

WIPO/IPR/ROS/06/2

ORIGINAL: English

DATE: July 17, 2006



GOVERNMENT OF THE  
COMMONWEALTH OF DOMINICA



UNITED STATES AGENCY FOR  
INTERNATIONAL DEVELOPMENT



WORLD INTELLECTUAL  
PROPERTY ORGANIZATION

## **WIPO NATIONAL WORKSHOP ON THE ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS FOR POLICE AND CUSTOMS OFFICIALS**


organized by  
the World Intellectual Property Organization (WIPO)  
in cooperation with  
the United States Agency for International Development (USAID)  
and  
the Government of the Commonwealth of Dominica

**Roseau, July 27, 2006**


THE LEGISLATIVE FRAMEWORK FOR THE PROTECTION OF IP RIGHTS.  
(A) ENFORCEMENT PROVISIONS UNDER THE AGREEMENT ON TRADE-  
RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS (TRIPS AGREEMENT)

*Document prepared by Honorable Judge Louis T. C. Harms,  
Supreme Court of Appeal, Johannesburg, South Africa*

Slide 1



## Intellectual Property Enforcement Procedures: International IP Standards



Hon LTC Harms

Slide 2



## MAJOR ORIGINAL CONVENTIONS

- Paris Convention 1883 (patents, trademarks, designs)
- Berne Convention 1886 (copyright)
- Rome Convention 1961 (related rights)
- Treaty on Intellectual Property in Respect of Integrated Circuits 1989.

Slide 3

## ROLE OF INTERNATIONAL LAW – CONVENTIONS

- Establish guidelines for
  - uniform definition
  - uniform protection.
- Require national treatment:
  - citizens and residents of one country receive recognition for and protection of their IP rights,
  - Foreign enterprise is entitled to the same rights as those accorded to nationals.

Slide 4

## Who benefits?

- It is estimated that only 10% of intellectual property developed in SA is registered overseas, despite a scramble by the international community to protect their patents and copyrights from theft in the global village.
- News report June 2006.



Slide 5

## ROLE OF LOCAL LAW

>>IP RIGHTS ARE TERRITORIAL<<

Local law

- > creates IP rights
- > creates remedies
- > provides structures for enforcement
- > provides procedures for enforcement.



Slide 6



## REGISTERED RIGHTS

- Trademarks
- Patents
- Industrial designs
- Plant Breeders' Rights



## Slide 7

## UNREGISTERED RIGHTS

- Copyright
- Unfair competition
  - Passing-off
  - Trade secrets



## Slide 8

## IP RIGHTS MAY OVERLAP

- Trademark
- Industrial design
- Patent
- Copyright




## Slide 9



## ‘RIGHT TO COPY’

- Human and animal behavior is based on imitation and copying.
  - Basic right to copy.
- Limitations on that right:
  - Human rights element.
  - Public policy element, including , including developmental and technological objectives.
  - IP rights are private rights.

## Slide 10

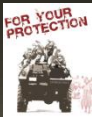


## MONOPOLY OR NOT?

- IP rights have boundaries.
- IP rights are not monopolies: do not take away anything
- To be valid, they must give something that the public does not have
- Monopoly-phobia
- Negative rights
- Limited life

Counterfeiting/piracy = fraud = crime

## Slide 11



## Purpose of protection

- 'The general purpose of protection is to encourage those who may wish to create, finance or exploit such products to translate intent into act, particularly where they might otherwise not act at all, or act less often or less well, without the carrot of protection.'
- Prof David Vaver.

## Slide 12



## JUDICIAL RECOGNITION

- "Protecting IP rights is necessary not only for China's honouring of its international promises, creating favourable trade and investment environment, and further opening up to the outside world, but also for promoting technical innovation, regulating the order of the market economy, improving the overall quality of the national economy, and enhancing the competitiveness."
- Justice Cao Jianming, VP of the Supreme People's Court of the People's Republic of China

Slide 13

## TRIPS: AGREEMENT ON TRADE-RELATED ASPECTS OF IP RIGHTS



>>Part of GATT<<

- General Provisions And Basic Principles
- Standards Concerning the Availability, Scope and Use of IP Rights
- Standards for Enforcement of IP Rights.


