Enforcement of Intellectual Property Rights and Dispute Settlement under the TRIPS Agreement

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Parts III and V of the TRIPS Agreement addressed the areas of enforcement, dispute prevention and settlement, respectively. The paper discusses the enforcement of intellectual property rights under five sections, viz. general obligations, civil and administrative procedures and remedies, provisional measures, special requirement related to border measures, and criminal procedures. Under the dispute prevention and settlement sections paper briefly describes the dispute settlement system of WTO.

The TRIPS Agreement, Parts III and V address the areas of enforcement, and dispute prevention and settlement, respectively, in regard to intellectual property rights.

Enforcement of Intellectual Property Rights (Part III)

Section 1: General Obligations

This section of the TRIPS Agreement sets out general obligations and principles that pertain to the enforcement procedures required by this part of Agreement. It requires Members to ensure that enforcement procedures are available under their national laws to permit effective action against infringement of intellectual property rights. Such procedures must provide expeditious remedies to prevent infringements and remedies which will deter further infringements (Art 41.1).

At the same time, the Agreement requires that such procedures must be applied in a manner to avoid the creation of barriers to

legitimate trade and also to provide for safeguards against their abuse (Art 41.1).

The procedures must be fair and equitable, not unnecessarily complicated or costly, or entail unreasonable time limits or unwarranted delays (Art 41.3). Decisions on the merit of a case must be based on evidence in respect of which the parties were offered the opportunity to be heard, should preferably be in writing, reasoned, made available without undue delay (Art 41.3) and subject to judicial review (except in respect of acquittal in criminal cases) (Art 41.4).

The Agreement does not, however, require a Member to put in place a special judicial system for the enforcement of intellectual property rights nor does it impose any obligations with respect to the distribution of resources as between the enforcement of intellectual property rights and the enforcement of laws in general (Art 41.5).

Section 2: Civil and Administrative Procedures and Remedies

This Section of the TRIPS Agreement requires that Members make available civil judicial procedures concerning enforcement to right holders, subject to the general obligations and principles set out in Section 1, above. The Section sets out the range of powers and authorities which a Member shall and may accord to its judicial authorities to ensure that effective civil judicial procedures are in place. Specially, the Section deals with matters pertaining to:

- fair and equitable enforcement procedures (Art 42);
- evidence of proof (Sec 43), including the adduction of evidence and the protection of confidential information;
- injunctions to require a party to desist from an infringement (Art 44);
- damage, right holder expenses (including attorney's fees) and ordering recovery of profits from infringing activities (Art 45);
- other remedies (Art 46), including the disposal and destruction of infringing goods and materials and implements used predominately to make them;
- right of information to order the identification of third persons involved in infringing activities (Art 47);
- indemnification of the defendant in the event of abuse of enforcement procedures (Art 48).

Section 3: Provisional Measures

Article 50 of the TRIPS Agreement requires certain procedures under which judicial authorities shall have the powers to order prompt and effective provisional measures to prevent an infringement of any intellectual property right from occurring, and in particular to prevent the entry of infringing goods into their jurisdiction's channels of commerce. The Article sets out guidelines for these procedures which deal with:

- the preservation of relevant evidence (Art 50.1);
- the adoption of provisional measures to protect evidence before the other party has a right to be heard, provided notice and right to a hearing are given within a reasonable time (Arts 50.2 and 50.4);
- the production of evidence and the provision of a security (Art 50.3);
- compensation for injury of the defendant where there is no final determination of infringement (Art 50.7);
- information necessary for identification of goods (Art 50.5);
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- revocation of provisional measures if proceedings are not initiated within a certain period of time (Art 50.6);
- the requirement for administrative procedures which can result in provisional measures to conform to the principles of this Section (Art 50.8).

Section 4: Special Requirements Related to Border Measures

Article 51 of the TRIPS Agreement states that: "Members shall, in conformity with the provisions set out below, adopt procedures to enable a right holder, who has valid grounds for suspecting that the importation of counterfeit trademark or pirated copyright goods may take place, to lodge an application in writing with competent authorities, administrative or judicial, for the suspension by the customs authorities of the release into free circulation of such goods".

Members may implement corresponding procedures in respect of goods which involve other infringements of intellectual property rights, and infringing goods destined for exportation.

Articles 52 to 60 set out detailed guidelines with which border measures must conform:
- application for suspension of release of goods by customs authorities (Art 52);
- requirement for security or other assurance (Art 53);
- notification of suspension to the importer and the applicant (Art 54);
- duration of the suspension (Art 55);
- indemnification of the importer and the owner of the goods (Art 56);
- right of inspection by the right holder and importer and information regarding the importers and the quantity of goods (Art 57);
- ex-officio actions (Art 58);
- remedies (disposal or destruction of the goods (Art 59);
- allowed exclusion of small quantities of goods of non-commercial nature (Art 60).

Section 5: Criminal Procedures

The TRIPS Agreement requires that Members provide for criminal procedures and penalties be applied at least in the case of "willful trademark counterfeiting or copyright piracy on a commercial scale". Remedies available shall include:
- imprisonment and/or
- fines.

In appropriate cases, the remedies available shall include:
- seizure,
- forfeiture, and
- destruction

of the infringing goods and of any materials used predominantly in the commission of the offense (Art 61).

Dispute Prevention and Settlement (Part V)

The TRIPS Agreement, in Article 63, calls for "transparency" of laws, regulations and final decisions and administrative rulings made by Members. Thus, such laws, regulations, etc., which related to the subject matter of the Agreement are to be published or at least made publicly available, so that governments and right holders may become acquainted with them.

In addition, Members are required to notify their laws and regulations to the TRIPS Council so as to enable the Council to review the operation of this agreement. Under the Agreement between the World Intellectual
Property Organization (WIPO) and the World Trade Organization (WTO) (1995) Members of the WTO may make their initial notification of laws and regulations to the TRIPS Council by submitting a reference to texts which already exist in the WIPO collection. Further, WIPO will receive and keep in its collection copies of the laws and regulations which are notified under the TRIPS Agreement. WIPO will also make copies of these laws and regulations available to the public and will also provide assistance to translate laws and regulations of developing country Members of WTO which are not Member States of WIPO as it does to Members of WIPO which are developing countries.

Article 64 of the TRIPS Agreement addresses the issue of dispute settlement. It stipulates that Article XXII and XXIII of the General Agreement on Tariffs and Trade 1994, as elaborated and applied by the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), shall apply to consultations and the settlement of disputes.

The dispute settlement system of the WTO is key to providing security and predict-ability to the multilateral trading system. It serves to preserve the rights and obligations of Members under the TRIPS Agreement (among others) and serves to clarify the existing provisions of those agreement in accordance with customary rules of interpreting public international law. The recommendations and ruling of the DSB cannot add to or diminish the rights and obligations provided in the covered agreements themselves.

The DSU sets out in detail the procedures to be followed in administering the dispute settlement system of the WTO, including the establishment of a Dispute Settlement Body (DSB), the establishment and operation of panels and the adoption of panel and Appellate Body reports, the surveillance of implementation of rulings and recommendations and the suspension of concessions and other obligations under the covered agreements, including the TRIPS Agreement.

Thus, Article XXII, which deals with consultation, requires each contracting party to accord "sympathetic" consideration to, and adequate opportunity for consultation regarding any matter affecting the operation of the Agreement.