



Asia-Pacific
Economic Cooperation

**APEC Workshop on the Protection and Enforcement
of Intellectual Property Rights in the Digital Era**

4-6 July 2007, Nha Trang, Viet Nam

**APEC Intellectual Property Experts Group
APEC Committee on Trade and Investment**

September 2007

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**APEC Workshop on the Protection and Enforcement
of Intellectual Property Rights in the Digital Era**
04-06 July 2007, Nha Trang, Vietnam

PROVISIONAL PROGRAM

Wednesday, July 04, 2007

8.00 – 9.00 Registration

9.00 – 9.30 OPENING CEREMONY

Opening addresses by:

- the Director General of the National Office of Intellectual Property of Vietnam (NOIP)
- Vice Chairman of Khanh Hoa People's Provincial Committee

9.30 – 10.00 Coffee Break

10.00 – 12.00 Topic 1: Copyright and related rights law in the digital environment

- The international legal framework, especially the WIPO Internet treaties
- Challenges of the implementation process: balancing the legitimate interests
- Legal standards in (selected) APEC economies

Moderator: Henry Olsson

Speakers: Ang Kwee Tiang; Pancy Fung ; Jennie Ness

Discussion

12.00 – 13.30 Lunch Break

13.30 14.30 Topic 2: Trademark law in the Digital Environment

- International approaches:
 - The use of marks on the Internet and the WIPO Joint recommendations;
 - The use of marks in domain names and the dispute resolution under the Uniform Domain Name Dispute Resolution Policy (UDRP);
- Legal standards in (selected) APEC economies;

Moderator: Tran Viet Hung

Speakers: Pancy Fung, Jannie Ness

Discussion

14.30 – 14.45 Coffee break

14.45 -15.45 Topic 3: Counterfeiting and piracy

- A global concern
- Particular features in the digital era

Moderator: Pancy Fung
Speakers: Mr. Ang Kwee Tiang; Barry Yen;

Discussion

15.45 – 16.45 Topic: 4 Enforcement of IP Law – general

- The international legal framework, especially under part III of the TRIPS Agreement (civil and administrative remedies and procedures, provisional measures, criminal sanctions, border measures)
- IP enforcement in APEC economies : analysis of relevant legal provisions and recent legislative developments in (some) APEC economies;
- Update on IP enforcement initiatives at the APEC level.

Moderator: Peter Richard Treyde

Speakers: Pancy Fung; Tran Huu Nam

16.45 – 17.30

Discussion on all presented topics

Thursday, July 05, 2007

08.30 – 10.00 Topic 5: Challenges to IP enforcement in the digital environment: identification of issues and discussion of recent legal trends/recent cases in APEC economies, presented from different perspectives (legal practice, right holders, consumer groups, etc.), e.g.:

- Responsibility of Internet Service Providers, disclosure of information on users' identity
- Illegal downloading, file sharing etc.: recent legal trends; consumer attitudes; update on legal business models
- Jurisdiction (national/international) for online-infringements
- The trade in counterfeit and pirated goods via the Internet: online auction houses and other platforms
- Online pharmacies and the trade in counterfeit drugs
- The interrelation of IP law and related legal fields in selected APEC economies (e-commerce, cyberlaw etc.)

Moderator: Jennie Ness

Speakers: Barry Yen; Henry Olsson, Peter Richard Treyde

Discussion

10.00 – 10.15	Coffee Break	
10.15 – 11.15	<u>Topic 6:</u>	Technological solutions to piracy and counterfeiting in digital era: opportunities and limits <i>Moderator: Ang Kwee Tiang</i> <i>Speakers: Hiroshi Kato, Henry Olsson</i> Discussion
11.15 – 12.15	<u>Topic 7:</u>	The critical role of customs <ul style="list-style-type: none"> • General: Recent legislative developments in APEC economies, customs cooperation among APEC economies, right holder cooperation • The role of the Internet in the international trade in counterfeit goods, and resulting challenges for effective customs measures (identification of counterfeit goods, risk analysis, information exchange, monitoring etc.); <i>Moderator: Pancy Fung</i> <i>Speakers: Hiroshi Kato, Henry Olsson</i> Discussion:
12.15 - 13.30	Lunch break	
13.30 – 14.30	<u>Topic 8:</u>	The role of the prosecution and the police: challenges to investigations in the online environment <i>Moderator: Henry Olsson</i> <i>Speakers: Hiroshi Kato, Jennie Ness</i> Discussion:
14.30 – 15.00	<u>Topic 9:</u>	The right holders perspective: recent actions against digital copyright/trademark infringements in APEC economies; problems and strategies <i>Moderator: Hiroshi Kato</i> <i>Speaker: Ang Kwee Tiang;</i> Discussion
15.00 – 15.15	Coffee break	
15.15 – 16.15	<u>Topic 10:</u>	Awareness campaigns: overview and discussion of recent campaigns in APEC economies, focusing on digital piracy/Internet trade in counterfeit goods <i>Moderator: Ang Kwee Tiang</i> <i>Speakers: Hiroshi Kato, Pancy Fung</i>

Discussion

- 16.15 – 17.15 Topic 11: Policy and strategy considerations for the enhancement of IP
Panel enforcement in the digital environment in APEC economies:
discussion nationally and at the regional level; public and private sector
cooperation
Moderator: Hiroshi Kato
Speakers: Jennie Ness, Henry Olsson
- 17.15 -17.30 CLOSING CEREMONY
- Closing remark by the Director General of NOIP

The opening speech
by Mr. Tran Viet Hung, Director General
of the National Office of Intellectual Property of Vietnam
at the APEC Workshop on the Protection and Enforcement of IPRs
in the Digital Era
04-06 July 2007, Nha Trang, Vietnam

Dear:

- Dr. Le Xuan Than, Vice-Chairman of the People's Committee of Khanh Hoa Province;
- Mr. Nguyen Van Huot, Director General of the DOST of Khanh Hoa Province;
- Distinguished speakers and participants representing APEC member economies;
- Ladies and Gentlemen;

At the outset, on behalf of the National Office of Intellectual Property of Vietnam, I would like to extend our warm welcome to all of you present at the today Workshop.

As you are aware, the Asia – Pacific Region is the biggest and most dynamic economic region in the world. With a view to integrating economies in the region, the Asia – Pacific Economic Cooperation Forum (APEC for short) was established in 1989. At present, APEC consists of 21 member economies and has the multifaceted cooperation activities, from the economic, scientific and technological cooperation and now expanding to other areas such as security, anti-terrorism, anti-corruption, etc... Though being a new member of APEC (since 1998), Vietnam has quickly integrated itself with APEC cooperation activities, including those in the intellectual property area. The cooperation activities in this important field have been implemented through the APEC Intellectual Property Rights Experts Group (IPEG for short).

Towards ensuring adequate and effective protection of intellectual property rights in the APEC region, over the last years, APEC has made great efforts to enhance the effectiveness of the enforcement of intellectual property rights, whereby cooperation in the training and capacity building has been always stressed.

The Workshop on the Protection and Enforcement of Intellectual Property Rights in the Digital Era being organized today is also one of these efforts. We are pleased to collaborate with APEC Secretariat, the People's Committee of Khanh Hoa Province and the Department of Science and Technology of Khanh Hoa Province to organize this Workshop.

Ladies and Gentlemen,

As you all know, the intellectual property plays an increasingly important role in the economic, scientific and technological relations among economies, especially against the background of the knowledge-based economy. The maintenance and development of a strong and effective intellectual property regime is required for all economies towards the promotion of trade and investment as well as the development of science and technology. With the robust development of information technology, the intellectual property regime is witnessing dramatic changes and facing new challenges. Firstly, along with the powerful development of the Internet, many new IP subject matters appear, entailing further theories and legal provisions. Secondly, intellectual property rights may be infringed more easily and widespread than ever. Due to non-boundary nature of the Internet, the enforcement of intellectual property rights is now posed with difficulties that have not occurred before. These challenges may be the difficulties in detecting and investigating the infringing acts of intellectual property or difficulties in handling the infringing acts under different legal systems of various member economies. Finally, balancing the legitimate rights of parties concerned is also a challenge to many member economies. Therefore, the today Workshop is aiming at demystifying these theoretical and practical issues and solutions to overcome these challenges.

With the devotedness of the speakers with many theoretical and practical experiences, I am convinced that the Workshop will provide you with useful information, knowledge and experiences. Besides, in the spirit of the APEC cooperation, I also hope that the Workshop will serve as a forum for participants from APEC member economies to exchange and share with each other their information and experiences.

On this occasion, I would like to express my sincere thanks to APEC Secretariat, the People's Committee of Khanh Hoa Province and the Department of Science and Technology of Khanh Hoa Province for their close cooperation in organizing this Workshop.

I wish all speakers and participants from APEC member economies a pleasant and memorable stay in this beautiful coastal city of Nha Trang.

May the Workshop success.

I wish you all good health.

Thank you!



Copyright Law in the Digital Environment

APEC Workshop on IPRs enforcement,
Vietnam, July 2007

Pancy Fung
Assistant Director of Intellectual Property
Intellectual Property Department
Government of Hong Kong SAR
Hong Kong, China
4 July 2007



Outline

- Background
- Copyright infringement acts
- Copyright (Amendment) Bill 2006
- Consultation on copyright protection in the digital environment

Background (1)



- Copyright protection began in 1912
- First comprehensive, localised copyright legislation came into operation on 27 June 1997
- “One country, two intellectual property systems”
- Major international treaties on copyright have effect in Hong Kong – including the Berne Convention, Phonograms Convention, WTO TRIPS Agreement

Background (2)



- Most of the requirements in the WIPO Internet Treaties are already provided for in the Copyright Ordinance. The Internet Treaties aim at updating and improving the protection of copyright and related rights in the light of new digital technologies
- Hong Kong protects copyright works from anywhere in the world
- No registration required

Background (3)



- Copyright Ordinance accords protection to copyright works stored in digital media and on the Internet
- Combat Internet piracy through an effective legal framework, public education, enforcement and cooperation with the industry
- Copyright law under constant review

Copyright infringement acts (1)



Restricted acts including:

- Copying
(not limited to “hard copies”)
- Making available to the public
(not including mere provision of physical facilities)

Copyright infringement acts (2)



Criminal offences including:

- Making, selling, possessing or importing/exporting an infringing copy of a copyright work for commercial purposes (imprisonment for 4 years and fine of HK\$50,000 (US\$6,410) per infringing copy)

Copyright infringement acts (3)



- Distributing an infringing copy of a copyright work in a non-commercial context to such an extent as to affect prejudicially the copyright owner

Case law:

First-ever successful enforcement action against illegal P2P activities on the Internet. The charge was attempting to distribute under this offence

- a person who was found to upload three movies of different titles to a local BT discussion forum arrested in Jan 2005

Copyright infringement acts (4)



- Sentenced to three months' imprisonment in Nov 2005. Appeal dismissed in Dec 2006. Court of Final Appeal (CFA) hearing was held on 9 May 2007 & appeal dismissed

(CFA decision at

http://legalref.judiciary.gov.hk/lrs/common/ju/ju_frame.jsp?DIS=57111&currpage=T)

Copyright (Amendment) Bill 2006 (1)



- Timetable

- December 2004 : Issue of the Consultation Document on Review of Certain Provisions of Copyright Ordinance
- March 2006: Introduce the Copyright (Amendment) Bill 2006 into the Legislative Council
- A Bills Committee has been set up
- The Bill was passed on 27 June 2007

Copyright (Amendment) Bill 2006 (2)



- Policy considerations
 - To provide Hong Kong, China with a strong copyright protection system to assist the development of a knowledge-based economy
 - To ensure that we meet the requirements set out in the WTO TRIPS Agreement
 - To achieve a right balance between the reasonable demands of copyright owners and users

Copyright (Amendment) Bill 2006 (3)



- Main proposals in the Bill including:
 - Strengthening the copyright protection system
- Other proposals in the Bill including:
 - Incorporating the few requirements so that the Copyright Ordinance complies fully with the WIPO Internet Treaties

Copyright (Amendment) Bill 2006 (4)



- Strengthening the copyright protection system:
Circumvention of technological measures
 - Civil infringement
 - (i) Making or dealing in circumvention devices which circumvent access control measures or copy protection measures
 - (ii) Providing services to circumvent access control measures or copy protection measures
 - (iii) Doing the act of circumventing an access control measures or a copy protection measure

Copyright (Amendment) Bill 2006 (5)



- Criminal liability
To combat the commercial dealing of circumvention devices, products or components or the commercial provision of circumvention services

Copyright (Amendment) Bill 2006 (6)



– Exceptions:

- (i) Achieving interoperability of an independently created computer program
- (ii) Research into cryptography
- (iii) Identifying and disabling the function of a technological measure to collect or disseminate information which tracks and records the manner of a person's use of a computer network in order to protect privacy
- (iv) Security testing for a computer/computer system/network
- (v) Preventing access by minors to harmful materials on the Internet
- (vi) Law enforcement

Copyright (Amendment) Bill 2006 (7)



• Amending the Copyright Ordinance to comply with the Internet Treaties

- (i) giving rental rights for literary, dramatic or musical works included in sound recordings
- (ii) granting moral rights to performers with regard to their live aural performances or performances fixed in the sound recordings
- (iii) granting rental rights to performers over sound recordings of their performances
- (iv) amending the definitions of “performer” and “performance” in the Copyright Ordinance to make clear that they cover artistic works and expressions of folklore

Copyright (Amendment) Bill 2006 (8)



- Reference materials
 - Legislative Council Brief on the Copyright (Amendment) Bill 2006
http://www.citb.gov.hk/cib/ehtml/pdf/legcoBriefs/LegCo_Brief_full.PDF
 - Booklet on “An Introduction to the Copyright (Amendment) Bill 2006”
<http://www.ipd.gov.hk/eng/copyright/booklet.pdf>
 - Frequently Asked Questions
<http://www.ipd.gov.hk/eng/copyright.htm>

Consultation on copyright protection in the digital environment



- In the light of advances in technology, we issued a public consultation document in December 2006

“Whether and if so how the copyright protection regime should be enhanced to provide for effective protection in the digital environment ?”

(Consultation document at
http://www.citb.gov.hk/cib/ehtml/pdf/consultation/Consultation_document.pdf)

(1) Legal Liability for Unauthorised Uploading and Downloading of Copyright Works



- Under the Copyright Ordinance
 - Unauthorised uploading of copyright works
 - ♦ civil remedies for copyright owners
 - ♦ criminal sanctions under certain circumstances
- Unauthorised downloading of copyright works may incur civil liability

(1) Legal Liability for Unauthorised Uploading and Downloading of Copyright Works

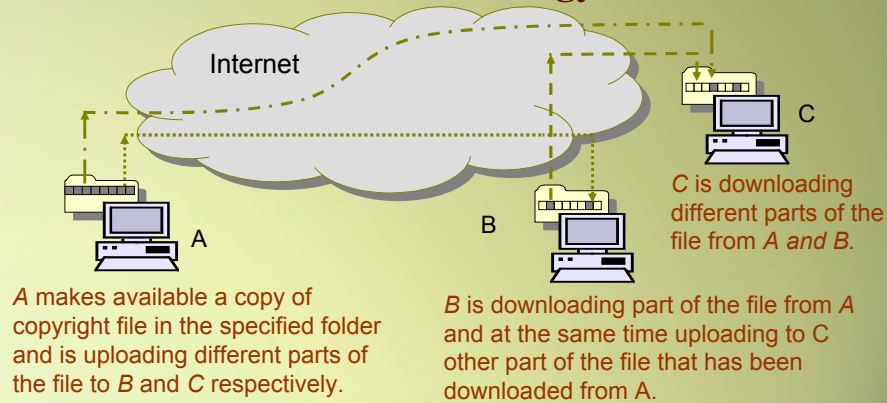


- Data transmission on the Internet becoming more and more efficient (e.g. using the Peer-to-Peer (P2P) technology)
- If a copyright work is shared among P2P users without the authorisation of the copyright owner, large scale copyright infringement quickly emerges

(1) Legal Liability for Unauthorised Uploading and Downloading of Copyright Works



Uploading, Downloading and P2P Technology



Intellectual Property Department, Hong Kong SAR Government

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(1) Legal Liability for Unauthorised Uploading and Downloading of Copyright Works



- Views of Copyright Owners
 - rampant Internet infringement activities have seriously hampered their development
 - their loss could hardly be compensated by damages awarded as a result of individual civil actions
 - propose that criminal sanctions should be introduced against unauthorised downloading / file sharing activities

Intellectual Property Department, Hong Kong SAR Government

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(1) Legal Liability for Unauthorised Uploading and Downloading of Copyright Works



- Considerations
 - Greater protection for the creative industries
 - Effects on the dissemination of information
 - Intrusion into individuals' homes for investigation of economic crimes such as copyright infringement other than on a commercial or significant scale

(1) Legal Liability for Unauthorised Uploading and Downloading of Copyright Works



- Possible options on the extent of criminalisation, if introduced -
 1. all unauthorised downloading activities
 2. all unauthorised file sharing activities
 3. only those unauthorised downloading and file sharing activities which result in direct commercial advantage or are significant in scale

(2) Protection of Copyright Works Transmitted to the Public via all Forms of Communication Technology



- Copyright materials transmitted across different medium platforms
- Current meanings of “broadcasts”, “cable programmes” or “making available” in the Copyright Ordinance may not be adequate to cope with technological development

(2) Protection of Copyright Works Transmitted to the Public via all Forms of Communication Technology



- Considerations
 - The introduction of such a right could promote the development of digital content
 - Obviate the need to review and amend the Copyright Ordinance whenever new technologies emerge
 - Mindful of the implications of dissemination of information

(3) Role of Online Service Providers in Relation to Combating Internet Piracy



- Existing legal liability
 - Online Service Providers (OSP) may be liable for online piracy activities if they
 - ♦ authorise others to do the infringement act, or
 - ♦ “joint tortfeasors”
- Request of the Copyright Owners
 - OSP should be liable for the online piracy activities occurring on their service platforms if they, having been made aware of the piracy activities, fail to take any action to remove the infringing materials or block access to them

(3) Role of Online Service Providers in Relation to Combating Internet Piracy



- Considerations
 - operating cost of OSP, competitiveness, reasonableness and fairness
- Possible Solutions
 - Introduce new liability of OSPs for online copyright infringement occurring on their service platform
 - Introduce a certain notice and takedown system and limit OSP's legal liability under specified circumstances
 - Introduce injunctive relief against an OSP where that OSP has actual knowledge of another person using his service to infringe copyright
 - Non-legislative routes (e.g. industry guidelines or codes of practice binding on all operators)?

(4) Facilitating Copyright Owners to Take Civil Actions against Online Infringement



- Need to identify the infringers for taking civil actions
 - the identity and addresses of Internet users are personal data protected under the Personal Data (Privacy) Ordinance
 - the telecom licence held by Internet Access Service Provider (IASP) prohibits disclosure of customer's information
- Need to apply for a Norwich Pharmacal Order to require IASP to disclose the personal data of the alleged infringers

(4) Facilitating Copyright Owners to Take Civil Actions against Online Infringement



- Views of Copyright Owners
 - Existing mechanism to seek a Norwich Pharmacal Order is costly and timely
 - IASP should retain subscriber data for a sufficiently long period of time

(4) Facilitating Copyright Owners to Take Civil Actions against Online Infringement



- Considerations
 - a mechanism without going through court proceedings would be more expedient and probably less costly
 - mindful of the need to protect personal privacy
 - allowing a subpoena to be made without recourse to the court will represent a significant departure from the current position
 - whether the burden placed on an IASP is too onerous if no third party to examine copyright owners' requests for personal data

(4) Facilitating Copyright Owners to Take Civil Actions against Online Infringement



- Possible options
 - introduce a specific mechanism under the law for copyright owners to compel IASP to disclose their client's information
 - impose a mandatory requirement for IASPs to keep log
 - Non-legislative route - develop some guidelines and measures among copyright owners and IASPs with a view to facilitating communication

Public Consultation



- Ended in April 2007
- 609 submissions
- The Government has an open mind on how the various issues should be addressed
- Will review the submissions received and put forward legislative proposals for consideration by the community

Thank You!

<http://www.ipd.gov.hk>



SERVING AUTHORS WORLDWIDE
AU SERVICE DES AUTEURS DANS LE MONDE
AL SERVICIO DE LOS AUTORES EN EL MUNDO

Copyright & Related Rights Law in the Digital Environment

**The International Legal Framework – WIPO
Internet Treaties
Challenges of the Implementation Process –
Balancing the Legitimate Interests
Legal Standards in Selected APEC
Economies**

Document's reference
Author :
Event
City, JJ/MM/AAA – JJ/MM/AAAA
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The Berne Convention

- **Adopted in 1886**
- **Revised at regular intervals to respond to new technological developments over the last century**
 - **Sound recording technology**
 - **Photography**
 - **Radio**
 - **Film**
 - **Television**

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The Berne Convention

- **‘Guided Development’ in the 1970s-80s**
 - **Based on interpretation of existing international norms**
 - To respond to new technologies such as photocopying, video technology, compact cassettes, home taping, satellite broadcasting, cable transmissions, increasing importance of computer programs, ‘multi media’ works, electronic databases
- **By the end of 1980s, it became clear that new binding international standards have to be agreed upon**
 - **Uruguay Round GATT negotiations (TRIPS)**
 - **WIPO Committee of Experts**

The Berne Convention

- **TRIPS (1994) incorporated some results of the period of ‘guided development’ but did not respond to all issues posed by the latest technological advancements that were occurring throughout the period of GATT negotiations**
 - **Digital technology and the Internet**
- **WIPO Diplomatic Conference in December 1996 adopted 2 new treaties – WCT & WPPT**

Rome Convention - International Convention for Protection of Performers, Phonograms Producers & Broadcasting Organizations

- **Original impetus - phonogram industry**
- **1928 - possible revision to Berne**
- **1948 Brussels - decision to have new international treaty**
- **1961, October 26 - Rome Convention**
- **Pioneer convention**

Reasons for New WIPO Treaties

- **WCT**
- **WPPT**
- ☆ **Clarify existing standards / norms**
- ☆ **To provide some answers to technological developments which have fundamentally affected ways in which works of copyright and related rights may be created, utilized and disseminated**

Subject Matter of 2 Treaties

- **WCT**

- Same concept & extent of literary and artistic works as under *Berne Convention*

- **WPPT**

- Phonogram producers
- Performances
- *And not broadcasters, unlike Rome Convention*

WCT *Link to Berne*

- **WCT is a special agreement under Article 20 of Berne Convention**

- Art. 20 – “governments ... 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”

- **Crucial Link - interpretation of WCT cannot lead to lower level of protection given by Berne (WPPT - *no such link*)**

WCT *Further Link to Berne*

- **Articles 1 to 21 & Appendix of Berne Convention to be applied by members (*including Article 6bis*)**
 - The 1971 Paris Act of Berne Convention
 - Any member country of WIPO, irrespective of whether it is a party to Berne, can accede to WCT
- **No links to any other treaty**

WCT & WPPT

- 1. New Rights/Norms for Digital Environment**
- 2. Clarification of Certain Existing Norms**
- 3. Introduction of Technological Protection Measures for Digital Environment**

1. WCT – Transmission of Works in Digital Networks (*Online Transmissions*)

- **2 possible existing rights were identified**

- **Communication to the Public Right**
- **Distribution Right**

- However, it was concluded that these Berne Convention rights do not fully cover usage in the digital environment – the former does not extend to certain category of works while the latter expressly covers only cinematographic works
- National laws also differed greatly; making it difficult to arrive at a consensus

1. WCT – Transmission of Works in Digital Networks (*Online Transmissions*)

- **‘Umbrella’ Solution proposed & accepted:**

- **A digital transmission should be described in a neutral way**
- **Should convey the interactive nature of digital transmissions**
- **Gaps in Berne coverage of the relevant rights should be eliminated**
- **Countries should have sufficient freedom in actual choice of rights to implement obligation**

1. WCT – Transmission of Works in Digital Networks (*Online Transmissions*)

- ***“... authors of literary and artistic works shall enjoy the exclusive right of authorizing any communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them.”*** (Article 8, WCT)

(Similar provision for performers and phonogram producers in Articles 10 & 14, WPPT)

1. WCT – Transmission of Works in Digital Networks (*Online Transmissions*)

- ***Agreed Statement - “... the mere provision of physical facilities for enabling or making a communication does not in itself amount to communication within the meaning of the treaty ...”***
- **This statement is to clarify the issue of liability of service and access providers in digital networks like the Internet**
- **An attempt to balance competing interests**

1. WCT – Transmission of Works in Digital Networks (*Online Transmissions*)

- **‘Umbrella’ Solution – because more countries preferred the option of using the right of communication to the public:**
 - WCT extends applicability of right of communication to public to all categories of works
 - Clarifies that the right also covers transmission in interactive systems
- **However, countries free to implement this obligation through a right other than the right of communication to the public, such as distribution right or a specific new right**

2. WCT-Clarification of Existing Rights *Reproduction/Storage in an Electronic Medium*

- **Storage of a work in digital form in an electronic medium is reproduction within Article 9, Berne**
 - *“The reproduction right, as set out in Article 9 of the Berne Convention, and the exceptions permitted thereunder, fully apply in the digital environment, in particular to the use of works in digital form. It is understood that the storage of a protected work in digital form in an electronic medium constitutes a reproduction within the meaning of Article 9 ...” [Agreed Statement to A1(4), WCT]*

2. WCT-Clarification of Existing Rights *Reproduction/Storage in an Electronic Medium*

- **Agreed Statement that Article 9 of Berne fully applies in the digital environment. Hence:**
 - Art. 9(1)-Reproduction in ‘any manner or form’ irrespective of duration, and *whether of a temporary nature*
 - Art. 9(2)-Justified exceptions, such as for transient and incidental copies, *provided they comply with the 3-step test*

See WCT [Article 1(4)] & WPPT [Articles 7 & 11]

2. WCT- Clarification of Existing Right *-The Right of Distribution*

- **Q: Can a distribution right be implied as an indispensable part of the right of reproduction (*concept of implicit recognition of the right of distribution*), or should a separate right be expressly specified?**
 - A6(1), WCT – “*Authors ... shall enjoy the exclusive right of authorizing the making available to the public of the original & copies of their works through sale or other transfer of ownership*”
 - Clarification of obligations under Berne Convention (& also under TRIPS)

2. WCT- Formalization of Existing Rights -Rental Rights

- **Authors of :**
 - - **computer programs;**
 - - **cinematographic works; and**
 - - **works embodied in phonograms,**
- **shall have exclusive right of commercial rental to public of originals or copies of their works**
(WCT, A7; Rental Rights in WPPT - As 9 & 13)
- **Certain limitations on rental rights**
- **Identical to Articles 11 & 14.4 of TRIPS**

2. WCT- Other Clarifications

- **Computer programs protected as literary works** (A4)
- **Compilations of data or other material, in any form, which by reason of the selection or arrangement of their contents constitute intellectual creations, are protected as such** (A5)
- **Photographs - duration extended to 50 years** (A9)

WCT – Exceptions & Limitations
-Balancing Competing Interests

- **Article 10 sets out the types of limitations on, or exceptions to, the rights granted:**
 - Under the WCT (para 1); and
 - Under the Berne Convention (para 2)
- **Both paragraphs use the 3-step test [found in Article 9(2) of the Berne Convention]**
 - Special case;
 - Does not conflict with the normal exploitation of the work;
 - Does not unreasonably prejudice the legitimate interests of the authors

WCT – Exceptions & Limitations
-Balancing Competing Interests

- **Article 9(2) of the Berne Convention applies only to the reproduction right**
- **Article 10, WCT cover all rights under the treaty and Berne**
- **Similar to Article 13 of TRIPS**

3. WCT - Technological Measures of Protection & Rights Management Information

- ***“The answer to the machine lies in the machine”*** (Charles Clark)
 - Legal measures needed to protect the technological protection measures and rights management information
- **Obligation to provide adequate legal protection and remedies against circumvention of technological measures that restrict unauthorized acts or removal of electronic rights management information** [WCT As 11 & 12] & WPPT As 18 & 19]

3. WCT - Technological Measures of Protection & Rights Management Information

- **Rights Management Information defined as *“information which identifies the work, the author of the work, the owner of any right in the work, or information about the terms and conditions of use of the work, and any numbers or codes that represent such information ...”***

WPPT–No Link with other Treaties

- **No link with the Rome Convention, unlike the link between WCT and Berne**

- Application of substantive provisions of Rome is therefore not an obligation
- Only a few provisions of Rome are included by reference (*relating to criteria for eligibility*)

WPPT-Rights of Performers

- **The coverage of rights of performers under the WPPT is similar to that under the TRIPS Agreement**
- **Key difference – exclusive right versus ‘possibility of preventing’**
- **Economic rights:**
 - Right of broadcasting & communication to the public of unfixed performances
 - Reproduction right
 - Rental right

WPPT-Rights of Performers -New Moral Rights

- **Moral right for 'live' aural performances or performances fixed in phonograms**
 - 📄 Right to object to distortion, mutilation or modification of performances prejudicial to a performer's reputation
 - 📄 Right to claim to be identified as performer
 - Exception - where omission dictated by manner of use
- **No performers' right for audio-visual performers**

WPPT-Rights of Phonogram Producers

- **Same rights as those granted under TRIPS Agreement**
 - Reproduction right - *Producers of phonograms shall have the right to authorize or prohibit the direct or indirect reproduction of their phonograms*
 - Rental right - *the right to authorize or prohibit the commercial rental to the public*

WPPT-Storage of Works in Digital Form in an Electronic Medium

- **Agreed Statement that “the reproduction right, as set out in As 7 & 11, and the exceptions permitted under A 16, fully apply in the digital environment, in particular to the use of performances and phonograms in digital form. It is understood that the storage of a protected performance or phonogram in digital form in an electronic medium constitutes a reproduction ...”**

As with WCT

WPPT- Transmission of Works in Digital Networks (*Making Available to the Public*)

- **The ‘Umbrella’ Solution**

- **Articles 10 & 14 accord ‘the exclusive right of authorizing the making available to the public of performances fixed in phonograms, and of the phonograms respectively, by wire or wireless means in such a way that members of the public may access them from a place and at a time individually chosen by them’**
- **Although there are differences with WCT, practical effect would be the same**

WPPT-the Distribution Right & Remuneration Right for Broadcasting and Communication to the Public

- **Distribution Right is identical to A6, WCT for both performances & phonogram producers**
- **“Performers & phonogram producers shall enjoy right to a single equitable remuneration for direct or indirect use of phonograms ... for broadcasting or for communication to the public” (A15, WPPT)**
 - Largely similar to A12, Rome Convention
 - Difference – Rome leaves it to national legislation to grant right to performer, producer or both, WPPT requires that right must be granted to both, *in the form of a single remuneration*

WPPT - Technological Measures of Protection Rights Management Information

- **Similar to WCT provisions**

- **WCT**

- Came into force on 6 March 2002

- **WPPT**

- Came into force on 20 May 2002

Conclusion

- **The treaties contain provisions to raise international copyright standards to meet the challenges posed by the recent phenomenal advances in digital technology in general, and of global digital networks like the Internet, in particular**
- **Due to the nature of digital technology, it is crucial that all states adopt and implement both treaties**

Asian Countries that are Signatories to WCT & WPPT

• WCT

- China **xHK/Macau*
- Indonesia
- Japan
- Mongolia
- Philippines
- South Korea
- Singapore

• WPPT

- China **xHK/Macau*
- Indonesia
- Japan
- Mongolia
- Philippines
- Singapore

Internet Copyright Infringement



Jennie Ness
Regional IP Attaché
U.S. Commercial Service



Vulnerability of Content in the Digital Age



Without protection,
perfect copies of
digital works can be
created and
distributed around
the world at almost
no cost.