Slide 14

## TRIPS OBJECTIVES

- "The protection and enforcement of IP rights should contribute to the promotion of technological innovation
- and to the transfer and dissemination of technology,
- to the mutual advantage of producers and users of technological knowledge
- and in a manner conducive to social and economic welfare,
- and to a balance of rights and obligations."

Slide 15

## QUESTIONS ABOUT TRIPS




- Is Trips part of national law?
- Does one interpret /apply national law in accordance with Trips?
- Doha round: concerns of developing countries.

Slide 16

## TRIPS: GENERAL PROVISIONS AND BASIC PRINCIPLES

- All WTO members automatically bound by Trips.
- National treatment: Each Member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection of IP.
- Members may adopt measures necessary to protect public health and nutrition, and to promote the public interest in sectors of vital importance to their socio-economic and technological development.

Slide 17




## IP ABUSE

Trips permits countries to prevent:

- abuse of IP rights by right holders,
- practices which
  - unreasonably restrain trade, or
  - adversely affect the international transfer of technology.

Slide 18




## DOHA DECLARATION

Recognizes that under TRIPS each member state has

- > the right to grant compulsory patent licences
- > the freedom to determine the grounds upon which such licences are granted,
- > the right to determine what constitutes a national emergency
- Public health crises, including HIV/AIDS, tuberculosis, malaria and other epidemics, can represent a national emergency.

Slide 19



## Doha waiver


- A compulsory license may be issued for the production of a pharmaceutical product for export to an importing country which has insufficient or no manufacturing capacity.

Slide 20

## STANDARDS

- Countries must comply with substantive provisions of the 'old' (Paris and Berne) IP conventions.
- Thereby indirectly extended scope of the conventions.

Slide 21



## ENFORCEMENT: GENERAL OBLIGATIONS (ART 41)

TRIPS requires:

- effective action against any act of infringement of IP rights
- expeditious remedies to prevent infringements, and
- remedies which constitute a deterrent to further infringements.

**BUT:** No obligation to have a special judicial system for the enforcement of IP rights.



Slide 22

## PROCEDURAL REQUIREMENTS (ART 41)

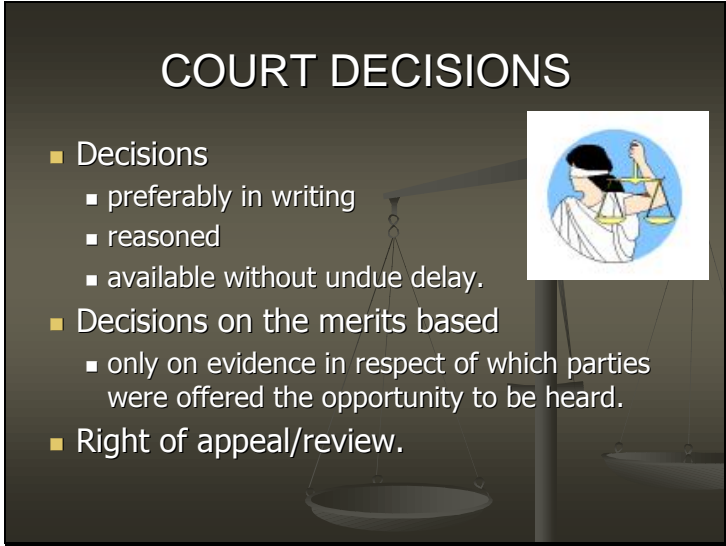
- Avoid the creation of barriers to legitimate trade
- provide for safeguards against their abuse.



Slide 23

## COURT DECISIONS

- Decisions
  - preferably in writing
  - reasoned
  - available without undue delay.
- Decisions on the merits based
  - only on evidence in respect of which parties were offered the opportunity to be heard.
- Right of appeal/review.




