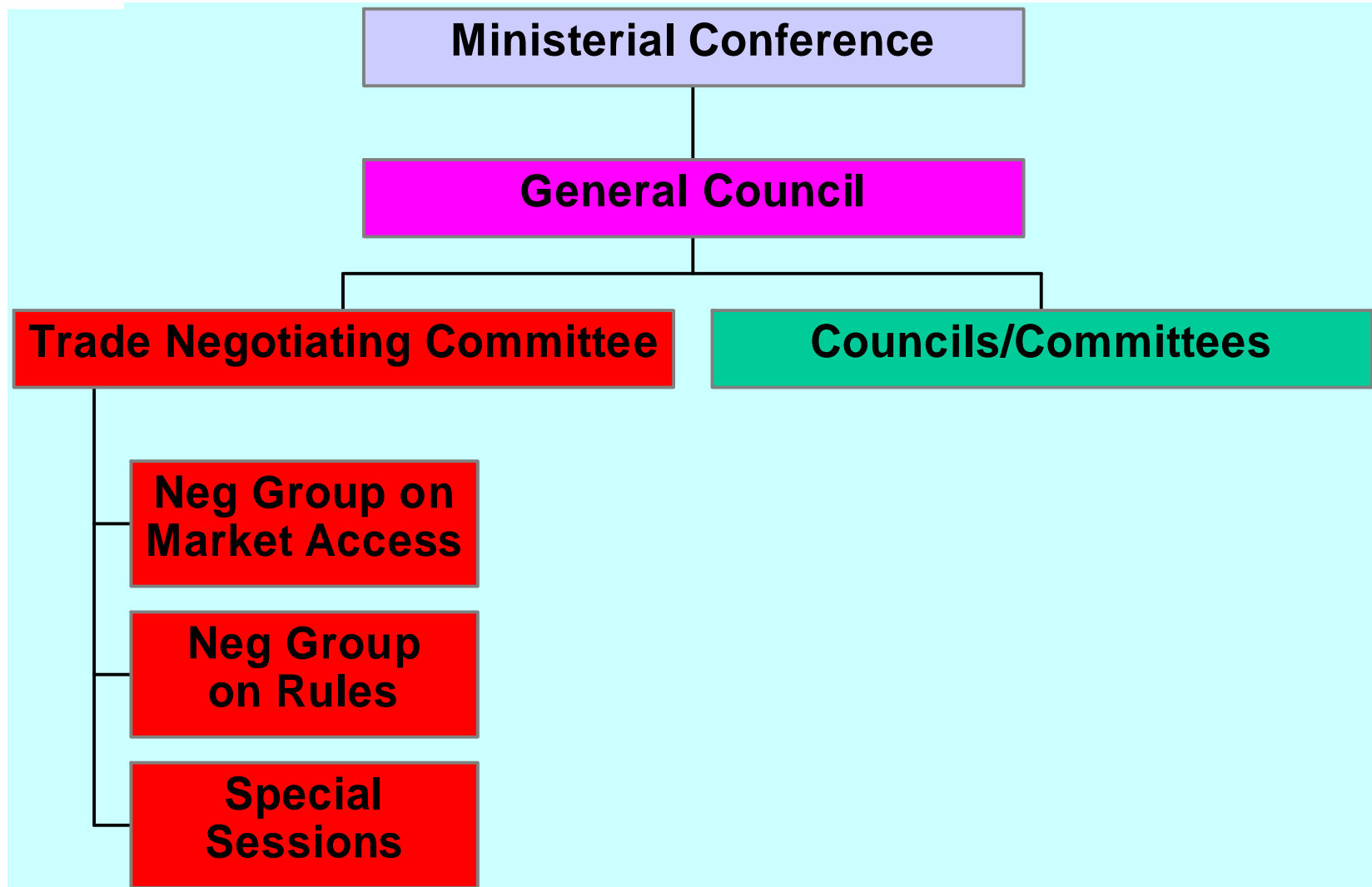


Current work & negotiations

- Doha Ministerial Declarations and Decision:
 - WT/MIN(01)/DEC/1
 - WT/MIN(01)/DEC/2 (public health)
 - WT/MIN(01)/17 (→and JOB(01)/152/Rev.1 (outstanding implementation issues))
- TRIPS Council: regular session and Special Session



WTO Structure





Subject

- **Agriculture**
- **Market Access (non-Ag)**
- **Services**
- **TRIPS (GIs for wines and spirits)**
- **Rules (AD, SCM, RTAs)**
- **DSU**
- **Trade & Environment**
- **S&D**

Negotiating Body

- **Special Sessions of CoA**
- **Special Sessions of CTS**
- **Neg. Group on MA**
- **Special Session of TRIPS Council**
- **Neg. Group on Rules**
- **Special Sessions of DSB**
- **Special Sessions of CTE**
- **Special Sessions of CTD**



TRIPS Council: regular session and Special Session

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graph TD; A[TRIPS COUNCIL] --> B[REGULAR SESSION, Review of legislation, public health, GIs extension, Biotech./TK/biodiversity, etc.]; A --> C[SPECIAL SESSION Negotiations /mult. System of notif. & reg. of GIs for wines and spirits];
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TRIPS COUNCIL

REGULAR SESSION,
Review of legislation,
public health,
GIs extension,
Biotech./TK/biodiversity, etc.

SPECIAL SESSION
Negotiations /mult. System
of notif. & reg. of GIs
for wines and spirits



TRIPS Council: regular session

- Notifications by Members. IP/N/[number IP category]/COUNTRY/... (+ on enforcement, replies to a checklist, e.g. IP/N/6/CHE/1 for enforcement by Switzerland)
- Review of national legislation (laws, regulations and practices)
- Notifications, process of questions-replies, presentations on the floor, follow-up questions-replies
 - **Merits of the process in general: transparency (dispute prevention effect); "mine" of information; right of all Members to pose questions.**
- Compilation in IP/Q/country/.. series



TRIPS Council: regular session

- **Public health**
- **GIs "extension" (until end of 2002)**
- **Biotechnology/traditional knowledge/
biodiversity**
- **Art. 66.2 (technology transfer for LDCs:
IP/C/28)**
- **E.commerce**
- **Non-violation**



TRIPS Council

Technical cooperation; cooperation with other IGOs (UNCTAD, FAO, WHO, WCO, etc.)

WIPO in particular (cooperation agreement in 1995; Joint Initiatives for DCs and LDCs)

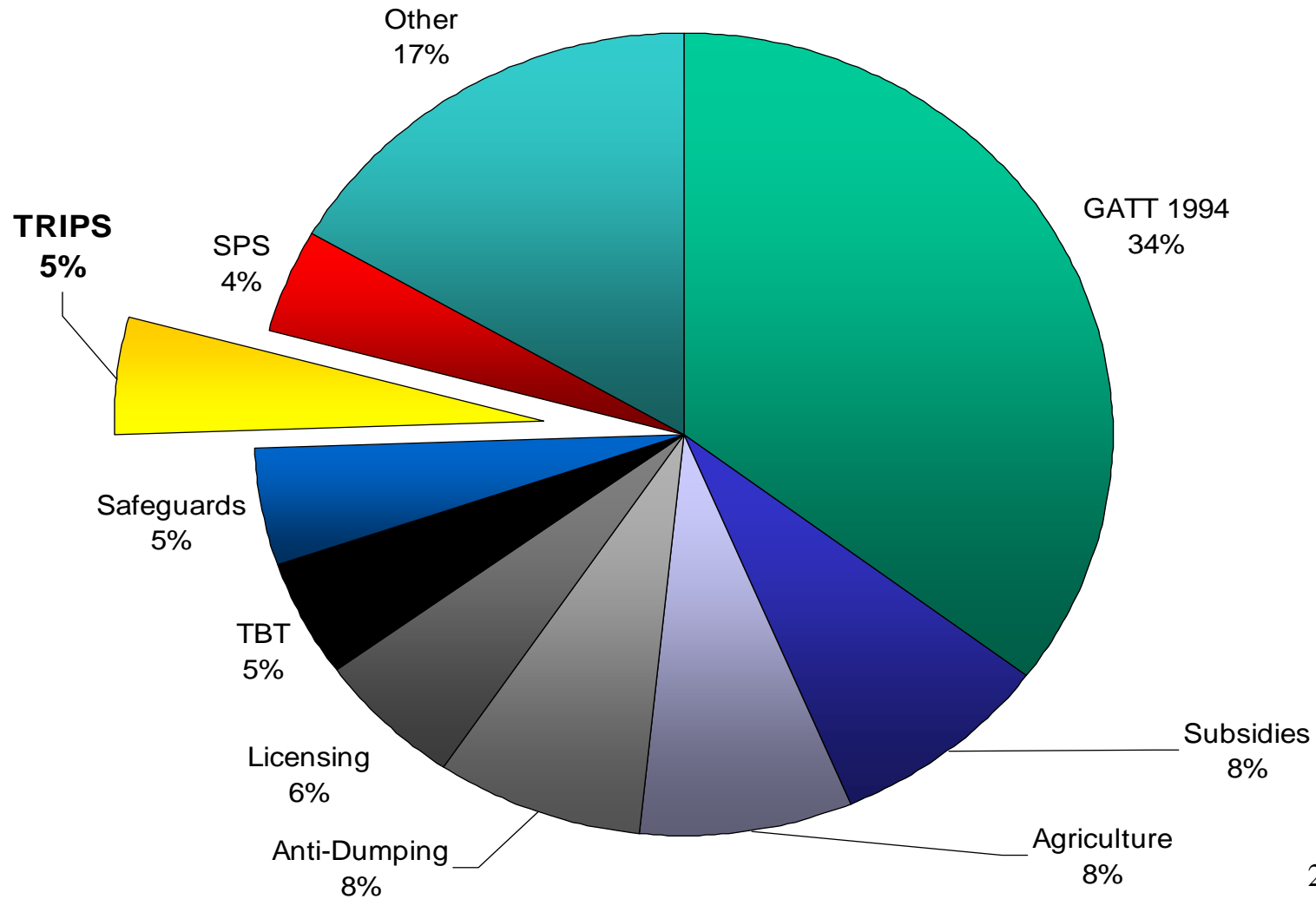


Dispute settlement

- Application of the WTO dispute settlement procedure
- Reminder: consultations between parties may often help to solve disputes
- *See separate sheet on panel process*

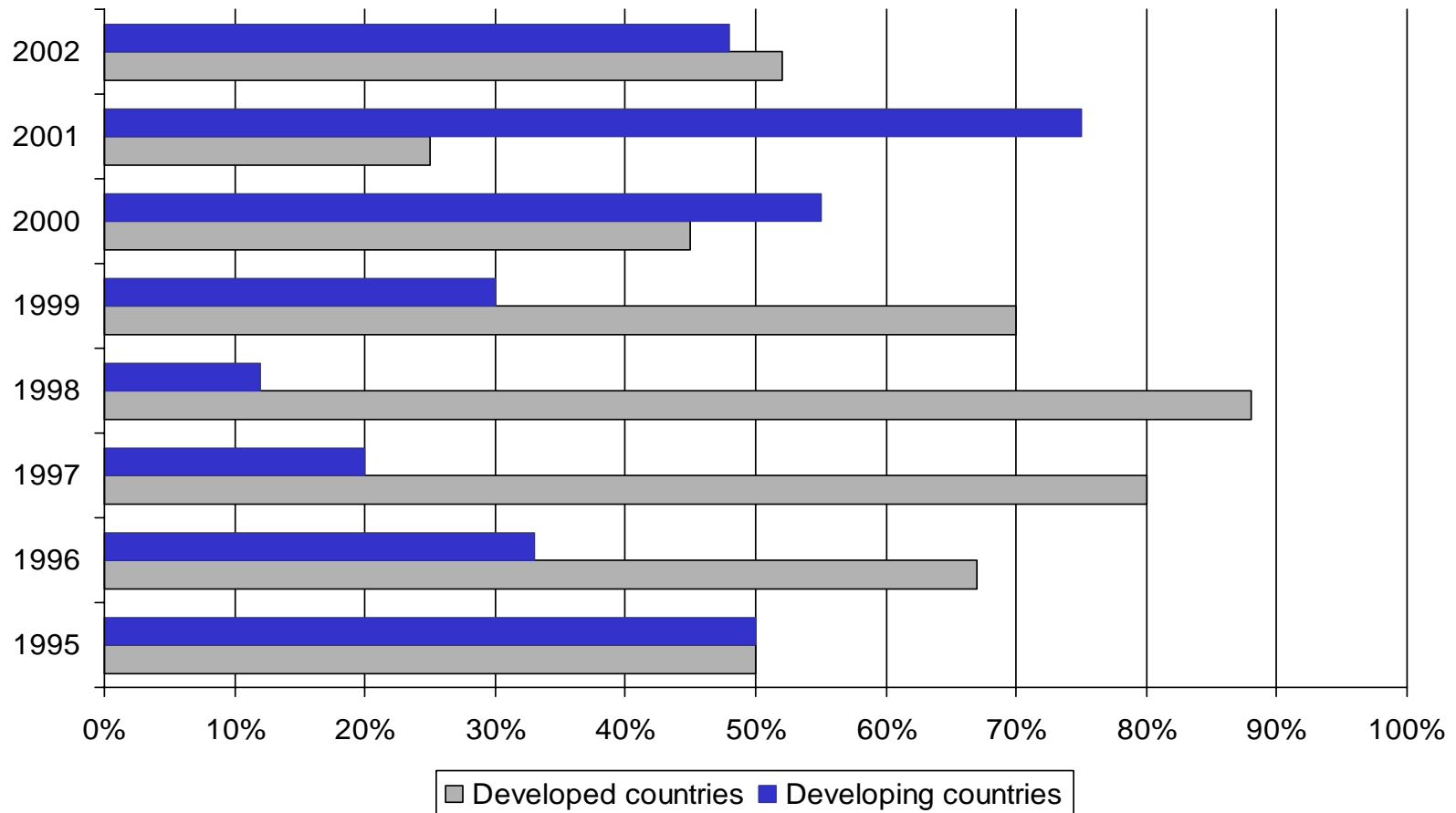


Consultations According to Agreement at Issue

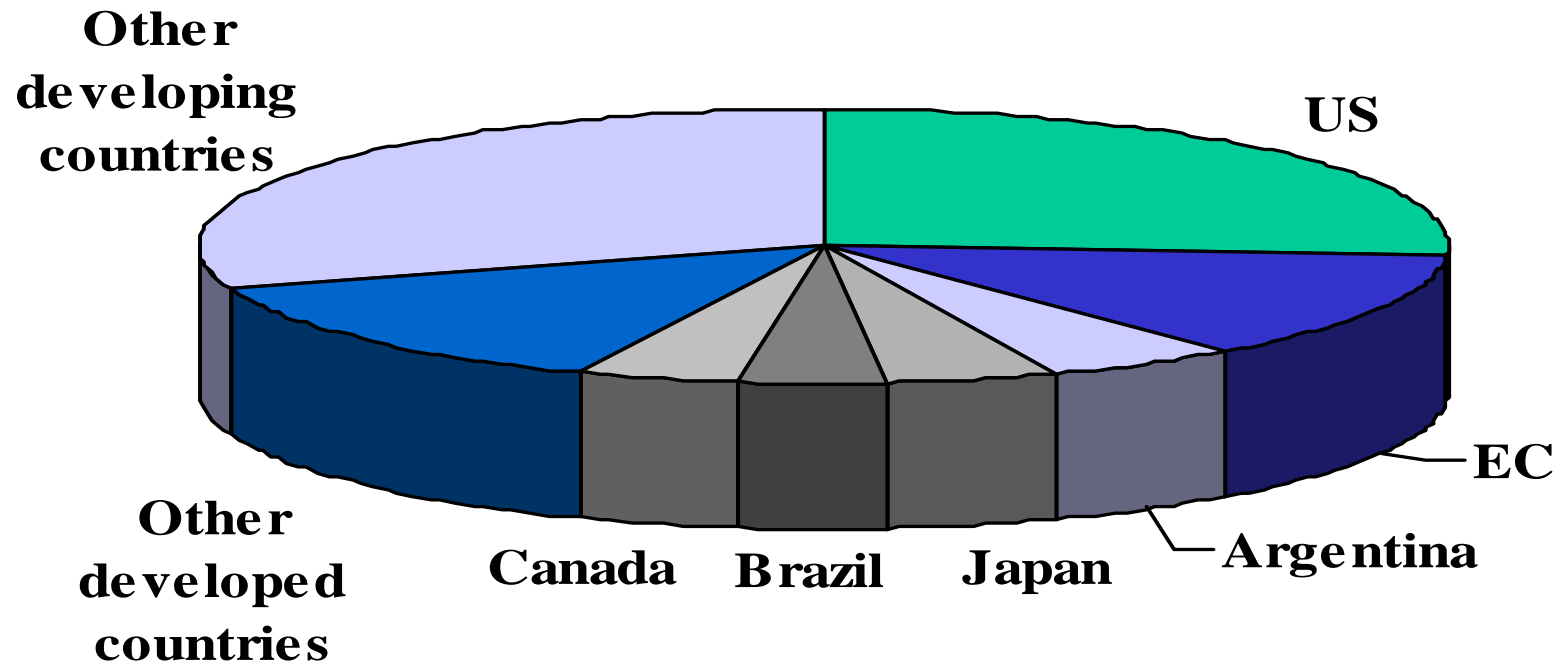




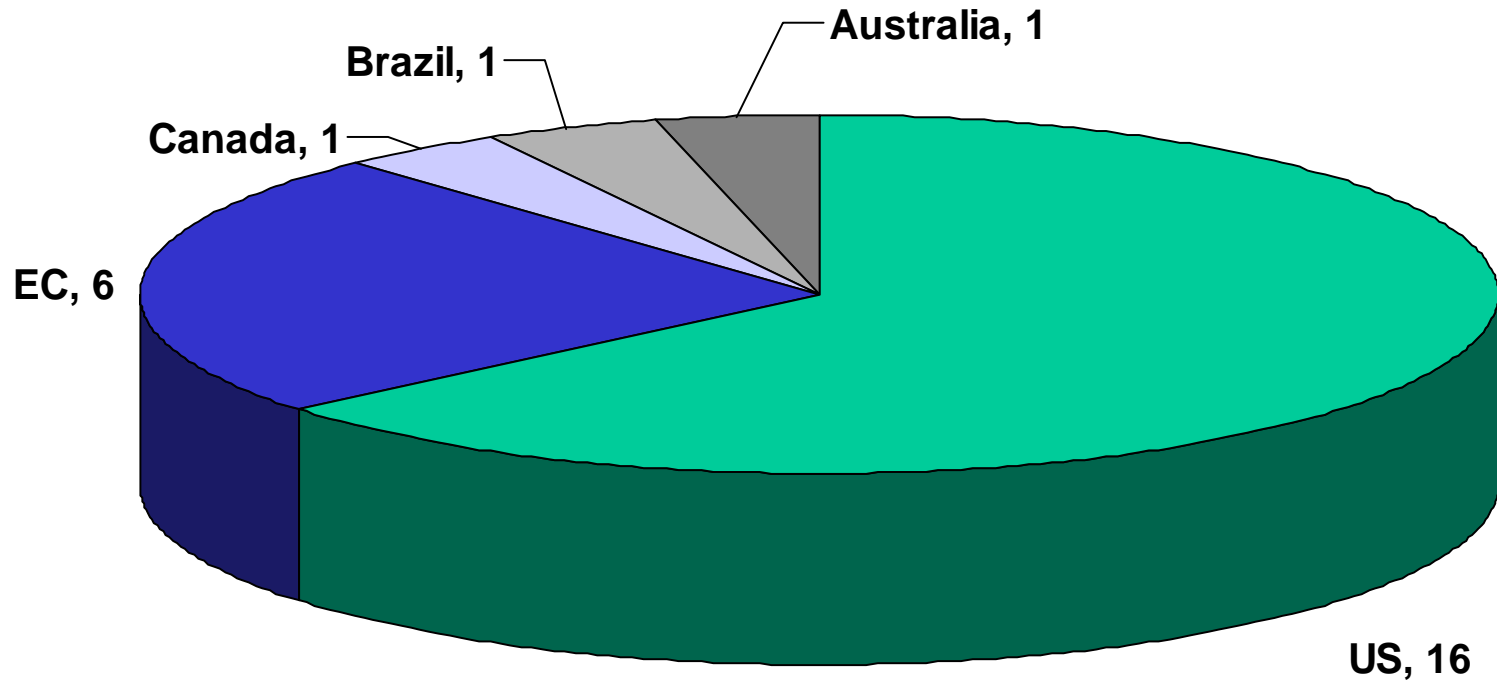
Trends in the Use of the Dispute Settlement Mechanism



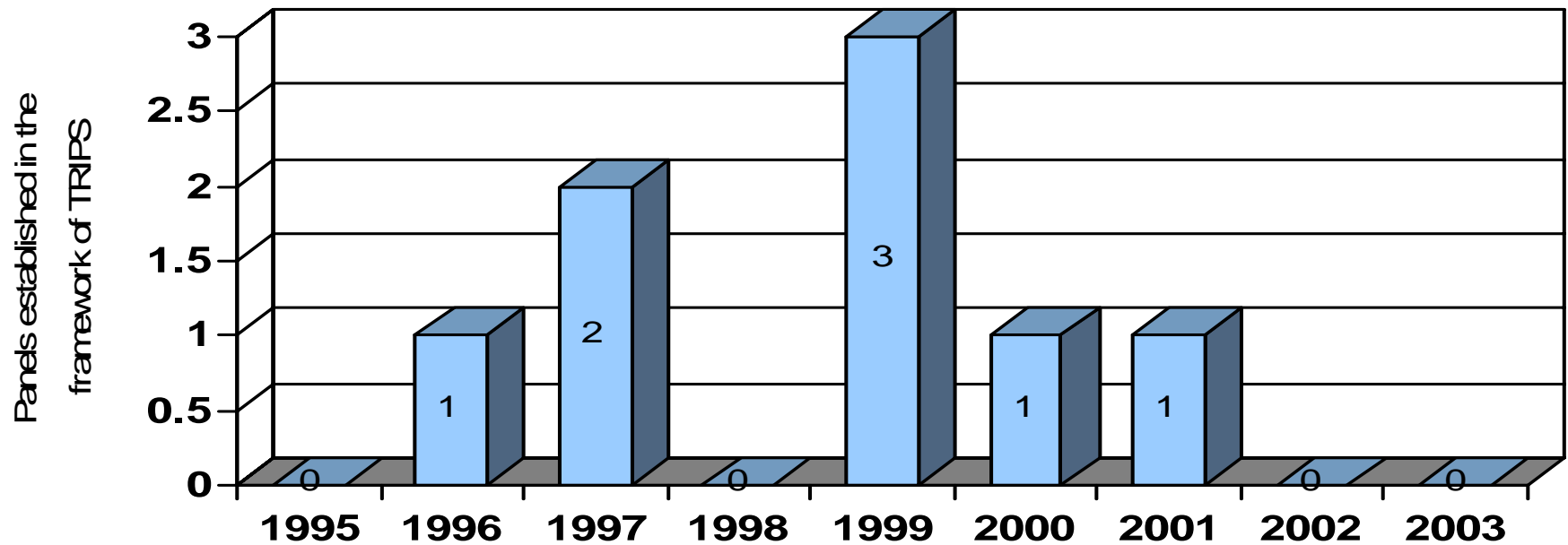
Respondents – WTO



Complainants - TRIPS



Panel Proceedings: TRIPS (2003)





Work Programme including Doha Development Agenda

- Round of trade negotiations launched at Doha Ministerial Conference, December 2001
- Members agree to seek to place needs and interests of developing countries at heart of Doha work programme
- Negotiating topics:
 - Agriculture
 - Non-agricultural market access (NAMA)
 - Services



Work Programme including Doha Development Agenda

- TRIPS
- Rules
- Dispute settlement
- Trade and environment
- Special and differential treatment
- Outstanding implementation-related issues and concerns



Doha Development Agenda's Present Situation

- Cancún Ministerial Conference, September 2003
- Consultations Chairman General Council, Oct.-Dec. 2003
 - Focus on Agriculture, NAMA, Cotton and Singapore issues



Doha Development Agenda's Present Situation

- Resumption of work of negotiating groups and other Doha bodies 2004
- Possible July package

Implementation

Example of review of legislation

- 1996: strict schedule of review for developed countries.
- 2000 for DCs and economies en transition: volunteering
- 2005 for DCs (for pharmaceuticals and agro-chemicals)
- For new Members, protocols of accession (see decision WT/L/508 for acceding LDCs)

Implementation

- For LDCs: 1.1.2006 (if no extension) for all areas, except pharmaceuticals (patents and undisclosed information): 2016)
- Flexibility. (example: TRIPS-public health)
- Flexibility in the area of enforcement
- Multilateralism (see dispute settlement)
- Technical assistance.
- Chance? Not to repeat errors made by others?



Concluding remarks

- Value added to human activities and the products and services resulting therefrom
- Most comprehensive text at the multilateral level, with substantive standards and enforcement rules and a dispute settlement mechanism
- IP: permanent attempt to strike a balance between various interests
- Flexibility and special provisions for LDCs and DCs



Consult our website
www.wto.org

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Actual Situation and Solutions in Enforcing IPR in Vietnam

*Mr. NGUYEN Duc Thinh
General Director
Directorate of Market Control, Ministry of Trade*

Arising from market economy and being affected by market rules of competition, supply–demand and market value, IPRs-violating counterfeit goods have been challenges to every economy. Especially, developing countries like Vietnam have faced a number of challenges of all kinds.

I - Actual situation

▪ General assessment:

In Vietnam IPRs enforcement is quite a new and complicated work with weaknesses and limited results. Violations in IPRs are popular, serious and on a rise.

▪ Causes:

There are limitations in:

- + Legal system about IPRs;
- + Public awareness;
- + Skills and other conditions of enforcement agencies;
- + Implementation and enforcement.

▪ Enforcement mechanism:

Relevant provisions in Vietnamese legal system are:

- + Criminal Code (1999)
- + Civil Code (1995)
- + Law on Customs (2000)
- + Ordinance on Treatment of Administrative Violations (2002)
- + Ordinance on Protection Goods' Quality (1999)
- + Ordinance on Protection Consumers' Rights (1999)

+ Decree No.101/ND-CP dated 31 December 2001 on Guidelines for the Implementation of the Law on Customs, customs procedures, investigation rules and customs investigation.

+ Decree No. 63/CP dated 24 October 1996 stipulating details of industrial properties.

+ Decree No. 12/ND-CP dated 6 March 1999 on Treatments of Administrative Violations in Industrial Properties.

+ Decree No. 76/CP dated 29 November 1996 on Guidelines for several Provisions about Copyrights in the Civil Code.

+ Decree No. 54/2000/ND-CP dated 03 October 2000 on Protection of Industrial Properties in terms of business secrets, geographical indicators, trademark and Prevention against Unfair Competition related to Industrial Properties.

+Decree No. 13/2001/ND-CP dated 20 April 2001 on Protection of New Plant Varieties.

+ Decree No. 42/2003/ND-CP on Protection of Industrial Properties of Designs of Integrated Circuits.

+ Decree No. 31/2001/ND-CP dated 26 June 2001 on Treatments of Administrative Violations in the field of Culture and Information.

+ Decree No. 01/2002/ND-CP dated 03 January 2002 on Treatments of Administrative Violations in Commercial Activities.

+ Circular No. 825/2000/TT-BKHCMNT dated 3 May 2000 of the Ministry of Science, Technology and Environment on Guidelines for the Implementation of the of the Decree No. 12/ND-CP dated 06 March 1999 on Treatments of Administrative Violations in Industrial Properties.

+ Circular No. 49/2001/TT-BKHCMNT dated 14 September 2001 of the Ministry of Science, Technology and Environment amending content of Circular No. 825/2000/TT-BKHCMNT dated 3 May 2000 by the Ministry of Science, Technology and Environment on Guidelines for the Implementation of Decree No. 12/ND-CP dated 06 March 1999 on Treatments of Administrative Violations in industrial properties.

+ Directive No. 31/1999/CT-TTg of the Prime Minister on Fighting against Production and Trading of Counterfeit Goods.

+ Circular No.10/2000/TTLT-BTM-BTC-BCA-BKHCMNT dated 27 April 2000 on Guidelines for the Implementation of the Directive No. 31/1999/CT-TTg of the Prime Minister on Fighting against Production and Trading of Counterfeit Goods.

The general assessment is that laws and regulations on IPRs are rather sufficient and in conformity with WTO's rules. However, they are unspecific, scattered and, especially, punishment contained therein is not very strong enough to deter infringements.

What should be noted is that there have recently been positive developments in Vietnam, such as the provisions on protection of designs of integrated circuits, plant varieties and measures to enforce IPRs at Customs checkpoints (Law on Customs 2000, Decree No. 101/2000, Joint Circular No. 58/2003).

▪ IPRs enforcement agencies in Vietnam are:

- + Courts
- + Economic police
- + Market Control
- + Customs
- + Scientific and Technological Inspection
- + Cultural and Information Inspection

General impression is that the number of enforcement agencies is plural but their efficiencies are low. There is a lack of coordination with passive actions leading to limited results.

Measures of treating violations are:

- + Mainly administrative punishment;
- + Bringing cases to the Courts (Criminal and Civil Courts);
- + Others.

Generally speaking, administrative measures are economical and timely with simple procedures. However, they are limited in terms deterrence and unable to deal with compensation issues. On contrary, suing measure is rarely applied, which is a distinction in enforcing IPRs in Vietnam.

Several results in struggling against counterfeit goods and IPRs violations can be raised as follows:

+ During 1998 – 2002 Market Control agencies found and handled 18.729 cases relating to production of and trading counterfeit goods, low quality goods, of which 60% are IPRs violations (mainly in terms of trademark

and industrial designs). These violations seem to be rising as in 1998 there were 2.000 cases but the figures of 2001 and 2002 were 4.006 and 6.859 respectively.

+ Economic police detected 215 cases in 1991, 294 in 1995 and 355 in 2003.

+ In 2003 cultural and information inspectors carried out 30.321 investigations, of which 7.361 cases were punished. Furthermore, 30 cases were sued; 2.129.492 discs were destroyed and fines reached VND 8.417.375.000.

+ In three years (1995 – 1997) courts handled 16 cases relating to disputes in industrial designs and 2 cases in trademark. In the first 9 months of 1998, 12 cases were handled, 5 in 1999, 7 in 2000 and 2 in 2001.

The above-mentioned results haven't revealed the actual situation IPRs infringement in Vietnam. In Vietnamese market imitated goods in terms of trademark, designs, origins, etc. are popular. Especially in the field of copyright, violations are more serious – notably the utilization of pirated software.

II - Groups of solutions

1. Organization

- An important and long-term solution is to enhance public awareness on IPRs by education disseminating information about and IPRs laws and regulations through media (newspapers, magazines, radios, televisions, IPRs publications, Gazettes, etc.). Education about IPR should be a subject at high schools and there should be a faculty that offers training on IPRs at the universities.

- The role of courts in IPRs enforcement should be improved in an orientation to settling IPRs disputes through judicial system. Thus, it is essential to train and improve judges' capabilities specializing in IPRs and establish a professional IPRs courts that focus in handling IPRs violations with both criminal and civil penalties. In the short term, it is necessary to upgrade capabilities of IPRs enforcement groups, such as Police, Market Control, Customs, sector-specific inspectors, etc.

- Active coordination and cooperation between enforcement agencies and state administrative agencies should be strengthened, with the signing of memoranda on attacking against IPRs-violating counterfeit goods among forces and agencies, including the Supreme Court, the Department for Economic Police, the Directorate for Market Control, the General Department of Customs, the Department for Intellectual Properties, the Department for

Cultural and Art Copyrights, Cultural and Information Inspection Agency, Scientific and Technological Inspection Agency.

- To build and submit to the Government a national action plan on fighting against counterfeit goods and protecting IPRs in Vietnam.
- To establish a Coordination Center on Fighting against IPRs-Violating Counterfeit Goods in Vietnam.
- To continue extending cooperative relations with international organizations and developed countries in IPRs, so that we can have technical assistance, upgrade our skills and gain experience to improve efficiencies in enforcing IPRs in our country.

2. Legislative solutions:

In principle, Vietnam has to amend its regulations in IPRs so that they conform to international standards. According to requirements of WTO and Vietnam – US Trade Agreement, in the coming time, Vietnam’s laws and regulations on IPRs should be consolidated and improved in the following direction:

- Early completion of essential procedures to join International Treaties on IPRs (the 1971 Geneva Convention on Protection of Records’ Producers against Piracy; the 1971 Berne Convention on Protection of Literacy and Artistic Works; the 1974 Brussels Convention Relating to the Distribution of Program-Carrying Signals Transmitted by Satellite, the 1991 International Convention Establishing the Union for the Protection of New Varieties of Plant; and the 1989 Washington Treaty on Intellectual Property in Respect of Integrated Circuits.
- A law on IPRs is to be constructed in Vietnam. Practices in many countries show that IPRs are often regulated in a separate law because IPR affairs always develop faster than civil ones. IPRs affairs are protected by a system that consists of various procedures and sanctions, among which civil procedures and sanctions are a component. To manage IPR affairs in a law will create conditions to complete regulations on IPRs in Vietnam.

3. Awareness of enterprises – owners of IPRs and organizations/associations

In the field of IPR, besides the responsibilities of state agencies, enterprises – holders of IPRs – should be aware that this protection should be initiated by IPRs holders and their active participation will contribute to timely and accurate detection and handling of violation. Firstly, enterprises should actively build, develop and protect their intellectual properties (registering for

protection, applying stamps against counterfeit goods, effective management of distribution networks, active cooperation with enforcement bodies, etc.).

Furthermore, organizations and associations (like the Association for Protection of Vietnamese Consumers, the Vietnam Industrial Property Association, Association of Recording Industry of Vietnam and Association for Fighting Counterfeit Goods and Protection of Vietnamese Trademarks, etc.) - non-governmental organizations - should take active roles in attacking IPRs-violating counterfeit goods.

Our message is “fighting IPRs-violating counterfeit goods in order to safeguard socio-economic fairness, progress and development.



APEC's main IPR programs:
with a focus on IPR enforcement

Dr. Juneho JANG

APEC IPEG Chair

Senior Deputy Director

Korean Intellectual Property Office

Contents

- APEC and the facilitation of trade and investment in the Asia-Pacific region
- The role of the IPEG and IP in APEC
- Three main topics in the IPEG
- Main issues on IPR enforcement in the IPEG
- Plans for future IPR cooperation

APEC facilitates trade and investment in the Asia-Pacific region (1)

- Asia-Pacific Economic Cooperation
 - Established in 1989
 - Aims to promote economic activity in the Asia-Pacific region and create a sense of community among the 21 APEC member economies

APEC facilitates trade and investment in the Asia-Pacific region (2)

- APEC has 21 members
 - Referred to as “member economies”
 - Australia; Brunei Darussalam; Canada; Chile; the People's Republic of China; Hong Kong, China; Indonesia; Japan; the Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; the Republic of the Philippines; the Russian Federation; Singapore; Chinese Taipei; Thailand; the United States of America; Viet Nam

APEC facilitates trade and investment in the Asia-Pacific region (3)

- APEC is the only intergovernmental organization that operates on the basis of the following:
 - Nonbinding commitments, open dialogue, equal respect for views of all participants
 - No treaty obligations for its participants (unlike the WTO or other multilateral trade bodies)
 - Consensual decisions and voluntary commitments

APEC facilitates trade and investment in the Asia-Pacific region (4)

- APEC's vision: the **'Bogor Goals'**
 - Free and open trade and investment in the Asia-Pacific region:
 - By 2010 for industrialized economies
 - By 2020 for developing economies
 - Adopted in 1994 at Bogor, Indonesia

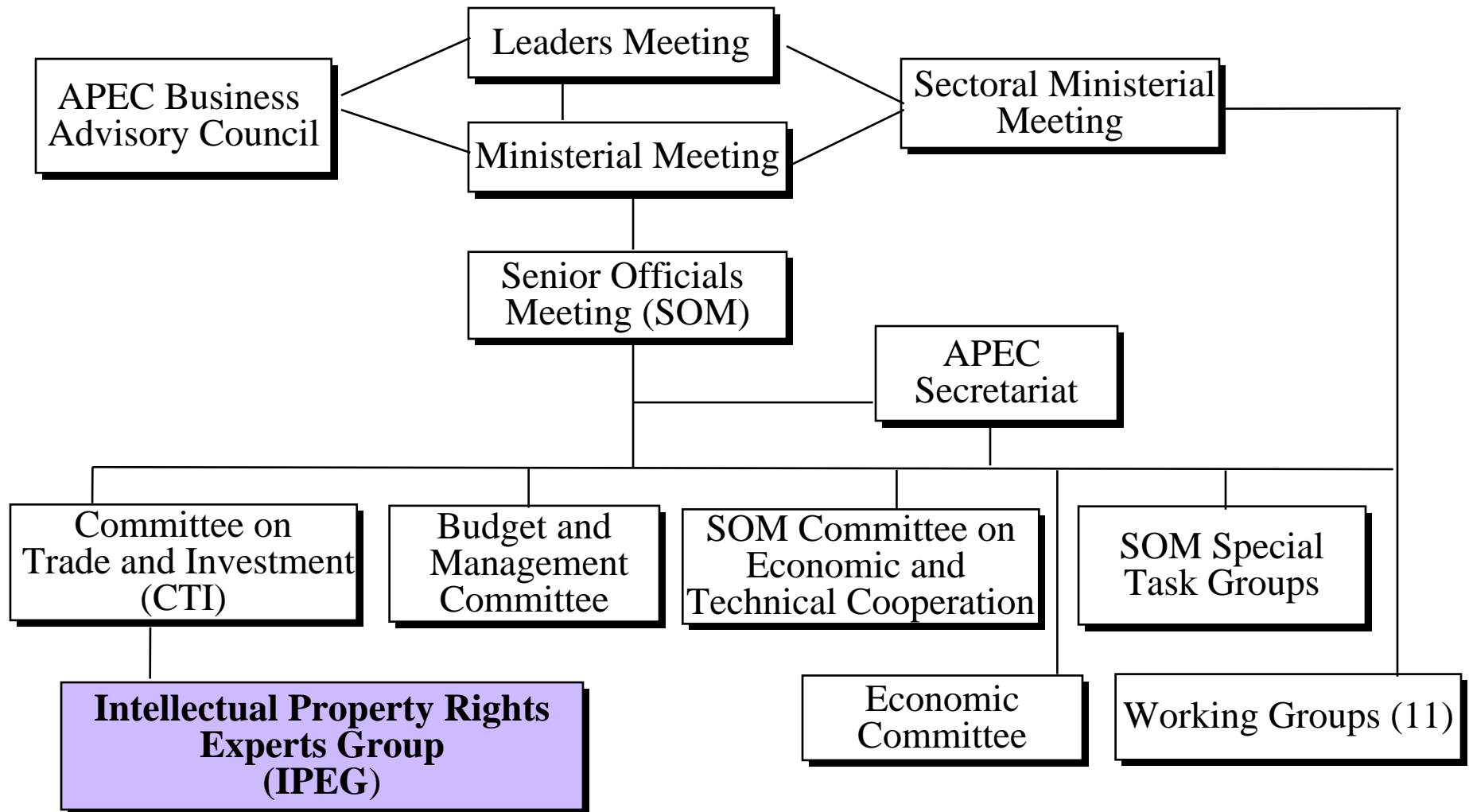
APEC facilitates trade and investment in the Asia-Pacific region (5)

- Specific plan: **Osaka Action Agenda**
 - Adopted in 1995
 - Established the three pillars of APEC activity:
 - trade and investment liberalization
 - business facilitation
 - economic and technical cooperation

APEC facilitates trade and investment in the Asia-Pacific region (6)

- Two ways to handle the APEC agenda
 - Collective action plan
 - Participation of all member economies
 - Formation of subcommittees and groups of experts
 - Individual action plan
 - Individual implementation by each member economy
 - Review of implementation by all member economies

APEC structure and the IPEG



The role of the IPEG in APEC (1)

- Importance of IPRs for trade
 - Effective IPR management is essential for a knowledge-based economy
 - IPR protection and enforcement promote foreign trade and investment, and boost economic development
- IPEG's role in APEC
 - Helps achieve APEC goals by recognizing the importance of IPRs
 - Addresses the IPR issues cited by the Osaka Action Agenda

The role of the IPEG in APEC (2)

- History of the IPEG
 - Established in 1996 as the IPR-GT(Get Together)
 - Reconstituted as a CTI subgroup and renamed as the IPEG
- Current status of the IPEG
 - Runs programs with nine collective action plans
 - Meets twice a year
 - Conducts seminars and training programs on IPR enforcement

Three Main Topics in the IPEG

- Cooperation on IPR protection and enforcement
 - A study of measures for effective IPR enforcement
 - A survey on the current status of IPR protection and administrative systems
 - The establishment of enforcement guidelines
- Cooperation on harmonizing IPR legal systems
 - Full implementation of the TRIPS Agreement
 - In-depth dialogue on the WTO Doha Development Agenda, biotechnology, geographical indications and so on
 - Standardization of application forms
- Cooperation on office automation
 - Facilitation of technical cooperation among member economies
 - Cooperation on improving the operation of IP systems

The IPEG's main IPR enforcement measures (1-a)

- **IPR Service Center**

- Background

- In June 2003, the Ministers Responsible for Trade agreed to establish the center

- Functions

- Explain laws, infringement measures and resolution methods
 - Provide information and contact points re IPR enforcement
 - Provide links to related organizations such as the police, customs and international organizations

The IPEG's main IPR enforcement measures (1-b)

- **IPR Service Centers**

- Current status

- Many member economies will administer their own centers, for example Hong Kong and Korea
 - Japan is preparing a reference manual for the centers with funds from the APEC TILF

- Plans for the future

- Member economies will establish specific functions of the centers in their own language
 - The IPEG Web site will provide a link to all the centers

The IPEG's main IPR enforcement measures (1-c)

- **Comprehensive strategy**
 - Background
 - First proposed in the SOM 1 and endorsed in the ALEM in 2003
 - Four guidelines for vigorous IPR enforcement
 - Promotion of information exchange
 - Training for IPR enforcement personnel
 - Provision of information to right holders
 - Provision of public information and enhancement of public awareness

The IPEG's main IPR enforcement measures (2)

- **Digital economy**
 - The APEC leaders signed a Digital Economy Pathfinder Agreement in 2002
 - IPEG has focused on '**Optical Disc Piracy**' and has proposed **further steps (Actions 5 to 8)** to liberalize trade in the digital economy

The IPEG's main IPR enforcement measures (2-a)

- **Combating Optical Disc Piracy**

- IPEG encouraged member economies to implement enforcement practices
- Since 2003, IPEG has surveyed the best enforcement practices
- The document titled *The enforcement best practices to combat optical disc piracy* highlights the following;
 - All respondent economies have succeeded in reducing the occurrence of optical disc piracy and most respondent economies optical disc piracy is no longer a major concern.

The IPEG's main IPR enforcement measures (2-b)

- **Next steps in the digital economy**

- IPR measures and steps

(Actions 5 to 8 of thirteen actions)

- Action 5: Fully implement and enforce the TRIPs Agreement
 - Action 6: Ratify and fully implement WIPO treaties
 - Action 7: Provide adequate mechanisms for government oversight on legal software
 - Action 8: Establish regulatory and enforcement systems that ensure that the Internet and e-commerce do not facilitate infringements or trade in counterfeit goods

The IPEG's main IPR enforcement measures (3)

- **Transparency**

- Background

- APEC leaders statement in 2002
- APEC leaders reaffirmed in 2003

- Concrete goal

- To implement APEC transparency standards through the “Transparency by 2005” strategy in the domestic laws, regulations and administrative rulings of member economies

- Steps

- To work collectively in the IPEG to help individual economies implement transparency

Plans for future IPR cooperation (1)

- Further needs and actions
 - To contribute to the CTI's five priorities
 - CTI priorities: support for the WTO, trade and investment facilitation, implementation of transparency standards, the Pathfinder initiative, APEC structural reform
 - To assess current activities and programs and adapt them to the CTI priorities
 - Clarify and simplify agenda items and avoid their duplication

Plans for future IPR cooperation (2)

- Implementation of the CTI priorities -

“Trade and investment facilitation (including IPRs)”

- Background
 - The 2002 Leaders Meeting endorsed the Trade Facilitation Action Plan
 - The IPEG was asked to undertake concrete steps to facilitate investment in the APEC region
- Concrete deliverables in 2004
 - The IPEG will implement and follow up a comprehensive IPR strategy
 - Each member economy will establish an IPR service center

Plans for future IPR cooperation (3-a)

- “IPR Policy Progress Mapping” -

- proposed in the last IPEG Meeting
- in order to publicize each member economy’s efforts to strengthen the IPR system and to receive meaningful input from the business sector
- IPEG will categorize IPR related measures of the latest IAPs into four areas

Plans for future IPR cooperation (3-b)

- “IPR Policy Progress Mapping” : 4 categories -

- Protection of IP rights
 - Building institutions/regulations/guidelines
- Expeditious granting of IP rights
 - Shortening the term, simplifying procedures, and introducing IT systems for patent/industrial design examinations
- Strengthening of dispute settlement of IP rights
 - Building institutions/regulations/guidelines, etc. for procedures on dispute settlements
- Strengthening enforcement of IP rights
 - Pursuing effective enforcement measures

Plans for future IPR cooperation (4)

- Greater collaboration with other APEC forums (to be considered)
 - Interaction with stakeholders is an APEC (SOM) priority
 - If APEC stakeholders or others in the business sector wish to discuss IPR issues, the IPEG and the CTI will consider opportunities for dialogue, such as a seminar.

Institutional, Legal and Administrative Measures for Effective IPR Enforcement



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Enforcement in Context

- Economic Impact of IPR Infringement is Massive:
 - Approximately 7% of world trade is in goods which infringe IPR
 - Market in infringing goods is worth approximately \$350 BILLION
 - Millions of jobs lost worldwide
 - Countries lose tax revenues from legitimate businesses and workers—pirates and counterfeiters don't pay taxes

Enforcement in Context

- Impact is Not Only Economic, Public Health and Safety is At Issue
 - Counterfeit consumer products are of low quality
 - Automobile brakes made of sawdust
 - Baby formula with no nutritional value
 - Vodka containing methyl alcohol
 - Increasing problem of counterfeit drugs
 - Missing active ingredients
 - Containing poison instead (Nigeria 1990: cough syrup containing antifreeze)

Enforcement in Context

- Pirates and Counterfeiters Have New Tools and New Opportunities:



- Advances in Technology Make Travel and Trade Easier and Borders Less Relevant



- Advances in Technology Make Copying Easier and Less Expensive



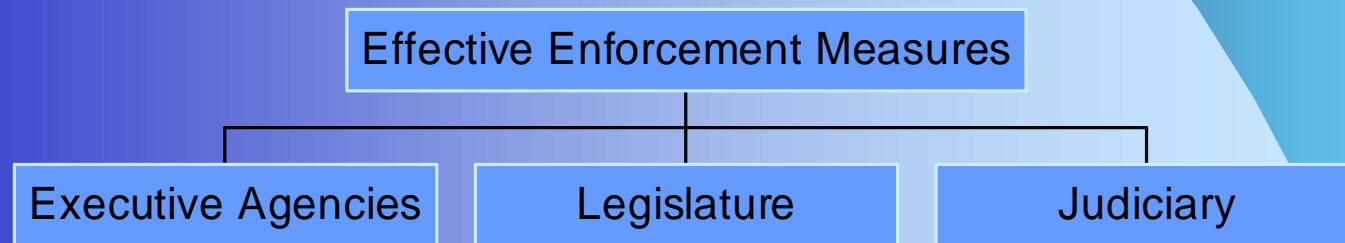
- Result: Piracy and Counterfeiting Increase

Enforcement in Context

- Enforcement Authorities Must Employ New Tools to Keep Up With Advances By Counterfeiters and Pirates
 - Legal
 - Strong laws and regulations
 - Vigorous, sustained, well-publicized and countrywide investigation and prosecution
 - Technological
 - Educational

Creating an Effective IPR Enforcement Regime

Institutionalizing IPR Enforcement



Executive Agencies

- Police/Market Control Offices
 - Investigate Complaints from Private Sector/Rightholders
 - Document Facts
 - Collect Documentary and Other Proof
 - Work with Rightholders
 - Track Infringement to Its Source
 - Exercise *Ex Officio* Authority
 - Inspect known centers of infringement
 - Monitor known infringers and sources
 - Keep apprised of infringers' tactics, methods and preferred products
 - Inform rightholders as appropriate—maintain contacts
 - Collect Evidence

Executive Agencies

- Police/Market Control Offices
 - Work with Prosecutors
 - Collect and Publish Information
 - Statistical Analyses
 - Infringers' tactics
 - Cases initiated
 - Cases prosecuted
 - Verdicts/Penalties
 - Educate public
 - Self Evaluation/Improvement
 - Analyze successes and failures
 - Identify “best practices”
 - Consider specialized IP units

Executive Agencies

- Customs/Border Control Authorities
 - Develop/Maintain Recordation System
 - Copyrights
 - Trademarks
 - Other IP rights
 - Investigate Complaints from Private Sector/Rightholders
 - Track importers' activities
 - Track other shipments of same products
 - Track other shipments from same ports
 - Track Infringement to Its Source
 - Exercise *Ex Officio* Authority



Executive Agencies

- Customs/Border Control Authorities
 - Train Officials
 - Techniques for identifying infringing products
 - Methods and strategies of infringers
 - IP protection generally
 - Coordination with Other Executive Agencies
 - Self Evaluation/Improvement
 - Analyze successes and failures
 - Identify “best practices”
 - Consider specialized IP unit/investigators

Executive Agencies

- Customs/Border Control Authorities
 - Work with Prosecutors/Private Sector in Case Development
 - Collect and Publish Information
 - Seizure statistics
 - By product
 - By country of export
 - Infringers' tactics
 - Cases initiated
 - Penalties
 - Work with Authorities in Other Countries

Executive Agencies

- Prosecutors
 - Work with Private Sector in Case Development
 - Pursue Sources of Infringing Products
 - Seek Deterrent-Level Penalties
 - Collect and Publish Information
 - Cases brought
 - IP Rights Involved
 - Type and Value of Product(s)
 - Verdicts
 - Penalties

Executive Agencies

- Prosecutors
 - Train Prosecutors
 - Develop/Maintain Relationships With Prosecutors in Other Countries
 - Self Evaluation/Improvement
 - Analyze successes and failures
 - Identify “best practices”
 - Consider specialized IP unit/investigators

Executive Agencies

- Executive Agency Coordination
 - Maintain Central Source for Information
 - Maintain Structure for Private Sector Relationship
 - U.S. Model—NIPLECC
 - Information sharing
 - Coordinate efforts among agencies
 - Develop/pursue new initiatives

Legislature

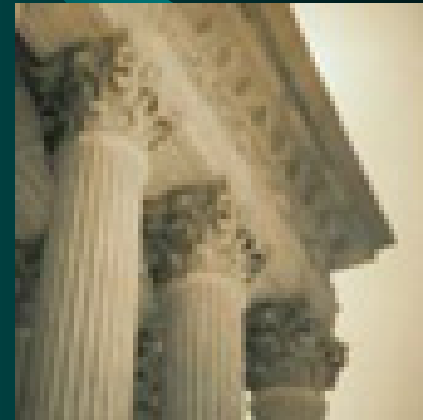
- Consider New Laws and Amendments to Current Laws
 - Comply with international agreements and obligations
 - Address technological changes
 - Maintain balance
 - Enable fair use
 - Ensure continued research and development

Legislature

- Work with Private Sector and Civil Society
 - Understand problems and issues
 - Ensure actions not detrimental
- Work with Executive Agencies
 - Identify and provide necessary legal tools
 - Understand current landscape
 - Understand and comply with international agreements and obligations

Judiciary

- Provide Means for Discovery/Evidence Exchange
 - Re: access to/copying of legitimate product
 - Re: profits earned and revenues generated
 - Re: scope of infringement
 - Re: intent/knowledge
 - sanctions for noncompliance with orders
- Ensure Level Playing Field
- Where Infringement Proved, Impose Deterrent-Level Penalties



Judiciary

- Self Education/Self Improvement
- Consider Specialized IP Courts

Identifying Pirated and Counterfeit Products

- Only Constant in Pirating and Counterfeiting is Change
- Must Constantly Reeducate Enforcement Authorities
 - Types of counterfeit and pirated products and services
 - Types of intellectual property infringed
 - Identifying characteristics of counterfeit and pirated products
 - Constant communication with rightholders/private sector

Identifying Pirated and Counterfeit Products

- Primary Telltale Signs of Counterfeit AND Pirated Goods
 - Price
 - Price
 - Price; and
 - Price
 - If it seems too good to be true, it probably is

Identifying Pirated and Counterfeit Products

- Other Important Telltale Characteristics of Counterfeit and Pirated Goods
 - shape of packaging
 - color of packaging
 - wording on packaging
 - misspelled words
 - similar but not identical trademark use
 - blurred lettering
 - absence of trademarks
 - absence of manufacturer/contact information
 - absence of warranties or advertising claims
 - missing recycling symbol

Identifying Pirated and Counterfeit Products

- Other Important Telltale Characteristics of Counterfeit (Trademark) Goods
 - Product color
 - Product consistency
 - Product taste
 - Product ingredients
 - Product smell

Identifying Pirated and Counterfeit Products

- Other Important Telltale Characteristics of Pirated (Copyright) Goods—CDs/DVDs
 - Single page or cheaply made CD insert cards
 - Poor artwork
 - Poor sound or video quality
 - Not packaged in jewel case or high quality box
 - Compilation recording of several artists or compilation of multiple software/videogame programs

Identifying Pirated and Counterfeit Products

- Other Important Telltale Characteristics of Pirated (Copyright) Goods
 - No SID code
 - SID code destroyed or mutilated
 - No license or trademark information
 - DVD contains “All Region” code
 - Film currently in first run
 - Material contained not on CD or DVD, but on CD-R or DVD-R (recordable)
 - Often gold on one side with greenish tint on non-graphic, read only side
 - Rainbow effect when held up to light

Identifying Pirated and Counterfeit Products—Some Examples

Cigar Labels--Top Is Authentic



Bottom Does Not Contain Same Level of Detail and is Counterfeit

Identifying Pirated and Counterfeit Products—Some Examples

Cigar Labels--Top Is Clean and Authentic



Bottom is Adulterated and Counterfeit

Identifying Pirated and Counterfeit Products—Some Examples

Authentic Nokia Batteries:



Identifying Pirated and Counterfeit Products—Some Examples

Counterfeit Nokia Battery:



MAdlin:

Identifying Pirated and Counterfeit Products—Some Examples

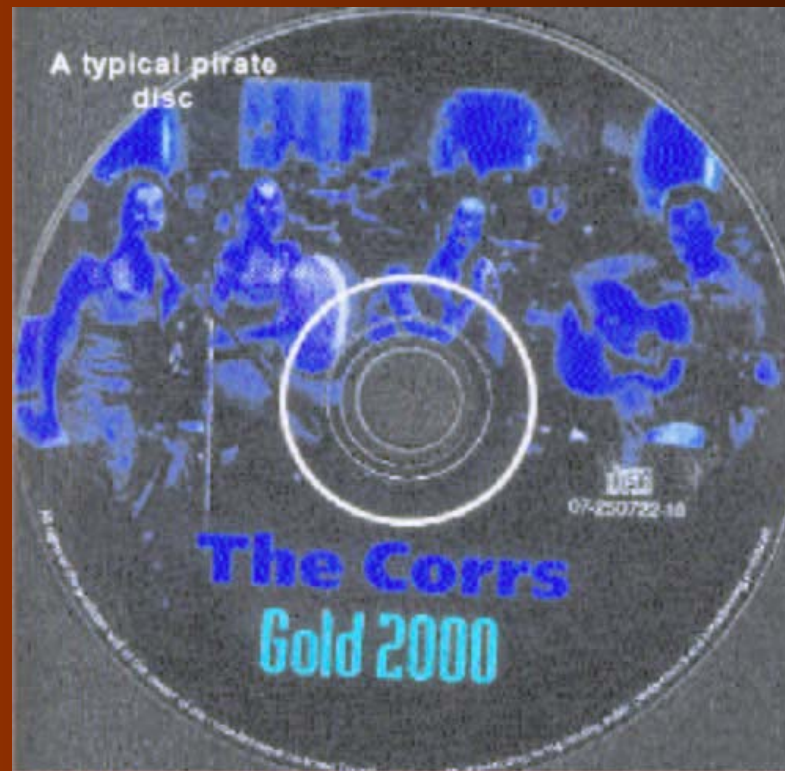
CD With Illegible or Obliterated Coding



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Identifying Pirated and Counterfeit Products—Some Examples

CD With No Record Label, Logo, Trademark or Title; No SID Code:



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Identifying Pirated and Counterfeit Products—Some Examples

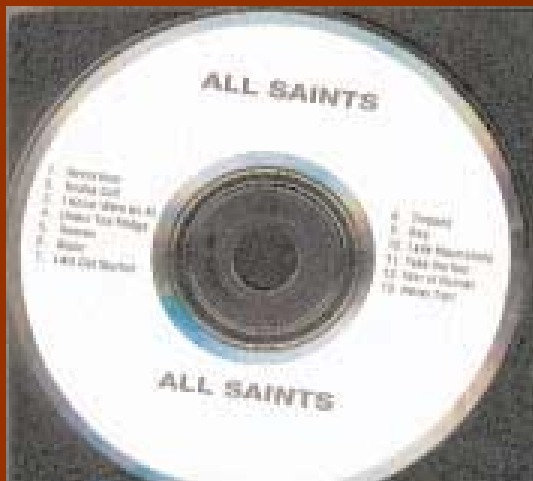
CD With Artist Name Misspelled:



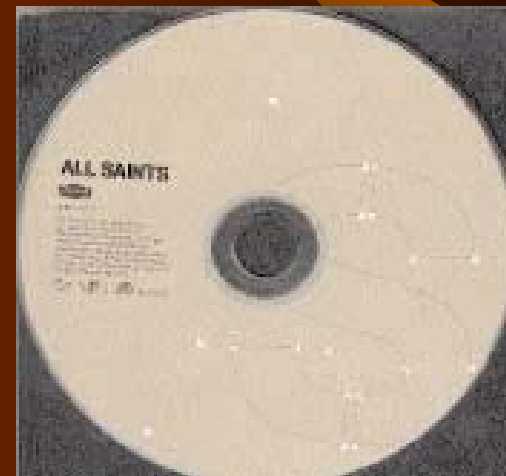
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Identifying Pirated and Counterfeit Products—Some Examples

Pirated on Left, Authentic on Right:



No artwork; no record company listed; no marks or logos



Artwork; record company identified; marks visible

MAdlin:

Identifying Pirated and Counterfeit Products—Some Examples

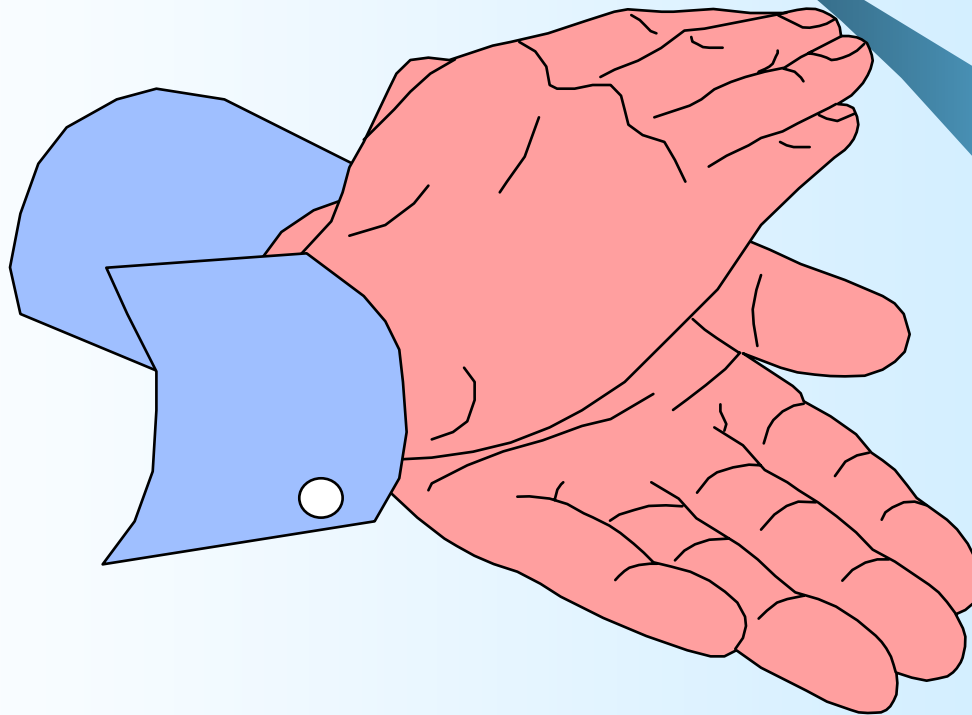
Authentic on Left, Pirated on Right:



Color of Actual CDs is Different

Q & A

**THANK YOU FOR YOUR
PARTICIPATION IN THIS
PROGRAM!!!**



INTRODUCTION

1. Intellectual Property rights require an effective enforcement system. There is an extremely obvious point to make at the very start. Every paper or presentation on Enforcement begins at this point. And if it doesn't it should. It is important. Even if it is obvious it is worth restating. Intellectual property rights depend upon an effective enforcement system. There is very little point in having a legislative system to create define and elaborate Intellectual Property Rights if there is no system by which the rights holder can enforce them. Even the most sophisticated suite of laws establishing the most modern legal norms and supported by effective and efficient granting and administrative systems are of no value If the rights holder is unable to use those rights to protect their legitimate interests.