New Means of Distribution

- Streaming
- Webcasting
- Interactive
- On-demand
- Real-time
- Peer-to-peer (P2P) file “sharing”
- Uploading and downloading

3



Internet Anonymity and Secondary Liability

- Internet piracy is a real and growing threat.
- Grokster, Kazaa, BitTorrent, Enule, Limewire, Siambit, Klitepro, are just a few examples of peer-to-peer (P2P) networks .
- Over one BILLION files are copied across peer-to-peer systems every month.
- Infringing copies of all forms of copyrighted works are increasingly available online.
- Warez groups crack or rip files and then upload the files to peer-to-peer networks.

4



Purpose of Secondary Liability

- Secondary liability targets those who achieve illegal results by using others to do the “dirty work” of breaking the law.
- Secondary liability also targets those who profit from violations of the law but hide behind a primary offender.

5



International Aspects

- Different legal systems have different approaches to secondary liability
- But secondary liability exists under almost all national legal regimes.
- A country that did not provide for secondary liability in appropriate cases would violate TRIPS.
 - Berne Article 9(1) (“authorizing reproduction”).
 - TRIPS Articles 41(1) & 42.

6



Secondary Liability Today

- Questions remain whether and how secondary liability will be applied in the bricks and mortar world, for example in the area of landlord liability.
- But secondary liability is also required tool for dealing with online piracy.
- Secondary liability is a fundamental requirement for any Internet Service Provider Liability “notice and take-down” systems that provide a “safe harbor” for ISPs that take down infringing materials from their networks.
- Peer-to-peer file sharing networks seek to profit off of perceived loopholes in secondary liability regimes.

7



Secondary Liability Doctrines

- The two major doctrines are contributory liability and vicarious liability.
- Contributory liability: Based on culpable acts.
 - Test: Defendant knows or has reason to know of infringement and induces, causes or materially contributes to the infringing conduct of another.
- Vicarious liability: Based on control.
 - Test: Defendant has a direct financial interest in infringing conduct that she has a right and ability to control.
- New Liability for inducement?

8



Pre-Internet Cases: Venues that facilitate infringement

- The “Landlord” Cases: The defendant rents space in an apartment or a building to an infringer.
 - Secondary liability often avoided.
 - The “Department store” case shows that secondary liability may attach in unusual cases.
 - Defendant received rent based upon a percentage of the infringer’s sales or profits.
 - Infringing goods might have drawn more customers to the defendant’s store.

9



Pre-Internet Cases: Venues that facilitate infringement

- The “Dance Hall” Cases: Defendant owns a facility at which infringing musicians perform works for customers.
 - Cases involved facilities including dance halls, restaurants, race tracks. Many did not separately charge customers for listening to infringing performances.
 - Vicarious liability was often imposed.
 - Courts often found an ability to control even if musicians were “independent contractors.”

10



Pre-Internet Cases: Venues that facilitate infringement

- The “Swap Meet” Cases: Defendant operated a market at which vendors sell infringing goods.
 - Cases often involved fairly informal “flea markets” that charged vendors a small fee to set up booths to sell goods to customers attracted to the market
 - Contributory and vicarious liability were often imposed.
 - Rightsholders had usually notified operators about infringing vendors before suing.
 - Market operators benefited when infringing goods acted as a “draw” to attract customers to the market.
 - Liability could be avoided if sales of infringing goods constituted only a very small percentage of total sales.

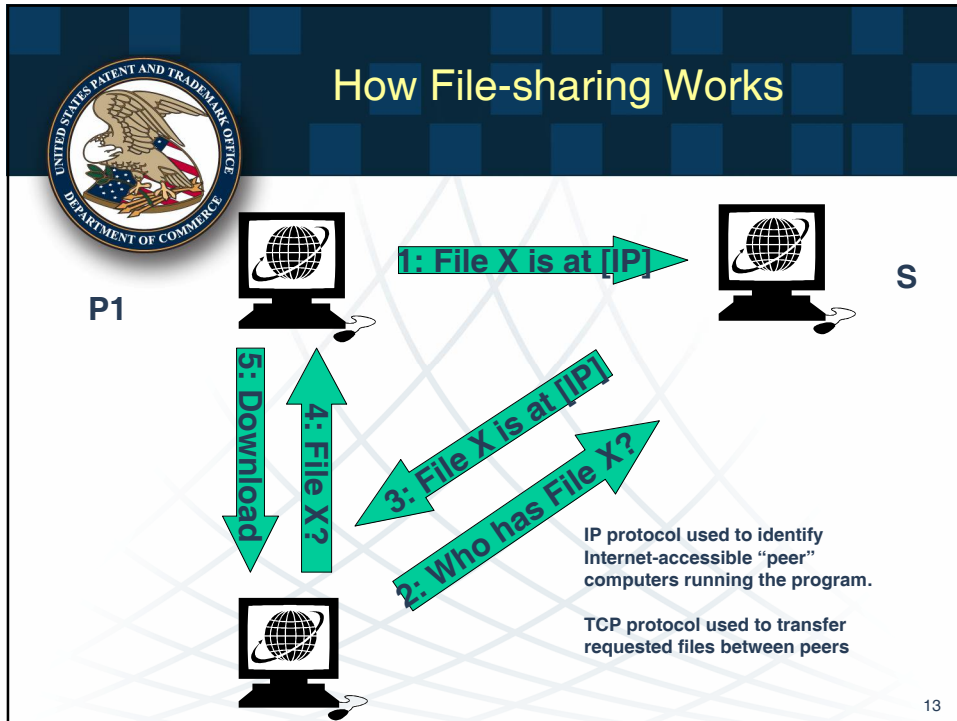
11



Filesharing Software

- Distributors of so-called “peer-to-peer” filesharing programs forced courts to resolve many questions about secondary liability.
- A filesharing program is a protocol for networking personal computers that can access the Internet.
 - Users can make files available for many other users to download.
 - Users can search for and download files made available by others.
 - Most programs create indices of shared files on computers that act as “search-index servers” for many users.

12



Other Considerations about P2P

USPTO Report:
 "Filesharing Programs and Technological Features to Induce Users to Share"

Filesharing programs can:

- cause inadvertent sharing that can compromise entire networks as well as individual computers.
- infect computer networks with malicious code. (45% of popular downloaded files contain malicious code.)
- Contain vulnerabilities that hackers can exploit to steal sensitive data (personal, financial, business, or government classified information).

• http://www.uspto.gov/web/offices/dcom/olia/copyright/oir_report_on_inadvertent_sharing_v1012.pdf

14

Please feel free to ask questions:



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Internet Trademark Infringement



Jennie Ness
Regional IP Attaché
U.S. Commercial Service



Internet Infringement

Takes many forms

- Includes activities that may not constitute trademark infringement but are likely unfair competition:
- Sale of trademark infringing goods online, such as through online auctions
- Domain name “cybersquatting”
- Framing of a website
- Deep linking
- Infringing use of mark in Meta-tags



Trademark Protection for Domain Names

- Is trademark protection available for domain names?
 - Yes, if the domain name is functioning not only as such, but also as a source indicator.

3



Trademark Protection for Domain Names

- Is the domain name displayed only as a domain name on the address line of a browser, or is it also displayed elsewhere, in a *source indicating* manner?
- Does the domain name include a distinctive component?

4



Cybersquatting

The problem: unscrupulous parties register domain names comprised of trademarks owned by others to achieve various improper goals, including:

- Misdirecting would-be customers of the trademark owner to web sites at which the unscrupulous party sells goods; and
- Selling the domain to the trademark owner.

5



The Uniform Dispute Resolution Policy (UDRP)

- The Uniform Dispute Resolution Policy (UDRP)
 - All registrars accredited by ICANN (the Internet Corporation for Assigned Names and Numbers) have adopted a dispute resolution policy whereby all parties who register a domain name with these registrars agree to binding arbitration.

6



Bad Faith Registration of Domain Names

- That binding arbitration is conducted pursuant to the Uniform Dispute Resolution Policy.

7



Bad Faith Registration of Domain Names

- If a trademark-owner believes that a particular domain name infringes its trademark, that party can initiate a proceeding pursuant to the UDRP.

8



Bad Faith Registration of Domain Names

- The UDRP cannot award *monetary* damages to the trademark owner. Instead, the trademark owner asks the UDRP panel to either:
 - Cancel the domain name; or
 - Transfer the domain name to the trademark owner.

9



Bad Faith Registration of Domain Names

- To be successful in a UDRP proceeding, the complainant must show that:
 - The domain name is identical or confusingly similar to a trademark in which the complainant has rights;
 - The respondent does *not* have rights in the domain name; and
 - The domain name was registered and is being used in **bad faith**.

10



Bad Faith Registration of Domain Names

- Factors showing bad faith?
 - Respondent acquired domain name to sell or rent it to trademark owner for any price in excess of expenses.
 - Respondent acquired domain merely to prevent trademark owner from acquiring it, and that the holder engages in that conduct repeatedly.
 - obtained domain for the purpose of disrupting trademark owner's business.

11



Bad Faith Registration of Domain Names

- The holder obtained the domain name in order to create a *likelihood of confusion* with respect to the trademark owner: its purpose in obtaining the domain name was to divert consumers away from the trademark owner's web site, for the domain owner's personal gain.

12



Bad Faith Registration of Domain Names

- A respondent can overcome a challenge brought in a UDRP proceeding by showing:
 - The respondent used or prepared to use the domain name in connection with a bona fide offering of goods or services *before* it learned of the trademark holder's opposition; or
 - The respondent has been known by the domain name; or
 - The respondent is making fair, non-commercial use of the domain name, and does not intend to divert the trademark owner's customers away from that owner's web site.

13



Bad Faith Registration of Domain Names

- The UDRP does not preclude either party from seeking relief in court. Before a UDRP proceeding is commenced or after it is concluded, either party can commence a suit in an appropriate court.

14



Bad Faith Registration of Domain Names

- Some of the elements that must be included in a complaint:
 - A formal request to submit the complaint to an arbitrator;
 - Identification of:
 - The domain name at issue;
 - The complainant's contact information, and the respondent's contact information, to the extent its available;
 - The registrar that registered the domain name at issue;

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Bad Faith Registration of Domain Names

Elements in a complaint (continued):

- Identification of:
- The trademark that is said to bar use of the domain name; and
 - The grounds for the complaint, including:
 - A showing of how the domain name is confusingly similar to the trademark;
 - A showing as to why the respondent has no rights or legitimate interests in the domain name; and
 - A showing as to how the domain name holder acted in bad faith.

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Bad Faith Registration of Domain Names

- Some features of the proceeding.
 - The panel is composed of one panelist, unless either party requests that three panelists serve. If the respondent requests three panelists, it bears the cost.
 - The complainant must transmit a copy of the complaint to the respondent.
 - The arbitration service selected by the complainant reviews the complaint for compliance with the rules.

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Bad Faith Registration of Domain Names

- If the complaint was drafted according to the rules, the arbitration service forwards a copy to the respondent, within three days of receipt.
- If the complaint is deficient, the arbitration service notifies the complainant of the deficiency promptly, and the complainant is given five days to correct the deficiency.

18



Bad Faith Registration of Domain Names

- The respondent's response must be submitted within twenty days of the day the proceeding was commenced. (The proceeding commences when the arbitration provider transmits the complaint to the respondent).

19



Bad Faith Registration of Domain Names

- If the panel determines that the domain name should be transferred or cancelled, it notifies the registrar of its decision. The registrar implements the panel's decision, but not until after ten days from the day it was notified of that decision.
- If the respondent commences a court action during the ten day period, the registrar will defer implementing the panel decision until the court action is concluded.

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Example of a UDRP Dispute

- *Target Brands, Inc. v. Eastwind Group*, FA267475 (Nat. Arb. Forum July 9, 2004).
 - Domain name: www.target.org.
 - Trademark: TARGET. Trademark owner owns over 1000 retail stores identified by the mark TARGET, and owns numerous US Trademark registrations.
 - Domain name owner used its web site to provide links to other pages related to archery.

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Example of a UDRP Dispute

- Panel's finding.
 - The domain name and the service mark are identical.
 - Addition of a .tld does not dispel similarity between the domain name and the trademark.
 - Respondent has legitimate rights in the domain name.
 - It uses the mark in connection with archery, and it was the first to register the common, generic term TARGET.
 - No evidence of bad faith.
 - The respondent has not shown a bad pattern of conduct.

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Example of a UDRP Dispute

- *Kraft Foods, Inc. v. Nowon Uknow* (Case No. D2005-1153, Jan. 1, 2006).
 - Domain name: kraftbrand.com.
 - Trademark: KRAFT, in use since 1903, associated with over 60,000 products worldwide.
 - Domain name owner uses the web site to divert users to another site that displays offensive content.

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Example of a UDRP Dispute

- Panel's Findings:
 - The domain name is confusingly similar to the mark.
 - The respondent never used the domain name in connection with a bona fide offering of goods or services.
 - The respondent exhibited bad faith:
 - It deliberately capitalized on the reputation of KRAFT.
 - KRAFT is a coined word (unlike TARGET).
 - The respondent hid its real identity.

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Example of a UDRP Dispute

- *United States Postal Service v. Falcon Supply Co., Inc.* FA0608000780227 (Nat. Arb. Forum, October 5, 2006)
 - Domain name: uspsupplies.com. Web site used to sell mailing and packing supplies.
 - Trademark: USPS, for US national postal services.

25



Example of a UDRP Dispute

- Panel's findings:
 - The domain name is confusingly similar to the trademark.
 - Neither the addition of the generic term SUPPLIES, nor the deletion of an S, dispels the similarity.
 - The respondent has no rights in the term.
 - It was not engaging in *nominative fair use*, since it was selling its own products, not the trademark owner's products.

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Example of a UDRP Dispute

- Panel's findings:
 - The respondent acted in bad faith.
 - Use of a confusingly similar, typographical variant of a trademark to mis-direct consumers to a web site is necessarily a bad-faith undertaking.

27



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Trademark Law in Digital Environment

**APEC Workshop on IPRs enforcement,
Vietnam, July 2007**

**Pancy Fung
Assistant Director of Intellectual Property
Intellectual Property Department
Government of Hong Kong SAR
Hong Kong, China
4 July 2007**



E-business Model

E-business Model



Outline

- Timetable
- E-business vision
- Way to provide e-business services
- Challenges
- Implementation strategy
- Examples: Online search
E-filing system
- Outcome
- Way forward

Timetable



- Online search of trademarks records (since January 2003)
Online search of patents and designs records (since May 2004)
(<http://ipsearch.ipd.gov.hk/index.html>)
- Online Publication (Hong Kong Intellectual Property Journal
(since April 2003)
(http://ipd.gov.hk/eng/ip_journal.htm)
- Online filing & online payment
(since December 2003)
(<http://iponline.ipd.gov.hk>)
- Interactive services
(since November 2005)

E-business vision



To deliver the best possible outcome by integration of the three elements below to enable a real time work culture for IP registration activities:

- Legislations/Rules/Terms of use
- IT system
- Users

E-business vision - Legislations/Rules/Terms of Use



- Rules 109, 110 and 111 of the Trade Marks Rules (Cap 559A)
- Sections 93A, 93B and 93C of Patents (General) Rules (Cap 514C)
- Sections 60A, 60B and 60C of Registered Designs Rules (Cap 522A)
- Terms of Use (<https://iponline.ipd.gov.hk>)

E-business vision - IT system (1)



System design:

- Web-enabled
- End-to-end, i.e. electronic processing from filing to receiving reply from IPD
- No double-handling of data input : direct transmission of data from applicants/agents to IPD's IT system
- Do it once, do it right

E-business vision - IT system (2)



- Total transparency on system requirements:
 - Validation rules
 - Interface design
- Business Process Reengineering (BPR)
e.g. simplify trademark forms (from 47 forms to 14 forms)

E-business vision – Users



- IP professionals
- IP Offices
- IP owners
- IPD staff
- General public

Way to provide e-business services



- Private-public partnership through outsourcing
- Contract Value:
 - HK\$54 million (US\$6.9 million) for 5 years awarded in 2001 (Contract variation in 2005 to provide interactive service at a cost of HK\$8.8 million (US\$1.1 million))
 - HK\$79 million (US\$10 million) for 5 years awarded in 2006
- Benefits of outsourcing:
 - leverage IT knowledge / skills/personnel from private sector
 - reduce costs

Challenges



- Different users' requirements (both internal & external users)
- System credibility & reliability
- Language: English & Chinese (traditional characters Vs. simplified characters)
- Data conversion & cleansing

Implementation strategy



- Collecting users' requirements
- Building up partnership & trust
- System credibility
- Language
- Data conversion & cleansing
- Recognition given to external users

Implementation strategy – Collecting user’s requirements



- Sufficient lead time (at least 12 months)
- Setting up Focus User Group
- Incorporate users’ needs
 - onsite study on their working processes
 - Understand their systems :
 - * data format
 - * how data are stored, searched & retrieved

Implementation strategy – Building up partnership & trust



- One-to-one partnership with external clients
- Hotline from 0900 – 1900 Mon to Fri
- Training: both onsite and offsite

Implementation strategy – System credibility (1)



- Address system credibility concerns e.g. parallel run of e/paper filing for initial weeks
- Adopt international standards/best practices
 - ISO country codes
 - XML
 - Unicode
 - ISO 10646 (Ming font)

Implementation strategy – System credibility (2)



- System design reviewed by external consultants
 - Polytechnic University Retainership
 - Dave Allin, Director of Procedures, Security and Inventory from European Patent Office (EPO)
- Online search schedule advanced for 1 year (online search launched in Jan 2003 instead of 2004 under the contract)

Implementation strategy - Language



- Data are stored/searched/displayed in accordance with the language of proceedings used by an applicant
- System provides both English & Chinese interface for searching and e-filing
- For Chinese marks, trademark text in both traditional & simplified characters is inputted in online search.

Implementation strategy – Data conversion & cleansing



- Data conversion from existing system to online search system : repeated manual checking and system matching to ensure 99% accuracy rate
- Study data storage format of users to enable data matching
- Use fuzzy logic in application number and company name in interactive services allowing instant approval of proceedings

“512 of 1992” = “199200512”

Company = Co.

Limited = Ltd.

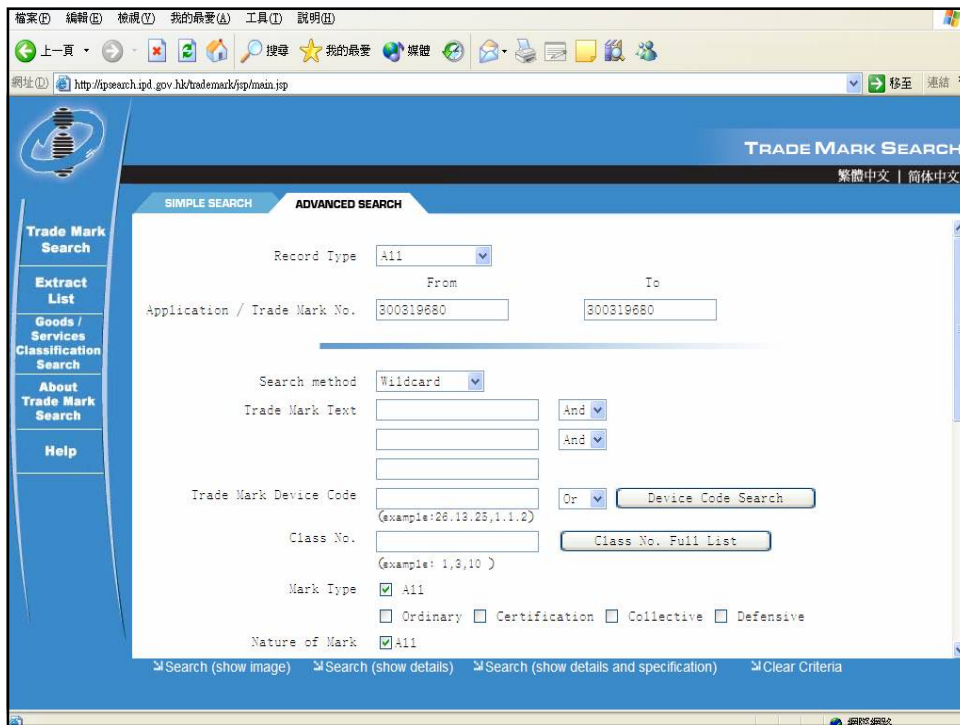
Implementation strategy – Recognition given to external users



- First Generation of E-Filers Award
- Top E-Filers Award 2005
- Top E-Filers Award 2006
- Ranking of e-filers posted on IPD's website (http://www.ipd.gov.hk/eng/whats_new)

Online search






TRADE MARK SEARCH
繁體中文 | 简体中文

檢視列印版本
View Printer Friendly Version

商標記錄
Trade Mark Records

[11]	商標編號: Trade Mark No.:	300319680
	狀況: Status:	Registered
[54]	商標: Mark:	VTV4 
[50]	商標種類: Mark Type:	Ordinary
[57]	商標描述: Mark Description:	The applicant claims the colours red, green and cobalt blue as elements of the mark.
[730]	擁有人 姓名/名稱、地址: Owner's Name, Address:	VIETNAM TELEVISION 43 NGUYEN CHI THANH AVENUE, HANOI, VIETNAM.
[740/ 750]	擁有人之送達地址: Owner's Address for Service:	TRADEMARK.COM LIMITED SUITE 706 WING ON LIFE BUILDING, 22-22A DES VOEUX ROAD CENTRAL, HONG KONG.
	代理人地址: Agent's Address:	SUITE 706 WING ON LIFE BUILDING, 22-22A DES VOEUX ROAD CENTRAL, HONG KONG.
[51]	類別編號: Class No.:	38

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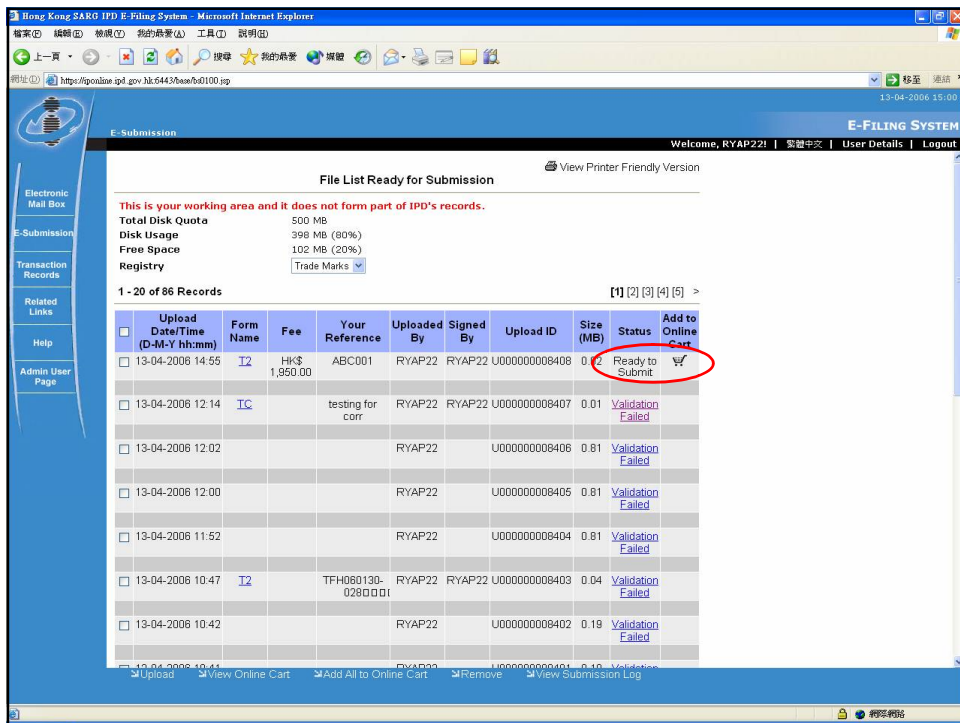
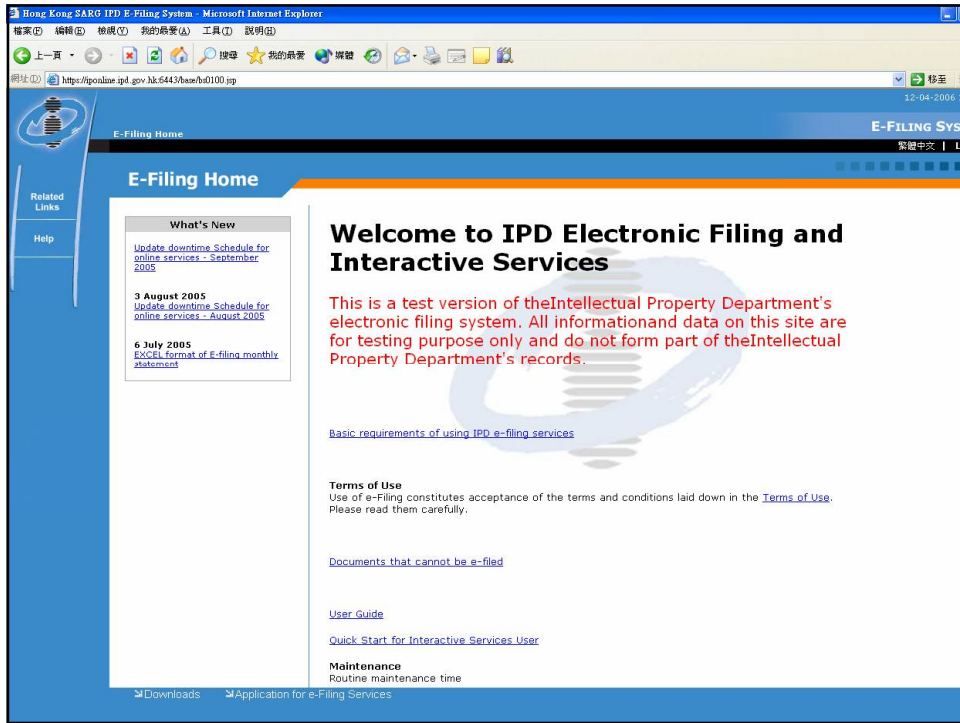


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Intellectual Property Department

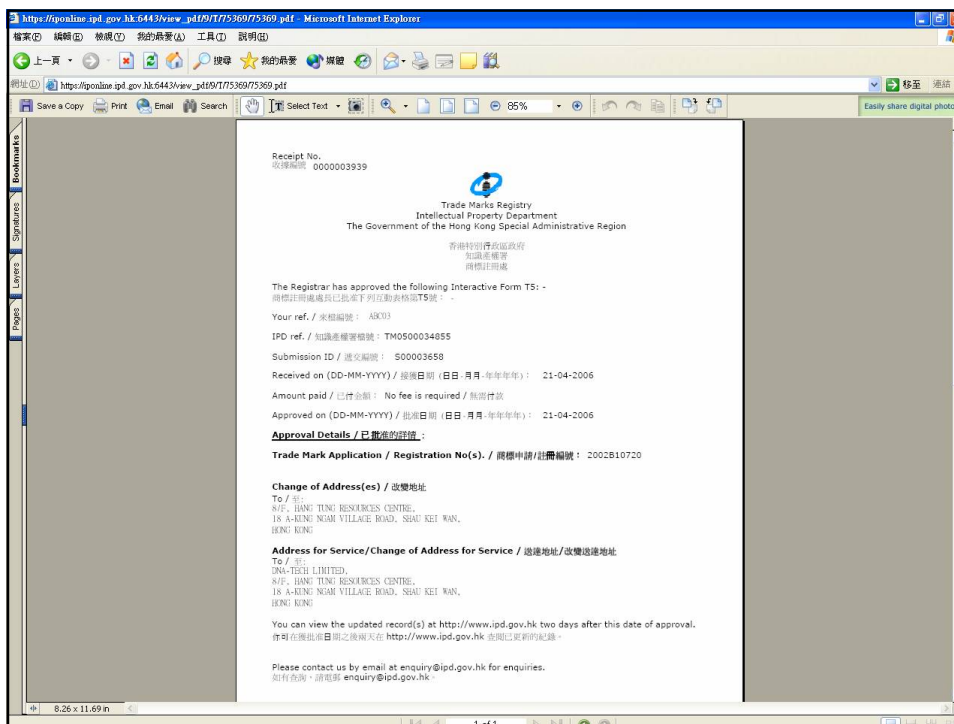
E-filing system

香港知识产权署
Intellectual Property Department

Intellectual Property Department, Hong Kong SAR Government
24



Paper from “Workshop on the Protection and Enforcement of Intellectual Property Rights in the Digital Era in Nha Trang, 4-6 July 2007, APEC#207-CT-04.9, 2007 Copyright APEC Secretariat”



Outcome (1)

- Online search
 - over 27,000 visitors per month (as at June 2007)
- E-filing (as at June 2007)
 - 94 e-filers
 - Over 106,754 e-transactions
 - Reached over 57% migration rate for trademark application
- Interactive services
 - Close to real time processing of renewal, change of name/address/address for service, assignment & extension of time

Intellectual Property Department, Hong Kong SAR Government
28

Outcome (2)



- Example of BPR : reduction of trademark forms from 47 to 14
- Improved customer services : in terms of speed, convenience and accuracy
- Creating trust between IPD & external users
- Facilitate IP owners to protect their rights anywhere via Internet
- Reduction of fees & staff, & savings

Way forward



- To pathfind the next generation of e-services
- To provide deeper and broader e-services to users



Thank you !

