

Global Perspectives and Challenges for the Intellectual Property System

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Rethinking International Intellectual Property Law

What Institutional Environment for
the Development and Enforcement of IP Law?



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and Sustainable Development



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and Sustainable Development



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International Environment House 2
7 Chemin de Balexert, 1219 Geneva, Switzerland
Tel: +41 22 917 8492 Fax: +41 22 917 8093
E-mail: ictsd@ictsd.ch
Internet: www.ictsd.org

Center for International Intellectual Property Studies (CEIPI)

11 rue du Maréchal Juin - BP 68 - 67046 STRASBOURG
Email: ceipi@ceipi.edu
Internet: www.ceipi.edu

Series editors: Christophe Geiger and Xavier Seuba, Center for International Intellectual Property Studies (CEIPI), University of Strasbourg; Ahmed Abdel-Latif and Pedro Roffe, International Centre for Trade and Sustainable Development (ICTSD), Geneva.

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Abbreviations and Acronyms

ACP Group	African, Caribbean and Pacific Group of States
ACTA	Anti-Counterfeiting Trade Agreement
Beijing Treaty	Beijing Treaty on Audiovisual Performances
Berne Convention	Berne Convention for the Protection of Literary and Artistic Works (also referred to as Berne)
BIRPI	United International Bureaux for the Protection of Intellectual Property
CBD	Convention on Biological Diversity
CDIP	Committee on Development and Intellectual Property
EFTA	European Free Trade Association
FTA	free trade agreement
GATT	General Agreement on Tariffs and Trade
GI	geographical indication
IP	intellectual property
IPC	Strasbourg Agreement Concerning the International Patent Classification
IPIC	Treaty on Intellectual Property in Respect of Integrated Circuits
IPRs	intellectual property rights
LDC	least developed countries
Paris Convention	Paris Convention for the Protection of Industrial Property (also referred to as Paris)
PCT	Patent Cooperation Treaty
PIC	prior informed consent
PLT	Patent Law Treaty
PTA	preferential trade agreement
Rome Convention	Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations
SCP	Standing Committee on the Law of Patents
SPLT	Substantive Patent Law Treaty
TLT	Trademark Law Treaty
TPP	Trans-Pacific Partnership
TRIPS Agreement	Agreement on Trade-Related Aspects of Intellectual Property Rights
TTIP	Transatlantic Trade and Investment Partnership
UCC	Universal Copyright Convention
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organization
UPOV Convention	International Convention for the Protection of New Varieties of Plants
VIP Treaty	Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled
WCT	WIPO Copyright Treaty
WIPO	World Intellectual Property Organization
WPPT	WIPO Performances and Phonograms Treaty
WTO	World Trade Organization

Foreword

The Centre for International Intellectual Property Studies (CEIPI) and the International Centre for Trade and Sustainable Development (ICTSD) are pleased to present the first issue of the publication series on Global Perspectives and Challenges for the Intellectual Property System. This inaugural issue on the institutional environment for the development and enforcement of intellectual property (IP) law gives readers a flavour of what the publication series intends to provide: high quality academic and policy-oriented papers dealing with topics that are of global relevance because of their normative pre-eminence, economic relevance and socioeconomic impact.

CEIPI and ICTSD have decided to launch this common project convinced by the synergies existing between both organizations. We share a common interest in intellectual property as a tool for innovation, development and the pursuit of broader societal interests, being profoundly engaged in knowledgeable and informed reflection and international debates touching upon how intellectual property can fulfil these important goals. This series of papers aims, therefore, at provoking consideration of contemporary issues thanks to the collaboration of recognized scholars and experts, giving voice to them, enriching the academic debate and feeding policymakers with high quality materials.

The CEIPI-ICTSD publication series Global Perspectives and Challenges for the Intellectual Property System will pay particular attention to a number of priority areas, namely the intersection between the intellectual property and other legal regimes, such as human rights, environment and nutrition; intellectual property enforcement; the implications of bilateral, regional and plurilateral agreements; institutional aspects and the interplay between international intellectual property law and national legal orders.

With these topics in mind, the series wishes to reach a broader audience, ranging from academics to public officials, including civil society, experts, business advisers and the broad membership of the intellectual property community. We also have in mind the actual implementation of intellectual property – how intellectual property works in practice – without losing sight of public policy objectives, including its relationship with innovation, creativity and sustainable development goals.

We sincerely hope you will find this new series a useful contribution to a better understanding of the complexities of the interface between intellectual property and sustainable development goals.



Christophe Geiger

Director General and Director of the Research Department of the Center for International Intellectual Property Studies at the University of Strasbourg (CEIPI).



Ricardo Meléndez-Ortiz

Chief Executive, International Centre for Trade and Sustainable Development (ICTSD)

About the Authors of the Inaugural Issue and Editors of the Series.