2. Private rights and public value. Intellectual Property is an extremely valuable legal construct. The value of the entire intellectual property system is in fact greater than the sum of its parts. People often think first of IPR as a collection of private personal property rights focussed upon competitive advantage in commercial exploitation but there is also a highly significant element of "public good".

3. An example of potential public benefits. One need only think of the extraordinary global resource provided by publicly accessible patent documentation. It is the greatest storehouse of technical information available to human kind. The indexation of most of the world's patent documents according to the International Patent Classification system permits researchers access to an unrivaled compendium of scientific and technical information. Patent documentation is also an immensely valuable source of different kinds of commercial information which can facilitate a range of business requirements and create awareness of new opportunities. It can assist in vital humanitarian aid projects in least developed economies by making it possible to identify and reuse past inventions where patent protection has expired but the technology is affordable and appropriate to solve a desperate need. For example the need for simple and cheap water purification in a remote community.

But inventors and innovators and companies will not seek patents, will not publish their inventions, will not make that information available within the system if the

patent system gives them no incentive, They want to be able to use patents to prevent infringement of their private rights, remove or prevent infringing or counterfeit goods from entering or remaining on the market, recover compensation for losses caused to their businesses by an infringing activity, or seek restitution of unfair gains made by free riding infringers.

4. TRIPS recognition of importance of enforcement. The TRIPS Agreement recognises both the public benefit aspect of intellectual property and the need for effective remedial systems which allow enforcement of the individual private rights. The recognition of the potential value of intellectual property systems is found in the statement of general goals and formal objectives in Part I. of the Agreement. The importance of enforcement is found in the specific provisions of Part III. It is most unusual for an international treaty in any field to address the issue of enforcement, but the matter is specifically and powerfully addressed in the TRIPS Agreement.

5. General goals and objectives of TRIPS. The general goals of TRIPS are set out in the Preamble and formal objectives are found in Art. 7.

- The general goals include :
 - i. reduction of distortions and impediments to international Trade
 - ii. promotion of effective protection for intellectual property rights
 - iii. ensuring that measures to protect IPR do not become barriers to legitimate trade
- The objectives are that protection and enforcement of IPR should contribute to:
 - i. promotion of technological innovation
 - ii. dissemination of technology
 - iii. the mutual advantage of producers and user of technological knowledge in a manner conducive to social and economic welfare
 - iv. a balance of rights and obligations.

6. Enforcement Provisions Summary. Part III (Arts. 41-61) is concerned with enforcement mechanisms for IPR and includes provisions which set out

- general principles (Art. 41)
- civil and administrative procedures for disputes in the acquisition and enforcement of rights (Arts. 42, 43, 47, 48, 49.)
- civil remedies for general infringement (Arts. 44, 45, 46.)
- provisional measures to deal with possible IPR infringements prior to full trial where they are needed to
- prevent infringement occurring and
- to prevent infringing goods reaching the market. (Art. 50)

- border and customs provisions relating to counterfeit and pirated goods involving Copyright and Trademark infringements (Arts. 50-60)
- criminal procedures in Copyright and Trademark infringement involving counterfeit and pirated goods (Art. 61)

It is unusual for a treaty to require certain kinds of court procedure or remedy. But legal enforcement is crucial to a system of intangible property rights.

ENFORCEMENT PROVISIONS OF TRIPS - Part III

7. General Principles. The general principles can be found in Article 41.

- TRIPS requires that expeditious remedies be available to prevent and deter infringement and that laws or regulations on remedies must not be allowed to become disguised restrictions on the rights themselves or be used in ways which restrict trade. (Art. 41(1))
- Enforcement procedures must be easily available, be fair and reasonable and capable of providing timely relief. (Art. 41(2))
- There is a general requirement that reasoned decisions on the merits of disputes should be available (preferably in writing) to the parties and decided upon evidence with parties able to be heard. (Art 41(3)).
- It is also contemplated that there should be an opportunity of judicial review of administrative decisions and perhaps of initial judicial decisions, but review of acquittals in criminal cases is not required. (Art 41(4))
- The provisions are not an obligation to create a special judicial system of enforcement of IPR distinct from general law enforcement, nor to affect enforcement of a members law in general nor the distribution of resources in judicial enforcement of law. (Art 41(5)).

8. Minimum requirement on litigation procedure There are general minimum requirements of due process found set out in Article 42. .

- Civil judicial procedure must be available for all infringing activity.
- Defendants must have timely written notice setting out sufficient detail of the plaintiff's claims,
- parties are entitled to legal representation,
- parties are entitled to be able to attempt to prove their claims and present evidence,
- personal attendance at court must not be made an unfair burden and
- confidential information must be protected. (Art 42)

9. Orders to produce evidence and withholding evidence. Article 43 deals with aspects of production of evidence.

- Where a party has given evidence supporting a claim but identifies relevant evidence in the possession of the other party the court must have

power to order the second party to produce the evidence subject to conditions to protect confidential information, (Art 43(1).)

- If a party voluntarily and without justification refuses to produce evidence, or impedes procedure, a member country may provide judicial authorities the power to make a decision on the evidence available to them, subject to the parties right to be heard, (Art 43(2)).

10. Types of Remedies. The types of remedies are to include

- injunctions, (Art. 44), especially as to denial of import of infringing goods where the infringement is known to the importer;
- damages which can include compensation for injury, costs and expenses, and recovery of profit (Art. 45) and
- other remedies to deprive infringers without compensation of materials and implements whose major use is in the creation of infringing goods. (Art. 46).
- orders that infringers disclose dealers in infringing goods and services (Art. 47)
- compensation for those subject to abuse of enforcement procedures (Art. 48)

11. Provisional measures. Article 50 deals with the important area of provisional measures requiring prompt judicial orders

- (i) to prevent infringements, (especially to prevent allegedly infringing goods, including imports, entering the market) (Art. 50(1)(a)) and
- (ii) the preservation of evidence about alleged infringement. (Art. 50 (1)(b)).
 - There can be judicial grant of orders without prior hearing of the other party especially where delay is likely to cause irreparable harm, or a clear risk of evidence being destroyed, (Art. 50(2))
 - plaintiffs may be required to provide evidence of likely infringement, (Art. 50(3))
 - plaintiffs may be required to provide information necessary to identify the particular goods (Art. 50(5)).

12. Safeguards against abuse of provisional measures. There are safeguards against abuse.

- Applicants for provisional orders may be required to provide security for the defendant. (Art. 50 (3))
- Notice of ex parte orders must be given without delay, and a review of the orders made available, including a right of the defendant to be heard. (Art. 50(4))

- Defendants can request provisional orders be revoked if the applicant fails to begin judicial proceedings within a reasonable time, or failing judicial determination, 20 working days or 31 days whichever is longer.
- Where the orders lapse for want of plaintiffs prosecution, or where it is found there is no infringement, the defendant is entitled to compensation for losses caused. (Art. 50(7))
- The same principles must apply to administrative procedures which allow provisional orders. (Art. 50(8)).

13. Customs procedures and Border measures. Enforcement based solely upon civil suits by interested parties can be time consuming, expensive and insufficient. TRIPS allows forms of criminal penalty and customs control. Part III Section 4, Articles 51-60 deal with customs procedure. Such schemes for initial enforcement of rights can be cheaper and reduce the demands upon civil courts.

- IPR rights holders may apply to a “competent authority” for customs action by providing evidence of infringement and description of the goods to make them identifiable by customs. (Art. 51)
- Customs authorities will detain the goods on direction from the competent authority (Art. 52)

The applicant must then initiate proceedings for a decision on the merits.

14. Safeguards against abuse of provisional Customs measures. Customs arrangements are basically provisional measures and the system includes safeguards:

- the requirement of securities from the applicant (Art. 53),
- proper notice to parties of detention (Art 54),
- release on failure to initiate proceedings, (Art. 55)
- release upon proper security offered by the defendant for designs, patent, layout design or trade secret infringements. (Art. 53(2))
- Applicant must pay compensation for damage caused by wrongful detention, or goods released through failure to initiate proceedings on time. (Art. 56)
- Competent authority to have power to order destruction or disposal of infringing goods outside the market so as to avoid harm to rights holder.
- Customs remedies are in addition to other civil remedies, and the defendant is entitled to seek judicial review. (Art. 59)

15. Criminal Sanctions. TRIPS provides for criminal sanctions for at least deliberate trade mark counterfeiting and copyright piracy at a commercial scale. Criminal enforcement of other IPR is left to Members. Sanctions must include imprisonment and/or fines at a level to provide deterrence. In appropriate cases

possible sanctions should include seizure, forfeiture and destruction of infringing goods and of the materials and things used to produce them.

THE WIPO FRAMEWORK CONCERNING ENFORCEMENT

16. Some electronic resources about WIPO and enforcement of IPR. It might be worth mentioning from the outset that WIPO has an Enforcement and Special Projects Division. The Division has now created a website about WIPO and enforcement at <http://www.wipo.int/enforcement/en/index/html> or you can log on to the familiar WIPO front page, and click on the lower right hand quadrant of the globe image at Activities and Services, and on the drop down menu you find the link at the seventh entry on the list. The website has a list of Frequently Asked Questions (FAQs) It is also worth noting that there is an Advisory Committee on Enforcement known as ACE. The second session of ACE will be held between 28 - 30 June 2004 and will address the role of the judiciary in IPR enforcement. The website contains links to the Advisory Committee setting out its mandate, and providing links to (i) the Sessions, (ii) The Preceding Committees and Meetings and (iii) to Documents. There is a link to a News page. You can also find links to the IPEIS Electronic Forum. IPEIS stands for Intellectual Property Enforcement Issues and Strategies. Access to the Forum is currently only available to registered personnel at official level belonging to WIPO or the Unions, or with UN observer status and certain intergovernmental and NGO accredited with observer status. Lastly there is a link to a page describing WIPO cooperation with other organisations in issues related to enforcement.

17. The WIPO framework. The WIPO framework of approaches to IPR enforcement includes

- Provisions requiring enforcement measures in WIPO treaties
- The development of the WIPO Arbitration and Mediation Centre to provide alternative dispute settlement procedures which can avoid the expenses and complexities of civil litigation or criminal prosecution systems.
- The creation of a specific ADR system called the Uniform Domain Name Dispute Resolution Policy (UDRP).
- Investigating and organising an approach to address the limitations and restrictions imposed by the territorial nature of Intellectual Property Rights.
- A wide ranging list of activities in cooperation with Governments, government departments and agencies, NGO's, industry bodies and private entities with particular responsibilities or interests in IPR enforcement.

18. The WIPO overarching obligation concerning enforcement. WIPO treaties do not contain a detailed setting out of standards and requirements about enforcement in the way that the TRIPS Agreement does. However the issue of enforcement is fundamental to the WIPO framework of treaties and processes. This is implicit, but at the heart of Article 3 of the *Convention Establishing the World Intellectual Property Organisation* which requires the promotion of the protection of intellectual; property throughout the world. Promotion of the protection of intellectual property rights involves many elements: legislative schemes recognising the various intellectual property subject matters, registration systems, creation of granting offices and so on but those elements also include the establishment of effective enforcement of the rights recognised by the law and granted or subsisting under the law. Furthermore that general overarching obligation is embedded in the great WIPO Treaties. Under Art 25 of the *Paris Convention*, Art 36 of the *Berne Convention*, Art 26 Of the *Rome Convention*, Art 14 of the *WIPO Copyright Treaty (WCT)* and Art 23 of the *WIPO Performances and Phonograms Treaty (WPPT)* Contracting Parties must adopt measures which are necessary to ensure the effectiveness of the treaties in their territories.

19. Some specific enforcement provisions in WIPO Treaties. The Paris, Berne, WCT and WPPT Treaties also contain some specific enforcement provisions.

Paris Convention

- Articles 9 and 10 of the Paris Convention are concerned with measures to be taken in the case of importation of goods where there is unlawful use of trade marks, trade names or false indications of the source of goods or the identity of the producer, manufacturer or merchant.

Article 9(1) begins “ All goods unlawfully bearing a trade or trade name shall be seized on importation into those countries of the Union where such mark or trade name is entitled to legal protection”. Then other paragraphs of Art 9 deal with specific detail and variations of enforcement, providing for : seizure in the country in which the unlawful fixation took place; seizure to take place at the request of a public prosecutor, competent authority, or any other interested party under the law; no seizure of goods in transit; and finally that where seizure on importation is against domestic legislation there should be prohibition of importation or seizure inside the country or other actions and remedies.

- Article 10^{bis} requires countries of the Union to “assure ...effective protection against unfair competition.

- Article 10^{ter} requires members of the Paris Union to provide “appropriate legal remedies to effectively repress” acts prohibited by the standards required in Articles 9,10. and 10bis.

Berne Convention

- Article 13(3) of the Berne Convention provides that in certain cases recordings of musical works imported without permission of the author or copyright owner shall be liable to seizure.
- Article 15 establishes the presumption that in the absence of proof to the contrary the person whose name appears on a work is the author and is entitled to institute infringement proceedings in countries of the Union.
- Article 16 provides that infringing copies of a work shall be liable to seizure in any country of the Union where the work enjoys legal protection.

WCT and WPPT

- Article 11 of the WCT and Article 18 of the WPPT require “adequate legal protection and effective remedies against circumvention of effective technological measures.
- Article 12 of the WCT and Article 19 of the WPPT require adequate and effective legal remedies to enforce protection of of rights management information.

20. Relationship with obligations under the TRIPS agreement. Note that Article 2 of the TRIPS Agreement requires members to comply with Articles 1 through 12 and 19 of the Paris Treaty and that Article 9 of TRIPS requires compliance with Articles 1 through 21 of the Berne Convention . The enforcement principles and standards set out in TRIPS are appropriate ways of providing the effective protections and legal remedies required by the Paris Treaty and Berne Convention.

21. WIPO and Cross Border Litigation. Intellectual property laws and rights are creatures of national laws and have effect only within the national jurisdiction. Where the dispute takes place within that national jurisdiction the national court or tribunal system are competent to decide the legal and administrative disputes. But the goods, services and subject matters of intellectual property will travel across borders and acts of piracy and infringement may involve activities in more than one country. Furthermore the borderless cyberworld of the internet creates a whole new range of questions about appropriate jurisdictions for litigation. These sorts of questions are dealt with as a major topic in a field known as “private international law” also sometimes called ‘conflicts of laws’. The basic point here is that laws or legal principles about recognition of jurisdiction, acceptance of jurisdiction or enforcement of foreign judgements and decisions is actually a part of the national law of each country. It is also important to note that the family of Civil Law legal

systems and the family of Common Law legal systems take different approaches and have differing underlying principles in dealing with issues of jurisdiction.

WIPO is engaged in promoting an understanding of the issues of cross border litigation in intellectual property disputes, seeking harmonisation of laws and promoting international agreement and action through appropriate forums.

In 2001 WIPO conducted a Forum on Private International Law and Intellectual Property. WIPO is contributing to ongoing discussions associated with the Hague Conference on Private International Law (Hague Conference) and the Preliminary Draft Convention on Jurisdiction and Foreign Judgements in Civil and Commercial matters. This Draft has provisions that are real significance for intellectual property disputes which involve a foreign element. However this is a complex area of legal cooperation and reform and patient work over time will be required.

22. WIPO Arbitration and Mediation Center. Commercial litigation of any sort is can be complex, costly, time consuming and disruptive. Intellectual property litigation is often difficult and patent infringement litigation, especially where it involves cross petitions for invalidity, is notoriously complex and expensive. There is an increasing trend to try to find ways to resolve disputes without recourse to litigation using what might be called Alternative Dispute Resolution options.

Before the 1990's there was no general internationally supported mechanism promoting and facilitating ADR approaches to intellectual property disputes. The TRIPS Agreement when it came into force in 1995 brought the familiar GATT/WTO Dispute Settlement Procedure (The DSP) into the IPR arena. But that is a process for resolution of disputes between members of the Agreement which in this case are sovereign States. The DSP could not be accessed by private parties, or there was a danger that what were essentially private commercial disputes might be elevated to become disputes between nations to get them before the DSP.

In 1994 WIPO established a WIPO Arbitration and Mediation Center to facilitate alternative means of resolving all kinds of intellectual property disputes for all kinds of private parties. The website is <http://arbiter.wipo.int> and again a link to information about the Center can be found on the general WIPO website under the Activities and Services pull down menu.

23. WIPO Arbitration and Mediation Rules. The WIPO has developed a series of procedures and approaches which are shaped and governed by the WIPO Arbitration and Mediation Rules. These rules can be downloaded from the internet or are available in a WIPO publication No 446. The Center offers Mediation, Arbitration and Expedited Arbitration services. *Mediation* is a non binding

procedure in which the parties are assisted by a mediator to discuss work through and find a form of agreed settlement of their dispute. The Mediator is a facilitator of discussion and negotiation. *Arbitration* is a process where the parties agree to submit their dispute to a neutral arbitrator or panel of arbitrators and a decision is made which is binding on the parties. *Expedited Arbitration* as its name suggests is an arbitration procedure carried out quickly and with reduced cost. There are WIPO rules for each kind of ADR option. These Rules can be used for all kinds of commercial disputes. But Intellectual property disputes typically have special requirements about confidentiality, technical evidence, evidence about experiments and expert evidence and the WIPO Rules have special provisions dealing with these matters that make them of especial utility in IPR disputes.

24. WIPO model clauses for agreements relating to disputes. The Center has developed model Clauses for agreements between private parties. Some clauses are for what is called submission agreements that can be used to bring existing disputes under one or other ADR process and governed by the chosen rules. Other clauses are recommended for insertion into contracts between contracting parties so that any future dispute can be resolved by recourse to the ADR processes according to the agreed set of rules. Others are models for ways of expressing the agreements made by the parties during the mediation.

25. Services of the WIPO Arbitration and Mediation Center. Where the WIPO Center is acting as the authority administering a mediation it provides a number of services

- assists the parties in selecting a mediator
- in consultation with parties and mediator it sets the mediators fee
- administers financial issues by estimating the costs of the mediation and obtaining that amount from the parties as a deposit and using that money to pay the mediators fees and costs of support services
- if the mediation is held at WIPO in Geneva meeting rooms are provided and where outside Geneva assists parties find suitable mediation rooms.
- assists parties obtaining any necessary support services such as translation, interpretation or secretarial support.

Mediation is a very useful process for attempting to resolve certain kinds of dispute. It has a number of advantages. It can assist minimize costs involved in resolving a dispute in comparison with the uncertain but probably high costs associated with litigation by removing lawyers fees, court costs, witness and experiment costs. Parties can maintain control over the dispute settlement process rather than being directed by court procedures and rules. The mediation is likely to commenced more quickly and carried through more expeditiously than court litigation which is often subject to long delays in listing and hearing. Mediation allows confidentiality of the process and the result. And a mediation gives parties a

better chance to preserve or develop an ongoing business relationship than adversarial litigation.

But it is not suitable for all kinds of dispute. Cases where there is little likelihood of at least an attempt at mutual cooperation are unlikely to be successfully resolved through mediation. Examples might be disputes involving bad faith, counterfeiting or piracy, or situations where one party is convinced that it has a watertight case, or where one or other party or both wants to use the case to set a legal precedent, or wants some form of public vindication.

The WIPO Arbitration and Mediation Center is a really useful initiative in providing an alternative pathway to enforce or preserve IPR rights. .

26. Domain name disputes. An area where the WIPO has taken the initiative to provide new pathways to resolution of disputes concerned with intellectual property subject matter is in relation to the potential conflict between domain names and registered trade marks or well known or famous marks.

A domain name or URL (uniform resource locator) is an internet address, providing a shorthand way of locating and connecting to a website. The structure and allocation of such names is governed by a set of international protocols, effectively created under the auspices of the US government but sustained by the agreement of the various entities involved in the operation of the internet. The protocols do not have a legislative basis, but are no less effective for that. At an international level, the key regulatory role is played by ICANN, the Internet Corporation for Assigned Names and Numbers, a California based not-for-profit company whose ‘authority is entirely a consequence of voluntary contracts and compliance with its consensus policies by the global internet community’. It transpired that as the internet became a major commercial tool and e-commerce an established fact new forms of unexpected disputes arose. There were disputes over conflicts between domain names and registered trade marks, there were disputes about misleading use of domain names which could amount to unfair competition and there was the issue of cybersquatting and stockpiling of domain names. It was the WIPO which called together interested parties and experts and through what is called a “process” assisted the international community to thrash out the issues, find agreed perspectives and put in place a system to approach resolution of these emerging problems.

27. Misleading use of domain names. Domain names are allocated on a first come first served basis. A successful application simply means that nobody else may register the same name. It does not guarantee the name can be used. In some instances, the use of a domain name may infringe a registered trade mark: But more commonly perhaps, it may be possible for a trader with an established

reputation for a similar name to take action based upon unfair competition laws or principles against a registrant, on the basis that some form of connection is being misrepresented.

28. Cybersquatting. The practice of registering domain names that would naturally seem to 'belong' to an established trader or celebrity has become a common and sometimes lucrative activity. It is often referred to as 'cybersquatting'. In its most cynical form, cybersquatting involves anticipating that a domain name is likely to be wanted by a particular person or business for ease of reference by clients or users, then getting in first to register that name. The name can then be offered for 'sale' to the business that wants it. A business that is confronted with this situation has a number of options. One is to work around the problem and find another domain name, though it may find that a determined cybersquatter has 'stockpiled' all of the more obvious variations on its business or product name, and this may in any event mean missing out on the marketing advantages of a simple and easily remembered name. A second is to take legal action. In practice, however, commercial considerations, and in particular the high costs associated with litigation, often dictate a third option, which is to pay up. Payment of a few thousand dollars to resolve the problem quickly and cheaply is often a more attractive alternative to standing on principle.

29. Regulatory responses. Regulators have responded to the practice of cybersquatting in various ways. One has been to tighten up the requirements for registration in the first place.

Another response has been the establishment, with the assistance of the WIPO initiatives, of dispute resolution procedures that allow those with a superior claim to the use of a particular URL to have it cancelled or transferred into their name. Thus in relation to gTLDs, it is a condition of registration that registrants submit to ICANN's Uniform Dispute Resolution Policy (UDRP). This allows a third party to lodge a complaint about a registration, which must then be referred to arbitration by one of a number of accredited organisations, including WIPO. To obtain an order for cancellation or transfer, the complainant must show that the registered domain name is 'identical or confusingly similar' to a trade mark in which the complainant has rights, that the registrant has 'no rights or legitimate interests' in respect of the domain name, and that the domain name 'has been registered and is being used in bad faith'. Bad faith may be established in various ways, including by showing that the domain name has been acquired primarily to sell or rent it to the complainant or one of their competitors, or to disrupt a competitor's business; or that the name is being used in an attempt, for commercial gain, to attract users to the registrant's site by creating a likelihood of confusion with the complainant's mark. Conversely, it is open to the arbitrator to find that the *complaint* was brought in bad faith, for example in an attempt at 'reverse domain name hijacking' (that is

attempting in bad faith to deprive a legitimate domain name holder of their registration). The UDRP complaint procedure is relatively cheap and informal, and usually results in a fairly quick decision, generally in favour of the complainant.

30. WIPO Cooperation with other organizations. WIPO considers that it has both the responsibility and the capacity to coordinate a wide range of activities in the broad area of enforcement of intellectual property rights. So WIPO works with the national authorities in each of the member states responsible for Intellectual Property law and legislation, works with the various Intellectual Property Offices, with intergovernmental organizations and with non government organizations, providing expertise, advice, assistance in meetings, discussions and so on.. The range of issues and the range of organization is very great so I will indicate only a few as examples. However for the week 3-7 May 2004 the Enforcement website showed summaries of activities with six (6) Intergovernmental Organisations and with 22 non government organizations on different issues.

31. Intergovernmental organizations .

- The European Commission. In particular a proposal for a Directive on Measures and Procedures to ensure Enforcement of Intellectual Property Rights and a Council regulation on Customs action on goods suspected of infringing certain Intellectual Property Rights.
- international criminal Police Organisation (ICPO- Interpol) There is a Interpol Intellectual Property Crime Action Group (IIPCAG)
- United Nations Economic Commission for Europe (UNECE) This is forum for 55 countries of North America , western Central and Eastern Europe and Central Asia concerned with economic cooperation. There is an Advisory Group on Protection and Implementation of Intellectual Property Rights for Investment.
- World Customs Organisation. (WCO) There is a WCO IPR Strategic Group which is concerned with global counterfeiting from a Customs perspective.
- World Health Organisation (WHO) There is currently a major project concerning counterfeit and substandard medicines. The issue of Patents for Pharmaceuticals and the major health epidemics in developing and least developed counties also saw considerable discussion between the organizations.
- World Trade Organisation.

32. Cooperation with NGO's The NGO's include the Anti Counterfeiting Group, the European Brands Association, the American Intellectual Property Law association , the International Association for the Protection of Intellectual Property, the Business Software Alliance, The Centre d'études Internationales de la Propriete Industrielle, Coalition for Intellectual Property Rights, the International Confederation of Societies of Authors and Composers, The European Communities Trade Mark Association, The International Federation of Film Producers Associations, The Federation des industries Mecaniques, German

Association for Intellectual Property, the International Anti-Counterfeiting Coalition, The International Chamber of Commerce, The International Federation of Music Publishers, The International Federation of the Phonographic Industry, The International Intellectual Property Alliance, The International Trade Mark Association, The International Publishers Association, The International Video Federation, the Max Planck Institute for Foreign and International Patent Trade Mark and Copyright Law and Union des Fabricants.

GOVERNMENT ROLE IN ENFORCEMENT

33. Possible Government roles in Enforcement. In the first instance then we can say that these TRIPS requirements and the WIPO framework give an indication of those aspects of the legal system and mechanisms which can be regarded as within the competence and responsibility of Government. However Government can have many responsibilities and roles in setting up, maintaining and operating an effective enforcement system. The various possible roles include:

- providing an IPR system which balances the rights of intellectual property rights holders and of potential users to permit access to products and to rights on a fair basis
- making broad systemic policy choices about the type of enforcement and mix of elements suitable to the country
- enacting a legislative program establishing not only the nature and standards of IPR but also providing for an effective legal framework for enforcement
- providing for inexpensive, timely and effective pre or post grant opposition procedures
- providing an accessible Court system in which enforcement actions involving IPR of can be expeditiously and fairly tried
- staffing the Court with judges capable of understanding the real issues in IPR and conducting timely fair and balanced trials
- providing a full range of appropriate legal remedies which are then backed up by execution of Court orders and judgements
- establishing a Police presence which understands IPR issues and which has the will, skills training and resources necessary to carry out their role in the overall system

- establishing a Customs Service which understands IPR issues and which has the will, skills, training and resources to carry out their role in the overall system
- facilitating cooperation and provision of information between rights holders and enforcement agencies like Police or Customs so as to help enforcement agencies identify counterfeit goods and to recognise genuine and false trade mark characteristics
- providing or facilitating the establishment of an Alternative Dispute Resolution centre or centres to permit mediation or arbitration or other ADR approaches to IPR infringement disputes
- providing a legal framework for supporting properly organised and regulated organisations for collective management of a range of exclusive rights provided by Copyright in relation to musical and literary works.
- possible creation of specialist Copyright Tribunals to rule on royalty rates in any compulsory or even collective voluntary licensing schemes
- ensuring that the Government itself operates in good faith when it is a user of IPR subject matter. This includes implementation of a policy that all public sector departments and instrumentalities and Government owned organisations are legitimate users which purchase or license genuine goods and where appropriate pay proper royalties.
- providing laws which protect against anti competitive abuses of intellectual property rights including compulsory licensing systems where necessary, statutory licence systems where appropriate and protection against unfair or coercive anti competitive term sin licensing agreements. ,
- running public awareness campaigns at a range of levels.

34. The overall strategy. Governments which are members or which aspire to be members of the WTO must comply with the TRIPS agreement requirements including the specific Articles of Part III. Countries which are members or aspire to be members of any WIPO Treaty and who wish the IPR system to be effective must approach the question of enforcement. The Government should devise an overall strategy which is consistent with the economic social cultural and legal goals of the country. The system should be practically suitable for the country at its state of economic development taking into account the nature, size and

sophistication of its industries, its sectors of creative activity and potential, its pattern of infringement and its culture.

35. Australia emphasises private civil enforcement by the rights owner. In Australia, and in many developed economies, the major emphasis is upon private civil enforcement. Intellectual property rights are seen as private personal property and it is considered to be a matter of choice for rights holders whether they wish to enforce those rights or not. Should they choose to do so it is the right holders responsibility to initiate any legal action, to collect and provide evidence and to bear the general costs of litigation or dispute settlement. The broad assumption has been that the Government has provided a set of well established laws, a well resourced court system, and experienced judges. It is also assumed that many rights owners are knowledgeable about the place of IPR assets in their businesses or activities and that they have access to a legal profession with a range of specialists in IPR negotiation, litigation or settlement.

36. Aspects of civil enforcement of copyright The Copyright Act in addition to the normal civil infringement provisions establishes a system of non infringing fair dealings and compulsory and statutory licensing, a copyright Tribunal and Government oversight of Collecting Societies and Reproduction Right Organisations. Collecting societies have actively pursued the interests of their members and have systematically approached potential users, employed inspectors, initiated investigations and carried out vigorous prosecution of civil claims before the Court system and the Copyright Tribunal.

37. Criminal offences.. There is a range of criminal offences to respond to what are considered to be those areas of public interest in the IPR system. In the patent system for instance these offences are mostly confined to improper conduct on the part of Patent Office officials. In the Copyright system however there are offences carrying substantial penalties for counterfeiting and pirating activities directed in particular to protection of sound recordings and all forms of cinematographic films including video tape, laser disc and DVD. These are products at high risk. The costs of production for creators and makers are high, the process of reproduction is relatively easy and cheap, the demand for the products is extremely high. Counterfeiting and piracy are potentially highly profitable activities.

38. Little reliance on police initiated investigation and prosecution. Despite the existence of these offences there is little reliance upon police initiated prosecution. The Federal Police, who are the responsible police force, receive a number of complaints about alleged breaches of the criminal offence system. However they argue that they are a relatively small organisation with a limited budget and they must operate according to a set of priorities. Establishing those priorities includes an evaluation of the likelihood of carrying out an investigation leading to a

successful prosecution and the relative value of pursuing that type of case as opposed to other criminal behaviour.

39. Industry association and public sector cooperation. However industry associations are most interested in criminal approaches to enforcement. The Australian Record Industry Association (ARIA) for instance has established an anti piracy unit. The unit employs experienced investigators (often ex police) and they investigate, seek to gather evidence, provide legal advice and assist in the procurement of warrants for raids of suspect premises, accompany the police carrying out the raid and then provide evidence in subsequent prosecutions. The unit works similarly with the Australian Customs Service in relation to importation of pirate or counterfeit recordings. The association is in part protecting its interests through the provision of information and a close working relationship with Government law enforcement officials.

40. Demand for more emphasis on criminal enforcement strategies. Intellectual Property rights owners in Australia are pressing Government for greater access to criminal enforcement strategies. They are asking for a greater commitment from Government. They want greater investment in money and personnel to overcome the argument about limited budgetary resources and competing priorities. But they are also asking for greater presumptions of validity of rights in litigation, stronger penalties, changes to the traditional rules about burden of proof in criminal prosecutions for IPR infringement, closer liaison and cooperation between rights holders and government agencies responsible for customs and police enforcement and greater attention to public awareness and educational campaigns.

41. Australian approach is to see government as provider of a general infrastructure. Nonetheless the Australian government has chosen to see enforcement of intellectual property as primarily the responsibility of rights owners. The Government's role is primarily with providing a general supporting infrastructure rather than direct hands on investigation and pursuit by the Government. This is of course an over simplification but it makes the broad point for the purpose of the comparisons I want to make.

It would be impertinent of me to attempt to describe in any detail the systems in other countries when there are participants from the countries with far greater knowledge and expertise than I could aspire to. . However I hope I may be permitted a few brief observations.

42. Indonesia. In Indonesia there is now a full suite of IPR legislation. The process of legislative reform was started in the 1980's with the work of Cabinet Secretariat and Presidential Commission Tim Keppress 34. There were additional

reforms in 1997 for the Copyright Trade Mark and Patent Acts. During 2000 laws relating to Layout Designs for Integrated Circuits, Industrial Designs and Trade Secrets, were drafted and presented to Parliament. There was lively debate in the Indonesian Parliament about the role of intellectual property in the economy and its compatibility with Indonesian cultural values and the principles of Islam. The laws were passed on 20 December 2000. Each of the Acts sets out arrangements for civil enforcement by infringement action, sometimes in the District Courts and in some cases, before the newly created Commercial Court. But each Act includes criminal offences providing for fines and imprisonment. In practice there has been some privately initiated civil infringement actions in Trade Mark disputes and there are now several Collecting Societies ready to bring civil actions in copyright matters. But enforcement of IPR in general has largely fallen to the Police and the Customs Services. Particularly the Indonesian Customs Service which has a wide jurisdiction to deal with counterfeit and pirated goods anywhere on the market, In many countries as in Australia the customs service has jurisdiction over goods only at the point of entry. Indonesia having managed to accomplish a modern TRIPS compliant legislative system now faces the challenge of making the system work. The Government has provided for the evolution of civil enforcement, but is aware that at this stage in Indonesia's development IP enforcement in practice is a matter to be driven by Government example through the police and the customs services supported by criminal cases run by Public Prosecutors

43. Thailand. Thailand does have a reasonably comprehensive range of intellectual property laws. Thailand has upgraded the importance of intellectual property rights as a focus of its commerce policy by setting up a Ministry of Intellectual Property within the Commerce Department and appointing a specific Minister for Intellectual Property, as a Deputy to the Minister for Commerce. The Minister and other senior Ministers and officials have delivered speeches about the value of intellectual property in Thailand's trade and commerce policy agenda. The Government has made a public commitment to an official policy of fidelity to intellectual property principles. There have been educational programs to enhance official and public understanding of intellectual property. There are official programs on human resource development, legal skills and enforcement practices. There has been a proposal that intellectual property courses be included in all undergraduate degree courses, and that secondary school students all be exposed to reading material on IPR. There is a web-site about the intellectual property system. There has also been an increase in efforts to enforce compliance with the laws. A special unit of the Royal Thai Police has been established to handle counterfeiting practices. The Economic Crime Investigation Division has become more receptive to anti -piracy initiatives. In February 1999 the Police reported that the unit had investigated 101 cases and confiscated 42, 606 items. After a subsequent raid the ministry reported that the police had seized 300, 000 pirated CDs worth Baht 30 million A particular feature of the Thai approach is the creation of the Central

Intellectual Property and International Trade Court. The Act for the Court was passed in 1996 and the Court came into operation on 1 December 1997. The Courts has civil and criminal jurisdiction. The Chief Justice of the court is empowered. subject to approval of the President of the Supreme Court in Thailand to issue Rules of Court on proceedings and the hearing of evidence in intellectual property and international trade cases to ensure effective, expedient, fair proceedings. Court statistics show that the great majority of cases heard are criminal prosecutions based in trade mark infringement against those involved with counterfeit or pirated goods .

44. Hong Kong. Hong Kong has a particularly interesting story to tell and no doubt it will be told in some detail by other speakers I will confine myself to some introductory remarks. Hong Kong has a long history of intellectual property legislation. Indeed in the nineteenth century the Hong Kong Trade Marks Ordinance established a registered trade mark system in the then Crown Colony before such a system was in place in the United Kingdom. Furthermore there was and is an established business culture willing and able to use civil litigation as a means of enforcing intellectual property rights, skilled and experienced legal practitioners, a well resourced Court system and highly experienced judges. However in recent years Hong Kong has been concerned about piracy and counterfeiting particularly in relation to audio and video cassettes and optical discs embodying music recordings and cinematographic films and branded goods. Hong Kong depends upon trade. The Government decided that it was essential for the reputation of Hong Kong as a great trading entrepot that the problems created by counterfeit and pirated goods be addressed. This was not merely a matter of private personal property rights but a matter of public policy concerning a societies economic, commercial and trade goals.

45. Four basic factors. The Government considered that there were four broad factors required for an attempt to suppress piracy and counterfeiting. These were

- development of a strategy,
- enactment of a legislative scheme,
- provision of adequate resources especially dedicated personnel and
- pro active enforcement.

46. The legal structure. The legislative program included a number of laws.

- There was copyright control through the creation of offences within the traditional Copyright Ordinance Amendments to the Copyright Ordinance in 1997 created criminal offences carrying strong monetary penalties and imprisonment for parallel import and export of infringing goods. This was a fairly traditional and orthodox response.

- However the system also took a lateral approach to the challenges of enforcement. The Prevention of Copyright Piracy Ordinance (PCPO) on 29.8.98 introduced a system of licensing of manufacturers of CDs or optical discs. All manufacturers were required to provide source identification code (SID) for all disks made. Manufacture of a CD without using the SID code or using the wrong code would attract close scrutiny. The scheme permitted routine surprise inspections on licensed factories without the need for search warrants or an initiating judicial process. Maximum penalties for failure to comply with the licensing requirements included fines up to HK\$1 million and four years of imprisonment.
- Another enactment attempted to [provide a means of controlling the equipment used in reproduction of the goods. A system required a licence for the import or export of optical disc reproduction equipment, the marking and registration of the equipment and notification of any movement or transfer.
- And the Trade Description Ordinance was enhanced to provide a means of boosting Trade mark controls.

47. Raids of sales outlets.. The system also contemplated an active strategy of repeated raids against known and suspected sales points including shops, disguised outlets, street vendors and internet advertising or trading,

48. Personnel resources. The effective operation of a such a system requires a dedicated task force. The responsible agency is the Hong Kong Customs Service. Within the Customs Service there is a the Intellectual Property Investigation Bureau (IPIB) which in early 2001 had some 270 officers whose tasks ranged from surveillance, licensing, carrying out of raids, interceptions and provision of logistics. There is also a Customs Special Task Force (STF) which in early 2001 had 185 officers mostly providing logistical support.

49. Other elements. The overall system also includes a Computer Forensics Laboratory (CFL) established within the Office of Information Technology to provide for the examination of seized digital evidence. There is extensive international liaison with the World Customs Organisation, the World Intellectual Property Organisation and Asia Pacific Economic Forum, the Regional Intelligence Liaison Office, Customs counterparts in many countries including mainland China, United States of America, Japan, France, New Zealand and Australia and with other IPR agencies. In addition there is a system of Anti Piracy Reward Schemes where rights holders provide money for rewards, the Customs Service administers the scheme and members of the public can earn rewards through provision of information. Needless to say Hong Kong appears to have new initiatives in the wings.

50. Final comment. However the point is that Hong Kong has identified a matter of public sector interest, designed a strategy, provided a legislative framework enabling a variety of approaches, provided money, equipment and personnel to carry out the task. While other countries may not wish to adopt the Hong Kong model if they wish to be as successful in promoting and enhancing enforcement of IPR they must also develop a strategy, provide a legal framework and adequate resources.

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MARKET CONTROL IN THE IMPLEMENTATION PROCESS OF INDUSTRIAL PROPERTY RIGHTS

Huynh Tan Phong

Director

Market Control Office in Ho Chi Minh City

I. Overview

Along with the open economic policy, production and circulation of goods in Vietnamese market has become more and more diversified. Besides genuine local producers and foreign investors who have invested in technology to improve quality and packaging in order to survive and stand firm in the market, there are many deceitful “producers” who commit illegal commercial acts under many forms such as importation, production and trade with fake or pirated goods, particularly with violation of protected trade mark and industrial design, etc.

In the first quarter of 2004, the Market Control Office in Ho Chi Minh City detected 50 infringements, 35 of which were counterfeit goods (in terms of industrial property rights and origin, etc.).

Fake, rights-infringing goods are not only produced domestically but only smuggled into the country and carried by travelling people or even formally imported.

At present, the Vietnamese Government is paying more attention to the protection of intellectual property rights (IPRs) with many legal documents being issued on better enforcement of IPRs regulations. Relevant authorities have been closely coordinating the fight against violation of IPRs. Besides, there are tight links among IPRs organization, entities and IPRs holders. Therefore, detection, inspection and enforcement against infringements have become more and more effective. However, there are still a number of difficulties in the implementation process.

II. Obstacles in the implementation process

At present, there are several legal documents in Vietnam, which deals with violation in IPRs such as Decree No. 63/CP, Decree No. 12/CP and Decree No. 54/CP (with regard to unfair competition). Lately, there have been new acts related to violation of inventions and effective solutions, copyrights. There has not been clear definition of act of infringement for

these cases and no authority or agency has been assigned to inspect and draw conclusion about these acts.

The coordination among businesses authorized agents with relevant authorities is sometimes not well-done. For example, some imported goods (from China) are deemed to be counterfeit and in violation of IPRs because the selling price of these products is 10 times cheaper than real products. The Market Control Office understands that the general agent is currently in Ho Chi Minh City but they did not show up when called on (to determine whether those were their goods). As a result, they are considered as goods imported without proper bills/invoices, thus treated under the Inter-ministerial Circular No. 94, which means confiscation. Then, they will be put into distribution legally.

IPRs and counterfeit prevention authorities sometimes apply different treatments for the same violations and one violation may be dealt with partly the Market Control Office and partly by the Ho Chi Minh People's Committee. There are several examples as follows:

- *Case 1:* “The act of producing, importing goods or packages with labeling, trade mark or origin that are identical to or causes confusion with protected ones” is covered in both the Decree 01/CP and the Decree 12/CP. This act is to be fined from VND 5,000,000 to VND 20,000,000 under the item 17, Article 10a of the Decree 01/CP or from VND 2,000,000 to VND 10,000,000 under the item 3, Article 9 of the Decree 12/CP.

The Inter-ministerial Circular No. 10 (on the definition of counterfeit goods) and Government Instruction No. 31/CP on fighting production and trade of forged goods provide that “*all counterfeits caught and related exhibits shall be dealt with by the Article 19 of Decree 12/CP on administrative treatment for violation of IPRs.* So, there are many legal provisions to follow. The Market Control Office is following the Ordinance on Treatment of Administrative Violations and the Decree No. 134 on Guidelines for the Implementation of the Ordinance on Treatment of Administrative Violations with fines calculated as simple average of all existing fine ranges.

- *Case 2:* Issues related to the letter ® is covered by the Decree 12/CP, in which fines are fixed at from VND 500,000 to VND 1,000,000 with regard to “goods with IPRs-protected elements”. As a result, the Office has to forward cases to the Municipal Committee. This actually lengthens the handling procedure for those cases while the rest are handled by the Office right away.

For fake imports to Vietnam, petitions are made through a IPRs representative organizations located in the city. The Office usually requests rights holders to pledge to be responsible for all their conclusions on the products confiscated by the Directorate under the conclusion of the Directorate for Industrial Property Rights (DIPR). There are cases wherein representatives of rights holders are not able to differentiate between genuine and fake goods and present inconsistent positions.

In implementation of IPRs, the Office has sometimes encountered difficulties and confusion in dealing with different cases, for example:

- *Case 1:* A petition of a rights holder in Vietnam was filed against a company that imports panties from Thailand with regard to the trademark “JPRESS”, which is already protected in Vietnam. Upon inspection, the accused showed all legal importing documents (for the petitioned products), certificate of exclusive trademark issued by Thai authorities together with attestation from the Thai Consulate, which are done earlier than the time of petition filing in Vietnam. Based on these documents, the Office had to return the goods though the DIPR concluded that it was a violation.
- *Case 2:* A Singapore-based company whose “Turbotech” trademark (refreshment drinks) had already been registered at and protected by the DIPR petitioned against a Vietnamese company that was importing “Turbotech” drinks into Vietnam. After checking and verifying it turned out that the Vietnamese company purchased the goods from another Singaporean company. The purchasing contract was 18/09/2000, which is earlier than the time of trademark registration, 10/05/2001. It means this product was widely traded in Singapore. Based on the fact that both sides submitted legitimate documents, the Directorate left the case undecided.

For different types of trade marks or industrial designs that are forged, the Office has to double-check with the Ho Chi Minh Department of IPRs. If the Department of IPR does not come to any conclusion, the Office will then have to consult with the DIPR. So, it normally takes long time to handle cases, which may well exceed the time limit provided for handling this kind of administrative infringement.

Producers’ awareness of the industrial properties is limited. Therefore, counterfeits are rampantly found in the market and conclusions are made based

on only acts and actual products regardless of quantity, quality and value of the products.

III. Measures

1. Strengthen coordination between authorities, producers and representatives of IPRs holders.
2. Carry out more propaganda and education for businesses to understand benefits and responsibilities in making IPR registration.
3. Streamline and clarify legal provisions in terms of inspection procedures and administrative fines.
4. Make quick response to request to inspection and verification from the Market Management Office so as to handle cases in compliance with the Ordinance on Treatment of Administrative Violations and limit damages to the businesses whose rights are violated.
5. Provide information on IPR registrations uniformly and in time so as to prevent imports and distribution of infringing goods both legally and illegally.
6. Provide training for enforcement personnel.
7. Establish consistent procedures for dealing with petitions with common understanding from various authorities concerned.

**Importance of Intellectual Property
Protection
---Based on Japan's Experience---**

2004

Junichi MATSUO

Director

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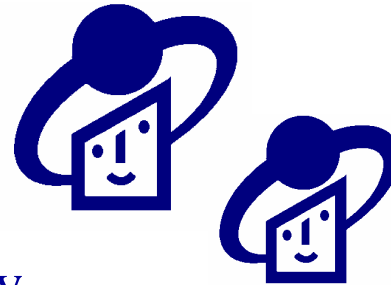


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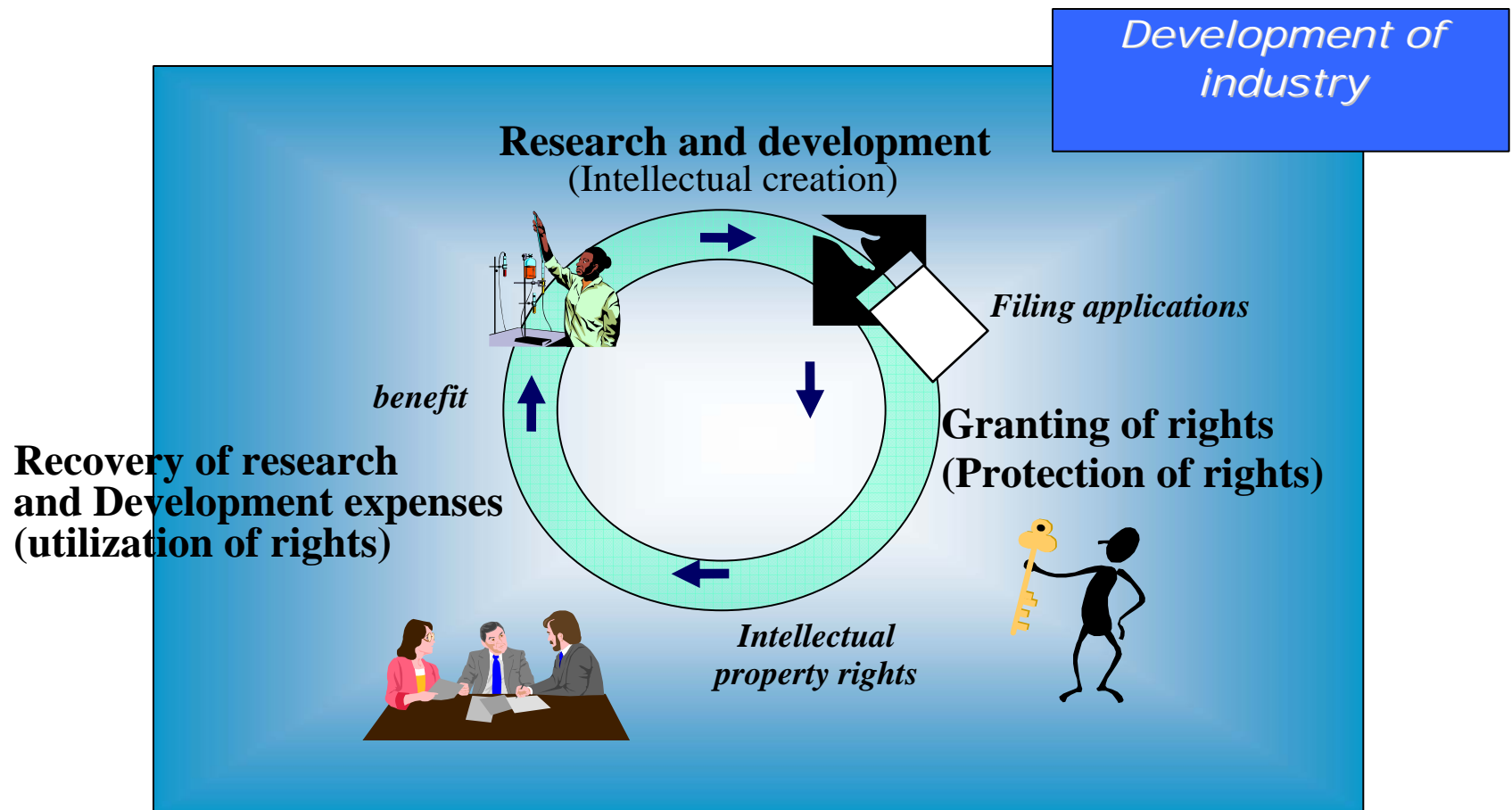
1. Japan's Intellectual Property Policy
2. Japan's Experience in taking Anti-counterfeit Measures
3. Japanese Government's Recent Efforts
4. Situation on Counterfeiting
5. Japan's Efforts against Counterfeiting
6. Conclusion

1. Japan's Intellectual Property Policy (1)

--- Intellectual Creation Cycle---

What is a nation built on IP ?

“A nation built on IP ” means establishing a nation where intellectual property is used to create high-value added products and services with the aim of revitalizing the economy and society.



1. Japan's Intellectual Property Policy (2)

Intellectual Property Policy Headquarters

Members

In March 2003, To implement “a nation built on Intellectual Property”, Intellectual Property Policy Headquarters was established.

Government: Prime minister Koizumi (Chairperson) and 17 cabinet level ministers including Minister of Economy, Trade and Industry, Mr. Hiranuma

Private sector: 10 members from industries, universities, lawyers and patent attorneys

Schedule

- 2002** **20 Mar.:** **1st meeting of Strategic Council on Intellectual Property was held.**
- 3 Jul.:** **On 5th meeting, “Outline of Intellectual Property Policy” was wrapped up.**
- 27 Nov.:** **Intellectual Property Basic Law was established.**
- 2003** **1 Mar.:** **IP Basic Law was in effect. IP Policy Headquarters made a start.**
- 8 Jul.:** **Promotion Program on Intellectual Property was determined.**
- 2004** **19 Jan.:** **Prime Minister Koizumi's policy speech to the 159th session of the Diet**
- “With the aim of establishing Japan as ‘a nation built on intellectual property,’ we improve our patent examination system towards as ‘zero waiting period for examination’ and tighten measures against counterfeit and piracy. As a part of revolutionary court reform, we create a high court devoted to intellectual property cases.”**

1. Japan's Intellectual Property Policy (3) “Intellectual Property Basic Law”

In the 155th session of the Diet, 2002

IP Basic Law was established

4 Dec. 2002 Published

1 Mar. 2003 In Effect

Contents defined

- Activation of an intellectual creation cycle as a national goal as basic policy
- Establishment of the “Intellectual Property Headquarters”
- Creation of “Promotion Program on Intellectual Property”

(Measures against infringement of right, etc.)

Article 16.2.

Where intellectual property owned by juridical persons and other associations that are established under Japanese laws or by persons who have Japanese nationality (hereinafter called “Japanese juridical persons, etc.”; also applicable in the next article) is not properly protected in a foreign country, the State shall take necessary measures, such as achieving proper enforcement of rights under intellectual property-related treaties, in cooperation with the government of the foreign country concerned, international organizations and associations concerned, according to the situation.

1. Japan's Intellectual Property Policy (4) “Promotion Program on Intellectual Property”

Chapter 1: Creation

Chapter 2: Protection

Anti-counterfeit/piracy Measures

○To enhance measures in foreign markets

○To enhance border measures and measures in domestic market

• Disclosure of information of importers

• Prompt control system based on complaints of right holders

○To enhance frameworks in both government and private sectors

Chapter 3: Utilization

Chapter 4: Significant promotion on contents business

Chapter 5: Human resource development and improvement of public consciousness

2. Japan's Experience in taking Anti-counterfeit Measures (1)

--- Japan in the Past---

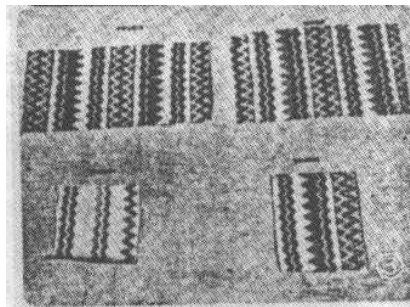
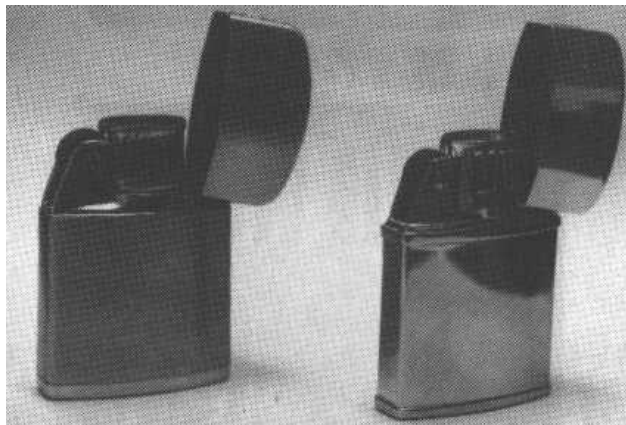


Various kinds of counterfeit goods on the Japanese market.
(Tokyo Nichinichi Shimbun, 1949)

2. Japan's Experience in taking Anti-counterfeit Measures (2) --- 1950s---

A large amount of counterfeit goods of European and U.S. products were manufactured and exported by Japanese companies in order to gain market share in Europe and the United States.

Design piracy of a
Ronson lighter



Design piracy of
textiles
(source: Department
of Commerce,
U.K.)

****Draw sharp criticism of the United Kingdom, the United States, Germany and other countries**

****Discredit Japanese reputation in the international economy and society**

2. Japan's Experience in taking Anti-counterfeit Measures (3)

--- Reinforce Export Controls and Foster IP culture---

Export Trade Control Ordinance (1949)

Interdict export of products that would infringe intellectual property rights at their destination

Export and Import Transaction Law (1952)

Interdict export transaction of goods that would infringe industrial property rights and other rights, etc. protected under law at their destination

Establishment of the "Good Design Selection System" (1957) (Good Design Award)

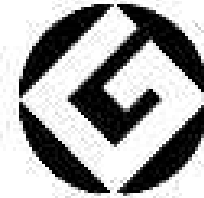
Encourage creation of original designs

Exhibition of Counterfeits (1958-)

"Exhibition for Protection of Designs" hosted by METI and the JPO

Export Commodity Design Law (1959)

Introduced an accreditation system for designs and trademarks of export commodities

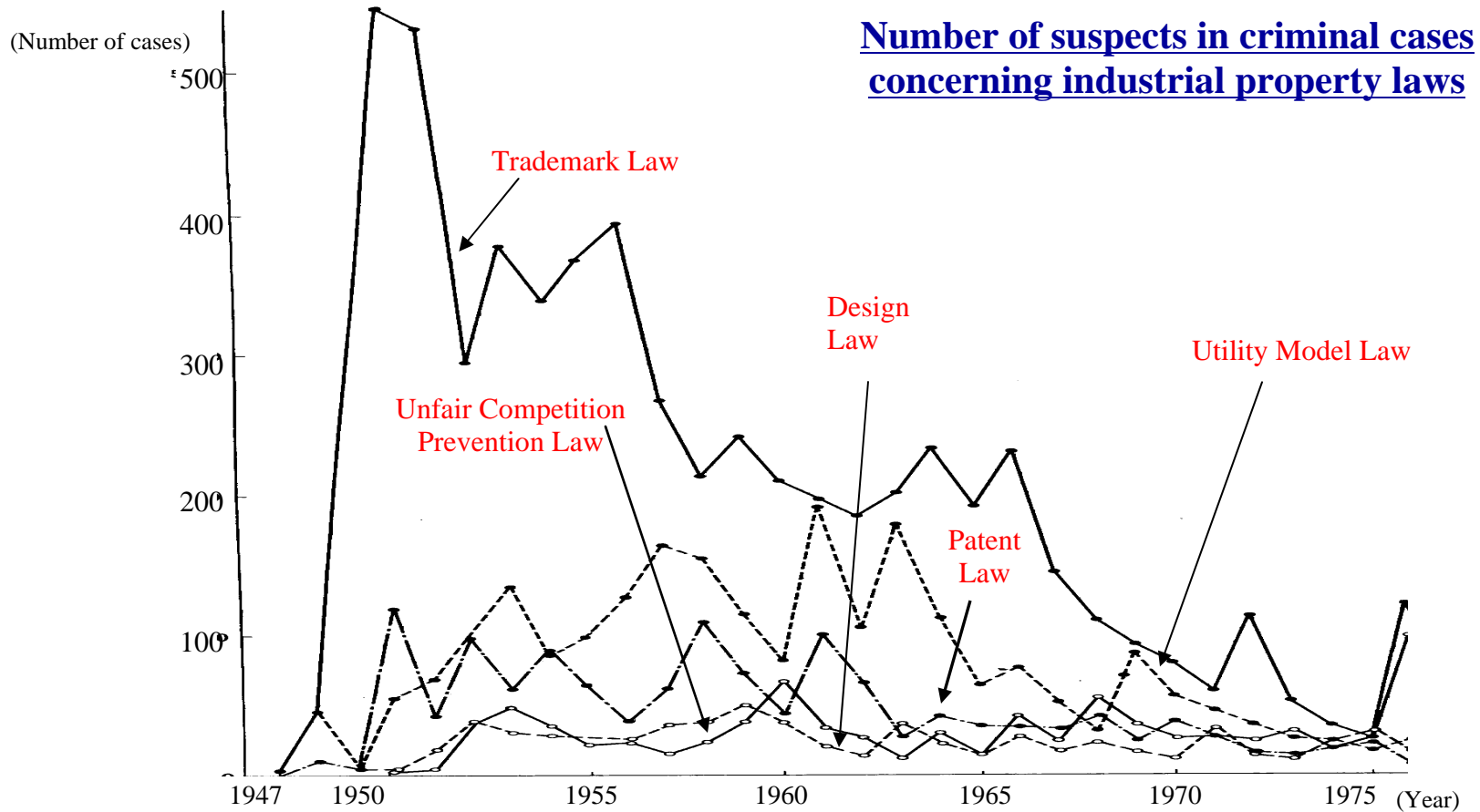


Good Design Award



Measures to interdict export of counterfeit goods and encourage creation of original designs successfully intensified the international competitiveness of Japanese products and established the foundation for the high economic growth of 1960s.