<http://www.ipd.gov.hk>



Counterfeiting and Piracy

APEC WORKSHOP
4 July 2007

Counterfeiting and Piracy

- Global concern
- Mutually agreed objectives
- Features in the digital era

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Counterfeiting and Piracy

- Background
- Luxury goods
- Consumer products
- Health & safety !
- Main sources (China & Russia)
- Infringers (characteristics)
 - no tax/organized crime

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Counterfeiting and Piracy

Digital revolution

- Global transmission
- Unlimited reproduction
- Balance of interests



Traditional laws not adequate

- Book publishers/software creators/ entertainment industry

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Counterfeiting and Piracy

DIGITAL PIRACY – Copyright

- Entertainment industry
- economic damage

▲ uploading

- criminal (HKG, JP, SG & US)

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Counterfeiting and Piracy

DIGITAL PIRACY – Copyright

▼ downloading

- criminal (JP, SG & US)
- policy (justifiable?)

civil

- (uploading & downloading –
most jurisdictions)

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Counterfeiting and Piracy

Remedies



freedom of expression

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Counterfeiting & Piracy

DIGITAL PIRACY

Online Service Providers

- voluntary co-operation
 - notice & take down
 - business practices
 - authorization
- (Aust., China & US)



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Counterfeiting & Piracy

AUSTRALIA

Cases

- Louis Vuitton (landlord)
- Cooper (digital)

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Counterfeiting & Piracy

CHINA

challenges

(enforcement)

measures

(criminal & civil actions;
landlords)



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Counterfeiting & Piracy

HONG KONG

Challenges

- Companies Ord.
- reciprocal enforcement

Measures

- education
- monitoring

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Counterfeiting & Piracy

HONG KONG

- Big Crook case
- Student guilty of uploading



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Counterfeiting & Piracy

HONG KONG



- **Copyright Consultation**
- All embracing right
- Statutory damages
- Accessing data
- Exemptions

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Counterfeiting & Piracy

INDIA



challenges

- customs
- delays

measures

- laws

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Counterfeiting & Piracy

INDONESIA



challenges

- delay, transparency, experience
- copyright

measures

- education

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Counterfeiting & Piracy

KOREA (STH)



challenges

- increasing

measures

- anti-counterfeiting division



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Counterfeiting & Piracy

PHILIPPINES



challenges

(rampant counterfeiting)

measures

(IPR Enforcement Action Panel)

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Counterfeiting & Piracy

SINGAPORE



challenges

- trans-shipment
- Customs

measures

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Counterfeiting & Piracy

UNITED STATES

- IP Protection Act 2007
- DCMA
 - notice and take down
 - statutory damages
- # Free Trade Agreements
 - Korea (Sth)

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Counterfeiting & Piracy

VIETNAM

- Administrative actions
- Civil proceedings
- Criminal Code



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Counterfeiting & Piracy

Thank you !

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SERVING AUTHORS WORLDWIDE
AU SERVICE DES AUTEURS DANS LE MONDE
AL SERVICIO DE LOS AUTORES EN EL MUNDO

Topic 3 Counterfeiting & Piracy

A Global Concern & Particular Features in the Digital Era

Document's reference
Author :
Event
City, JJ/MM/AAA – JJ/MM/AAAA
Original language : English

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1

Bundle of Exclusive Copyrights



Reproduction Right



Public Performance Right



Broadcasting Right



Cable Transmission Right



Publication Right



Adaptation Right



Making Available Right

 ©CISAC

2

Copyright Infringement

- If usage does not fall within the allowed exceptions or statutory licences, **prior permission** of copyright owner must be obtained before any exclusive right may be utilized by anyone
- Copyright infringement occurs when a protected work is utilized without the approval of the copyright owner
- Piracy & counterfeiting are infringements of the reproduction rights in copyright works

Piracy – A Global Concern

- IP piracy has been around for a long time, eg: first Japanese copyright law, 1869 Publishing Ordinance was enacted in response to piracy
- Piracy is one part of the illegal economy (black market) – together with illicit drugs, stolen vehicles, counterfeit credit cards
- In past decade, globalization + technological advances have lowered trade barriers and resulted in global scale piracy of all types of copyright materials

Piracy – A Global Concern

- No longer restricted to national boundaries
- Due to technological advances, one single copy can be sent via the Internet to every country in the world for perfect copies to be made in each country for local distribution
- Has become extremely profitable, with low risks for organized crime syndicates – piracy is financing criminal activities
- Every country in the world suffers to some extent from the effects of piracy

Piracy – Global Losses

- 1.5 billion illegal discs valued at US\$4.6 billion representing 34% of all discs sold worldwide
- Entertainment Software estimated losses of over US\$3 billion in 2004
- BSA reported losses of US\$33 billion in 2004
- Book Publishers reported losses of US\$500 million

PIRATED PRODUCTS WILL ALWAYS BE CHEAPER

- No financial risk or investment in new products
- No payments to any of the creative persons behind the product
- No spending on advertising & promotion
- No labour taxes or contributions to employment or pension funds
- No corporate or personal income taxes
- No quality control or after sales service

Piracy – Unfair Competition

- Corporate Taxes - 20% x Profits
- Income Taxes - 20% x Taxable Income
- Employee P Fund - 15% x Salaries
- Employee Benefits - 5% x Salaries
- Advertising Costs - 5% x Costs
- WS/Retailers' Margin - 20% x PPD
- Composers' Royalties - 5.4% x PPD
- Performers' Royalties - 15% x PPD
- No Failed Investment - 25% x Income
- No After Sales Support - 5% x Costs

Types of Piracy - Music

- Common types of music piracy:

- 1. Unauthorized reproduction**

➤ Duplication of an original recording for commercial gain without the consent of the right owner. Packaging of pirate copy is different from original, often of inferior quality. Such pirate copies of compact discs (CDs) & cassette tapes are usually much cheaper than the original

- 2. Counterfeits**

➤ Recording that is copied and packaged to resemble original as closely as possible to mislead public into believing that they are buying an original



9

Types of Piracy - Music

- 3. Bootlegging**

➤ an unauthorized recording of a live or broadcast performance is made and the recording is then duplicated and sold without the permission of the composer, artist or the record company

- 4. Digital Piracy**

➤ The unauthorized copying via the Internet and other possible digital delivery systems has become a new major threat

- MP3
- Ring Tones



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- **Video Cassette Piracy**

- ***Often packaged in counterfeit videocassette boxes that resemble legitimate packaging***

- *Cam-cording* - Pirates use hand-held video cameras to record films off of theater screens
- *Back-to-back Copying* - A pirate videocassette made by connecting two VCRs and then copying an original video onto a blank cassette

- **Optical Disc Piracy**

- ***Include Laser Discs (LD), Video Compact Discs (VCD) & Digital Versatile Discs (DVD) - inexpensive to manufacture & easy to distribute***

- **Signal Theft**

- Illegally tapping into cable TV systems & receiving satellite signals without authorization
- Supplying consumers with illegally tampered cable decoders or satellite de-scramblers

- **Broadcast Piracy**

- ***On-air broadcast of a bootleg videocassette or DVD of a film or the on-air showing of legitimate films or television programs without copyright holder's permission***

Book Piracy

- **Illegal Commercial Photocopying**
 - **Copy shops**
- **Digital/Electronic Piracy**
- **Unauthorized translations**
 - **JK Rowling's latest book – Harry Potter and the Half Blood Prince – unauthorized translation available in China in August 2005; launch of authorized version in October 2005!**

Internet Piracy

1. Downloadable Media

- Digital files that allow films to be compressed & uploaded for direct download onto a computer
- Pirates use these formats to illegally offer & distribute motion pictures to other Internet users
 - Usual *MO* - Pirate host creates digital copies that are recorded into a computer file from illegal VCD copies of films
 - Using online communication means, such as chat rooms, Internet Relay Chats (IRC), FTP sites, newsgroups, File Swapping Utilities (FSUs) & Web sites, the pirate offers these files to other Internet users who then download the motion picture file onto their own computers

Internet Piracy

2. Sale of Hard Goods Over the Internet

- Illegal sale, distribution &/or trading of copies of motion pictures in any format, including videocassettes and all optical media product on web sites, online auction sites such as eBay and Yahoo!, and via e-mail solicitations

3. Streaming Media

- Transmission or transfer of data that is delivered to the online user or viewer in a steady stream in near real time

Internet Piracy

- **Internet Piracy:**

4. Circumvention Devices

- Any physical medium or digital file that allows for the circumvention of content protection devices put on films, videos, discs, etc.
- One such device is the software called DeCSS – used to break the copy protection on DVDs, making it possible for motion pictures in DVD format to be decrypted & illegally copied onto a computer's hard-drive for further distribution over the Internet or otherwise, in perfect, digital format
- Other common circumvention devices include "black boxes" and other illegal signal theft devices and macrovision defeaters

Software Piracy

- **End User Piracy**

Where a company employee reproduces copies of software without authorization in the following forms:

- Using one licensed copy to install a program on multiple computers
- Copying disks for installation and distribution
- Acquiring academic or other non-retail software for commercial use
- Swapping disks in or outside the workplace

Software Piracy

- **Client-Server Overuse**

Where too many employees on a network use a central copy of a program at the same time

- If you have a local-area network and install programs on the server for several people to use, you have to ensure that your licence entitles you to do so. If you have more users than allowed by the license, that's "overuse"

Software Piracy (including Entertainment Software)

- **Hard-Disk Loading**

- Where a computer vendor loads illegal copies of software onto the hard disks to make the purchase of the machines more attractive

- **Software Counterfeiting**

- Illegal duplication & sale of packaged software; counterfeit copies of CDs or diskettes incorporating the software programs, as well as related packaging, manuals, license agreements, labels, registration cards and security features

Software Piracy (including Entertainment Software)

- **Internet Piracy**

This occurs when software is downloaded from the Internet such as:

- Pirate websites that make software available for free download or in exchange for uploaded programs
- Internet auction sites that offer counterfeit, out-of-channel, infringing copyright software
- Peer-to-Peer networks that enable unauthorized transfer of copyrighted programs

Other Forms of Copyright Infringement

- Record companies that make recordings but fail to obtain permission &/or pay royalties to collecting societies and/or publishers
- Infringement of the public performance & broadcast rights. An endemic problem that is not so obvious to the public or authorities
 - 50% of radio stations in Philippines do not pay royalties for use of copyright works in their programming
 - Cable TV operators in Thailand do not pay royalties for use of musical works in their programming
 - Apart from a couple, hotels in Vietnam do not pay royalties for use of music

Impact of Piracy

- **Deprives the legitimate right owner of the economic benefits of his/her creations**
 - Honour and fame cannot be converted into cash and three wholesome meals for the creator
- **Powerful disincentive to the creators to refine and improve on his craft and creations**
 - Every successful idea or creation is immediately copied and exploited without return to the creator; the pirate does not copy or reproduce a poor/bad creation

Impact of Piracy

- **Turns away investment**
 - The entrepreneur, whether local or foreign, is unable to secure decent returns on the investment. This will have a multiplier effect on the entire economy
- **Causes economic damage to other legitimate copyright related businesses**
- **Losses of government revenues**
 - Corporate taxes, income taxes

Impact of Piracy

- **Loss of legitimate jobs**
 - Loss of investments result in lesser jobs
- **Organized Crime**
 - Piracy finances crime. There is evidence that profits from piracy are then frequently reinvested in drug trafficking, prostitution and other criminal activities

Piracy - Misguided Notions & Justifications

- Piracy is harmless, a 'victimless' crime
- Piracy benefits the consumer as it provides for cheaper access to books, music, film, software and information
- Piracy promotes competition
- It only benefits foreign right owners
- It will only make Bill Gates richer

Piracy – the Real Picture

- The pirate is a parasite living off the creativity, talents and investments of others
- Piracy is theft and the people involved in it are criminals who threaten the growth and survival of the legitimate creative & cultural industries

Let's fight piracy, counterfeiters, all forms of copyright infringement & encourage creativity!



Enforcement of Intellectual Property Law

**APEC Workshop on IPRs enforcement,
Vietnam, July 2007**

**Pancy Fung
Assistant Director of Intellectual Property
Intellectual Property Department
Government of Hong Kong SAR
Hong Kong, China
4 July 2007**

Outline

- Introduction
- Comprehensive Legislation
- Resource Commitment
- Effective Enforcement
- Strategic Partnership with the IPR Industry



Introduction

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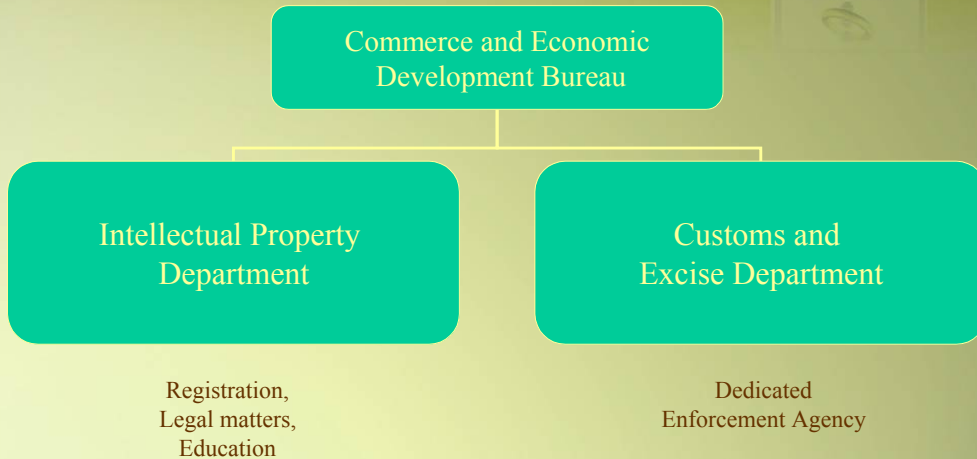
Civil and Criminal Liabilities

- Civil remedies
 - Infringement of copyright, trade marks, patents and registered designs
- Criminal sanctions
 - copyright piracy and trade mark counterfeiting

Intellectual Property Department, Hong Kong SAR Government

4

Organizations for IPR Protection in Hong Kong



Comprehensive Legislation

Comprehensive Legislation



- Trademarks Ordinance
- Patents Ordinance
- Registered Designs Ordinance
- Copyright Ordinance
- Prevention of Copyright Piracy Ordinance
- Trade Descriptions Ordinance
- Import & Export Ordinance
- Organized and Serious Crimes Ordinance

(Bilingual Laws Information System at
<http://www.legislation.gov.hk/eng/home.htm>)

Maximum Penalties



- Offences under the Copyright Ordinance
 - Make, sell, possess or import/ export an infringing copy of a copyright work for commercial purposes:
 - ♦ imprisonment for 4 years and fine of HK\$50,000 (US\$6,410) per infringing copy
 - Make, sell, possess or import/ export an article specifically designed or adapted for making copies of a particular copyright work for commercial purposes:
 - ♦ imprisonment for 8 years and fine of HK\$500,000 (US\$64,100)

Maximum Penalties (con't)



- Offences under the Trade Descriptions Ordinance
 - Possess, supply or import/ export goods with false trade descriptions/ forged trade marks for commercial purposes
 - ♦ imprisonment for 5 years and fine of HK\$500,000 (US\$64,100)

Maximum Penalties Imposed by Court



- Copyright Cases
 - Imprisonment – 48 months
 - Fine – HK\$1.98M (US\$254,000)
- Trade Descriptions Cases
 - Imprisonment – 45 months
 - Fine – HK\$0.4M (US\$51,300)



Resource Commitment

Intellectual Property Department, Hong Kong SAR Government

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Resources Commitment

- Enforcement strength for combating IPR infringement activities in HK Customs:
 - 250 officers in the Intellectual Property Investigation Bureau
 - 150 officers in the Special Task Force
- Customs officers at entry/exit points including the Airport, container terminals and boundary control points are actively involved in IPR protection

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Anti-Internet Piracy Teams (AIPT)



- Traditional Piracy vs. Internet Piracy (Crime Scene)
 - Websites
 - E-mails
 - Newsgroups
 - Chat Rooms
 - ICQ “I seek you”
 - Bulletin Boards
 - Peer-to-Peer Network
 - Other communication means (e.g. NetMeeting)

AIPT (con't)



- Enforcement Difficulties
 - No boundary in the cyber space
 - Vast amount of websites, auctions sites, information exchange platforms
 - Need co-operation of Internet Services Providers
 - Time critical
 - Rapid development of the Internet (e.g. emergency of Peer-to-Peer)

AIPT (con't)



- 2 AIPTs to fight against piracy and counterfeiting activities on the Internet
 - Members trained in local & overseas professional institutions
 - Equipped with advanced investigation tools

AIPT (con't)



- The 24-hour Peer-to-Peer Task Force
 - set up by HK Customs & the film industry since 16 Dec 2004
 - closely monitor the P2P network
 - take immediate action on suspected cases

Enforcement Results



Nature of case	Year							
	2000	2001	2002	2003	2004	2005	2006	2007 (as at 27 June 2007)
Distribution of works in form of Website- Free	3	1	1	3	-	-	1	-
Distribution of works in form of Website-Payment required	-	-	1	-	-	-	-	-
Selling infringing items in the form of Website	2	1	2	4	1	2	1	-
Selling infringing items at Auction Site	-	1	1	9	6	12	16	14
Selling infringing items at News group	1	-	-	-	-	-	-	-
Distribution of Copyright works by P2P program	-	-	-	-	1-	-	-	-
Yearly total	6	3	5	16	7	15	18	14

AIPT (con't)



- Achievements

First-ever successful enforcement action against illegal P2P activities on the Internet

- Person who was found to upload three movies of different titles to a local BT discussion forum arrested in Jan 2005
- Sentenced to three months' imprisonment in Nov 2005. Appeal dismissed in Dec 2006. Court of Final Appeal (CFA) hearing was held on 9 May 2007 & appeal dismissed

(CFA decision at

http://legalref.judiciary.gov.hk/lrs/common/ju/ju_frame.jsp?DIS=57111&currpage=T)


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Effective Enforcement

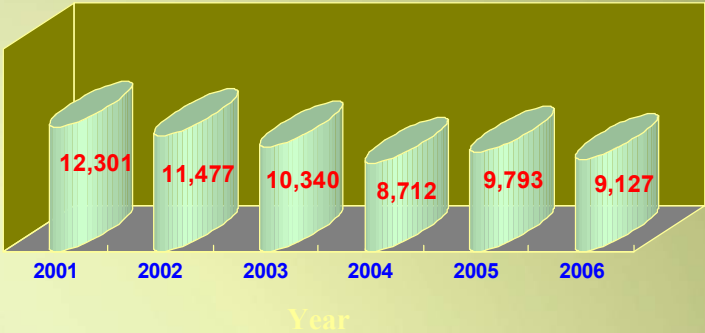
Intellectual Property Department, Hong Kong SAR Government 19

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Enforcement Results (Copyright Ordinance)

No. of Cases



Year	No. of Cases
2001	12,301
2002	11,477
2003	10,340
2004	8,712
2005	9,793
2006	9,127

Year

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Paper from “Workshop on the Protection and Enforcement of Intellectual Property Rights in the Digital Era in Nha Trang, 4-6 July 2007, APEC#207-CT-04.9, 2007 Copyright APEC Secretariat”

Enforcement Results (Trade Descriptions Ordinance)



No. of Cases



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Enforcement Strategies



- Four levels
 - Manufacture, import/ export, distribution and retail
- Strategies
 - Intelligence-led operations (self-developed, informers, IPR owners & international counterparts)
 - Pro-active boundary interception
 - Surveillance & in-depth investigation
 - Frequent & repeated raids
 - Restraint of crime proceeds

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Copyright Piracy



- Optical disc piracy
 - Reporting mechanism was imposed on optical disc factories as an additional licence condition in October 2004
 - Focused and repeated raids at known black spots, vigorous enforcement actions are conducted at the storage, distribution and import/export level
 - Operations are mainly intelligence-led with information provided by the industry, other local and overseas law enforcement agencies, members of the public

Copyright Piracy (con't)



Internet Piracy

- Strengthen enforcement force by establishing the 2nd AIPT
- Successful enforcement actions through 24-hour monitoring piracy activities through (P2P) networks

Copyright Piracy (con't)



Corporate Piracy

- Intellectual Property (Miscellaneous Amendments) Ordinance 2000 came into effect in 2001
- Actively against karaoke bars using infringing music video in the course of their business
- Closely work with software industry to combat corporate piracy

Trademark Counterfeiting




Trademarks Counterfeiting

- Repeated raids, seizure of counterfeit goods and prosecution of hawkers, temporary stores and retail shops of counterfeit goods
- Strengthen the collection and exchange of intelligence
- Joint operations with the Hong Kong Police and other enforcement agencies.



Strategic Partnership with the IPR industry

Intellectual Property Department, Hong Kong SAR Government 27



Anti-Internet Piracy Publicity Programmes

- TV Announcements of Public Interest (APIs)
- Radio Partnership Programme - School Tour
- Business Software Certification Programme
- Anti-piracy posters/leaflets to schools
- Boy Scouts Badge on IPR protection
- "Youth Ambassadors Against Internet Piracy" Scheme
- Intellectual Property Rights Protection Alliance
- E-auctioning with Integrity" Scheme

Intellectual Property Department, Hong Kong SAR Government 28

Business Software Certification Programme



Business Software Certification Programme



Aim:

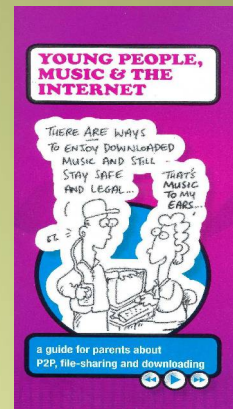
- To further equip organisations with a good knowledge of Software Asset Management (SAM) and to promote proper licensing of business software



Anti-Internet Piracy Campaign - Publication of Parental Guide



- Partnership with the music industry
- A guide for parents about P2P, file-sharing and downloading



Scout Programme on Respect for IPRs



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"Youth Ambassadors Against Internet Piracy" Scheme



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Intellectual Property Rights Protection Alliance



Intellectual Property Rights Protection Alliance

Objectives:

- To strengthen enforcement actions in partnership with IPR owners
- To protect consumers and tourists against pirated and counterfeit sales

E-auctioning with Integrity” Scheme



“E-auctioning with Integrity” Scheme

- to encourage auction site operators to step up screening of auction items and remove listings of suspected infringing goods upon receiving reports from IPR owners
- 25,000 listings removed since inception



Thank You!

<http://www.ipd.gov.hk>

ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS IN VIETNAM

Mr. TRAN Huu Nam
TRAN H. N. & ASSOCIATES
Nhatrang, Vietnam, 04 July - 2007

IPR's Holder entitled to

- Request the end of alleged infringement
- Require competent agencies to administratively handle infringement
- Institute a case before the Court
- Apply Technology Protection Measure

2

THE LEGAL FRAMEWORK Remedies and Procedures

1. Administrative Enforcement;
2. Civil Enforcement;
3. Criminal Enforcement;
4. Border Control Measures by Customs;

3

Agencies Responsible for Administrative Enforcement

- The Customs;
- The Market Control Organization.
- The Economic Police;
- The Specialized Inspectorate (of Science and Technology, of Culture and Information)

4

Government's Active Role

- Steering Joint-ministerial Committee against Smuggling, Counterfeits and commerce fraud
- Specialized administrations ie the Dept of Pharmacy (MoPH), of Protecting Plants (MARD), of Films or of Publishing (MoCI) set up conditions as to IPRs in the issuance of license or visa
- Government's directive to use legal software in administrations and businesses

5

Government Action Program

- In the framework of Action Program Inter-ministerial (MoCI, MoST, MARD, MoF, MoT et MoPS) among other goals, support adhesion of Vietnam to WTO, raids conducted by cooperation of inspectorates of MoCI, et anti-cyber crimes polices C15 - MoPS
- Cooperation avec BSA, distribution of 12000 warnings - 06/05/06
- Raid Action on demand of Right Holder (FPT v game online)

6

Raids on unlicensed software user

- 05/05 PCs Shop (installing illegal copies et burning CDs) a Hanoi, HCM City
- 01/06 infringing game online, 500 MVN
- 03/06 Viet Nhat - PCs Shops in Hanoi, 500 MVN
- 10/06 Daewoo Hanel a JV in Hanoi,1 BVN on 40 PCs, sanction 15 MVN !!!
- 12/06 My Duc JV in HCM City 1,5 BVN on 30 PCs sanction 15 MVN !!!
- 2007

7

I. Administrative Enforcement

- An order to stop the infringement
- A fine up to 20 million VND (USD 1500)
- A fine from 1 to 5 times the value of the infringing goods
- Additional relevant measures (cont.)

8

Administrative Enforcement

- Confiscation of counterfeit or pirate, material contributing to infringement; related documents
- Suspension or Revocation of business license, registration or activities which relate to infringement
- remove infringing elements from goods; destroy infringing goods that are counterfeits, or that are harm to health and safety of human, animals, plants and environment

9

Administrative Enforcement

- 2001 -2006 Copycats of Sunlight case

10

II. Civil Enforcement Legislation

- a. Civil Code (2005)
- b. Civil Procedure Code (2004)
- c. Intellectual Property Law (2005)
- d. Decree No.105/2006/ND-CP (2006) of the Government on the protection of intellectual property rights.

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Civil Enforcement

Article 202 – Intellectual property law

1. Termination of the infringement
2. Public rectification and apology;
3. Performance of civil obligations;
4. Compensation for damages;
5. Destruction, confiscation for distribution or use in non-commercial channel of infringing goods, provided that does not affect the normal exploitation intellectual property rights holder.

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Civil Enforcement

- The plaintiff has to supply conclusive evidences of the infringing,
 - Prove first their actual moral and material damages
- Defendant to comply with order to provide relevant evidence;

13

Civil Damages

- Assessed on the basis of loss in profit caused by the infringement and may include the reasonable cost of any action the owner was forced to take in order to prevent the infringement.
- Alternatively damages may be assessed on the basis of the equivalence of lost royalty fees.
- If not possible to ascertain damages on either of these bases because of insufficiency of evidence, a judge may still award damages by way of reward or compensation up to an amount of VND500 million (\$US 31,000).
- Lawyers' fees, may be demanded and obtained in addition to the damages award.

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Provisional measures

Where any delay may cause a irreparable harm to the right holder or where there is a demonstrable risk of evidence being destroyed

- a. Seizure;
- b. Attachment;
- c. Sealing, prohibition of changing status or displacing;
- d. Prohibition of transferring ownership;

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Provisional measures

Deposit of an amount of money equal to 20% of the value of the goods that is subject to the application of provisional measures, or at least 20 million VND if it is impossible to evaluate those goods; or

- Submitting a guarantee document issued by a bank or other credit organizations

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III. Criminal Enforcement

- Criminal Code (1999);
- Criminal Procedure Code (2003) effective on 01/7/2004;
- Decree no. 105/2006/NDD-CP dated 22/9/2006 on Protection of Intellectual Property;
- Individual, willful

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Criminal Code – Art. 156

1. Offense of producing and selling counterfeit goods lead to prison term from 6 months to 15 years
 - Supplement fine: fine from 5 to 50 million VND, confiscate a part or all counterfeit goods.

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Criminal Code – Art. 157

2. Offense of producing and selling counterfeit good like food, pharmaceutical products, prophylactic products.
- Detention from 2 to 20 years
 - 20 years of imprisonment, life imprisonment or death penalty for the serious and complicated offense.
 - Supplement fine: fine from 5 to 50 million VND, confiscate a part or all counterfeit goods.

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Criminal Code – Art. 158

3. Offense of producing and selling counterfeit goods like food for breeding, fertilizer, pharmaceuticals for veterinarian, medicine for plants protection, resemble of plants and animals.
- Detention from 1 to 15 years;
 - Supplement fine: fine from 5 to 50 million VND, confiscate a part or all counterfeit goods.

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Criminal Code – Art. 171

4. Offense of violation of industrial property

- Fine from 20 up to 200 million VND
- Probation and reeducate up to 2 years
- Offence of organizing, detention from 6 months up to 2 years
- Supplement fine: fine from 10 to 100 million VND.

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Criminal Code

needed guidelines made for conviction of criminal offense on intellectual property rights in Criminal code on merit such as:

- Organized Offence, Repeat offenses
- Serious and complicated infringement.

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IV. Border Enforcement

- Customs Law 2005
- Intellectual Property Law (Articles 216-219)
- Decree No.154/2005/ND-CP (December 15, 2005) of the Government guiding the implementation of the Customs Law on the border procedure, customs control and examination
- Decree No.106/2006/ND-CP on the handling of administrative violations in the field of industrial property.

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Border Enforcement

Customs has the authority to handle goods that are :

- Counterfeiting trademarks and geography indication or
- Pirating copyrighted works.
- Safeguard against possible abuse i.e. undue exercise of IPRs

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Border Enforcement

The Customs seize imported goods

On request of the right holder of industrial property rights.

Upon subjective opinion of the customs (ex officio) on goods suspected to be counterfeit of trademarks or piracy.