Ahmed Abdel-Latif is Senior Programme Manager for Innovation, Technology and Intellectual Property at the International Centre for Trade and Sustainable Development.

Carlos M. Correa is Director of the Center for Interdisciplinary Studies on Industrial Property and Economics at the Law Faculty, University of Buenos Aires; Advisor on Trade and Intellectual Property, South Centre, Geneva.

Christophe Geiger is Professor of Law, Director General and Director of the Research Department of the Center for International Intellectual Property Studies (CEIPI) at the University of Strasbourg.

Daniel Gervais, is Professor of Law, Vanderbilt University Law School; Director, Vanderbilt Intellectual Property Program.

Ricardo Meléndez-Ortiz is Chief Executive, International Centre for Trade and Sustainable Development.

Craig Allen Nard is Galen J. Roush Professor of Law and Director, Spangenberg Center for Law, Technology and the Arts, Case Western Reserve University School of Law

Pedro Roffe is Senior Associate for Innovation, Technology and Intellectual Property at the International Centre for Trade and Sustainable Development

Xavier Seuba is Senior Researcher and Lecturer at the Center for International Intellectual Property Studies (CEIPI) at the University of Strasbourg.

Introduction to Issue 1 of the Series

Christophe Geiger

After a rather straightforward development in the past centuries, the international intellectual property system has become increasingly complex in the last decades.¹ For a long time, the most inclusive system for the regulation of intellectual property rights at the international level was the multilateral system administered by the World Intellectual Property Organization (WIPO). Since 1967,² the objectives of the WIPO have been carried out through the negotiation of multilateral intellectual property rights conventions (e.g. the 1996 WIPO Internet Treaties),³ including periodic revision of past conventions (e.g. the Paris and Berne Conventions).⁴ In 1994, in the framework of the multilateral trading system administered by the World Trade Organization (WTO), the Agreement on Trade Related-Aspects of Intellectual Property Rights (TRIPS Agreement)⁵ was concluded. The TRIPS Agreement coupled with the intellectual property treaties administered by the WIPO enhanced the global regulation of intellectual property rights, leading to the emergence of what has been called an 'international intellectual property "acquis" – a set of principles that form the background norms animating the ... system'.⁶ Subsequent developments have shown that these regimes acted as a springboard for the dynamics of international IP lawmaking, since at present, beside WIPO and the WTO, there are a number of other institutions carrying out regulating functions in the area of international intellectual property law. In recent times, norm-setting forums have proliferated and plurilateral, bilateral as well as regional initiatives have replaced multilateralism in many areas.⁷ While the so-called 'global era' of the international intellectual property system is certainly characterised by the important role acquired by the WTO alongside WIPO, the emergence of new actors can also be noticed, reflecting conflicting expectations and leading to the adoption of instruments that sometimes go far beyond the international framework. The result is a new density of rules, leading to complexity and often to a high degree of fragmentation. As Graeme Dinwoodie and Rochelle Dreyfuss have recently put it, the consequence is certainly that

the pressures on the international intellectual property system are mounting. International instruments follow one another in rapid succession, promulgating rules, standards, and norms on an array of overlapping issues. Thoughtful interpretation can lessen some of the

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- 1 See recently on this issue the comprehensive research handbook by D. Gervais (ed.), *International Intellectual Property: A Handbook of Contemporary Research* (Cheltenham, UK: Edward Elgar, 2015).
 - 2 In 1967 the WIPO Convention was signed. It entered into force in 1970. See Convention Establishing the World Intellectual Property Organization, 14 July 1967, 21 UST 1770, 828 UNTS 3 (last amended 28 September 1979).
 - 3 WIPO Copyright Treaty, 20 December 1996, 36 I.L.M. 65, WIPO Publ. No. 226(E); WIPO Performances and Phonograms Treaty, 20 December 1996, 36 I.L.M. 76, WIPO Publ. No. 227(E). Two other treaties have been concluded in recent years within the WIPO, namely the WIPO Beijing Treaty on Audiovisual Performances, PR/2012/714, 26 June 2012, and a year later, in June 2013, the WIPO Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired, or Otherwise Print Disabled, VIP/DC/8, 27 June 2013.
 - 4 Paris Convention for the Protection of Industrial Property, 20 March 1883, as revised at Stockholm, 14 July 1967 and last amended 28 September 1979, 21 UST 1583, 828 UNTS 305; Berne Convention for the Protection of Literary and Artistic Works, 9 September 1886, as revised in Paris 24 July 1971 and last amended 28 September 1979, 1161 UNTS 3.
 - 5 The TRIPS Agreement is reproduced as Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization, signed in Marrakesh on 15 April 1994.
 - 6 See G. B. Dinwoodie and R. C. Dreyfuss, 'An International Acquis: Integrating Regimes and Restoring Balances', in Gervais, *International Intellectual Property*, 121; G. B. Dinwoodie and R. C. Dreyfuss, 'Designing a Global Intellectual Property System Responsive to Change: The WTO, WIPO and Beyond', *Houston Law Review* 46.4 (2009): 1187–234. See also from the same authors the excellent book *A Neo-federalist Vision of TRIPS: The Resilience of the International Intellectual Property Regime* (Oxford: Oxford University Press, 2012).
 - 7 See P. Yu, 'The Non-Multilateral Approach to International Intellectual Property Normsetting', in Gervais, *International Intellectual Property*, 83.