2. Japan's Experience in taking Anti-counterfeit Measures (4) --- Effects of Anti-counterfeit Measures---



Source: Reference: *Kōgyō shoyūken seido hyakunen shi* (100 years history of industrial property systems) 2

Positive measures taken by the Government and the increase in public awareness of intellectual property have successfully decreased counterfeit goods.

3. Japanese Government's Recent Efforts (1) --- Prompter Examination Procedures---

Section 48sexies: Preferential examination (since 1971)

When the Commissioner of the Patent Office recognizes that a person other than the applicant is commercially working the invention claimed in a patent application after the laying open of the application, the Commissioner may, if necessary, direct the examiner to examine the application in preference to other patent applications.

The **accelerated examination system** was introduced in 1986 with respect to working-related applications.

Example: Tamagotchi

Design right was registered within 2 months from the date of request for accelerated examination.

December 16, 1996: Application of design registration was filed.
April 9, 1997: Accelerated examination was requested.
April 11, 1997: A civil lawsuit was filed.
June 13, 1997: The establishment of design right was registered.



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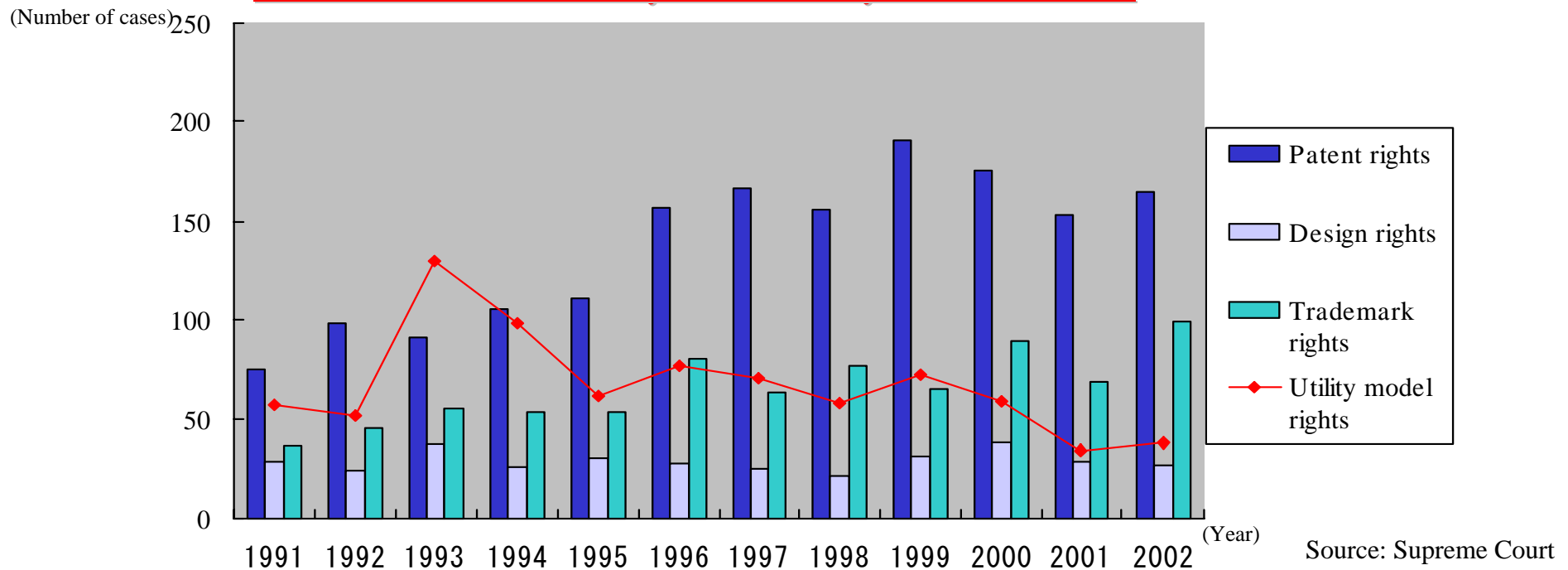
3. Japanese Government's Recent Efforts (2)

--- Improvement of Systems at District Courts---

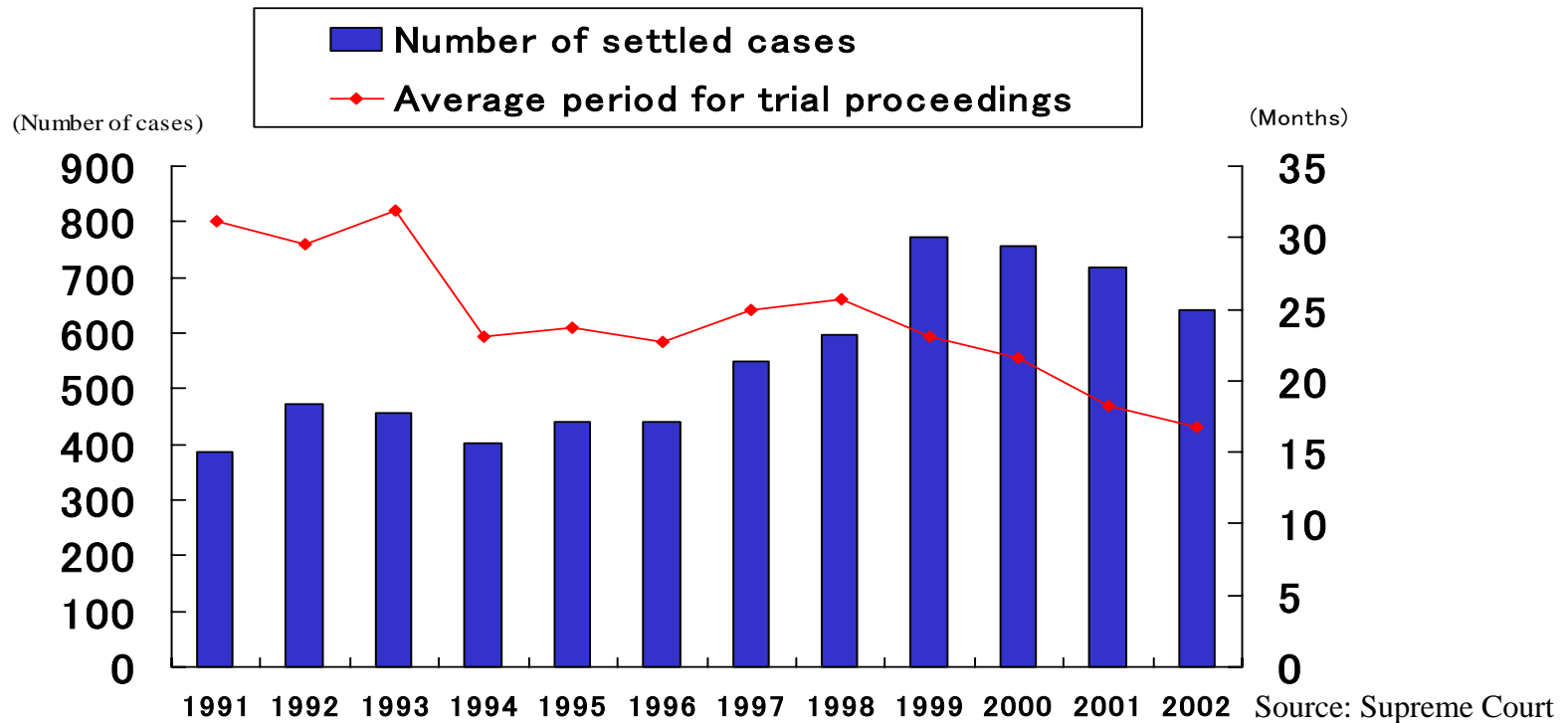
Granting to the Tokyo and Osaka District Courts exclusive jurisdiction over intellectual property-related cases

In Japan, there is currently one Supreme Court, 8 high courts, and 50 each district and family courts, and 438 summary courts. Since 1998, it is possible to file suits concerning intellectual property infringement cases to the Tokyo and Osaka District Courts in addition to the courts which has geographical jurisdiction.

Number of cases newly received by district courts



3. Japanese Government's Recent Efforts (3) --- Prompter Trial Proceedings at Courts---



Example: iMac vs. eONE

Decision of provisional injunction was granted within less than one month from the date of filing the lawsuit.

August 24, 1999: A lawsuit for provisional injunction was filed to the Tokyo District Court.

September 20, 1999: A decision of provisional injunction was granted.

January 14, 2000: Settlement was reached between the parties.



Apple Computer Inc.
 All rights reserved.

4. Counterfeiting (1) Scale of damage by counterfeits

Under the estimation made by International Chamber of Commercial (ICC), the amount of damage by counterfeit in the world may account for

5% to 7%

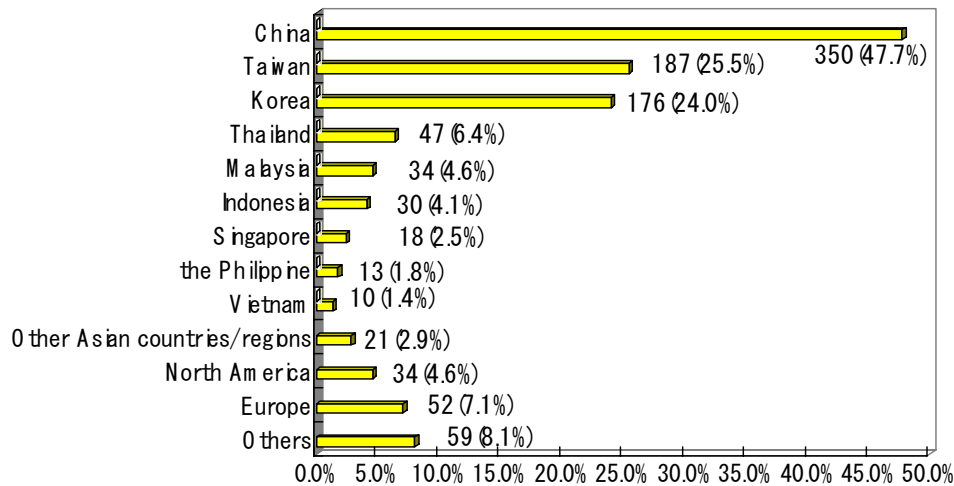
of the total amount of world trade.

(The total amount of world trade (export base) was approx. US\$ 6.419 trillion. *7%* of that value is calculated to be around US\$ 449.3 billion.)

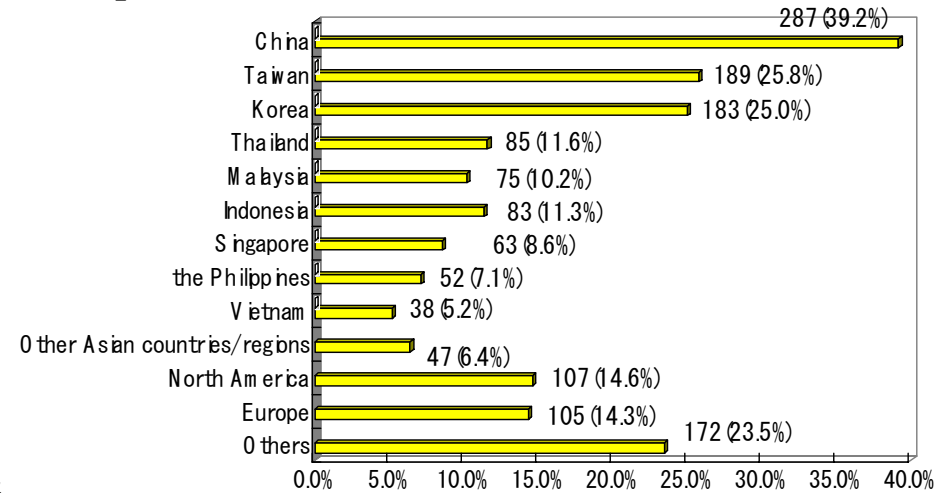
“COUNTERING COUNTERFEITING A Guide To Protecting And Enforcing Intellectual Property Rights(1997)”

(4) Counterfeiting (2) Damage by counterfeits becoming more serious

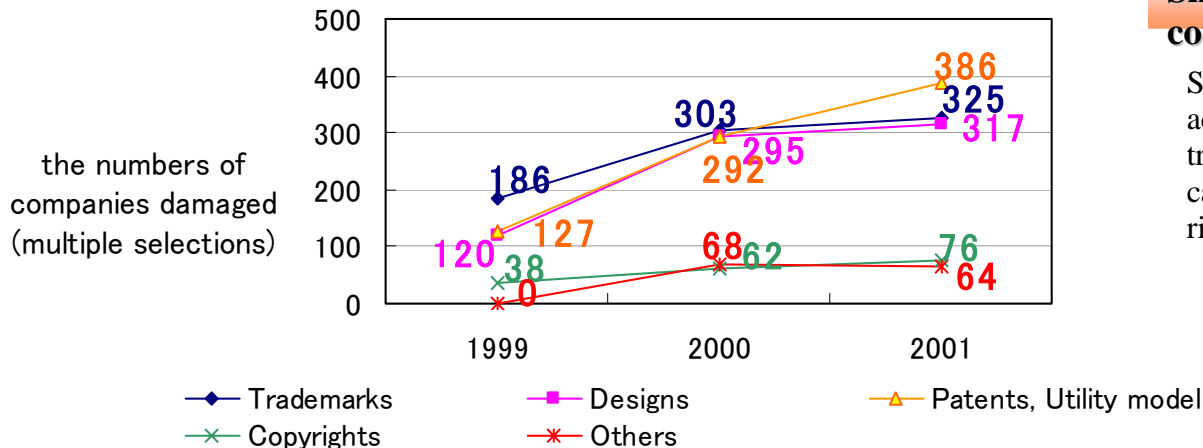
Regions where counterfeit goods of Japanese products are believed to be produced (2001)



Regions where counterfeits of Japanese products are found to be distributed (2001)



In 733 companies which had sustained damages by counterfeits in 2001, **47.7% of the companies answered that they believe their counterfeit goods were manufactured in China (multiple answers permitted)**. Taiwan (25.5%) and Korea (24.0%) followed.



Shrewd trade of counterfeit goods

Style of counterfeiting have been diversified and advanced. Besides simple counterfeiting of trademarks or appearance of designs, number of cases of infringement of patent or utility model right are increased.

(Ref.) "Research Report on Damage by Counterfeits in FY2002", JPO

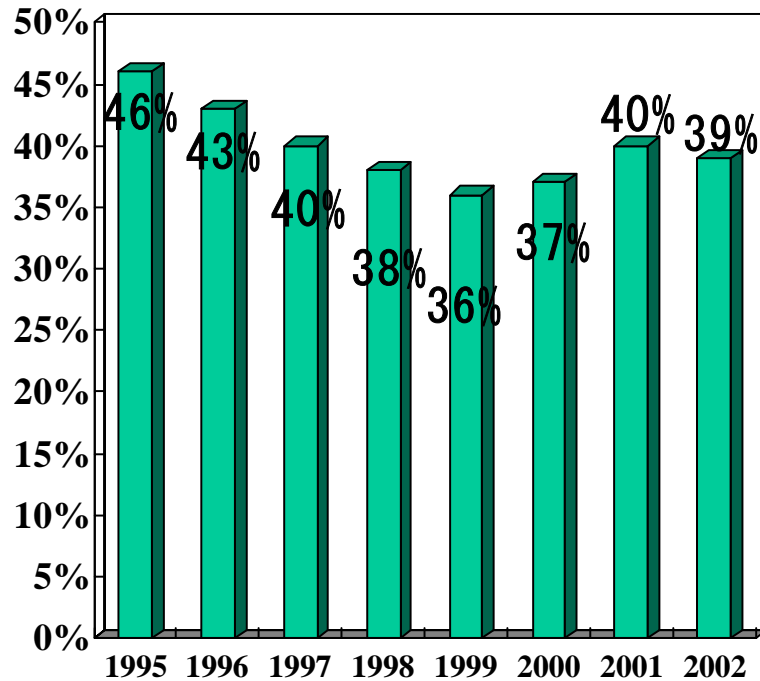
Note: Each number in the graphs stands for No. of each company replied (multiple answers permitted).

(%): percentages in all companies damaged

4. Counterfeiting (3)

--- Damage from Pirated Copies of Computer Software ---

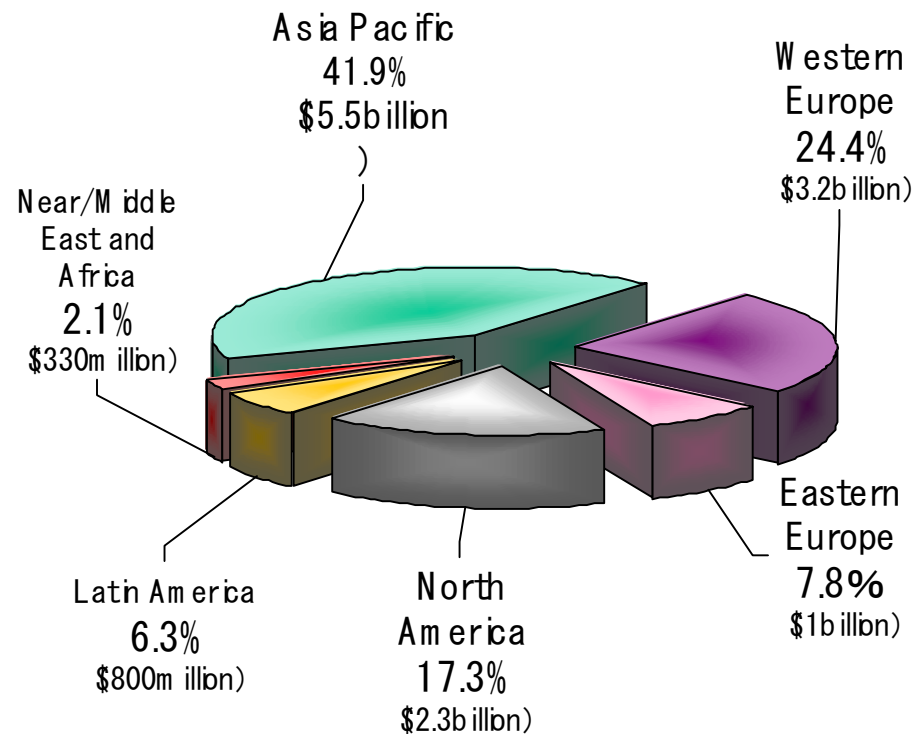
Rate of illegal copies
Worldwide



The rate decreased from 46% (1995) to 39% (2002).

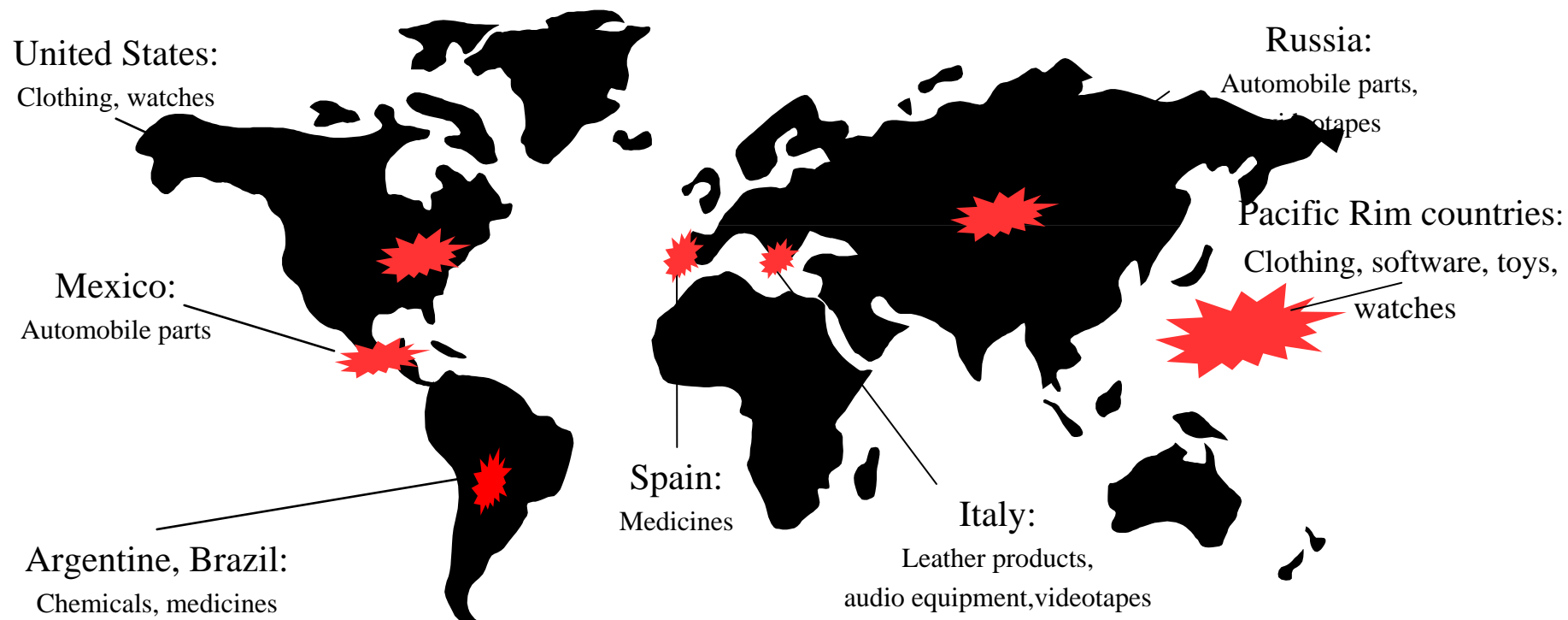
Source: Business Software Alliance (BSA)

Amount of damage from illegal copies(2002)
Total amount of damage from illegal copies in 2001 was 11 billion USD



4. Counterfeiting (4)

--- Counterfeits Distributed by Organized Crime Groups ---



Source: International Anti-Counterfeiting Coalition(IACC)

Organized crime groups, such as drug traffickers have turned to be counterfeit buyers, are carrying out counterfeiting activities worldwide.

4. Counterfeiting (5)

Resent trends - “Effect of IT Revolution”

● Manufacturing and Distribution of Counterfeits

More easily

In a more sophisticated manner

At a higher speed

On a global scale

The number of cases of IP right infringement under arrest was 245 in 2003

—	Violation of Trademark Law (fake big-name brand)	159
—	Violation of Copyright Law (piracy or use without agreement)	59
—	Others	27

Main cases under arrest Three persons (unemployed) who sold fake big-name brands (sunglasses) smuggled into Japan from abroad through Internet auction were arrested due to the violation of Trademark Law.

17 foreigners, belonging to a smuggle/traffic mafia came to Japan and sold fake big-name brands smuggled into Japan from abroad, in an illicit sale shop, were arrested due to the violation of Trademark Law. 20 thousand items were seized.

A father and a son who sold illegal copies of computer software through Internet auction were took into custody due to the violation of Copyright Law.

**Which country has jurisdiction over a lawsuit against intellectual property infringement committed via the Internet?*

5. Japan's Efforts against Counterfeiting (1) “Cooperation with Industries”

● Support of Activities of International Intellectual Property Protection Forum

* In April 2002, “International Intellectual Property Protection Forum” (IIPPF) was launched. Since then, cooperation among the industries across different business sector has been promoted. Anti-counterfeit measures have also been enhanced through close cooperation between the industries and Japanese government. 163 parties and enterprises take part in the activities (As of March 2004).

• “Contents Overseas Distribution Association”, which was established by parties concerned copyrights and contents industry to take measures against pirate CD/DVD copies, also participated in the Forum.

Four projects were carried out by IIPPF

1. Recommendations on counterfeit and piracy problems from the industries to Japanese government, and follow-up of the government-private joint-mission to China

- “Follow up mission for the government-private joint-mission to China” was dispatched.

2. Analysis of problems of IP protection in countries/regions where no mission was sent, and proposal of measures for future

3. Information exchange among the members

4. Support of human resource development in developing countries

● Supporting activities in the industries through Content Overseas Distribution Association (CODA)

5. Japan's Efforts against Counterfeiting (2) “Government-Private Joint Mission”

● Dispatch of Government-Private Joint-Mission to China

To Chinese central and local governments, joint-mission composed of members of Japanese industries and government were dispatched for:

- 1) To ask to improve control of counterfeits and piracies
- 2) To ask central government to strictly guide/supervise local governments
- 3) To ask to improve system and practices such as improvements of court system

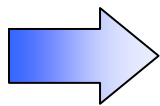
Date: from Dec. 1st (Sun) to Dec. 7th (Sat), 2002

Place: Central Government Office (Beijing)
Local Government Offices (Hangzhou, Zhejiang,
Gangzhou, Guangdong)

Members of the Mission: more than 90 members

<Industries> Chairperson Yoichi Morishita (Chairman of the Board of Matsushita Electric Industrial) and 25 representatives from private companies and parties including electronics, automobile, chemical, software, cosmetic companies and so forth.

<Government> Vice-minister Taichiro Nishikawa of the Ministry of Economy, Trade and Industry, and officials from Cabinet Secretariat, METI, JPO, MOFA, MECSST.



Government-Private joint follow-up mission will be dispatched to Beijing, Guangdong and Zhejiang in May 2004.

5. Japan's Efforts against Counterfeiting (3)

Intergovernmental Conference

◆Bilateral conference, etc◆

- China 2002 Mar.:** Scheduled conference with Ministry of Foreign Trade and Economic Cooperation
(now Ministry of Commerce)
- May:** Scheduled conference with National Economy and Trade Committee
(now partly included in Ministry of Commerce)
- June:** Scheduled conference with National Development Program Committee
- Nov.:** Patent office top meeting between Japan and China (to State Intellectual Property Office)
- 2003 Apr.:** Scheduled conference with Ministry of Commerce
- Jul.:** Request at meeting Vice-ministry Nishikawa to Ha Dalian Mayor
- Nov.:** Trademark office top meeting between Japan and China (to SAIC Trademark Office)
Patent office top meeting between Japan and China (to State Intellectual Property Office)
- 2004 Apr.:** Scheduled conference with National Development and Innovation Committee
- May:** Scheduled conference with Ministry of Commerce
- Taiwan 2003 Nov.:** Japan-Taiwan Trade and Economy Conference
<Interchange Association-Association of East Asian relation>
- Korea 2002 post Jul.:** Japan-Korea FTA joint research (to Ministry of Commerce Industry and Energy)
- 2003 Nov.:** Patent office top meeting between Japan and Korea
- C-J-K 2002 Dec.:** CJK content agency meeting
- 2004 Nov.:** CJK patent office top conference

◆Multilateral conference◆

- WTO 2001 Dec.:** China joined WTO **2002 Jan.:** Taiwan joined WTO
- 2002 Sep.:** Reviews of legislation and Transitional Review Mechanism (TRM) to China and Taiwan were performed on WTO/TRIPS board.
- 2003 Sep.:** 2nd TRM to China was performed on WTO/TRIPS board.
- WIPO 2002 Sep.:** WIPO Enforcement Conference
- 2003 June:** WIPO Enforcement Advisory Committee

* Furthermore, APEC IP Expert Meetings, ASEAN+3 Meetings, etc.

5. Japan's Efforts against Counterfeiting (4)

“Gathering and Providing of Information”

● Gathering of Information on damage from counterfeits and piracies

- Surveys on economic effects by IP infringement and anti-counterfeit measures by companies
- Surveys on piracies market
- Surveys in developed countries regarding anti-counterfeit activities

○ JPO experts were dispatched for a long period to IP Offices in Asian countries/regions, JETRO (Beijing, Seoul, Bangkok) and Interchange Association (Taipei) to gather information on IP and make consultations with Japanese companies.

By 2002, a total of **449 experts had been dispatched to China, Korea, Thailand, India, Cambodia, Indonesia, the Philippines, Vietnam, Malaysia, and other countries.

● Provision of information to Japanese companies and consultation with them

- In 1998, a web-site for consultation about counterfeiting (E-mail: nisemono110@jpo.go.jp) was established to reply each access from companies (In 2003, 303 claims).
- “Anti-counterfeit Manual” was prepared and distributed, and seminars are held.

5. Japan's Efforts against Counterfeiting (5)

“Crackdowns at water's edge and measures in Japan”

● Cooperation with regulatory agencies in Japan

○ To prevent counterfeits from being manufactured and distributed in Japan, cooperation with regulatory agencies have been strengthened. Responses are made to inquiries from the Customs (213 offices) and the Police (47 offices) concerning cases of infringement.

Inquiries from the Police and the Customs :

JPO cooperates with police and customs by providing information on the scope of protection of registered patents, designs and trademark rights disputed.

* The number of inquiries from regulatory agencies in Japan was 658 in 2003.

****The JPO offers the Intellectual Property Digital Library (IPDL) to assist police and customs to check the registration of IP rights.**

○ Dispatch of trainers for training activities for IP regulators in the Customs

JPO dispatches trainers to make lectures about judgment of similarity in “Trademark” and “Design” required for crackdowns at borders and about outlines of “Patent, Utility Model and Design Laws”.

****The JPO dispatches staff who have worked as examiners to courts.**

→Currently, 10 officials are dispatched from the JPO to the Tokyo High Court, 6 officials to the Tokyo District Court, 1 official to the Osaka High Court and 2 official to the Osaka District Court. They deal with cases concerning intellectual property infringements as judicial research officials.

5. Japan's Efforts against Counterfeiting (6)

“Technical Support for Governments against Infringement”

- Seminars for personnel of enforcement agencies in countries in developing countries

In developing countries, seminars are held for personnel of police and customs to improve their skill against counterfeits and pirates

1) **Seminars on enforcements against counterfeits have been held in China, Korea and Singapore since 1999. In FY2003, a seminar was held in Hangzhou, China (Mar. 24th). In these seminars, discussions were made to enhance the cooperation between enforcement agencies and Japanese companies.**

2) **WIPO Japan Fund-in-Trust Seminars** on enforcement is planned to be held in Vietnam (Hanoi and Ho-Chi-Minh) in Vietnamese, in July 2004.

3) **“Camera and Imaging Products Association” (an industrial association in Japan) held a technical seminar regarding digital camera for 39 examiners of State Intellectual Property Office (SIPO) in November 2003, in order to promote prompt and appropriate examination of digital camera patents.**

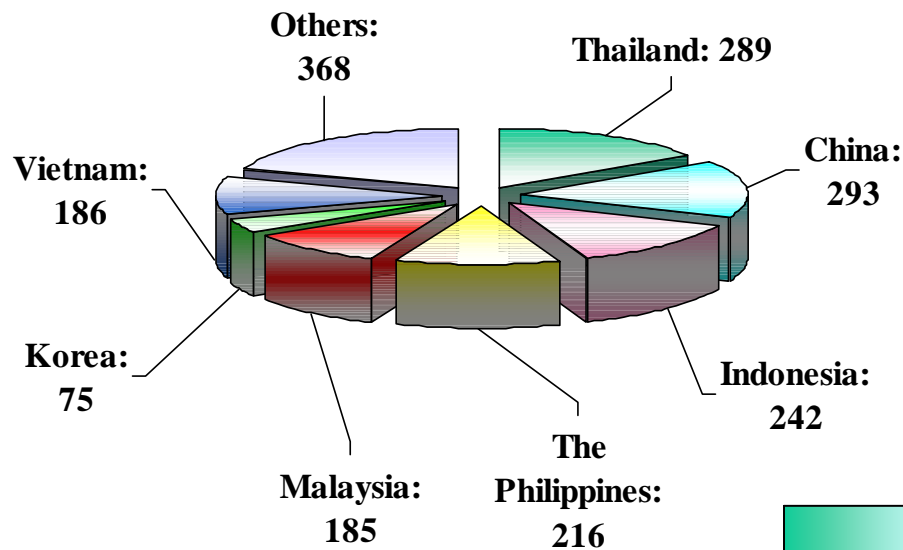
5. Japan's Efforts against Counterfeiting (7)

--- Intellectual Property Cooperation in the Asia-Pacific Region (2) ---

Support of training of human resources of local officials such as personnel of customs houses and the police to enhance their power exercise abilities in the country/regions where damages from counterfeiting have been caused.

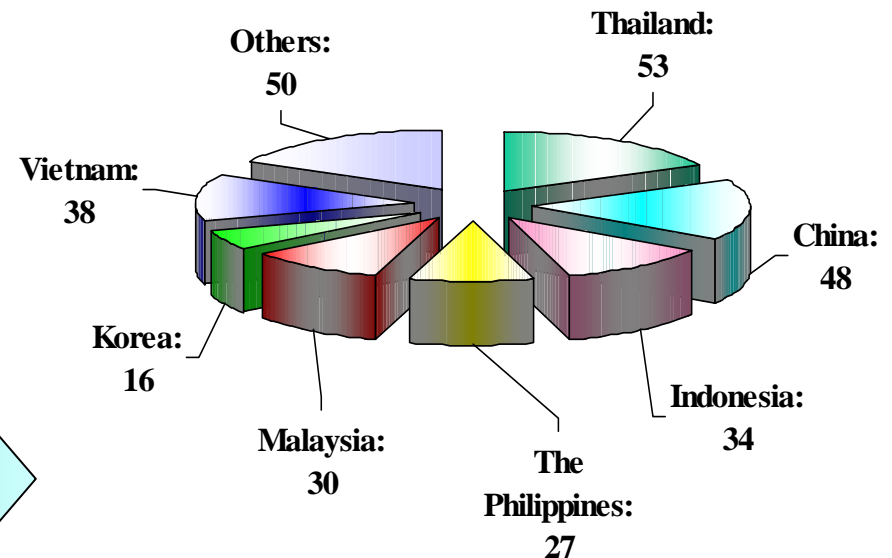
**Number of trainees accepted
(total number as of March 2004)**

**1,854 trainees from
42 countries and 1 region**



**Number of officials of enforcement agencies
accepted as trainees**

**300 trainees from 16 countries
(significantly increased since 1999)**



The focus of training programs was shifted from the phase of granting rights such as examination practices to the phase of enforcing rights such as counterfeit control.

5. Japan's Efforts against Counterfeiting (9) Enlightenment Activities for Consumers



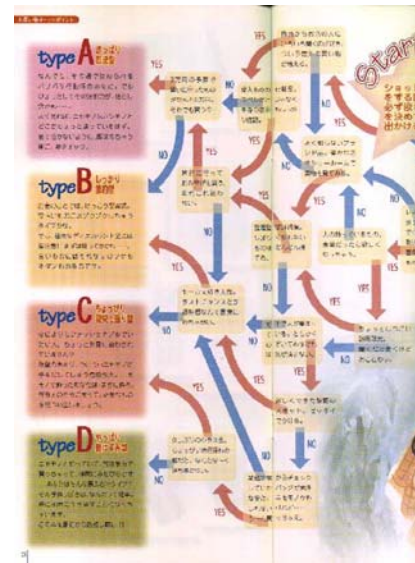
Booklet on counterfeits for general consumers titled 'Fabricateur'



Booklet on counterfeits for distributors titled 'No Fakes'



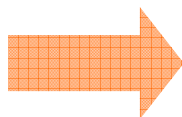
Comics



“See what kind of shopper you are by using this yes/no chart”.



Both booklets are in Japanese only



150,000 copies provided free of charge to customs, police stations, more than 200 universities, travel agencies, and general consumers.

5. Japan's Efforts against counterfeiting (8) Information Providing/Enlightenment Activities 1

●Promotion activities for consumers

○To prevent honest consumers from being suffering from counterfeiting, the activities put emphasis on letting everyone know the current status of counterfeit, and on the importance of protection of intellectual property rights to avoid purchase of counterfeits.

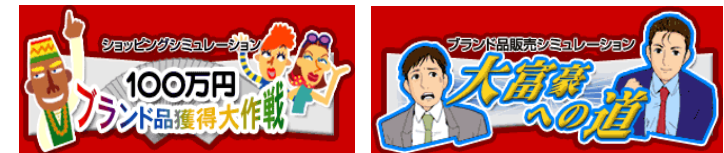
○In 2003, “Campaign to get rid of counterfeits and pirated goods” was carried out with support of the ministries concerned.



Poster & TV spot CM



Special page on an Internet auction site.

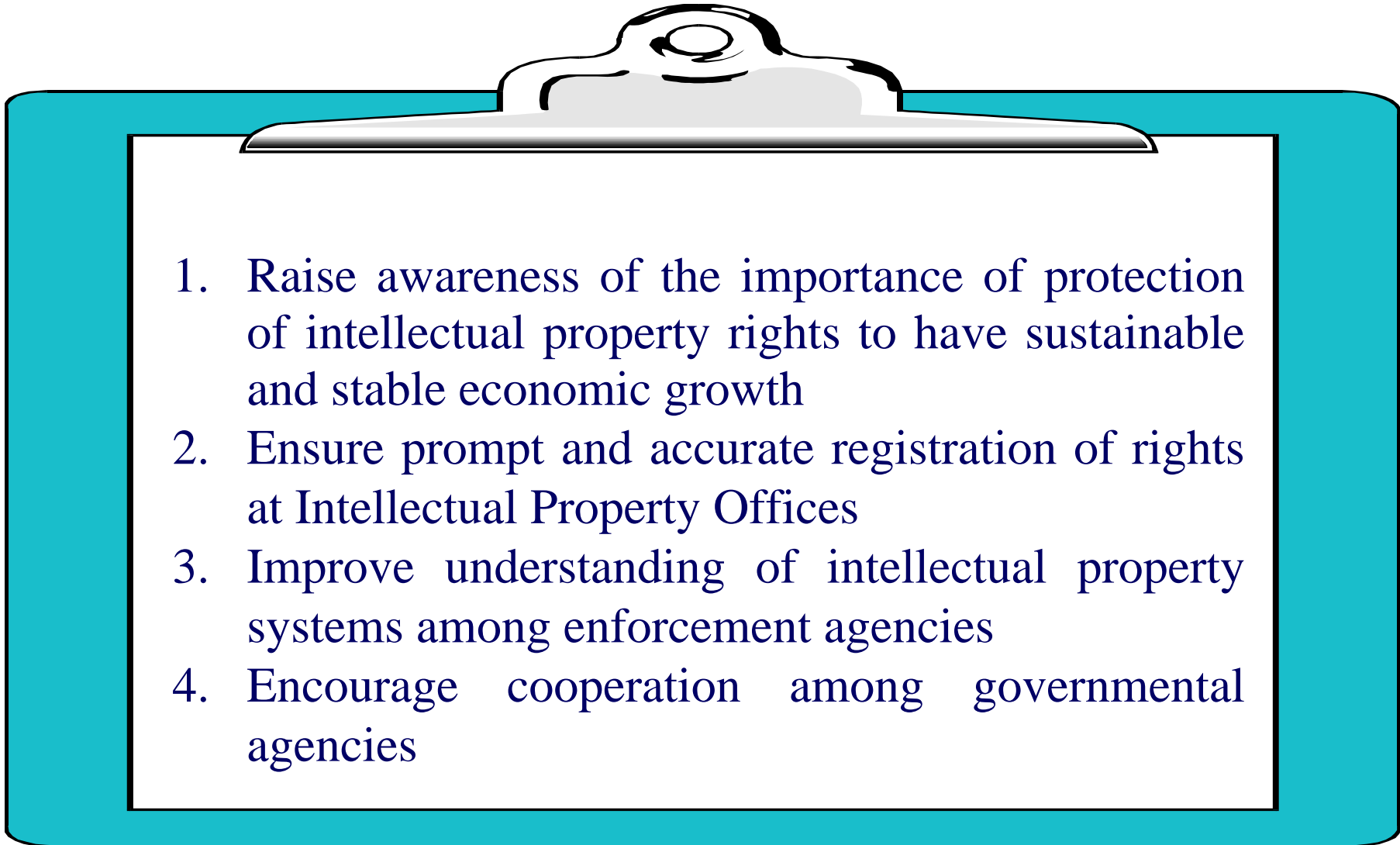


Internet content for enlightenment prepared by JPO

http://www.jpo.go.jp/torikumi/mohouhin/mohouhin2/kanren/fake_town/index.html

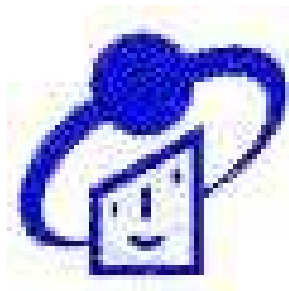
6. Conclusion

---Recommendations for more Effective IP Enforcement---

- 
1. Raise awareness of the importance of protection of intellectual property rights to have sustainable and stable economic growth
 2. Ensure prompt and accurate registration of rights at Intellectual Property Offices
 3. Improve understanding of intellectual property systems among enforcement agencies
 4. Encourage cooperation among governmental agencies

Thank you very much for your attention !

Japan Patent Office Website:
<http://www.jpo.go.jp>



Japan Institute of Invention and
Innovation Website:
<http://www.jiii.or.jp/english/e.htm>

Intellectual Property Digital
Library(IPDL) Website:
http://www.ipdl.jpo.go.jp/homepg_e.ipdl

The Function and Situation of Chinese Administrative Patent Enforcement

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Coordination and Administration Dept. SIPO

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E-mail: zhaomeisheng@sohu.com)

1. The Function of Chinese Administrative Patent Enforcement

According to Chinese patent law, local administrative authority for patent affairs (local intellectual property office) can function in the enforcement of patent. This kind of function is termed administrative patent enforcement. As the patent administrative department under the State Council, Chinese State Intellectual Property Office (SIPO) has relevant managerial responsibilities for the function mentioned above, such as making rules and policies and organizing national activities in this area.

Where a dispute arises as a result of exploitation of a patent without the authorization of the patentee, that is, the infringement of the patent right of the patentee, it shall be settled through consultation by the parties. Where the parties are not willing to consult with each other or where the consultation fails, the patentee

or any interested party may institute legal proceedings in the people's court, or request the administrative authority for patent affairs to handle the matter. When the administrative authority for patent affairs handling the matter considers that the infringement is established, it may order the infringer to stop the infringing act immediately. If the infringer is not satisfied with the order, he may, within 15 days from the date of receipt of the notification of the order, institute legal proceedings in the people's court in accordance with the Administrative Procedure Law of the People's Republic of China. If, within the said time limit, such proceedings are not instituted and the order is not complied with, the administrative authority for patent affairs may approach the people's court for compulsory execution. The said authority handling the matter may, upon the request of the parties, mediate in the amount of compensation for the damage caused by the infringement of the patent right. If the mediation fails, the parties may institute legal proceedings in the people's court in accordance with the Civil Procedure Law of the People's Republic of China.

Where any infringement dispute relates to a patent for invention for a process for the manufacture of a new product, any entity or individual manufacturing the identical product shall furnish proof to show that the process used in the manufacture of his or its product is different from the patented process. Where the infringement relates to a patent for utility model, the people's court or the administrative authority for patent affairs may ask the patentee to furnish a search report made by SIPO.

Where any person passes off the patent of another person as his act, and the order

shall be announced. His illegal earnings shall be confiscated and, in addition, he may be imposed a fine of not more than three times his illegal earnings and, if there is no illegal earnings, a fine of not more than RMB 50 000 yuan. Where the infringement constitutes a crime, he shall be prosecuted for his criminal liability.

Where any person passes any non-patented product off as patented product or passes any non-patented process off as patented process, he shall be ordered by the administrative authority for patent affairs to amend his act, and the order shall be announced, and he may be imposed a fine of no more than RMB 50 000 yuan.

The amount of compensation for the damage caused by the infringement of the patent right shall be assessed on the basis of the losses suffered by the patentee or the profits which the infringers has earned through the infringement. If it is difficult to determine the losses which the patentee has suffered or the profits which the infringed has earned, the amount may be assessed by reference to the appropriate multiple of the amount of the exploitation fee of that patent under contractual license.

Prescription for instituting legal proceedings concerning the infringement of patent right is two years counted from the date on which the patentee or any interested party obtains or should have obtained knowledge of the infringing act.

Where no appropriate fee for exploitation of the invention, subject of an application for patent for invention, is paid during the period from the publication for instituting legal proceedings by the patentee to demand the said fee is two years

counted from the date on which the patentee obtains or should have obtained knowledge of the exploitation of his invention by another person. However, where the patentee has already obtained or should have obtained knowledge before the date of the grant of the patent right, the prescription shall be counted from the date of the grant.

2. The Situation of Chinese Administrative Patent Enforcement

Chinese Government explicitly demanded the improvement of intellectual property protection system. Among the tasks of constructing the nation's modern property systems, improvement of IP protection system was included. It would be a directive for the nation's IP protection work. Regulating and standardizing market economy order is a long-term and important task for the nation. At the National Conference on Regulating and Standardizing Market Order in April 2003, raiding patent infringement was listed one of the key tasks of the Government. SIPO also became a Member Unit of the National Leading Group of Regulating and Standardizing Market Order. According to the requirements of the conference and relevant national plan SIPO established its Leading Group of Regulating and Standardizing Market Order with a Commissioner as its head in April 2003. In the May the group launched an working plan to require the IP offices establish their own leading groups to make plans considering local actual situations and take measures in enforcing the laws in the field of goods circulation to promote the increase of IPR protection level and the deepening of standardizing regulating market activities. In the May, following the orders of clearing both roots and stems and intensifying

clearing roots, SIPO reported the construction plan for the system's credit system. Meanwhile, during the SARS outbreak, SIPO issued the Notice on Strengthening IPR Protection during the Period of Fighting SARS, all regions intensified their IPR protection in the fields of pharmacy and food accordingly.

By December 2003, more than 20 provinces have promulgated their patent protection or administration regulations. Some large cities also issued their owns. These regulations offered more legal basis for the improvement of China's patent protection.

In all foreign-related IPR cases, China abided the principle of making the judgement impartially based on the law. SIPO required all local IP offices, based on the laws, to protect the legitimate interests of IPR owners from both home and abroad, and local IP offices at all levels directed domestic companies to avoid infringing others' IPRs during their R& D and sales activities.

In the February, SIPO issued a notice on further improving raiding IPR counterfeiting to local offices, requiring them by reviewing the high-profile issues of the year, to intensify administrative enforcement and enhance handling of foreign-related and case-profile cases, improve their enforcement cooperation and case-handling efficiency, further eliminate local protectionism and ensure the implementation of the WTO rules in China.

In the July, SIPO sent a notice to require IP offices of provinces and large cities to

establish an annual reporting system of annual local IPR protection status through creating favorable environment and adopting measures. Presently, Shanghai and Wuhan have implemented their reporting systems of annual local IPR protection status while many provinces and cities are preparing for it.

SIPO holds a working conference on enforcement of IP offices annually, which offered new requirements for Improving enforcement and stringently protecting legitimate interests of IPR owners from both home and abroad.

Following the notice on enhance coordination and cooperation in handling IPR violations, a notice jointly issued by the SIPO, the Ministry of Public Security and SAIC, in the March, the three offices held a joint session on IPR enforcement. The session focused on intensifying coordination in raiding of IPR violations and case transfers. The session proposed to add the Supreme People's Court and the Attorney General's Office as member units. Both units had agreed. A memo of the session had been distributed to all over the nation. Local authorities had actively carried out the requirements of the session and further improve their coordination during the IP enforcement.

Relying on their advantages of simpler process of administrative enforcement, professional caliber and quick resolutions, the local IP offices handled patent disputes, cracked down on faking others' patents and faking patent identities with high efficiency. For example, in 2003, patent administrative authorities of provinces received 1,517 patent disputes, resolved 1,237 and established 1,873 cases of faking

patent identities and 164 cases of faking others` patents.

SIPO made demands to the local IP offices in specialized enforcement operation and made necessary deployment. For example, during March 15 International Day for the Protection of Consumers` Interests, April 26 World Intellectual Property Day and Fighting SARS, local IP offices in cooperation with other local enforcement agencies conducted open and concentrated operations to crack down on counterfeiting activities in the circulation area. The SIPO also organized cross-region joint enforcement operations.

SIPO held the National Administrative Patent Enforcement Conference on December 2003 in Beijing. The conference checked and summarized the implementation of tasks deployed by the National Conference on Regulating and Standardizing Market Order, studied highlighted issues for present patent enforcement and deployed tasks for the next phase.

The Mexican Institute of Industrial Property as Administrative Enforcement Authority.

MR. Francisco SILVA
MR. Román IGLESIAS
May, 2004.

I. LEGAL FRAMEWORK

DOMESTIC

**INDUSTRIAL PROPERTY LAW
(IPL) AND ITS REGULATIONS
(1994)**

**FEDERAL COPYRIGHT LAW
(1996)
REGULATIONS (1998)**

INTERNATIONAL

TRIPS AGREEMENT

**MULTILATERAL TREATIES
AND CONVENTIONS
ADMINISTERED BY WIPO**

**FREE TRADE AGREEMENTS
THAT INCLUDE CHAPTERS OR
PROVISIONS REGARDING
INTELLECTUAL PROPERTY
RIGHTS**

II. OVERVIEW ON COPYRIGHTS

**The Protection provided by the Copyright Law is to
the following works:**

- literary works;**
- musical works with or without words;**
- dramatic works;**
- dances;**
- pictorial works or works of drawing;**
- sculptures and works of three-dimensional art;**
- works of caricature and short stories;**
- architectural works;**

OVERVIEW ON COPYRIGHTS

- cinematographic and other audiovisual works;
- radio and television programs;
- computer programs;
- photographic works;
- works of applied art, including works of graphic or textile design;
- works of compilation, consisting of collections of works such as encyclopedias, anthologies and works or other elements like databases, provided that the said collections constitute intellectual creations by reason of the selection or arrangement of their contents or subject matter;

OVERVIEW ON COPYRIGHTS

The National Copyright Institute is the Administrative Authority in matters of copyrights and neighboring rights, is a decentralized body of the Secretariat of Public Education.

III. INDUSTRIAL PROPERTY PROTECTION

The Protection granted by the IPL covers the following:

- Patents**
- Utility Models**
- Industrial Designs**
- Trade Secrets**
- Integrated Circuits Layout Designs**

INDUSTRIAL PROPERTY PROTECTION

The Protection granted by the IPL covers the following:

- **Trademarks**
- **Trade Names**
- **Advertising Slogans**
- **Collective Trademarks**
- **Appellation of Origin**

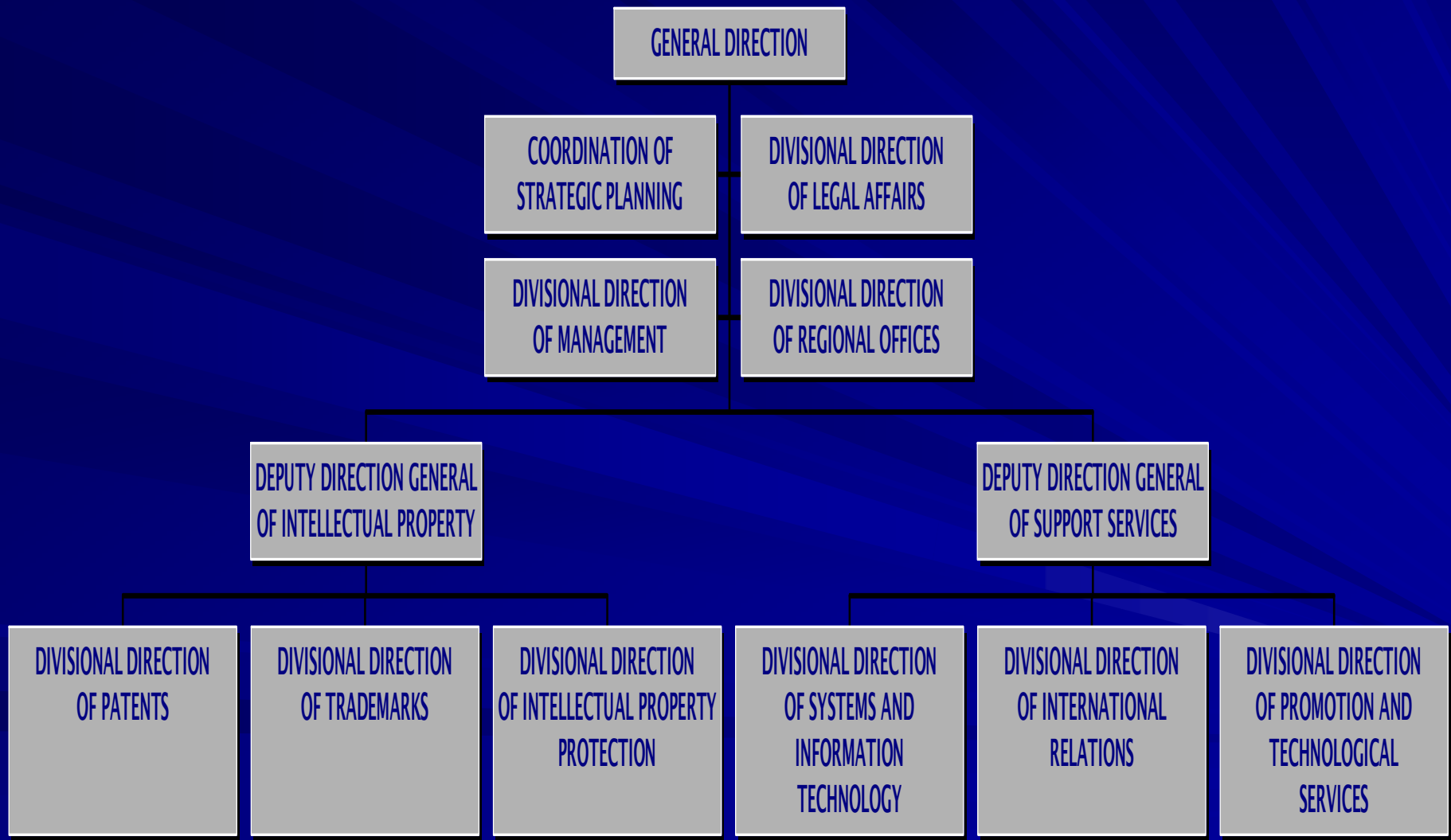
IV. THE MEXICAN INSTITUTE OF INDUSTRIAL PROPERTY (IMPI)

The IMPI is a decentralized body of the Federal Administration (Secretariat of Economy) with legal personality and own assets, created through Official Decree on December 1st, 1993, in charge to manage the Industrial Property System in Mexico.

OBJECTIVES

- To process and to grant exclusive IP rights;
- To conduct investigations regarding administrative infringements; (including copyright infringements related to commerce)
- To promote and to disseminate the Industrial Property System;
- To promote international cooperation through the exchange of administrative and legal experiences with other countries, and;
- To participate on international meetings and fora related to IP

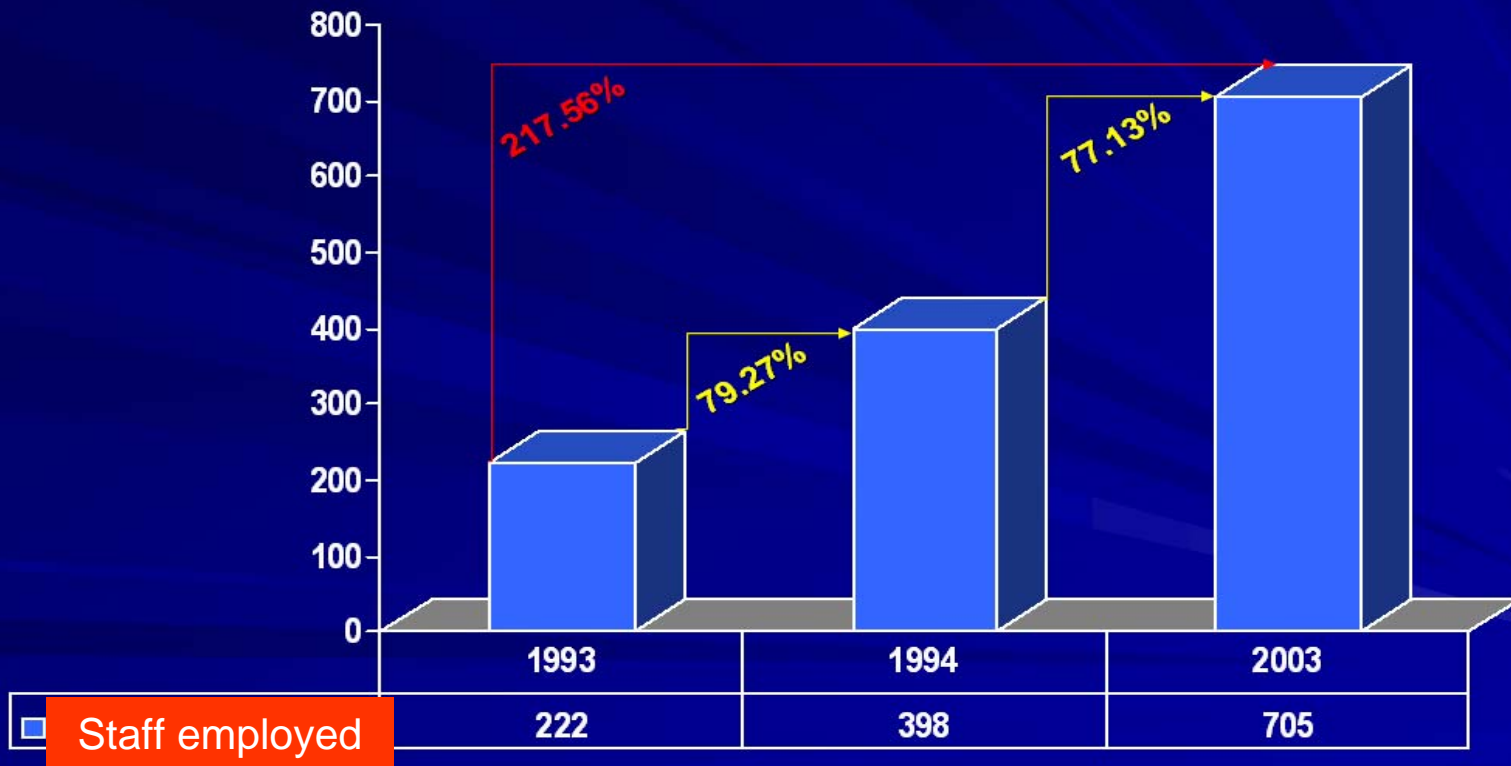
ORGANIZATIONAL STRUCTURE



1993 - 2003

HUMAN RESOURCES

Human Resources 1993 - 2003



V. THE IMPI AS ADMINISTRATIVE ENFORCEMENT AUTHORITY

The IMPI is entitled to sanction the unlawful of IPRs and to declare the annulment, cancellation or lapse.

The Copyright Law empowers the IMPI to sanction trade-related infringements.

Examples:

- **production, manufacture, stocking, distribution, transportation or marketing of unlawful copies of works protected by this Law;**
- **the fact of offering for sale, stocking, transporting or distributing works protected by this Law that have been distorted, altered or mutilated without the permission of the owner of the copyright;**
- **importation, sale, rental or any act that affords possession of a device or system whose purpose is to deactivate electronic devices for the protection of a computer program;**

DIVISIONAL DIRECTION OF INTELLECTUAL PROPERTY PROTECTION.

Underdirection

Head of Department

Unfair Competition
Prevention

Infringements and Criminal
Offenses

Inspection and Enforcement

Industrial Property
Procedures

Nullity

Cancellation and Caducity

Trade-related
Infringements

Inspection of Trade-related
Infringements

THE ADMINISTRATIVE DECLARATION PROCEDURE

The Institute may initiate the administrative declaration procedure *ex officio* or at the request of any person who has a legal interest therein and provides grounds for his claim.