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Request by the Right Holder

The right holder filed an request for suspense the Customs clearance of imported goods have

- Depositing an amount of money equal to 20% of the value of the goods that is subject to the application of provisional measures, or at least 20 million VND if it is impossible to evaluate those goods; or
- Submitting a guarantee document issued by a bank or other credit organizations

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New Challenges

- New form of piracy, infringing in digital era
- Keep pace with technology development and environment changes
- Remedies adequate to deter and to prevent infringement and compensate the IPR's Holder

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***Thank You
For Your Attention!***

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Challenges to Enforcement in the Digital Environment

Barry Yen

APEC WORKSHOP
5 July 2007

Enforcement in the Digital Environment

INTRODUCTION

- Problem
- Reasons
- Consequences
- Solutions



Barry Yen
www.ipr.hk

Enforcement in the Digital Environment

PRACTITIONERS

- Monitoring laws
- Advising owners
- Providing Solutions
- Budgets
- Lobbying



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Enforcement in the Digital Environment

RIGHTS HOLDERS

- Different characteristics
- Knowledge (strategy)
- Budget
- Monopoly
- Incentive
- Competition



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Enforcement in the Digital Environment

CONSUMERS

- Demand
- Knowledge
- Cost
- Victimless
- Right
- Aspirations
- Open Source



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Enforcement in the Digital Environment

TRENDS & CASES

- Increase in infringing activities
- Clearer jurisprudence



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Enforcement in the Digital Environment

TRADE MARKS

- Australia
- Canada
- Japan
- Malaysia
- Russia
- Thailand



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Enforcement in the Digital Environment

DOMAIN NAMES

- Australia
- China (high pressure scams)
- Japan
- Malaysia
- South Korea

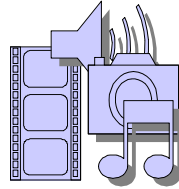


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Enforcement in the Digital Environment

ENTERTAINMENT

- ARIA
- AFACT



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Enforcement in the Digital Environment

INTERNET SERVICE PROVIDERS

- Universal v. Cooper
- Generally (HKG)
- Accessing Data



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Enforcement in the Digital Environment

UPLOADING

Hong Kong

- Big Crook (Chan Nai Ming)
- Student (Chan Wai-kei)



JP, SG & US

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Enforcement in the Digital Environment

DOWNLOADING

- Criminal?
- No (Aust, Can)
- Yes (SG, JP & US)
- Physical products



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Enforcement in the Digital Environment

ON-LINE AUCTIONS



- The problem
- Incredible distribution channel
- Sites
- eBay rules

(no replicas, no counterfeits, no copies, no software,...)

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Enforcement in the Digital Environment

ON-LINE AUCTIONS

- ebay's VeRO (Verified Rights Owners)
- Identifying infringements
(unclear pictures, no tags, numerous similar items,
no warranty)
- Inaccurate whois information

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Enforcement in the Digital Environment

ON-LINE AUCTIONS Law

US – Contributory TM infringement

- Inwood Labs (1982 - intent & knowledge)
- Hard Rock Café (1992 – “willfully blind”)
- Lockheed Martin v. Network Solutions
- Gucci v. Mindspring

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Enforcement in the Digital Environment

ON-LINE AUCTIONS

- Canada
- Copyright DMCA

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Enforcement in the Digital Environment

PHARMACEUTICALS

- Growing problem (\$32B – 2003 to \$40B 2006)
- Deaths (tens of thousands)
- Viagra, Cialis, Levitra, Lipitor
- Signs
 - unusual smell or taste
 - repeated batch number
 - poor packaging

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Enforcement in the Digital Environment

WAREZ

- Nature & Motives
- Griffith (charged 2003)
- US Attorney McNulty “no matter who you are or where you live, if you steal the intellectual property rights of individuals and businesses, we will not stop at our borders to find you...”
- Extradited & Convicted (2007)



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Enforcement in the Digital Environment

EDUCATION

- Public
 - media
- Law enforcement
 - be brief, be clear, be memorable
 - product samples and product information sheet



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Enforcement in the Digital Environment

CONCLUSION

- Education
- Local & Global
- Strong IP
- Weak IP



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Enforcement in the Digital Environment

Questions or Comments?

Thank you !

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IP enforcement in the Digital Environment: Australia's approach

Outline

- Background – Use of Internet in Australia
- Australian Government enforcement objectives
- Legislative regime
 - Copyright (Digital Agenda) Act 2000
 - Australia-United States Free Trade Agreement obligations
 - Copyright Amendment Act 2006
- Accession to the WIPO Internet treaties
- Recent civil cases in Australia
- Law enforcement/industry cooperation

Internet use in Australia

- Australia has high levels of Internet usage
- Household subscribers - 5.83 million
Business and government subscribers - 826,000
(ABS, Sep 2006)
- Broadband Internet connections by Australian households almost doubled in the year to June 2006
(ABS, Dec 2006)
- Children aged 5-14 years (65% accessed the Internet).

Australian Government enforcement objectives

- Up-to-date laws
- Effective law enforcement coordination
- Law enforcement resources
 - Budget announcement
- Effective border enforcement
- Public awareness/education
- International work

Legislative regime

- Copyright (Digital Agenda) Act 2000
 - response to rapid technological developments and use of new technologies in the digital environment
 - electronic rights management
 - anti-circumvention devices
 - protection of encoded broadcasts
 - increased financial penalties for unauthorised 'digitisation'
- Review of Copyright (Digital Agenda) Act 2000

Australia-United States Free Trade Agreement obligations

- Technological protection measures
- Carriage service provider liability scheme
- Electronic rights management information
- Definition of 'wilful piracy on a commercial scale' to include significant infringements but where no motivation of financial gain
- Criminalising 'end-user' piracy, in particular to address software piracy
- Encoded broadcasts
- Carriage Service Providers

Copyright Amendment Act 2006

- Technological protection measures
- Unauthorised access to and use of encrypted broadcasts
- New presumptions in litigation
- Relief for large scale infringements
- Proceeds of crime/infringement notices

Accession to WIPO Internet Treaties

- Fully compliant after Copyright Amendment Act 2006.
- Will be in force in Australia on 26 July 2007.

Recent civil cases in Australia

- *Universal Music Australia Pty Ltd v Cooper*
 - Copyright authorisation, hyperlinks, respondent took no steps to prevent infringing material being linked to his site
- *Universal Music & Ors v Sharman Networks & Ors*
 - Use of 'Kazaa' peer-to-peer software

Law enforcement/industry cooperation

- ◆ Law enforcement coordination
 - prioritisation, resources
- ◆ Enforcement and industry cooperation
 - Intellectual Property Enforcement Consultative Group
- ◆ Work at international level

Conclusion

- Monitoring TPMs laws
- Ongoing liaising with industry groups (including Internet industry)

Contact details

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Copyright Law Branch
Attorney-General's Department

+61 2 6250 6788 (Ph)

+61 2 6250 5929 (Fax)

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APEC Workshop in IPR Enforcement in the Digital Era Viet Nam 2007.

Topic 5

Challenges to IP enforcement in the digital era

**Henry Olsson
Special Government Adviser
The Ministry of Justice
Stockholm
Sweden
WIPO Expert.**

The Impact of Digital Technology

The advent of digital technology has certainly created a revolution in the way in which intellectual productions are created, distributed, accessed and used.

In brief, the new technology has mainly the following types of impact:

- it provides new ways and possibilities to create works and other protected subject matter (multimedia, etc.)
- it makes it possible to store enormous amounts of information
- it creates new possibilities to transmit protected material everywhere in the world in a very short time
- it provides new possibilities of copying material with high speed and without loss of quality, and
- it makes it possible to manipulate material in ways which were unknown before.

Positive and negative effects

These new features have their positive and negative effects, economic and political.

- For the creative community the new technology has provided entirely new possibilities to create works and other protected subject matter and to distribute it to new audiences.
- At the same time it has made infringement of intellectual property much easier and much more commonplace.
- Another effect is the entry into the debate of new players, especially the consumer community which showed little interest in intellectual property before.

- It has raised the political interest in intellectual property, in particular copyright, in a way that was unheard of before.

Challenges

Those effects have resulted in entirely new challenges also in the area of IP enforcement where entirely new problems have surfaced. They could be summarized as follows.

- ***Legal challenges that relate to the subject matter.*** Digital technology has made the consideration of a number of basic concepts in particular in the copyright field much more difficult (for instance, as regards computer programs, data bases and multimedia). Other examples are, for instance, how to protect the moral rights of the creators in the new environment and how to deal with links from a copyright point of view (deep links; reference links and other).
- ***Legal challenges that relate to the liability for infringements.*** Those challenges concern principally who is to be considered as the main perpetrator of an infringement and where to place possible contributory liability.
- ***Legal challenges that relate to the liability of service providers;*** when, where and under which conditions should they be held liable for copyright infringements committed in their services (the difference between mere conduit and hosting, etc).
- ***Legal challenges as regards the issue of applicable law*** in on-line transmissions and in the case of, for instance, satellite broadcasting.
- ***Legal challenges resulting from the relations to competition law*** (see for instance the fight between Microsoft and the European Commission concerning providing source code to competitors, for interface purposes)
- ***Legal challenges in related areas,*** such as enforcement of juridical decisions in other jurisdictions.
- ***Managerial challenges;*** how should collecting societies arrange the management of the rights in the digital environment and what would be the impact on their activities stemming from the increased possibilities to conclude contacts on-line.
- ***Consumer pressure*** for free access to knowledge and information and for the widest possible use of the new technologies
- ***Political pressure*** in the sense that the general public opinion puts pressure on the politicians, in particular in times of parliamentary elections (an example is the creation of "Pirate Parties" in some countries).
- In the context of political pressure comes also the ***consumer/political/legal problem that relate to file-sharing (peer-to-peer) activities.***

Solutions

These seem to be some of the challenges but what has been mentioned here concerns only a certain part of the problem. There are many others. And they deserve and need to be discussed.

No solution can, however, be truly efficient if it is not supported in two ways.

- The relations to the consumer community must be improved so as to create a better understanding of the role that intellectual property plays in the society. The general public would also be much more willing to accept the role of intellectual property role if there are user-friendly business models for access to music and films, for example.
- There must be a better political support at the highest possible levels for intellectual property and a willingness to support it in the face of a sometimes turbulent environment.

Without a solution to these issues it would be very difficult to bring into action truly efficient enforcement measures in the digital environment.

(End of document)

**APEC Workshop on IPR Enforcement
in the Digital Era, Vietnam 2007**

Technological Solutions

to Piracy and Counterfeit in Digital Era



Hiroshi KATO
Japan Government Patent Office (JPO)

Japan Patent Office (JPO)



Topics

1. Copy Guard
2. Water Mark (DRM)
3. Future Prospect

Change of Counterfeits

Examples of Infringement Overseas

Traditional Counterfeit

Toy, Daily necessities

- Counterfeiters advertise their goods **in international trade fairs, etc.**
- **Underground markets** exist in which counterfeit goods are distributed in large quantities



Piracy

Video, DVD

- **Before the public presentation of a new movie**, numerous pirated videos and DVDs of the movie are distributed in the market.



Electronics

- Counterfeits of **liquid crystal televisions** and **DVD players** have already been distributed.
- Counterfeiters opened **homepages** and **sold** counterfeit goods **by mail order**.

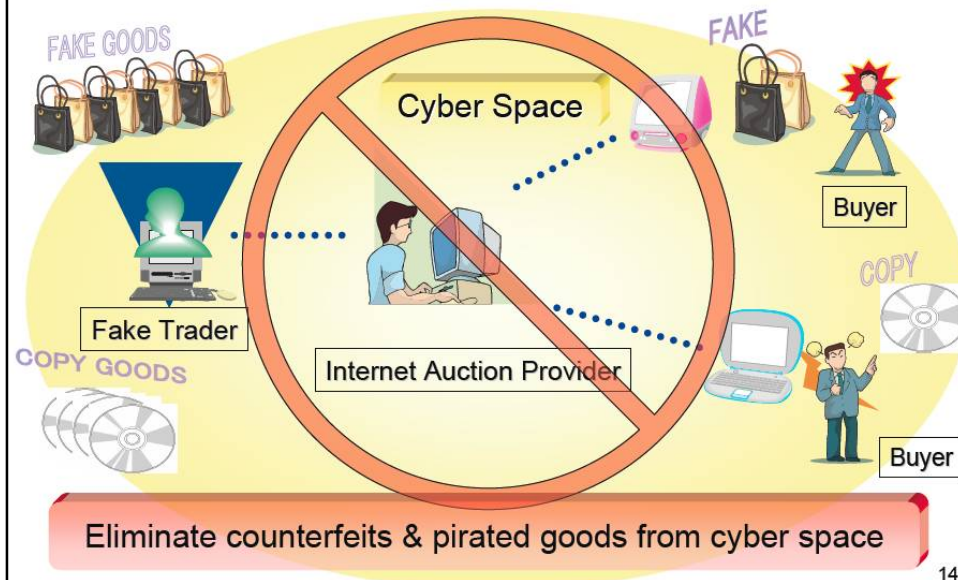


Motorbikes, Automobiles

- Counterfeits of not only **motorbikes** but also **automobiles** are beginning to be sold.
- **Infringement of trademark and design rights** occurs very often.



Trends in Cyber Space



14

What are "Digital Contents"?



<http://www.bandavvisual.co.jp/shinchan/nmovie.html>



<http://www.toei-anim.co.jp/tv/dragon/>



http://dora-world.com/information/goods_bungu_f.html

IP Strategic Program in Japan

- Chapter 1: IP Creation
- Chapter 2: IP Protection
- Chapter 3: IP Exploitation
- **Chapter 4: Efforts to Create Culture with the use of Content**
- Chapter 5: Developing Human Resources and Improving Public Awareness



Issued in May 2007

1. Copy Guard

1. Copy Guard

(1) Copy Control

(2) Access Control

(1) Copy Control

(a) Prohibition of Copy

(b) Limit of the times of Copy

(1) Copy Control

(a) Prohibition of Copy

CGMS (Copy Generation Management System)

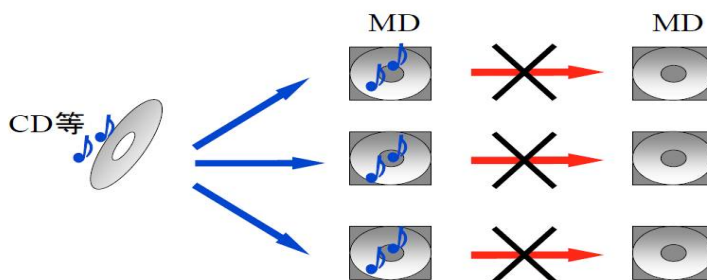


Copy is completely prohibited.

(1) Copy Control

(b) Limit of the times of Copy

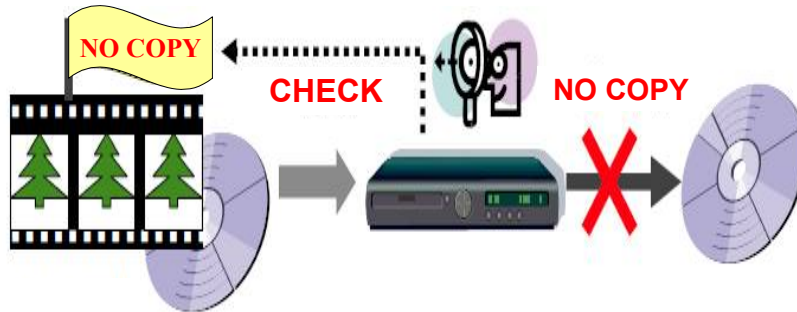
SCMS (Serial Copy Management System)



Copy is allowed only once.

(1) Copy Control

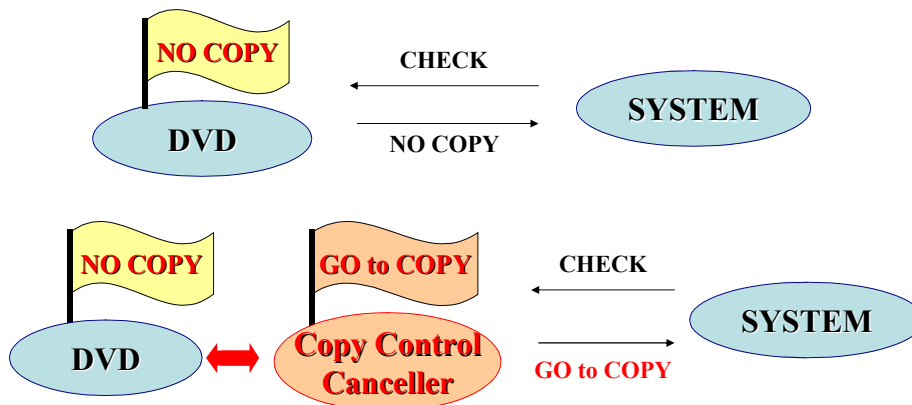
Mechanism of Copy Control



Signal of "NO COPY" is necessary to copy.

(1) Copy Control

Copy Control Cancellor



*Copy Control Canceller can provide **False Flag**.*

Legal Solutions

Copyright Law (Revision in 1999)

Article 120bis. The following shall be punishable by imprisonment for a term not exceeding three year or a fine not exceeding three million Yen, or both:

- (i) any person who transfers to the public the ownership of, or lends to the public, manufactures, imports or possesses for transfer of ownership or lending to the public, or offers for the use by the public, a device having a principal function for **the circumvention of technological protection measures** (such a device includes such a set of parts of a device as can be easily assembled) or copies of a program having a principal function for circumvention of technological protection measures, or transmits publicly or makes transmittable such program;
- (ii) any person who, as a business, **circumvents technological protection measures** in response to a request from the public;

(2) Access Control

- (a) **Prohibition** of Access
- (b) Limit of **the times** of Access
- (c) Limit of **the quality** of Access

(2) Access Control

(c) Limit of the quality of Access

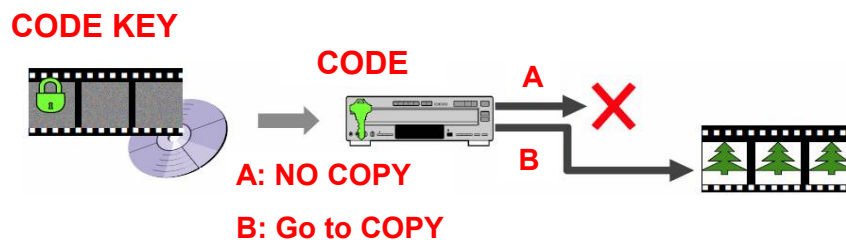
CSS (Content Scramble System)



Only scrambled data is provided without Code.

(2) Access Control

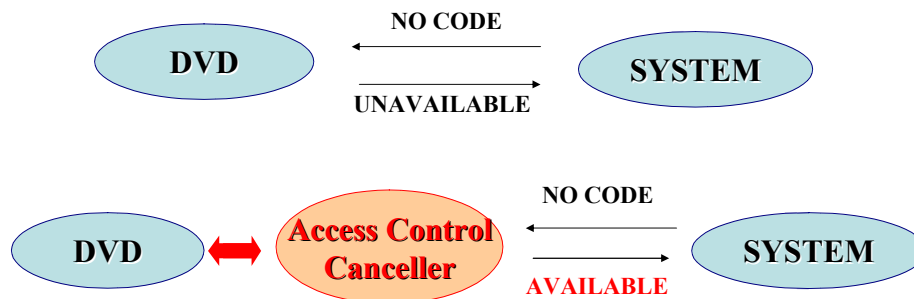
Mechanism of Access Control



“Code key” and “Code” are necessary to access.

(2) Access Control

Access Control Cancellor



*Access Control Cancellor can remove **Code Key**.*

Legal Solutions

Unfair Competition Preventing Law (Revision in 1999)

Article 2 (Definitions)

(x) acts of assigning, delivering, displaying for the purpose of assignment or delivery, exporting or importing (a) devices (including machines incorporating such devices) having the sole function of enabling the viewing of images or hearing of sounds, the running of programs, or the recording of images, sounds or programs **which are restricted by technological restriction measures** that are used in business (excluding technological restriction measures used to restrict all but specific persons from viewing images or hearing sounds, running programs, or recording images, sounds or programs), by obstructing the effect of such technological restriction measures, or (b) data storage media or machines on which programs having only such function (including other types of programs combined with such programs) have been recorded, or acts of providing programs having only such function through an electric telecommunication line;

Legal Solutions

Unfair Competition Preventing Law (Revision in 1999)

Article 2 (Definitions)

(xi) delivering, displaying for the purpose of assignment or delivery, exporting or importing to all but specific persons (a) devices (including machines incorporating such devices) having the sole function of enabling the viewing of images or hearing of sounds, the running of programs, or the recording of images, sounds or programs **which are restricted by technological restriction measures** that are used in business to restrict all but said specific persons from viewing images or hearing sounds, running programs, or recording images, sounds or programs, by obstructing the effect of such technological restriction measures, or (b) data storage media or machines on which programs having only such function (including other types of programs combined with such programs) have been recorded, or the act of providing programs having only such function through an electric telecommunication line;

(xii) acts of acquiring or holding a right to use a domain name(s)

2. Water Mark

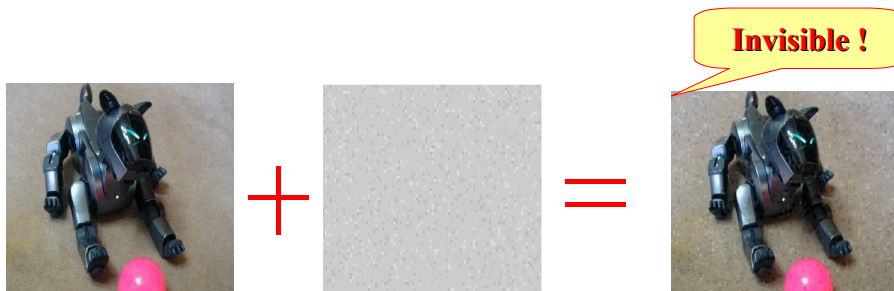
2. Water Mark

(a) Watching the illegal Copy

(b) Digital Rights Management
(DRM)

2. Water Mark

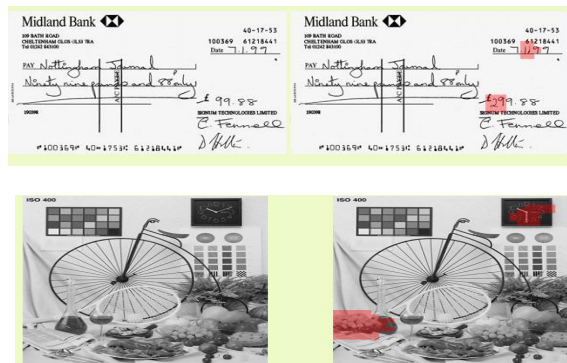
(a) Watching the illegal Copy



“Water Mark” is watched by Copyrighters.

2. Water Mark

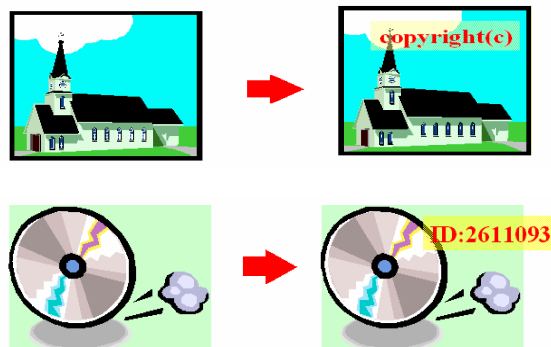
(a) Watching the illegal Copy



“Alteration” is watched by Copyrighters.

2. Water Mark

(b) Digital Rights Management (DRM)



Copyright data is recorded in “Water Mark”.

Legal Solutions

Copyright Law (Revision in 1999)

Article 113. (3) The following acts shall be considered to constitute infringements on moral rights of authors, copyright, moral rights of performers or neighboring rights relating to rights management information concerned:

- (i) the intentional addition of false information as rights management information;
- (ii) the intentional removal or alteration of **rights management information** excluding the case where such act is conditional upon technology involved in the conversion of recording or transmission systems or other cases where it is deemed unavoidable in the light of the purpose and the manner of exploiting works or performances, etc.;
- (iii) the distribution, importation for distribution or possession for distribution of copies of works or performances, etc. by a person who knows that any act mentioned in the preceding two items has been done concerning such works or performances, etc. or the public transmission or making transmittable of such works or performances, etc. by such person.

3. Future Prospect

Future Prospect

1. Technological Solutions

...Developing new Technology

2. Legal Solutions

...Revising Laws based on Technology

3. Dissemination

...Disseminating Technology and Laws

Dissemination

- For public awareness building:
 - Organization of **campaigns to inform consumers** of their immediate interests (risks entailed in counterfeits in terms of public health, product quality, after-sales service, etc.) as well as benefits of a strong IP system for national economy
 - Incorporation of IP awareness building **programs into the education system**



Thank you !



APEC Workshop on IPR Enforcement in the Digital Era Viet Nam 2007.

Topic 6

**Technological solutions to piracy and counterfeiting in the digital era;
opportunities and limits.**

**Henry Olsson
Special Government Adviser
The Ministry of Justice
Stockholm
WIPO Expert.**

The purpose of this presentation is not to give an overview of the existing technological protection measures but rather to discuss somewhat the experience that has been gained concerning their application and which are the advantages and problems in their application.

Opportunities

In late 1980s and in the 1990s there was a great belief in the role that technological protection measures would be able to play for the protection in practice of intellectual-property protected material. It was the pressure in this direction that led to the adoption of the provisions on technological protection measures (and electronic rights management information) in the 1996 WIPO Internet Treaties.

The advent of these new measures were an event of considerable significance. It meant a new layer of protection for intellectual creativity.

- The first layer obviously are the provisions on substantive law in national laws and international conventions. They establish the rights and the conditions linked to them.
- The second layer consists then of the various technological protection measures to be applied on or in connection with works and other protected subject matter.
- The third layer consists of the legal protection for those protection measures (and rights management information) provided for under

the 1996 Treaties; that protection aims at preventing removal or manipulation of those measures.

- The fourth layer may then consist of contracts and stipulations in contract law on the use of the technologically-protected material.

After a somewhat slow start technological protection measures have come into more and more wide-spread use. Such measures are thus applied on recordings, such as CDs and DVDs to prevent copying and other copyright-related acts without the consent of the right-holder. Furthermore, they are of course used to protect material which is distributed on the Internet.

Generally speaking they have worked rather well and have managed to give a certain protection to the material on which they are applied and thus in certain ways resulted in making counterfeiting and piracy more difficult.

But they are not a solution without problems.

Limits to the application of technological solutions

When applied, the various technological protection measures restrict or make impossible the access and/or use of the material thus protected. This could result, and has in fact resulted, in challenges to the system. Those challenges are of two main kinds.

- ***Impossibility of certain legal uses.*** This is mainly a political problem which has found different solutions in different countries. The European Union has one solution, the United States another one and so on. The problem appears mainly in the copyright area. One of the main elements in all such laws is to create a balance between the rights of the right-holders and certain other societal interests of a private and public nature. This balance is created mainly through a system of limitations on the rights. Such limitations could concern such issues as the making of copies for personal private purposes or the use of protected works by disabled persons, in archives/libraries or in teaching activities, or, in another context, use for the purpose of quotations. What happens then if the particular copy of the work that is intended to be used in accordance with the limitation at issue is protected by a technological measure that prevents access to it ? It has, generally speaking, not been considered possible to accept such a situation. The way to deal with this varies, however, widely, in

different countries. The European Union for its part has chosen a solution whereby the 27 member states have to ensure that the application of certain limitations must not be prevented by a technological measure. Article 6(4) of the so the so-called Information Society Directive identifies certain cases where a technological measure must not stand in the way of the application of a certain limitation, and the member States are obliged to ensure that this in fact achieved. Those limitations concern reproduction by reprographic means, in libraries/archives, ephemeral recordings, reproduction in hospitals/prisons etc. and use for illustration for teaching or for disabled persons or for public security etc. As far as copying for private purposes is concerned, the member States are not obliged to take measures in this respect; it is a “may” provision. It is also left to the member States to design the mechanisms for breaking of the protection measure in those situations. Some countries have opted for court orders, other for other mechanism, etc.

- ***Competition aspects.*** As a technological protection measure could be a powerful means for preventing access to a work or other protected subject matter there is also a risk that the use of such a measure could constitute an abuse. Such abuses could result in actions by the competition authorities. There are numerous examples of that. One frequent case concerns the situation when someone has bought a CD which can not be copied and the music consequently not be transferred on a computer or a MP3-player. Another one concerns the situation when technologically-protected music can be downloaded only on a certain type of device. This is a sort of interoperability problem (for instance the problems relating to Apple and I-pod). This resulted in considerable political debate, for instance in France and also to some special legislative solutions.

(End of document)

**APEC Workshop on IPR Enforcement
in the Digital Era, Vietnam 2007**

Critical role of Customs

to Piracy and Counterfeit in Digital Era



Hiroshi KATO

Japan Government Patent Office (JPO)

Customs in Japan



Tokyo Custom



Yokohama Custom



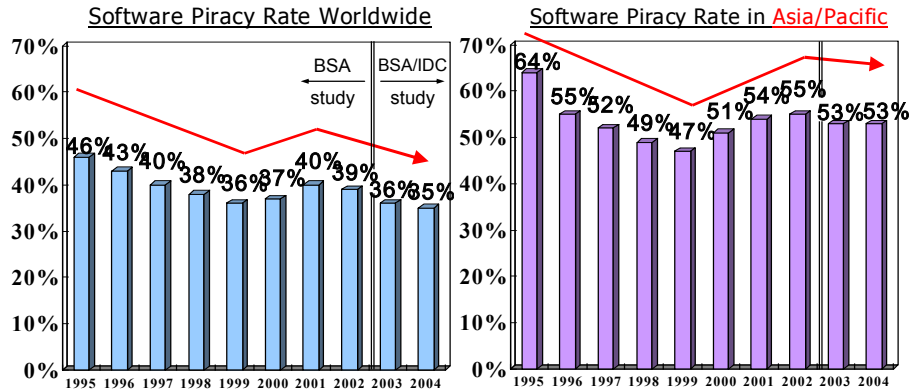
Topics

1. Global Issues
2. Experience of Japan
3. Future Prospect

1. Global Issues

Introductory Remarks (1)

- Software piracy is still rampant



Source: Business Software Alliance (BSA) and IDC Global Software Piracy Study (May 2005)

Note: Piracy rate computation for 2002 and before takes into account business software piracy only, while that for 2003 and 2004 covers all PC software piracy.