Slide 24

## FAIR AND EQUITABLE PROCEDURES (ART 42)

- independent legal counsel
- means to identify and protect confidential information

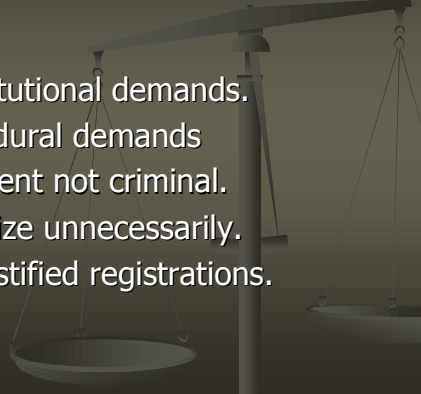


Slide 25



## CIVIL v CRIMINAL PROCEEDINGS

- Different constitutional demands.
- Different procedural demands
- All IP infringement not criminal.
- Do not criminalize unnecessarily.
- Beware of unjustified registrations.




Slide 26

## CIVIL REMEDIES

- Interim
  - Interdict/Injunction
  - Search orders (Anton Piller)
  - Preservation orders (Mareva)
- Final
  - Interdict/Injunction
  - Damages

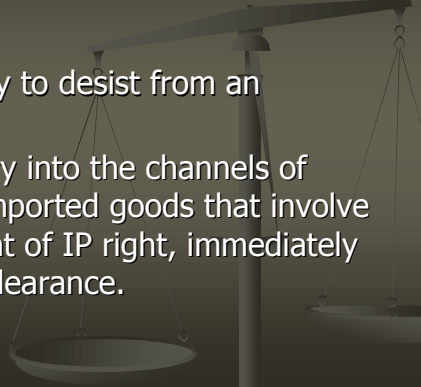


Slide 27




## INJUNCTIONS (art 43)

- To order a party to desist from an infringement,
- To prevent entry into the channels of commerce of imported goods that involve the infringement of IP right, immediately after customs clearance.



## Slide 28



## eBay


- A patent holder, the US Supreme Court ruling said, must prove four facts: that it has suffered an irreparable injury; that there are no other adequate legal remedies; that taking into account the balance of harm to both parties, an injunction is warranted; and that the public interest would not be hurt by an injunction.

## Slide 29

## DAMAGES (ART 44)

- Damages adequate to compensate for injury suffered because of infringement
  - by an infringer who knowingly, or with reasonable grounds to know, engaged in infringing activity.
- Recovery of profits and/or payment of pre-established damages
  - even where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity.

## Slide 30




## Excursus on damages

- measure for damages often in the relevant IP statute
- damages dependent on knowledge of infringement or on negligence?
- difficulties in determining compensation
- courts have a duty to assess damages: best estimate rule

Slide 31

## TYPES OF MEASURES

- Loss of profits
- Pre-established or statutory damages
- Punitive damages
- Notional royalty
- Account of profits
- Additional damages

A background image of a pair of scales of justice, symbolizing legal measures and equity.

Slide 32

## DESTRUCTION (ART 45)

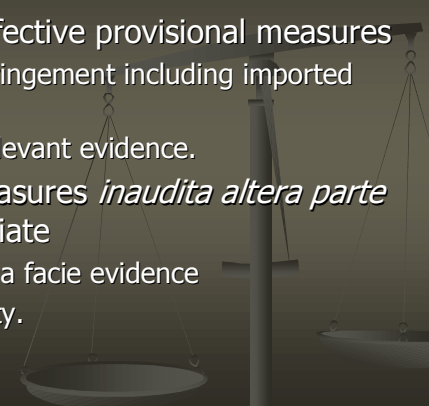
- Disposal of infringing goods
  - outside channels of commerce, or
  - destruction.
- Proportionality between
  - seriousness of infringement and
  - remedies.
- Counterfeit trademark goods: removal of trademark not sufficient to permit release of the goods into the channels of commerce.

A small inset image showing a fire, representing the destruction of goods.