The request has to contain

1. name of the requester and of his representative if any;
2. address for the service and receipt of notifications;
3. name and address of the other party or of his representative;
4. the subject of the request, expressed in clear and precise terms;
5. an account of the facts;
6. the underlying legal grounds.

THE ADMINISTRATIVE DECLARATION PROCEDURE

Accepting the request the IMPI could carry out an inspection tour to the alleged infringer.



If in the course of the visit irrefutable proof is provided of any administrative infraction or offence, the inspector can, as a precautionary measure, seizure the products with which such infringement or offenses were presumably committed.



Once the IMPI has concluded the inspection tour, is rised a detail record and the IMPI provides to the alleged infringer the oportunity to make observations in 10 days.

THE ADMINISTRATIVE DECLARATION PROCEDURE

Once the period for the affected owner, or where applicable the alleged infringer, to make his statements, has expired, following a study of applicable precedents and the consideration of all the evidence, the appropriate administrative ruling is handed down and the parties concerned are notified.

The same ruling likewise imposes the sanction where one is appropriate.

PROVISIONAL MEASURES

In administrative declaration procedures relating to the violation of any of the rights protected by the Mexican Industrial Property Law, the Mexican Institute of Industrial Property may do the following measures:

- I. order the withdrawal from circulation or ban the distribution of merchandise that infringes such rights as are protected by this Law;
- II. order the withdrawal from circulation of:
 - (a) objects manufactured or used illegally,
 - (b) objects, wrappers, containers, packaging, paperwork, advertising material and similar articles,

PROVISIONAL MEASURES

(c) signs, labels, tags, paperwork and similar articles,

(d) implements or instruments intended or used for the manufacture, or production of any of the articles specified in items (a), (b) and (c), above;

III. prohibit, with immediate effect, the marketing or use of the goods;

IV. order the seizure of goods;

V. order the alleged infringer or third parties to suspend or discontinue acts constituting a violation of the provisions of this Law;

PROVISIONAL MEASURES

VI. order the suspension of the rendering of the service or the closing of the establishment where the measures provided for in the foregoing subparagraphs are not sufficient to prevent or avoid the violation of the rights protected.

If the product or service is on the market, the traders or the providers of the service shall be under the obligation to abstain from disposing of the product or rendering the service as from the date on which the ruling is notified to them.

Producers, manufacturers and importers shall be under the same obligation, as shall their distributors, who shall be responsible for immediately recovering any goods that are already on the market.

INSPECTIONS TOURS

- **IMPI carries out inspection visit aimed to protect intellectual property rights and repress unfair competition.**
- **Every inspection tour gives rise to the production of a detailed record in the presence of two witnesses proposed by the person with whom the inspection has been arranged, or by the inspector who carried it out if the latter has refused to propose such witnesses.**

TECHNICAL OPINIONS

The Federal Public Prosecutor could request to the IMPI a technical opinion when violations of IPRs are involved in a trial. The technical opinion can be added to the corresponding investigation and, in due case, will serve as an element for criminal enforcement.

ADMINISTRATIVE AUTHORITIES INVOLVED ON IPR ENFORCEMENT IN MEXICO

- Mexican Institute of Industrial Property (IMPI)
- Customs Administration (Secretariat of the Treasury)
- Mexico's Judicial Authorities (Civil and Criminal) involved on IPR Enforcement:
 - Trial District Court
 - Circuit College Court
 - ❖ For the exercise of criminal actions arising from the violation of industrial property rights, the plaintiff has to file a petition before the Federal Attorney General's Office; the said petition is handed over to the Public Prosecutor who is the District Attorney for Special Crimes.

- Within Mexico's legislation, IPR infringement is divided into the following branches:
 - Administrative infringements and infringements on industrial property, which are foreseen and regulated by the Industrial Property Law (IPL).
 - Administrative infringements on copyrights in the field of commerce, which are foreseen by the Federal Copyright Law (FCL), however its procedure is regulated by the IPL and executed by IMPI.
 - ❖ It is important to notice that the compensation for material damages or indemnification for damages and prejudice are in no case be less than 40 percent of the public selling price of each product or the price of the rendering of services where violation of any one or more of the IPRs are involved.

POLICY MEASURES CONDUCTIVE TO ENSURING ADEQUATE ENFORCEMENT OF IP RIGHTS.

- One of the objectives of the Mexican government is striving to ensure adequate and effective protection of intellectual property rights and towards this end, there has been great progress with legislation, administration and enforcement of intellectual property rights according to the standard established by International Treaties signed by Mexico.
- The Mexican laws on intellectual property are consistent with the enforcement provisions set out by the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement). IMPI has played a very important role for the protection and enforcement of intellectual property rights at national level.

“NATIONAL CAMPAIGN AGAINST COUNTERFEITING”

Regarding the trends on IP enforcement, it could be stressed, that Mexico has carried out since 1998 a National Campaign against Counterfeiting aiming to enhance and take stronger and coordinated actions against the import, production, distribution, storage and trade of counterfeited goods and unfair competition. This campaign involved Government Agencies and Industry Sectors concerned.

Likewise, such Campaign included the following measures: dissemination of advertisements in mass media against counterfeiting; joint inspection visits (coordinated with the judicial authority); seizure of counterfeited goods; and industry sectors collaboration with corresponding authorities.

TOGETHER AGAINST PIRACY

“Together against piracy”, was a group of enterprises that manufactures goods for consumers and is in charge of looking after their intellectual property rights protection. The group was integrated by: Microsoft Mexico, Disney Mexico, Parfumerie Versailles (Chanel), Deportes Martí, Reebok de México, Nike de Mexico, Levi Strauss de Mexico, Fila Mexico, Warner Brothers and Tycoon Enterprises.

The purpose of such campaign was to aware public on counterfeited goods. “Together against piracy” was a campaign against the illegal production, reproduction and commercialization of goods in our country, initiated in different mass media on November 1999, lasting until February 2000.

NO TOLERANCE

On March 6, 2000, the BSA announced its first Truce Campaign in Mexico with the support of the Mexican government, mainly IMPI, lasting until April 30, 2000. In such period, the BSA did not file any legal action against enterprises and end users who were using illegal software, providing them a time to review their software installations and acquire needed licenses without facing penalties for past infringement. Once the Truce Campaign was finished, the BSA undertook again its normal activities and initiated legal actions against those enterprises that continue the use of illegal software products.

The BSA and IMPI continue working together verifying software in different companies in Mexico and in the year 2003, IMPI performed more than 530 inspection visits ex-officio in this regard.

DECENTRALIZATION OF SERVICES

In order to make IMPI services available to all the users in our country, IMPI set up a decentralization policy by creating 4 Regional Offices that are located in Mexico's main cities. The first Regional Office, the Western Regional Office, began operating in 2000; meanwhile the fourth Regional Office, the "Southeast" Regional Office, began operating in 2002.

The purpose of these offices is to act as receiving offices for distinctive sign applications, invention applications, phonetic and figurative search applications, as well as technological information search applications. At the same time, IMPI's Regional Offices provide consulting to the users and carry out promotion and dissemination programs in their region.

Regional Offices



SOLICITUDES DE DECLARACIÓN ADMINISTRATIVA • 2001-2003
ADMINISTRATIVE DECLARATION APPLICATIONS • 2001 - 2003

AÑO	TOTAL	NULIDAD	CADUCIDAD	CANCELACIÓN	INFRACCIÓN	MEDIDAS PROVISIONALES	INFRACCIONES EN MATERIA DE COMERCIO
YEAR	TOTAL	NULLITY	EXPIRATION	CANCELLATION	INFRINGEMENT	PROVISIONAL MEASURES	COMMERCE RELATED INFRINGEMENTS
2001	1,698	431	354	2	583	41	287
2002	2,007	582	373	1	648	55	348
2003	2,028	479	403	1	542	158	445

PROCEDIMIENTOS DE DECLARACIÓN ADMINISTRATIVA RESUELTOS• 2001-2003
RESOLVED PROCEEDINGS RELATED TO ADMINISTRATIVE DECLARATION• 2001 - 2003

AÑO	TOTAL	NULIDAD	CADUCIDAD	CANCELACIÓN	INFRACCIÓN	INFRACCIONES EN MATERIA DE COMERCIO
YEAR	TOTAL	NULLITY	EXPIRATION	CANCELLATION	INFRINGEMENT	COMMERCE RELATED INFRINGEMENTS
2001	2,614	773	373	5	1,203	260
2002	2,486	652	472	1	919	442
2003	1,801	440	347	2	609	403

VISITAS DE INSPECCIÓN • 2001 -2003
INSPECTION VISITS • 2001 - 2003

AÑO/YEAR	SOLICITADAS / FILED	TOTAL REALIZADAS / TOTAL EXECUTED	REALIZADAS / EXECUTED				OFICIO/ REQUIRED BY LAW
			A PETICIÓN DE PARTE / AT THE REQUEST OF A PARTY				
			PREVENCIÓN / PREVENTION	PROCESOS/ PROCESSES	DERECHOS DE AUTOR/ COPYRIGHTS	TOTAL	
2001	1,673	4,221	754	197	347	1,298	2,923
2002	1,615	3,718	791	134	380	1,305	2,413
2003	1,657	2,990	684	90	427	1,201	1,789

The background features a dark blue field with lighter blue, wavy, horizontal bands that create a sense of movement. A faint, light-colored silhouette of a globe is centered behind the text.

**CHINA'S LEGISLATIVE
WORK IN IMPLEMENTING
OBLIGATIONS UNDER TRIPS
AGREEMENT**



WANG QIANG

Ministry of Commerce

P.R.CHINA

1. Revision of Copyright Law

- In order to comply with TRIPS Agreement, China modified its Copyright Law in October 2001.

- New Rights to be Protected Added
- the Rights of Performers and Producers Clarified
- Provisions for Provisional Measures Added
- Articles about Statutory Damages Added
- Administrative Sanction Strengthened

2. Revision of Trademark Law

- China's Trademark Law was revised in October 2001 in order to comply with the need of China's accession to WTO

- Provisions about Geographical Indication Added
- Range of Objects that Can be Protected as Trademark Extended
- Provisions of Protection of Well Known Mark Added

- Provisions of the Right of Priority Added
- Judicial Review of the Administrative Decision Added
- the Investigation Power of the Administrative Authorities Strengthened and Penalties Increased

3. REVISION OF THE PATENT LAW

- China's Patent Law was revised in 2000 for the second time and is comply with TRIPS Agreement



THANK YOU !

2003 PERFORMANCE REPORT ON INTELLECTUAL PROPERTY PROTECTION IN CHINESE TAIPEI

Preface

Recognizing that effective protection of intellectual property rights serves not only as our commitment to the international community, but also as the drive to industrial and national upgrading, the Executive Yuan has instructed the Ministry of Economic Affairs to continue implementing relevant intellectual property right protection programs by formulating the “IPR Action Plan 2003-2005” after the completion of the “2002 IPR Action Year” campaign.

Legal framework

Passage of the New Copyright Act

To protect copyrights and to provide a healthier digital environment, the amendments to the Copyright Act took effect on July 11, 2003. A total of 53 amendments were made, including 13 new insertions. In terms of civil remedies, the amount of statutory compensation is increased from NT\$1 million to NT\$5 million (US\$143,000), when the infringement is ruled as severe in nature. In the case of criminal penalties, fines have been increased to up to NT\$8 million (US\$230,000). The new Act also expands the scope of public crimes so as when unauthorized reproduction of optical disks with the intent to profit is established, complaints from copyright holders will no longer be required for enforcement agencies to initiate enforcement actions.

The new Copyright Act has provided necessary measures to deal with piracy and counterfeiting, it also balances the rights of copyright owners and users, and balances the benefits between public and private interests

Amendments to the Patent Act

Amendments to the Patent Act were promulgated on February 6, 2003. The new act is to reflect the needs of the public and to be consistent with international norms. It is also to enhance Chinese Taipei's international competitiveness and create a sound patent examination system. Important reforms are as followed :

1. In order to simplify the levels of patent administrative litigation, the cause of opposition and the cause of cancellation were combined, and the opposition system was abolished.
2. To further comply with Article 28 of the TRIPS Agreement, "offering for sale," is listed as part of the patent rights.
3. To pursue faster process and expedite commercialization for new utility model patent, formality examination is adopted to replace substantial examination.
4. Infringements on utility patent and design patent are freed from criminal liabilities after March 31, 2003.

Amendments to the Trademark Act

In order to protect trademark right holders and consumers, and to maintain fair market competition, the Amendments to the Trademark Act was promulgated on May 28, 2003, and entered into force on November 28, 2003. These amendments constitute a comprehensive modification of the Trademark Act and involve adjustments to the trademark system as well as changes to application documentations. In line with amendments to the principal Act, the Trademark Act Enforcement Rules took effect on December 12, 2003.

The new Trademark Act consists of amendments to 50 articles, insertion of 40 articles, and deletion of 23 articles. Major elements and key changes include:

1. Adding sounds and 3-dimensional shapes to what may be registered as trademarks.
2. Specifying the legal basis for acceptance of an electronic trademark application.
3. Enhancing protection provided to famous trademarks.
4. Adopting a new system under which anyone may file opposition to the granting of a trademark within 3 months after public notice of registration is provided.
5. Enhancing the protection provided to geographical indications for wines and spirits.
6. Specifying border control measures applicable to trademark-infringing goods.

Enforcement

JODE

To ensure deterrent effect is achieved, the Joint Optical Disk Enforcement Taskforce (JODE) has stepped up its inspections of optical disk plants. 1088 inspections were conducted in 2003, with more than one third of such inspections conducted at night. By doing so, the upstream of piracy could be blocked.

IETF

Integrated Enforcement Task Force (IETF) was established on January

1, 2003, to work in cooperation with JODE in implementing raids and seizures of manufacturing equipments, raw materials and products of plants involving piracy. IETF comprises 220 police officers and has two teams and six squads dispatched to six cities across Chinese Taipei. 4,110 inspections were conducted in 2003, mobilizing a total of some 36,990 police officers. Since the new Copyright Act took effect in July 2003, the number of confiscated music CDs and video CDs dropped 89.7% and 37.8%, respectively for August to December, as compared to January to July. These figures are tangible evidence that by broadening the scope of public crime and by increasing the fines, deterrent effect is reached.

Strengthening border control measures:

The Directorate General of Customs of the Ministry of Finance and Customs Offices have implemented a set of eight border control measures to form a tighter network dealing with import and export. Furthermore, the “Guidelines for Taskforce Targeting Exportation of Pirated Optical Disks” was promulgated in March 2003 to deal specifically with the export of optical disks. In addition to establishing a network to exchange information with Customs offices of other countries, random inspections of high hazard merchandise and manufacturers are also tightened.

Judicial Aspects

Enhancing IP knowledge of judges:

TIPO has been co-sponsoring training programs for judges since 2000. A total of 85 judges have participated in the training programs as of 2003. An estimate of 40 judges is expected to participate in this year’s training program.

The Prosecutors' Office of the Chinese Taipei High Court has established and is in charge of holding meetings of the Coordination Taskforce for IP Enforcement. This taskforce meets on a regular basis and coordinates activities of all prosecutor authorities in the execution of IP infringement cases. A Computer Crime Prevention Center is also established to strengthen the clamping down of computer crimes.

The Judicial Yuan is in the process of evaluating the possibility of setting up specialized IP courts to improve the quality and efficiency in processing IP cases.

Penalties for IP infringement cases:

In 2003, a total of 3,552 suspects were convicted of IP infringement, marking an increase of 34.75% from the 2,636 convictions during the same period in 2002. Of these, 1,896 people were imprisoned, an increase of 26.57% from the same period the year before. 586 of the convicted were sentenced to a minimum of six months' imprisonment, an increase of 35.33% from 2002. Two of them were sentenced to three to five years' imprisonment, comparing that of only one in 2002.

The heaviest penalty on IP infringement was rendered last October by the Taoyuan District Court, in which the suspect was sentenced to six and a half years' imprisonment plus three years' penal servitude. Also, a popular and free download site for pop music, Hotramusic.com, was ordered to shut down by the Taipei District Court. The site administrator was sentenced to eight months' imprisonment.

Public Awareness

To demonstrate the government's determination to protect right holders of computer software and to eliminate end-user piracy in government offices, the Directorate General of Budget Accounting and Statistics of the Executive Yuan has repeatedly called for all government offices using authorized software and given priority to the procurement of them in its 2004 budget allocation. In 2003, TIPO has spent over NT\$43 million (US\$1.26 million) on public awareness programs.

To eradicate illegal copying of textbooks on university campuses, the Ministry of Economic Affairs and the Ministry of Education will jointly implement monitoring and enforcement mechanisms and formulate second-hand book exchange mechanism on selected campuses.

University computer centers are urged to monitor the use of legal software and to ensure that campus Internet services are not being used for illegal peer-to-peer transmissions. The Ministry of Education will assess, evaluate, and provide subsidies for universities to carry out these measures.

U.S.-Chinese Taipei Seminar on IPR Protection and Enforcement was held on December 9-12, 2003. Constructive communication on IP trends and IP enforcements was exchanged with the IIPA, MPA, and IFPI and U.S. government officials to facilitate beneficial partnerships.

RESULTS

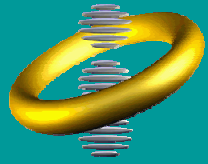
According to the 2003 IPR seizures report from the Customs and Border Protection (CBP) & Immigration and Customs Enforcement (ICE) of the U.S.

Department of Homeland Security, Chinese Taipei's total value of IPR seizures for fiscal year 2003 dropped drastically from US\$26,500,000 in 2002 to US\$610,000 in 2003. Not only does this place Chinese Taipei outside the top ten IP violators to the United States.

By the 2003 survey from BSA on software piracy rate in Asia, Chinese Taipei's piracy rate for 2002 followed closely behind Japan's. In addition, according to IFPI survey, the piracy rate on music disk in Chinese Taipei in 2003, decreased 5%, compared to 2002. These figures indicate that meaningful results have been achieved through Chinese Taipei's IP enforcement and law amendments.

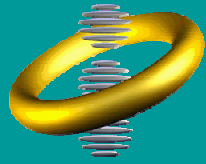
Conclusion

Effective implementation of IPR enforcement not only tops the national agenda, but also motivates innovative development and industrial upgrading by safeguarding global competitiveness of the nation. A comprehensive legal framework and enforcement mechanism is crucial in deterring IP infringements. Chinese Taipei's enforcement efforts in curbing IPR infringements demand the continuous and ongoing cooperation of several competent authorities, including government officials, judicial officials, police, investigation, and customs officials to develop a healthier IP protection environment in Chinese Taipei.



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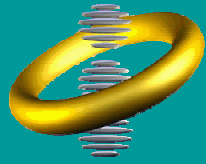
Civil Procedures for Enforcement of IPRs in Hong Kong, China



IP-related proceedings

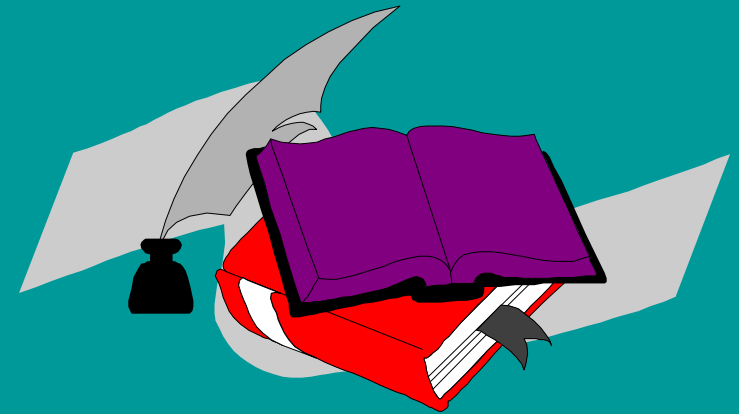
- Proceedings before the Registrar
- Civil actions in the Courts
- Criminal actions in the Courts

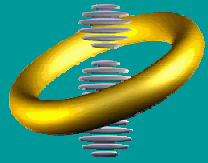




Proceedings before the Registrar

- registrability
- opposition to registration
- variation of registration
- revocation or declaration of invalidity of registration

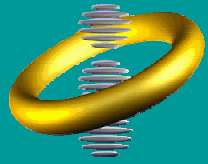




- Parties to submit:
 - Notice of opposition
 - statement of grounds
 - counter-statement
 - evidence (statutory declaration)

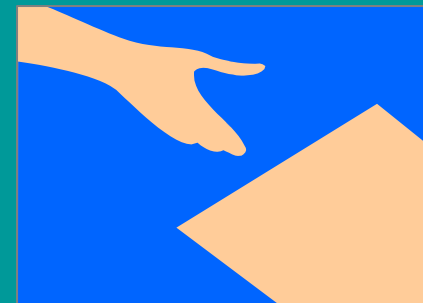
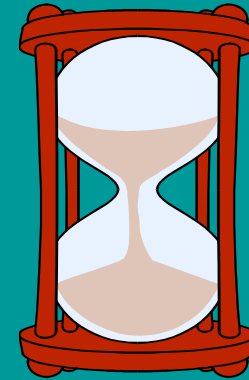
- formal hearing

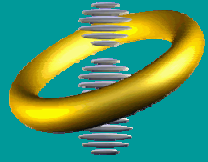




Interlocutory applications

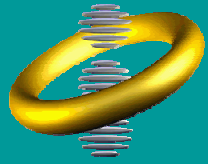
- extension of time
- leave to file further evidence
- amendment of grounds





Registrar as tribunal

- adjudicate on the basis of law and facts
- subject to appeal
- language of proceedings: Chinese or English



IP-related civil actions in the Courts (1)

- Infringement of

- patents



- designs



- copyright



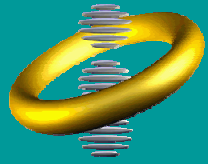
- trade marks



- plant variety right

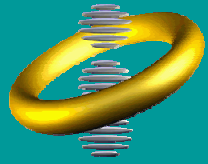


- layout-design (topography) of integrated circuits



IP-related civil actions in the Courts (2)

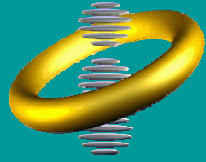
- common law action of passing-off
- tort of breach of confidence



Procedure

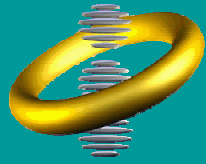
- Writ of Summons
- Pleadings
- Discovery, filing of evidence
- Trial





Discovery of names

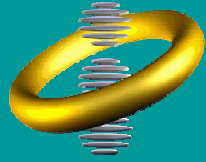
- Norwich Pharmacal
Norwich Pharmacal action
- Sometimes this is the only way for the claimant to discover whom he should act against
- In Norwich Pharmacal v Commissioner of Customs and Excise, an order was made against the Commissioner of Customs and Excise to reveal the names of importers of a patented drug, which their published records showed to have been imported



Anton Piller Order

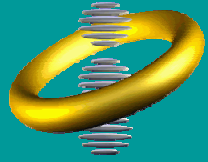
- enter & remove
- disclose supplier
- interlocutory injunction
- restraint from informing others





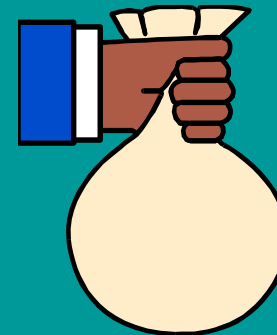
Mareva Injunction

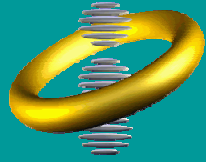
- to be known as a freezing injunction
- Directed to the retention of assets belonging to the defendant which may be needed to satisfy the eventual judgment in the action, particularly if they may otherwise be removed from the jurisdiction.
- Capable of inflicting a very considerable harm to the defendant



Remedies and Ancillary Relief

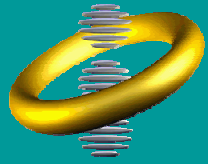
- injunction
- damages
- account of profits
- declaration
- order for deliver up / disposal





Injunction

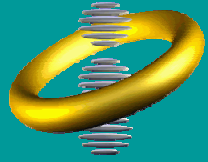
- mandatory/ prohibitory injunction
- perpetual injunction/
interim injunction
- interlocutory injunction



Interlocutory injunction

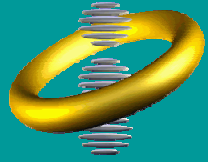
- Serious question to be tried
- balance of convenience
- undertaking





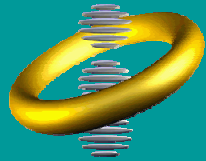
Damages

- “general” and “special” damages
- “punitive” or “exemplary” damages
- “aggravated” damages



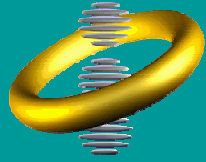
Account of profits

- account of profits is an equitable remedy, the court has a discretion whether or not to grant at
- the claimant has an option to claim either profits or damages, he cannot have both.



Declaration

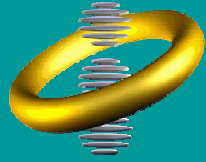
- S90 Patents Ordinance - Declaration as to non-infringement
- S55 Registered Design Ordinance - Declaration as to non-infringement
- RHC O.15 R.16 - the Court may make binding declarations of right whether or not any consequent relief is or could be claimed.



Order for delivery up/disposal

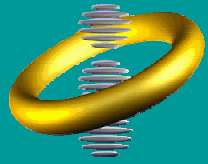
The order can take the form of

- infringing goods, material or articles be forfeited to such person as the court may think fit
- they be destroyed
- they be disposed of outside the channels of commerce in such a manner as the Court may think fit so as to avoid any harm being caused to the owner of any IP rights
- they be otherwise dealt with as the court may think fit



Cross Border Measures

- copyright and trademark
- suspicion of importation of infringing articles
- ex parte application to court
- Commissioner of Customs & Excise directed to seize or detain the articles
- right holder may have to provide security



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Thank you

**INTELLECTUAL PROPERTY LAW ENFORCEMENT
IN INDONESIA**

BY

**1. JOHN HENRY
2. PARLAGUTAN LUBIS**

**DEPARTMENT OF JUSTICE AND HUMAN RIGHTS
DIRECTORATE GENERAL OF INTELLECTUAL PROPERTY RIGHTS
Jalan Daan Mogot Km. 24
Tangerang**

2004

INTELLECTUAL PROPERTY LAW ENFORCEMENT IN INDONESIA

I. INTRODUCTION

First of all, we would like to express our thanks to APEC-ASEM DIVISION Multilateral Trade Policy, Department Ministry of Trade, Viet Nam for inviting participants from Indonesia to join APEC Training Program on the enforcement of Intellectual Property Rights (IPR). This training will undoubtedly provide insights new developments in the fields of Intellectual Property Rights protection in APEC economy especially for the law enforcement in Indonesia. Therefore this event is very valuable in the efforts of enhancing the quality of law enforcement in the field of Intellectual Property Rights. We hope that this training will in turn contribute to the improvement of the quality of the IPR system itself.

Intellectual Property Rights are important to Indonesia (and other countries) for a number of reasons, among other:

1. To encourage Inventiveness : When a country provides effective protection for intellectual property rights, it provides an incentive on the part of its creative artists and inventors to write, to create art, to invent new technologies, designs and processes etc.
2. To encourage inventors to disclose their invention instead of keeping it to themselves : The inventors obtains an economic benefit from their work in return for having their invention come into the public domain at the expiry of the patent. This provides important benefits for society.
3. To encourage investment and transfer of technology ; Comprehensive and effective laws on intellectual property will encourage both

Indonesian and foreign investors to invest more capital in IP related industries, including the development of new technology. This in turn gives the incentive and means to finance research and development activities.

4. To protect consumers and public generally : It is important that consumers and the public should have confidence, that what they are purchasing is the genuine article or service and that be protected from deceptive practice, such as false representations of marks or designs.

II. LEGISLATIVE MATTER

In brief, Indonesia has already had Laws on Marks, Copyrights, and Patents from the year of 1961, 1987 and 1989 respectively. However , as those Laws were considered not in compliance with the required minimum standards of the TRIP'S Agreement, so we must harmonize these Laws , despite of having some new provision in the field of IPR, i.e.:

1. Patent Law Number. 14 of 2001
2. Marks Law Number. 15 of 2001
3. Copyrights Law Number 19 of 2002
4. Trade Secret Law Number 30 of 2000
5. Industrial Design Law Number 31 of 2000
6. Layout Design of Integrated Circuit Law Number 32 of 2000;and
7. Plant Varieties Rights Law Number 29 Of 2000 (this law administered by the Department Agriculture)

As the TRIP s Agreement also requires its member countries to comply with the provisions of certain pre existing IP Convention , on May, 1997,

there were also five stipulated presidential decrees regarding the ratification of five international conventions in the field of IPR, i.e. :

1. Paris Convention for the Protection of Industrial Property by Presidential Decree Number 15 of 1997;
2. Patent Cooperation Treaty (PCT) by Presidential decree Number 16 of 1997;
3. Trademark Law Treaty by Presidential Decree Number 17 of 1997;
4. Berne Convention for the Protection of Literary and Artistic Works by Presidential Decree Number 18 of 1997;
5. WIPO Copyrights Treaty by Presidential Decree Number 19 of 1997.

III. LAW ENFORCEMENT

Basically, the law enforcement in the field of IPR is the extension of the mission of the Directorate General of Intellectual Property Rights (DG IPR), and generally for the Government of the Republic of Indonesia. That is, to provide the legal protection and to promote the enhancement, of creative works by administering an IPR system in Indonesia. Law enforcement is the key of success to the mission.

Without applying law enforcement effectively, the IPR system will be useless. The works of IPR administrators who on behalf of the state grant rights to IP applicants will be useless. So, the law must be enforced. The Law enforcement in Indonesia, especially law enforcement in the field of IPR, has many aspect with some correlations:

- 1. Concept of IPR and the perception upon the system and public awareness.**

The Government is fully aware to make the IP system works, it does not only depend on capability and competence of the IP office, but also on the awareness, understanding and knowledge of the parties involve; such as authors, inventors, judiciary, users, consultants and attorneys, etc. To the end, improving the people awareness, understanding and knowledge on the role in the effort and to enhance the IP system in the national development is very important. Furthermore, the dissemination of information pertaining to IP legislation also plays an important role in the effort to enhance the IP system in Indonesia;

2. Political will of the Government.

Political will of the Government on IPR is now clearly seen. Now we have acceded the WTO Convention/TRIP'S Agreement. As the consequence, we have to obey the principles of globalization as prescribed in the world agreement. As the consequence of our participation in the convention, we have already had completed the scope of IPR i.e. Copyrights, Trade Marks, Patent, Industrial Design, Lay out Designs of Integrated Circuits, Trade Secret and Plant Varieties. To support the Law enforcement in the field of Intellectual Property Rights such as:

- To obligate and amend the Law in the field of Intellectual Property complied with the minimum standard of the TRIP'S Agreement:
- With regard to the court system, the Commercial Court has been specially assigned to handle all of IP matters;
- To arrange socialization to all components such as judge, public prosecutor and other institutions in the field of law enforcement, etc.
- A stronger sanction for illegal use in the field of IP.

3. Quality of legal provision.

In the law of IPR mention above, there have been accommodated the provisions of the TRIP'S Agreement related to Law enforcement and dispute settlement. For examples, regarding interlocutory injunction is when a party assumes his partner or competitor has imported goods allegedly resulting from IP Infringement. Other provisions related to the imprisonment of law enforcement mechanism on criminal offences are:

- a. the changing of the correlation between imprisonment and fine: if so far it is alternative or cumulative, in the law of IPR it is cumulative;
- b. The amount of fine has been increased .
- c. Exception Copyrights, all the IPR law classify that the IP infringement is not ordinary offence, but a complaint (delik aduan).

4. Market dilemma.

One crucial factor for the law enforcement in the field of Intellectual property is the relationship of supply and demand, the one hand that population of Indonesia which is more than 200 billion want to enjoy inventive technology, Copyrights, and have good marks, but the low price, however that in fact Indonesia has low income especially because of the fact of economic crisis since 1997, the consequences that piracy in IPR can grow up.

And also infringement of IPR because some product are protected by IPR easy to product or copy and many materials are used to piracy easy to get in other place.

According to investigation, all the law in the field of Intellectual Property Rights instead of the Police of the Republic of Indonesia, the Civil Servants Investigators (PPNS) within the Department of which scope of

duties and responsibilities includes the field of intellectual property rights shall be granted special authority as investigators as referred to Law No. 8 of 1981 on Criminal Proceedings, to conduct an investigation of criminal offences in the field of IP.

The DGIP has implemented these legal provisions maximally with an understanding that PPNS has the same authority with the Police, except authority to keep person doing infringes in IP.

At present, there are about 26 investigator (PPNS) at the DGIP and 125 investigator (PPNS) at the Provincial Offices of Ministry of Justice and Human Rights.

This addition have some case on Intellectual Property and procedure civil case, also criminal cases (appendix).

CIVIL PROCEDURE

IP CASE

CIVIL CASE

CRIMINAL CASE

CHART OF CIVIL CASE ON IP

CLAIM TO COMMERCIAL COURT

REGISTERED LETTER FROM COMMERCIAL COURT

MAX. 3 DAYS AFTER REGISTERED LETTER

RECOGNATION

YES

RECONCILIATION CERTIFICATE

NO/FAIL

ANSWER TO CLAIM

COUNTERFEIT

REBUTAL

PROOF: WRITTEN TESTIMONY AND PROFESSIONAL TESTIMONY

CONCLUSION

DECISION

TRADEMARK: AT LEAST 90 DAYS OF DATE A CLAIM IN COURT

14 DAYS

CASSATION TO SUPREME COURT

7 DAYS AFTER REGISTERED LETTER OF CASSATION

MEMORY OF CASSATION

7 DAYS AFTER REGISTERED LETTER OF CASSATION

CONTRA MEMORY OF CASSATION

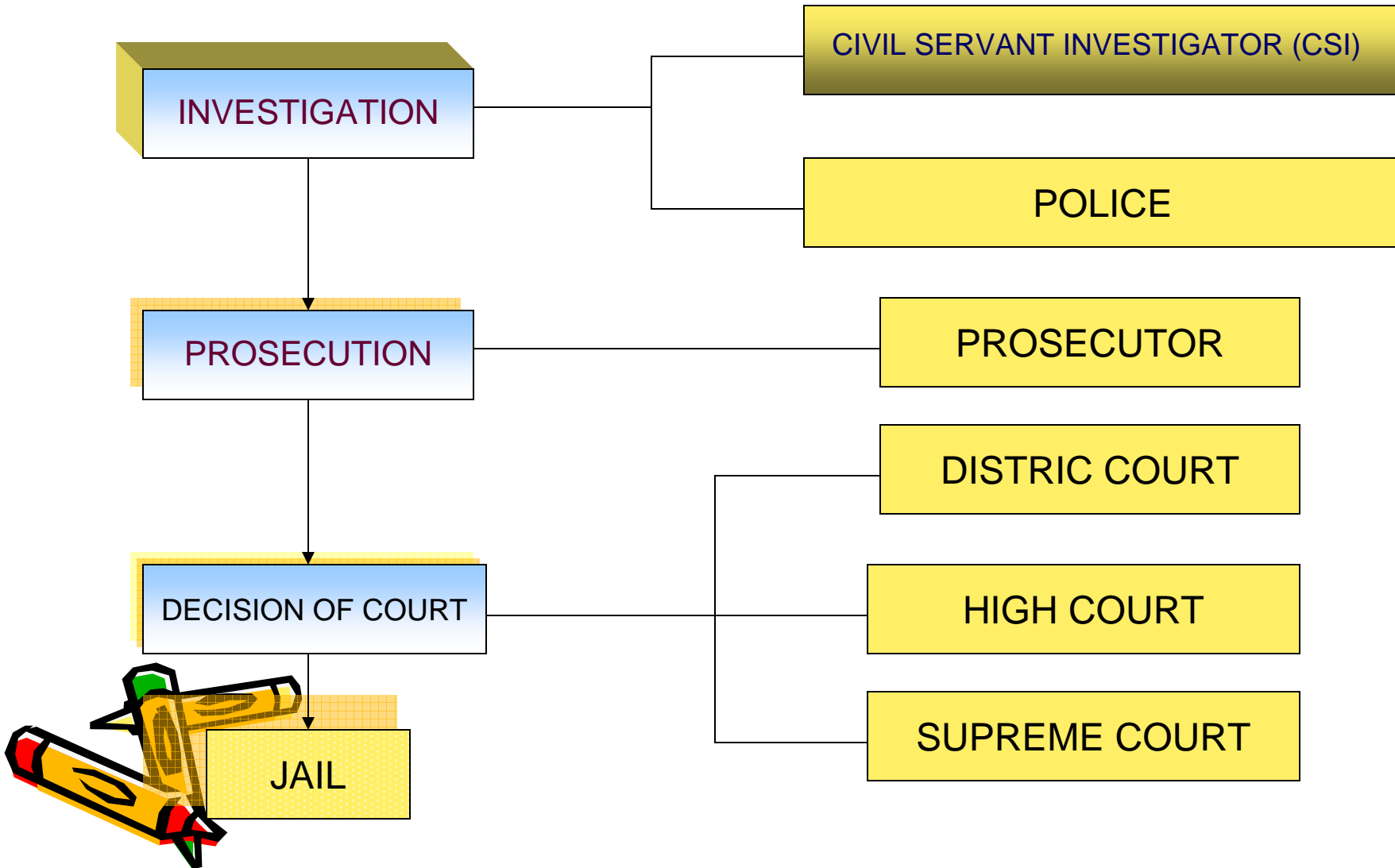
DECISION OF CASSATION

TRADEMARK: AT LEAST 90 DAYS AFTER THE SUPREME COURT RECEIVE THE REQUEST

AT LEAST 90 DAYS AFTER REGISTERED

Criminal Procedure

CHART OF CRIMINAL JUSTICE SYSTEM (ON IPR) IN INDONESIA

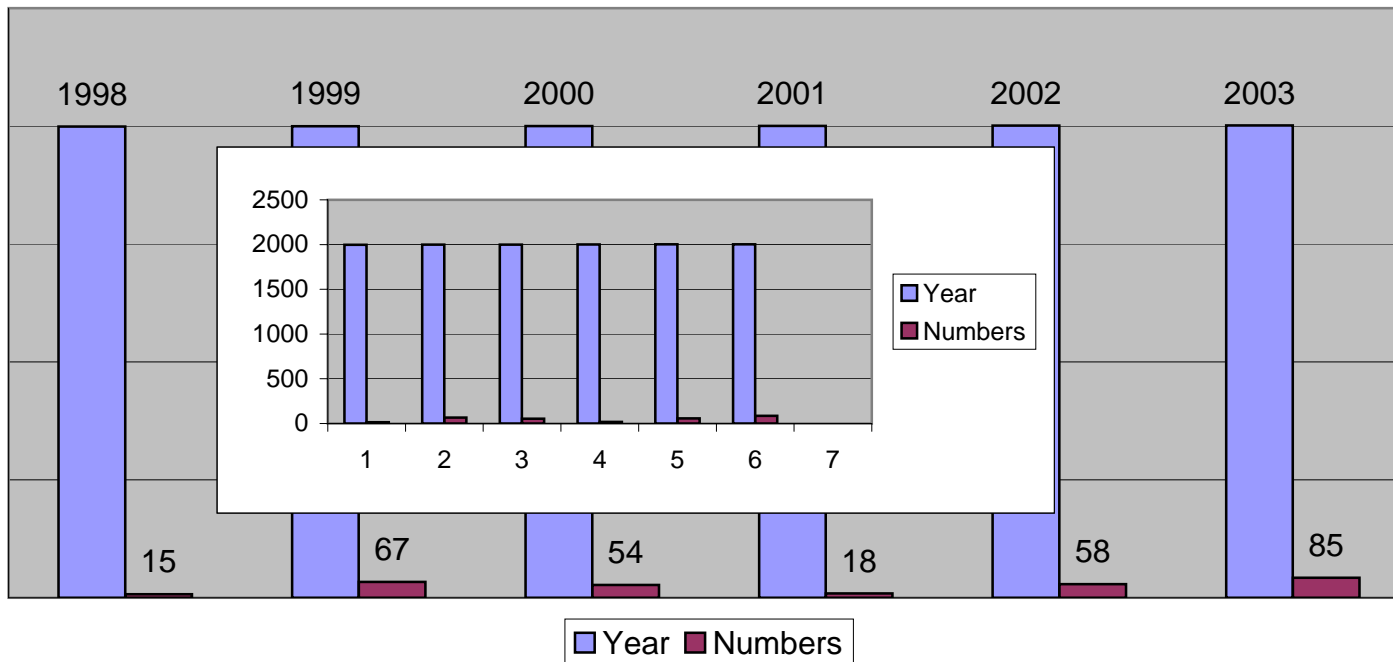


STATISTIC TRADEMARK INFRINGEMENT SINCE 1998 UNTIL 2003

(Berdasarkan Keterangan Ahli)

Year	1998	1999	2000	2001	2002	2003
Numbers	15	67	54	18	58	85

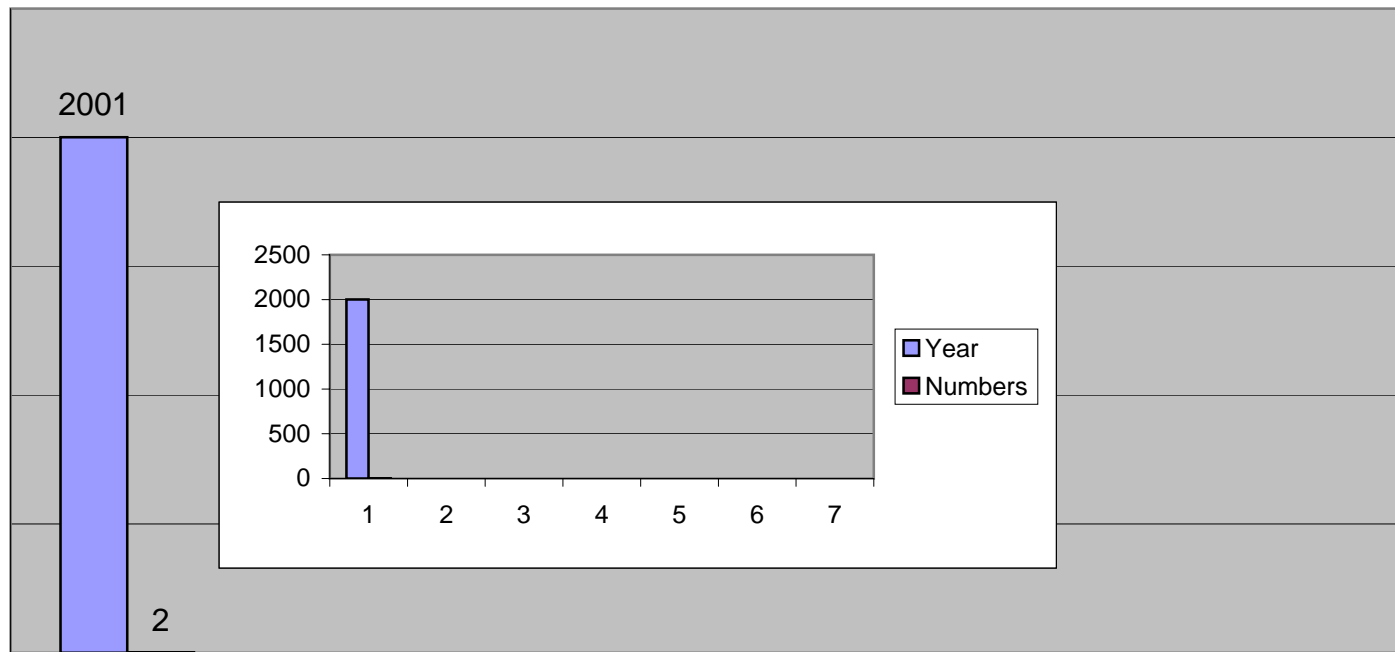
STATISTIC OF TRADEMARK INFRINGEMENT Since 1998 Until 2003



STATISTIC TRADE SECRET INFRINGEMENT 2001
(Berdasarkan Keterangan Ahli)