Introductory Remarks (2)

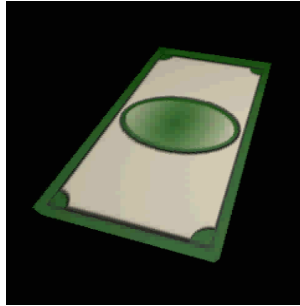
- Software Piracy Rates by Countries

Countries with High Piracy Rates				Countries with Low Piracy Rates			
Rank	Country	2004	2003	Rank	Country	2004	2003
1	Vietnam	92%	92%	1	United States	21%	22%
2	Ukraine	91%	91%	2	New Zealand	23%	23%
3	China	90%	92%	3	Austria	25%	27%
3	Zimbabwe	90%	87%	4	Sweden	26%	27%
5	Indonesia	87%	88%	5	UK	27%	29%
5	Russia	87%	87%	5	Denmark	27%	26%
7	Nigeria	84%	84%	7	Switzerland	28%	31%
7	Tunisia	84%	82%	7	Japan	28%	29%
9	Algeria	83%	84%	9	Finland	29%	31%
9	Kenya	83%	80%	10	Germany	29%	30%
9	Paraguay	83%	83%	10	Belgium	29%	29%
	Thailand	79%	80%		UAE	34%	34%
	India	74%	73%		Singapore	42%	43%
	Philippines	71%	72%		Taiwan	43%	43%
	Malaysia	61%	63%		France	45%	45%
					South Korea	46%	48%

Source: Business Software Alliance (BSA) and IDC Global Software Piracy Study (May 2005)

Introductory Remarks (3)

⌘ Magnitude of Counterfeiting is significant



Losses from counterfeit goods are estimated at

5 to 7%

of the volume of world trade

(Reference: *Countering Counterfeits: Defining a Method to Collect, Analyse and Compare Data on Counterfeiting and Piracy in the Single Market* (July 15, 2002))

TRIPS Agreement

- Temporary Measures for Each Country on TRIPS

	National Treatment Most-Favored-Nation Treatment	General	Patent for Substance 【A】	Temporary Measures For 【A】
Advanced Countries	1996.1.1	1996.1.1	1996.1.1	1995.1.1
Developing Countries		2000.1.1	2005.1.1	
Least Developed Countries		2006.1.1 (→2013.7.1)	2016.1.1	

TRIPS Enforcement Provision (1)

◆ Part III (Enforcement of IP Rights)

- Section 1: General Obligations (Article 41)
- Section 2: Civil and Administrative Procedures and Remedies (Articles 42 to 49)
- Section 3: Provisional Measures (Article 50)
- Section 4: Border Measures (Articles 51 to 60)
- Section 5: Criminal Procedures (Article 61)

TRIPS Enforcement Provision (2)

◆ Section 4 (Border Measures)

- Procedures **to enable a right holder to lodge an application** in writing with competent authorities for the suspension by the customs authorities of the release of **counterfeit trademark or pirated copyright goods** into free circulation

TRIPS Enforcement Provision (3)

◆ Section 4 (Border Measures)

- The right holder is required:
 - **to provide adequate evidence** to satisfy the competent authorities that there is *prima facie* an infringement of IPR; and
 - **to supply a sufficiently detailed description** of the goods to make them readily recognizable by the customs authorities.

TRIPS Enforcement Provision (4)

◆ Section 4 (Border Measures)

- Power of the competent authorities to give:
 - the right holder **sufficient opportunity** to inspect detained goods; and
 - the importer an **equivalent opportunity** to inspect such goods.

TRIPS Enforcement Provision (5)

Modes of IP enforcement WTO members
must provide for and **may** provide for

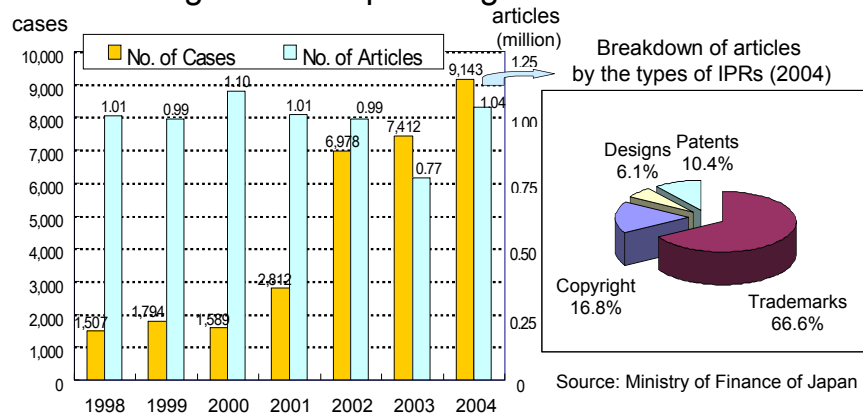
IPRs covered by the TRIPS Agreement

Modes of Enforcement		Copyright and related rights	Trademarks	Geographical indications	Industrial designs	Patents	Layout designs of IC	Undisclosed Information
	Civil Procedures	MUST	MUST	MUST	MUST	MUST	MUST	MUST
	Criminal Procedures	MUST	MUST	MAY	MAY	MAY	MAY	MAY
	Border Measures	MUST	MUST	MAY	MAY	MAY	MAY	MAY

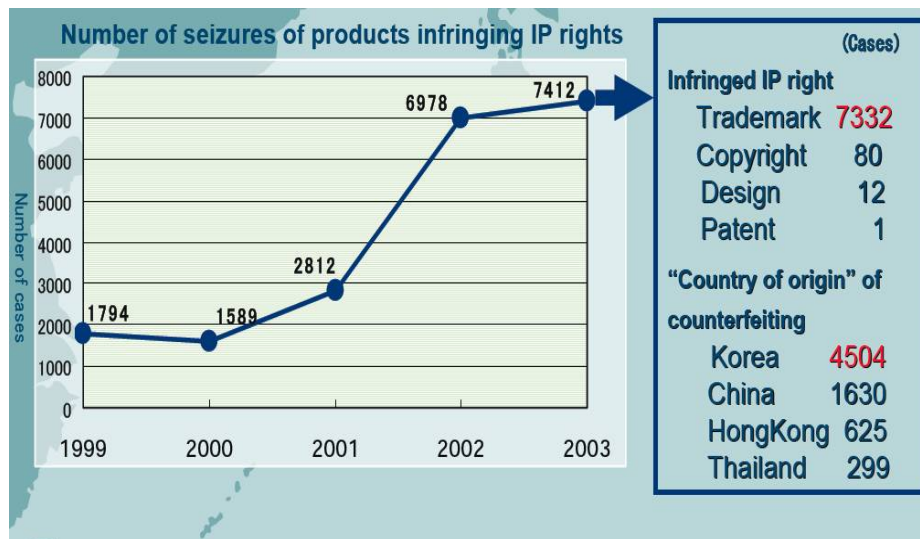
2. Experience of Japan

Trends of Border Measures

- Statistics on the suspension of the release of IPR-infringement-suspected goods at the Customs



Trends of Border Measures



Border Measures (1)

- Goods subject to border measures
 - Art. 69 octies of the Customs Law
(as amended on March 31, 2006)

“Any goods specified in any of the following subparagraphs shall not be imported:

...

9. Articles which infringe rights in **patents, utility models, designs or trademarks, copyright, neighboring rights, circuit layout rights, or plant breeders’ rights.**”

Border Measures (2)

- Lodgment of application
 - Art. 69 decies of the Customs Law

Holders of patent, utility model, design or trademark rights, copyright, neighboring rights, or plant breeders’ rights may submit applications with customs authorities for the suspension of the release of goods infringing their rights.

Border Measures (3)

Note 1: In the procedure to decide whether the goods concerned are infringing (identification procedure), customs authorities shall give the right holder and the importer **an opportunity to present evidence and opinions**.

Note 2: The applicant and the importer shall each be given **an opportunity to inspect the goods** upon their respective request.

Border Measures (4)

- **Inquiry to the Commissioner of Japan Patent Office (JPO)** at the request of right holders
 - Art. 69 quarter decies of the Customs Law

The holders of patent, utility model, or design rights, if their applications for the suspension of the release of goods have been accepted, may file requests with the customs, during the identification procedure, that inquiries be made to the Commissioner of the JPO **as to whether or not the concerned goods fall within the scope of their rights** and thus infringe their rights. Where an inquiry is made by the customs, the Commissioner of the JPO is to reply within 30 days from the date of the request for inquiry.

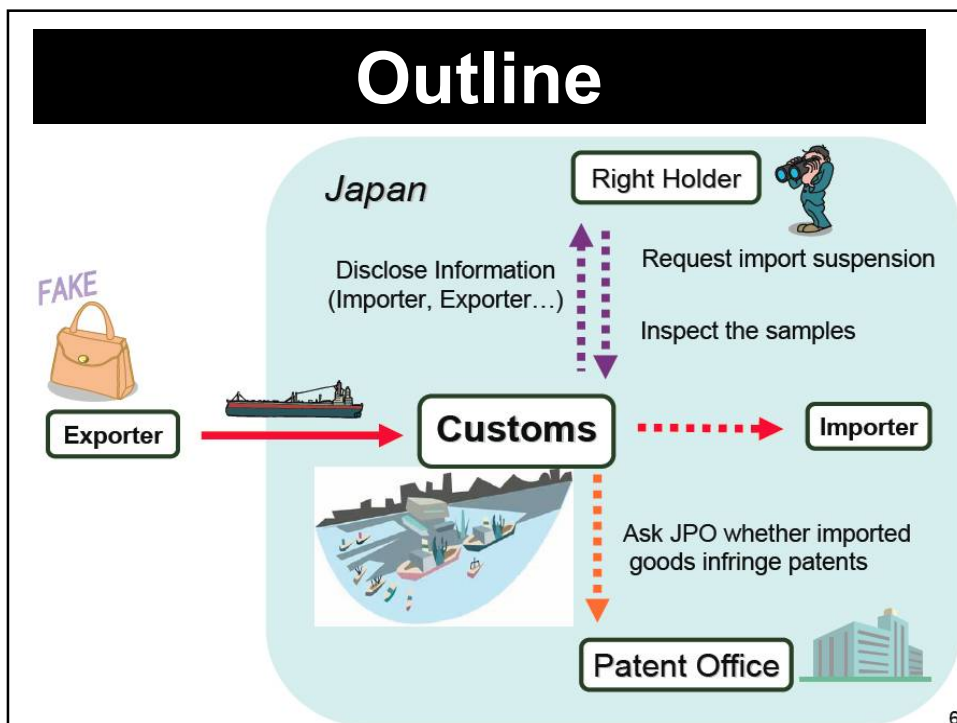
Border Measures (5)

- *Ex officio* action
 - Art. 69 novies of the Customs Law

In cases where customs authorities believe that there are any goods infringing protected IPRs (*), the customs authorities shall take the identification procedure **irrespective of whether an application for the procedure is submitted or not.**

(*): Rights in patents, utility models, designs or trademarks, copyright, neighboring rights, circuit layout rights, or plant breeders' rights, as previously mentioned.

Outline



Japan Patent Office's Contributions to Enforcement (1)

- Providing the general public with free-of-charge database access through the Internet

Japan Patent Office Industrial Property Digital Library
 Japan Patent Office Home Page Japanese 2003-06-20 Updated
 Access Total: 1332717

The Industrial Property Digital Library (IPDL) offers the public access to IP Gazettes of the JPO free of charge through the Internet.

Patent & Utility Model
 Patent & Utility Model Gazette DB
 Patent & Utility Model Concordance
 FIJ-term Search
 PAJ
 Patent Map Guidance

Database Contents
 Patent & Utility Model Gazette DB
 Patent & Utility Model Concordance
 FIJ-term Search
 PAJ
 Japanese Trademark Database
 Japanese Figure Trademarks

News
 News

Link
 IPDL Links

Questionnaire
 Questionnaire

Notice

URL: http://www.ipdl.jpo.go.jp/homepg_e.ipdl

Please enable Cookie and JavaScript of the browser when you use the Industrial Property Digital Library.
helpdesk@ipdl.jpo.go.jp
 Copyright (C), 2003 Japan Patent Office

Japan Patent Office's Contributions to Enforcement (2)

- Trademark data retrieval example

Searching Japanese Trademark Database

MENU NEWS HELP

NOTICE If you use the OR operation in a query, please insert a SPACE between keywords.
 Example : Japan Nihon JP
 For details, including search keyword entry formats, please click HELP

Search Results 14 INDEX CLEAR

Select Search Items	Query	Operator
Trademark (for retrieval)	Playstation Playstation2	OR
AND		
Similar group code	11C01	OR
AND		
Application number/Reclassification number		OR

SEARCH List of Goods and Services Stored data


Copyright (C), 1999, 2001 Japan Patent Office

International classification; 8th edition

No	Class	Goods and Services	Similar Group
1	09	Computer game programs	11C01

Japan Patent Office's Contributions to Enforcement (3)

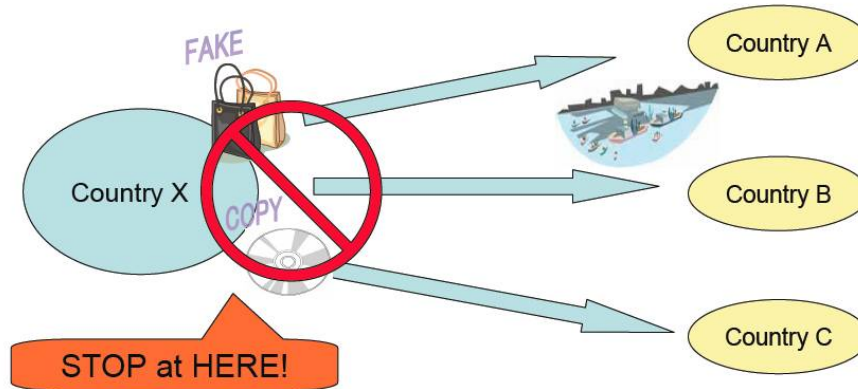
- Trademark data retrieval example (continued)

[DETAIL]	Reg. No.4336803	ORIGINAL
		(111) 4336803 (540) [1/1]
(111) [Registration number]	4336803	
(151) [Registration date]	1999/11/19	
(210) [Application number]	H11-059288	
(220) [Application date]	1999/07/02	
[Date of entry into force of prior right]	1999/07/02	
[Date of final disposition]		
[Type of final disposition]		
[Type of application]		
[Trademark(for retrieval)]	PlayStation2	
(532) [Figure term]	11D16 11D19 11E01	
[Similar group code]	09G53 11A05 11B01 11C01 24A01 24E01 26D01	
[Applied law]	Trademark Law in 1996	
[Edition of International Classification]	7	
(500) [Number of class]	1	
(511)(512) [Class]		
	9	

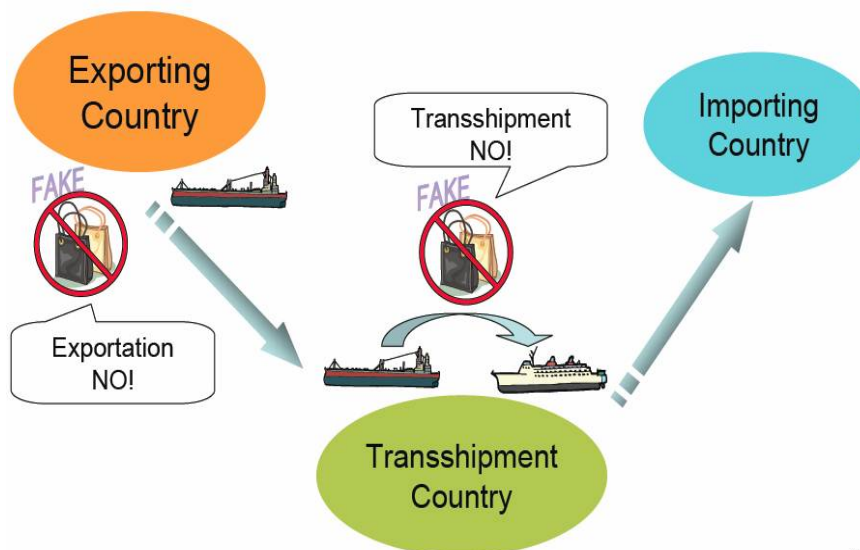
3. Future Prospect

Future Prospect (1)

- Non-proliferation of counterfeits and pirated goods is important



Future Prospect (2)



Future Prospect (3)

◆ **Further discussion is necessary;**

- **More quick and effective procedures to stop imports of goods infringing patents**

Challenge:

Importers sometimes bring forward counterarguments in terms of legal and /or technical issues...

- **Control on private importation**

Challenge:

**Counterfeits come into Japan through private import...
ex. mail order or international postal package**



11

Conclusions

- Full compliance with the TRIPS Agreement remains to be a main issue for WTO members.
 - The right holder is required to provide adequate evidence...
 - Authorities should give the right holder and importer sufficient opportunity to inspect detained goods.
- Enforcement authorities' cooperation with right holders and the IP Office is a key to effective IPR enforcement actions.
- More quick and effective procedures to stop imports of infringing goods is necessary. Exporting and Transshipping should be prohibited.

Thank you !



The Critical Role of Customs

Henry Olsson
The Ministry of Justice
Stockholm
Wipo expert.

1. Intellectual Property Rights and Enforcement.

The system of exclusive rights

Both the industrial property system and the copyright/related rights system is based on *exclusive rights* for the beneficiary (inventor, author etc.) to control certain uses made of the subject matter than he or she has created. It is, naturally, therefore in the first instance for the beneficiary to take action to defend the rights. If the rights are violated or infringed he or she should decide if and what action should be taken.

Rights under intellectual property law are *territorial in nature*. Each country has its own national patent law, trademark law, copyright law etc. At the same time, international conventions have established a system by which countries give protection to inventions, marks, copyright works etc. in the same way as they protect subject matter originating in their own country.

As regards the international protection of intellectual property rights there is a considerable difference between industrial property and copyright. Rights under patent and trademark law and other industrial property subject matter are protected only if *they have been registered* in the country concerned. Works protected under copyright law, on the other hand, are protected *automatically* and without formalities also in other countries. This means that a work has automatic copyright protection in more than 150 countries.

This territorial character of intellectual property rights is an issue of considerable practical importance for the operations of customs authorities in respect of infringing goods; basically the subject matter must be an infringement also in the country of importation.

Violations of exclusive rights (infringements).

Violations of intellectual property rights may take place in a great number of ways. They may include unauthorised manufacturing of patented products or illegal use of processes that are protected by a patent. Or they can take the form of counterfeiting of trademarks or other distinctive signs. As far as copyright is concerned, infringements may include unauthorised reproduction of protected works or other subject matter or it may include unauthorised communication to the public where the unauthorised act does not concern physical copies.

Mechanisms available to combat infringements

Intellectual property laws always make available mechanisms for the right-owners to take action against infringements. Those mechanisms may include civil remedies or criminal remedies. Such remedies normally are implemented by the judicial authorities, principally the courts. The courts may adjudicate penal sanctions or civil sanctions in the form of damages, seizure or destruction of infringing goods, etc.

The place of customs in the anti-infringement system

Infringing goods may of course enter the channels of international trade and thus be made available in many countries other than the one where it was originally manufactured. This is where the customs authorities so important; they are the main mechanism whereby import of infringing material may be prevented and entry into commercial channels in the country of importation be stopped.

Actions against counterfeit or pirated material can of course be taken by law enforcement authorities at the national level in the countries concerned. As far as international trade is concerned, efficient actions by customs is in fact the most effective mechanism available to stop the circulation and trade in such goods.

This is why customs play a critical role in combating counterfeiting and piracy.

The role of the Internet in international trade of counterfeit and pirated goods

The advent of Internet has to some extent changed the role of customs authorities in this respect. Basically, customs deal with international trade in physical goods. Violations of copyright-protected subject matter and of trademarks nowadays, however, increasingly take place over the Internet. Such violations take various forms. The most common one is transmission of protected material to users who download and possibly then reproduce and distribute the material received. Or trademark rights are violated on the Internet, for instance when they are in conflict with domain names. Those activities are such that the right holders themselves have to investigate and take action. Normally, such issues are outside the scope of custom authorities activities.

There is, however, one area where Internet deeply affects the operations of customs authorities and that is *electronic commerce*. Internet has created a truly international, virtual marketplace with no respect for national borders. This also means that customs have to operate in a global environment. That situation has essentially two main effects (among many others)

- an enormous increase in the number of consignments; an immense number of parcels are distributed instead of containers full of goods
- a much increased possibility to exchange information between customs authorities.

This new situation is being watched closely by the World Customs Organization (WCO) and a number of activities are undertaken in that Organization to deal with the issue (see also below).

The various elements related to customs authorities' activities.

In order to examine a little bit more in detail the role of customs authorities the following part of this presentation will deal with

- the legal framework
- the international political environment relating to enforcement, and
- some practical issues of importance for the customs authorities to best carry out their duties.

2. The Legal Framework

General about the legal framework.

Naturally each and every country has a national customs system which has usually as its main purpose to check import of all kinds of goods into the country. During the last ten years or so the activities of customs authorities in this respect have been extended to include also control of importation into the country of goods that infringe intellectual property rights. The most important result of this new approach was the designing of Part III of the TRIPS Agreement (Agreement on Trade-Related Aspects of Intellectual Property Rights) within the World Trade Organization (WTO). Section 4 of that Part contains detailed provisions on "Special Requirements Related to Border Measures" That part sets out in detail what member states of the WTO have to do in order to ensure that infringing goods is stopped at the borders.

In addition to this overarching regulation of this issue there are of course a number of other agreements etc. at a regional level that deal with customs and their dealing with infringing material. One example is the European Union Regulation on this issue (see below), but there are many other similar examples.

As the absolute overwhelming majority of the member economies of APEC form part of WTO, it is that legal framework that is binding for the countries.

Requirements related to border measures under the TRIPS Agreement.

The border measures that are mandatory under the TRIPS Agreement are, as a matter of principle, built on a mechanism whereby the right-owner may apply to the customs authorities and thus get a temporary suspension of the clearance of suspected infringing goods.

The system applies, in its mandatory parts, only to what is called "*counterfeit trademark goods*" and "*pirated copyright goods*". The meaning of both expressions is defined in the Agreement. The former goods means "*any goods, including packaging, bearing without the authorization a trademark that is identical to a*

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trademark that is 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.” It is to be noted that the system applies only to registered trademarks and not to marks that are protected without registration, as the case may be in a number of legal systems. Also, there must be an infringement in the country of importation; it is not enough that it infringes the rights in a country of exportation.

Similarly, *“pirated copyright goods”* means *“any goods which are copies made without consent of the right holder or person duly authorised 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 and related right in the country of importation.”* Also here there must be an infringement in the country of importation.

The essential features of the system under the TRIPS Agreement which are included in Articles 51 to 60, are the following.

- There must be procedures available that enable the right holder to make an application to the customs authorities for the suspension of the release into free circulation of goods that are suspected to be counterfeit trademark goods or pirated copyright goods.
- In these cases it is mandatory to have such a system in place. In addition, the system may be extended to cover two other situations, namely a) other infringements of intellectual property rights, and b) goods that are intended for exportation.
- The application shall contain a sufficiently detailed description of the goods and also contain enough details to indicate that there is a prima facie evidence that an infringement is at hand.
- The system may include a requirement that the applicant posts a security to protect the defendant and to prevent abuse
- If the application is accepted, the customs authorities shall promptly notify the importer and the defendant.
- If the application is accepted, the release of the suspected goods shall be suspended for 10 working days from the date when the applicant has been served a notice of suspension. If, within that time period, the authorities have not been informed that proceedings leading to a decision on the merits of the case have been initiated, the goods shall be released. That period may extended with another 10 working days “in appropriate cases.”
- The right-holder shall be given an opportunity to inspect the goods during the suspension period in order to verify the character of the goods.
- If the importer or the consignee or the owner of the goods have been caused injury because of the measures taken, there shall be a possibility for the authorities to order the applicant to pay compensation.

- In some countries, the system provides for *ex officio* actions in addition to the application procedure; in such cases the procedures shall apply *mutatis mutandis*.
- As far as remedies are concerned, the Agreement prescribes that the authorities shall be able to order the destruction or disposal of infringing goods.
- In this respect it is important to note two specific elements. One is that the infringing goods shall not be allowed to be re-exported in an unaltered state or subjected to a different customs procedure, "other than in exceptional circumstances. The other is that the simple removal of the unlawfully affixed trademark shall not be sufficient to permit the release into the channels of commerce of the goods," other than in exceptional cases.
- Finally, it is allowed to exclude from the application of these procedures "*small quantities of goods of a non-commercial nature contained in travellers' personal luggage or sent in small consignments*".

These are the basic rules that are mandatory for all WTO members. In addition, there may be regional regulations that build upon the WTO system but that differ from that system in different ways. One example is the system in force in the European Union by means of a Regulation (3295/94), somewhat amended later. That Regulation applies to the customs authorities at the borders of the 27-country Union. It is in some ways stricter than what the TRIPS Agreement requires. Thus, for example, it applies also to export of infringing goods.

Furthermore, national laws may contain even stricter provisions. In France, for instance, also import for personal purposes of such infringing goods is subject to control by the customs authorities.

3. Developments at the international political level.

Enforcement of intellectual property law, including the regulation of customs authorities activities, has during the last years moved into the political agenda or commenced to form part of the work of international intergovernmental organizations. This is quite natural because enforcement forms an essential part of the TRIPS system and thus constitutes an element in the overall balance of rights and obligations under that Agreement.

In addition, there has been a growing awareness that in fact counterfeiting and piracy activities are closely linked to *organised crime* and *money laundering activities* and that the results in particular of trademark counterfeiting poses an increasingly serious *threat to public health and safety* (counterfeit medicines, counterfeit spare parts etc.).

A few examples shall be given of this growing political interest in enforcement issues.

- First, the *Global Congresses on Combating Counterfeiting and Piracy* have attracted an increasing interest and have developed into an important forum for discussing these problems and for raising the public awareness about these issues. The Third such Congress, sponsored by, among others, WIPO, WCO and Interpol, and held in Geneva on January 30 -31, 2007, is a clear example of this.
- The *WIPO Advisory Committee on Enforcement* has developed into an important forum for cooperation and for exchange of views and information on enforcement issues.
- WCO devotes a lot of attention to trade in counterfeit and pirated goods; it has established a Working Group on intellectual property rights and created a Model Law on how to deal with such goods. WCO also deals extensively with cooperation issues and has, *inter alia*, set up a Customs Enforcement Network (CEN) for exchange of information between customs authorities. It has established a close cooperation with the business sector. Furthermore, WCO deals extensively with intellectual property issues related to Internet, on the basis of, for example, the "WCO Strategy Paper. Customs and e-commerce" which is available on the WCO webpage www.wcoomd.org.
- Being very aware about the serious nature of intellectual property crimes, *the Interpol* has engaged in a number of activities on order to come to grips with the threats posed by such crimes. For example, it is establishing a Database on International Intellectual Property Crime, called DIIP, and Global Anti-Crime Centers. All these activities are aimed at improving the collection and sharing of information between police authorities.
- As counterfeit drugs are posing serious threats to public health and are killing people in a number of countries, the World Health Organization (WHO) has initiated a series of different activities. One such is the setting up of International Medical Products Anti-Counterfeiting Taskforce (IMPACT) in order to improve the international cooperation in combating counterfeit products.
- The issue of enforcement is being discussed in the *World Trade Organization and its TRIPS Council*.
- The recent meeting of the so-called *Group of Eight* (G 8 consisting of Canada, France, Germany, Italy, Japan, Russia, United Kingdom and United States) devoted a number of items to intellectual property under the title "Promoting Innovation - Protecting Innovation" in the Summit Declaration, dated June 7, 2007. The main element there was the combat of counterfeiting and piracy. Also a High-Level Dialogue Process was set up between the G 8 countries and Brazil, China, India, Mexico and South Africa, where one of the four topics will be "Promoting and protecting innovation."

4. Some practical issues and problems

What is being counterfeited and/or pirated ?

Everything is nowadays being counterfeited or pirated. Copyright piracy affects mainly CDs and DVDs, computer programs/software, computer games and books. Trademark counterfeiting affects for instance clothes, shoes, watches, perfumes, shawls, toys, bags, sunglasses, sports goods of different kinds, aircraft spare parts, car spare parts, medicines, foodstuffs (for instance “Iranian” caviar) and alcoholic drinks.

Counterfeit and pirated goods are different from goods brought into the country through *parallel import* (sometimes also called “grey import”). Such import relates to genuine products - and not fake ones - put legally on the market in one country and then exported somewhere else. Whether this would be allowed depends basically on what the national law says about the issue of “exhaustion of the distribution right” and, more specifically, whether that right is exhausted wherever in the world the goods are put on the market (global exhaustion) or depends on where that first marketing occurred (national or regional exhaustion).

How to deal with goods to be exported and goods in transit

As mentioned above, the obligations under the TRIPS Agreement apply only to importation while the countries are free to adopt the same measures in respect of *goods intended to be exported*. Some countries have adopted such measures, for instance the European Union.

The issue of *goods in transit* is more difficult. The TRIPS Agreement contains nothing about this issue. In the European Union it is assumed that the member countries take action also in respect of goods in transit. Some work has been done on this issue in WCO (The so-called Kyoto Convention contains a specific Annex E dealing with issues related to customs transit). One particular problem is of course how to deal with the cases where there is basically no infringer in the country concerned. Basically this is a matter for national law to determine whether customs control in respect of intellectual property matters shall be effected also for such goods.

Elements that encourage counterfeiting and piracy

One comparison that is often made concerns drugs and violation of intellectual property rights. As far as drugs are concerned

- the profits are high
- the risks involved in the business are high, and
- penalties are severe.