Slide 33

## PROVISIONAL ORDERS (ART 50)

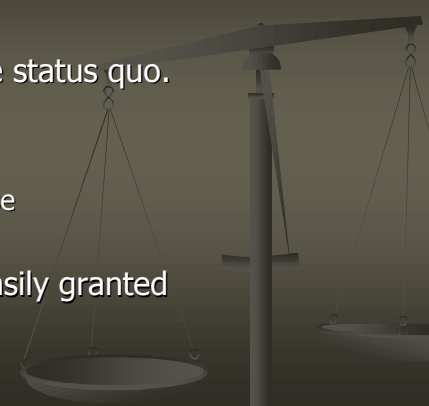
- Prompt and effective provisional measures
  - to prevent infringement including imported goods
  - to preserve relevant evidence.
- Provisional measures *inaudita altera parte* where appropriate
  - Based on prima facie evidence
  - against security.

A background image of a pair of scales of justice, symbolizing legal measures and equity.

Slide 34

## EXCURSUS ON PROVISIONAL ORDERS

- Object: restore status quo.
- Advantage:
  - Speed
  - Preview of case
  - Cost effective
- Danger: too easily granted



Slide 35


## COUNTERFEITING and PIRACY

Criminal procedures and penalties for

- *wilful* trademark counterfeiting or
- copyright piracy on a *commercial* scale.



Slide 36



## TRIPS DEFINES COUNTERFEITING

"Counterfeit trademark goods" means any goods, including packaging, bearing without authorization a trademark which is

- *Identical* to the trademark, or
- which *cannot be distinguished in its essential aspects from such a trademark.*

>>>i.e. = FRAUDULENT IMITATION<<<




Slide 37

## COUNTERFEITING AND PRODUCT FRAUD

- They may be different.
- Use other legislation:
  - Trade description
  - Merchandise marks
  - Health
  - Food



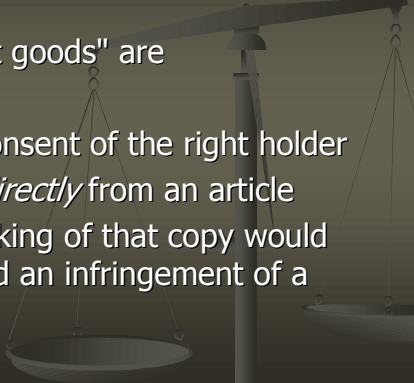
Slide 38




## TRIPS DEFINES PIRACY

"pirated copyright goods" are

- > *copies* made
- > without the consent of the right holder
- > *directly or indirectly* from an article
- > where the making of that copy would have constituted an infringement of a copyright

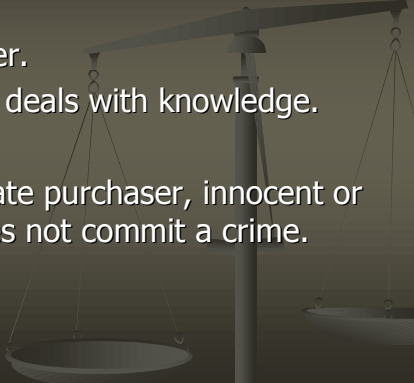


Slide 39



## Who commits the crime?

- The actual copier.
- The dealer who deals with knowledge.
- Note: the ultimate purchaser, innocent or not, usually does not commit a crime.



Slide 40




## REMEDIES




- Remedies:
  - imprisonment and/or
  - monetary fines sufficient to provide a deterrent.
- In appropriate cases seizure, forfeiture and destruction of
  - infringing goods
  - materials and implements, the predominant use of which has been in the commission of the offence.

Slide 41



## BORDER MEASURES

- Suspension by customs of the release into free circulation of counterfeit or pirated goods,
- on application by right holder,
- to competent authority (administrative or judicial).



Slide 42

## REQUIREMENTS

- the right holder must
  - provide adequate evidence of the *prima facie* an infringement of the right holder's IP right;
  - provide security sufficient to protect the defendant and the competent authorities, and to prevent abuse;
- the importer and the applicant must be promptly notified of the holding order;
- there is a time limit;
- the applicant may be ordered to pay the importer, the consignee and the owner of the goods appropriate compensation for any injury caused to them through the wrongful detention of goods.

Slide 43



[End of Document]