Year	2001
Numbers	2

STATISTIC OF TRADE SECRET INFRINGEMENT 2001

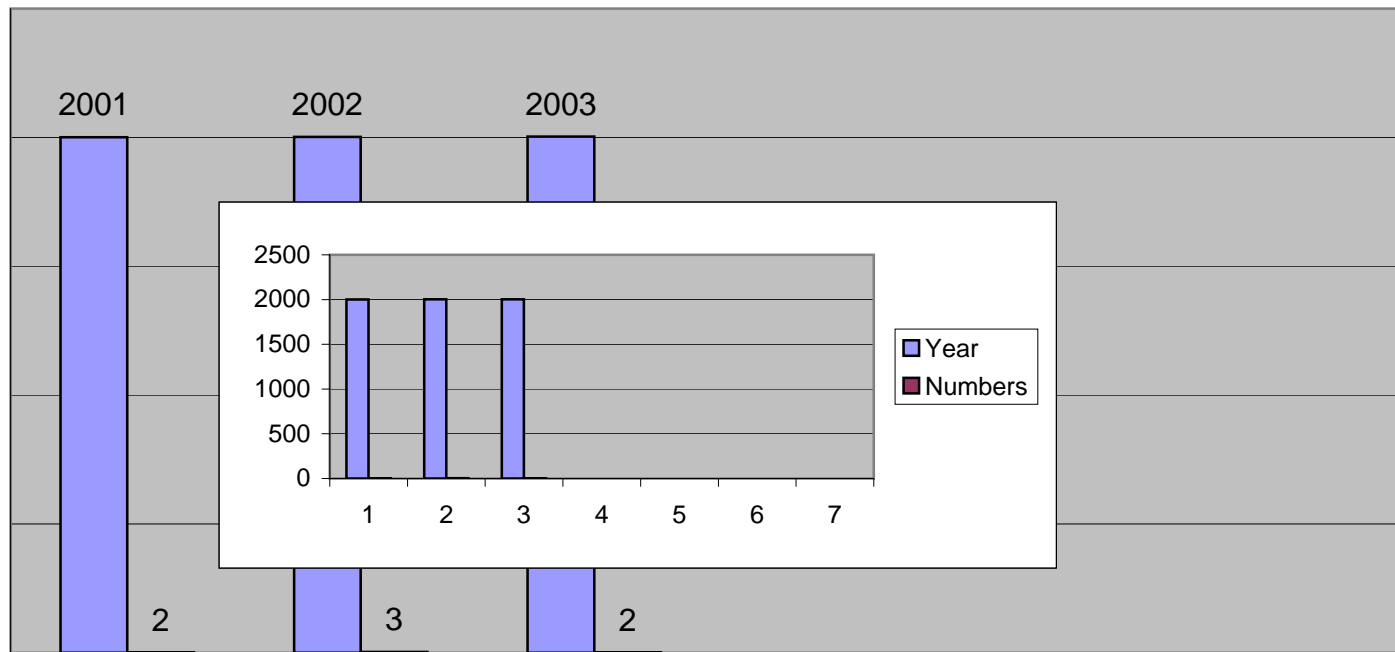


Year Numbers

STATISTIC PATENT INFRINGEMENT 2001

Year	2001	2002	2003
Numbers	2	3	2

STATISTIC OF PATENT INFRINGEMENT SINCE 2001 UNTIL 2003

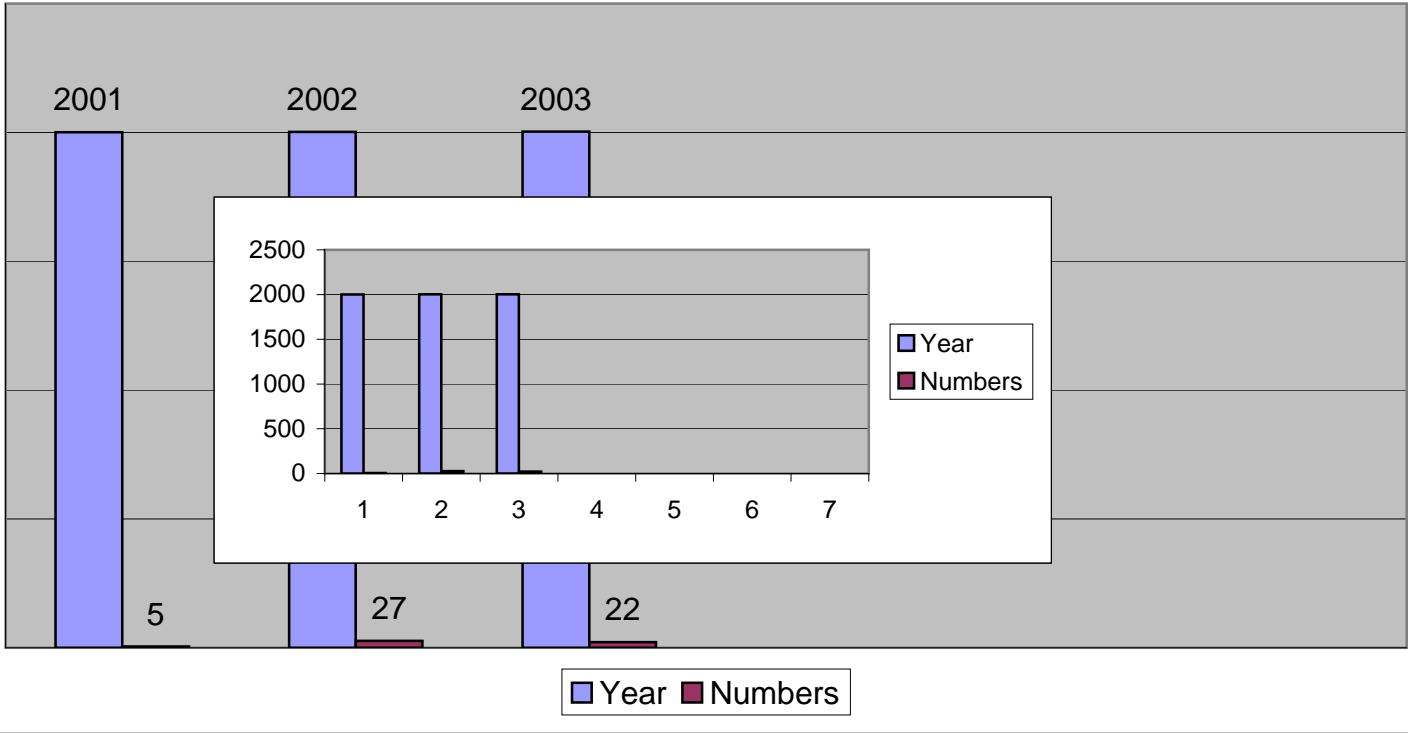


Year Numbers

STATISTIC COPY RIGHT INFRINGEMENT 2001

Year	2001	2002	2003
Numbers	5	27	22

**STATISTIC OF COPY RIGHT INFRINGEMENT
SINCE 2001 UNTIL 2003**

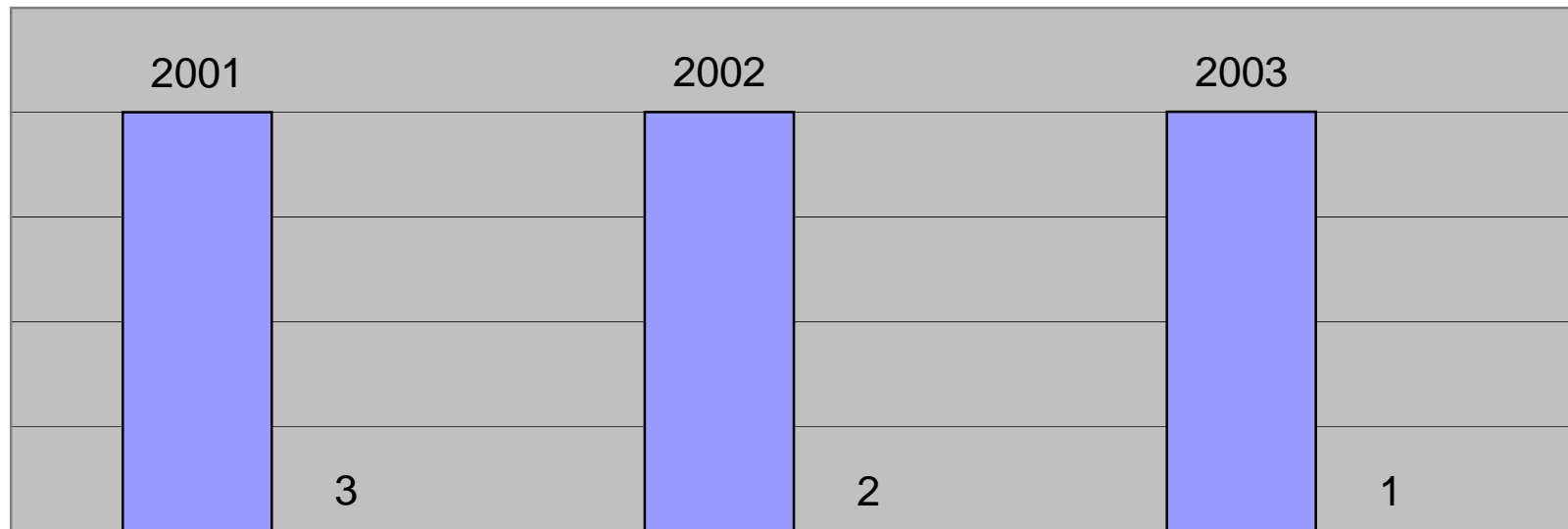


PATENT CASE 2001 UNTIL 2003

Year	2001	2002	2003
Number	3	2	1

STATISTICS OF PATENT CIVIL CASE

since 2001 until 2003



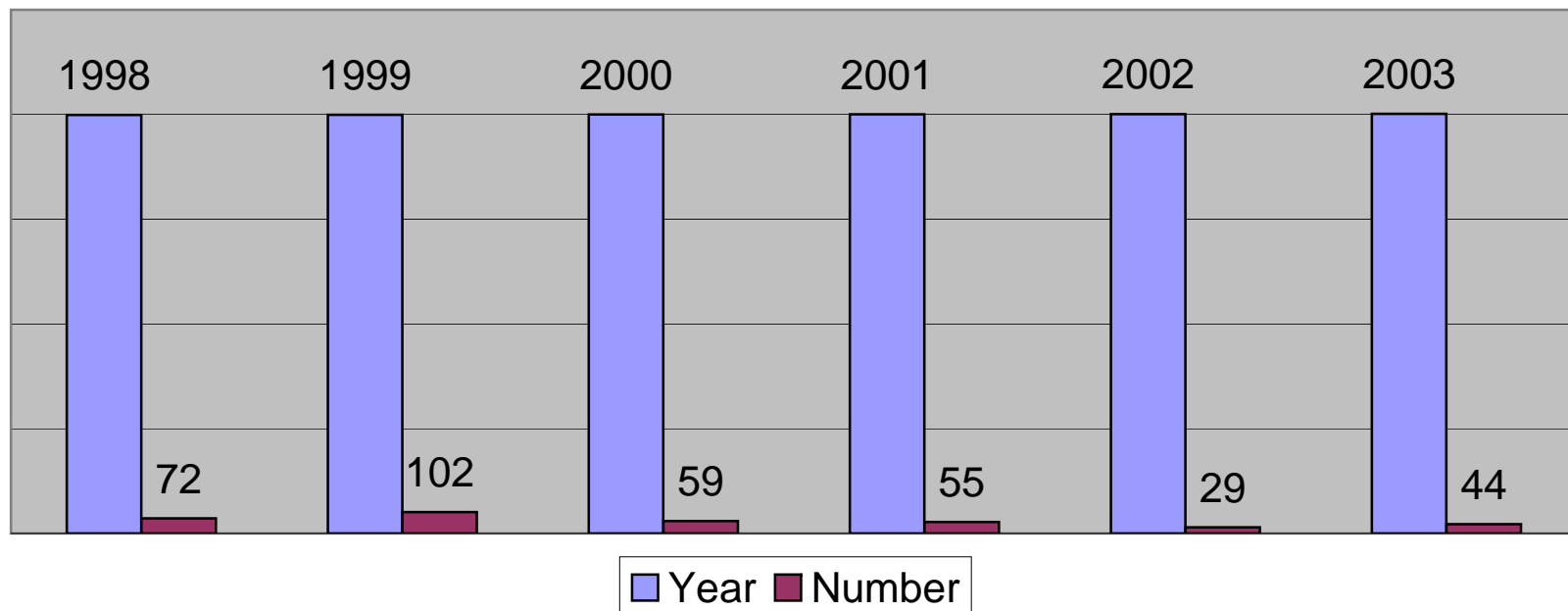
■ Year ■ Number

TRADEMARK CASE 1998 UNTIL 2003

Year	1998	1999	2000	2001	2002	2003
Number	72	102	59	55	29	44

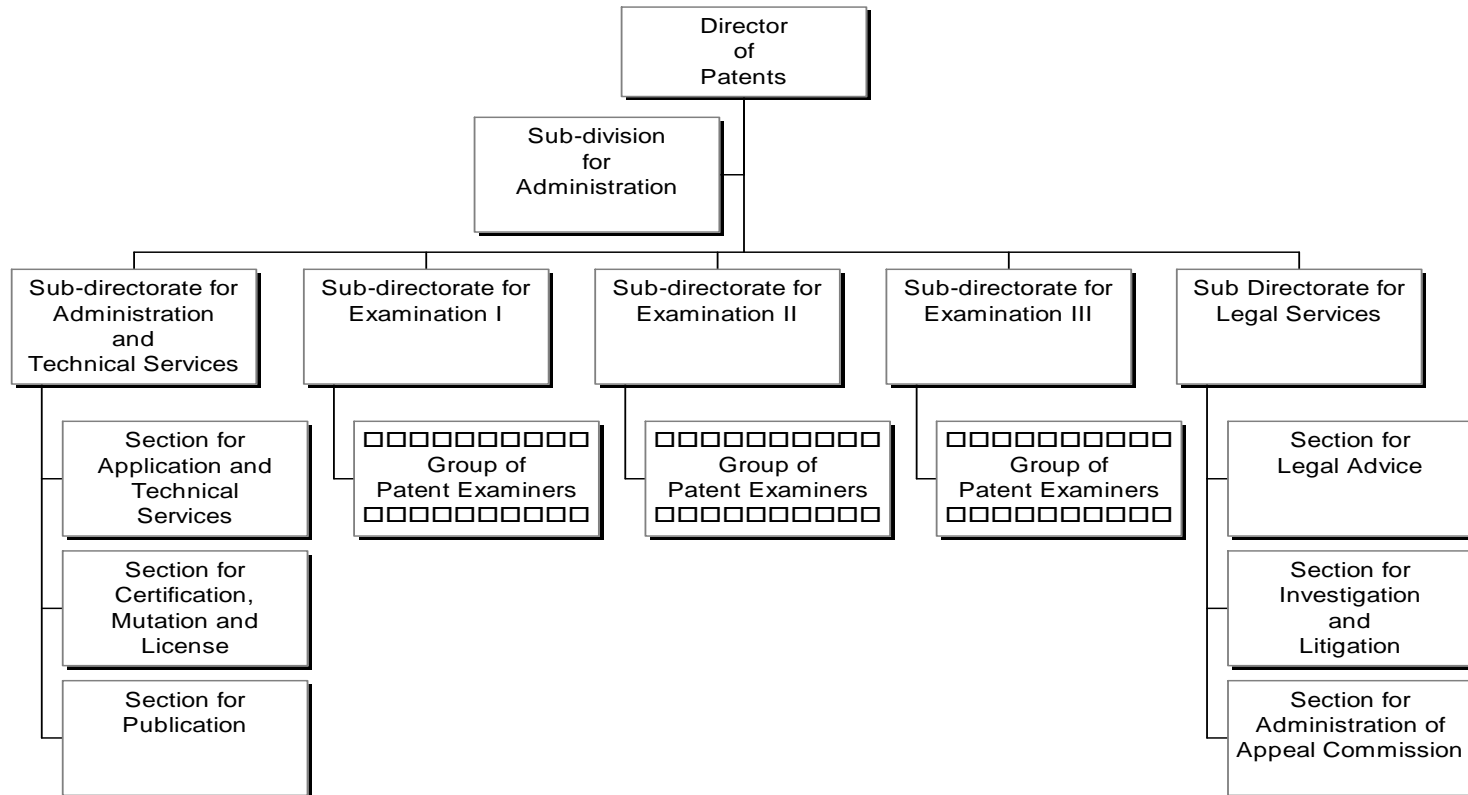
STATISTICS OF TRADEMARK CIVIL CASE

since 1998 until 2003



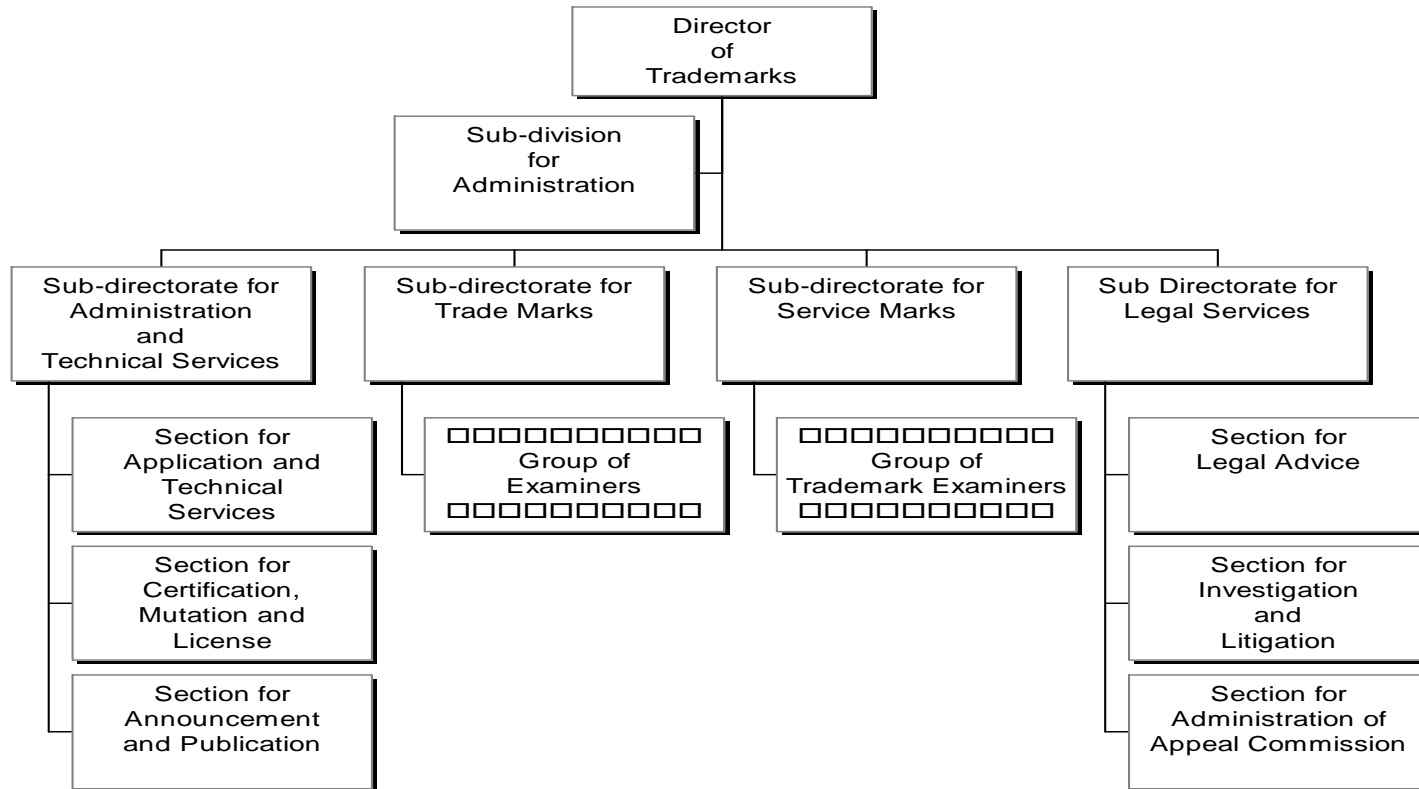
Annex 1

Directorate of Patents



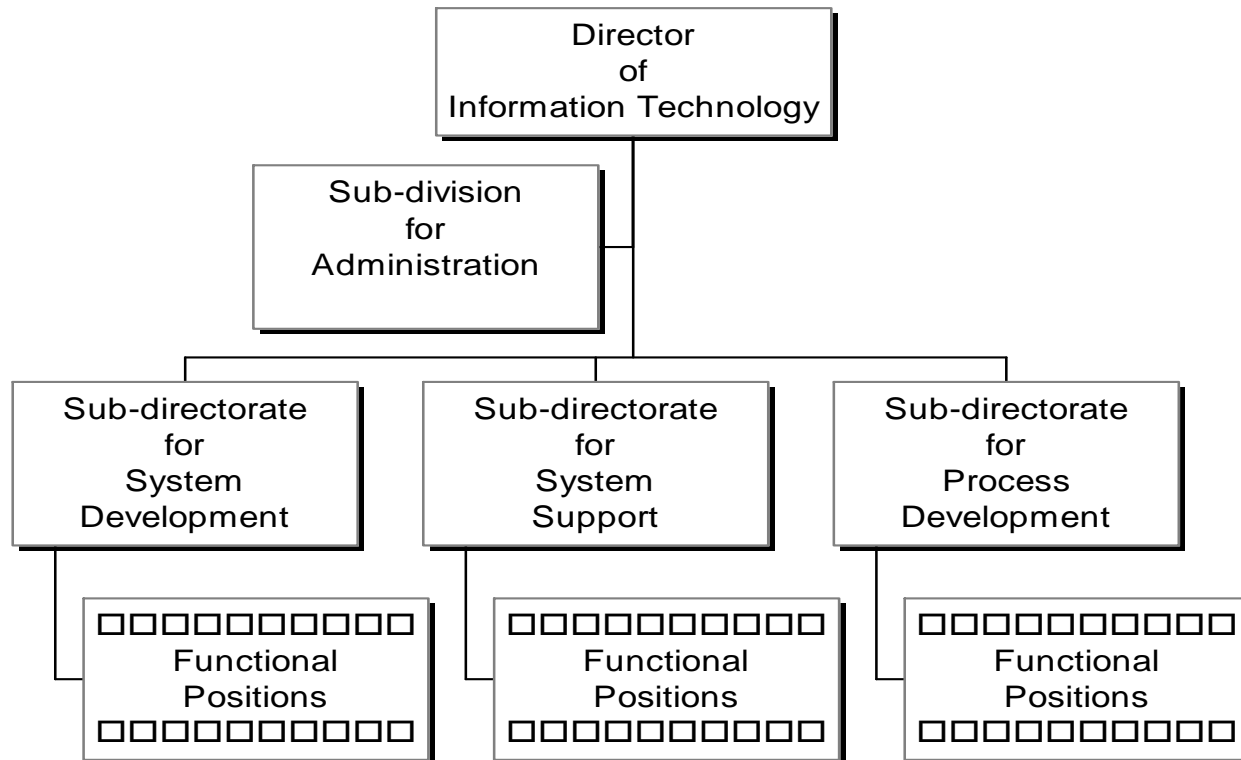
Annex 1

Directorate of Trademarks



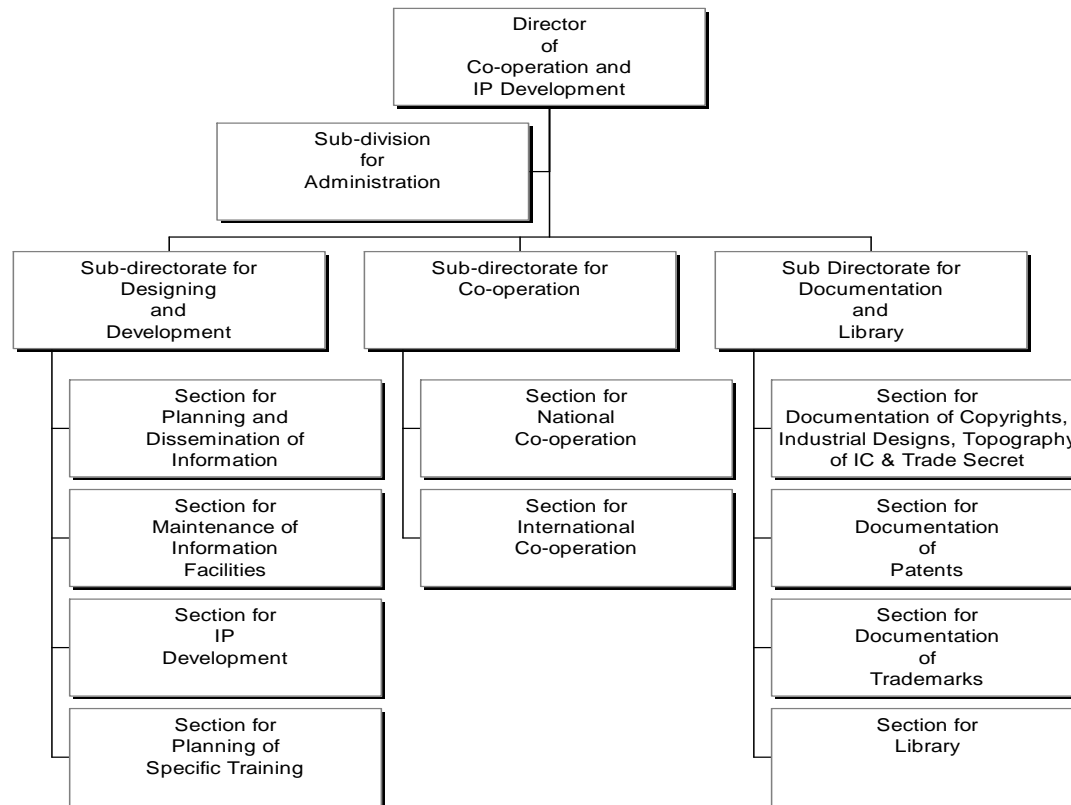
Annex 1

Directorate of Information Technology



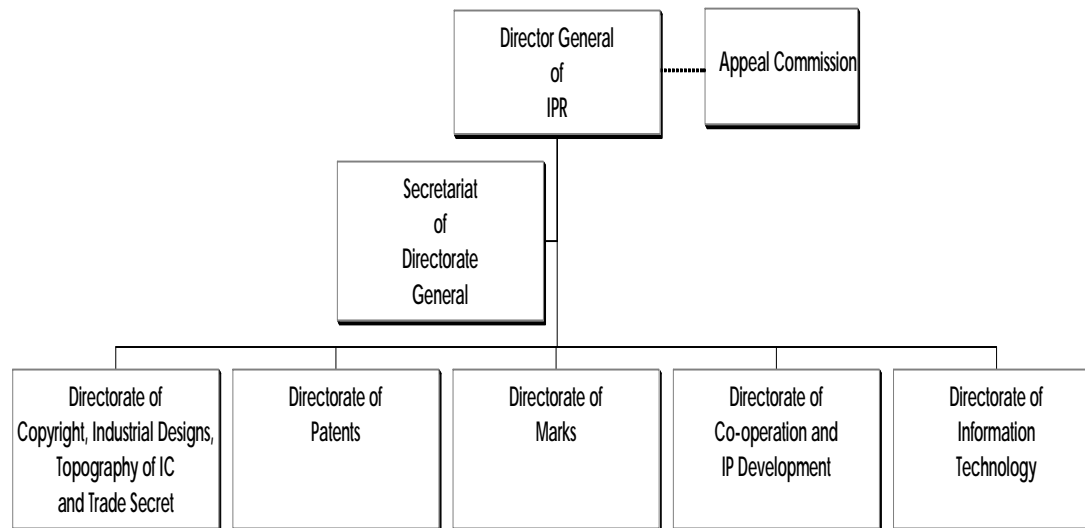
Annex 1

Directorate of Co-operation and Development



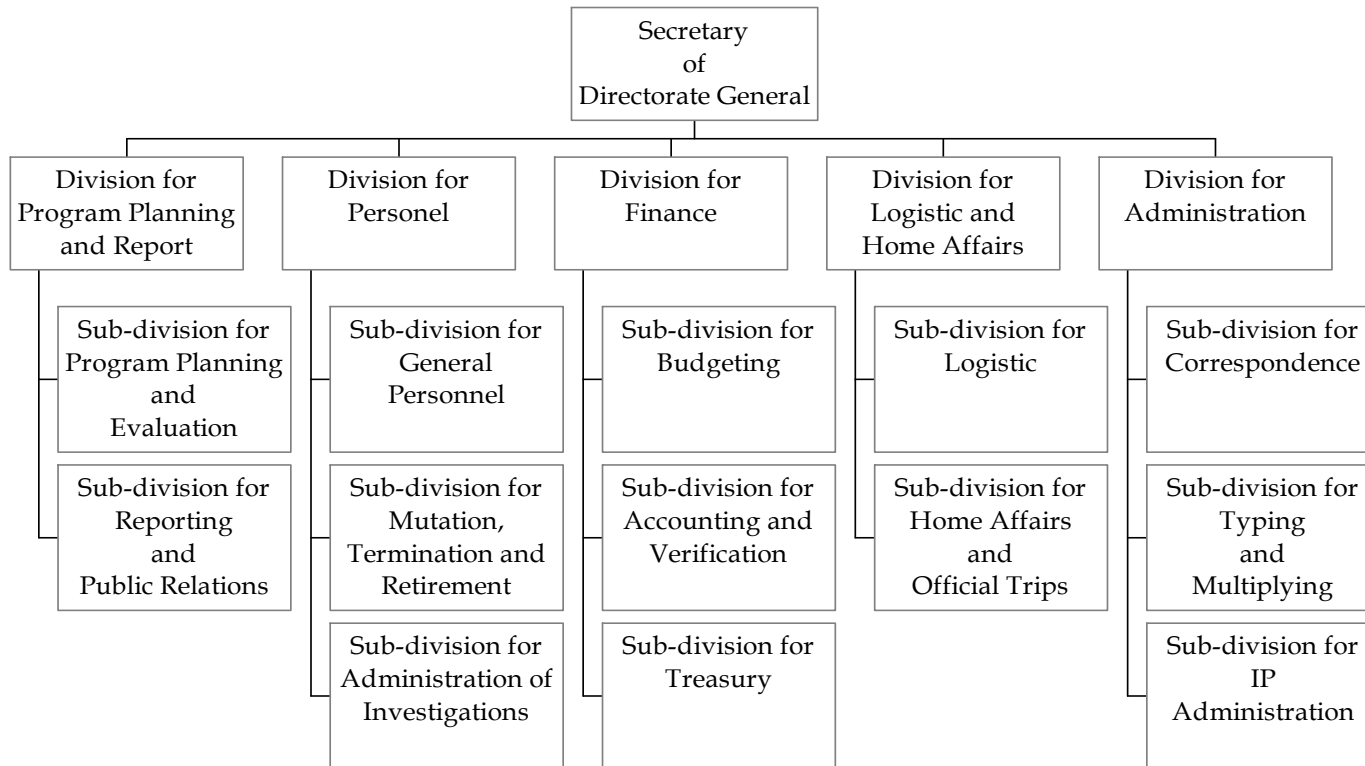
Annex 1

Directorate General of Intellectual Property Rights



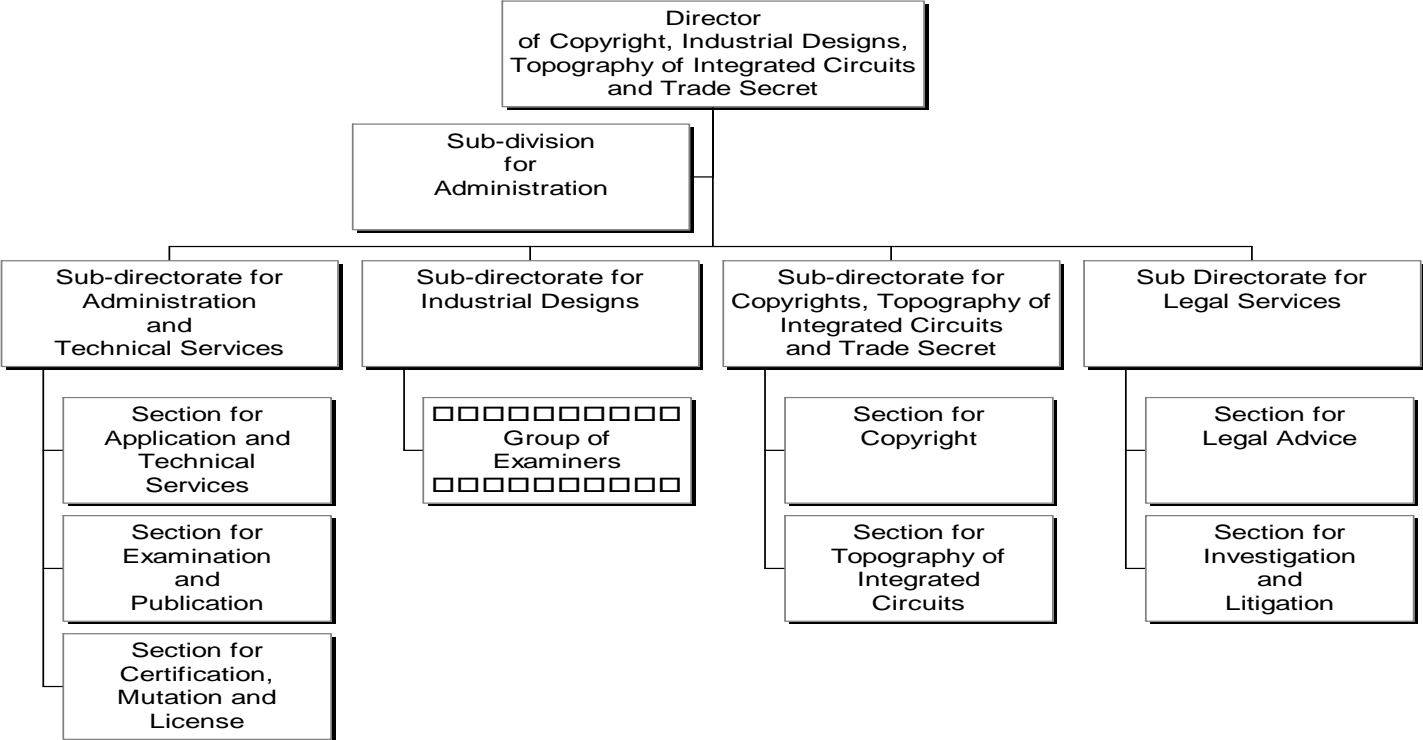
Annex 1

Secretariat of Directorate General



Annex 1

Directorate of Copyright, Industrial Designs, Layout Design of IC and Trade Secret



**FINAL LIST OF SPEAKERS AND PARTICIPANTS,
THE APEC TRAINING COURSE ON IPRs ENFORCEMENT
HANOI, VIETNAM (11-14 May 2004)**

No	Name	Position	Organization	Economy
1	Sabina Puente Guerrero	Lawyer Advisor	Industrial Property Department	Chile
2	Wang Qiang	Official	Department of Treaty and Law, Ministry of Commerce	P.R of China
3	Zhao Meisheng	Official	State Intellectual Property Bureau	P.R of China
4	Caroline, Mun Wai Chow	Director	Intellectual Property Department, HKSAR	Hongkong, China
5	Parlagutan Lubis	Head of Legal Section	Directorate of Patent	Indonessia
6	John Henry	Head of Litigation and Investigation Section	Directorate of Trademark	Indonessia
7	Junichi Matsuo		JETRO Bldg. 159 Rajadamri Rd. Bangkok, Thailand	JAPAN
8	Iglesias Sanchez Román	Specialist on Industrial Property	Mexican Institute of Industrial Property	Mexico

9	Francisco José Silva Rorres	Specialist on Industrial Property	Mexican Institute of Industrial Property	Mexico
10	Martin Moscoso	Head of the Copyrights Office	INDECOPI	Peru
11	Robert Stoll	Director of Enforcement	U S Patent & Trademark Office, Department of Commerce	U.S.A
12	Thu-Lang Tran Wasescha	Counsellor	Intellectual Property Division, WTO	WTO
13	Dr. Juneho Jang	Senior Deputy Director	KIPO	IPEG Chairman Korea
14	Tn.Hj.Zainal Abidin b. Mohd. Nordin	Deputy Director General	Intellectual Property Corporation	Malaysia
15	En Omar b. Ismail	Assistant Enforcement Officer	Intellectual Property Corporation	Malaysia
16	Kim, Jung – Kyun	Deputy Director	International Cooperation Division, Korean Intellectual Property Office. (KIPO)	Korea
17	Park Shi Deuk	Examiner	Design Examination Division, (KIPO)	Korea
18	Chang-Yuh-Ying			Chinese Taipei
19	Philip Griffith	Professor of Law, Faculty of Law	University of Technology Sydney	Australia

20	Mr. Thuchpong Visutthisungvom	Presiding Judge		Thailand
21	Dang Quang Huan	Inspector	Ministry of Science and Technology	Vietnam
22	Le Thi Minh Nguyet	Official	Department of Customs of Ho Chi Minh City	Vietnam
23	Tran Thi Tuyet	Deputy Head of Division	Directorate for Market Control	Vietnam
24	Do Huu Quang	Deputy Director-General	Directorate for Market Control	Vietnam
25	Nguyen Quoc Thanh	Head of Division	Directorate for Market Control	Vietnam
26	Nguyen Duc Thinh	Director-General	Directorate for Market Control	Vietnam
27	Nguyen Manh Hung	Deputy Director-General	Directorate for Market Control	Vietnam
28	Nguyen Dang Khoa	Head of Division	Directorate for Market Control	Vietnam
29	Vu Xuan Binh	Official	Directorate for Market Control	Vietnam
30	Hoang Khanh Van	Deputy Head of Division	Directorate for Market Control	Vietnam
31	Trieu Quang Thin	Head of Division	Directorate for Market Control	Vietnam
32	Nguyen Tien Dat	Official	Directorate for Market Control	Vietnam
33	Nguyen Van Quang	Officer	Supreme Court	Vietnam
34	Do Van Le	Deputy Director - General	Government Office	Vietnam

35	Nguyen Bao Khoa	Officer	Hanoi Department for Market Control	Vietnam
36	Nguyen Dinh Ngo	Officer	Hanoi Department for Market Control	Vietnam
37	Vuong Tri Dung	Director	Hanoi Department for Market Control	Vietnam
38	Hoang Thi Sam	Investigator	Ministry of Culture and Information	Vietnam
39	Cao Thanh Hao	Director	Nghe An Department for Market Control	Vietnam
40	Do Thanh Lam	Deputy Head of Division	Directorate for Market Control	Vietnam
41	Nguyen Duy Khuong	Official	Directorate for Market Control	Vietnam
42	Huynh Tan Phong	Director	Department for Market Control - HCM City	Vietnam
43	Nguyen Van Ri	Official	Department for Market Control - HCM City	Vietnam
44	Nguyen Tri Vi	Official	Department for Market Control - HCM City	Vietnam
45	Nguyen Thanh Hong	Deputy Head of Division	Directorate for Intellectual Property	Vietnam

46	Le Viet Hung	Official	Directorate for Intellectual Property	Vietnam
47	Hoang Dinh Minh	Lieutenant-Colonel	C 15 - Ministry of Public Security	Vietnam
48	Nguyen Van Chien		Hanoi Department of Public Service	Vietnam
49	Nguyen Hong Tuyen	Official	Ministry of Justice	Vietnam
50	Dang Quynh Hoa	Official		Vietnam
51	Le Thuy Hien	Official	Directorate for Customs	Vietnam
52	Dang Thi Thu An	Officer	Vietnam Association for Intellectual Property	Vietnam
53	Le Dai Hai	Official	Ministry of Justice	Vietnam
54	Mai Van Son	Official	Directorate for Intellectual Property	Vietnam
55	Cao Luong Vu	Official	Directorate for Market Control	Vietnam
56	Nguyen Manh Cuong	Official	Directorate for Market Control	Vietnam
57	Nguyen Quang Hong	Official	Directorate for Market Control	Vietnam
58	Pham Quynh Mai	Official	Ministry of Trade	Vietnam
59	Duong Lan Huong	Official	Ministry of Trade	Vietnam

60	Ho Kim Chi	Official	Ministry of Trade	Vietnam
61	Hoang Thi Lien	Official	Ministry of Trade	Vietnam
62	Trinh Mai Huong	Official	Ministry of Trade	Vietnam

**EXCERPT FROM THE GENERAL COUNCIL MINUTES –
WT/GC/M/82 –
MEETING OF 25, 26 AND 30 AUGUST 2003**

**IMPLEMENTATION OF PARAGRAPH 6 OF THE DOHA
DECLARATION ON
THE TRIPS AGREEMENT AND PUBLIC HEALTH**

**STATEMENT READ OUT BY THE CHAIRMAN OF THE GENERAL
COUNCIL**

"29. The Chairman then read out for the record the following statement, which had been forwarded to him by the Chairman of the Council for TRIPS on the approval of the TRIPS Council:

"The General Council has been presented with a draft Decision contained in document IP/C/W/405 to implement paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health. This Decision is part of the wider national and international action to address problems as recognized in paragraph 1 of the Declaration. Before adopting this Decision, I would like to place on the record this Statement which represents several key shared understandings of Members regarding the Decision to be taken and the way in which it will be interpreted and implemented. I would like to emphasize that this Statement is limited in its implications to paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health.

"First, Members recognize that the system that will be established by the Decision should be used in good faith to protect public health and, without prejudice to paragraph 6 of the Decision, not be an instrument to pursue industrial or commercial policy objectives.

"Second, Members recognize that the purpose of the Decision would be defeated if products supplied under this Decision are diverted from the markets for which they are intended. Therefore, all reasonable measures should be taken to prevent such diversion in accordance with the relevant paragraphs of the Decision. In this regard, the provisions of paragraph 2(b)(ii) apply not only to formulated pharmaceuticals produced and supplied under the system but also to active ingredients produced and supplied under

the system and to finished products produced using such active ingredients. It is the understanding of Members that in general special packaging and/or special colouring or shaping should not have a significant impact on the price of pharmaceuticals.

"In the past, companies have developed procedures to prevent diversion of products that are, for example, provided through donor programmes. "Best practices" guidelines that draw upon the experiences of companies are attached to this statement for illustrative purposes.¹ Members and producers are encouraged to draw from and use these practices, and to share information on their experiences in preventing diversion.

"Third, it is important that Members seek to resolve any issues arising from the use and implementation of the Decision expeditiously and amicably:

- "To promote transparency and avoid controversy, notifications under paragraph 2(a)(ii) of the Decision would include information on how the Member in question had established, in accordance with the Annex, that it has insufficient or no manufacturing capacities in the pharmaceutical sector.
- "In accordance with the normal practice of the TRIPS Council, notifications made under the system shall be brought to the attention of its next meeting.
- "Any Member may bring any matter related to the interpretation or implementation of the Decision, including issues related to diversion, to the TRIPS Council for expeditious review, with a view to taking appropriate action.
- "If any Member has concerns that the terms of the Decision have not been fully complied with, the Member may also utilize the good offices of the Director-General or Chair of the TRIPS Council, with a view to finding a mutually acceptable solution.

"Fourth, all information gathered on the implementation of the Decision shall be brought to the attention of the TRIPS Council in its annual review as set out in paragraph 8 of the Decision.

¹ Reproduced as Annex I.

"In addition, as stated in footnote 3 to paragraph 1(b) of the Decision, the following Members have agreed to opt out of using the system as importers: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, The Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States.

"Until their accession to the European Union, the Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia agree that they would only use the system as importers in situations of national emergency or other circumstances of extreme urgency. These countries further agree that upon their accession to the European Union, they will opt out of using the system as importers.

"As we have heard today, and as the Secretariat has been informed in certain communications, some other Members have agreed that they would only use the system as importers in situations of national emergency or other circumstances of extreme urgency. These are the following: Hong Kong, China; Israel; Korea; Kuwait; Macao China; Mexico; Qatar; Singapore; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Turkey and the United Arab Emirates."

30. The Chairman then proposed that the General Council take note of the statements and, in the light of the Chairman's Statement he had just read out, adopt the draft Decision contained in document IP/C/W/405 in accordance with the Decision-Making Procedures under Articles IX and XII of the WTO Agreement agreed in November 1995 (WT/L/93).

31. The General Council so agreed.²"

² The Decision was subsequently circulated as WT/L/540.

WORLD TRADE ORGANIZATION

WT/MIN(01)/DEC/1
20 November 2001

(01-5859)

MINISTERIAL CONFERENCE
Fourth Session
Doha, 9 - 14 November 2001

MINISTERIAL DECLARATION

Adopted on 14 November 2001

1. The multilateral trading system embodied in the World Trade Organization has contributed significantly to economic growth, development and employment throughout the past fifty years. We are determined, particularly in the light of the global economic slowdown, to maintain the process of reform and liberalization of trade policies, thus ensuring that the system plays its full part in promoting recovery, growth and development. We therefore strongly reaffirm the principles and objectives set out in the Marrakesh Agreement Establishing the World Trade Organization, and pledge to reject the use of protectionism.
2. International trade can play a major role in the promotion of economic development and the alleviation of poverty. We recognize the need for all our peoples to benefit from the increased opportunities and welfare gains that the multilateral trading system generates. The majority of WTO Members are developing countries. We seek to place their needs and interests at the heart of the Work Programme adopted in this Declaration. Recalling the Preamble to the Marrakesh Agreement, we shall continue to make positive efforts designed to ensure that developing countries, and especially the least-developed among them, secure a share in the growth of world trade commensurate with the needs of their economic development. In this context, enhanced market access, balanced rules, and well targeted, sustainably financed technical assistance and capacity-building programmes have important roles to play.
3. We recognize the particular vulnerability of the least-developed countries and the special structural difficulties they face in the global economy. We are committed to addressing the marginalization of least-developed countries in international trade and to improving their effective

participation in the multilateral trading system. We recall the commitments made by Ministers at our meetings in Marrakesh, Singapore and Geneva, and by the international community at the Third UN Conference on Least-Developed Countries in Brussels, to help least-developed countries secure beneficial and meaningful integration into the multilateral trading system and the global economy. We are determined that the WTO will play its part in building effectively on these commitments under the Work Programme we are establishing.

4. We stress our commitment to the WTO as the unique forum for global trade rule-making and liberalization, while also recognizing that regional trade agreements can play an important role in promoting the liberalization and expansion of trade and in fostering development.

5. We are aware that the challenges Members face in a rapidly changing international environment cannot be addressed through measures taken in the trade field alone. We shall continue to work with the Bretton Woods institutions for greater coherence in global economic policy-making.

6. We strongly reaffirm our commitment to the objective of sustainable development, as stated in the Preamble to the Marrakesh Agreement. We are convinced that the aims of upholding and safeguarding an open and non-discriminatory multilateral trading system, and acting for the protection of the environment and the promotion of sustainable development can and must be mutually supportive. We take note of the efforts by Members to conduct national environmental assessments of trade policies on a voluntary basis. We recognize that under WTO rules no country should be prevented from taking measures for the protection of human, animal or plant life or health, or of the environment at the levels it considers appropriate, subject to the requirement that they are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, or a disguised restriction on international trade, and are otherwise in accordance with the provisions of the WTO Agreements. We welcome the WTO's continued cooperation with UNEP and other inter-governmental environmental organizations. We encourage efforts to promote cooperation between the WTO and relevant international environmental and developmental organizations, especially in the lead-up to the World Summit on Sustainable Development to be held in Johannesburg, South Africa, in September 2002.

7. We reaffirm the right of Members under the General Agreement on Trade in Services to regulate, and to introduce new regulations on, the supply of services.

8. We reaffirm our declaration made at the Singapore Ministerial Conference regarding internationally recognized core labour standards. We take note of work under way in the International Labour Organization (ILO) on the social dimension of globalization.

9. We note with particular satisfaction that this Conference has completed the WTO accession procedures for China and Chinese Taipei. We also welcome the accession as new Members, since our last Session, of Albania, Croatia, Georgia, Jordan, Lithuania, Moldova and Oman, and note the extensive market-access commitments already made by these countries on accession. These accessions will greatly strengthen the multilateral trading system, as will those of the 28 countries now negotiating their accession. We therefore attach great importance to concluding accession proceedings as quickly as possible. In particular, we are committed to accelerating the accession of least-developed countries.

10. Recognizing the challenges posed by an expanding WTO membership, we confirm our collective responsibility to ensure internal transparency and the effective participation of all Members. While emphasizing the intergovernmental character of the organization, we are committed to making the WTO's operations more transparent, including through more effective and prompt dissemination of information, and to improve dialogue with the public. We shall therefore at the national and multilateral levels continue to promote a better public understanding of the WTO and to communicate the benefits of a liberal, rules-based multilateral trading system.

11. In view of these considerations, we hereby agree to undertake the broad and balanced Work Programme set out below. This incorporates both an expanded negotiating agenda and other important decisions and activities necessary to address the challenges facing the multilateral trading system.

WORK PROGRAMME

IMPLEMENTATION-RELATED ISSUES AND CONCERNS

12. We attach the utmost importance to the implementation-related issues and concerns raised by Members and are determined to find appropriate

solutions to them. In this connection, and having regard to the General Council Decisions of 3 May and 15 December 2000, we further adopt the Decision on Implementation-Related Issues and Concerns in document WT/MIN(01)/17 to address a number of implementation problems faced by Members. We agree that negotiations on outstanding implementation issues shall be an integral part of the Work Programme we are establishing, and that agreements reached at an early stage in these negotiations shall be treated in accordance with the provisions of paragraph 47 below. In this regard, we shall proceed as follows: (a) where we provide a specific negotiating mandate in this Declaration, the relevant implementation issues shall be addressed under that mandate; (b) the other outstanding implementation issues shall be addressed as a matter of priority by the relevant WTO bodies, which shall report to the Trade Negotiations Committee, established under paragraph 46 below, by the end of 2002 for appropriate action.

AGRICULTURE

13. We recognize the work already undertaken in the negotiations initiated in early 2000 under Article 20 of the Agreement on Agriculture, including the large number of negotiating proposals submitted on behalf of a total of 121 Members. We recall the long-term objective referred to in the Agreement to establish a fair and market-oriented trading system through a programme of fundamental reform encompassing strengthened rules and specific commitments on support and protection in order to correct and prevent restrictions and distortions in world agricultural markets. We reconfirm our commitment to this programme. Building on the work carried out to date and without prejudging the outcome of the negotiations we commit ourselves to comprehensive negotiations aimed at: substantial improvements in market access; reductions of, with a view to phasing out, all forms of export subsidies; and substantial reductions in trade-distorting domestic support. We agree that special and differential treatment for developing countries shall be an integral part of all elements of the negotiations and shall be embodied in the Schedules of concessions and commitments and as appropriate in the rules and disciplines to be negotiated, so as to be operationally effective and to enable developing countries to effectively take account of their development needs, including food security and rural development. We take note of the non-trade concerns reflected in the negotiating proposals submitted by Members and confirm that non-trade concerns will be taken into account in the negotiations as provided for in the Agreement on Agriculture.

14. Modalities for the further commitments, including provisions for special and differential treatment, shall be established no later than 31 March 2003. Participants shall submit their comprehensive draft Schedules based on these modalities no later than the date of the Fifth Session of the Ministerial Conference. The negotiations, including with respect to rules and disciplines and related legal texts, shall be concluded as part and at the date of conclusion of the negotiating agenda as a whole.

SERVICES

15. The negotiations on trade in services shall be conducted with a view to promoting the economic growth of all trading partners and the development of developing and least-developed countries. We recognize the work already undertaken in the negotiations, initiated in January 2000 under Article XIX of the General Agreement on Trade in Services, and the large number of proposals submitted by Members on a wide range of sectors and several horizontal issues, as well as on movement of natural persons. We reaffirm the Guidelines and Procedures for the Negotiations adopted by the Council for Trade in Services on 28 March 2001 as the basis for continuing the negotiations, with a view to achieving the objectives of the General Agreement on Trade in Services, as stipulated in the Preamble, Article IV and Article XIX of that Agreement. Participants shall submit initial requests for specific commitments by 30 June 2002 and initial offers by 31 March 2003.

MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

16. We agree to negotiations which shall aim, by modalities to be agreed, to reduce or as appropriate eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs, and tariff escalation, as well as non-tariff barriers, in particular on products of export interest to developing countries. Product coverage shall be comprehensive and without *a priori* exclusions. The negotiations shall take fully into account the special needs and interests of developing and least-developed country participants, including through less than full reciprocity in reduction commitments, in accordance with the relevant provisions of Article XXVIII *bis* of GATT 1994 and the provisions cited in paragraph 50 below. To this end, the modalities to be agreed will include appropriate studies and capacity-building measures to assist least-developed countries to participate effectively in the negotiations.

TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS

17. We stress the importance we attach to implementation and interpretation of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) in a manner supportive of public health, by promoting both access to existing medicines and research and development into new medicines and, in this connection, are adopting a separate Declaration.

18. With a view to completing the work started in the Council for Trade-Related Aspects of Intellectual Property Rights (Council for TRIPS) on the implementation of Article 23.4, we agree to negotiate the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits by the Fifth Session of the Ministerial Conference. We note that issues related to the extension of the protection of geographical indications provided for in Article 23 to products other than wines and spirits will be addressed in the Council for TRIPS pursuant to paragraph 12 of this Declaration.

19. We instruct the Council for TRIPS, in pursuing its work programme including under the review of Article 27.3(b), the review of the implementation of the TRIPS Agreement under Article 71.1 and the work foreseen pursuant to paragraph 12 of this Declaration, to examine, *inter alia*, the relationship between the TRIPS Agreement and the Convention on Biological Diversity, the protection of traditional knowledge and folklore, and other relevant new developments raised by Members pursuant to Article 71.1. In undertaking this work, the TRIPS Council shall be guided by the objectives and principles set out in Articles 7 and 8 of the TRIPS Agreement and shall take fully into account the development dimension.

RELATIONSHIP BETWEEN TRADE AND INVESTMENT

20. Recognizing the case for a multilateral framework to secure transparent, stable and predictable conditions for long-term cross-border investment, particularly foreign direct investment, that will contribute to the expansion of trade, and the need for enhanced technical assistance and capacity-building in this area as referred to in paragraph 21, we agree that negotiations will take place after the Fifth Session of the Ministerial Conference on the basis of a decision to be taken, by explicit consensus, at that Session on modalities of negotiations.

21. We recognize the needs of developing and least-developed countries for enhanced support for technical assistance and capacity building in this area, including policy analysis and development so that they may better evaluate the implications of closer multilateral cooperation for their development policies and objectives, and human and institutional development. To this end, we shall work in cooperation with other relevant intergovernmental organisations, including UNCTAD, and through appropriate regional and bilateral channels, to provide strengthened and adequately resourced assistance to respond to these needs.

22. In the period until the Fifth Session, further work in the Working Group on the Relationship Between Trade and Investment will focus on the clarification of: scope and definition; transparency; non-discrimination; modalities for pre-establishment commitments based on a GATS-type, positive list approach; development provisions; exceptions and balance-of-payments safeguards; consultation and the settlement of disputes between Members. Any framework should reflect in a balanced manner the interests of home and host countries, and take due account of the development policies and objectives of host governments as well as their right to regulate in the public interest. The special development, trade and financial needs of developing and least-developed countries should be taken into account as an integral part of any framework, which should enable Members to undertake obligations and commitments commensurate with their individual needs and circumstances. Due regard should be paid to other relevant WTO provisions. Account should be taken, as appropriate, of existing bilateral and regional arrangements on investment.

INTERACTION BETWEEN TRADE AND COMPETITION POLICY

23. Recognizing the case for a multilateral framework to enhance the contribution of competition policy to international trade and development, and the need for enhanced technical assistance and capacity-building in this area as referred to in paragraph 24, we agree that negotiations will take place after the Fifth Session of the Ministerial Conference on the basis of a decision to be taken, by explicit consensus, at that Session on modalities of negotiations.

24. We recognize the needs of developing and least-developed countries for enhanced support for technical assistance and capacity building in this area, including policy analysis and development so that they may better evaluate the implications of closer multilateral cooperation for their development policies and objectives, and human and institutional development. To this end, we

shall work in cooperation with other relevant intergovernmental organisations, including UNCTAD, and through appropriate regional and bilateral channels, to provide strengthened and adequately resourced assistance to respond to these needs.

25. In the period until the Fifth Session, further work in the Working Group on the Interaction between Trade and Competition Policy will focus on the clarification of: core principles, including transparency, non-discrimination and procedural fairness, and provisions on hardcore cartels; modalities for voluntary cooperation; and support for progressive reinforcement of competition institutions in developing countries through capacity building. Full account shall be taken of the needs of developing and least-developed country participants and appropriate flexibility provided to address them.

TRANSPARENCY IN GOVERNMENT PROCUREMENT

26. Recognizing the case for a multilateral agreement on transparency in government procurement and the need for enhanced technical assistance and capacity building in this area, we agree that negotiations will take place after the Fifth Session of the Ministerial Conference on the basis of a decision to be taken, by explicit consensus, at that Session on modalities of negotiations. These negotiations will build on the progress made in the Working Group on Transparency in Government Procurement by that time and take into account participants' development priorities, especially those of least-developed country participants. Negotiations shall be limited to the transparency aspects and therefore will not restrict the scope for countries to give preferences to domestic supplies and suppliers. We commit ourselves to ensuring adequate technical assistance and support for capacity building both during the negotiations and after their conclusion.

TRADE FACILITATION

27. Recognizing the case for further expediting the movement, release and clearance of goods, including goods in transit, and the need for enhanced technical assistance and capacity building in this area, we agree that negotiations will take place after the Fifth Session of the Ministerial Conference on the basis of a decision to be taken, by explicit consensus, at that Session on modalities of negotiations. In the period until the Fifth Session, the Council for Trade in Goods shall review and as appropriate, clarify and improve relevant aspects of Articles V, VIII and X of the GATT 1994 and

identify the trade facilitation needs and priorities of Members, in particular developing and least-developed countries. We commit ourselves to ensuring adequate technical assistance and support for capacity building in this area.

WTO RULES

28. In the light of experience and of the increasing application of these instruments by Members, we agree to negotiations aimed at clarifying and improving disciplines under the Agreements on Implementation of Article VI of the GATT 1994 and on Subsidies and Countervailing Measures, while preserving the basic concepts, principles and effectiveness of these Agreements and their instruments and objectives, and taking into account the needs of developing and least-developed participants. In the initial phase of the negotiations, participants will indicate the provisions, including disciplines on trade distorting practices, that they seek to clarify and improve in the subsequent phase. In the context of these negotiations, participants shall also aim to clarify and improve WTO disciplines on fisheries subsidies, taking into account the importance of this sector to developing countries. We note that fisheries subsidies are also referred to in paragraph 31.

29. We also agree to negotiations aimed at clarifying and improving disciplines and procedures under the existing WTO provisions applying to regional trade agreements. The negotiations shall take into account the developmental aspects of regional trade agreements.

DISPUTE SETTLEMENT UNDERSTANDING

30. We agree to negotiations on improvements and clarifications of the Dispute Settlement Understanding. The negotiations should be based on the work done thus far as well as any additional proposals by Members, and aim to agree on improvements and clarifications not later than May 2003, at which time we will take steps to ensure that the results enter into force as soon as possible thereafter.

TRADE AND ENVIRONMENT

31. With a view to enhancing the mutual supportiveness of trade and environment, we agree to negotiations, without prejudging their outcome, on:

- (i) the relationship between existing WTO rules and specific trade obligations set out in multilateral environmental agreements (MEAs). The negotiations shall be limited in scope to the applicability of such existing WTO rules as among parties to the MEA in question. The negotiations shall not prejudice the WTO rights of any Member that is not a party to the MEA in question;
- (ii) procedures for regular information exchange between MEA Secretariats and the relevant WTO committees, and the criteria for the granting of observer status;
- (iii) the reduction or, as appropriate, elimination of tariff and non-tariff barriers to environmental goods and services.

We note that fisheries subsidies form part of the negotiations provided for in paragraph 28.

32. We instruct the Committee on Trade and Environment, in pursuing work on all items on its agenda within its current terms of reference, to give particular attention to:

- (i) the effect of environmental measures on market access, especially in relation to developing countries, in particular the least-developed among them, and those situations in which the elimination or reduction of trade restrictions and distortions would benefit trade, the environment and development;
- (ii) the relevant provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights; and
- (iii) labelling requirements for environmental purposes.

Work on these issues should include the identification of any need to clarify relevant WTO rules. The Committee shall report to the Fifth Session of the Ministerial Conference, and make recommendations, where appropriate, with respect to future action, including the desirability of negotiations. The outcome of this work as well as the negotiations carried out under paragraph 31(i) and (ii) shall be compatible with the open and non-discriminatory nature of the multilateral trading system, shall not add to or diminish the rights and obligations of Members under existing WTO agreements, in particular the Agreement on the Application of Sanitary and Phytosanitary Measures, nor

alter the balance of these rights and obligations, and will take into account the needs of developing and least-developed countries.

33. We recognize the importance of technical assistance and capacity building in the field of trade and environment to developing countries, in particular the least-developed among them. We also encourage that expertise and experience be shared with Members wishing to perform environmental reviews at the national level. A report shall be prepared on these activities for the Fifth Session.

ELECTRONIC COMMERCE

34. We take note of the work which has been done in the General Council and other relevant bodies since the Ministerial Declaration of 20 May 1998 and agree to continue the Work Programme on Electronic Commerce. The work to date demonstrates that electronic commerce creates new challenges and opportunities for trade for Members at all stages of development, and we recognize the importance of creating and maintaining an environment which is favourable to the future development of electronic commerce. We instruct the General Council to consider the most appropriate institutional arrangements for handling the Work Programme, and to report on further progress to the Fifth Session of the Ministerial Conference. We declare that Members will maintain their current practice of not imposing customs duties on electronic transmissions until the Fifth Session.

SMALL ECONOMIES

35. We agree to a work programme, under the auspices of the General Council, to examine issues relating to the trade of small economies. The objective of this work is to frame responses to the trade-related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading system, and not to create a sub-category of WTO Members. The General Council shall review the work programme and make recommendations for action to the Fifth Session of the Ministerial Conference.

TRADE, DEBT AND FINANCE

36. We agree to an examination, in a Working Group under the auspices of the General Council, of the relationship between trade, debt and finance, and

of any possible recommendations on steps that might be taken within the mandate and competence of the WTO to enhance the capacity of the multilateral trading system to contribute to a durable solution to the problem of external indebtedness of developing and least-developed countries, and to strengthen the coherence of international trade and financial policies, with a view to safeguarding the multilateral trading system from the effects of financial and monetary instability. The General Council shall report to the Fifth Session of the Ministerial Conference on progress in the examination.

TRADE AND TRANSFER OF TECHNOLOGY

37. We agree to an examination, in a Working Group under the auspices of the General Council, of the relationship between trade and transfer of technology, and of any possible recommendations on steps that might be taken within the mandate of the WTO to increase flows of technology to developing countries. The General Council shall report to the Fifth Session of the Ministerial Conference on progress in the examination.

TECHNICAL COOPERATION AND CAPACITY BUILDING

38. We confirm that technical cooperation and capacity building are core elements of the development dimension of the multilateral trading system, and we welcome and endorse the New Strategy for WTO Technical Cooperation for Capacity Building, Growth and Integration. We instruct the Secretariat, in coordination with other relevant agencies, to support domestic efforts for mainstreaming trade into national plans for economic development and strategies for poverty reduction. The delivery of WTO technical assistance shall be designed to assist developing and least-developed countries and low-income countries in transition to adjust to WTO rules and disciplines, implement obligations and exercise the rights of membership, including drawing on the benefits of an open, rules-based multilateral trading system. Priority shall also be accorded to small, vulnerable, and transition economies, as well as to Members and Observers without representation in Geneva. We reaffirm our support for the valuable work of the International Trade Centre, which should be enhanced.

39. We underscore the urgent necessity for the effective coordinated delivery of technical assistance with bilateral donors, in the OECD Development Assistance Committee and relevant international and regional intergovernmental institutions, within a coherent policy framework and

timetable. In the coordinated delivery of technical assistance, we instruct the Director-General to consult with the relevant agencies, bilateral donors and beneficiaries, to identify ways of enhancing and rationalizing the Integrated Framework for Trade-Related Technical Assistance to Least-Developed Countries and the Joint Integrated Technical Assistance Programme (JITAP).

40. We agree that there is a need for technical assistance to benefit from secure and predictable funding. We therefore instruct the Committee on Budget, Finance and Administration to develop a plan for adoption by the General Council in December 2001 that will ensure long-term funding for WTO technical assistance at an overall level no lower than that of the current year and commensurate with the activities outlined above.

41. We have established firm commitments on technical cooperation and capacity building in various paragraphs in this Ministerial Declaration. We reaffirm these specific commitments contained in paragraphs 16, 21, 24, 26, 27, 33, 38-40, 42 and 43, and also reaffirm the understanding in paragraph 2 on the important role of sustainably financed technical assistance and capacity-building programmes. We instruct the Director-General to report to the Fifth Session of the Ministerial Conference, with an interim report to the General Council in December 2002 on the implementation and adequacy of these commitments in the identified paragraphs.

LEAST-DEVELOPED COUNTRIES

42. We acknowledge the seriousness of the concerns expressed by the least-developed countries (LDCs) in the Zanzibar Declaration adopted by their Ministers in July 2001. We recognize that the integration of the LDCs into the multilateral trading system requires meaningful market access, support for the diversification of their production and export base, and trade-related technical assistance and capacity building. We agree that the meaningful integration of LDCs into the trading system and the global economy will involve efforts by all WTO Members. We commit ourselves to the objective of duty-free, quota-free market access for products originating from LDCs. In this regard, we welcome the significant market access improvements by WTO Members in advance of the Third UN Conference on LDCs (LDC-III), in Brussels, May 2001. We further commit ourselves to consider additional measures for progressive improvements in market access for LDCs. Accession of LDCs remains a priority for the Membership. We agree to work to facilitate and accelerate negotiations with acceding LDCs. We instruct the Secretariat to reflect the priority we attach to LDCs' accessions in the annual plans for

technical assistance. We reaffirm the commitments we undertook at LDC-III, and agree that the WTO should take into account, in designing its work programme for LDCs, the trade-related elements of the Brussels Declaration and Programme of Action, consistent with the WTO's mandate, adopted at LDC-III. We instruct the Sub-Committee for Least-Developed Countries to design such a work programme and to report on the agreed work programme to the General Council at its first meeting in 2002.

43. We endorse the Integrated Framework for Trade-Related Technical Assistance to Least-Developed Countries (IF) as a viable model for LDCs' trade development. We urge development partners to significantly increase contributions to the IF Trust Fund and WTO extra-budgetary trust funds in favour of LDCs. We urge the core agencies, in coordination with development partners, to explore the enhancement of the IF with a view to addressing the supply-side constraints of LDCs and the extension of the model to all LDCs, following the review of the IF and the appraisal of the ongoing Pilot Scheme in selected LDCs. We request the Director-General, following coordination with heads of the other agencies, to provide an interim report to the General Council in December 2002 and a full report to the Fifth Session of the Ministerial Conference on all issues affecting LDCs.

SPECIAL AND DIFFERENTIAL TREATMENT

44. We reaffirm that provisions for special and differential treatment are an integral part of the WTO Agreements. We note the concerns expressed regarding their operation in addressing specific constraints faced by developing countries, particularly least-developed countries. In that connection, we also note that some Members have proposed a Framework Agreement on Special and Differential Treatment (WT/GC/W/442). We therefore agree that all special and differential treatment provisions shall be reviewed with a view to strengthening them and making them more precise, effective and operational. In this connection, we endorse the work programme on special and differential treatment set out in the Decision on Implementation-Related Issues and Concerns.

ORGANIZATION AND MANAGEMENT OF THE WORK PROGRAMME

45. The negotiations to be pursued under the terms of this Declaration shall be concluded not later than 1 January 2005. The Fifth Session of the Ministerial Conference will take stock of progress in the negotiations, provide any necessary political guidance, and take decisions as necessary. When the

results of the negotiations in all areas have been established, a Special Session of the Ministerial Conference will be held to take decisions regarding the adoption and implementation of those results.

46. The overall conduct of the negotiations shall be supervised by a Trade Negotiations Committee under the authority of the General Council. The Trade Negotiations Committee shall hold its first meeting not later than 31 January 2002. It shall establish appropriate negotiating mechanisms as required and supervise the progress of the negotiations.

47. With the exception of the improvements and clarifications of the Dispute Settlement Understanding, the conduct, conclusion and entry into force of the outcome of the negotiations shall be treated as parts of a single undertaking. However, agreements reached at an early stage may be implemented on a provisional or a definitive basis. Early agreements shall be taken into account in assessing the overall balance of the negotiations.

48. Negotiations shall be open to:

- (i) all Members of the WTO; and
- (ii) States and separate customs territories currently in the process of accession and those that inform Members, at a regular meeting of the General Council, of their intention to negotiate the terms of their membership and for whom an accession working party is established.

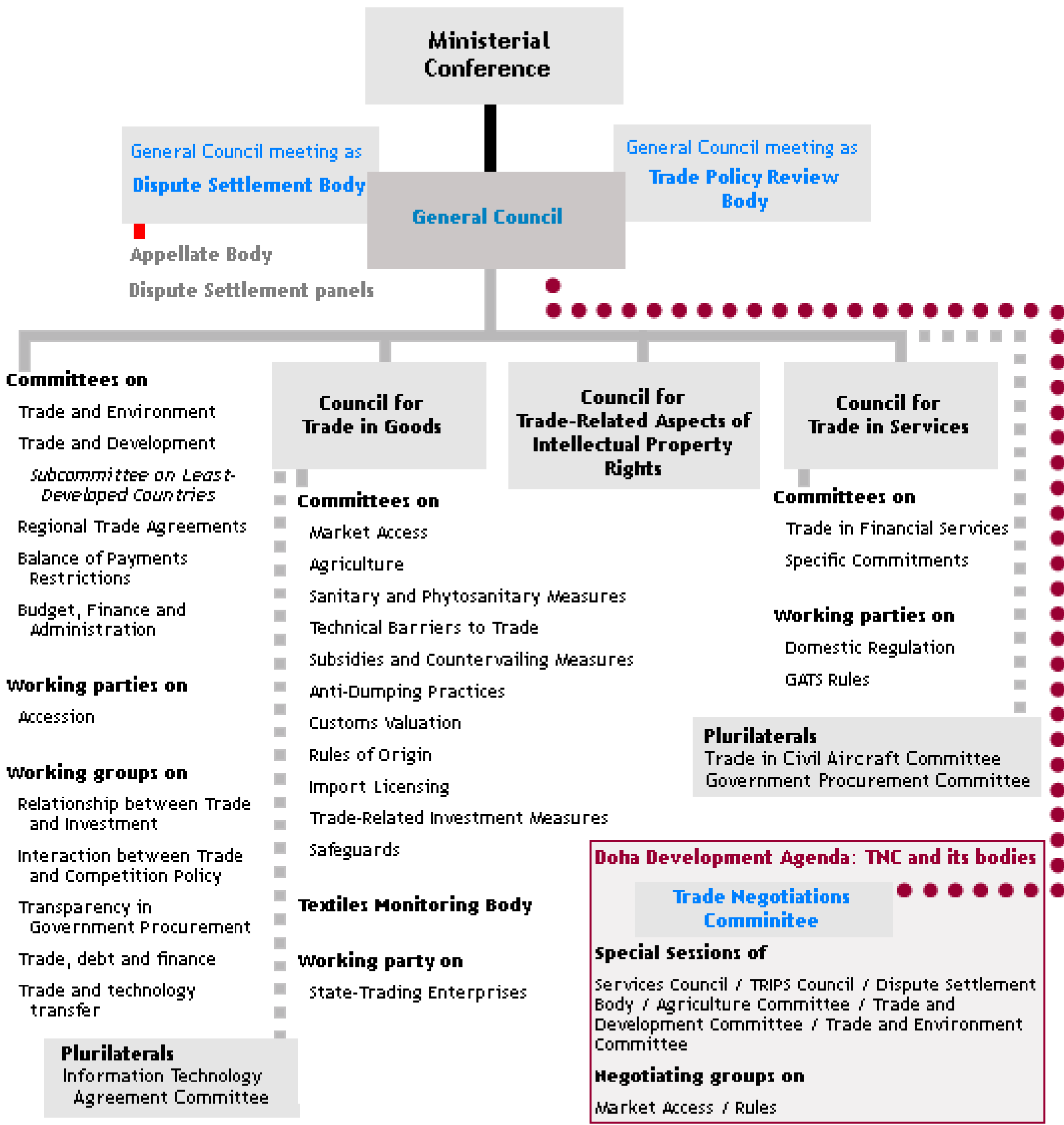
Decisions on the outcomes of the negotiations shall be taken only by WTO Members.

49. The negotiations shall be conducted in a transparent manner among participants, in order to facilitate the effective participation of all. They shall be conducted with a view to ensuring benefits to all participants and to achieving an overall balance in the outcome of the negotiations.

50. The negotiations and the other aspects of the Work Programme shall take fully into account the principle of special and differential treatment for developing and least-developed countries embodied in: Part IV of the GATT 1994; the Decision of 28 November 1979 on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries; the Uruguay Round Decision on Measures in Favour of Least-Developed Countries; and all other relevant WTO provisions.

51. The Committee on Trade and Development and the Committee on Trade and Environment shall, within their respective mandates, each act as a forum to identify and debate developmental and environmental aspects of the negotiations, in order to help achieve the objective of having sustainable development appropriately reflected.

52. Those elements of the Work Programme which do not involve negotiations are also accorded a high priority. They shall be pursued under the overall supervision of the General Council, which shall report on progress to the Fifth Session of the Ministerial Conference.



**IMPLEMENTATION OF PARAGRAPH 6 OF THE DOHA
DECLARATION ON
THE TRIPS AGREEMENT AND PUBLIC HEALTH**

Decision of 30 August 2003*

The General Council,

Having regard to paragraphs 1, 3 and 4 of Article IX of the Marrakesh Agreement Establishing the World Trade Organization ("the WTO Agreement");

Conducting the functions of the Ministerial Conference in the interval between meetings pursuant to paragraph 2 of Article IV of the WTO Agreement;

Noting the Declaration on the TRIPS Agreement and Public Health (WT/MIN(01)/DEC/2) (the "Declaration") and, in particular, the instruction of the Ministerial Conference to the Council for TRIPS contained in paragraph 6 of the Declaration to find an expeditious solution to the problem of the difficulties that WTO Members with insufficient or no manufacturing capacities in the pharmaceutical sector could face in making effective use of compulsory licensing under the TRIPS Agreement and to report to the General Council before the end of 2002;

Recognizing, where eligible importing Members seek to obtain supplies under the system set out in this Decision, the importance of a rapid response to those needs consistent with the provisions of this Decision;

* This Decision was adopted by the General Council in the light of a statement read out by the Chairman, which can be found in JOB(03)/177. This statement will be reproduced in the minutes of the General Council to be issued as WT/GC/M/82.