As far as intellectual property violations are concerned

- the profits are high,
- the risks are low, and
- penalties are often insignificant.

As a concrete example has been mentioned that

- one kilo of cocaine has a production cost of about 60 000 USD but a street value of around 120 000 USD; consequently the difference is 60 000 USD and the profit 100 %, while
- 1500 pirated computer programs may have around the same production cost of 60 000 USD but a street value of around 600 000 USD; consequently the difference is 540 000 USD and the profit 900 %.

The high profits involved also mean that sophisticated and expensive methods are used for smuggling counterfeit and pirated goods into the countries. One example often referred to in the Far East are bringing sealed underwater compartments full of CDs or DVDs into the harbours.

Extent of counterfeiting and piracy

There are different figures mentioned in the international debate about the monetary value involved in counterfeiting and piracy. An earlier estimate made by the Organization for Economic Cooperation and Development (OECD) said that between 5 and 7 % of the world trade (corresponding to around 60 000 000 000 USD) consisted of counterfeit or pirated goods. A later estimate gave a lower figure but may, on the other hand, not take into account trade inside the borders of the country where the production took place.

Countries of origin of counterfeit and pirated goods.

As a matter of principle counterfeiting and piracy is an activity that takes place everywhere, in industrialised countries as well as developing countries. Without pointing at specific countries, some countries in Asia/the Pacific have been mentioned as important countries of origin for such products.

Activities of customs authorities

The growth of trade in counterfeit and pirated goods has also resulted in an increase of the number of seizures effected by customs authorities. As an example could be mentioned that in the European Union that number increased from 7 553 seizures (84 951 039 items) in 2002 to 26 707 seizures (75 733 387 items) in 2005.

How to identify counterfeited and pirated goods

This is one of the most difficult issues and frequently the customs authorities would be well advised to contact specialists on this matter.

There are, however, some features that are indications that in fact the goods are fake. Some examples that relate primarily to pirated CDs are

- surprisingly often the name of the artist or the manufacturer are misspelled.

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- the finish of the package and/or the labels is of a low quality with poor images, contrast, etc.
- no manufacturer is indicated
- deletion of manufacturing codes and/or of trademarks and logos or other indicators, or simply false ones.

Sometimes it would be pretty obvious that the goods at issue are such that suspicion would arise. Very often nowadays, however, the fake products are very similar to the real ones and it is virtually impossible for a customs officer to determine the nature of the goods. This is obviously particularly so in the record business but also as regards other copyright-protected material; the counterfeiters have achieved a high degree of skill in this respect.

To take the example of the recording sector, record companies have tried to come to grips with this phenomenon of increasingly sophisticated counterfeiting/piracy by using more or less invisible indicators (such as the ISRC, meaning the International Standard Recording Code, or the SID Code, meaning Source Indication Code) that identify the recording and show the origin of the particular products, respectively, and where the absence would indicate that this is no genuine product.

It is more or less impossible for a customs officer without a special training to find out the significance of such indicators or the absence of them on a recording. In such a case the best advice is to turn to a representative of the International Federation of the Phonographic Industry which has special Regional Anti-Piracy Coordinators (in North America, Latin America, Europe, Africa, Russia/CIS, Middle East, Asia and AustralAsia). These can easily be found at the website www.ifpi.org under "Resources".

Training

Dealing with counterfeiting and piracy is a difficult and complex subject and obviously customs officials as well as other law enforcement agencies are well advised to get training on these issues. There are a number of facilities that can be used for this purpose. Extensive information on training possibilities can be found on, among others, the WCO website and also the Ifpi website which have been mentioned above.

(End of document)

The Critical Role of Customs

Henry Olsson

IP and Enforcement

- IP is built on systems of exclusive rights
- Territorial in nature
- Industrial property rights generally presuppose registration in the country concerned
- Copyright/related rights are automatic; right-owners from other convention countries have automatic protection.

IP and Enforcement

- Violations of the rights that right-owners are granted entail criminal or civil sanctions.
- Mechanisms for enforcement are primarily the courts
- Customs play a critical role; prevent import of infringing copies.

IP and Enforcement

- Impact of Internet:
 - transmission of protected material to users who download or use it
 - electronic commerce.

IP and Enforcement

- Effects for customs of electronic commerce:
 - enormous increase of the number of consignments
 - increased possibilities for exchange of information.

Customs and Enforcement

- Three relevant sectors
 - The legal framework governing the activities
 - The international political environment affecting also customs
 - A number of practical issues of importance for how customs are able to carry out their activities.

The Legal Framework

- Multilateral legal framework; Part III, Section 4, of the Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS Agreement) in WTO.
- Various regional instruments, for example in the European Union
- Provisions in national law.

The TRIPS Agreement

- 1. Procedures must be available to enable a right holder to make an application to customs for suspension of the release into commercial channels of suspected counterfeit trademark goods or pirated copyright goods.

The TRIPS Agreement

- 2. In addition, procedures may be available also in respect of
 - goods where there may be other IP infringements
 - goods that are intended for export.
 - No provisions on goods in transit.

The TRIPS Agreement

- 3. Application to contain
 - sufficiently detailed description of goods, and
 - details to indicate *prima facie* evidence about infringement.

The TRIPS Agreement

- 4. Applicant may be required to post a security.
- 5. If application accepted; prompt notification to importer and defendant.

The TRIPS Agreement

- 6. Decision on suspension of release of goods for 10 working days
 - may be extended with further 10 working days "in appropriate cases".
- 7. Right holder to be given opportunity to inspect the goods

The TRIPS Agreement

- 8. In some countries, *ex officio* action may be allowed.
- 9. If importer and consignee or owner of goods caused injury, possibility to order applicant to pay compensation.

The TRIPS Agreement

- 10. Remedies: authorities shall have possibility to order destruction or removal of infringing goods.
- 11. Allowed to exclude from application cases of small quantities of infringing goods of non-commercial nature in travellers' personal luggage or in small consignments.

The TRIPS Agreement

- 12. To note: infringing goods shall not be allowed to be re-exported or subject to different customs procedure
- 13. Simple removal of trademark not sufficient to permit release.

International political developments

- Reasons for increased interest:
 - links to organised crime
 - money laundering
 - possible financing of terrorist activities
 - threats to public health (counterfeit drugs)
 - threats to public safety (counterfeit airplane or car parts).

International political developments

- Global Congresses on Combating Counterfeiting and Piracy
- WIPO Advisory Committee on Enforcement
- World Customs Organization (Model Law, CEN, Strategy Paper etc.)
- Interpol
- World Health Organization (WHO) (IMPACT).

International political developments

- WHO; the TRIPS Council
- Group of Eight (G 8) and High Level Dialogue Process together with Brazil. China, India, Mexico and South Africa.

Some practical issues

- 1. What is being counterfeited or pirated ?
 - (Everything).
- 2. Question of goods in transit
- 3. Parallel import
- 4. Factors that encourage counterfeiting and piracy (high profits, low risk, insignificant penalties)
- 5. Extent of counterfeiting and piracy (OECD figures; up to 5-7 % of world trade).

Some practical issues

- 6. Countries of origin of counterfeited or pirated goods.
- 7. Activities of customs authorities (number of seizures).
- 8. How to identify infringing goods.
- (turn to specialists, e.g. "www.ifpi.org")
- 9 Training; look at WCO website; "www.wcoomd.org"

Counterfeit & Pirated Goods Investigation & Prosecution



Jennie Ness
Regional IP Attaché
U.S. Commercial Service



What Is a “Counterfeit” Good?

- Not “genuine”
 - Other possible types
 - Grey market goods
 - “Overrun” goods
- Underlying rights protected by the Patent and Trademark Office



What Is a “Pirated” Good?

- A good that infringes on the copyright held by another
- Examples:
 - DVDs containing movies
 - CDs or digital files containing music or computer software (e.g., business applications, games)

3



How Do Counterfeit and Pirated Goods Cases Come to Law Enforcement?

- Source #1: “Port cases”
- Source #2: “Consumer cases”
- Source #3: “Domestic supplier cases”
- Source #4: “Internet cases”

4



Port Cases

- Definition: Imported items are routinely inspected, and federal agents or port employees discover that items are counterfeit
- Challenges:
 - Proving ownership and control
 - Proving “trafficking” in the goods (just have possession)
 - Proving “knowledge” of counterfeit nature of goods

5



Consumer Cases

- Definition: Consumers contact Federal Trade Commission or others, who inform federal law enforcement that items purchased (e.g., batteries, pharmaceuticals) are counterfeit
- Challenges:
 - Protecting public health & safety
 - Tracking the consumer purchase up the supply chain
 - Proving knowledge of counterfeit nature of goods

6



Domestic Supplier Cases

- Definition: Domestic company is supplying a domestic business with raw materials used to manufacture counterfeit or pirated goods (e.g., stamping counterfeit DVDs or CDs)
- Challenges:
 - Obtaining cooperation of domestic supplier, who may or may not be a co-conspirator
 - Proving knowledge of counterfeit nature of goods

7



Pure Internet Cases

- Definition: Pirated works are uploaded or distributed over the Internet, for profit or otherwise
- Challenges:
 - Tracking the origination of the goods
 - Proving “willfulness,” which is required by many copyright statutes (except uploading pre-release works)

8



Other “Fact Patterns”

- These are only most “typical” – there are many other ways in which counterfeit or pirated goods are either:
 - Imported into the U.S.
 - Manufactured domestically in the U.S.
 - Sold domestically
- As discussed, challenges are slightly different – but some are common to all.
- Note that most common source of “leads” is from rightholders themselves.

9



Overview of All Types of Investigations

Investigators:

- Federal
 - Federal Bureau of Investigation
 - Immigration and Customs Enforcement
 - Internet Crime Complaint Center
 - Food and Drug Administration
 - U.S. Secret Service
- State
- Local

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Overview of All Types of Investigations

Statutes:

- Criminal trademark infringement
- Criminal copyright infringement
- Wire/mail fraud
- Trafficking In Counterfeit Trademarks, Service Marks, Certification Marks
- Theft of Commercial Trade Secrets
- Counterfeit and Illicit Labels, Counterfeit Documentation and Packaging
- Camcording
- Pre-release distribution

11



Overview of All Types of Investigations

- Criminal trademark infringement
- Criminal copyright infringement
- Wire/mail fraud
- Trafficking In Counterfeit Trademarks, Service Marks, Certification Marks
- Theft of Commercial Trade Secrets
- Counterfeit and Illicit Labels, Counterfeit Documentation and Packaging
- Camcording
- Pre-release distribution

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Investigative Tools

- Undercover buys
- Search warrants
- Mutual Legal Assistance requests
- Interviews
- Work conducted by victims' investigators
- Follow the money!
- Use the data trail.

13



Prosecutorial Discretion

Considerations in charging an IP crime:

- Law enforcement priorities
- Deterrent effect
- Nature and seriousness of the offense
- Factors relating to the individual offender (willingness to cooperate in prosecuting others, degree of culpability, criminal history, special status)
- Probable sentencing and other consequences
- Adequacy of non-criminal remedies

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Working with Rightholders

- Offer interested right holders an opportunity to provide contact information that can be stored, easily updated and accessed by enforcement authorities.
- Take appropriate measures to guarantee the confidentiality of information provided by rightholders.
- Seek the assistance of right holders to determine whether goods are counterfeit or pirated.
- Allow adequate time for right holders to comply with procedures. Many are based in other countries and time zones.
- Empower right holders to take enforcement action through administrative, civil or criminal processes by providing them with information gathered.

15



Case Studies

- Two Convicted Of Selling \$6 Million Worth Of Counterfeit Software On eBay (June 25, 2007)
- Extradited Software Piracy Ringleader Sentenced to 51 Months in Prison (June 22, 2007)
- Man Pleads Guilty To Conspiring To Commit Trade Secret Theft From Corning Incorporated (June 12, 2007)
- Valley Couple Charged With Criminal Copyright And Trademark Violations For Distributing Counterfeited Microsoft Software: Defendants Obtained Software and Distributed It Throughout The United States (June 12, 2007)
- Moorpark Man Sentenced To Five Years In Prison For Conducting A Multi-Million Dollar International Cable Piracy Business (June 8, 2007)

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Case Studies

- Illinois Man Charged With Leaking Season Premier Of Popular Television Show By Uploading To The Internet (June 1, 2007)
- Ex-Employee Of The Coca Cola Company And Co-Defendant Sentenced For Stealing Trade Secrets
- North St. Paul Man Receives Federal Sentence for Copying Copyrighted Movies (May 11, 2007)
- Justice Department Announces First Ever Conviction For Infringing Copyrights In Karaoke Sound Recordings (April 20, 2007)
- Four Defendants Sentenced In One Of New England's Largest Counterfeit Goods Conspiracies (April 9, 2007)
- Central Valley Couple Plead Guilty To Conspiracy And Criminal Copyright Violations For Distributing Counterfeited Movies And Music: Defendants Operated Massive Distribution Centers in Stockton and San Jose (March 30, 2007)

17



Questions?

18



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**APEC Workshop on IPR Enforcement
in the Digital Era, Vietnam 2007**

Role of Prosecution and Police

to Piracy and Counterfeit in Digital Era



Hiroshi KATO

Japan Government Patent Office (JPO)

National Police



International Criminal Police Organization

Topics

1. Global Issues
2. Experience of Japan
3. Future Prospect

1. Global Issues

Introductory Remarks (1)

- Treaty on non-proliferation of counterfeit and pirated goods
 - International treaty to the world to prevent exporting/transshipping counterfeit and pirated goods and to seize illegal profits
 - “Combating IPR Piracy and Counterfeiting”
 - Saint Petersburg (Summit 2006)

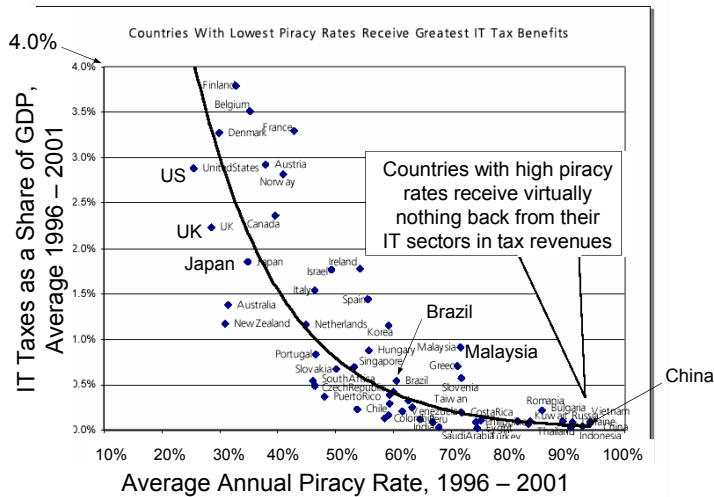


Introductory Remarks (2)

- WIPO Japan Office
 - One of the center on IPR in Asia
 - Asia is one of the most important area for IP policy by WIPO.
 - Exchange of information, Research Project e.t.c.
 - Close relation : WIPO and Asia

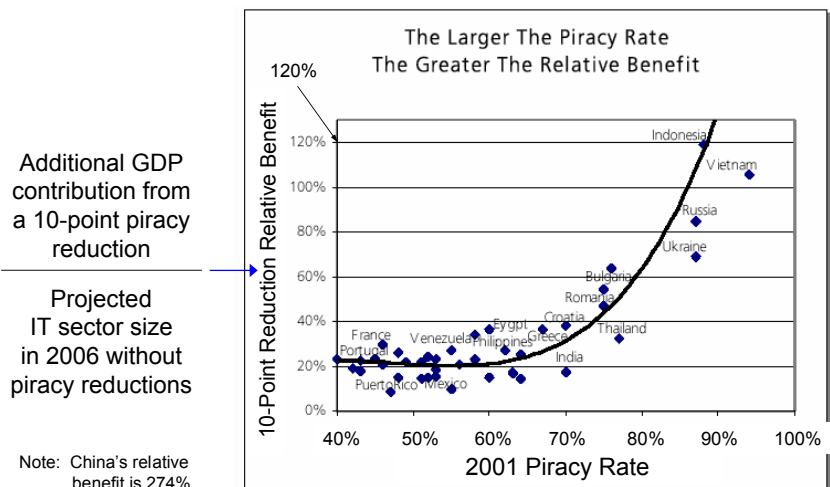


Economic Impact of Piracy (1)



Source: Figure 3 of "Expanding Global Economies: The Benefits of Reducing Software Piracy" (April 2003)

Economic Impact of Piracy (2)



Source: Figure 5 of "Expanding Global Economies: The Benefits of Reducing Software Piracy" (April 2003)

TRIPS Agreement

- Temporary Measures for Each Country on TRIPS

	National Treatment Most-Favored-Nation Treatment	General	Patent for Substance 【A】	Temporary Measures For 【A】
Advanced Countries	1996.1.1	1996.1.1	1996.1.1	1995.1.1
Developing Countries		2000.1.1	2005.1.1	
Least Developed Countries		2006.1.1 (→2013.7.1)	2016.1.1	

TRIPS Enforcement Provision (1)

◆ Part III (Enforcement of IP Rights)

- Section 1: General Obligations (Article 41)
- Section 2: Civil and Administrative Procedures and Remedies (Articles 42 to 49)
- Section 3: Provisional Measures (Article 50)
- Section 4: Border Measures (Articles 51 to 60)
- Section 5: Criminal Procedures (Article 61)

TRIPS Enforcement Provision (2)

◆ Section 5 (Criminal Procedures)

- Criminal procedures and penalties to be applied **at least** in cases of willful trademark counterfeiting or copyright infringement on a commercial scale

(Remedies shall include imprisonment and/or fines sufficient to provide a deterrent.)

TRIPS Enforcement Provision (3)

Modes of IP enforcement WTO members **must** provide for and **may** provide for

IPRs covered by the TRIPS Agreement

	Copyright and related rights	Trademarks	Geographical indications	Industrial designs	Patents	Layout designs of IC	Undisclosed information
Civil Procedures	MUST	MUST	MUST	MUST	MUST	MUST	MUST
Criminal Procedures	MUST	MUST	MAY	MAY	MAY	MAY	MAY
Border Measures	MUST	MUST	MAY	MAY	MAY	MAY	MAY

Challenges in IPR Enforcement

■ Enable the internal legal system to...



■ Confiscate proceeds of IP crimes

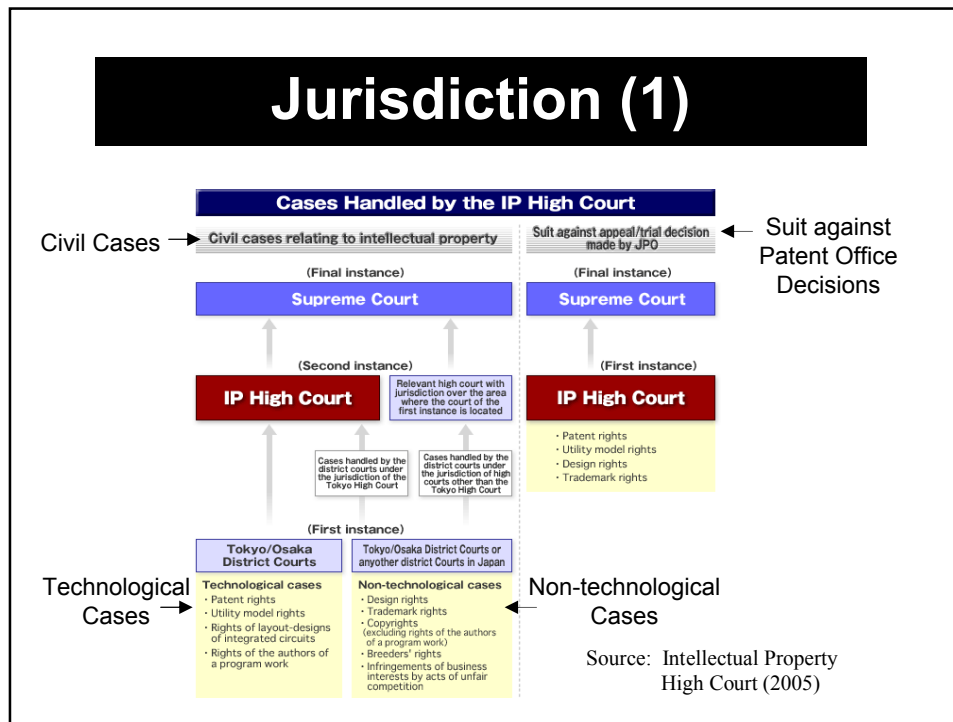
■ Extradite Criminals of IP crimes



...defined in this treaty

2. Experience of Japan

Jurisdiction (1)

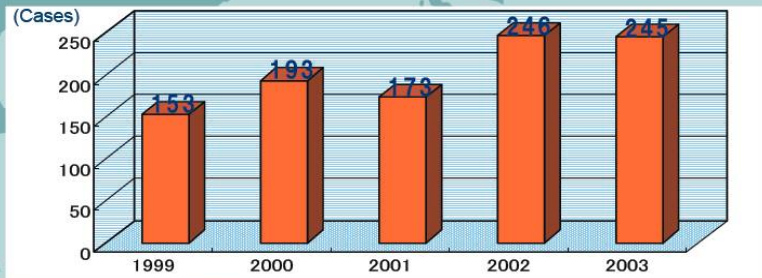


Jurisdiction (2)

- Role of judicial research officials
 - Judicial research officials assigned to the IP High Court **conduct researches**, by order of judges, **on technical matters** as required to conduct proceedings and render judgments in cases relating to patents, utility models, and other intellectual property. From April 2005, they may, with permission of judges, ask questions to the parties during oral arguments or other occasions in order to clarify the facts of the case.

Trends of Criminal cases

Number of arrests for the infringement of intellectual property rights for the recent five years



Total number of arrests (2003)

245 cases

Violation of the Trademark Law (Fake brand)	166
Violation of the Copyright Law (Pirated copies, Piracy in cyberspace)	70
Others	9

7

Criminal Procedures (1)

- Patents, utility models, designs, and trademarks

Offenses constituting a crime

- Infringement
- Right obtainment by means of a fraudulent act
- False marking
- Perjury by a witness, expert witness or interpreter

Note 1: Prosecution for these offenses may take place even without the complaint of the injured person.

Note 2: Penalties for patent infringement:

- Imprisonment with labor not exceeding five years; or
- Fine not exceeding 5,000,000 yen (approx. US\$ 40,000)

Note 3: Additional fines for corporate offenses will be explained later.

Criminal Procedures (2)

- Copyright and neighboring rights

Offenses constituting a crime

- Infringement

Note 1: Prosecution for copyright infringement takes place only upon the complaint of the injured person.

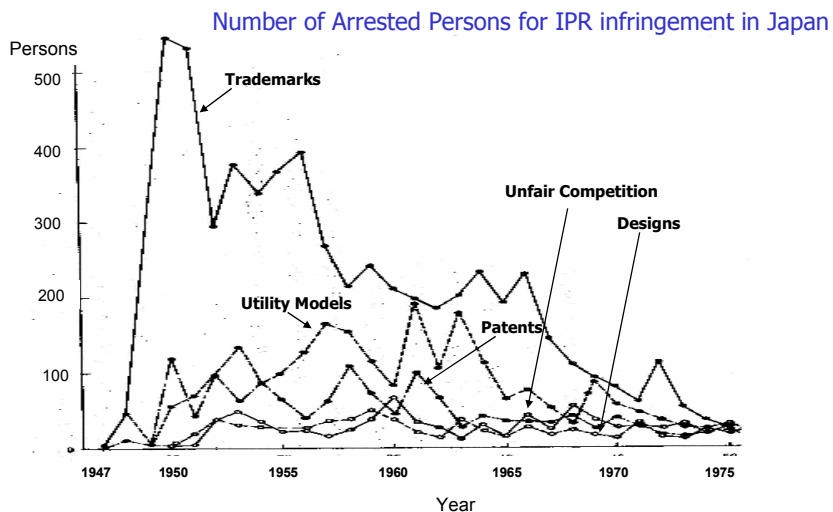
- Manufacturing of devices, etc. solely for the circumvention of technological measures for copyright protection

Note 2: Prosecution for this offense may take place even without the complaint of the injured person.

- Some other offenses

Against Counterfeiting (1)

1950s to 1980s



Against Counterfeiting (2)

1950s to 1980s

- Law prohibiting the exportation of goods infringing the industrial property rights and copyright of destination countries (1952)
- Counterfeiting Control Officer at the National Police Agency (1985)
- IPR Supervisors at the Customs Offices (1986)

Note: As of the year 2001, 111 officers in charge of IPR are deployed at major customs offices throughout the nation.

Source: "Customs Administration in Japan 2001" (Customs and Tariff Bureau, Ministry of Finance)

Amendments of Laws for Enforcement

- Raise of penalties for IPR infringement

Maximum Criminal Penalties for Infringement (after amendments)

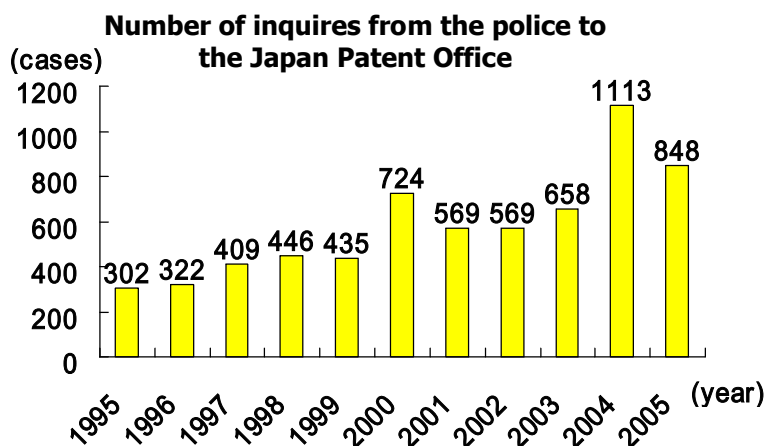
	Imprisonment	Fines for Individuals	Fines for Corporations
Patent	10years	US\$90,000	US\$2,720,000
Trademark	10years	US\$90,000	US\$2,720,000
Design	5years	US\$45,000	US\$ 1,360,000
Utility model	5years	US\$45,000	US\$ 1,360,000
Copyright	5years	US\$45,000	US\$ 1,360,000

Japan Patent Office's Contributions to Enforcement (1)

- Cooperation between Japanese enforcement authorities and the Japan Patent Office
 - **Replying to inquiries about IPR infringement from Customs Offices and the National Police Agency**
Note: Launch of the new inquiry system under the Customs Tariff Law as amended in 2003 (See Part I)
 - **Sending technical advisors to courts**
 - Sending lecturers to customs official training programs



Japan Patent Office's Contributions to Enforcement (2)



3. Future Prospect

Challenges in IPR Enforcement

Among others,



- Identification of counterfeits
- IP awareness building among the general public

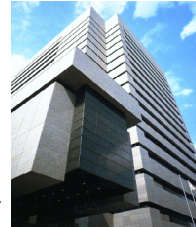
Possible Solutions to the Challenges (1)

- For the identification of counterfeits:
 - Cooperation with right holders
 - Inspection by the right holder of the goods detained by the customs authorities (cf. Art. 57 of the TRIPS Agreement)
 - Regular/ad-hoc consultations with industry representatives for information exchange
 - Cooperation with the private sector in human resource development

Possible Solutions to the Challenges (2)

(continued)

- Cooperation with the IP Office
 - Inquiries to the IP Office for advice
 - Access to databases of the IP Office for information on existing IPRs
 - Establishment of formal cooperation agreements between enforcement agencies and the IP Office

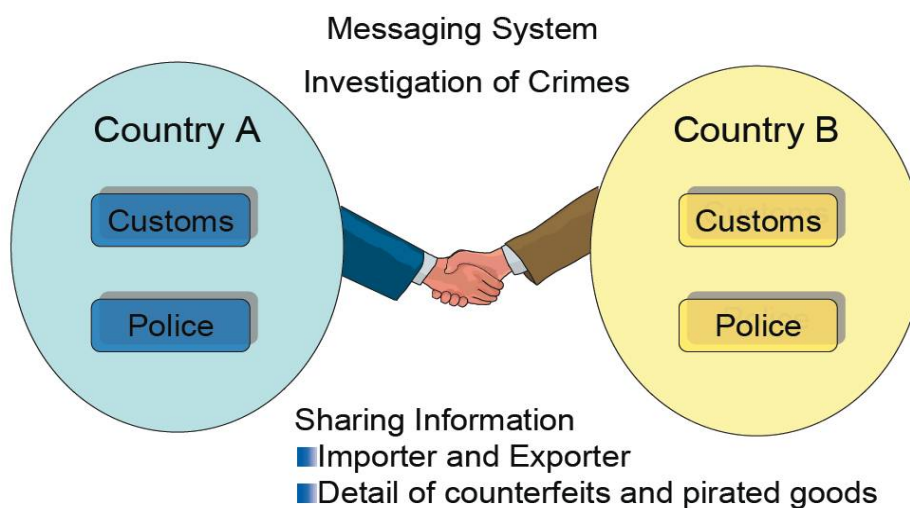


Possible Solutions to the Challenges (3)

- For public awareness building:
 - Establishment of, and dissemination of information on, a landmark case law
 - Media coverage of enforcement activities
 - Organization of campaigns to inform consumers of their immediate interests (risks entailed in counterfeits in terms of public health, product quality, after-sales service, etc.) as well as benefits of a strong IP system for national economy
 - Incorporation of IP awareness building programs into the education system

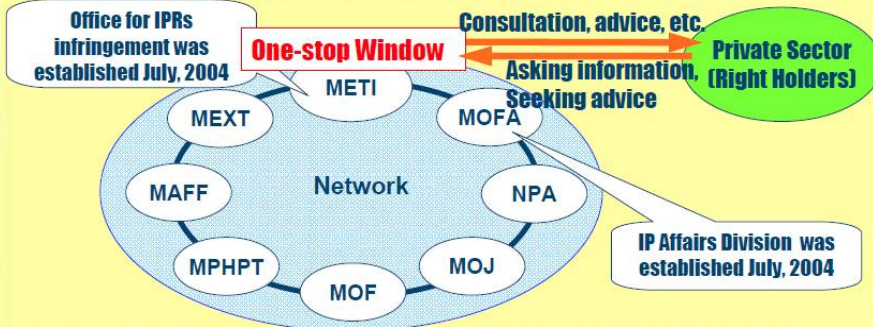


Future Prospect (1)



Future Prospect (2)

◆ One-stop window opened in August



- ◆ The Intra-Government Council at DG-level, consisting of 8 ministries as described above, was formed to coordinate policies and exchange information.