pressures, but cannot deal with all of them as the rules, standards, and norms often cut in opposite directions and are of differing legal stature.⁸

Such developments inevitably call for further analysis by scholars and the international IP system to bring systematisation and clarification. With this aim, the Center for International Intellectual Property Studies (CEIPI) convened a group of international scholars in May 2014 to address some of these central issues during a roundtable with the title 'Rethinking International Intellectual Property Law: What Institutional Environment for the Development and Enforcement of IP Law?'.⁹

This first issue of this publication series jointly conducted by the International Centre for Trade and Sustainable Development (ICTSD) and the Center for International Intellectual Property Studies at the University of Strasbourg offers a collection of the papers presented during this roundtable.

First, the role of WIPO in international intellectual property norm-setting is explored by Daniel Gervais, who discusses the negotiations of international intellectual property rules from a historical perspective, with the aim to analyse changes that have occurred and to identify possible features of future negotiations. Carlos Correa then examines the current role of WTO in framing the international intellectual property system, focusing on developments regarding matters submitted to the Council for TRIPS and noticing the shift that took place in time within the specific role that WTO played in improving the standards for intellectual property protection globally.

Next, my paper analyses the implications of multilateralism and plurilateralism on international IP law in light of recent experiences in the arena of global intellectual property lawmaking, and more generally discusses relevant lessons that could be drawn for the legislature. Complementing this analysis, the next paper by Xavier Seuba exposes the challenges arising from plurilateralism and bilateralism, touching upon the current situation and relevance of preferential trade agreements, adding to the debate the eventual conflicts arising between trade agreements and treaties of other international regimes, and also potential conflicts between preferential trade agreements themselves.

Craig Allen Nard in Chapter 5 focuses on the design of intellectual property adjudicatory bodies, inquiring which institutional players are best positioned to operate and apply the doctrinal and policy framework for intellectual property, and patent law more specifically.

Finally, Pedro Roffe concludes with personal reflections on the five presentations and respective papers, focusing on four angles of the deliberations: the movement from multilateral treaty negotiations to bilaterals and plurilaterals, the role of traditional international organisations in the new scenario of forum shifting, the persistent but evolving divide between developed and developing countries, and ultimately, the role of the judiciary.

This publication brings together voices of eminent international experts in the field of international intellectual property law, which increasingly play a central role in resolving essential economic, social and even ethical debates⁹ at global level. We hope that this publication can stimulate some further research or policymaking towards a balanced and efficient legal ecosystem for international intellectual property.

8 See Dinwoodie and Dreyfuss, 'An International *Acquis*', 124.

9 For the important ethical discussions around international IP, see C. Geiger (ed.), *Research Handbook on Human Rights and Intellectual Property* (Cheltenham, UK: Edward Elgar, 2015).

Rethinking the International Intellectual Property System: What Role for WIPO?

Daniel Gervais

1. Introduction: If Past Is Prologue

The World Intellectual Property Organization (WIPO) is the successor to the United International Bureaux for the Protection of Intellectual Property (BIRPI). The United Bureaux were in existence (under various names) from 1883 until 1970. They were established when the initial Act (or text) of the Paris Convention for the Protection of Industrial Property created an 'international bureau' or secretariat for the Convention.¹ The successful negotiation of the Berne Convention for the Protection of Literary and Artistic Works² in 1886 led to the creation of a second administrative structure and a separate bureau for that Convention. The bureaux were 'united' under the BIRPI umbrella. They ceased to exist under the BIRPI name in 1970, when the Convention Establishing the World Intellectual Property Organization, signed at Stockholm in July 1967, came into effect.