Noting that, in the light of the foregoing, exceptional circumstances exist justifying waivers from the obligations set out in paragraphs (f) and (h) of Article 31 of the TRIPS Agreement with respect to pharmaceutical products;

Decides as follows:

1. For the purposes of this Decision:
 - (a) "pharmaceutical product" means any patented product, or product manufactured through a patented process, of the pharmaceutical sector needed to address the public health problems as recognized in paragraph 1 of the Declaration. It is understood that active ingredients necessary for its manufacture and diagnostic kits needed for its use would be included¹;
 - (b) "eligible importing Member" means any least-developed country Member, and any other Member that has made a notification² to the Council for TRIPS of its intention to use the system as an importer, it being understood that a Member may notify at any time that it will use the system in whole or in a limited way, for example only in the case of a national emergency or other circumstances of extreme urgency or in cases of public non-commercial use. It is noted that some Members will not use the system set out in this Decision as importing Members³ and that some other Members have stated that, if they use the system, it would be in no more than situations of national emergency or other circumstances of extreme urgency;
 - (c) "exporting Member" means a Member using the system set out in this Decision to produce pharmaceutical products for, and export them to, an eligible importing Member.
2. The obligations of an exporting Member under Article 31(f) of the TRIPS Agreement shall be waived with respect to the grant by it of a compulsory licence to the extent necessary for the purposes of production of a pharmaceutical product(s) and its export to an eligible importing Member(s) in accordance with the terms set out below in this paragraph:

¹ This subparagraph is without prejudice to subparagraph 1(b).

² It is understood that this notification does not need to be approved by a WTO body in order to use the system set out in this Decision.

³ Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States.

- (a) the eligible importing Member(s)⁴ has made a notification² to the Council for TRIPS, that:
- (i) specifies the names and expected quantities of the product(s) needed⁵;
 - (ii) confirms that the eligible importing Member in question, other than a least-developed country Member, has established that it has insufficient or no manufacturing capacities in the pharmaceutical sector for the product(s) in question in one of the ways set out in the Annex to this Decision; and
 - (iii) confirms that, where a pharmaceutical product is patented in its territory, it has granted or intends to grant a compulsory licence in accordance with Article 31 of the TRIPS Agreement and the provisions of this Decision⁶;
- (b) the compulsory licence issued by the exporting Member under this Decision shall contain the following conditions:
- (i) only the amount necessary to meet the needs of the eligible importing Member(s) may be manufactured under the licence and the entirety of this production shall be exported to the Member(s) which has notified its needs to the Council for TRIPS;
 - (ii) products produced under the licence shall be clearly identified as being produced under the system set out in this Decision through specific labelling or marking. Suppliers should distinguish such products through special packaging and/or special colouring/shaping of the products themselves, provided that such distinction is feasible and does not have a significant impact on price; and

⁴ Joint notifications providing the information required under this subparagraph may be made by the regional organizations referred to in paragraph 6 of this Decision on behalf of eligible importing Members using the system that are parties to them, with the agreement of those parties.

⁵ The notification will be made available publicly by the WTO Secretariat through a page on the WTO website dedicated to this Decision.

⁶ This subparagraph is without prejudice to Article 66.1 of the TRIPS Agreement.

- (iii) before shipment begins, the licensee shall post on a website⁷ the following information:
- the quantities being supplied to each destination as referred to in indent (i) above; and
 - the distinguishing features of the product(s) referred to in indent (ii) above;
- (c) the exporting Member shall notify⁸ the Council for TRIPS of the grant of the licence, including the conditions attached to it.⁹ The information provided shall include the name and address of the licensee, the product(s) for which the licence has been granted, the quantity(ies) for which it has been granted, the country(ies) to which the product(s) is (are) to be supplied and the duration of the licence. The notification shall also indicate the address of the website referred to in subparagraph (b)(iii) above.

3. Where a compulsory licence is granted by an exporting Member under the system set out in this Decision, adequate remuneration pursuant to Article 31(h) of the TRIPS Agreement shall be paid in that Member taking into account the economic value to the importing Member of the use that has been authorized in the exporting Member. Where a compulsory licence is granted for the same products in the eligible importing Member, the obligation of that Member under Article 31(h) shall be waived in respect of those products for which remuneration in accordance with the first sentence of this paragraph is paid in the exporting Member.

4. In order to ensure that the products imported under the system set out in this Decision are used for the public health purposes underlying their importation, eligible importing Members shall take reasonable measures within their means, proportionate to their administrative capacities and to the risk of trade diversion to prevent re-exportation of the products that have actually been imported into their territories under the system. In the event that an eligible importing Member that is a developing country Member or a least-developed country Member experiences difficulty in implementing this provision, developed country Members shall provide, on request and on

⁷ The licensee may use for this purpose its own website or, with the assistance of the WTO Secretariat, the page on the WTO website dedicated to this Decision.

⁸ It is understood that this notification does not need to be approved by a WTO body in order to use the system set out in this Decision.

⁹ The notification will be made available publicly by the WTO Secretariat through a page on the WTO website dedicated to this Decision.

mutually agreed terms and conditions, technical and financial cooperation in order to facilitate its implementation.

5. Members shall ensure the availability of effective legal means to prevent the importation into, and sale in, their territories of products produced under the system set out in this Decision and diverted to their markets inconsistently with its provisions, using the means already required to be available under the TRIPS Agreement. If any Member considers that such measures are proving insufficient for this purpose, the matter may be reviewed in the Council for TRIPS at the request of that Member.

6. With a view to harnessing economies of scale for the purposes of enhancing purchasing power for, and facilitating the local production of, pharmaceutical products:

- (i) where a developing or least-developed country WTO Member is a party to a regional trade agreement within the meaning of Article XXIV of the GATT 1994 and the Decision of 28 November 1979 on Differential and More Favourable Treatment Reciprocity and Fuller Participation of Developing Countries (L/4903), at least half of the current membership of which is made up of countries presently on the United Nations list of least-developed countries, the obligation of that Member under Article 31(f) of the TRIPS Agreement shall be waived to the extent necessary to enable a pharmaceutical product produced or imported under a compulsory licence in that Member to be exported to the markets of those other developing or least-developed country parties to the regional trade agreement that share the health problem in question. It is understood that this will not prejudice the territorial nature of the patent rights in question;
- (ii) it is recognized that the development of systems providing for the grant of regional patents to be applicable in the above Members should be promoted. To this end, developed country Members undertake to provide technical cooperation in accordance with Article 67 of the TRIPS Agreement, including in conjunction with other relevant intergovernmental organizations.

7. Members recognize the desirability of promoting the transfer of technology and capacity building in the pharmaceutical sector in order to overcome the problem identified in paragraph 6 of the Declaration. To this end, eligible importing Members and exporting Members are encouraged to use the system set out in this Decision in a way which would promote this

objective. Members undertake to cooperate in paying special attention to the transfer of technology and capacity building in the pharmaceutical sector in the work to be undertaken pursuant to Article 66.2 of the TRIPS Agreement, paragraph 7 of the Declaration and any other relevant work of the Council for TRIPS.

8. The Council for TRIPS shall review annually the functioning of the system set out in this Decision with a view to ensuring its effective operation and shall annually report on its operation to the General Council. This review shall be deemed to fulfil the review requirements of Article IX:4 of the WTO Agreement.

9. This Decision is without prejudice to the rights, obligations and flexibilities that Members have under the provisions of the TRIPS Agreement other than paragraphs (f) and (h) of Article 31, including those reaffirmed by the Declaration, and to their interpretation. It is also without prejudice to the extent to which pharmaceutical products produced under a compulsory licence can be exported under the present provisions of Article 31(f) of the TRIPS Agreement.

10. Members shall not challenge any measures taken in conformity with the provisions of the waivers contained in this Decision under subparagraphs 1(b) and 1(c) of Article XXIII of GATT 1994.

11. This Decision, including the waivers granted in it, shall terminate for each Member on the date on which an amendment to the TRIPS Agreement replacing its provisions takes effect for that Member. The TRIPS Council shall initiate by the end of 2003 work on the preparation of such an amendment with a view to its adoption within six months, on the understanding that the amendment will be based, where appropriate, on this Decision and on the further understanding that it will not be part of the negotiations referred to in paragraph 45 of the Doha Ministerial Declaration (WT/MIN(01)/DEC/1).

ANNEX

Assessment of Manufacturing Capacities in the Pharmaceutical Sector

Least-developed country Members are deemed to have insufficient or no manufacturing capacities in the pharmaceutical sector.

For other eligible importing Members insufficient or no manufacturing capacities for the product(s) in question may be established in either of the following ways:

- (i) the Member in question has established that it has no manufacturing capacity in the pharmaceutical sector;

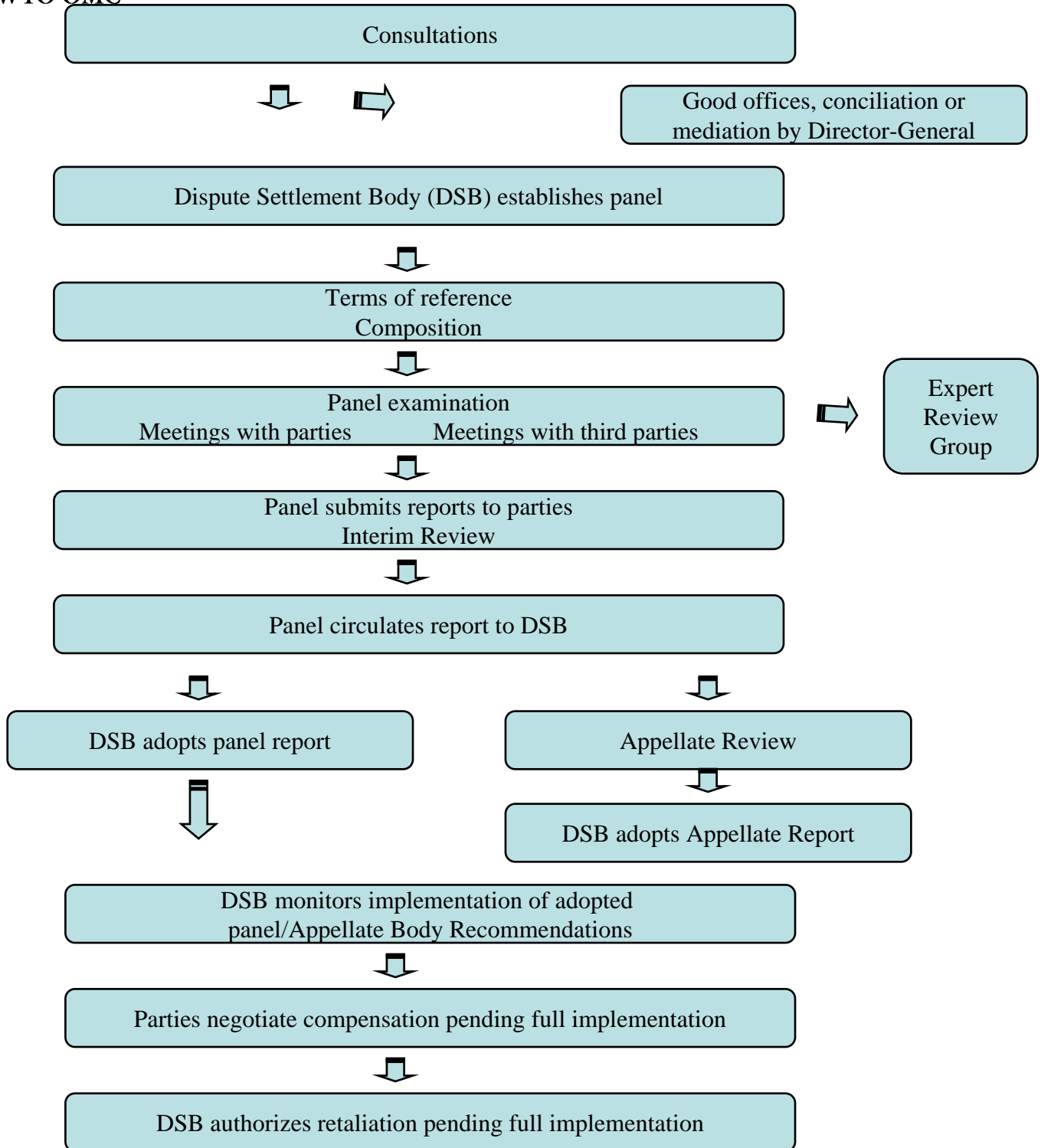
OR

- (ii) where the Member has some manufacturing capacity in this sector, it has examined this capacity and found that, excluding any capacity owned or controlled by the patent owner, it is currently insufficient for the purposes of meeting its needs. When it is established that such capacity has become sufficient to meet the Member's needs, the system shall no longer apply.
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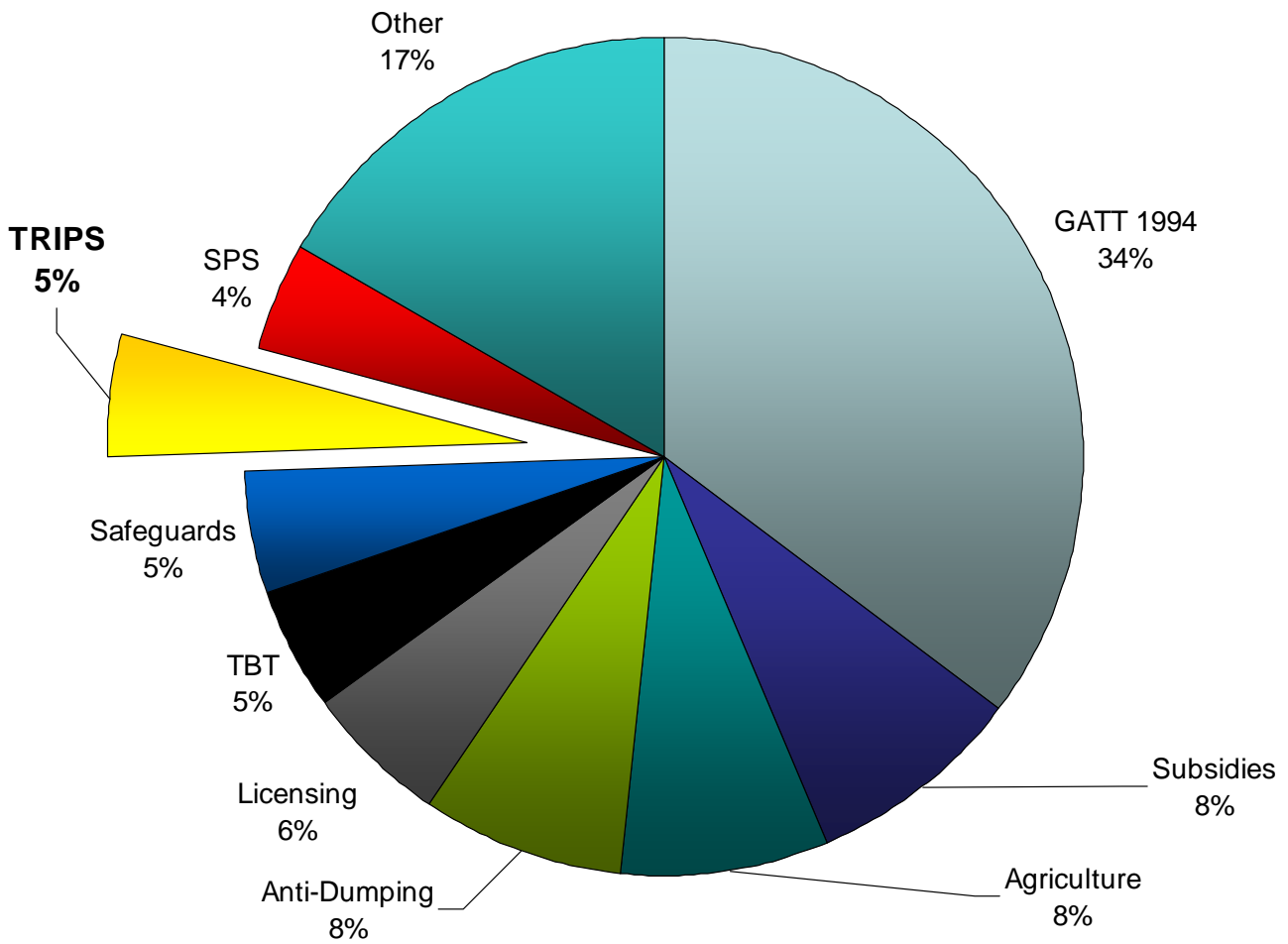
WTO OMC

Dispute Settlement – The Panel Process

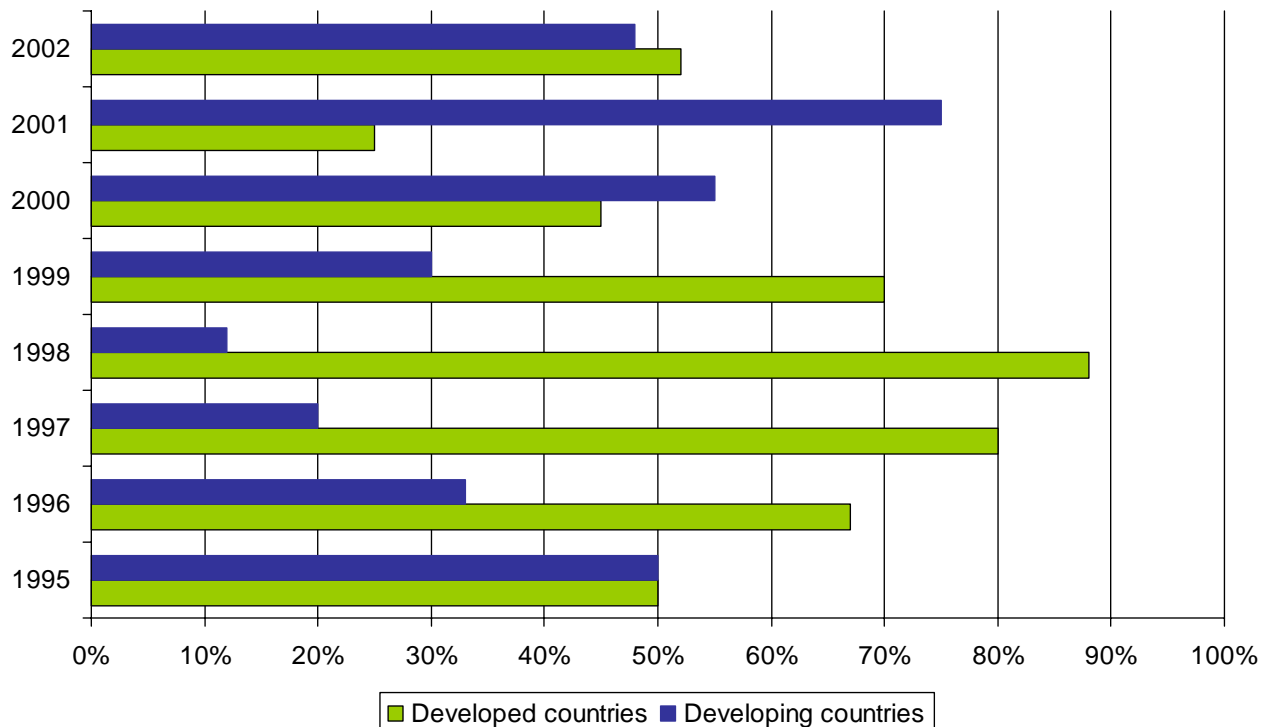




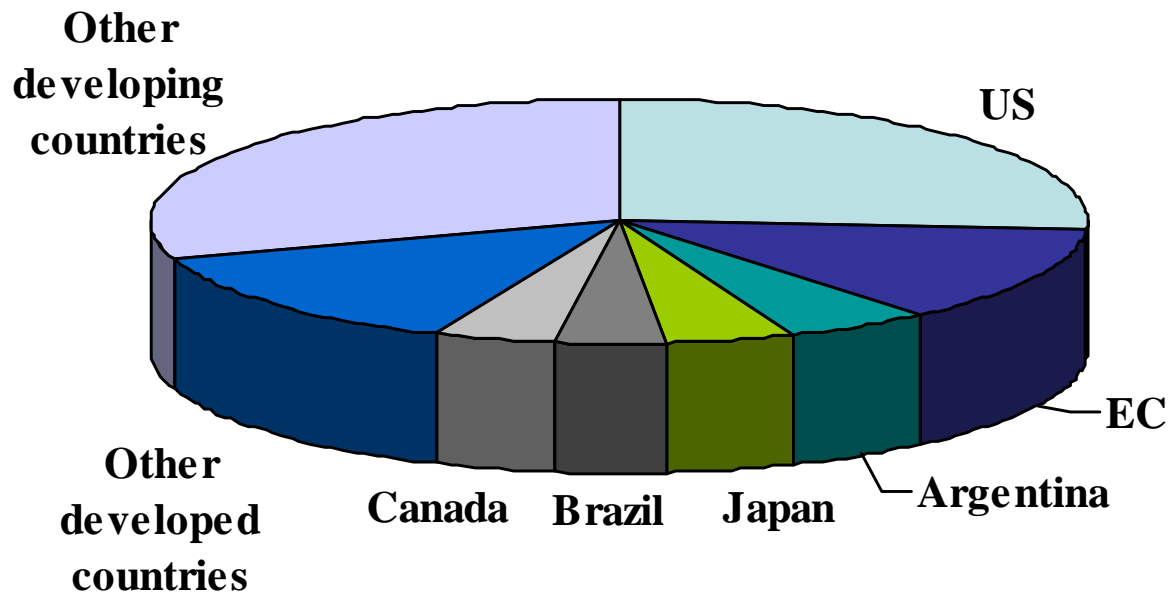
Consultations According to Agreement at Issue



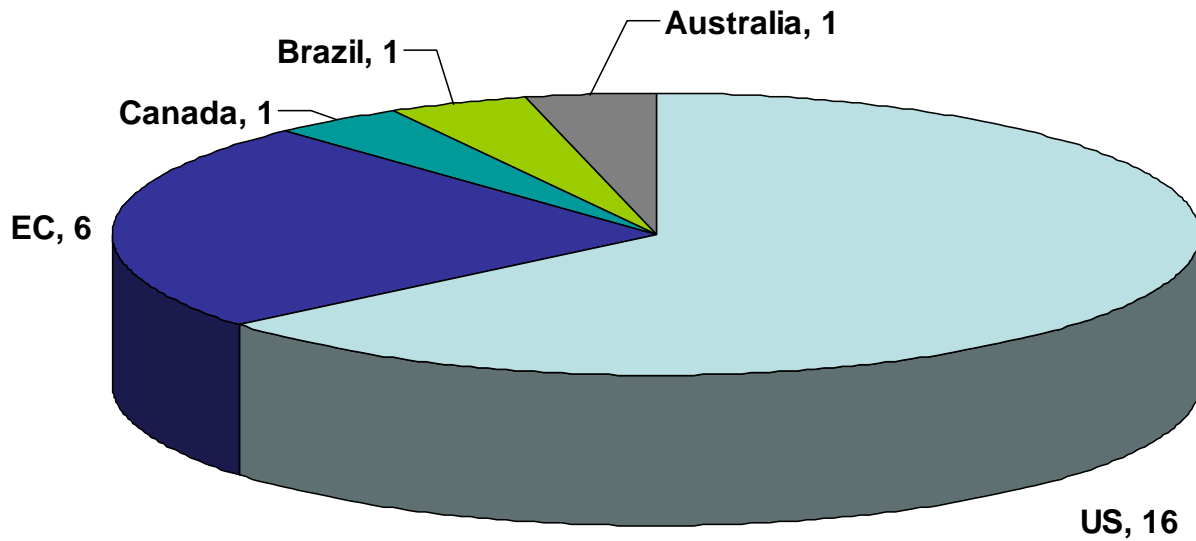
Trends in the Use of the Dispute Settlement Mechanism



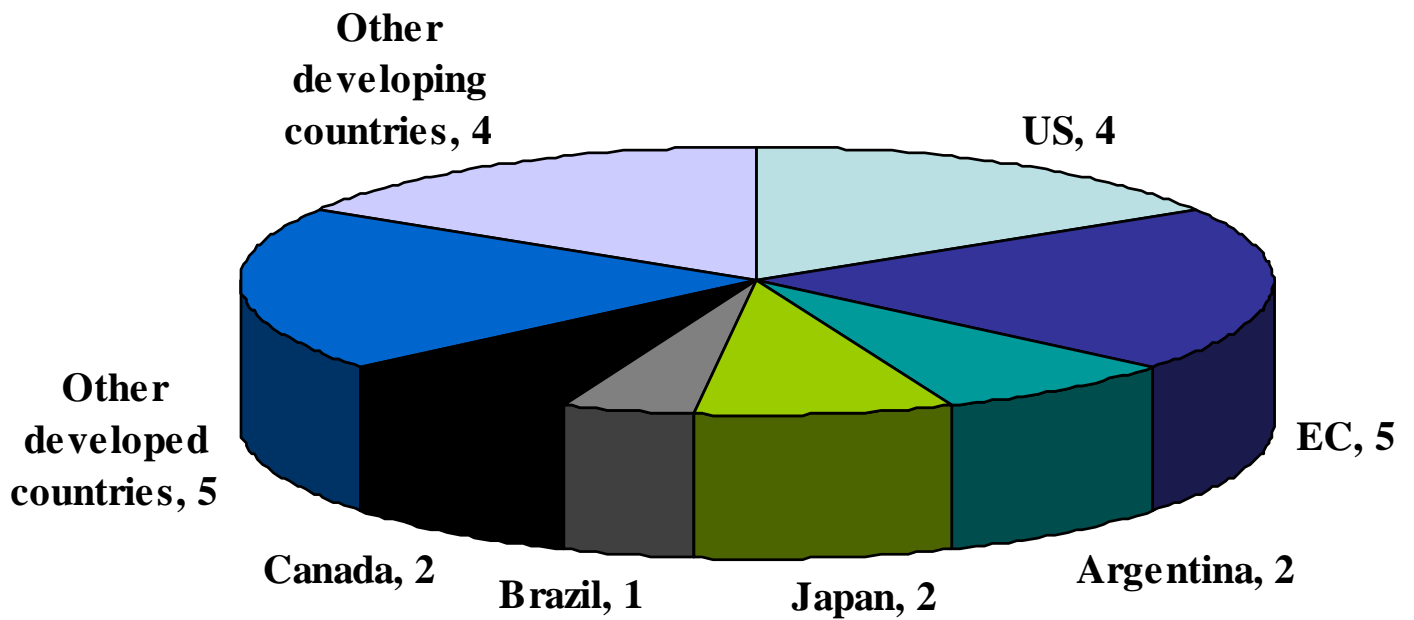
Respondents – WTO



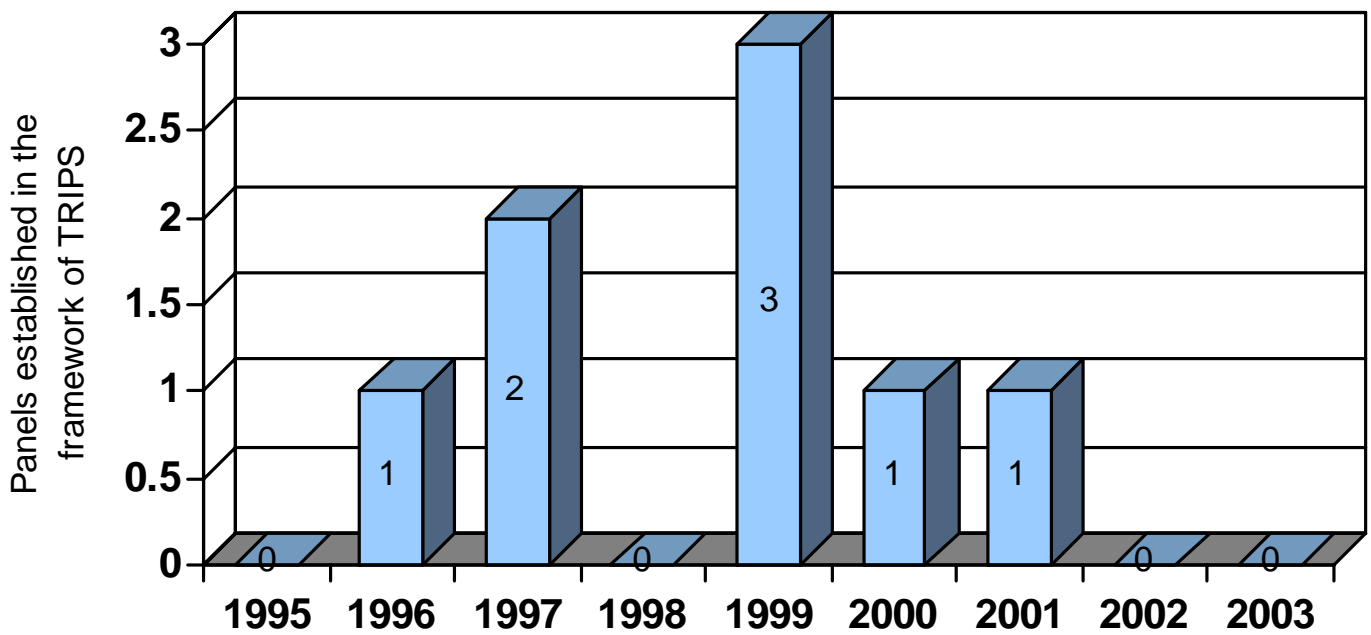
Complainants - TRIPS



Respondents – TRIPS



Panel Proceedings: TRIPS





Work Programme including Doha Development Agenda

- Round of trade negotiations launched at Doha Ministerial Conference, December 2001
- Members agree to seek to place needs and interests of developing countries at heart of Doha work programme
- Negotiating topics:
 - Agriculture
 - Non-agricultural market access
 - Services
 - TRIPS
 - Rules
 - Dispute settlement
 - Trade and environment
 - Special and differential treatment
- Outstanding implementation-related issues and concerns
- Singapore issues (trade facilitation, transparency in government procurement, interaction between trade and competition policy, relationship between trade and investment)
- Technical cooperation and capacity building



Doha Development Agenda's Present Situation

- Cancun Ministerial Conference, September 2003
- Consultations Chairman General Council, Oct.-Dec. 2003
 - Focus on Agriculture, NAMA, Cotton and Singapore issues
- Resumption of work of negotiating groups and other Doha bodies 2004
- Possible July package

MINISTERIAL CONFERENCE
Fourth Session
Doha, 9 - 14 November 2001

**DECLARATION ON THE TRIPS AGREEMENT AND PUBLIC
HEALTH**

Adopted on 14 November 2001

1. We recognize the gravity of the public health problems afflicting many developing and least-developed countries, especially those resulting from HIV/AIDS, tuberculosis, malaria and other epidemics.
2. We stress the need for the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) to be part of the wider national and international action to address these problems.
3. We recognize that intellectual property protection is important for the development of new medicines. We also recognize the concerns about its effects on prices.
4. We agree that the TRIPS Agreement does not and should not prevent Members from taking measures to protect public health. Accordingly, while reiterating our commitment to the TRIPS Agreement, we affirm that the Agreement can and should be interpreted and implemented in a manner supportive of WTO Members' right to protect public health and, in particular, to promote access to medicines for all.

In this connection, we reaffirm the right of WTO Members to use, to the full, the provisions in the TRIPS Agreement, which provide flexibility for this purpose.

5. Accordingly and in the light of paragraph 4 above, while maintaining our commitments in the TRIPS Agreement, we recognize that these flexibilities include:

- (a) In applying the customary rules of interpretation of public international law, each provision of the TRIPS Agreement shall be read in the light of the object and purpose of the Agreement as expressed, in particular, in its objectives and principles.
- (b) Each Member has the right to grant compulsory licences and the freedom to determine the grounds upon which such licences are granted.
- (c) Each Member has the right to determine what constitutes a national emergency or other circumstances of extreme urgency, it being understood that public health crises, including those relating to HIV/AIDS, tuberculosis, malaria and other epidemics, can represent a national emergency or other circumstances of extreme urgency.
- (d) The effect of the provisions in the TRIPS Agreement that are relevant to the exhaustion of intellectual property rights is to leave each Member free to establish its own regime for such exhaustion without challenge, subject to the MFN and national treatment provisions of Articles 3 and 4.

6. We recognize that WTO Members with insufficient or no manufacturing capacities in the pharmaceutical sector could face difficulties in making effective use of compulsory licensing under the TRIPS Agreement. We instruct the Council for TRIPS to find an expeditious solution to this problem and to report to the General Council before the end of 2002.

7. We reaffirm the commitment of developed-country Members to provide incentives to their enterprises and institutions to promote and encourage technology transfer to least-developed country Members pursuant to Article 66.2. We also agree that the least-developed country Members will not be obliged, with respect to pharmaceutical products, to implement or apply Sections 5 and 7 of Part II of the TRIPS Agreement or to enforce rights provided for under these Sections until 1 January 2016, without prejudice to the right of least-developed country Members to seek other extensions of the transition periods as provided for in Article 66.1 of the TRIPS Agreement. We instruct the Council for TRIPS to take the necessary action to give effect to this pursuant to Article 66.1 of the TRIPS Agreement.

ANNUAL REPORT (2003) OF THE COUNCIL FOR TRIPS

I. GENERAL

1. This document takes into account and updates the information contained in the report submitted by the Council for TRIPS to the General Council on its work in the first part of the year in document IP/C/27/Add.1 of 2 July 2003. This was presented as an update to the Council's 2002 report (IP/C/27).

2. Since the period covered by its 2002 report, the Council reconvened, on 20 December 2002, its end-of-year meeting held on 25-27 and 29 November 2002 to continue its work on agenda items "Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health" and "Implementation of Article 66.2". In the year 2003, the Council has so far held four formal meetings, on 18-19 February, 4-5 June, 28 August and 18 November. The minutes of these meetings are to be found in documents IP/C/M/38-42.¹ The meeting of 28 August was dedicated to the consideration of the item "Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health".

3. The reconvened meeting in December 2002 and the meeting in February 2003 were chaired by Ambassador Eduardo Pérez Motta (Mexico) and the subsequent meetings by Ambassador Vanu Gopala Menon (Singapore).

4. The meetings of the Council were open to all WTO Members, other governments with observer status in WTO bodies and certain international intergovernmental organizations granted observer status in the Council. The Food and Agriculture Organization (FAO), the International Monetary Fund (IMF), the International Union for the Protection of New Varieties of Plants (UPOV), the Organisation for Economic Co-operation and Development (OECD), the United Nations (UN), the United Nations Conference on Trade and Development (UNCTAD), the World Bank, the World Customs Organization (WCO) and the World Intellectual Property Organization (WIPO)

¹ Document IP/C/M/42 to be circulated.

enjoy regular observer status in the TRIPS Council. The World Health Organization (WHO) has *ad hoc* observer status in the Council. At its meeting in March 2002, the Council agreed to a request from the Joint United Nations Programme on HIV/AIDS (UNAIDS) for observer status during the Council's discussions on the TRIPS Agreement and public health at that and future meetings. Decisions on requests for observer status from 16 Organizations are pending.²

II. NOTIFICATIONS UNDER THE PROVISIONS OF THE AGREEMENT

5. At its meeting in February, June and November, the Council took note of new notifications under various provisions of the TRIPS Agreement.³ To date, 124 Members have notified pursuant to Article 63.2 all or part of their implementing legislation relating to all provisions of the Agreement. In addition, an number of other Members have made notifications relating specifically to the implementation of Articles 3, 4 and 5 of the Agreement, or concerning the implementation of Article 70.8 and, in some cases, Article 70.9 of the Agreement. 96 Members have provided responses to the Checklist of Issues on Enforcement.⁴ During the reporting period, a number of Members have notified amendments to laws and regulations they had notified earlier.⁵ To date, 118 Members have notified pursuant to Article 69 contact points for the purposes of cooperating with each other with a view to eliminating international trade in goods infringing intellectual property rights.⁶ In addition, during the reporting period, the Council received notifications from Denmark and the Former Yugoslav Republic of Macedonia under Article 1.3.⁷

III. REVIEW OF NATIONAL LAWS AND REGULATIONS

6. During the reporting period, the Council completed its reviews of Brazil, Cameroon, China, Kenya and the Philippines, and took note of the new

² The Organizations in question are listed in document IP/C/W/52/Rev.10.

³ At its meeting in November 1995, the Council adopted procedures for notification of laws and regulations under Article 63.2. These procedures require that, as of the time that a Member is obliged to start applying a provision of the TRIPS Agreement, the corresponding laws and regulations shall be notified without delay (IP/C/2). At that meeting, the Council also agreed that Members would provide responses to a Checklist of Issues on Enforcement (IP/C/5).

⁴ A table attached to document JOB(03)/102, dated 28 May 2002, sets out the status, as of 26 May 2003, of notifications of national laws and regulations received under Article 63.2 of the TRIPS Agreement from Members whose transitional period under Article 65.2 or 65.3 expired on 1 January 2000 or who have acceded to the WTO after that date.

⁵ Notifications of laws and regulations are being circulated in the IP/N/1/COUNTRY/- series of documents, and responses to the Checklist of Issues on Enforcement in the IP/N/6/COUNTRY/- series of documents.

⁶ These contact points are contained in document IP/N/3/Rev.7 and addenda.

⁷ Circulation of notifications under Articles 1.3 and 3.1 takes place in the IP/N/2/COUNTRY/- series of documents.

responses received from and the outstanding material required to complete the pending reviews of 15 other Members.⁸

IV. TRANSITIONAL REVIEW UNDER SECTION 18 OF THE PROTOCOL ON THE ACCESSION OF PEOPLE'S REPUBLIC OF CHINA

7. At its November meeting, the Council undertook the second annual transitional review of the implementation by China of its WTO commitments pursuant to Section 18 of the Protocol on the Accession of People's Republic of China (WT/L/432), and agreed that the Chair, acting on his own responsibility, would prepare a brief, factual report on the review to the General Council.⁹

V. PARAGRAPH 6 OF THE DOHA DECLARATION ON THE TRIPS AGREEMENT AND PUBLIC HEALTH

8. At the Council's reconvened meeting on 20 December 2002, the Chair informed the Council that the intensive consultations he had held had not led to a resolution of the language concerning the scope of diseases/public health problems in paragraph 1(a) of the draft text he had tabled on 16 December 2002 (JOB(02)/217). The Council authorized him to report this to the General Council and to recommend that the TRIPS Council be asked to resume work on this matter at the beginning of 2003 in order to resolve the outstanding issues in the Chairman's text of 16 December 2002 and to report to the General Council in order to enable it to take a decision implementing a solution to the problem identified in paragraph 6 at its meeting scheduled for 10 February 2003.¹⁰

9. Three new documents were submitted prior to the Council's meeting in February 2003, one by the United States (IP/C/W/396/Corr.1), the second by the European Communities and their member States (JOB(03)/9) and the third by Japan (JOB(03)/19). At that meeting, the Chair reported that he was not in a position to put forward any further suggestions or ideas to bridge the remaining gap in the 16 December 2002 text and that he would report the state of play on this subject to the Chair of the General Council, leaving it to his successor to decide on further consultations on this subject.

⁸ A table attached to document JOB(03)/209, dated 12 November 2003, lists those Members whose reviews were initiated at the Council's meetings since April 2001 but which remained on the Council's agenda at the time of the circulation of the note. All reviews of legislation initiated in the year 2000 have been completed.

⁹ This will be circulated in document IP/C/31.

¹⁰ The General Council considered this matter on 20 December 2002, and invited the TRIPS Council to resume work on it promptly at the beginning of 2003 to resolve the outstanding issues in the Chairman's text of 16 December 2002 and to report to the General Council so that a decision implementing a solution to the problem identified in paragraph 6 could be taken at the first General Council meeting in 2003.

10. At its meeting in June, the Council had before it two new submissions: a communication on behalf of the ACP countries (IP/C/W/401) and a communication from the European Communities (IP/C/W/402). After the discussion, the Chair expressed his intention to remain in close contact with delegations with a view to resuming consultations as soon as developments showed signs of renewed consultations being useful. He urged delegations to continue to dialogue with each other so that a solution could be found based on the 16 December 2002 text. He hoped that a solution could be found before the Cancun Ministerial Conference and preferably in time for the next General Council meeting scheduled for 24 July 2003.

11. At its meeting of 28 August 2003, the Council for TRIPS approved the draft Decision on "Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health" contained in document JOB(02)/217¹¹ and agreed to forward it to the General Council for adoption. Furthermore, the TRIPS Council approved forwarding, along with the draft Decision, the text of the statement contained in document JOB(03)/177 to be made by the Chairman of the General Council prior to the adoption of the Decision.¹²

12. Pursuant to paragraph 11 of the "Decision on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health" (WT/L/540), the Council initiated work on the preparation of an amendment of the TRIPS Agreement replacing the provisions of that Decision. The Council had before it a submission from the European Communities (IP/C/W/416). The Chair indicated his intention to hold informal consultations on the matter in various formats, in small groups as well as in open-ended sessions, before the Council's next meeting.

¹¹ Subsequently circulated in document IP/C/W/405.

¹² At its meeting of 30 August 2003, the General Council adopted the Decision in the light of the statement read out by its Chairman (WT/L/540); the statement has been reproduced in paragraph 29 of the minutes of the General Council issued as WT/GC/M/82).

VI. REVIEW OF THE PROVISIONS OF ARTICLE 27.3(B); RELATIONSHIP BETWEEN THE TRIPS AGREEMENT AND THE CONVENTION ON BIOLOGICAL DIVERSITY; AND PROTECTION OF TRADITIONAL KNOWLEDGE AND FOLKLORE

13. The Council continued its discussion of these three agenda items at its meetings in February, June and November 2003. Given the consultations under way in the context of the TNC on outstanding TRIPS implementation issues, the examination of these matters at the meetings in question did not include consideration of outstanding implementation issues relating to them. For the February meeting, the Secretariat had prepared a note containing an updated synoptic table summarizing the information Members had provided in response to a questionnaire on the implementation of Article 27.3(b) (IP/C/W/273/Rev.1). At its June meeting, the Council had before it three new communications: one from Switzerland expressing its views on these three agenda items (IP/C/W/400/Rev.1); one received from India on behalf of Bolivia, Brazil, Cuba, the Dominican Republic, Ecuador, India, Peru, Thailand and Venezuela concerning the relationship between the TRIPS Agreement and the Convention on Biological Diversity and the Protection of Traditional Knowledge (IP/C/W/403); and one received from Morocco on behalf of the African group suggesting ways of taking forward the review of Article 27.3(b) (IP/C/W/404). The consideration of these communications was continued at the Council's November meeting.

VII. REVIEW OF IMPLEMENTATION OF THE TRIPS AGREEMENT UNDER ARTICLE 71

14. The Council continued its consideration of this agenda item. No new written submissions were made.

VIII. IMPLEMENTATION OF ARTICLE 66.2

15. At its meeting in February 2003, the Council adopted a decision on "Implementation of Article 66.2 of the TRIPS Agreement" (IP/C/28), giving effect to the instructions of the Doha Ministerial Conference in paragraph 11.2 of the Decision on Implementation-Related Issues and Concerns (WT/MIN(01)/17) to put in place a mechanism for ensuring the monitoring and full implementation of the obligations in question.

16. In addition, the Council took note of information developed countries had provided on their implementation of Article 66.2 (IP/C/W/388 and addenda 1-8) and of a related "Reflection Paper on Transfer of Technology to Developing and

Least-Developed Countries" submitted by the European Communities and their member States (IP/C/W/398).

17. Pursuant to paragraph 2 of the above-mentioned Decision, the Council took up its first annual review of developed country Member's reports on their implementation of Article 66.2. Information was received from Japan; the Czech Republic; Switzerland; the United States; Norway; and the European Communities and the following EC members States: France, Finland, Germany, Ireland, Spain and Sweden (IP/C/W/412 and addenda).

IX. NON-VIOLATION AND SITUATION COMPLAINTS

18. The Council continued its discussion under this agenda item at its meetings in February and June, including on options for the recommendations on non-violation and situation complaints it was to make to the Cancun Ministerial Conference, as called for in paragraph 11.1 of the Decision on Implementation-Related Issues and Concerns. While further consultations in July and August 2003 led to a narrowing of differences on the way forward, the Council was not able to submit agreed recommendations to the Cancun Ministerial Conference.

X. ELECTRONIC COMMERCE

19. At its meeting in June, the Council took note of an update to the Secretariat's factual background note on intellectual property and electronic commerce (IP/C/W/128/Add.1), and adopted its report to the General Council on the "Work Programme on Electronic Commerce" (IP/C/29).

XI. REVIEW OF THE APPLICATION OF THE PROVISIONS OF THE SECTION ON GEOGRAPHICAL INDICATIONS UNDER ARTICLE 24.2

20. At its meetings in February, June and November, the Council considered how to carry forward this review. In June, the Council agreed to request the Secretariat to update its summary note (IP/C/W/253) on the information provided by Members in response to a checklist of questions (IP/C/13 and Add.1) on the way they provided protection for geographical indications to take into account the information received from Members since the circulation of that summary note. In addition, the Council invited those Members that had not yet provided such information in response to the checklist to do so. At the November meeting, the Chair indicated his intention to hold informal consultations on how to carry forward this review before the Council's next meeting.

XII. TECHNICAL COOPERATION AND CAPACITY-BUILDING

21. At its meeting in June, the Council invited developed country Members to supply information on their activities pursuant to Article 67 of the TRIPS Agreement prior to the annual special review of this matter that was held at the November meeting. Other Members who also make available technical cooperation were encouraged to share information on these activities if they so wished. Intergovernmental organizations that have observer status in the TRIPS Council were also invited to provide information on their activities of relevance and, further, the WTO Secretariat was instructed to report on its activities. The Council received updated information from Japan; the Czech Republic; the United States; Norway; Switzerland; and the European Communities and the following EC member States: Austria, Denmark, Finland, France, Germany, Italy, Spain, Sweden and the United Kingdom (being circulated in document IP/C/W/408 and addenda). Updated information was also received from the OECD, IMF, FAO and UPOV (being circulated in document IP/C/W/407 and addenda), as well as the WTO Secretariat (IP/C/W/406).¹³ In addition, the WTO and WIPO Secretariats provided, at the February, June and November meetings, information on the implementation of the WIPO-WTO Joint Initiative in favour of least-developed countries.

XIII. SPECIAL AND DIFFERENTIAL TREATMENT PROPOSALS REFERRED TO THE COUNCIL

22. At its June meeting, the Council considered the special and differential treatment proposals made in the context of the negotiations in the Special Session of the Committee on Trade and Development and referred to it by the Chair of the General Council in a letter dated 20 May 2003.¹⁴ The Chair of the TRIPS Council encouraged Members to continue their mutual dialogue on the matter. The Council authorized the Chair to report on the further consultations to the General Council in advance of its meeting of 24 July on his own responsibility. As regards the proposals by the African Group, the Chair informed the General Council, at its meeting of 24 July, that the African Group had been consulting with other delegations on their proposal dealing with exclusive marketing rights, and that the delegations concerned had informed him that they were close to an agreement between them. The African Group conveyed to the Chair on 19 August a text which modified its original proposal

¹³ Contact points in developed country Members' administrations which can be addressed by developing countries seeking technical cooperation on TRIPS are contained in document IP/N/7/Rev.2 and addenda. In addition, this document contains contact points for technical assistance on TRIPS notifications between WTO Members notified by Members pursuant to paragraph 11 of document IP/C/W/241.

¹⁴ A proposal by least-developed countries concerning Article 66.1 of the TRIPS Agreement in document TN/CTD/W/4/Add.1, and a proposal by the African group on Articles 65, 66.1, 70.8 and 70.9 in document TN/CTD/W3/Rev.2.

in the light of discussions it had held with some other delegations. The Chair forwarded this text by fax for the consideration of the Members of the TRIPS Council. No comments were made in response to this fax. The Chair, therefore, forwarded the text, by means of a letter dated 21 August 2003, to the Chair of the General Council for appropriate action.¹⁵

XIV. INFORMATION ON RELEVANT DEVELOPMENTS ELSEWHERE IN THE WTO

23. During the period under review, the Council was informed of actions relating to proceedings in cases initiated under the Dispute Settlement Understanding relevant to the TRIPS Agreement (documents WT/DS160/23; IP/D/19/Add.1 and WT/DS174/20; and IP/D/25 and WT/DS290/18) as well as of other developments elsewhere in the WTO relating to the TRIPS Agreement.

¹⁵ The text of the letter has been reproduced in document JOB(03)/171.



The TRIPS Agreement and the Conventions referred to in it

This collection contains the text of the Agreement on Trade-Related Aspects of Intellectual Property Rights (the "TRIPS Agreement") as included in Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization of 15 April 1994, which entered into force on 1 January 1995, as well as other relevant legal instruments.

The TRIPS Agreement builds on the existing multilateral systems for the protection of the various intellectual property rights covered by it, and many substantive provisions of the main international instruments for the protection of intellectual property are included in the Agreement. These provisions are included by reference, however, and not reproduced as such in the TRIPS Agreement. For the convenience of the reader, the text of the provisions has been included in this volume as well, so that they will be available along with the text of the TRIPS Agreement.

The instruments explicitly referred to in the Agreement are the Paris Convention for the Protection of Industrial Property, notably the Stockholm Act of this Convention of 14 July 1967 (the "Paris Convention (1967)"), the Berne Convention for the Protection of Literary and Artistic Works, notably the Paris Act of that Convention of 24 July 1971 (the "Berne Convention (1971)"), the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations adopted at Rome on 26 October 1961 (the "Rome Convention") and the Treaty on Intellectual Property in Respect of Integrated Circuits adopted at Washington on 26 May 1989 (the "IPIC Treaty" or "Washington Treaty"). The specific Articles of these instruments referred to in the TRIPS Agreement are reproduced in this volume, except in the case of the Rome Convention, of which all substantive provisions have been included in this volume since, although some Articles are explicitly mentioned in the Agreement, many other provisions are included without specific reference.

The provisions of Articles XXII and XXIII of the General Agreement on Tariffs and Trade 1994 and the Understanding on Rules and Procedures Governing the Settlement of Disputes as contained in Annex 2 of the Marrakesh Agreement govern the settlement of disputes between Members of the World Trade Organization on TRIPS matters. The Marrakesh Agreement Establishing the World Trade Organization includes the institutional provisions relating to the functioning of the TRIPS Council within the framework of the World Trade Organization. These texts are available at http://www.wto.org/english/docs_e/docs_e.htm.

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THE TRIPS AGREEMENT

AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS

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AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS

Members,

Desiring to reduce distortions and impediments to international trade, and taking into account the need to promote effective and adequate protection of intellectual property rights, and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade;

Recognizing, to this end, the need for new rules and disciplines concerning:

- (a) the applicability of the basic principles of GATT 1994 and of relevant international intellectual property agreements or conventions;
- (b) the provision of adequate standards and principles concerning the availability, scope and use of trade-related intellectual property rights;
- (c) the provision of effective and appropriate means for the enforcement of trade-related intellectual property rights, taking into account differences in national legal systems;
- (d) the provision of effective and expeditious procedures for the multilateral prevention and settlement of disputes between governments; and
- (e) transitional arrangements aiming at the fullest participation in the results of the negotiations;

Recognizing the need for a multilateral framework of principles, rules and disciplines dealing with international trade in counterfeit goods;

Recognizing that intellectual property rights are private rights;

Recognizing the underlying public policy objectives of national systems for the protection of intellectual property, including developmental and technological objectives;

Recognizing also the special needs of the least-developed country Members in respect of maximum flexibility in the domestic implementation of laws and regulations in order to enable them to create a sound and viable technological base;

Emphasizing the importance of reducing tensions by reaching strengthened commitments to resolve disputes on trade-related intellectual property issues through multilateral procedures;

Desiring to establish a mutually supportive relationship between the WTO and the World Intellectual Property Organization (referred to in this Agreement as "WIPO") as well as other relevant international organizations;

Hereby agree as follows:

PART I

GENERAL PROVISIONS AND BASIC PRINCIPLES

Article 1

Nature and Scope of Obligations

1. Members shall give effect to the provisions of this Agreement. Members may, but shall not be obliged to, implement in their law more extensive protection than is required by this Agreement, provided that such protection does not contravene the provisions of this Agreement. Members shall be free to determine the appropriate method of implementing the provisions of this Agreement within their own legal system and practice.
2. For the purposes of this Agreement, the term "intellectual property" refers to all categories of intellectual property that are the subject of Sections 1 through 7 of Part II.
3. Members shall accord the treatment provided for in this Agreement to the nationals of other Members.¹ In respect of the relevant intellectual property right, the nationals of other Members shall be understood as those natural or legal persons that would meet the criteria for eligibility for protection provided for in the Paris Convention (1967), the Berne Convention (1971), the Rome Convention and the Treaty on Intellectual Property in Respect of Integrated Circuits, were all Members of the WTO members of those conventions.² Any Member availing itself of the possibilities provided in paragraph 3 of Article 5 or paragraph 2 of Article 6 of the Rome Convention shall make a notification as foreseen in those provisions to the Council for Trade-Related Aspects of Intellectual Property Rights (the "Council for TRIPS").

Article 2

Intellectual Property Conventions

1. In respect of Parts II, III and IV of this Agreement, Members shall comply with Articles 1 through 12, and Article 19, of the Paris Convention (1967).
2. Nothing in Parts I to IV of this Agreement shall derogate from existing obligations that Members may have to each other under the Paris Convention, the Berne Convention, the Rome Convention and the Treaty on Intellectual Property in Respect of Integrated Circuits.

Article 3

National Treatment

¹ When "nationals" are referred to in this Agreement, they shall be deemed, in the case of a separate customs territory Member of the WTO, to mean persons, natural or legal, who are domiciled or who have a real and effective industrial or commercial establishment in that customs territory.

² In this Agreement, "Paris Convention" refers to the Paris Convention for the Protection of Industrial Property; "Paris Convention (1967)" refers to the Stockholm Act of this Convention of 14 July 1967. "Berne Convention" refers to the Berne Convention for the Protection of Literary and Artistic Works; "Berne Convention (1971)" refers to the Paris Act of this Convention of 24 July 1971. "Rome Convention" refers to the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, adopted at Rome on 26 October 1961. "Treaty on Intellectual Property in Respect of Integrated Circuits" (IPIC Treaty) refers to the Treaty on Intellectual Property in Respect of Integrated Circuits, adopted at Washington on 26 May 1989. "WTO Agreement" refers to the Agreement Establishing the WTO.

1. Each Member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection³ of intellectual property, subject to the exceptions already provided in, respectively, the Paris Convention (1967), the Berne Convention (1971), the Rome Convention or the Treaty on Intellectual Property in Respect of Integrated Circuits. In respect of performers, producers of phonograms and broadcasting organizations, this obligation only applies in respect of the rights provided under this Agreement. Any Member availing itself of the possibilities provided in Article 6 of the Berne Convention (1971) or paragraph 1(b) of Article 16 of the Rome Convention shall make a notification as foreseen in those provisions to the Council for TRIPS.

2. Members may avail themselves of the exceptions permitted under paragraph 1 in relation to judicial and administrative procedures, including the designation of an address for service or the appointment of an agent within the jurisdiction of a Member, only where such exceptions are necessary to secure compliance with laws and regulations which are not inconsistent with the provisions of this Agreement and where such practices are not applied in a manner which would constitute a disguised restriction on trade.

Article 4

Most-Favoured-Nation Treatment

With regard to the protection of intellectual property, any advantage, favour, privilege or immunity granted by a Member to the nationals of any other country shall be accorded immediately and unconditionally to the nationals of all other Members. Exempted from this obligation are any advantage, favour, privilege or immunity accorded by a Member:

- (a) deriving from international agreements on judicial assistance or law enforcement of a general nature and not particularly confined to the protection of intellectual property;
- (b) granted in accordance with the provisions of the Berne Convention (1971) or the Rome Convention authorizing that the treatment accorded be a function not of national treatment but of the treatment accorded in another country;
- (c) in respect of the rights of performers, producers of phonograms and broadcasting organizations not provided under this Agreement;
- (d) deriving from international agreements related to the protection of intellectual property which entered into force prior to the entry into force of the WTO Agreement, provided that such agreements are notified to the Council for TRIPS and do not constitute an arbitrary or unjustifiable discrimination against nationals of other Members.

Article 5

Multilateral Agreements on Acquisition or Maintenance of Protection

The obligations under Articles 3 and 4 do not apply to procedures provided in multilateral agreements concluded under the auspices of WIPO relating to the acquisition or maintenance of intellectual property rights.

³ For the purposes of Articles 3 and 4, "protection" shall include matters affecting the availability, acquisition, scope, maintenance and enforcement of intellectual property rights as well as those matters affecting the use of intellectual property rights specifically addressed in this Agreement.

Article 6

Exhaustion

For the purposes of dispute settlement under this Agreement, subject to the provisions of Articles 3 and 4 nothing in this Agreement shall be used to address the issue of the exhaustion of intellectual property rights.

Article 7

Objectives

The protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.

Article 8

Principles

1. Members may, in formulating or amending their laws and regulations, adopt measures necessary to protect public health and nutrition, and to promote the public interest in sectors of vital importance to their socio-economic and technological development, provided that such measures are consistent with the provisions of this Agreement.
2. Appropriate measures, provided that they are consistent with the provisions of this Agreement, may be needed to prevent the abuse of intellectual property rights by right holders or the resort to practices which unreasonably restrain trade or adversely affect the international transfer of technology.

PART II

STANDARDS CONCERNING THE AVAILABILITY, SCOPE AND USE OF INTELLECTUAL PROPERTY RIGHTS

SECTION 1: COPYRIGHT AND RELATED RIGHTS

Article 9

Relation to the Berne Convention

1. Members shall comply with Articles 1 through 21 of the Berne Convention (1971) and the Appendix thereto. However, Members shall not have rights or obligations under this Agreement in respect of the rights conferred under Article 6*bis* of that Convention or of the rights derived therefrom.
2. Copyright protection shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such.

Article 10

Computer Programs and Compilations of Data

1. Computer programs, whether in source or object code, shall be protected as literary works under the Berne Convention (1971).
2. Compilations of data or other material, whether in machine readable or other form, which by reason of the selection or arrangement of their contents constitute intellectual creations shall be protected as such. Such protection, which shall not extend to the data or material itself, shall be without prejudice to any copyright subsisting in the data or material itself.

Article 11

Rental Rights

In respect of at least computer programs and cinematographic works, a Member shall provide authors and their successors in title the right to authorize or to prohibit the commercial rental to the public of originals or copies of their copyright works. A Member shall be excepted from this obligation in respect of cinematographic works unless such rental has led to widespread copying of such works which is materially impairing the exclusive right of reproduction conferred in that Member on authors and their successors in title. In respect of computer programs, this obligation does not apply to rentals where the program itself is not the essential object of the rental.

Article 12

Term of Protection

Whenever the term of protection of a work, other than a photographic work or a work of applied art, is calculated on a basis other than the life of a natural person, such term shall be no less than 50 years from the end of the calendar year of authorized publication, or, failing such authorized publication within 50 years from the making of the work, 50 years from the end of the calendar year of making.

Article 13

Limitations and Exceptions

Members shall confine limitations or exceptions to exclusive rights to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder.

Article 14

Protection of Performers, Producers of Phonograms (Sound Recordings) and Broadcasting Organizations

1. In respect of a fixation of their performance on a phonogram, performers shall have the possibility of preventing the following acts when undertaken without their authorization: the fixation of their unfixed performance and the reproduction of such fixation. Performers shall also have the possibility of preventing the following acts when undertaken without their authorization: the broadcasting by wireless means and the communication to the public of their live performance.

2. Producers of phonograms shall enjoy the right to authorize or prohibit the direct or indirect reproduction of their phonograms.
3. Broadcasting organizations shall have the right to prohibit the following acts when undertaken without their authorization: the fixation, the reproduction of fixations, and the rebroadcasting by wireless means of broadcasts, as well as the communication to the public of television broadcasts of the same. Where Members do not grant such rights to broadcasting organizations, they shall provide owners of copyright in the subject matter of broadcasts with the possibility of preventing the above acts, subject to the provisions of the Berne Convention (1971).
4. The provisions of Article 11 in respect of computer programs shall apply *mutatis mutandis* to producers of phonograms and any other right holders in phonograms as determined in a Member's law. If on 15 April 1994 a Member has in force a system of equitable remuneration of right holders in respect of the rental of phonograms, it may maintain such system provided that the commercial rental of phonograms is not giving rise to the material impairment of the exclusive rights of reproduction of right holders.
5. The term of the protection available under this Agreement to performers and producers of phonograms shall last at least until the end of a period of 50 years computed from the end of the calendar year in which the fixation was made or the performance took place. The term of protection granted pursuant to paragraph 3 shall last for at least 20 years from the end of the calendar year in which the broadcast took place.
6. Any Member may, in relation to the rights conferred under paragraphs 1, 2 and 3, provide for conditions, limitations, exceptions and reservations to the extent permitted by the Rome Convention. However, the provisions of Article 18 of the Berne Convention (1971) shall also apply, *mutatis mutandis*, to the rights of performers and producers of phonograms in phonograms.