13

Future Prospect (3)

- ◆ Considering wide range of measures, taking into account of massive transactions of counterfeits and pirated copies in the cyberspace

- Transaction of fake brands via internet auction
- Digital piracy in cyberspace



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Conclusions

- Full compliance with the TRIPS Agreement remains to be a main issue for WTO members.
 - **Criminal procedures and penalties should be applied to most IP cases.**
- Judicial System and Criminal System is a key to effective IPR enforcement actions in Japan.
- One stop Window as well as Collaboration is future prospect. Considering wide range of measures is future prospect in Cyberspace.

Thank you !





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AL SERVICIO DE LOS AUTORES EN EL MUNDO

The Right Holders' Perspective

Recent Actions Against Digital Copyright Infringements in APEC Economies; Problems & Strategies

Document's reference
Author :
Event
City, JJ/MM/AAA – JJ/MM/AAAA
Original language : English

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1

Right Holders' Perspectives

- **Right holders welcome developments in digital technology**
- **Digital marketplace create new business opportunities & new revenue streams**
 - US\$120 million in interactive transmission + online karaoke royalties collected by JASRAC in Japan
 - US\$16.6 million in Internet & Online Incomes - South Korea
- **Approach is to negotiate for a reasonable level of royalties**
 - To encourage further development of new business opportunities

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2

Licensing Actions – Digital Services Licensed
Example – Hong Kong

	True tone	Ringback tone	Full track	Music Video	Album DL	Subscription based Unlimited streaming	TV Broadcast
Internet			✓	✓	✓	✓	
Mobile	✓	✓	✓	✓		Under discussion	Under discussion
Fixed line		✓				Under discussion	

Licensing Actions – Applicable Tariffs
Example – Hong Kong

Platform	Royalty Rate
Telecom	12% of sales revenues
Internet (pay model)	12% of sales revenues (discounted to 8% for time being)
Internet (FOC streaming model)	0.5% - News/Sports 2.5% - General Entertainment 4.0% - Music (audio) 6.0% - Music (audiovisual) Applicable on advertising revenues

Licensing Actions – One Recent Case
Example – Hong Kong

• **Licensing of Naxos Music Download Service**

■ www.classicsonline.com, regional base in Hong Kong

- US\$0.99 per track (less than 5 minutes)
- US\$7.99 per album

■ **Primary Asia Pacific markets are Japan, South Korea, Hong Kong, Singapore & Australia, NZ, Taiwan**

■ **Joint Societies/Publishers Licences Negotiated – Different Tariffs as applicable in the different territories - % of end consumer price**

■ **Detailed download reports by territories will be provided by Naxos**

Licensing Actions – Digital Services Licensed
Example – Singapore

- **Soundbuzz - Online Music Retailer**
- **Apic Systems - Mobile Content Provider**
- **AKN Messaging - Mobile Content Provider**
- **Jamba/Jamster – Mobile Content Provider**
- **MIAccess – Mobile Content Provider**

Licensing Actions – Applicable Tariffs
Example - Singapore

Platform	Royalty Rate	Remarks
Ringtones (Poly/Mono)	6.25% of end consumer price (Recoupable advance)	Subject to additional 10% for mechanical rights
Mobile (with downloads)	12% of end consumer price (Recoupable Advance)	Ringtones(Poly/Mono) not included
Internet (with downloads)	12% of end consumer price (Recoupable Advance)	Ringtones(Poly/Mono) not included Discounted to 8%
Internet Streaming	6.25% with annual minimum advance	
Mobile Streaming	6.25% with annual minimum advance	

Problems

- **Group of digital service users who upload for sharing & distribution without proper licence; others download because it's free**
 - **'Cool' factor**
 - Students, young people
 - **Pirates**
 - Commercial gain, directly or indirectly through copyright infringement of works made available online
 - **Ignorance**
- **Different strategies needed for the different groups**

Legal Actions Against Infringers

- **Legal actions are needed in order to**
 - Deter
 - Raise awareness of the law
 - Encourage use of legitimate downloads
 - Change consumer attitudes
- **This has of course to be combined effectively with education**
 - Ongoing educational campaign to heighten public awareness of economic and cultural damage that digital piracy will wreak
 - IFPI sent out millions of instant messages to illegal music file-sharers in many countries

Legal Actions Against Digital CR Infringements South Korea

- **Soribada (the Korean Napster)**
 - First Korean P2P system started in 2000
 - District Court granted injunction against Soribada, finding that it had aided & abetted copyright infringement by users on its service based on:
 - Soribada's knowledge of infringement
 - Profits from the service
 - Failure to filter
 - ***“Soribada didn't violate copyright directly, but it must bear indirect responsibility for the degree of its involvement in violations of copyrights”*** Judge Kim Sun-hye

Legal Actions Against Digital CR Infringements South Korea

- **Soribada (the Korean Napster)**
- After case, it was re-started with a paid service in 2004. Between Dec 2004 & June 2005, it sold nearly 5 million songs through its servers. Searches returned both tracks for sale & free downloads. Upon being sued again, Soribada stopped its service in 2005
- A complete shutdown of Soribada was ordered by the Seoul High Court which ruled that the site had encouraged users to commit copyright infringement
- Recently, Soribada reached agreement to settle all lawsuits & has been providing music legitimately; signed MOU with Samsung for developing & selling music products in digital music area

Legal Actions Against Digital CR Infringements Hong Kong

- **'Big Crook' Bit Torrent Case**
- In November 2005, in a world first, a HK man, Chan was sentenced to 3 months' jail for using Bit Torrent (BT) to share 3 Hollywood movies with other Internet users, even though he did not profit from sharing. Court of Final Appeal affirmed judgment, & stated that Chan "plainly succeeded in distributing copies" of the 3 movies
 - Chan had offered the 3 films from his computer & placed a notice on an Internet forum inviting other users to download them
- HK government stated that BT uploads from HK fell by 80% after judgment in the case

Legal Actions Against Digital CR Infringements Japan

- **Japan MMO – P2P file sharing service (using ‘File Rogue’) offered music files to online consumers without authorization**
 - The ‘File Rogue’ service had allowed exchange of music files free of charge on the Internet
 - Tokyo High Court upheld District Court’s decision that Japan MMO were responsible for infringing the right to make transmittable of sound recordings on the Internet & ordered it to suspend transmission of music files
 - Decision affirms that not only users who exchange music files on the Internet without permission, but also the administrators & operators of those services, are legally responsible for copyright infringement

Other Actions Against Digital CR Infringements Japan

- **In accordance with Provider Liability Law (Notice & Takedown), JASRAC has requested ISPs to cease transmissions of illegal music files**
 - Between October 2002 – March 2007, total of deleted files exceeded 250,000 (domestic & abroad)
 - On average, it took 10.79 days from day of request to cessation of infringement
 - Information gathered with JASRAC’s search engine called ‘J-Muse’
- **YouTube**
 - JASRAC identified videos using Japanese repertory and wrote to YouTube for deletion of files under US DMCA; number of video files deleted between June 2006 – March 2007 reached 16,000

Recent Legal Actions Against Digital CR Infringements Australia

- **Universal Music versus Sharman (KaZaa case)**
 - Australian Court found KaZaa liable for authorizing infringements that occurred on its service based on KaZaa's:
 - > Knowledge of infringement;
 - > Failure to curb infringements when it could; and
 - > Encouragement of and direct financial interest in the infringements
- **Mp3s4free.net**
 - Deep linking site was held liable for copyright infringement; ISP hosting site was also found liable

Recent Legal Actions Against Digital CR Infringements Australia/USA

- **Infamous Australian Internet pirate Hew Raymond Griffiths**
 - Leader of DrinkOrDie, the world's largest international Internet piracy group, reproducing software, games & music worth US\$50 million
 - Sentenced to 51 months in a US jail on 22 June 2007
 - > 1 count of conspiracy to commit criminal copyright infringement
 - Once boasted that he would never be caught
 - Was extradited from Australia to US in February 2007
 - 11 other DoD members already convicted in USA

Legal Actions Against Digital CR Infringements *Chinese Taipei*

• **Kuro**

■ **Taiwanese Court convicted Kuro, a subscription P2P service and its principals of criminal copyright infringement:**

- Kuro solicited users knowing that they would infringe and made profits as a result of the infringement
- It could but refused to install filters
- It has 5 million members & collected a monthly fee for use of P2P software for illegal file sharing

■ **Principals were sentenced to 2-3 years' imprisonment, and each fined US\$90,000**

■ **Kuro reached a settlement on 14 September 2006 with IFPI whereby it would:**

- Discontinue its file-sharing function & distribution of P2P software
- Pay NT300 million (US\$9 million) in damages to record companies

Legal Actions Against Digital CR Infringements *China*

• **ChinaMP3 – another link site found guilty of copyright infringement for deep linking**

■ **Chinamp3, a website operator which mainly posts information about pop artistes & albums**

■ **Unique feature of its service – website provides users with numerous links to online music stored in other websites**

■ **Web users could click on hyperlinks & download music stored on these other sites**

Legal Actions Against Digital CR Infringements China

- **Yahoo!China**

- Found guilty of infringement for providing “deep links” (Internet links that directly initiate download of content) to copyright music tracks

- Fined Y200,000 (US\$27,000) and can no longer direct users to sites where they can download music illegally

Right Holders' Strategies in Digital Environment

1. **Consumer-friendly and viable alternative to free-use model**
2. **Sound technical framework for secure distribution of digital content**
3. **Adequate domestic and international legal frameworks**
4. **Effective investigation and enforcement**
5. **Cooperation among Industry Interest Groups**

Strategies

1. Viable Alternative to Free Use Model

- **Viable alternatives to free-use model**
 - While extremely attractive to consumers, clear that free-use model is not commercially viable
 - New business models with ease of access, usage and payment systems, & 'sexy'
 - Apple iTunes
 - Soundbuzz
 - IFPI website has a list of legal music download sites
 - Free downloads with 'compulsory' advertising
 - Other formats

Strategies

2. Sound Technical Framework

- **Development & use of Digital Rights Management systems (DRMs) key to protecting IP rights in digital distribution chain**
- **With DRMs, right owners would be assured to make available their works digitally, as they can monitor usages of their works and ensure appropriate recompense. This increases legitimate choices for consumers**
 - Thus, the need for legal protection against anti-circumvention technologies

Strategies

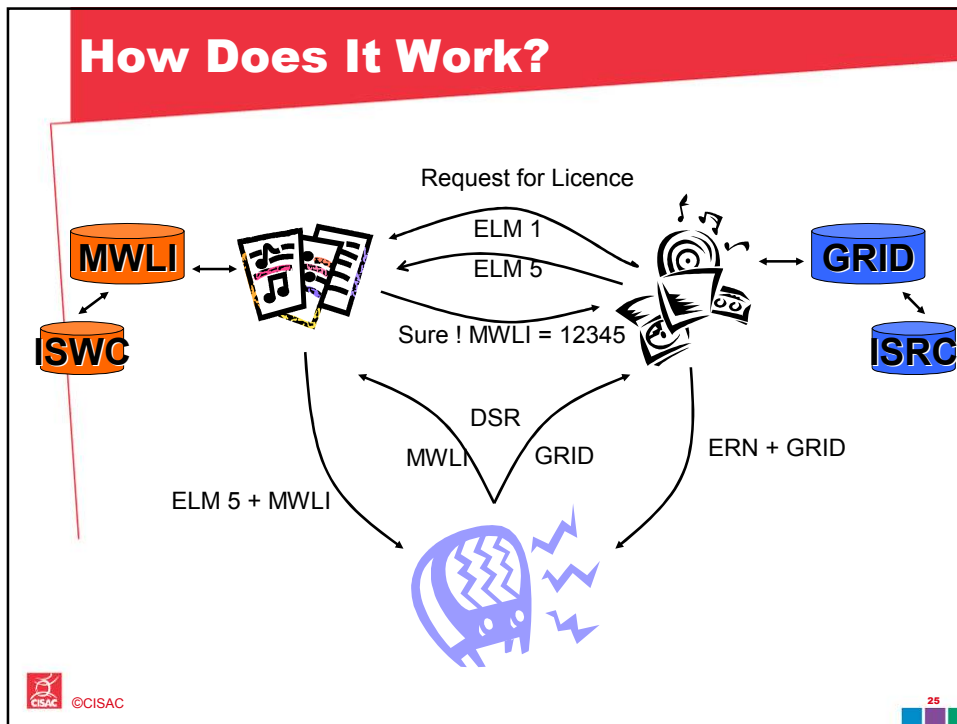
2. Sound Technical Framework

- **Goal is to have contents protected within devices & along all transmission paths throughout which the content moves among devices**
 - Example - *Digital Data Exchange (DDEX)* set up to move forward standards for exchanging data to support digital distribution of digital content with initial focus on music & music-related assets
 - Membership is open to any business entity with an interest in the digital music value chain
 - Organizations that use the standards don't have to be a DDEX member – simply take out a licence; but only members can participate in creating and amending standards

Strategies

2. Sound Technical Framework

- Current DDEX members over 50 & include ASCAP, HFA, PRS/MCPS,, SGAE, Apple, RealNetworks, AOLMusicNow, Microsoft, Warner Music, Universal Music, EMI Music, Sony/BMG Music, (Charter members, to be expanded to 15)
- System will have unique numbers that identify a creation, the related rights, & the individuals & companies involved in its ownership & exploitation
- A permanent set of rights management information is embedded into each digital sound recording that will enable the monitoring, identification and licensing of digital usages



Strategies

3. National & International Laws

- **Governments, too have a role to play in all of these**
 - National and international copyright laws have to be rapidly and constantly updated to keep pace with developments in digital technology
 - Technical standards and DRMs require adequate legal protection to work; otherwise circumvention would prevail
- **Need for world wide implementation due to borderless nature of the digital environment (*KaZaa in Vanuatu*)**
 - Accession to WCT & WPPT (the Internet Treaties)

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Strategies

4. Effective Investigation & Enforcement

- **Detecting Internet infringements – difficult**
- **Enforcement agencies must have adequately skilled and trained investigators who are equipped with the necessary technical tools to carry out their investigations**
 - Advanced automatic search engines
 - Continued development of tools for identifying and tracing digital infringements
 - Greater need for cross border cooperation; need to train officers to investigate such offences

Problems

- **Some industry players not cooperating**
 - Record companies in some AP countries claim:
 - No communication right in musical works
 - They own all the communication rights, both in musical works and sound recordings
 - Their licence include guarantee/indemnity for communication right in musical works that are collectively managed by CMOs

Strategies

5. *Cooperation Among Different Industry Players*

- **Cooperation among the different players in the industry**

- **IP right owners**

- **Industry organizations**

- **Internet Service Providers**

- ISProviders are profiting from the digital environment & need to bear greater responsibilities for protecting copyrights & related rights;

- **Hosting sites**

The Digital Environment

- **Digital environment offers new market opportunities**

- **Examples**

- Mobile Music worth US\$3.8 billion in 2006 and projected to increase to US\$6 billion by 2010

- Mobile Content Market (music, gaming, videos, TV, others) generated US\$14 billion in 2006 and expected to grow to US\$41 billion in 2010

Joining in the Digital Marketplace

- **Governments need to provide adequate legal protection for investments in the digital environment to encourage legitimate exploitation of this new market potential**
- **Need for appropriate protection balanced against exploitation and public access; otherwise, no economic incentives for right holders**

March Towards A Digital World

- **Irrevocable and unstoppable**
- **Exponential growth**
- **Symbiotic importance of technology and contents**
- **IP the basis of digital content**



Thank You
The End

**APEC Workshop on IPR Enforcement
in the Digital Era, Vietnam 2007**

Awareness Campaigns

to Piracy and Counterfeit in Digital Era



Hiroshi KATO

Japan Government Patent Office (JPO)

Training Program

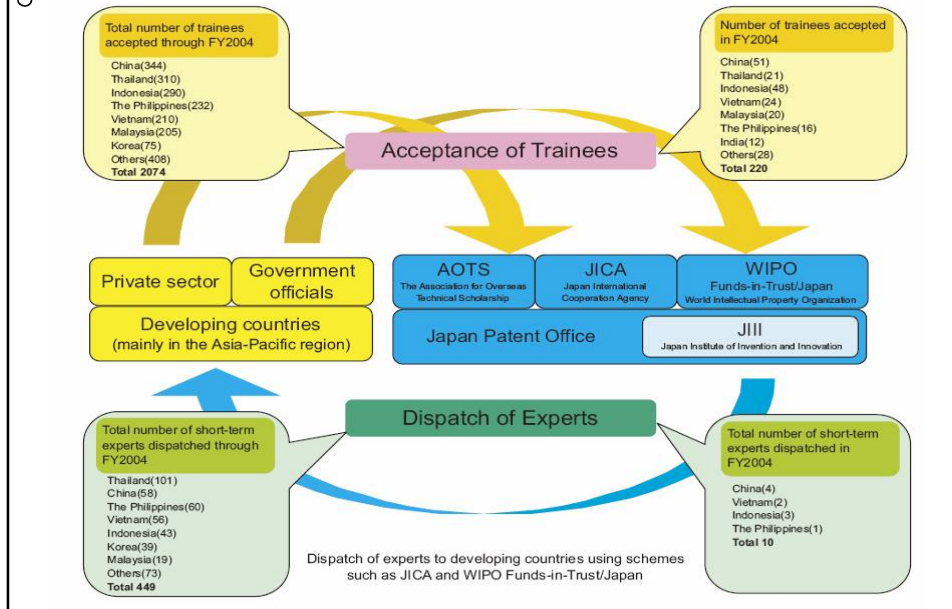


Topics

1. Global Issues
2. Experience of Japan
3. Future Prospect

1. Global Issues

Promotion of human resources development



Joint Cooperation to Asia

Asia-originated Inventions and Creations

Contribution to the progress of the world's civilization and culture

Introductory Remarks (2)

Build IP system in Asia

- ◆ WIPO Asia and the Pacific Regional Symposium

Introductory Remarks (2)


Capacity Building on IP

- ◆ Development of Human Resources
- ◆ Information Technology

Introductory Remarks (2)

Harmonization of the IP systems

Necessary for joint-research in Asia

- ◆ National Patent
 - ◆ Regional Patent
 - ◆ Global Patent
- 

2. Experience of Japan

Japan's IP Strategy

IP-based Nation

2002 Policy Statement by Prime Minister KOIZUMI

I will set as one of our national goals the strategic protection and usage of the results of research activities and creative endeavors as intellectual property so as to enhance the international competitiveness of Japanese industries.

Basic Law on IP

(2002)

Chapter 1 General Provisions

Chapter 2 Basic Measures

Chapter 3 IP Strategic Program

Chapter 4 IP Strategy Headquarters

IP Strategy Headquarters

(Chairman)

- Prime Minister Koizumi

(Members)

- All Ministers

-10 Experts
from Private Sector



IP Strategic Program

1. IP Creation

2. IP Protection

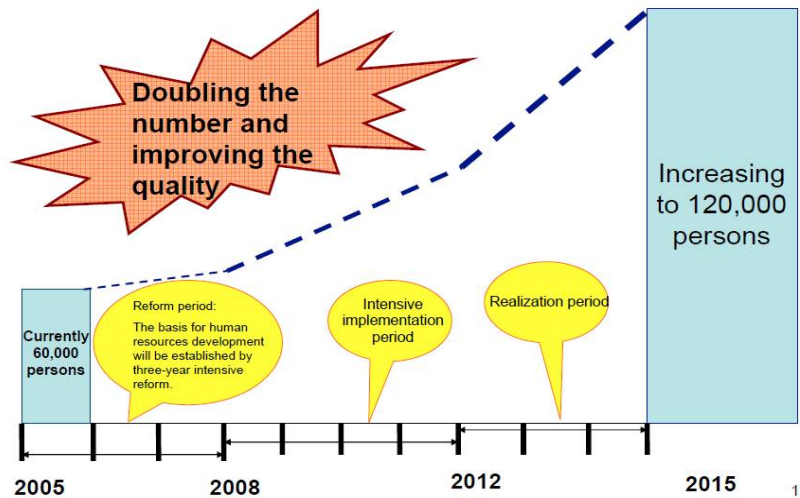
3. IP Exploitation

4. Promotion of Media Contents Business

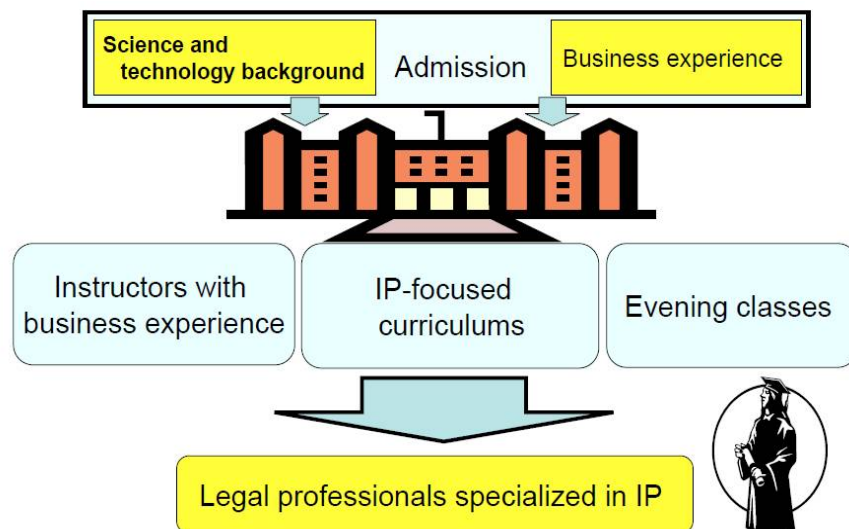
5. Human Resources Development

450 action items

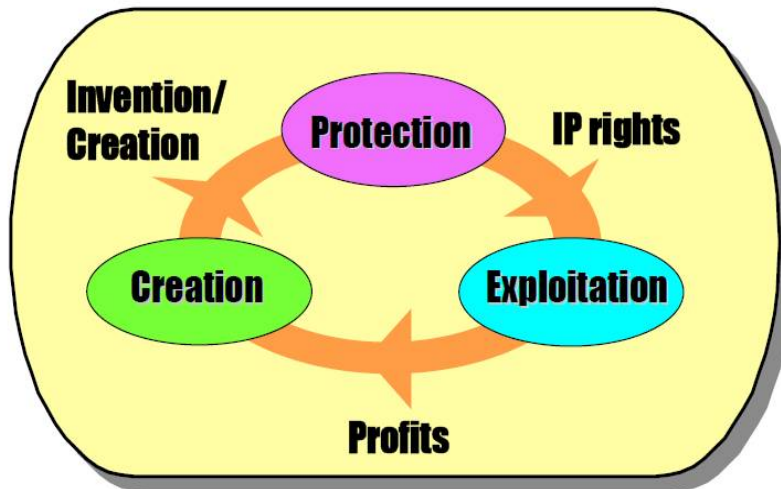
Human Resource Development



Law School



IP Circle



Case Study (1)

■ **High Speed Video Camera**

Kinki Univ. and Shimazu Co.



Case Study (2)

■Ubiquitous Computing Technique

Tokyo Univ. and YRP Ubiquitous Co.



Case Study (3)

■High Density Perpendicular Magnetic Recording

Tohoku Univ. and Hitachi Co.



Case Study (4)

■Liquid Crystal Display without Backlight

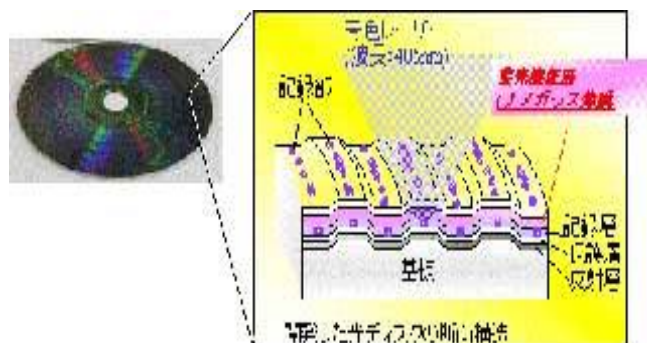
Tohoku Univ. and Sharp Co.



Case Study (5)

■Cobalt Glass for Light condensing of DVD

Kyoto Univ. and AIST



Judicial Case

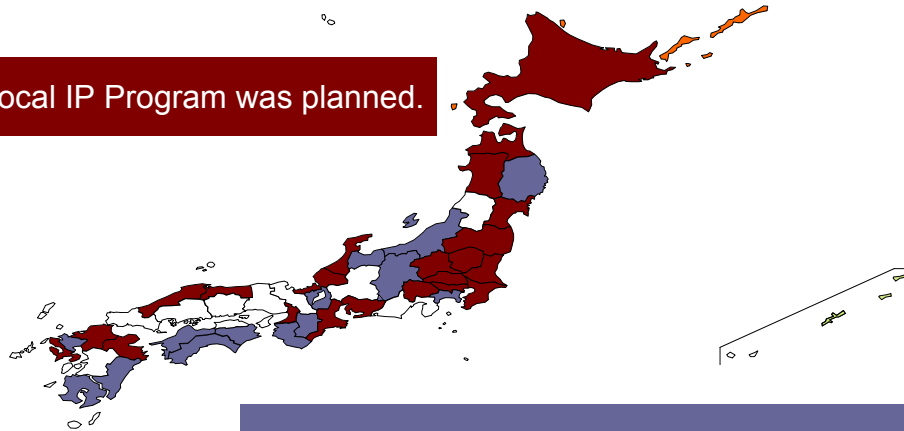
■ **Winny Case (2006.12.13)**

- **File-Exchanging Software** helped the infringement of Copyright.
- Therefore, Provider of File- Exchanging Software was punished **as an assistance** of the infringement of Copyright.

3. Future Prospect

Local IP Strategy Program

Local IP Program was planned.

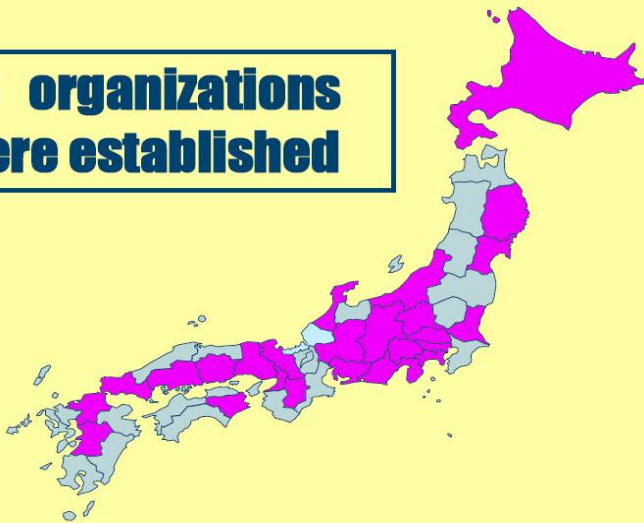


Local IP Program is under discussion.

University IP Headquarters

University Intellectual Property Headquarters

**43 organizations
were established**



Technology Licensing Organization

Technology Licensing Organizations (TLOs)

**38 organizations
were established**



Promote “Media Contents”

Media Contents Business

Global Competition

USA

European countries

China and Korea

Important to Japan

Important industry

SOFT POWER

**Improving the image
of Japan**

Promote “Media Contents”

Market Scale

Market scale of contents business in Japan is smaller than that in the USA.

(2000)	Market scale of Contents Business	GDP	Contents Business /GDP ratio
Japan	\$0.1 trillion	\$4.9 trillion	2%
USA	\$0.5 trillion	\$9.8 trillion	5%
World	\$1 trillion	\$30.9 trillion	3%

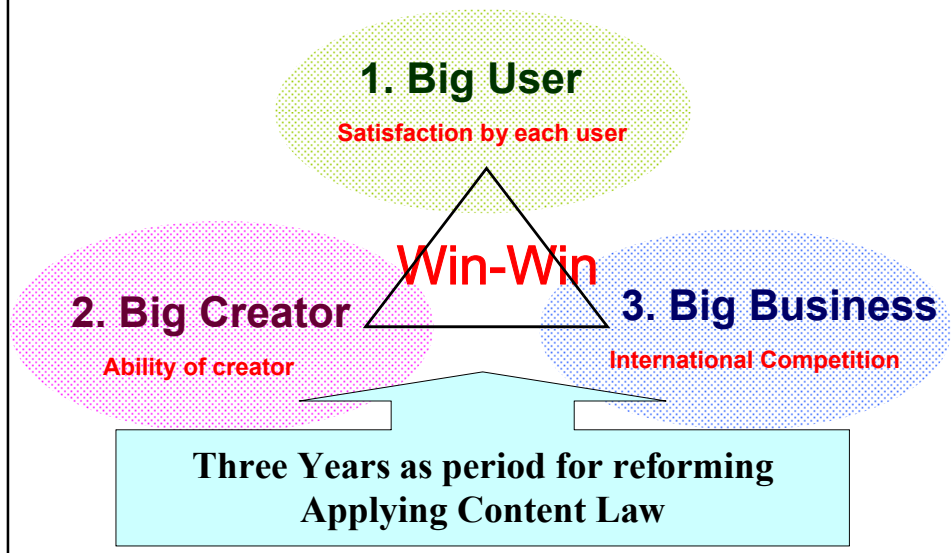
Promote “Media Contents”

Increased demands for “contents” with the spread of “broadband”

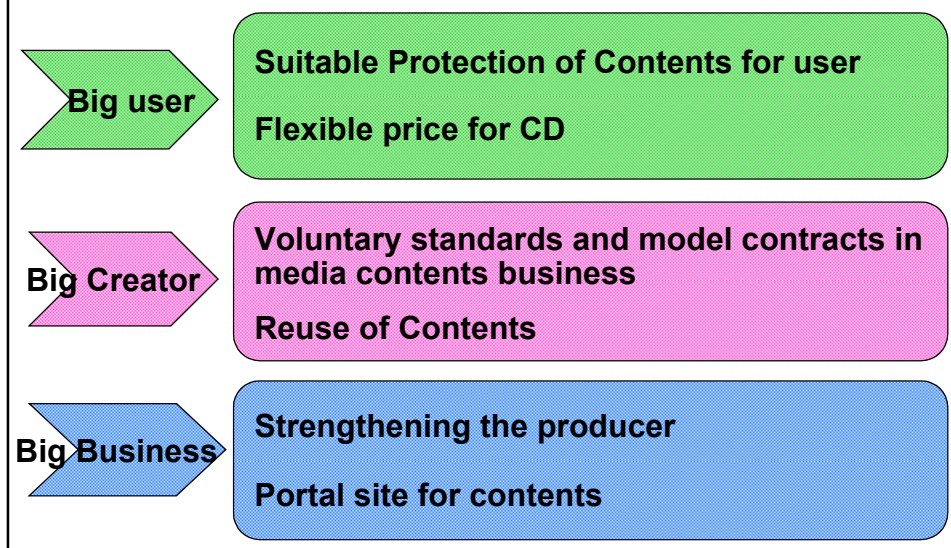
Japanese films, animations and game software are getting popular worldwide

The law, introduced by Diet members, was enacted to set policy objectives aimed at boosting media content business.

Promote “Media Contents”



Major Policies




Conclusions

- Dispatching IP experts to Asian Countries.
Accepting IP Trainees from Asian Countries.
 - JIII, JICA, WIPO, JPO Program
 - GRIPS
- National Policy can enhance IP awareness. Case Study is also important for IP awareness.
- Role of Local Governments become important for planning IP system. Also, Local Universities become important for IP Education.

Thank you !






Intellectual Property Awareness Campaigns on the Internet

APEC Workshop on IPRs enforcement, Vietnam, July 2007

Pancy Fung
Assistant Director of Intellectual Property
Intellectual Property Department
Government of Hong Kong SAR
Hong Kong, China
6 July 2007

Intellectual Property Department, Hong Kong SAR Government



Public Education Programme

- **Started in 1997**
- **Average annual funding HK\$7 million (US\$0.9 million) since 1999**

Intellectual Property Department, Hong Kong SAR Government

Target Groups

- General Public
- Students/Youth
- Retailers
- Consumers
- Small and Medium Enterprises
- Government Departments

Intellectual Property Department, Hong Kong SAR Government



Objectives

- ◆ Awareness of IP
- ◆ Respect for IP rights
- ◆ **Anti-Internet Piracy**
- ◆ Promote Creativity
- ◆ Support to SMEs

Intellectual Property Department, Hong Kong SAR Government

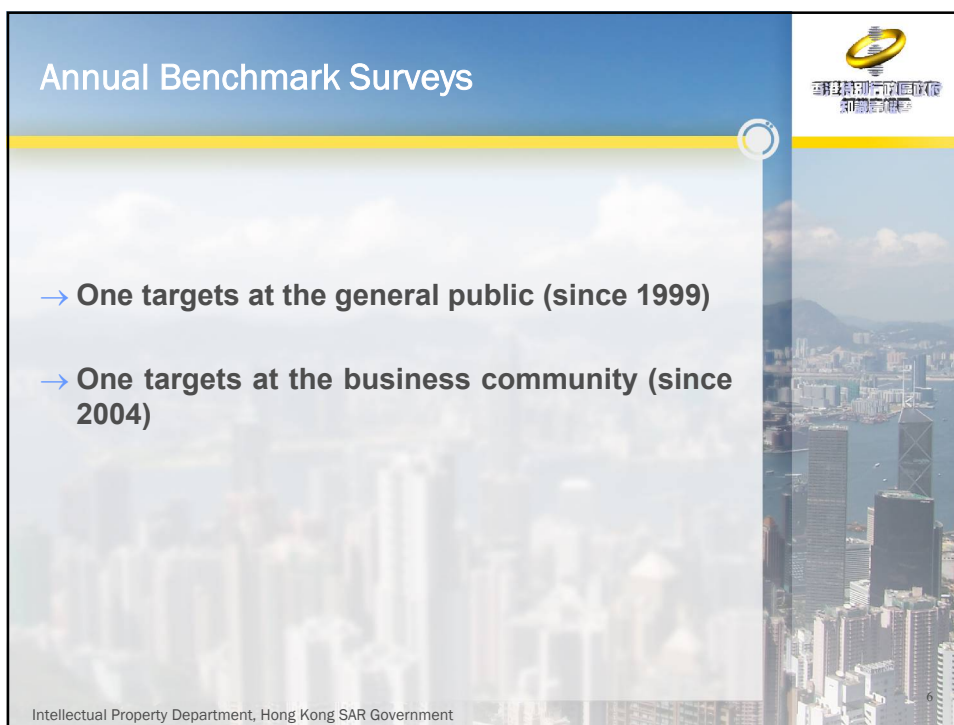




Slide 5: Annual Benchmark Surveys. The slide features a blue header with the Intellectual Property Department logo and Chinese text. The main content area has a light blue background with a cityscape image. The title "Annual Benchmark Surveys" is centered in bold black text. At the bottom left, it says "Intellectual Property Department, Hong Kong SAR Government". A small number "5" is visible in the bottom right corner of the slide area.

Annual Benchmark Surveys

Intellectual Property Department, Hong Kong SAR Government



Slide 6: Annual Benchmark Surveys. The slide features a blue header with the Intellectual Property Department logo and Chinese text. The main content area has a light blue background with a cityscape image. The title "Annual Benchmark Surveys" is centered in bold black text. Below the title, there are two bullet points: "→ One targets at the general public (since 1999)" and "→ One targets at the business community (since 2004)". At the bottom left, it says "Intellectual Property Department, Hong Kong SAR Government". A small number "6" is visible in the bottom right corner of the slide area.

Annual Benchmark Surveys

- One targets at the general public (since 1999)
- One targets at the business community (since 2004)

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Annual Benchmark Surveys : Public



→ Frequency of illegal downloading & uploading of files for sharing on the Internet:

- 6.8% in 2005
(cf 3.5% in 2004)

→ New Trends: Internet file-sharing behaviour (impact on public education, enforcement & legislation)

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Surveys on Business Attitudes to IP




■ Prohibition of staff using computers in uploading/downloading files during office hours:

58% in 2006
(cf 49.4% in 2005)

■ Prohibition of staff installing or using pirated computer software:

70.8% in 2006
(cf 63.1% in 2005)


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Awareness Campaigns

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Anti-Internet Piracy Publicity Programmes

- Production of TV Announcements of Public Interest (APIs)
- Promote the respect for IPRs on Internet through search engines
- Launching of Youth Ambassador Against Internet Piracy Scheme and I Pledge Campaign
- Organising Radio Partnership Programme - School Tour
- Production of Teaching Kits
- Production of 3-D Computer Game
- Promoting the Use of Genuine Software in Business

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Anti-Internet Piracy Publicity Programmes Launching Ceremony



May 2006



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Announcement of Public Interest (API)



- To urge people to stay away from Internet piracy, IPD has produced two new TV and radio Announcements of Public Interest (APIs), featuring famous artists Jacky Cheung and Simon Yam. The APIs, was released in May 2006



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“I Pledge” Campaign



- Launched in 1999; about 9,000 members
- Target mainly at young people
- Members pledge to buy and use only genuine goods
- Regular activities organised to I Pledge members



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“I Pledge” Activities



Concert

- 9 November 2002; 7,000 participants

Film Show

- October 2003 & August 2004;
- Concessionary tickets to 900 members

Mini-Concert

- 2004 & 2005

Free Music Download on Internet



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"Youth Ambassadors Against Internet Piracy" Scheme Inauguration and I Pledge" Ceremony



- Launched in July 2006
- Eleven local youth uniform organisations (with membership over 200,000) have participated in the "Youth Ambassadors" Scheme



Youth Ambassador Against Internet Piracy Scheme



“I Pledge · Youth Ambassadors” Party at Ocean Park



- Organised on 6 January 2007
- Over 3,300 youngsters from “I Pledge” Campaign and 11 local youth uniform organisations have participated in the event



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Radio Partnership Programme - School Tour



Arrange IP creators and singers to visit secondary schools to promote the message of anti-Internet piracy through performing, sharing and playing interactive games

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Promotion on Search Engines - 14 millions page views recorded

The screenshot shows a search engine interface with the search term "bt" entered. A red box highlights the search input field. A callout bubble points to the search results, stating "IPD Ad will be shown. Hyperlink to Comic Series". Another callout bubble points to a sponsored link titled "Support Legal Downloading", which includes the text "Learn about intellectual property. Read our IP cartoon series www.ipd.gov.hk". The search results list various links related to BT services, including "BT.com: Broadband Internet, mobile and fixed telecommunications...", "BT PhoneNetUK", "The Official BitTorrent Home Page", and "BT Group homepage...". A small graphic titled "Comics on Intellectual Property II" is also visible in the results. The page footer includes the text "Intellectual Property Department, Hong Kong SAR Government" and the number "19".

Web-based Interactive Teaching Kit on IPRs

- In consultation with IPD, the Education and Manpower Bureau is preparing a teaching kit to provide primary and secondary schools with the necessary tools and support to foster a proper attitude and manner of handling copyright works on the Internet among students
- The teaching kit consists of a teacher's manual, videos on related topics, presentation materials etc. The kit is planned to be available by end of 2007

3-Dimensional Computer Game



- A.P.A.T. (Anti Piracy Action Team)
- Launched in August 2004
- Target Group: Aged 10 or above
- Game Developer:
Hong Kong Polytechnic University



FREE DOWNLOAD!

<http://www.ipd.gov.hk>

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Business Software Certification Programme



Encourage organisations to use licensed business software

October 2006 to March 2007

www.hkgbsc.hk



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Business Software Certification Programme - Background



- **Business Software Certification Programme** was one of pilot programmes under the second phase of Genuine Business Software Campaign (GBSC) which was launched in September 2006
- **The aim** is to further equip organisations with a good knowledge of Software Asset Management (SAM) and to promote proper licensing of business software

Business Software Certification Programme - Introduction



Organisers:

- Intellectual Property Department, HKSARG and Business Software Alliance

Supporting Organisations:

- The Chamber of Hong Kong Computer Industry; China Game Publishers Association; The Chinese Manufacturers' Association of Hong Kong; Federation of Hong Kong Industries; Hong Kong Brands Protection Alliance; The Hong Kong Council of Social Service; Hong Kong General Chamber of Commerce; Hong Kong Trade Development Council

Business Software Certification Programme - Introduction



Target Group:

Organisations in all sizes and nature utilizing software in HK

FREE Services offered under the Programme:

- Part (1) On-site Software Audit Service
- Part (2) Software Asset Management Consultancy Service

Benefits to Participants



- ✓ Help establish good practice of Software Asset Management (SAM)
- ✓ Lower unnecessary legal risk from unintended infringement of software copyright resulting from use of unlicensed software
- ✓ Save cost from arranging internal software audit & avoiding over-licensing of business software
- ✓ Enhance employee productivity through standardization of SAM procedures
- ✓ Improve network security

What if Participants Complete the Programme successfully.....



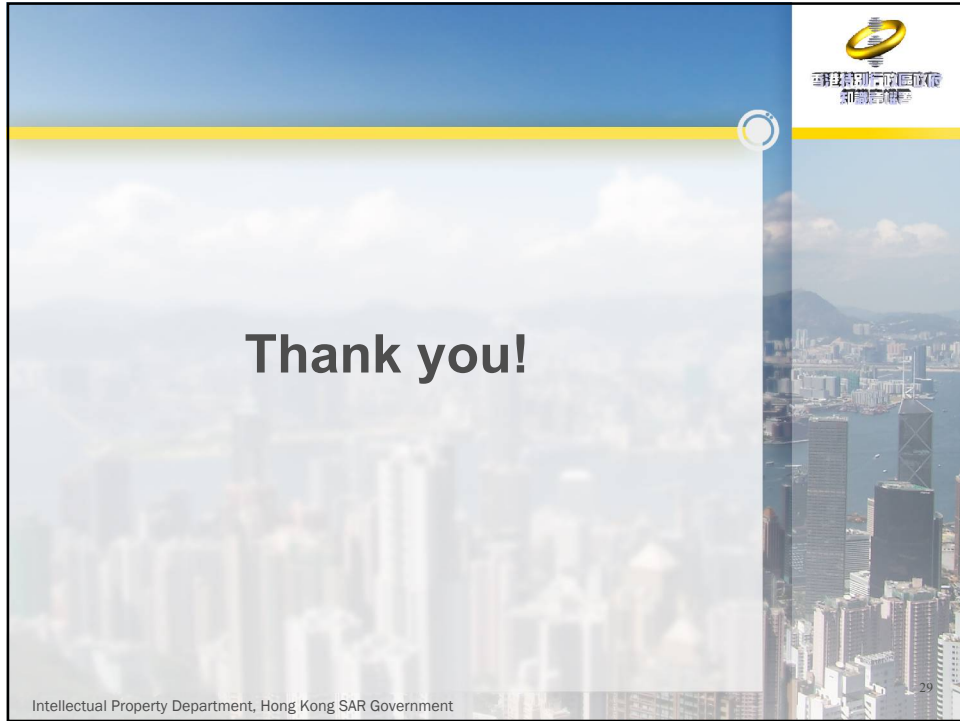
- Organisers issued a Certificate to commend those organisations found in full software compliance
- Those successful participants were recognized through various publicity channels after completion of the Programme



Outcome



- 30,000 organisations (both business and non-business) had been approached through direct mailing, telemarketing etc)
- 160 organisations with a total of around 4,200 PCs were audited
- 95% of participating organisations with employees less than 100
- Among those participating organisations, 76% them met full software compliance



Policy and Strategic Considerations for Enhancement of IP Enforcement in the Digital Environment



Jennie Ness
Regional IP Attaché
U.S. Commercial Service



IP in the Internet Age

Factors at Play:

- What do the TRIPs terms “adequate” and “effective” mean in the digital environment?
- Rapidly changing technological environment with new means of distribution leading to media convergence;
- Globalization and localization of copyright industries;
- “Wild West” gold rush digital environment;
- Excess replication and broadband capacity ;
- Hacker culture and IP infringement as civil disobedience;
- Low risk and high rewards of piracy;
- Internet is borderless and anonymous.



A Comprehensive Approach

Making intellectual property a priority:

- Form economy-wide intragovernmental IP action plans, working groups, strategies for specific issues.
- Make legal tweaks needed to close loopholes.
- Disseminate public education materials.
- Work closely with rightholders or “users” of the intellectual property system.
- Get the incentives right.
- Create actual deterrence.

3



Questions?

4



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APEC Workshop on IPR Enforcement in the Digital Era Viet Nam 2007.

Topic 11

**Counterfeiting and piracy
Policy and strategy considerations**

**Henry Olsson
Special Government Adviser
The Ministry of Justice
Stockholm
WIPO Expert.**

The purpose of this paper

As we all know intellectual property has become controversial in many respects. It serves very important societal, economic and cultural purposes and is thus a necessary element in the legal fabric of any country. At the same time it is in some respects seen as running contrary to other important interests, such as access to knowledge, free flow of information and access to medicines. Strong intellectual property rights in areas where new technologies have become a dominant factor have added to the controversy; should not the use of new technologies be free ? And why should not developing countries have an intellectual property right in respect of their genetic resources, traditional knowledge and folklore ?

These and many other factors have become instrumental in to-days political turbulence around intellectual property and its role in society and in international trade contexts.

The body of intellectual property law encompasses several pillars which are discussed further below. One consists of the legislation itself, the articles in the law. Another one consists of the mechanisms for management of the rights. A third one – and that is the one that interests us now – consists of efficient mechanisms for enforcement.

1. Enforcement in the intellectual property context.

Enforcement means the system of sanctions to be applied in case rights under, for instance, intellectual property law are being infringed. Such a system is necessary in order to make the rights under that law respected.

Enforcement is sometimes seen as a controversial issue because it forms part of the politico-legal system on which intellectual property law is based and it has also become an element in the international trade policy discussions.

In a situation like this where there is some controversy is of obvious importance to understand the various underlying rationale for why we have intellectual property protection and why it has to be upheld. It is also important to realise once and for all the negative consequences of letting counterfeit and piracy activities go on unhindered.

Legal-political rationale for intellectual property protection

In very general terms the rationale for providing intellectual property protection are the following.

- Intellectual property protection serves at stimulating creativity and thereby promoting social, economic and cultural development
- Such protection is necessary to encourage and safeguard the considerable investments that are in many cases necessary for research and development and for the production of material like feature films, television programs, computer software, etc.
- Furthermore, intellectual property law serves at protecting inventors' and authors' moral interests in relation to their intellectual creations.

These rationale are highly relevant both in industrialised countries and in developing countries. For example, copyright protection is essential for the protection of local artists; without proper protection they have no possibility to survive and reach the market because they are in an impossible situation in relation to imported unauthorised/pirated material.

Appropriate legislation

Is it usually said that any efficient intellectual property system is based on three main pillars. The first one is that an **appropriate legislation** exists which provides for a sufficient level of protection in the form of exclusive rights which cover all relevant forms of exploitation of inventions, trademarks, copyright works and other protected subject matter.

Management mechanisms

The second pillar consists of a sufficiently developed system for the **management of the intellectual property rights**. Patent and trademark offices must exist which can grant patents on inventions and register trademarks etc. In the field of copyright the situation is different because there protection is born automatically without any registration or other formalities and there is consequently normally no official body that administers the rights.

Authors may in many cases be able to exercise their rights by means of individual contracts for instance for the publication of literary works by a publishing company. The problem is different in situations of mass uses. This is the case for instance when it comes to public performance of musical works. There it is simply not possible to keep track of all uses that take place, much less to negotiate royalties for those. The only way in which copyrights can be properly exploited is through mechanisms set up for that purpose. These are the so-called collective management organizations (CMOs) .

Enforcement

The third pillar is **enforcement** (in French “*mise en oeuvre*”). As just mentioned enforcement is the system of sanctions to be applied in case the rights under copyright law are infringed. They are needed in order to make the rights respected. Without a sufficiently efficient such system the temptation may simply be too great for many persons to violate the rights, something that is all the more tempting because the possibility to make profit is so great. Without an appropriate system of sanctions, intellectual property law is a teeth-less paper tiger.

2. Some general considerations concerning counterfeiting and piracy.

Big amounts involved in piracy activities

One general consideration to be taken into account is that violations of intellectual property rights is nowadays certainly not a phenomenon of only academic interest. It has been estimated by the OECD (Organization of Economic Cooperation and Development) that the trade in counterfeit and pirated goods (which includes trademark counterfeiting and copyright piracy) accounts for between 5 to 7 % of the value of the world trade.

Some sectors are more exposed to counterfeiting and piracy than others. Counterfeiting of trademarks is a commonplace phenomenon. Those activities concern not only luxury products but practically all kinds of goods, such as spare parts, foodstuff, medicaments, motorcycles and many other things. In the copyright area, it would seem that music, audiovisual productions, books and computer software are among those which are hit the hardest by lack of efficient enforcement mechanisms.

Even if traditional piracy has a predominant place, Internet offers new and increased possibilities to access material and exploit it without the consent of the right-holder. In the case of use of protected material on the Internet, there are additional problems. Those are both practical in character (how to spot the unauthorised material) and legal (liability of internet service providers, applicable law etc.).

Enormous profits are made for instance from pirated films and music on the Internet and elsewhere and very much of the computer software distributed comes from illegal sources. Just to take one example, from the music industry, statistics available show that in 2003 the global sales of pirated music were 400 million CD´s for a value of USD 2,2 billion, which meant an increase of 7 % from the preceding year. In around 25 countries, the piracy sales outnumbered the sale of legal copies. The result is of course an enormous loss for the industry which, as a consequence, has less possibility to promote new and promising artists. Another example that could be mentioned concerns computer software. The global piracy rate for PC business software applications is said presently to be 36 % (which is after all less than in 1994, when it was 49 %).

Links to organised crime

The second and equally serious observation is that trademark counterfeiting and copyright piracy activities are nowadays part of organised crime. In July 2003 the Secretary General of Interpol, Mr. Ronald Noble, gave a statement before the United States House Committee on International Relations where he said: ***“The link between organised crime groups and counterfeit goods is well established. But Interpol is sounding the alarm that intellectual property crime is becoming the preferred method of funding for a number of terrorist groups. There are enough examples now of the funding of terrorist groups in this way for us to worry about the threat to public safety. We must take preventive measures now.”***

The reason for the involvement of organised crime in these activities is self-evident. The risk for detection is comparatively insignificant, the potential profit is very high, and the penalties are often low, at least in comparison with those for dealing with drugs.

Dangers to public health and safety.

There are numerous examples of cases where counterfeit products have been outright dangerous to public health and safety. Such examples exclude counterfeit car brakes (sometimes made out of wood), spare parts for airplanes and helicopters, pesticides and fungicides without any effect and milk substitutes without any nutritional value (causing the death of small children by starvation).

In addition, as examples from several countries have shown, such phenomena as counterfeit medicines or spare parts represent considerable risk for public health and public safety; many people in Africa and in other continents have died because counterfeit medicines have proved to be either useless or outright dangerous. One particularly clear example is Nigeria where a great number of people were killed by counterfeit drugs. Reports indicate that, thanks to the efforts by the National Agency for Food and Drug Administration and Control (NAFDA), it has – with strong political support – been possible to reduce the incidence of counterfeit drugs with 90 % compared to 2001.

Designing of the sanctions; they must be sufficiently severe.

For any efficient enforcement system in the intellectual property field there should be two priorities.

The first one is that the system of sanctions has to be sufficiently severe to serve as a deterrent. It must not be so that the sanctions can easily be absorbed as operational costs.

The system must provide for quick action

The second priority is that the system should be designed in such a way that it operates quickly, because it is very easy to close down and move piracy activities somewhere else if the perpetrator understands that something is

coming up. The system must therefore contain sufficiently efficient provisional measures.

Taking into account the specific conditions in developing countries

In various contexts, for example in the Advisory Committee on Enforcement in WIPO, a number of developing countries have stressed that enforcement mechanisms in those countries must take into account the specific societal circumstances there and that existing high-level and sophisticated enforcement standards can not be blindly applied in the developing world. This has been stressed also in the discussions on the so-called Development Agenda in WIPO.

Education, information, public awareness.

For any law to be implemented properly there must be an understanding among the general public about the law, its function and why it is there. It is therefore important to support the law by education and creation of awareness so that the public becomes familiarized with the law. The need for this has been shown in many instances, one example being the discussion about whether file-sharing should be admitted or not.

3 Policy considerations; some key factors in dealing with enforcement issues.

Experience has shown that there are some key factors that are of particular significance in the context of enforcement of intellectual property rights. Those are mainly the following.

- Political support from the highest possible political levels
- Making every effort to make it clear that intellectual property protection is beneficial for the development of the country itself and not an element primarily for the benefit of foreign interests
- Making every effort to engage the local creative community in the fight against counterfeiting and piracy
- Underlining the dangers that lack of enforcement cause to local creativity and to public health and safety
- Making every effort to make the intellectual property legislation appreciated or at least understood by the population in general.
- Underlining the need for a proper intellectual property protection for Foreign Direct Investment (FDI) and for transfer of technology and thereby for the employment in the country.
- Wherever possible design a National Intellectual Property Strategy for the country concerned.

From a practical point of view this leads to some elements are of prime importance, including the following

- Education, teaching and training at all levels, including the general public, right-owners themselves (who all too often are ignorant of their rights) and political decision-makers.
- Designing an appropriate enforcement infrastructure, including ensuring cooperation between the agencies involved
- Development of an understanding of intellectual property among the police, prosecutors and, in particular, the Judiciary.
- Taking into account the specificities of each country and region.

Generally speaking special attention has been given to counterfeiting of trademarks and copyright piracy but enforcement activities have as a general rule been directed towards all sectors of intellectual property, as they should be.

4. International norms that relate to enforcement.

What has been mentioned above are policy considerations. Policy should lead to legislation if it would have any effect. Counterfeiting and piracy are international phenomena and therefore there is a need for solving the problem at an international level. This can be done in different ways.

One way is through international cooperation in practical terms, for instance between customs authorities and generally between law enforcement authorities. This international network is of considerable importance in practical terms as it greatly facilitates actions against counterfeit or pirated goods.

The other international aspect relates to the legal framework. It took a long time before the international community could agree on norms concerning enforcement. There are some rather general provisions in the Paris Convention on Industrial Property and in some other conventions which deal with the substance of intellectual property law.

As just said those norms are very general and difficult to put into practical effect. On the other hand, there is one international instrument that contains very specific, detailed and binding provisions on what national laws have to contain in terms of enforcement. That instrument is the Agreement on Trade-related Aspects of Intellectual Property Rights, which is the well-known so-called TRIPS Agreement, which forms part of the multilateral trading system under the auspices of the World Trade Organization (WTO).

The international aspects of enforcement are, however, not governed only by TRIPS but also more or less indirectly by some other instruments. TRIPS deals with the substantive standards on enforcement, that is, the various sanctions and the procedures to be observed. Another element is the issue of *applicable law*. A third element concerns the *jurisdiction as such in intellectual property cases* (which the court is that has jurisdiction) and the issue of applicable law (which legislative provisions that should apply to an infringement of the rights, i.e. where the infringement has taken place). A fourth element concerns the *recognition and enforcement of decisions* in infringement cases.

Generally speaking there are some international instruments which deal with the recognition and enforcement of decisions in civil and commercial matters which apply also to decision in infringement cases. The issue of jurisdiction as such and the issue of applicable law is, on the other hand, largely unclear although the matter is on the agenda for discussion within WIPO.

The main enforcement area where there exists an international standard concerns the substantive standards for enforcement, that is to say, the sanctions. As has been mentioned before, sanctions form part of the TRIPS Agreement. Section 3 in that Agreement contains detailed provisions in this respect. As that Agreement applies in a binding form to almost 150 States (those that are members of the World Trade Organization) one can say that there is in fact an international benchmark for the sanctions to be applied in the case of violation of copyright or related rights.

In addition to the TRIPS standard there exist also various solutions at the national level which would constitute a "TRIPS+" situation. As an example could be mentioned the recently adopted so-called "Enforcement Directive" within the European Union.

5. Some other comments on enforcement

The TRIPS Agreement contains minimum provisions. Countries are perfectly free to apply additional measures if they so want, and in fact a number of countries have added some elements in order to further improve the enforcement system. Some of those are discussed in the following.

Standing to institute enforcement proceedings

The person or entity who or which is in the first instance authorised to institute proceedings is naturally the author or his successor in title; this should normally include exclusive licensees. In addition, it may be appropriate to grant such standing to institute proceedings also to for instance collective rights management bodies ("collecting societies") in the copyright area. The association contracts through which authors join those societies frequently contain either explicitly or implicitly also provisions in this respect.

It should also more generally be underlined that collecting societies and authors' organisations in general have a very important function in the context of enforcement of rights. Individual authors often do not have the professional, economic or legal experience (or simply have no time) required so successfully take action against infringements of their rights. These qualities are, on the other hand, very much present in professional bodies such as collecting societies and corresponding entities.

Rules of presumption

One of the difficult issues in the context of infringement proceedings concerns evidence in various respects. For that reason it might be desirable to consider rules of presumption to facilitate evidence in such cases.

Only two examples of such presumptions shall be given here.

One such concerns authorship or ownership of copyright or related right in a work or other production. Article 15 of the Berne Convention contains a provision on presumption of authorship in the sense that, in the absence of proof to the contrary, as the author of a work shall be considered the person whose name appears on the work in the usual manner. This could be applied also in relation to enforcement of the copyright in that work. In the absence of proof to the contrary, a person whose name appears on a work in the usual manner would also be entitled to institute infringement proceedings. The same could apply to related rights.

Another presumption that could be considered concerns what is reasonable evidence in counterfeiting and piracy cases, in particular when copies are found in the possession of the opposite parties. It could be prescribed, for instance, that a reasonable sample of a substantial number of copies or a work or other protected matter should be considered to constitute such reasonable evidence.

Publication of judgements

In several countries, judgements in intellectual property cases, in particular in counterfeiting and piracy cases, are published in the newspapers. This is a measure that could contribute considerably to improving respect for the law and deter from infringing actions.

Monitoring the manufacture of optical discs, etc.

Undoubtedly, much of the piracy activities to-day are linked to the manufacture of optical discs (CDs and DVDs). The industry has a system for identification of such discs which greatly facilitates determining whether copies are infringing or not. This system should be encouraged and taken into account also by national legislators.

Similarly, in some countries a system is in force whereby all legally produced copies of certain types of works (phonograms, videograms, etc) have to be provided with a specific banderole (usually including a hologram). Also such a system contributes greatly to a quick and effective identification of what is the real thing and what is false.

Protection of technical protection measures and electronic copyright management information

The WIPO Copyright Treaty and the WIPO Performances Treaty contain provisions on technical protection measures (such as encryption, watermarking, etc.) and on rights management information (information about the work, the author etc. linked to the work). The obligations under the Treaties include that efficient legal protection shall be given to such measures and such information. it is of great importance that that protection

is effective so that deterrant measures can be undertaken against violations in this respect.

Institution of criminal proceedings

Criminal proceedings are normally conducted by a public prosecutor who is also the one who institutes such proceedings. As rights under intellectual property law are civil rights under private law, usually any action by a public prosecutor presupposes that there is a complaint from the right-owner/injured party. In some cases, this could lead to undesirable consequences, for instance because the author does not dare to take action or it is not possible to find the right-owner despite the fact that large quantities of piracy copies are found.

For these reasons some countries prescribe that criminal actions in counterfeiting and/or piracy cases may be instituted by a public prosecutor not only upon complaint but also if it is in the public interest that such action is taken.