SECTION 2: TRADEMARKS

Article 15

Protectable Subject Matter

1. Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.
2. Paragraph 1 shall not be understood to prevent a Member from denying registration of a trademark on other grounds, provided that they do not derogate from the provisions of the Paris Convention (1967).
3. Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application.
4. The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.

5. Members shall publish each trademark either before it is registered or promptly after it is registered and shall afford a reasonable opportunity for petitions to cancel the registration. In addition, Members may afford an opportunity for the registration of a trademark to be opposed.

Article 16

Rights Conferred

1. The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.

2. Article 6bis of the Paris Convention (1967) shall apply, *mutatis mutandis*, to services. In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.

3. Article 6bis of the Paris Convention (1967) shall apply, *mutatis mutandis*, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.

Article 17

Exceptions

Members may provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties.

Article 18

Term of Protection

Initial registration, and each renewal of registration, of a trademark shall be for a term of no less than seven years. The registration of a trademark shall be renewable indefinitely.

Article 19

Requirement of Use

1. If use is required to maintain a registration, the registration may be cancelled only after an uninterrupted period of at least three years of non-use, unless valid reasons based on the existence of obstacles to such use are shown by the trademark owner. Circumstances arising independently of the will of the owner of the trademark which constitute an obstacle to the use of the trademark, such as import restrictions on or other government requirements for goods or services protected by the trademark, shall be recognized as valid reasons for non-use.

2. When subject to the control of its owner, use of a trademark by another person shall be recognized as use of the trademark for the purpose of maintaining the registration.

Article 20

Other Requirements

The use of a trademark in the course of trade shall not be unjustifiably encumbered by special requirements, such as use with another trademark, use in a special form or use in a manner detrimental to its capability to distinguish the goods or services of one undertaking from those of other undertakings. This will not preclude a requirement prescribing the use of the trademark identifying the undertaking producing the goods or services along with, but without linking it to, the trademark distinguishing the specific goods or services in question of that undertaking.

Article 21

Licensing and Assignment

Members may determine conditions on the licensing and assignment of trademarks, it being understood that the compulsory licensing of trademarks shall not be permitted and that the owner of a registered trademark shall have the right to assign the trademark with or without the transfer of the business to which the trademark belongs.

SECTION 3: GEOGRAPHICAL INDICATIONS

Article 22

Protection of Geographical Indications

1. Geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.

2. In respect of geographical indications, Members shall provide the legal means for interested parties to prevent:

- (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;
- (b) any use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (1967).

3. A Member shall, *ex officio* if its legislation so permits or at the request of an interested party, refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin.

4. The protection under paragraphs 1, 2 and 3 shall be applicable against a geographical indication which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another territory.

Article 23

Additional Protection for Geographical Indications for Wines and Spirits

1. Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind", "type", "style", "imitation" or the like.⁴

2. The registration of a trademark for wines which contains or consists of a geographical indication identifying wines or for spirits which contains or consists of a geographical indication identifying spirits shall be refused or invalidated, *ex officio* if a Member's legislation so permits or at the request of an interested party, with respect to such wines or spirits not having this origin.

3. In the case of homonymous geographical indications for wines, protection shall be accorded to each indication, subject to the provisions of paragraph 4 of Article 22. Each Member shall determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.

4. In order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system.

Article 24

International Negotiations; Exceptions

1. Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23. The provisions of paragraphs 4 through 8 below shall not be used by a Member to refuse to conduct negotiations or to conclude bilateral or multilateral agreements. In the context of such negotiations, Members shall be willing to consider the continued applicability of these provisions to individual geographical indications whose use was the subject of such negotiations.

2. The Council for TRIPS shall keep under review the application of the provisions of this Section; the first such review shall take place within two years of the entry into force of the WTO Agreement. Any matter affecting the compliance with the obligations under these provisions may be drawn to the attention of the Council, which, at the request of a Member, shall consult with any Member or Members in respect of such matter in respect of which it has not been possible to find a satisfactory solution through bilateral or plurilateral consultations between the Members concerned. The Council shall take such action as may be agreed to facilitate the operation and further the objectives of this Section.

⁴ Notwithstanding the first sentence of Article 42, Members may, with respect to these obligations, instead provide for enforcement by administrative action.

3. In implementing this Section, a Member shall not diminish the protection of geographical indications that existed in that Member immediately prior to the date of entry into force of the WTO Agreement.

4. Nothing in this Section shall require a Member to prevent continued and similar use of a particular geographical indication of another Member identifying wines or spirits in connection with goods or services by any of its nationals or domiciliaries who have used that geographical indication in a continuous manner with regard to the same or related goods or services in the territory of that Member either (a) for at least 10 years preceding 15 April 1994 or (b) in good faith preceding that date.

5. Where a trademark has been applied for or registered in good faith, or where rights to a trademark have been acquired through use in good faith either:

- (a) before the date of application of these provisions in that Member as defined in Part VI; or
- (b) before the geographical indication is protected in its country of origin;

measures adopted to implement this Section shall not prejudice eligibility for or the validity of the registration of a trademark, or the right to use a trademark, on the basis that such a trademark is identical with, or similar to, a geographical indication.

6. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to goods or services for which the relevant indication is identical with the term customary in common language as the common name for such goods or services in the territory of that Member. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to products of the vine for which the relevant indication is identical with the customary name of a grape variety existing in the territory of that Member as of the date of entry into force of the WTO Agreement.

7. A Member may provide that any request made under this Section in connection with the use or registration of a trademark must be presented within five years after the adverse use of the protected indication has become generally known in that Member or after the date of registration of the trademark in that Member provided that the trademark has been published by that date, if such date is earlier than the date on which the adverse use became generally known in that Member, provided that the geographical indication is not used or registered in bad faith.

8. The provisions of this Section shall in no way prejudice the right of any person to use, in the course of trade, that person's name or the name of that person's predecessor in business, except where such name is used in such a manner as to mislead the public.

9. There shall be no obligation under this Agreement to protect geographical indications which are not or cease to be protected in their country of origin, or which have fallen into disuse in that country.

SECTION 4: INDUSTRIAL DESIGNS

Article 25

Requirements for Protection

1. Members shall provide for the protection of independently created industrial designs that are new or original. Members may provide that designs are not new or original if they do not

significantly differ from known designs or combinations of known design features. Members may provide that such protection shall not extend to designs dictated essentially by technical or functional considerations.

2. Each Member shall ensure that requirements for securing protection for textile designs, in particular in regard to any cost, examination or publication, do not unreasonably impair the opportunity to seek and obtain such protection. Members shall be free to meet this obligation through industrial design law or through copyright law.

Article 26

Protection

1. The owner of a protected industrial design shall have the right to prevent third parties not having the owner's consent from making, selling or importing articles bearing or embodying a design which is a copy, or substantially a copy, of the protected design, when such acts are undertaken for commercial purposes.

2. Members may provide limited exceptions to the protection of industrial designs, provided that such exceptions do not unreasonably conflict with the normal exploitation of protected industrial designs and do not unreasonably prejudice the legitimate interests of the owner of the protected design, taking account of the legitimate interests of third parties.

3. The duration of protection available shall amount to at least 10 years.

SECTION 5: PATENTS

Article 27

Patentable Subject Matter

1. Subject to the provisions of paragraphs 2 and 3, patents shall be available for any inventions, whether products or processes, in all fields of technology, provided that they are new, involve an inventive step and are capable of industrial application.⁵ Subject to paragraph 4 of Article 65, paragraph 8 of Article 70 and paragraph 3 of this Article, patents shall be available and patent rights enjoyable without discrimination as to the place of invention, the field of technology and whether products are imported or locally produced.

2. Members may exclude from patentability inventions, the prevention within their territory of the commercial exploitation of which is necessary to protect *ordre public* or morality, including to protect human, animal or plant life or health or to avoid serious prejudice to the environment, provided that such exclusion is not made merely because the exploitation is prohibited by their law.

3. Members may also exclude from patentability:

- (a) diagnostic, therapeutic and surgical methods for the treatment of humans or animals;
- (b) plants and animals other than micro-organisms, and essentially biological processes for the production of plants or animals other than non-biological and microbiological processes. However, Members shall provide for the protection of plant varieties either by patents or by an effective *sui generis* system or by any combination thereof.

⁵ For the purposes of this Article, the terms "inventive step" and "capable of industrial application" may be deemed by a Member to be synonymous with the terms "non-obvious" and "useful" respectively.

The provisions of this subparagraph shall be reviewed four years after the date of entry into force of the WTO Agreement.

Article 28

Rights Conferred

1. A patent shall confer on its owner the following exclusive rights:
 - (a) where the subject matter of a patent is a product, to prevent third parties not having the owner's consent from the acts of: making, using, offering for sale, selling, or importing⁶ for these purposes that product;
 - (b) where the subject matter of a patent is a process, to prevent third parties not having the owner's consent from the act of using the process, and from the acts of: using, offering for sale, selling, or importing for these purposes at least the product obtained directly by that process.
2. Patent owners shall also have the right to assign, or transfer by succession, the patent and to conclude licensing contracts.

Article 29

Conditions on Patent Applicants

1. Members shall require that an applicant for a patent shall disclose the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art and may require the applicant to indicate the best mode for carrying out the invention known to the inventor at the filing date or, where priority is claimed, at the priority date of the application.
2. Members may require an applicant for a patent to provide information concerning the applicant's corresponding foreign applications and grants.

Article 30

Exceptions to Rights Conferred

Members may provide limited exceptions to the exclusive rights conferred by a patent, provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner, taking account of the legitimate interests of third parties.

Article 31

Other Use Without Authorization of the Right Holder

Where the law of a Member allows for other use⁷ of the subject matter of a patent without the authorization of the right holder, including use by the government or third parties authorized by the government, the following provisions shall be respected:

⁶ This right, like all other rights conferred under this Agreement in respect of the use, sale, importation or other distribution of goods, is subject to the provisions of Article 6.

⁷ "Other use" refers to use other than that allowed under Article 30.

- (a) authorization of such use shall be considered on its individual merits;
- (b) such use may only be permitted if, prior to such use, the proposed user has made efforts to obtain authorization from the right holder on reasonable commercial terms and conditions and that such efforts have not been successful within a reasonable period of time. This requirement may be waived by a Member in the case of a national emergency or other circumstances of extreme urgency or in cases of public non-commercial use. In situations of national emergency or other circumstances of extreme urgency, the right holder shall, nevertheless, be notified as soon as reasonably practicable. In the case of public non-commercial use, where the government or contractor, without making a patent search, knows or has demonstrable grounds to know that a valid patent is or will be used by or for the government, the right holder shall be informed promptly;
- (c) the scope and duration of such use shall be limited to the purpose for which it was authorized, and in the case of semi-conductor technology shall only be for public non-commercial use or to remedy a practice determined after judicial or administrative process to be anti-competitive;
- (d) such use shall be non-exclusive;
- (e) such use shall be non-assignable, except with that part of the enterprise or goodwill which enjoys such use;
- (f) any such use shall be authorized predominantly for the supply of the domestic market of the Member authorizing such use;
- (g) authorization for such use shall be liable, subject to adequate protection of the legitimate interests of the persons so authorized, to be terminated if and when the circumstances which led to it cease to exist and are unlikely to recur. The competent authority shall have the authority to review, upon motivated request, the continued existence of these circumstances;
- (h) the right holder shall be paid adequate remuneration in the circumstances of each case, taking into account the economic value of the authorization;
- (i) the legal validity of any decision relating to the authorization of such use shall be subject to judicial review or other independent review by a distinct higher authority in that Member;
- (j) any decision relating to the remuneration provided in respect of such use shall be subject to judicial review or other independent review by a distinct higher authority in that Member;
- (k) Members are not obliged to apply the conditions set forth in subparagraphs (b) and (f) where such use is permitted to remedy a practice determined after judicial or administrative process to be anti-competitive. The need to correct anti-competitive practices may be taken into account in determining the amount of remuneration in such cases. Competent authorities shall have the authority to refuse termination of authorization if and when the conditions which led to such authorization are likely to recur;
- (l) where such use is authorized to permit the exploitation of a patent ("the second patent") which cannot be exploited without infringing another patent ("the first patent"), the following additional conditions shall apply:

- (i) the invention claimed in the second patent shall involve an important technical advance of considerable economic significance in relation to the invention claimed in the first patent;
- (ii) the owner of the first patent shall be entitled to a cross-licence on reasonable terms to use the invention claimed in the second patent; and
- (iii) the use authorized in respect of the first patent shall be non-assignable except with the assignment of the second patent.

Article 32

Revocation/Forfeiture

An opportunity for judicial review of any decision to revoke or forfeit a patent shall be available.

Article 33

Term of Protection

The term of protection available shall not end before the expiration of a period of twenty years counted from the filing date.⁸

Article 34

Process Patents: Burden of Proof

1. For the purposes of civil proceedings in respect of the infringement of the rights of the owner referred to in paragraph 1(b) of Article 28, if the subject matter of a patent is a process for obtaining a product, the judicial authorities shall have the authority to order the defendant to prove that the process to obtain an identical product is different from the patented process. Therefore, Members shall provide, in at least one of the following circumstances, that any identical product when produced without the consent of the patent owner shall, in the absence of proof to the contrary, be deemed to have been obtained by the patented process:

- (a) if the product obtained by the patented process is new;
- (b) if there is a substantial likelihood that the identical product was made by the process and the owner of the patent has been unable through reasonable efforts to determine the process actually used.

2. Any Member shall be free to provide that the burden of proof indicated in paragraph 1 shall be on the alleged infringer only if the condition referred to in subparagraph (a) is fulfilled or only if the condition referred to in subparagraph (b) is fulfilled.

3. In the adduction of proof to the contrary, the legitimate interests of defendants in protecting their manufacturing and business secrets shall be taken into account.

SECTION 6: LAYOUT-DESIGNS (TOPOGRAPHIES) OF INTEGRATED CIRCUITS

⁸ It is understood that those Members which do not have a system of original grant may provide that the term of protection shall be computed from the filing date in the system of original grant.

Article 35

Relation to the IPIC Treaty

Members agree to provide protection to the layout-designs (topographies) of integrated circuits (referred to in this Agreement as "layout-designs") in accordance with Articles 2 through 7 (other than paragraph 3 of Article 6), Article 12 and paragraph 3 of Article 16 of the Treaty on Intellectual Property in Respect of Integrated Circuits and, in addition, to comply with the following provisions.

Article 36

Scope of the Protection

Subject to the provisions of paragraph 1 of Article 37, Members shall consider unlawful the following acts if performed without the authorization of the right holder:⁹ importing, selling, or otherwise distributing for commercial purposes a protected layout-design, an integrated circuit in which a protected layout-design is incorporated, or an article incorporating such an integrated circuit only in so far as it continues to contain an unlawfully reproduced layout-design.

Article 37

Acts Not Requiring the Authorization of the Right Holder

1. Notwithstanding Article 36, no Member shall consider unlawful the performance of any of the acts referred to in that Article in respect of an integrated circuit incorporating an unlawfully reproduced layout-design or any article incorporating such an integrated circuit where the person performing or ordering such acts did not know and had no reasonable ground to know, when acquiring the integrated circuit or article incorporating such an integrated circuit, that it incorporated an unlawfully reproduced layout-design. Members shall provide that, after the time that such person has received sufficient notice that the layout-design was unlawfully reproduced, that person may perform any of the acts with respect to the stock on hand or ordered before such time, but shall be liable to pay to the right holder a sum equivalent to a reasonable royalty such as would be payable under a freely negotiated licence in respect of such a layout-design.
2. The conditions set out in subparagraphs (a) through (k) of Article 31 shall apply *mutatis mutandis* in the event of any non-voluntary licensing of a layout-design or of its use by or for the government without the authorization of the right holder.

Article 38

Term of Protection

1. In Members requiring registration as a condition of protection, the term of protection of layout-designs shall not end before the expiration of a period of 10 years counted from the date of filing an application for registration or from the first commercial exploitation wherever in the world it occurs.

⁹ The term "right holder" in this Section shall be understood as having the same meaning as the term "holder of the right" in the IPIC Treaty.

2. In Members not requiring registration as a condition for protection, layout-designs shall be protected for a term of no less than 10 years from the date of the first commercial exploitation wherever in the world it occurs.

3. Notwithstanding paragraphs 1 and 2, a Member may provide that protection shall lapse 15 years after the creation of the layout-design.

SECTION 7: PROTECTION OF UNDISCLOSED INFORMATION

Article 39

1. In the course of ensuring effective protection against unfair competition as provided in Article 10bis of the Paris Convention (1967), Members shall protect undisclosed information in accordance with paragraph 2 and data submitted to governments or governmental agencies in accordance with paragraph 3.

2. Natural and legal persons shall have the possibility of preventing information lawfully within their control from being disclosed to, acquired by, or used by others without their consent in a manner contrary to honest commercial practices¹⁰ so long as such information:

- (a) is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question;
- (b) has commercial value because it is secret; and
- (c) has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.

3. Members, when requiring, as a condition of approving the marketing of pharmaceutical or of agricultural chemical products which utilize new chemical entities, the submission of undisclosed test or other data, the origination of which involves a considerable effort, shall protect such data against unfair commercial use. In addition, Members shall protect such data against disclosure, except where necessary to protect the public, or unless steps are taken to ensure that the data are protected against unfair commercial use.

SECTION 8: CONTROL OF ANTI-COMPETITIVE PRACTICES IN CONTRACTUAL LICENCES

Article 40

1. Members agree that some licensing practices or conditions pertaining to intellectual property rights which restrain competition may have adverse effects on trade and may impede the transfer and dissemination of technology.

2. Nothing in this Agreement shall prevent Members from specifying in their legislation licensing practices or conditions that may in particular cases constitute an abuse of intellectual property rights having an adverse effect on competition in the relevant market. As provided above, a

¹⁰ For the purpose of this provision, "a manner contrary to honest commercial practices" shall mean at least practices such as breach of contract, breach of confidence and inducement to breach, and includes the acquisition of undisclosed information by third parties who knew, or were grossly negligent in failing to know, that such practices were involved in the acquisition.

Member may adopt, consistently with the other provisions of this Agreement, appropriate measures to prevent or control such practices, which may include for example exclusive grantback conditions, conditions preventing challenges to validity and coercive package licensing, in the light of the relevant laws and regulations of that Member.

3. Each Member shall enter, upon request, into consultations with any other Member which has cause to believe that an intellectual property right owner that is a national or domiciliary of the Member to which the request for consultations has been addressed is undertaking practices in violation of the requesting Member's laws and regulations on the subject matter of this Section, and which wishes to secure compliance with such legislation, without prejudice to any action under the law and to the full freedom of an ultimate decision of either Member. The Member addressed shall accord full and sympathetic consideration to, and shall afford adequate opportunity for, consultations with the requesting Member, and shall cooperate through supply of publicly available non-confidential information of relevance to the matter in question and of other information available to the Member, subject to domestic law and to the conclusion of mutually satisfactory agreements concerning the safeguarding of its confidentiality by the requesting Member.

4. A Member whose nationals or domiciliaries are subject to proceedings in another Member concerning alleged violation of that other Member's laws and regulations on the subject matter of this Section shall, upon request, be granted an opportunity for consultations by the other Member under the same conditions as those foreseen in paragraph 3.

PART III

ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

SECTION 1: GENERAL OBLIGATIONS

Article 41

1. Members shall ensure that enforcement procedures as specified in this Part are available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements. These procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.

2. Procedures concerning the enforcement of intellectual property rights shall be fair and equitable. They shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays.

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

4. Parties to a proceeding shall have an opportunity for review by a judicial authority of final administrative decisions and, subject to jurisdictional provisions in a Member's law concerning the importance of a case, of at least the legal aspects of initial judicial decisions on the merits of a case. However, there shall be no obligation to provide an opportunity for review of acquittals in criminal cases.

5. It is understood that this Part does not create any obligation to put in place a judicial system for the enforcement of intellectual property rights distinct from that for the enforcement of law in

general, nor does it affect the capacity of Members to enforce their law in general. Nothing in this Part creates any obligation with respect to the distribution of resources as between enforcement of intellectual property rights and the enforcement of law in general.

SECTION 2: CIVIL AND ADMINISTRATIVE PROCEDURES AND REMEDIES

Article 42

Fair and Equitable Procedures

Members shall make available to right holders¹¹ civil judicial procedures concerning the enforcement of any intellectual property right covered by this Agreement. Defendants shall have the right to written notice which is timely and contains sufficient detail, including the basis of the claims. Parties shall be allowed to be represented by independent legal counsel, and procedures shall not impose overly burdensome requirements concerning mandatory personal appearances. All parties to such procedures shall be duly entitled to substantiate their claims and to present all relevant evidence. The procedure shall provide a means to identify and protect confidential information, unless this would be contrary to existing constitutional requirements.

Article 43

Evidence

1. The judicial authorities shall have the authority, where a party has presented reasonably available evidence sufficient to support its claims and has specified evidence relevant to substantiation of its claims which lies in the control of the opposing party, to order that this evidence be produced by the opposing party, subject in appropriate cases to conditions which ensure the protection of confidential information.

2. In cases in which a party to a proceeding voluntarily and without good reason refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes a procedure relating to an enforcement action, a Member may accord judicial authorities the authority to make preliminary and final determinations, affirmative or negative, on the basis of the information presented to them, including the complaint or the allegation presented by the party adversely affected by the denial of access to information, subject to providing the parties an opportunity to be heard on the allegations or evidence.

Article 44

Injunctions

1. The judicial authorities shall have the authority to order a party to desist from an infringement, *inter alia* to prevent the entry into the channels of commerce in their jurisdiction of imported goods that involve the infringement of an intellectual property right, immediately after customs clearance of such goods. Members are not obliged to accord such authority in respect of protected subject matter acquired or ordered by a person prior to knowing or having reasonable grounds to know that dealing in such subject matter would entail the infringement of an intellectual property right.

2. Notwithstanding the other provisions of this Part and provided that the provisions of Part II specifically addressing use by governments, or by third parties authorized by a government, without

¹¹ For the purpose of this Part, the term "right holder" includes federations and associations having legal standing to assert such rights.

the authorization of the right holder are complied with, Members may limit the remedies available against such use to payment of remuneration in accordance with subparagraph (h) of Article 31. In other cases, the remedies under this Part shall apply or, where these remedies are inconsistent with a Member's law, declaratory judgments and adequate compensation shall be available.

Article 45

Damages

1. The judicial authorities shall have the authority to order the infringer to pay the right holder damages adequate to compensate for the injury the right holder has suffered because of an infringement of that person's intellectual property right by an infringer who knowingly, or with reasonable grounds to know, engaged in infringing activity.

2. The judicial authorities shall also have the authority to order the infringer to pay the right holder expenses, which may include appropriate attorney's fees. In appropriate cases, Members may authorize the judicial authorities to order recovery of profits and/or payment of pre-established damages even where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity.

Article 46

Other Remedies

In order to create an effective deterrent to infringement, the judicial authorities shall have the authority to order that goods that they have found to be infringing be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to avoid any harm caused to the right holder, or, unless this would be contrary to existing constitutional requirements, destroyed. The judicial authorities shall also have the authority to order that materials and implements the predominant use of which has been in the creation of the infringing goods be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to minimize the risks of further infringements. In considering such requests, the need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interests of third parties shall be taken into account. In regard to counterfeit trademark goods, the simple removal of the trademark unlawfully affixed shall not be sufficient, other than in exceptional cases, to permit release of the goods into the channels of commerce.

Article 47

Right of Information

Members may provide that the judicial authorities shall have the authority, unless this would be out of proportion to the seriousness of the infringement, to order the infringer to inform the right holder of the identity of third persons involved in the production and distribution of the infringing goods or services and of their channels of distribution.

Article 48

Indemnification of the Defendant

1. The judicial authorities shall have the authority to order a party at whose request measures were taken and who has abused enforcement procedures to provide to a party wrongfully enjoined or restrained adequate compensation for the injury suffered because of such abuse. The judicial

authorities shall also have the authority to order the applicant to pay the defendant expenses, which may include appropriate attorney's fees.

2. In respect of the administration of any law pertaining to the protection or enforcement of intellectual property rights, Members shall only exempt both public authorities and officials from liability to appropriate remedial measures where actions are taken or intended in good faith in the course of the administration of that law.

Article 49

Administrative Procedures

To the extent that any civil remedy can be ordered as a result of administrative procedures on the merits of a case, such procedures shall conform to principles equivalent in substance to those set forth in this Section.

SECTION 3: PROVISIONAL MEASURES

Article 50

1. The judicial authorities shall have the authority to order prompt and effective provisional measures:

- (a) to prevent an infringement of any intellectual property right from occurring, and in particular to prevent the entry into the channels of commerce in their jurisdiction of goods, including imported goods immediately after customs clearance;
- (b) to preserve relevant evidence in regard to the alleged infringement.

2. The judicial authorities shall have the authority to adopt provisional measures *inaudita altera parte* where appropriate, in particular where any delay is likely to cause irreparable harm to the right holder, or where there is a demonstrable risk of evidence being destroyed.

3. The judicial authorities shall have the authority to require the applicant to provide any reasonably available evidence in order to satisfy themselves with a sufficient degree of certainty that the applicant is the right holder and that the applicant's right is being infringed or that such infringement is imminent, and to order the applicant to provide a security or equivalent assurance sufficient to protect the defendant and to prevent abuse.

4. Where provisional measures have been adopted *inaudita altera parte*, the parties affected shall be given notice, without delay after the execution of the measures at the latest. 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 after the notification of the measures, whether these measures shall be modified, revoked or confirmed.

5. The applicant may be required to supply other information necessary for the identification of the goods concerned by the authority that will execute the provisional measures.

6. Without prejudice to paragraph 4, provisional measures taken on the basis of paragraphs 1 and 2 shall, upon request by the defendant, be revoked or otherwise cease to have effect, if proceedings leading to a decision on the merits of the case are not initiated within a reasonable period, to be determined by the judicial authority ordering the measures where a Member's law so permits or, in the absence of such a determination, not to exceed 20 working days or 31 calendar days, whichever is the longer.

7. Where the provisional measures are revoked or where they lapse due to any act or omission by the applicant, or where it is subsequently found that there has been no infringement or threat of infringement of an intellectual property right, the judicial authorities shall have the authority to order the applicant, upon request of the defendant, to provide the defendant appropriate compensation for any injury caused by these measures.

8. To the extent that any provisional measure can be ordered as a result of administrative procedures, such procedures shall conform to principles equivalent in substance to those set forth in this Section.

SECTION 4: SPECIAL REQUIREMENTS RELATED TO BORDER MEASURES¹²

Article 51

Suspension of Release by Customs Authorities

Members shall, in conformity with the provisions set out below, adopt procedures¹³ to enable a right holder, who has valid grounds for suspecting that the importation of counterfeit trademark or pirated copyright goods¹⁴ may take place, to lodge an application in writing with competent authorities, administrative or judicial, for the suspension by the customs authorities of the release into free circulation of such goods. Members may enable such an application to be made in respect of goods which involve other infringements of intellectual property rights, provided that the requirements of this Section are met. Members may also provide for corresponding procedures concerning the suspension by the customs authorities of the release of infringing goods destined for exportation from their territories.

Article 52

Application

Any right holder initiating the procedures under Article 51 shall be required to provide adequate evidence to satisfy the competent authorities that, under the laws of the country of importation, there is *prima facie* an infringement of the right holder's intellectual property right and to supply a sufficiently detailed description of the goods to make them readily recognizable by the customs authorities. The competent authorities shall inform the applicant within a reasonable period whether they have accepted the application and, where determined by the competent authorities, the period for which the customs authorities will take action.

¹² Where a Member has dismantled substantially all controls over movement of goods across its border with another Member with which it forms part of a customs union, it shall not be required to apply the provisions of this Section at that border.

¹³ It is understood that there shall be no obligation to apply such procedures to imports of goods put on the market in another country by or with the consent of the right holder, or to goods in transit.

¹⁴ For the purposes of this Agreement:

(a) "counterfeit trademark goods" shall mean any goods, including packaging, bearing without authorization a trademark which is identical to the trademark validly registered in respect of such goods, or which cannot be distinguished in its essential aspects from such a trademark, and which thereby infringes the rights of the owner of the trademark in question under the law of the country of importation;

(b) "pirated copyright goods" shall mean any goods which are copies made without the consent of the right holder or person duly authorized by the right holder in the country of production and which are made directly or indirectly from an article where the making of that copy would have constituted an infringement of a copyright or a related right under the law of the country of importation.

Article 53

Security or Equivalent Assurance

1. The competent authorities shall have the authority to require an applicant to provide a security or equivalent assurance sufficient to protect the defendant and the competent authorities and to prevent abuse. Such security or equivalent assurance shall not unreasonably deter recourse to these procedures.

2. Where pursuant to an application under this Section the release of goods involving industrial designs, patents, layout-designs or undisclosed information into free circulation has been suspended by customs authorities on the basis of a decision other than by a judicial or other independent authority, and the period provided for in Article 55 has expired without the granting of provisional relief by the duly empowered authority, and provided that all other conditions for importation have been complied with, the owner, importer, or consignee of such goods shall be entitled to their release on the posting of a security in an amount sufficient to protect the right holder for any infringement. Payment of such security shall not prejudice any other remedy available to the right holder, it being understood that the security shall be released if the right holder fails to pursue the right of action within a reasonable period of time.

Article 54

Notice of Suspension

The importer and the applicant shall be promptly notified of the suspension of the release of goods according to Article 51.

Article 55

Duration of Suspension

If, within a period not exceeding 10 working days after the applicant has been served notice of the suspension, the customs authorities have not been informed that proceedings leading to a decision on the merits of the case have been initiated by a party other than the defendant, or that the duly empowered authority has taken provisional measures prolonging the suspension of the release of the goods, the goods shall be released, provided that all other conditions for importation or exportation have been complied with; in appropriate cases, this time-limit may be extended by another 10 working days. If proceedings leading to a decision on the merits of the case 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 these measures shall be modified, revoked or confirmed. Notwithstanding the above, where the suspension of the release of goods is carried out or continued in accordance with a provisional judicial measure, the provisions of paragraph 6 of Article 50 shall apply.

Article 56

Indemnification of the Importer and of the Owner of the Goods

Relevant authorities shall have the authority to order the applicant to pay the importer, the consignee and the owner of the goods appropriate compensation for any injury caused to them through the wrongful detention of goods or through the detention of goods released pursuant to Article 55.

Article 57

Right of Inspection and Information

Without prejudice to the protection of confidential information, Members shall provide the competent authorities the authority to give the right holder sufficient opportunity to have any goods detained by the customs authorities 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. Where a positive determination has been made on the merits of a case, Members may provide the competent authorities the authority to inform the right holder of the names and addresses of the consignor, the importer and the consignee and of the quantity of the goods in question.

Article 58

Ex Officio Action

Where Members require competent authorities to act upon their own initiative and to suspend the release of goods in respect of which they have acquired *prima facie* evidence that an intellectual property right is being infringed:

- (a) the competent authorities may at any time seek from the right holder any information that may assist them to exercise these powers;
- (b) the importer and the right holder shall be promptly notified of the suspension. Where the importer has lodged an appeal against the suspension with the competent authorities, the suspension shall be subject to the conditions, *mutatis mutandis*, set out at Article 55;
- (c) Members shall only exempt both public authorities and officials from liability to appropriate remedial measures where actions are taken or intended in good faith.

Article 59

Remedies

Without prejudice to other rights of action open to the right holder and subject to the right of the defendant to seek review by a judicial authority, competent authorities shall have the authority to order the destruction or disposal of infringing goods in accordance with the principles set out in Article 46. In regard to counterfeit trademark goods, the authorities shall not allow the re-exportation of the infringing goods in an unaltered state or subject them to a different customs procedure, other than in exceptional circumstances.

Article 60

De Minimis Imports

Members may exclude from the application of the above provisions small quantities of goods of a non-commercial nature contained in travellers' personal luggage or sent in small consignments.

SECTION 5: CRIMINAL PROCEDURES

Article 61

Members shall provide for criminal procedures and penalties to be applied at least in cases of wilful trademark counterfeiting or copyright piracy on a commercial scale. Remedies available shall include imprisonment and/or monetary fines sufficient to provide a deterrent, consistently with the level of penalties applied for crimes of a corresponding gravity. In appropriate cases, remedies available shall also include the seizure, forfeiture and destruction of the infringing goods and of any materials and implements the predominant use of which has been in the commission of the offence. Members may provide for criminal procedures and penalties to be applied in other cases of infringement of intellectual property rights, in particular where they are committed wilfully and on a commercial scale.

PART IV

ACQUISITION AND MAINTENANCE OF INTELLECTUAL PROPERTY RIGHTS AND RELATED *INTER-PARTES* PROCEDURES

Article 62

1. Members may require, as a condition of the acquisition or maintenance of the intellectual property rights provided for under Sections 2 through 6 of Part II, compliance with reasonable procedures and formalities. Such procedures and formalities shall be consistent with the provisions of this Agreement.
2. Where the acquisition of an intellectual property right is subject to the right being granted or registered, Members shall ensure that the procedures for grant or registration, subject to compliance with the substantive conditions for acquisition of the right, permit the granting or registration of the right within a reasonable period of time so as to avoid unwarranted curtailment of the period of protection.
3. Article 4 of the Paris Convention (1967) shall apply *mutatis mutandis* to service marks.
4. Procedures concerning the acquisition or maintenance of intellectual property rights and, where a Member's law provides for such procedures, administrative revocation and *inter partes* procedures such as opposition, revocation and cancellation, shall be governed by the general principles set out in paragraphs 2 and 3 of Article 41.
5. Final administrative decisions in any of the procedures referred to under paragraph 4 shall be subject to review by a judicial or quasi-judicial authority. However, there shall be no obligation to provide an opportunity for such review of decisions in cases of unsuccessful opposition or administrative revocation, provided that the grounds for such procedures can be the subject of invalidation procedures.

PART V

DISPUTE PREVENTION AND SETTLEMENT

Article 63

Transparency

1. Laws and regulations, and final judicial decisions and administrative rulings of general application, made effective by a Member pertaining to the subject matter of this Agreement (the availability, scope, acquisition, enforcement and prevention of the abuse of intellectual property rights) shall be published, or where such publication is not practicable made publicly available, in a national language, in such a manner as to enable governments and right holders to become acquainted with them. Agreements concerning the subject matter of this Agreement which are in force between the government or a governmental agency of a Member and the government or a governmental agency of another Member shall also be published.

2. Members shall notify the laws and regulations referred to in paragraph 1 to the Council for TRIPS in order to assist that Council in its review of the operation of this Agreement. The Council shall attempt to minimize the burden on Members in carrying out this obligation and may decide to waive the obligation to notify such laws and regulations directly to the Council if consultations with WIPO on the establishment of a common register containing these laws and regulations are successful. The Council shall also consider in this connection any action required regarding notifications pursuant to the obligations under this Agreement stemming from the provisions of Article 6ter of the Paris Convention (1967).

3. Each Member shall be prepared to supply, in response to a written request from another Member, information of the sort referred to in paragraph 1. A Member, having reason to believe that a specific judicial decision or administrative ruling or bilateral agreement in the area of intellectual property rights affects its rights under this Agreement, may also request in writing to be given access to or be informed in sufficient detail of such specific judicial decisions or administrative rulings or bilateral agreements.

4. Nothing in paragraphs 1, 2 and 3 shall require Members to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.

Article 64

Dispute Settlement

1. The provisions of Articles XXII and XXIII of GATT 1994 as elaborated and applied by the Dispute Settlement Understanding shall apply to consultations and the settlement of disputes under this Agreement except as otherwise specifically provided herein.

2. Subparagraphs 1(b) and 1(c) of Article XXIII of GATT 1994 shall not apply to the settlement of disputes under this Agreement for a period of five years from the date of entry into force of the WTO Agreement.

3. During the time period referred to in paragraph 2, the Council for TRIPS shall examine the scope and modalities for complaints of the type provided for under subparagraphs 1(b) and 1(c) of Article XXIII of GATT 1994 made pursuant to this Agreement, and submit its recommendations to the Ministerial Conference for approval. Any decision of the Ministerial Conference to approve such recommendations or to extend the period in paragraph 2 shall be made only by consensus, and approved recommendations shall be effective for all Members without further formal acceptance process.

PART VI

TRANSITIONAL ARRANGEMENTS

Article 65

Transitional Arrangements

1. Subject to the provisions of paragraphs 2, 3 and 4, no Member shall be obliged to apply the provisions of this Agreement before the expiry of a general period of one year following the date of entry into force of the WTO Agreement.
2. A developing country Member is entitled to delay for a further period of four years the date of application, as defined in paragraph 1, of the provisions of this Agreement other than Articles 3, 4 and 5.
3. Any other Member which is in the process of transformation from a centrally-planned into a market, free-enterprise economy and which is undertaking structural reform of its intellectual property system and facing special problems in the preparation and implementation of intellectual property laws and regulations, may also benefit from a period of delay as foreseen in paragraph 2.
4. To the extent that a developing country Member is obliged by this Agreement to extend product patent protection to areas of technology not so protectable in its territory on the general date of application of this Agreement for that Member, as defined in paragraph 2, it may delay the application of the provisions on product patents of Section 5 of Part II to such areas of technology for an additional period of five years.
5. A Member availing itself of a transitional period under paragraphs 1, 2, 3 or 4 shall ensure that any changes in its laws, regulations and practice made during that period do not result in a lesser degree of consistency with the provisions of this Agreement.

Article 66

Least-Developed Country Members

1. In view of the special needs and requirements of least-developed country Members, their economic, financial and administrative constraints, and their need for flexibility to create a viable technological base, such Members shall not be required to apply the provisions of this Agreement, other than Articles 3, 4 and 5, for a period of 10 years from the date of application as defined under paragraph 1 of Article 65. The Council for TRIPS shall, upon duly motivated request by a least-developed country Member, accord extensions of this period.
2. Developed country Members shall provide incentives to enterprises and institutions in their territories for the purpose of promoting and encouraging technology transfer to least-developed country Members in order to enable them to create a sound and viable technological base.

Article 67

Technical Cooperation

In order to facilitate the implementation of this Agreement, developed country Members shall provide, on request and on mutually agreed terms and conditions, technical and financial cooperation in favour of developing and least-developed country Members. Such cooperation shall include assistance in the preparation of laws and regulations on the protection and enforcement of intellectual property rights as well as on the prevention of their abuse, and shall include support regarding the establishment or reinforcement of domestic offices and agencies relevant to these matters, including the training of personnel.

PART VII

INSTITUTIONAL ARRANGEMENTS; FINAL PROVISIONS

Article 68

Council for Trade-Related Aspects of Intellectual Property Rights

The Council for TRIPS shall monitor the operation of this Agreement and, in particular, Members' compliance with their obligations hereunder, and shall afford Members the opportunity of consulting on matters relating to the trade-related aspects of intellectual property rights. It shall carry out such other responsibilities as assigned to it by the Members, and it shall, in particular, provide any assistance requested by them in the context of dispute settlement procedures. In carrying out its functions, the Council for TRIPS may consult with and seek information from any source it deems appropriate. In consultation with WIPO, the Council shall seek to establish, within one year of its first meeting, appropriate arrangements for cooperation with bodies of that Organization.

Article 69

International Cooperation

Members agree to cooperate with each other with a view to eliminating international trade in goods infringing intellectual property rights. For this purpose, they shall establish and notify contact points in their administrations and be ready to exchange information on trade in infringing goods. They shall, in particular, promote the exchange of information and cooperation between customs authorities with regard to trade in counterfeit trademark goods and pirated copyright goods.

Article 70

Protection of Existing Subject Matter

1. This Agreement does not give rise to obligations in respect of acts which occurred before the date of application of the Agreement for the Member in question.
2. Except as otherwise provided for in this Agreement, this Agreement gives rise to obligations in respect of all subject matter existing at the date of application of this Agreement for the Member in question, and which is protected in that Member on the said date, or which meets or comes subsequently to meet the criteria for protection under the terms of this Agreement. In respect of this paragraph and paragraphs 3 and 4, copyright obligations with respect to existing works shall be solely determined under Article 18 of the Berne Convention (1971), and obligations with respect to the rights of producers of phonograms and performers in existing phonograms shall be determined solely under Article 18 of the Berne Convention (1971) as made applicable under paragraph 6 of Article 14 of this Agreement.
3. There shall be no obligation to restore protection to subject matter which on the date of application of this Agreement for the Member in question has fallen into the public domain.
4. In respect of any acts in respect of specific objects embodying protected subject matter which become infringing under the terms of legislation in conformity with this Agreement, and which were commenced, or in respect of which a significant investment was made, before the date of acceptance of the WTO Agreement by that Member, any Member may provide for a limitation of the remedies available to the right holder as to the continued performance of such acts after the date of application of this Agreement for that Member. In such cases the Member shall, however, at least provide for the payment of equitable remuneration.

5. A Member is not obliged to apply the provisions of Article 11 and of paragraph 4 of Article 14 with respect to originals or copies purchased prior to the date of application of this Agreement for that Member.

6. Members shall not be required to apply Article 31, or the requirement in paragraph 1 of Article 27 that patent rights shall be enjoyable without discrimination as to the field of technology, to use without the authorization of the right holder where authorization for such use was granted by the government before the date this Agreement became known.

7. In the case of intellectual property rights for which protection is conditional upon registration, applications for protection which are pending on the date of application of this Agreement for the Member in question shall be permitted to be amended to claim any enhanced protection provided under the provisions of this Agreement. Such amendments shall not include new matter.

8. Where a Member does not make available as of the date of entry into force of the WTO Agreement patent protection for pharmaceutical and agricultural chemical products commensurate with its obligations under Article 27, that Member shall:

- (a) notwithstanding the provisions of Part VI, provide as from the date of entry into force of the WTO Agreement a means by which applications for patents for such inventions can be filed;
- (b) apply to these applications, as of the date of application of this Agreement, the criteria for patentability as laid down in this Agreement as if those criteria were being applied on the date of filing in that Member or, where priority is available and claimed, the priority date of the application; and
- (c) provide patent protection in accordance with this Agreement as from the grant of the patent and for the remainder of the patent term, counted from the filing date in accordance with Article 33 of this Agreement, for those of these applications that meet the criteria for protection referred to in subparagraph (b).

9. Where a product is the subject of a patent application in a Member in accordance with paragraph 8(a), exclusive marketing rights shall be granted, notwithstanding the provisions of Part VI, for a period of five years after obtaining marketing approval in that Member or until a product patent is granted or rejected in that Member, whichever period is shorter, provided that, subsequent to the entry into force of the WTO Agreement, a patent application has been filed and a patent granted for that product in another Member and marketing approval obtained in such other Member.

Article 71

Review and Amendment

1. The Council for TRIPS shall review the implementation of this Agreement after the expiration of the transitional period referred to in paragraph 2 of Article 65. The Council shall, having regard to the experience gained in its implementation, review it two years after that date, and at identical intervals thereafter. The Council may also undertake reviews in the light of any relevant new developments which might warrant modification or amendment of this Agreement.

2. Amendments merely serving the purpose of adjusting to higher levels of protection of intellectual property rights achieved, and in force, in other multilateral agreements and accepted under those agreements by all Members of the WTO may be referred to the Ministerial Conference for action in accordance with paragraph 6 of Article X of the WTO Agreement on the basis of a consensus proposal from the Council for TRIPS.

Article 72

Reservations

Reservations may not be entered in respect of any of the provisions of this Agreement without the consent of the other Members.

Article 73

Security Exceptions

Nothing in this Agreement shall be construed:

- (a) to require a Member to furnish any information the disclosure of which it considers contrary to its essential security interests; or
- (b) to prevent a Member from taking any action which it considers necessary for the protection of its essential security interests;
 - (i) relating to fissionable materials or the materials from which they are derived;
 - (ii) relating to the traffic in arms, ammunition and implements of war and to such traffic in other goods and materials as is carried on directly or indirectly for the purpose of supplying a military establishment;
 - (iii) taken in time of war or other emergency in international relations; or
- (c) to prevent a Member from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

THE PARIS CONVENTION (1967)
PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY

STOCKHOLM ACT, 1967

Articles 1 through 12 and 19

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*According to WIPO publication no. 201, the Table of Contents as reproduced therein did not appear in the signed text of the Convention but was added for the convenience of the reader. We are thankful to WIPO for providing us with the text of the Convention, including the Table of Contents, on diskette for the purpose of facilitating reproduction in this book.

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**PARIS CONVENTION FOR THE PROTECTION OF
INDUSTRIAL PROPERTY**

STOCKHOLM ACT, 1967

ARTICLES 1 THROUGH 12 AND 19

Article 1

(1) The countries to which this Convention applies constitute a Union for the protection of industrial property.

(2) The protection of industrial property has as its object patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellations of origin, and the repression of unfair competition.

(3) Industrial property shall be understood in the broadest sense and shall apply not only to industry and commerce proper, but likewise to agricultural and extractive industries and to all manufactured or natural products, for example, wines, grain, tobacco leaf, fruit, cattle, minerals, mineral waters, beer, flowers, and flour.

(4) Patents shall include the various kinds of industrial patents recognized by the laws of the countries of the Union, such as patents of importation, patents of improvement, patents and certificates of addition, etc.

Article 2

(1) Nationals of any country of the Union shall, as regards the protection of industrial property, enjoy in all the other countries of the Union the advantages that their respective laws now grant, or may hereafter grant, to nationals; all without prejudice to the rights specially provided for by this Convention. Consequently, they shall have the same protection as the latter, and the same legal remedy against any infringement of their rights, provided that the conditions and formalities imposed upon nationals are complied with.

(2) However, no requirement as to domicile or establishment in the country where protection is claimed may be imposed upon nationals of countries of the Union for the enjoyment of any industrial property rights.

(3) The provisions of the laws of each of the countries of the Union relating to judicial and administrative procedure and to jurisdiction, and to the designation of an address for service or the appointment of an agent, which may be required by the laws on industrial property are expressly reserved.

Article 3

Nationals of countries outside the Union who are domiciled or who have real and effective industrial or commercial establishments in the territory of one of the countries of the Union shall be treated in the same manner as nationals of the countries of the Union.

Article 4

A. (1) Any person who has duly filed an application for a patent, or for the registration of a utility model, or of an industrial design, or of a trademark, in one of the countries of the Union, or his successor in title, shall enjoy, for the purpose of filing in the other countries, a right of priority during the periods hereinafter fixed.

- (2) Any filing that is equivalent to a regular national filing under the domestic legislation of any country of the Union or under bilateral or multilateral treaties concluded between countries of the Union shall be recognized as giving rise to the right of priority.
- (3) By a regular national filing is meant any filing that is adequate to establish the date on which the application was filed in the country concerned, whatever may be the subsequent fate of the application.
- B. Consequently, any subsequent filing in any of the other countries of the Union before the expiration of the periods referred to above shall not be invalidated by reason of any acts accomplished in the interval, in particular, another filing, the publication or exploitation of the invention, the putting on sale of copies of the design, or the use of the mark, and such acts cannot give rise to any third-party right or any right of personal possession. Rights acquired by third parties before the date of the first application that serves as the basis for the right of priority are reserved in accordance with the domestic legislation of each country of the Union.
- C. (1) The periods of priority referred to above shall be twelve months for patents and utility models, and six months for industrial designs and trademarks.
- (2) These periods shall start from the date of filing of the first application; the day of filing shall not be included in the period.
- (3) If the last day of the period is an official holiday, or a day when the Office is not open for the filing of applications in the country where protection is claimed, the period shall be extended until the first following working day.
- (4) A subsequent application concerning the same subject as a previous first application within the meaning of paragraph (2), above, filed in the same country of the Union, shall be considered as the first application, of which the filing date shall be the starting point of the period of priority, if, at the time of filing the subsequent application, the said previous application has been withdrawn, abandoned, or refused, without having been laid open to public inspection and without leaving any rights outstanding, and if it has not yet served as a basis for claiming a right of priority. The previous application may not thereafter serve as a basis for claiming a right of priority.
- D. (1) Any person desiring to take advantage of the priority of a previous filing shall be required to make a declaration indicating the date of such filing and the country in which it was made. Each country shall determine the latest date on which such declaration must be made.
- (2) These particulars shall be mentioned in the publications issued by the competent authority, and in particular in the patents and the specifications relating thereto.
- (3) The countries of the Union may require any person making a declaration of priority to produce a copy of the application (description, drawings, etc.) previously filed. The copy, certified as correct by the authority which received such application, shall not require any authentication, and may in any case be filed, without fee, at any time within three months of the filing of the subsequent application. They may require it to be accompanied by a certificate from the same authority showing the date of filing, and by a translation.
- (4) No other formalities may be required for the declaration of priority at the time of filing the application. Each country of the Union shall determine the consequences of failure to comply with the formalities prescribed by this Article, but such consequences shall in no case go beyond the loss of the right of priority.

(5) Subsequently, further proof may be required. Any person who avails himself of the priority of a previous application shall be required to specify the number of that application; this number shall be published as provided for by paragraph (2), above.

E. (1) Where an industrial design is filed in a country by virtue of a right of priority based on the filing of a utility model, the period of priority shall be the same as that fixed for industrial designs.

(2) Furthermore, it is permissible to file a utility model in a country by virtue of a right of priority based on the filing of a patent application, and vice versa.

F. No country of the Union may refuse a priority or a patent application on the ground that the applicant claims multiple priorities, even if they originate in different countries, or on the ground that an application claiming one or more priorities contains one or more elements that were not included in the application or applications whose priority is claimed, provided that, in both cases, there is unity of invention within the meaning of the law of the country.

With respect to the elements not included in the application or applications whose priority is claimed, the filing of the subsequent application shall give rise to a right of priority under ordinary conditions.

G. (1) If the examination reveals that an application for a patent contains more than one invention, the applicant may divide the application into a certain number of divisional applications and preserve as the date of each the date of the initial application and the benefit of the right of priority, if any.

(2) The applicant may also, on his own initiative, divide a patent application and preserve as the date of each divisional application the date of the initial application and the benefit of the right of priority, if any. Each country of the Union shall have the right to determine the conditions under which such division shall be authorized.

H. Priority may not be refused on the ground that certain elements of the invention for which priority is claimed do not appear among the claims formulated in the application in the country of origin, provided that the application documents as a whole specifically disclose such elements.

I. (1) Applications for inventors' certificates filed in a country in which applicants have the right to apply at their own option either for a patent or for an inventor's certificate shall give rise to the right of priority provided for by this Article, under the same conditions and with the same effects as applications for patents.

(2) In a country in which applicants have the right to apply at their own option either for a patent or for an inventor's certificate, an applicant for an inventor's certificate shall, in accordance with the provisions of this Article relating to patent applications, enjoy a right of priority based on an application for a patent, a utility model, or an inventor's certificate.

Article 4bis

(1) Patents applied for in the various countries of the Union by nationals of countries of the Union shall be independent of patents obtained for the same invention in other countries, whether members of the Union or not.

(2) The foregoing provision is to be understood in an unrestricted sense, in particular, in the sense that patents applied for during the period of priority are independent, both as regards the grounds for nullity and forfeiture, and as regards their normal duration.

- (3) The provision shall apply to all patents existing at the time when it comes into effect.
- (4) Similarly, it shall apply, in the case of the accession of new countries, to patents in existence on either side at the time of accession.
- (5) Patents obtained with the benefit of priority shall, in the various countries of the Union, have a duration equal to that which they would have, had they been applied for or granted without the benefit of priority.

Article 4ter

The inventor shall have the right to be mentioned as such in the patent.

Article 4quater

The grant of a patent shall not be refused and a patent shall not be invalidated on the ground that the sale of the patented product or of a product obtained by means of a patented process is subject to restrictions or limitations resulting from the domestic law.

Article 5

- A.
 - (1) Importation by the patentee into the country where the patent has been granted of articles manufactured in any of the countries of the Union shall not entail forfeiture of the patent.
 - (2) Each country of the Union shall have the right to take legislative measures providing for the grant of compulsory licenses to prevent the abuses which might result from the exercise of the exclusive rights conferred by the patent, for example, failure to work.
 - (3) Forfeiture of the patent shall not be provided for except in cases where the grant of compulsory licenses would not have been sufficient to prevent the said abuses. No proceedings for the forfeiture or revocation of a patent may be instituted before the expiration of two years from the grant of the first compulsory license.
 - (4) A compulsory license may not be applied for on the ground of failure to work or insufficient working before the expiration of a period of four years from the date of filing of the patent application or three years from the date of the grant of the patent, whichever period expires last; it shall be refused if the patentee justifies his inaction by legitimate reasons. Such a compulsory license shall be non-exclusive and shall not be transferable, even in the form of the grant of a sub-license, except with that part of the enterprise or goodwill which exploits such license.
 - (5) The foregoing provisions shall be applicable, *mutatis mutandis*, to utility models.
- B. The protection of industrial designs shall not, under any circumstance, be subject to any forfeiture, either by reason of failure to work or by reason of the importation of articles corresponding to those which are protected.
- C.
 - (1) If, in any country, use of the registered mark is compulsory, the registration may be cancelled only after a reasonable period, and then only if the person concerned does not justify his inaction.
 - (2) Use of a trademark by the proprietor in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered in one of the

countries of the Union shall not entail invalidation of the registration and shall not diminish the protection granted to the mark.

(3) Concurrent use of the same mark on identical or similar goods by industrial or commercial establishments considered as co-proprietors of the mark according to the provisions of the domestic law of the country where protection is claimed shall not prevent registration or diminish in any way the protection granted to the said mark in any country of the Union, provided that such use does not result in misleading the public and is not contrary to the public interest.

D. No indication or mention of the patent, of the utility model, of the registration of the trademark, or of the deposit of the industrial design, shall be required upon the goods as a condition of recognition of the right to protection.

Article 5bis

(1) A period of grace of not less than six months shall be allowed for the payment of the fees prescribed for the maintenance of industrial property rights, subject, if the domestic legislation so provides, to the payment of a surcharge.

(2) The countries of the Union shall have the right to provide for the restoration of patents which have lapsed by reason of non-payment of fees.

Article 5ter

In any country of the Union the following shall not be considered as infringements of the rights of a patentee:

1. the use on board vessels of other countries of the Union of devices forming the subject of his patent in the body of the vessel, in the machinery, tackle, gear and other accessories, when such vessels temporarily or accidentally enter the waters of the said country, provided that such devices are used there exclusively for the needs of the vessel;
2. the use of devices forming the subject of the patent in the construction or operation of aircraft or land vehicles of other countries of the Union, or of accessories of such aircraft or land vehicles, when those aircraft or land vehicles temporarily or accidentally enter the said country.

Article 5quater

When a product is imported into a country of the Union where there exists a patent protecting a process of manufacture of the said product, the patentee shall have all the rights, with regard to the imported product, that are accorded to him by the legislation of the country of importation, on the basis of the process patent, with respect to products manufactured in that country.

Article 5quinquies

Industrial designs shall be protected in all the countries of the Union.

Article 6

- (1) The conditions for the filing and registration of trademarks shall be determined in each country of the Union by its domestic legislation.
- (2) However, an application for the registration of a mark filed by a national of a country of the Union in any country of the Union may not be refused, nor may a registration be invalidated, on the ground that filing, registration, or renewal, has not been effected in the country of origin.
- (3) A mark duly registered in a country of the Union shall be regarded as independent of marks registered in the other countries of the Union, including the country of origin.

Article 6bis

- (1) The countries of the Union undertake, *ex officio* if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.
- (2) A period of at least five years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be requested.
- (3) No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith.

Article 6ter

- (1)
 - (a) The countries of the Union agree to refuse or to invalidate the registration, and to prohibit by appropriate measures the use, without authorization by the competent authorities, either as trademarks or as elements of trademarks, of armorial bearings, flags, and other State emblems, of the countries of the Union, official signs and hallmarks indicating control and warranty adopted by them, and any imitation from a heraldic point of view.
 - (b) The provisions of subparagraph (a), above, shall apply equally to armorial bearings, flags, other emblems, abbreviations, and names, of international intergovernmental organizations of which one or more countries of the Union are members, with the exception of armorial bearings, flags, other emblems, abbreviations, and names, that are already the subject of international agreements in force, intended to ensure their protection.
 - (c) No country of the Union shall be required to apply the provisions of subparagraph (b), above, to the prejudice of the owners of rights acquired in good faith before the entry into force, in that country, of this Convention. The countries of the Union shall not be required to apply the said provisions when the use or registration referred to in subparagraph (a), above, is not of such a nature as to suggest to the public that a connection exists between the organization concerned and the armorial bearings, flags, emblems, abbreviations, and names, or if such use or registration is probably not of such a nature as to mislead the public as to the existence of a connection between the user and the organization.
- (2) Prohibition of the use of official signs and hallmarks indicating control and warranty shall apply solely in cases where the marks in which they are incorporated are intended to be used on goods of the same or a similar kind.

- (3) (a) For the application of these provisions, the countries of the Union agree to communicate reciprocally, through the intermediary of the International Bureau, the list of State emblems, and official signs and hallmarks indicating control and warranty, which they desire, or may hereafter desire, to place wholly or within certain limits under the protection of this Article, and all subsequent modifications of such list. Each country of the Union shall in due course make available to the public the lists so communicated.

Nevertheless such communication is not obligatory in respect of flags of States.

(b) The provisions of paragraph (1)(b) of this Article shall apply only to such armorial bearings, flags, other emblems, abbreviations, and names, of international intergovernmental organizations as the latter have communicated to the countries of the Union through the intermediary of the International Bureau.

(4) Any country of the Union may, within a period of twelve months from the receipt of the notification, transmit its objections, if any, through the intermediary of the International Bureau, to the country or international intergovernmental organization concerned.

(5) In the case of State flags, the measures prescribed by paragraph (1), above, shall apply solely to marks registered after November 6, 1925.

(6) In the case of State emblems other than flags, and of official signs and hallmarks of the countries of the Union, and in the case of armorial bearings, flags, other emblems, abbreviations, and names, of international intergovernmental organizations, these provisions shall apply only to marks registered more than two months after receipt of the communication provided for in paragraph (3), above.

(7) In cases of bad faith, the countries shall have the right to cancel even those marks incorporating State emblems, signs, and hallmarks, which were registered before November 6, 1925.

(8) Nationals of any country who are authorized to make use of the State emblems, signs, and hallmarks, of their country may use them even if they are similar to those of another country.

(9) The countries of the Union undertake to prohibit the unauthorized use in trade of the State armorial bearings of the other countries of the Union, when the use is of such a nature as to be misleading as to the origin of the goods.

(10) The above provisions shall not prevent the countries from exercising the right given in Article 6*quinquies*(B)(3), to refuse or to invalidate the registration of marks incorporating, without authorization, armorial bearings, flags, other State emblems, or official signs and hallmarks adopted by a country of the Union, as well as the distinctive signs of international intergovernmental organizations referred to in paragraph (1), above.

Article 6*quater*

(1) When, in accordance with the law of a country of the Union, the assignment of a mark is valid only if it takes place at the same time as the transfer of the business or goodwill to which the mark belongs, it shall suffice for the recognition of such validity that the portion of the business or goodwill located in that country be transferred to the assignee, together with the exclusive right to manufacture in the said country, or to sell therein, the goods bearing the mark assigned.

(2) The foregoing provision does not impose upon the countries of the Union any obligation to regard as valid the assignment of any mark the use of which by the assignee would, in fact, be of such a nature as to mislead the public, particularly as regards the origin, nature, or essential qualities, of the goods to which the mark is applied.

Article 6quinquies

- A. (1) Every trademark duly registered in the country of origin shall be accepted for filing and protected as is in the other countries of the Union, subject to the reservations indicated in this Article. Such countries may, before proceeding to final registration, require the production of a certificate of registration in the country of origin, issued by the competent authority. No authentication shall be required for this certificate.
- (2) Shall be considered the country of origin the country of the Union where the applicant has a real and effective industrial or commercial establishment, or, if he has no such establishment within the Union, the country of the Union where he has his domicile, or, if he has no domicile within the Union but is a national of a country of the Union, the country of which he is a national.
- B. Trademarks covered by this Article may be neither denied registration nor invalidated except in the following cases:
1. when they are of such a nature as to infringe rights acquired by third parties in the country where protection is claimed;
 2. when they are devoid of any distinctive character, or consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, place of origin, of the goods, or the time of production, or have become customary in the current language or in the bona fide and established practices of the trade of the country where protection is claimed;
 3. when they are contrary to morality or public order and, in particular, of such a nature as to deceive the public. It is understood that a mark may not be considered contrary to public order for the sole reason that it does not conform to a provision of the legislation on marks, except if such provision itself relates to public order.

This provision is subject, however, to the application of Article 10bis.

- C. (1) In determining whether a mark is eligible for protection, all the factual circumstances must be taken into consideration, particularly the length of time the mark has been in use.
- (2) No trademark shall be refused in the other countries of the Union for the sole reason that it differs from the mark protected in the country of origin only in respect of elements that do not alter its distinctive character and do not affect its identity in the form in which it has been registered in the said country of origin.
- D. No person may benefit from the provisions of this Article if the mark for which he claims protection is not registered in the country of origin.
- E. However, in no case shall the renewal of the registration of the mark in the country of origin involve an obligation to renew the registration in the other countries of the Union in which the mark has been registered.
- F. The benefit of priority shall remain unaffected for applications for the registration of marks filed within the period fixed by Article 4, even if registration in the country of origin is effected after the expiration of such period.

Article 6sexies

The countries of the Union undertake to protect service marks. They shall not be required to provide for the registration of such marks.

Article 6septies

- (1) If the agent or representative of the person who is the proprietor of a mark in one of the countries of the Union applies, without such proprietor's authorization, for the registration of the mark in his own name, in one or more countries of the Union, the proprietor shall be entitled to oppose the registration applied for or demand its cancellation or, if the law of the country so allows, the assignment in his favor of the said registration, unless such agent or representative justifies his action.
- (2) The proprietor of the mark shall, subject to the provisions of paragraph (1), above, be entitled to oppose the use of his mark by his agent or representative if he has not authorized such use.
- (3) Domestic legislation may provide an equitable time limit within which the proprietor of a mark must exercise the rights provided for in this Article.

Article 7

The nature of the goods to which a trademark is to be applied shall in no case form an obstacle to the registration of the mark.

Article 7bis

- (1) The countries of the Union undertake to accept for filing and to protect collective marks belonging to associations the existence of which is not contrary to the law of the country of origin, even if such associations do not possess an industrial or commercial establishment.
- (2) Each country shall be the judge of the particular conditions under which a collective mark shall be protected and may refuse protection if the mark is contrary to the public interest.
- (3) Nevertheless, the protection of these marks shall not be refused to any association the existence of which is not contrary to the law of the country of origin, on the ground that such association is not established in the country where protection is sought or is not constituted according to the law of the latter country.

Article 8

A trade name shall be protected in all the countries of the Union without the obligation of filing or registration, whether or not it forms part of a trademark.

Article 9

- (1) All goods unlawfully bearing a trademark or trade name shall be seized on importation into those countries of the Union where such mark or trade name is entitled to legal protection.
- (2) Seizure shall likewise be effected in the country where the unlawful affixation occurred or in the country into which the goods were imported.
- (3) Seizure shall take place at the request of the public prosecutor, or any other competent authority, or any interested party, whether a natural person or a legal entity, in conformity with the domestic legislation of each country.

- (4) The authorities shall not be bound to effect seizure of goods in transit.
- (5) If the legislation of a country does not permit seizure on importation, seizure shall be replaced by prohibition of importation or by seizure inside the country.
- (6) If the legislation of a country permits neither seizure on importation nor prohibition of importation nor seizure inside the country, then, until such time as the legislation is modified accordingly, these measures shall be replaced by the actions and remedies available in such cases to nationals under the law of such country.

Article 10

- (1) The provisions of the preceding Article shall apply in cases of direct or indirect use of a false indication of the source of the good or the identity of the producer, manufacturer, or merchant.
- (2) Any producer, manufacturer, or merchant, whether a natural person or a legal entity, engaged in the production or manufacture of or trade in such goods and established either in the locality falsely indicated as the source, or in the region where such locality is situated, or in the country falsely indicated, or in the country where the false indication of source is used, shall in any case be deemed an interested party.

Article 10bis

- (1) The countries of the Union are bound to assure to nationals of such countries effective protection against unfair competition.
- (2) Any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition.
- (3) The following in particular shall be prohibited:
 1. all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor;
 2. false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor;
 3. indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods.

Article 10ter

- (1) The countries of the Union undertake to assure to nationals of the other countries of the Union appropriate legal remedies effectively to repress all the acts referred to in Articles 9, 10, and 10bis.
- (2) They undertake, further, to provide measures to permit federations and associations representing interested industrialists, producers, or merchants, provided that the existence of such federations and associations is not contrary to the laws of their countries, to take action in the courts or before the administrative authorities, with a view to the repression of the acts referred to in Articles 9, 10, and 10bis, in so far as the law of the country in which protection is claimed allows such action by federations and associations of that country.

Article 11

(1) The countries of the Union shall, in conformity with their domestic legislation, grant temporary protection to patentable inventions, utility models, industrial designs, and trademarks, in respect of goods exhibited at official or officially recognized international exhibitions held in the territory of any of them.

(2) Such temporary protection shall not extend the periods provided by Article 4. If, later, the right of priority is invoked, the authorities of any country may provide that the period shall start from the date of introduction of the goods into the exhibition.

(3) Each country may require, as proof of the identity of the article exhibited and of the date of its introduction, such documentary evidence as it considers necessary.

Article 12

(1) Each country of the Union undertakes to establish a special industrial property service and a central office for the communication to the public of patents, utility models, industrial designs, and trademarks.

(2) This service shall publish an official periodical journal. It shall publish regularly:

(a) the names of the proprietors of patents granted, with a brief designation of the inventions patented;

(b) the reproductions of registered trademarks.

Article 19

It is understood that the countries of the Union reserve the right to make separately between themselves special agreements for the protection of industrial property, in so far as these agreements do not contravene the provisions of this Convention.

THE BERNE CONVENTION (1971)

BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS

PARIS ACT, 1971

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**BERNE CONVENTION FOR THE PROTECTION OF
LITERARY AND ARTISTIC WORKS**

PARIS ACT, 1971

ARTICLES 1 THROUGH 21 AND APPENDIX

Article 1

The countries to which this Convention applies constitute a Union for the protection of the rights of authors in their literary and artistic works.

Article 2

(1) The expression "literary and artistic works" shall include every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression, such as books, pamphlets and other writings; lectures, addresses, sermons and other works of the same nature; dramatic or dramatico-musical works; choreographic works and entertainments in dumb show; musical compositions with or without words; cinematographic works to which are assimilated works expressed by a process analogous to cinematography; works of drawing, painting, architecture, sculpture, engraving and lithography; photographic works to which are assimilated works expressed by a process analogous to photography; works of applied art; illustrations, maps, plans, sketches and three-dimensional works relative to geography, topography, architecture or science.

(2) It shall, however, be a matter for legislation in the countries of the Union to prescribe that works in general or any specified categories of works shall not be protected unless they have been fixed in some material form.

(3) Translations, adaptations, arrangements of music and other alterations of a literary or artistic work shall be protected as original works without prejudice to the copyright in the original work.

(4) It shall be a matter for legislation in the countries of the Union to determine the protection to be granted to official texts of a legislative, administrative and legal nature, and to official translations of such texts.

(5) Collections of literary or artistic works such as encyclopaedias and anthologies which, by reason of the selection and arrangement of their contents, constitute intellectual creations shall be protected as such, without prejudice to the copyright in each of the works forming part of such collections.

(6) The works mentioned in this Article shall enjoy protection in all countries of the Union. This protection shall operate for the benefit of the author and his successors in title.

(7) Subject to the provisions of Article 7(4) of this Convention, it shall be a matter for legislation in the countries of the Union to determine the extent of the application of their laws to works of applied art and industrial designs and models, as well as the conditions under which such works, designs and models shall be protected. Works protected in the country of origin solely as designs and models shall be entitled in another country of the Union only to such special protection as is granted in that country to designs and models; however, if no such special protection is granted in that country, such works shall be protected as artistic works.

(8) The protection of this Convention shall not apply to news of the day or to miscellaneous facts having the character of mere items of press information.

Article 2bis

- (1) It shall be a matter for legislation in the countries of the Union to exclude, wholly or in part, from the protection provided by the preceding Article political speeches and speeches delivered in the course of legal proceedings.
- (2) It shall also be a matter for legislation in the countries of the Union to determine the conditions under which lectures, addresses and other works of the same nature which are delivered in public may be reproduced by the press, broadcast, communicated to the public by wire and made the subject of public communication as envisaged in Article 11bis(1) of this Convention, when such use is justified by the informatory purpose.
- (3) Nevertheless, the author shall enjoy the exclusive right of making a collection of his works mentioned in the preceding paragraphs.

Article 3

- (1) The protection of this Convention shall apply to:
 - (a) authors who are nationals of one of the countries of the Union, for their works, whether published or not;
 - (b) authors who are not nationals of one of the countries of the Union, for their works first published in one of those countries, or simultaneously in a country outside the Union and in a country of the Union.
- (2) Authors who are not nationals of one of the countries of the Union but who have their habitual residence in one of them shall, for the purposes of this Convention, be assimilated to nationals of that country.
- (3) The expression "published works" means works published with the consent of their authors, whatever may be the means of manufacture of the copies, provided that the availability of such copies has been such as to satisfy the reasonable requirements of the public, having regard to the nature of the work. The performance of a dramatic, dramatico-musical, cinematographic or musical work, the public recitation of a literary work, the communication by wire or the broadcasting of literary or artistic works, the exhibition of a work of art and the construction of a work of architecture shall not constitute publication.
- (4) A work shall be considered as having been published simultaneously in several countries if it has been published in two or more countries within thirty days of its first publication.

Article 4

The protection of this Convention shall apply, even if the conditions of Article 3 are not fulfilled, to:

- (a) authors of cinematographic works the maker of which has his headquarters or habitual residence in one of the countries of the Union;
- (b) authors of works of architecture erected in a country of the Union or of other artistic works incorporated in a building or other structure located in a country of the Union.

Article 5

(1) Authors shall enjoy, in respect of works for which they are protected under this Convention, in countries of the Union other than the country of origin, the rights which their respective laws do now or may hereafter grant to their nationals, as well as the rights specially granted by this Convention.

(2) The enjoyment and the exercise of these rights shall not be subject to any formality; such enjoyment and such exercise shall be independent of the existence of protection in the country of origin of the work. Consequently, apart from the provisions of this Convention, the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed.

(3) Protection in the country of origin is governed by domestic law. However, when the author is not a national of the country of origin of the work for which he is protected under this Convention, he shall enjoy in that country the same rights as national authors.

(4) The country of origin shall be considered to be:

(a) in the case of works first published in a country of the Union, that country; in the case of works published simultaneously in several countries of the Union which grant different terms of protection, the country whose legislation grants the shortest term of protection;

(b) in the case of works published simultaneously in a country outside the Union and in a country of the Union, the latter country;

(c) in the case of unpublished works or of works first published in a country outside the Union, without simultaneous publication in a country of the Union, the country of the Union of which the author is a national, provided that:

(i) when these are cinematographic works the maker of which has his headquarters or his habitual residence in a country of the Union, the country of origin shall be that country, and

(ii) when these are works of architecture erected in a country of the Union or other artistic works incorporated in a building or other structure located in a country of the Union, the country of origin shall be that country.

Article 6

(1) Where any country outside the Union fails to protect in an adequate manner the works of authors who are nationals of one of the countries of the Union, the latter country may restrict the protection given to the works of authors who are, at the date of the first publication thereof, nationals of the other country and are not habitually resident in one of the countries of the Union. If the country of first publication avails itself of this right, the other countries of the Union shall not be required to grant to works thus subjected to special treatment a wider protection than that granted to them in the country of first publication.

(2) No restrictions introduced by virtue of the preceding paragraph shall affect the rights which an author may have acquired in respect of a work published in a country of the Union before such restrictions were put into force.

(3) The countries of the Union which restrict the grant of copyright in accordance with this Article shall give notice thereof to the Director General of the World Intellectual Property Organization (hereinafter designated as "the Director General") by a written declaration specifying the countries in regard to which protection is restricted, and the restrictions to which rights of authors who

are nationals of those countries are subjected. The Director General shall immediately communicate this declaration to all the countries of the Union.

Article 6bis

(1) Independently of the author's economic rights, and even after the transfer of the said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his honor or reputation.

(2) The rights granted to the author in accordance with the preceding paragraph shall, after his death, be maintained, at least until the expiry of the economic rights, and shall be exercisable by the persons or institutions authorized by the legislation of the country where protection is claimed. However, those countries whose legislation, at the moment of their ratification of or accession to this Act, does not provide for the protection after the death of the author of all the rights set out in the preceding paragraph may provide that some of these rights may, after his death, cease to be maintained.

(3) The means of redress for safeguarding the rights granted by this Article shall be governed by the legislation of the country where protection is claimed.

Article 7

(1) The term of protection granted by this Convention shall be the life of the author and fifty years after his death.

(2) However, in the case of cinematographic works, the countries of the Union may provide that the term of protection shall expire fifty years after the work has been made available to the public with the consent of the author, or, failing such an event within fifty years from the making of such a work, fifty years after the making.

(3) In the case of anonymous or pseudonymous works, the term of protection granted by this Convention shall expire fifty years after the work has been lawfully made available to the public. However, when the pseudonym adopted by the author leaves no doubt as to his identity, the term of protection shall be that provided in paragraph (1). If the author of an anonymous or pseudonymous work discloses his identity during the above-mentioned period, the term of protection applicable shall be that provided in paragraph (1). The countries of the Union shall not be required to protect anonymous or pseudonymous works in respect of which it is reasonable to presume that their author has been dead for fifty years.

(4) It shall be a matter for legislation in the countries of the Union to determine the term of protection of photographic works and that of works of applied art in so far as they are protected as artistic works; however, this term shall last at least until the end of a period of twenty-five years from the making of such a work.

(5) The term of protection subsequent to the death of the author and the terms provided by paragraph (2), paragraph (3) and paragraph (4) shall run from the date of death or of the event referred to in those paragraphs, but such terms shall always be deemed to begin on the first of January of the year following the death or such event.

(6) The countries of the Union may grant a term of protection in excess of those provided by the preceding paragraphs.

(7) Those countries of the Union bound by the Rome Act of this Convention which grant, in their national legislation in force at the time of signature of the present Act, shorter terms of protection than

those provided for in the preceding paragraphs shall have the right to maintain such terms when ratifying or acceding to the present Act.

(8) In any case, the term shall be governed by the legislation of the country where protection is claimed; however, unless the legislation of that country otherwise provides, the term shall not exceed the term fixed in the country of origin of the work.

Article 7bis

The provisions of the preceding Article shall also apply in the case of a work of joint authorship, provided that the terms measured from the death of the author shall be calculated from the death of the last surviving author.

Article 8

Authors of literary and artistic works protected by this Convention shall enjoy the exclusive right of making and of authorizing the translation of their works throughout the term of protection of their rights in the original works.

Article 9

(1) Authors of literary and artistic works protected by this Convention shall have the exclusive right of authorizing the reproduction of these works, in any manner or form.

(2) It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author.

(3) Any sound or visual recording shall be considered as a reproduction for the purposes of this Convention.

Article 10

(1) It shall be permissible to make quotations from a work which has already been lawfully made available to the public, provided that their making is compatible with fair practice, and their extent does not exceed that justified by the purpose, including quotations from newspaper articles and periodicals in the form of press summaries.

(2) It shall be a matter for legislation in the countries of the Union, and for special agreements existing or to be concluded between them, to permit the utilization, to the extent justified by the purpose, of literary or artistic works by way of illustration in publications, broadcasts or sound or visual recordings for teaching, provided such utilization is compatible with fair practice.

(3) Where use is made of works in accordance with the preceding paragraphs of this Article, mention shall be made of the source, and of the name of the author if it appears thereon.

Article 10bis

(1) It shall be a matter for legislation in the countries of the Union to permit the reproduction by the press, the broadcasting or the communication to the public by wire of articles published in newspapers or periodicals on current economic, political or religious topics, and of broadcast works of the same character, in cases in which the reproduction, broadcasting or such communication thereof is not expressly reserved. Nevertheless, the source must always be clearly indicated; the legal

consequences of a breach of this obligation shall be determined by the legislation of the country where protection is claimed.

(2) It shall also be a matter for legislation in the countries of the Union to determine the conditions under which, for the purpose of reporting current events by means of photography, cinematography, broadcasting or communication to the public by wire, literary or artistic works seen or heard in the course of the event may, to the extent justified by the informative purpose, be reproduced and made available to the public.

Article 11

(1) Authors of dramatic, dramatico-musical and musical works shall enjoy the exclusive right of authorizing:

- (i) the public performance of their works, including such public performance by any means or process;
- (ii) any communication to the public of the performance of their works.

(2) Authors of dramatic or dramatico-musical works shall enjoy, during the full term of their rights in the original works, the same rights with respect to translations thereof.

Article 11bis

(1) Authors of literary and artistic works shall enjoy the exclusive right of authorizing:

- (i) the broadcasting of their works or the communication thereof to the public by any other means of wireless diffusion of signs, sounds or images;
- (ii) any communication to the public by wire or by rebroadcasting of the broadcast of the work, when this communication is made by an organization other than the original one;
- (iii) the public communication by loudspeaker or any other analogous instrument transmitting, by signs, sounds or images, the broadcast of the work.

(2) It shall be a matter for legislation in the countries of the Union to determine the conditions under which the rights mentioned in the paragraph 1 may be exercised, but these conditions shall apply only in the countries where they have been prescribed. They shall not in any circumstances be prejudicial to the moral rights of the author, nor to his right to obtain equitable remuneration which, in the absence of agreement, shall be fixed by competent authority.

(3) In the absence of any contrary stipulation, permission granted in accordance with paragraph (1) of this Article shall not imply permission to record, by means of instruments recording sounds or images, the work broadcast. It shall, however, be a matter for legislation in the countries of the Union to determine the regulations for ephemeral recordings made by a broadcasting organization by means of its own facilities and used for its own broadcasts. The preservation of these recordings in official archives may, on the ground of their exceptional documentary character, be authorized by such legislation.

Article 11ter

(1) Authors of literary works shall enjoy the exclusive right of authorizing:

- (i) the public recitation of their works, including such public recitation by any means or process;
 - (ii) any communication to the public of the recitation of their works.
- (2) Authors of literary works shall enjoy, during the full term of their rights in the original works, the same rights with respect to translations thereof.

Article 12

Authors of literary or artistic works shall enjoy the exclusive right of authorizing adaptations, arrangements and other alterations of their works.

Article 13

(1) Each country of the Union may impose for itself reservations and conditions on the exclusive right granted to the author of a musical work and to the author of any words, the recording of which together with the musical work has already been authorized by the latter, to authorize the sound recording of that musical work, together with such words, if any; but all such reservations and conditions shall apply only in the countries which have imposed them and shall not, in any circumstances, be prejudicial to the rights of these authors to obtain equitable remuneration which, in the absence of agreement, shall be fixed by competent authority.

(2) Recordings of musical works made in a country of the Union in accordance with Article 13(3) of the Conventions signed at Rome on June 2, 1928, and at Brussels on June 26, 1948, may be reproduced in that country without the permission of the author of the musical work until a date two years after that country becomes bound by this Act.

(3) Recordings made in accordance with paragraph (1) and paragraph (2) of this Article and imported without permission from the parties concerned into a country where they are treated as infringing recordings shall be liable to seizure.

Article 14

- (1) Authors of literary or artistic works shall have the exclusive right of authorizing:
- (i) the cinematographic adaptation and reproduction of these works, and the distribution of the works thus adapted or reproduced;
 - (ii) the public performance and communication to the public by wire of the works thus adapted or reproduced.
- (2) The adaptation into any other artistic form of a cinematographic production derived from literary or artistic works shall, without prejudice to the authorization of the author of the cinematographic production, remain subject to the authorization of the authors of the original works.
- (3) The provisions of Article 13(1) shall not apply.

Article 14bis

(1) Without prejudice to the copyright in any work which may have been adapted or reproduced, a cinematographic work shall be protected as an original work. The owner of copyright in a

cinematographic work shall enjoy the same rights as the author of an original work, including the rights referred to in the preceding Article.

(2) (a) Ownership of copyright in a cinematographic work shall be a matter for legislation in the country where protection is claimed.

(b) However, in the countries of the Union which, by legislation, include among the owners of copyright in a cinematographic work authors who have brought contributions to the making of the work, such authors, if they have undertaken to bring such contributions, may not, in the absence of any contrary or special stipulation, object to the reproduction, distribution, public performance, communication to the public by wire, broadcasting or any other communication to the public, or to the subtitling or dubbing of texts, of the work.

(c) The question whether or not the form of the undertaking referred to above should, for the application of the preceding subparagraph (b), be in a written agreement or a written act of the same effect shall be a matter for the legislation of the country where the maker of the cinematographic work has his headquarters or habitual residence. However, it shall be a matter for the legislation of the country of the Union where protection is claimed to provide that the said undertaking shall be in a written agreement or a written act of the same effect. The countries whose legislation so provides shall notify the Director General by means of a written declaration, which will be immediately communicated by him to all the other countries of the Union.

(d) By "contrary or special stipulation" is meant any restrictive condition which is relevant to the aforesaid undertaking.

(3) Unless the national legislation provides to the contrary, the provisions of paragraph (2)(b) above shall not be applicable to authors of scenarios, dialogues and musical works created for the making of the cinematographic work, or to the principal director thereof. However, those countries of the Union whose legislation does not contain rules providing for the application of the said paragraph (2)(b) to such director shall notify the Director General by means of a written declaration, which will be immediately communicated by him to all the other countries of the Union.

Article 14~~ter~~

(1) The author, or after his death the persons or institutions authorized by national legislation, shall, with respect to original works of art and original manuscripts of writers and composers, enjoy the inalienable right to an interest in any sale of the work subsequent to the first transfer by the author of the work.

(2) The protection provided by the preceding paragraph may be claimed in a country of the Union only if legislation in the country to which the author belongs so permits, and to the extent permitted by the country where this protection is claimed.

(3) The procedure for collection and the amounts shall be matters for determination by national legislation.

Article 15

(1) In order that the author of a literary or artistic work protected by this Convention shall, in the absence of proof to the contrary, be regarded as such, and consequently be entitled to institute infringement proceedings in the countries of the Union, it shall be sufficient for his name to appear on the work in the usual manner. This paragraph shall be applicable even if this name is a pseudonym, where the pseudonym adopted by the author leaves no doubt as to his identity.

(2) The person or body corporate whose name appears on a cinematographic work in the usual manner shall, in the absence of proof to the contrary, be presumed to be the maker of the said work.

(3) In the case of anonymous and pseudonymous works, other than those referred to in paragraph (1) above, the publisher whose name appears on the work shall, in the absence of proof to the contrary, be deemed to represent the author, and in this capacity he shall be entitled to protect and enforce the author's rights. The provisions of this paragraph shall cease to apply when the author reveals his identity and establishes his claim to authorship of the work.

(4) (a) In the case of unpublished works where the identity of the author is unknown, but where there is every ground to presume that he is a national of a country of the Union, it shall be a matter for legislation in that country to designate the competent authority which shall represent the author and shall be entitled to protect and enforce his rights in the countries of the Union.

(b) Countries of the Union which make such designation under the terms of this provision shall notify the Director General by means of a written declaration giving full information concerning the authority thus designated. The Director General shall at once communicate this declaration to all other countries of the Union.

Article 16

(1) Infringing copies of a work shall be liable to seizure in any country of the Union where the work enjoys legal protection.

(2) The provisions of the preceding paragraph shall also apply to reproductions coming from a country where the work is not protected, or has ceased to be protected.

(3) The seizure shall take place in accordance with the legislation of each country.

Article 17

The provisions of this Convention cannot in any way affect the right of the Government of each country of the Union to permit, to control, or to prohibit, by legislation or regulation, the circulation, presentation, or exhibition of any work or production in regard to which the competent authority may find it necessary to exercise that right.

Article 18

(1) This Convention shall apply to all works which, at the moment of its coming into force, have not yet fallen into the public domain in the country of origin through the expiry of the term of protection.

(2) If, however, through the expiry of the term of protection which was previously granted, a work has fallen into the public domain of the country where protection is claimed, that work shall not be protected anew.

(3) The application of this principle shall be subject to any provisions contained in special conventions to that effect existing or to be concluded between countries of the Union. In the absence of such provisions, the respective countries shall determine, each in so far as it is concerned, the conditions of application of this principle.

(4) The preceding provisions shall also apply in the case of new accessions to the Union and to cases in which protection is extended by the application of Article 7 or by the abandonment of reservations.

Article 19

The provisions of this Convention shall not preclude the making of a claim to the benefit of any greater protection which may be granted by legislation in a country of the Union.

Article 20

The Governments of the countries of the Union reserve the right to enter into special agreements among themselves, in so far as such agreements grant to authors more extensive rights than those granted by the Convention, or contain other provisions not contrary to this Convention. The provisions of existing agreements which satisfy these conditions shall remain applicable.

Article 21

- (1) Special provisions regarding developing countries are included in the Appendix.
- (2) Subject to the provisions of Article 28(1)(b), the Appendix forms an integral part of this Act.

APPENDIX

Article I

(1) Any country regarded as a developing country in conformity with the established practice of the General Assembly of the United Nations which ratifies or accedes to this Act, of which this Appendix forms an integral part, and which, having regard to its economic situation and its social or cultural needs, does not consider itself immediately in a position to make provision for the protection of all the rights as provided for in this Act, may, by a notification deposited with the Director General at the time of depositing its instrument of ratification or accession or, subject to Article V(1)(c), at any time thereafter, declare that it will avail itself of the faculty provided for in Article II, or of the faculty provided for in Article III, or of both of those faculties. It may, instead of availing itself of the faculty provided for in Article II, make a declaration according to Article V(1)(a).

(2) (a) Any declaration under paragraph (1) notified before the expiration of the period of ten years from the entry into force of Article 1 to Article 21 and this Appendix according to Article 28(2) shall be effective until the expiration of the said period. Any such declaration may be renewed in whole or in part for periods of ten years each by a notification deposited with the Director General not more than fifteen months and not less than three months before the expiration of the ten-year period then running.

(b) Any declaration under paragraph (1) notified after the expiration of the period of ten years from the entry into force of Article 1 to Article 21 and this Appendix according to Article 28(2) shall be effective until the expiration of the ten-year period then running. Any such declaration may be renewed as provided for in the second sentence of subparagraph (a).

(3) Any country of the Union which has ceased to be regarded as a developing country as referred to in paragraph (1) shall no longer be entitled to renew its declaration as provided in paragraph (2), and, whether or not it formally withdraws its declaration, such country shall be precluded from availing itself of the faculties referred to in paragraph (1) from the expiration of the

ten-year period then running or from the expiration of a period of three years after it has ceased to be regarded as a developing country, whichever period expires later.

(4) Where, at the time when the declaration made under paragraph (1) or paragraph (2) ceases to be effective, there are copies in stock which were made under a license granted by virtue of this Appendix, such copies may continue to be distributed until their stock is exhausted.

(5) Any country which is bound by the provisions of this Act and which has deposited a declaration or a notification in accordance with Article 31(1) with respect to the application of this Act to a particular territory, the situation of which can be regarded as analogous to that of the countries referred to in paragraph (1), may, in respect of such territory, make the declaration referred to in paragraph (1) and the notification of renewal referred to in paragraph (2). As long as such declaration or notification remains in effect, the provisions of this Appendix shall be applicable to the territory in respect of which it was made.

(6) (a) The fact that a country avails itself of any of the faculties referred to in paragraph (1) does not permit another country to give less protection to works of which the country of origin is the former country than it is obliged to grant under Article 1 to Article 20.

(b) The right to apply reciprocal treatment provided for in Article 30(2)(b), second sentence, shall not, until the date on which the period applicable under Article I(3) expires, be exercised in respect of works the country of origin of which is a country which has made a declaration according to Article V(1)(a).

Article II

(1) Any country which has declared that it will avail itself of the faculty provided for in this Article shall be entitled, so far as works published in printed or analogous forms of reproduction are concerned, to substitute for the exclusive right of translation provided for in Article 8 a system of non-exclusive and non-transferable licenses, granted by the competent authority under the following conditions and subject to Article IV.

(2) (a) Subject to paragraph (3), if, after the expiration of a period of three years, or of any longer period determined by the national legislation of the said country, commencing on the date of the first publication of the work, a translation of such work has not been published in a language in general use in that country by the owner of the right of translation, or with his authorization, any national of such country may obtain a license to make a translation of the work in the said language and publish the translation in printed or analogous forms of reproduction.

(b) A license under the conditions provided for in this Article may also be granted if all the editions of the translation published in the language concerned are out of print.

(3) (a) In the case of translations into a language which is not in general use in one or more developed countries which are members of the Union, a period of one year shall be substituted for the period of three years referred to in paragraph (2)(a).

(b) Any country referred to in paragraph (1) may, with the unanimous agreement of the developed countries which are members of the Union and in which the same language is in general use, substitute, in the case of translations into that language, for the period of three years referred to in paragraph (2)(a) a shorter period as determined by such agreement but not less than one year. However, the provisions of the foregoing sentence shall not apply where the language in question is English, French or Spanish. The Director General shall be notified of any such agreement by the Governments which have concluded it.

- (4) (a) No license obtainable after three years shall be granted under this Article until a further period of six months has elapsed, and no license obtainable after one year shall be granted under this Article until a further period of nine months has elapsed
- (i) from the date on which the applicant complies with the requirements mentioned in Article IV(1), or
- (ii) where the identity or the address of the owner of the right of translation is unknown, from the date on which the applicant sends, as provided for in Article IV(2), copies of his application submitted to the authority competent to grant the license.
- (b) If, during the said period of six or nine months, a translation in the language in respect of which the application was made is published by the owner of the right of translation or with his authorization, no license under this Article shall be granted.
- (5) Any license under this Article shall be granted only for the purpose of teaching, scholarship or research.
- (6) If a translation of a work is published by the owner of the right of translation or with his authorization at a price reasonably related to that normally charged in the country for comparable works, any license granted under this Article shall terminate if such translation is in the same language and with substantially the same content as the translation published under the license. Any copies already made before the license terminates may continue to be distributed until their stock is exhausted.
- (7) For works which are composed mainly of illustrations, a license to make and publish a translation of the text and to reproduce and publish the illustrations may be granted only if the conditions of Article III are also fulfilled.
- (8) No license shall be granted under this Article when the author has withdrawn from circulation all copies of his work.
- (9) (a) A license to make a translation of a work which has been published in printed or analogous forms of reproduction may also be granted to any broadcasting organization having its headquarters in a country referred to in paragraph (1), upon an application made to the competent authority of that country by the said organization, provided that all of the following conditions are met:
- (i) the translation is made from a copy made and acquired in accordance with the laws of the said country;
- (ii) the translation is only for use in broadcasts intended exclusively for teaching or for the dissemination of the results of specialized technical or scientific research to experts in a particular profession;
- (iii) the translation is used exclusively for the purposes referred to in condition (ii) through broadcasts made lawfully and intended for recipients on the territory of the said country, including broadcasts made through the medium of sound or visual recordings lawfully and exclusively made for the purpose of such broadcasts;
- (iv) all uses made of the translation are without any commercial purpose.
- (b) Sound or visual recordings of a translation which was made by a broadcasting organization under a license granted by virtue of this paragraph may, for the purposes and subject to the conditions referred to in subparagraph (a) and with the agreement of that

organization, also be used by any other broadcasting organization having its headquarters in the country whose competent authority granted the license in question.

(c) Provided that all of the criteria and conditions set out in subparagraph (a) are met, a license may also be granted to a broadcasting organization to translate any text incorporated in an audio-visual fixation where such fixation was itself prepared and published for the sole purpose of being used in connection with systematic instructional activities.

(d) Subject to subparagraph (a) to subparagraph (c), the provisions of the preceding paragraphs shall apply to the grant and exercise of any license granted under this paragraph.

Article III

(1) Any country which has declared that it will avail itself of the faculty provided for in this Article shall be entitled to substitute for the exclusive right of reproduction provided for in Article 9 a system of non-exclusive and non-transferable licenses, granted by the competent authority under the following conditions and subject to Article IV.

(2) (a) If, in relation to a work to which this Article applies by virtue of paragraph (7), after the expiration of

(i) the relevant period specified in paragraph (3), commencing on the date of first publication of a particular edition of the work, or

(ii) any longer period determined by national legislation of the country referred to in paragraph (1), commencing on the same date, copies of such edition have not been distributed in that country to the general public or in connection with systematic instructional activities, by the owner of the right of reproduction or with his authorization, at a price reasonably related to that normally charged in the country for comparable works, any national of such country may obtain a license to reproduce and publish such edition at that or a lower price for use in connection with systematic instructional activities.

(b) A license to reproduce and publish an edition which has been distributed as described in subparagraph (a) may also be granted under the conditions provided for in this Article if, after the expiration of the applicable period, no authorized copies of that edition have been on sale for a period of six months in the country concerned to the general public or in connection with systematic instructional activities at a price reasonably related to that normally charged in the country for comparable works.

(3) The period referred to in paragraph (2)(a)(i) shall be five years, except that

(i) for works of the natural and physical sciences, including mathematics, and of technology, the period shall be three years;

(ii) for works of fiction, poetry, drama and music, and for art books, the period shall be seven years.

(4) (a) No license obtainable after three years shall be granted under this Article until a period of six months has elapsed

(i) from the date on which the applicant complies with the requirements mentioned in Article IV(1), or

(ii) where the identity or the address of the owner of the right of reproduction is unknown, from the date on which the applicant sends, as provided for in

Article IV(2), copies of his application submitted to the authority competent to grant the license.

(b) Where licenses are obtainable after other periods and Article IV(2) is applicable, no license shall be granted until a period of three months has elapsed from the date of the dispatch of the copies of the application.

(c) If, during the period of six or three months referred to in subparagraph (a) and subparagraph (b), a distribution as described in paragraph (2)(a) has taken place, no license shall be granted under this Article.

(d) No license shall be granted if the author has withdrawn from circulation all copies of the edition for the reproduction and publication of which the license has been applied for.

(5) A license to reproduce and publish a translation of a work shall not be granted under this Article in the following cases:

(i) where the translation was not published by the owner of the right of translation or with his authorization, or

(ii) where the translation is not in a language in general use in the country in which the license is applied for.

(6) If copies of an edition of a work are distributed in the country referred to in paragraph (1) to the general public or in connection with systematic instructional activities, by the owner of the right of reproduction or with his authorization, at a price reasonably related to that normally charged in the country for comparable works, any license granted under this Article shall terminate if such edition is in the same language and with substantially the same content as the edition which was published under the said license. Any copies already made before the license terminates may continue to be distributed until their stock is exhausted.

(7) (a) Subject to subparagraph (b), the works to which this Article applies shall be limited to works published in printed or analogous forms of reproduction.

(b) This Article shall also apply to the reproduction in audio-visual form of lawfully made audio-visual fixations including any protected works incorporated therein and to the translation of any incorporated text into a language in general use in the country in which the license is applied for, always provided that the audio-visual fixations in question were prepared and published for the sole purpose of being used in connection with systematic instructional activities.

Article IV

(1) A license under Article II or Article III may be granted only if the applicant, in accordance with the procedure of the country concerned, establishes either that he has requested, and has been denied, authorization by the owner of the right to make and publish the translation or to reproduce and publish the edition, as the case may be, or that, after due diligence on his part, he was unable to find the owner of the right. At the same time as making the request, the applicant shall inform any national or international information center referred to in paragraph (2).

(2) If the owner of the right cannot be found, the applicant for a license shall send, by registered airmail, copies of his application, submitted to the authority competent to grant the license, to the publisher whose name appears on the work and to any national or international information center which may have been designated, in a notification to that effect deposited with the Director General, by the Government of the country in which the publisher is believed to have his principal place of business.

- (3) The name of the author shall be indicated on all copies of the translation or reproduction published under a license granted under Article II or Article III. The title of the work shall appear on all such copies. In the case of a translation, the original title of the work shall appear in any case on all the said copies.
- (4) (a) No license granted under Article II or Article III shall extend to the export of copies, and any such license shall be valid only for publication of the translation or of the reproduction, as the case may be, in the territory of the country in which it has been applied for.
- (b) For the purposes of subparagraph (a), the notion of export shall include the sending of copies from any territory to the country which, in respect of that territory, has made a declaration under Article I(5).
- (c) Where a governmental or other public entity of a country which has granted a license to make a translation under Article II into a language other than English, French or Spanish sends copies of a translation published under such license to another country, such sending of copies shall not, for the purposes of subparagraph (a), be considered to constitute export if all of the following conditions are met:
- (i) the recipients are individuals who are nationals of the country whose competent authority has granted the license, or organizations grouping such individuals;
 - (ii) the copies are to be used only for the purpose of teaching, scholarship or research;
 - (iii) the sending of the copies and their subsequent distribution to recipients is without any commercial purpose; and
 - (iv) the country to which the copies have been sent has agreed with the country whose competent authority has granted the license to allow the receipt, or distribution, or both, and the Director General has been notified of the agreement by the Government of the country in which the license has been granted.
- (5) All copies published under a license granted by virtue of Article II or Article III shall bear a notice in the appropriate language stating that the copies are available for distribution only in the country or territory to which the said license applies.
- (6) (a) Due provision shall be made at the national level to ensure
- (i) that the license provides, in favour of the owner of the right of translation or of reproduction, as the case may be, for just compensation that is consistent with standards of royalties normally operating on licenses freely negotiated between persons in the two countries concerned, and
 - (ii) payment and transmittal of the compensation: should national currency regulations intervene, the competent authority shall make all efforts, by the use of international machinery, to ensure transmittal in internationally convertible currency or its equivalent.
- (b) Due provision shall be made by national legislation to ensure a correct translation of the work, or an accurate reproduction of the particular edition, as the case may be.

Article V

- (1) (a) Any country entitled to make a declaration that it will avail itself of the faculty provided for in Article II may, instead, at the time of ratifying or acceding to this Act:
- (i) if it is a country to which Article 30(2)(a) applies, make a declaration under that provision as far as the right of translation is concerned;
 - (ii) if it is a country to which Article 30(2)(a) does not apply, and even if it is not a country outside the Union, make a declaration as provided for in Article 30(2)(b), first sentence.
- (b) In the case of a country which ceases to be regarded as a developing country as referred to in Article I(1), a declaration made according to this paragraph shall be effective until the date on which the period applicable under Article I(3) expires.
- (c) Any country which has made a declaration according to this paragraph may not subsequently avail itself of the faculty provided for in Article II even if it withdraws the said declaration.
- (2) Subject to paragraph (3), any country which has availed itself of the faculty provided for in Article II may not subsequently make a declaration according to paragraph (1).
- (3) Any country which has ceased to be regarded as a developing country as referred to in Article I(1) may, not later than two years prior to the expiration of the period applicable under Article I(3), make a declaration to the effect provided for in Article 30(2)(b), first sentence, notwithstanding the fact that it is not a country outside the Union. Such declaration shall take effect at the date on which the period applicable under Article I(3) expires.

Article VI

- (1) Any country of the Union may declare, as from the date of this Act, and at any time before becoming bound by Article 1 to Article 21 and this Appendix:
- (i) if it is a country which, were it bound by Article 1 to Article 21 and this Appendix, would be entitled to avail itself of the faculties referred to in Article I(1), that it will apply the provisions of Article II or of Article III or of both to works whose country of origin is a country which, pursuant to (ii) below, admits the application of those Articles to such works, or which is bound by Article 1 to Article 21 and this Appendix; such declaration may, instead of referring to Article II, refer to Article V;
 - (ii) that it admits the application of this Appendix to works of which it is the country of origin by countries which have made a declaration under (i) above or a notification under Article I.
- (2) Any declaration made under paragraph (1) shall be in writing and shall be deposited with the Director General. The declaration shall become effective from the date of its deposit.

THE ROME CONVENTION

INTERNATIONAL CONVENTION FOR THE PROTECTION OF PERFORMERS, PRODUCERS OF PHONOGRAMS AND BROADCASTING ORGANIZATIONS

(ROME CONVENTION)

Articles 1 through 22

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**INTERNATIONAL CONVENTION FOR THE PROTECTION OF PERFORMERS,
PRODUCERS OF PHONOGRAMS AND BROADCASTING ORGANISATIONS**

(ROME CONVENTION)

ARTICLES 1 THROUGH 22

Article 1

Protection granted under this Convention shall leave intact and shall in no way affect the protection of copyright in literary and artistic works. Consequently, no provision of this Convention may be interpreted as prejudicing such protection.

Article 2

1. For the purposes of this Convention, national treatment shall mean the treatment accorded by the domestic law of the Contracting State in which protection is claimed:

- (a) to performers who are its nationals, as regards performances taking place, broadcast, or first fixed, on its territory;
- (b) to producers of phonograms who are its nationals, as regards phonograms first fixed or first published on its territory;
- (c) to broadcasting organisations which have their headquarters on its territory, as regards broadcasts transmitted from transmitters situated on its territory.

2. National treatment shall be subject to the protection specifically guaranteed, and the limitations specifically provided for, in this Convention.

Article 3

For the purposes of this Convention:

- (a) "performers" means actors, singers, musicians, dancers, and other persons who act, sing, deliver, declaim, play in, or otherwise perform literary or artistic works;
- (b) "phonogram" means any exclusively aural fixation of sounds of a performance or of other sounds;
- (c) "producer of phonograms" means the person who, or the legal entity which, first fixes the sounds of a performance or other sounds;
- (d) "publication" means the offering of copies of a phonogram to the public in reasonable quantity;
- (e) "reproduction" means the making of a copy or copies of a fixation;
- (f) "broadcasting" means the transmission by wireless means for public reception of sounds or of images and sounds;

- (g) "rebroadcasting" means the simultaneous broadcasting by one broadcasting organisation of the broadcast of another broadcasting organisation.

Article 4

Each Contracting State shall grant national treatment to performers if any of the following conditions is met:

- (a) the performance takes place in another Contracting State;
- (b) the performance is incorporated in a phonogram which is protected under Article 5 of this Convention;
- (c) the performance, not being fixed on a phonogram, is carried by a broadcast which is protected by Article 6 of this Convention.

Article 5

1. Each Contracting State shall grant national treatment to producers of phonograms if any of the following conditions is met:

- (a) the producer of the phonogram is a national of another Contracting State (criterion of nationality);
- (b) the first fixation of the sound was made in another Contracting State (criterion of fixation);
- (c) the phonogram was first published in another Contracting State (criterion of publication).

2. If a phonogram was first published in a non-contracting State but if it was also published, within thirty days of its first publication, in a Contracting State (simultaneous publication), it shall be considered as first published in the Contracting State.

3. By means of a notification deposited with the Secretary-General of the United Nations, any Contracting State may declare that it will not apply the criterion of publication or, alternatively, the criterion of fixation. Such notification may be deposited at the time of ratification, acceptance or accession, or at any time thereafter; in the last case, it shall become effective six months after it has been deposited.

Article 6

1. Each Contracting State shall grant national treatment to broadcasting organisations if either of the following conditions is met:

- (a) the headquarters of the broadcasting organisation is situated in another Contracting State;
- (b) the broadcast was transmitted from a transmitter situated in another Contracting State.

2. By means of a notification deposited with the Secretary-General of the United Nations, any Contracting State may declare that it will protect broadcasts only if the headquarters of the broadcasting organisation is situated in another Contracting State and the broadcast was transmitted from a transmitter situated in the same Contracting State. Such notification may be deposited at the

time of ratification, acceptance or accession, or at any time thereafter; in the last case, it shall become effective six months after it has been deposited.

Article 7

1. The protection provided for performers by this Convention shall include the possibility of preventing:

- (a) the broadcasting and the communication to the public, without their consent, of their performance, except where the performance used in the broadcasting or the public communication is itself already a broadcast performance or is made from a fixation;
- (b) the fixation, without their consent, of their unfixed performance;
- (c) the reproduction, without their consent, of a fixation of their performance:
 - (i) if the original fixation itself was made without their consent;
 - (ii) if the reproduction is made for purposes different from those for which the performers gave their consent;
 - (iii) if the original fixation was made in accordance with the provisions of Article 15, and the reproduction is made for purposes different from those referred to in those provisions.

2. (1) If broadcasting was consented to by the performers, it shall be a matter for the domestic law of the Contracting State where protection is claimed to regulate the protection against rebroadcasting, fixation for broadcasting purposes and the reproduction of such fixation for broadcasting purposes.

(2) The terms and conditions governing the use by broadcasting organisations of fixations made for broadcasting purposes shall be determined in accordance with the domestic law of the Contracting State where protection is claimed.

(3) However, the domestic law referred to in sub-paragraphs (1) and (2) of this paragraph shall not operate to deprive performers of the ability to control, by contract, their relations with broadcasting organisations.

Article 8

Any Contracting State may, by its domestic laws and regulations, specify the manner in which performers will be represented in connexion with the exercise of their rights if several of them participate in the same performance.

Article 9

Any Contracting State may, by its domestic laws and regulations, extend the protection provided for in this Convention to artists who do not perform literary or artistic works.

Article 10

Producers of phonograms shall enjoy the right to authorise or prohibit the direct or indirect reproduction of their phonograms.

Article 11

If, as a condition of protecting the rights of producers of phonograms, or of performers, or both, in relation to phonograms, a Contracting State, under its domestic law, requires compliance with formalities, these shall be considered as fulfilled if all the copies in commerce of the published phonogram or their containers bear a notice consisting of the symbol (P), accompanied by the year date of the first publication, placed in such a manner as to give reasonable notice of claim of protection; and if the copies or their containers do not identify the producer or the licensee of the producer (by carrying his name, trade mark or other appropriate designation), the notice shall also include the name of the owner of the rights of the producer; and, furthermore, if the copies or their containers do not identify the principal performers, the notice shall also include the name of the person who, in the country in which the fixation was effected, owns the rights of such performers.

Article 12

If a phonogram published for commercial purposes, or a reproduction of such phonogram, is used directly for broadcasting or for any communication to the public, a single equitable remuneration shall be paid by the user to the performers, or to the producers of the phonograms, or to both. Domestic law may, in the absence of agreement between these parties, lay down the conditions as to the sharing of this remuneration.

Article 13

Broadcasting organisations shall enjoy the right to authorise or prohibit:

- (a) the rebroadcasting of their broadcasts;
- (b) the fixation of their broadcasts;
- (c) the reproduction:
 - (i) of fixations, made without their consent, of their broadcasts;
 - (ii) of fixations, made in accordance with the provisions of Article 15, of their broadcasts, if the reproduction is made for purposes different from those referred to in those provisions;
- (d) the communication to the public of their television broadcasts if such communication is made in places accessible to the public against payment of an entrance fee; it shall be a matter for the domestic law of the State where protection of this right is claimed to determine the conditions under which it may be exercised.

Article 14

The term of protection to be granted under this Convention shall last at least until the end of a period of twenty years computed from the end of the year in which:

- (a) the fixation was made - for phonograms and for performances incorporated therein;
- (b) the performance took place - for performances not incorporated in phonograms;
- (c) the broadcast took place - for broadcasts.

Article 15

1. Any Contracting State may, in its domestic laws and regulations, provide for exceptions to the protection guaranteed by this Convention as regards:

- (a) private use;
- (b) use of short excerpts in connexion with the reporting of current events;
- (c) ephemeral fixation by a broadcasting organisation by means of its own facilities and for its own broadcasts;
- (d) use solely for the purposes of teaching or scientific research.

2. Irrespective of paragraph 1 of this Article, any Contracting State may, in its domestic laws and regulations, provide for the same kinds of limitations with regard to the protection of performers, producers of phonograms and broadcasting organisations, as it provides for, in its domestic laws and regulations, in connexion with the protection of copyright in literary and artistic works. However, compulsory licences may be provided for only to the extent to which they are compatible with this Convention.

Article 16

1. Any State, upon becoming party to this Convention, shall be bound by all the obligations and shall enjoy all the benefits thereof. However, a State may at any time, in a notification deposited with the Secretary-General of the United Nations, declare that:

- (a) as regards Article 12:
 - (i) it will not apply the provisions of that Article;
 - (ii) it will not apply the provisions of that Article in respect of certain uses;
 - (iii) as regards phonograms the producer of which is not a national of another Contracting State, it will not apply that Article;
 - (iv) as regards phonograms the producer of which is a national of another Contracting State, it will limit the protection provided for by that Article to the extent to which, and to the term for which, the latter State grants protection to phonograms first fixed by a national of the State making the declaration; however, the fact that the Contracting State of which the producer is a national does not grant the protection to the same beneficiary or beneficiaries as the State making the declaration shall not be considered as a difference in the extent of the protection;
- (b) as regards Article 13, it will not apply item (d) of that Article; if a Contracting State makes such a declaration, the other Contracting States shall not be obliged to grant the right referred to in Article 13, item (d), to broadcasting organisations whose headquarters are in that State.

2. If the notification referred to in paragraph 1 of this Article is made after the date of the deposit of the instrument of ratification, acceptance or accession, the declaration will become effective six months after it has been deposited.

Article 17

Any State which, on October 26, 1961, grants protection to producers of phonograms solely on the basis of the criterion of fixation may, by a notification deposited with the Secretary-General of the United Nations at the time of ratification, acceptance or accession, declare that it will apply, for the purposes of Article 5, the criterion of fixation alone and, for the purposes of paragraph 1(a)(iii) and (iv) of Article 16, the criterion of fixation instead of the criterion of nationality.

Article 18

Any State which has deposited a notification under paragraph 3 of Article 5, paragraph 2 of Article 6, paragraph 1 of Article 16 or Article 17, may, by a further notification deposited with the Secretary-General of the United Nations, reduce its scope or withdraw it.

Article 19

Notwithstanding anything in this Convention, once a performer has consented to the incorporation of his performance in a visual or audio-visual fixation, Article 7 shall have no further application.

Article 20

1. This Convention shall not prejudice rights acquired in any Contracting State before the date of coming into force of this Convention for that State.
2. No Contracting State shall be bound to apply the provisions of this Convention to performances or broadcasts which took place, or to phonograms which were fixed, before the date of coming into force of this Convention for that State.

Article 21

The protection provided for in this Convention shall not prejudice any protection otherwise secured to performers, producers of phonograms and broadcasting organisations.

Article 22

Contracting States reserve the right to enter into special agreements among themselves in so far as such agreements grant to performers, producers of phonograms or broadcasting organisations more extensive rights than those granted by this Convention or contain other provisions not contrary to this Convention.

THE WASHINGTON TREATY

TREATY ON INTELLECTUAL PROPERTY IN RESPECT OF INTEGRATED CIRCUITS (WASHINGTON TREATY)

Articles 2 through 7 (other than 6(3)), 12 and 16(3)

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*We are thankful to WIPO for providing us with the text of the Treaty, as it appears in WIPO publication no. 202, on diskette for the purpose of facilitating reproduction in this book.

**TREATY ON INTELLECTUAL PROPERTY IN
RESPECT OF INTEGRATED CIRCUITS**

(WASHINGTON TREATY)

ARTICLES 2 THROUGH 7 (OTHER THAN 6(3)), 12 AND 16(3)

Article 2

Definitions

For the purposes of this Treaty:

- (i) "integrated circuit" means a product, in its final form or an intermediate form, in which the elements, at least one of which is an active element, and some or all of the interconnections are integrally formed in and/or on a piece of material and which is intended to perform an electronic function,
- (ii) "layout-design (topography)" means the three-dimensional disposition, however expressed, of the elements, at least one of which is an active element, and of some or all of the interconnections of an integrated circuit, or such a three-dimensional disposition prepared for an integrated circuit intended for manufacture,
- (iii) "holder of the right" means the natural person who, or the legal entity which, according to the applicable law, is to be regarded as the beneficiary of the protection referred to in Article 6,
- (iv) "protected layout-design (topography)" means a layout-design (topography) in respect of which the conditions of protection referred to in this Treaty are fulfilled,
- (v) "Contracting Party" means a State, or an Intergovernmental Organization meeting the requirements of item (x), party to this Treaty,
- (vi) "territory of a Contracting Party" means, where the Contracting Party is a State, the territory of that State and, where the Contracting Party is an Intergovernmental Organization, the territory in which the constituting treaty of that Intergovernmental Organization applies,
- (vii) "Union" means the Union referred to in Article 1,
- (viii) "Assembly" means the Assembly referred to in Article 9,
- (ix) "Director General" means the Director General of the World Intellectual Property Organization,
- (x) "Intergovernmental Organization" means an organization constituted by, and composed of, States of any region of the world, which has competence in respect of matters governed by this Treaty, has its own legislation providing for intellectual property protection in respect of layout-designs (topographies) and binding on all its member States, and has been duly authorized, in accordance with its internal procedures, to sign, ratify, accept, approve or accede to this Treaty.

Article 3

The Subject Matter of the Treaty

(1) Obligation to Protect Layout-Designs (Topographies)

(a) Each Contracting Party shall have the obligation to secure, throughout its territory, intellectual property protection in respect of layout-designs (topographies) in accordance with this Treaty. It shall, in particular, secure adequate measures to ensure the prevention of acts considered unlawful under Article 6 and appropriate legal remedies where such acts have been committed.

(b) The right of the holder of the right in respect of an integrated circuit applies whether or not the integrated circuit is incorporated in an article.

(c) Notwithstanding Article 2(i), any Contracting Party whose law limits the protection of layout-designs (topographies) to layout-designs (topographies) of semiconductor integrated circuits shall be free to apply that limitation as long as its law contains such limitation.

(2) Requirement of Originality

(a) The obligation referred to in paragraph (1)(a) shall apply to layout-designs (topographies) that are original in the sense that they are the result of their creators' own intellectual effort and are not commonplace among creators of layout-designs (topographies) and manufacturers of integrated circuits at the time of their creation.

(b) A layout-design (topography) that consists of a combination of elements and interconnections that are commonplace shall be protected only if the combination, taken as a whole, fulfils the conditions referred to in subparagraph (a).

Article 4

The Legal Form of the Protection

Each Contracting Party shall be free to implement its obligations under this Treaty through a special law on layout-designs (topographies) or its law on copyright, patents, utility models, industrial designs, unfair competition or any other law or a combination of any of those laws.

Article 5

National Treatment

(1) National Treatment

Subject to compliance with its obligation referred to in Article 3(1)(a), each Contracting Party shall, in respect of the intellectual property protection of layout-designs (topographies), accord, within its territory,

(i) to natural persons who are nationals of, or are domiciled in the territory of, any of the other Contracting Parties, and

(ii) to legal entities which or natural persons who, in the territory of any of the other Contracting Parties, have a real and effective establishment for the creation of layout-designs (topographies) or the production of integrated circuits,

the same treatment that it accords to its own nationals.

(2) Agents, Addresses for Service, Court Proceedings

Notwithstanding paragraph (1), any Contracting Party is free not to apply national treatment as far as any obligations to appoint an agent or to designate an address for service are concerned or as far as the special rules applicable to foreigners in court proceedings are concerned.

(3) Application of Paragraphs (1) and (2) to Intergovernmental Organizations

Where the Contracting Party is an Intergovernmental Organization, "nationals" in paragraph (1) means nationals of any of the States members of that Organization.

Article 6

The Scope of the Protection

(1) Acts Requiring the Authorization of the Holder of the Right

(a) Any Contracting Party shall consider unlawful the following acts if performed without the authorization of the holder of the right:

- (i) the act of reproducing, whether by incorporation in an integrated circuit or otherwise, a protected layout-design (topography) in its entirety or any part thereof, except the act of reproducing any part that does not comply with the requirement of originality referred to in Article 3(2),
- (ii) the act of importing, selling or otherwise distributing for commercial purposes a protected layout-design (topography) or an integrated circuit in which a protected layout-design (topography) is incorporated.

(b) Any Contracting Party shall be free to consider unlawful also acts other than those specified in subparagraph (a) if performed without the authorization of the holder of the right.

(2) Acts Not Requiring the Authorization of the Holder of the Right

(a) Notwithstanding paragraph (1), no Contracting Party shall consider unlawful the performance, without the authorization of the holder of the right, of the act of reproduction referred to in paragraph (1)(a)(i) where that act is performed by a third party for private purposes or for the sole purpose of evaluation, analysis, research or teaching.

(b) Where the third party referred to in subparagraph (a), on the basis of evaluation or analysis of the protected layout-design (topography) ("the first layout-design (topography)"), creates a layout-design (topography) complying with the requirement of originality referred to in Article 3(2) ("the second layout-design (topography)"), that third party may incorporate the second layout-design (topography) in an integrated circuit or perform any of the acts referred to in paragraph (1) in respect of the second layout-design (topography) without being regarded as infringing the rights of the holder of the right in the first layout-design (topography).

(c) The holder of the right may not exercise his right in respect of an identical original layout-design (topography) that was independently created by a third party.

(4) Sale and Distribution of Infringing Integrated Circuits Acquired Innocently

Notwithstanding paragraph (1)(a)(ii), no Contracting Party shall be obliged to consider unlawful the performance of any of the acts referred to in that paragraph in respect of an integrated circuit incorporating an unlawfully reproduced layout-design (topography) where the person performing or ordering such acts did not know and had no reasonable ground to know, when acquiring the said integrated circuit, that it incorporates an unlawfully reproduced layout-design (topography).

(5) Exhaustion of Rights

Notwithstanding paragraph (1)(a)(ii), any Contracting Party may consider lawful the performance, without the authorization of the holder of the right, of any of the acts referred to in that paragraph where the act is performed in respect of a protected layout-design (topography), or in respect of an integrated circuit in which such a layout-design (topography) is incorporated, that has been put on the market by, or with the consent of, the holder of the right.

Article 7

Exploitation; Registration, Disclosure

(1) Faculty to Require Exploitation

Any Contracting Party shall be free not to protect a layout-design (topography) until it has been ordinarily commercially exploited, separately or as incorporated in an integrated circuit, somewhere in the world.

(2) Faculty to Require Registration; Disclosure

(a) Any Contracting Party shall be free not to protect a layout-design (topography) until the layout-design (topography) has been the subject of an application for registration, filed in due form with the competent public authority, or of a registration with that authority; it may be required that the application be accompanied by the filing of a copy or drawing of the layout-design (topography) and, where the integrated circuit has been commercially exploited, of a sample of that integrated circuit, along with information defining the electronic function which the integrated circuit is intended to perform; however, the applicant may exclude such parts of the copy or drawing that relate to the manner of manufacture of the integrated circuit, provided that the parts submitted are sufficient to allow the identification of the layout-design (topography).

(b) Where the filing of an application for registration according to subparagraph (a) is required, the Contracting Party may require that such filing be effected within a certain period of time from the date on which the holder of the right first exploits ordinarily commercially anywhere in the world the layout-design (topography) of an integrated circuit; such period shall not be less than two years counted from the said date.

(c) Registration under subparagraph (a) may be subject to the payment of a fee.

Article 12

Safeguard of Paris and Berne Conventions

This Treaty shall not affect the obligations that any Contracting Party may have under the Paris Convention for the Protection of Industrial Property or the Berne Convention for the Protection of Literary and Artistic Works.

Article 16

Entry Into Force of the Treaty

(3) Protection of Layout-Designs (Topographies) Existing at Time of Entry Into Force

Any Contracting Party shall have the right not to apply this Treaty to any layout-design (topography) that exists at the time this Treaty enters into force in respect of that Contracting Party, provided that this provision does not affect any protection that such layout-design (topography) may,

at that time, enjoy in the territory of that Contracting Party by virtue of international obligations other than those resulting from this Treaty or the legislation of the said Contracting Party.