While the BIRPI name is no longer in use, the secretariat of WIPO is still referred to in official documents as the International Bureau.³ Additionally, the Paris and Berne Conventions are still the main pillars of the structure administered by WIPO. However, WIPO also manages an impressive arsenal of registration systems and instruments, including the Patent Cooperation Treaty (PCT), the Madrid International Trademark System, the Hague International Design System, the Lisbon International System of Appellations of Origin, and four agreements that create classifications that facilitate international applications in various fields.⁴

The Berne and Paris Conventions were revised several times, sometimes at a joint conference, as was the case in Stockholm in 1967, but more often separately. The Berne Convention was revised (by the negotiation of either a new stand-alone treaty or only an additional 'act') in Paris (1896), Berlin (1908), Rome (1929), Brussels (1948) and, as just mentioned, for the last time in Stockholm (1967).⁵ The 1960s saw the emergence of several 'new' countries as a result of decolonisation. These new voices in international intellectual property (IP) negotiations were acknowledged by the addition of an Appendix to the Stockholm Act of the Berne Convention at the last revision conference in Paris in 1971. Hence, the last version of the Berne Convention is the Stockholm Act combined with the Paris Appendix, and it is referred to as the Paris Act (1971).

The Paris Convention, was also revised several times, namely in Brussels (1900), Washington (1911), The Hague (1925), London (1934), Lisbon (1958) and Stockholm (1967). The list of cities in the previous sentences point to a clear Eurocentric approach. That did not limit the geographic coverage of the two treaties during the first half of the twentieth century, however, because the empires represented by major nations covered territories in all parts of the world. For example, when the United Kingdom

1 Paris Convention for the Protection of Industrial Property, as last revised at the Stockholm Revision Conference, 14 July 1967, 21 U.S.T. 1583

2 Berne Convention for the Protection of Literary and Artistic Works, signed 9 September 1886, as revised at Paris on 24 July 1971 and amended in 1979, S. Treaty Doc. No. 99-27 (1986).

3 See Convention Establishing the World Intellectual Property Organization, art. 21, signed 14 July 1967, as amended 28 September 1979, 25 U.S.T. 1341.

4 Namely: the Locarno Agreement Establishing an International Classification for Industrial Designs, 8 October 1968, 23 U.S.T. 1389; the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, signed 15 June 1957, as amended 28 September 1979, 23 U.S.T. 1336; the Strasbourg Agreement Concerning the International Patent Classification, signed 24 March 1971, as amended 28 September 1979; and the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks, signed 12 June 1973, as amended 1 October 1985, at http://www.wipo.int/treaties/en/text.jsp?file_id=294918 (accessed 1 October 2015).

5 Administrative amendments were made in 1979.

ratified the 1896 Additional Act of the Berne Convention, the ratification extended to Australia, Canada, India, New Zealand and South Africa.⁶ It is important to underscore the fact that, in the case of the Berne Convention, all the revision conferences were held in countries that share a *droit d'auteur* tradition of continental Europe. By contrast, the negotiators of the Paris Convention crossed both the English Channel and the Atlantic as one conference was held in London and another in Washington. Let us note, finally, that until the last revisions, all Berne and Paris *travaux* were mostly or exclusively done in French. Indeed, still today the 'predominant' version of the text (in case of discrepancies between official linguistic versions) is the French text.⁷

In this short paper, I explore the negotiations of international intellectual property rules since the last revisions of Paris and Berne (1967 and 1971, respectively), to see what has changed, and what future negotiations might look like. I have separated this history into four periods, namely 1970–1986, 1987–1994, 1995–2006, and 2007–current. The reason for this choice should become apparent.

2. The Evolution of Norm Setting at WIPO

2.1. 1970–1986

The first major norm-setting result at WIPO after the 1967 Stockholm Conference (at which both Paris and Berne were revised) was the successful conclusion of one of the most important administrative instruments in the field of industrial property, the Patent Cooperation Treaty, signed in Washington on 19 June 1970. As of this October 2015, the PCT had 148 member states. The PCT makes it 'possible to seek patent protection for an invention simultaneously in each of a large number of countries by filing an "international" patent application', the effect of which 'is the same in each designated State as if a national patent application had been filed with the national patent office of that State'.⁸

While the PCT was a major change and update to the national treatment/priority date system put in place by the Paris Convention, it has no provisions harmonising the substantive content of patent law. As a PCT expert explains:

nothing in the PCT limits the freedom of Contracting States to apply their own substantive conditions of patentability. In particular, any PCT Contracting State is free to apply, when determining the patentability of an invention claimed in an international application, the criteria of its national law in respect of prior art and other conditions of patentability, subject to other applicable international rules, such as those contained in the TRIPS Agreement.⁹

The norm-making apparatus of WIPO continued to evolve after the adoption of the PCT. Although no major treaties were adopted for several years after the PCT, WIPO standing committees discussed both substantive patent and trademark harmonisation as well as a possible protocol to the Berne

6 World Intellectual Property Organization (WIPO), 'Treaties and Contracting Parties to the Berne Convention (United Kingdom)', at http://www.wipo.int/treaties/en/remarks.jsp?cnty_id=1043C (accessed 27 October 2015).

7 Berne Convention, Art. 37(1)(c); Paris Convention, Art. 29(1)(c).

8 WIPO, 'Summary of the Patent Cooperation Treaty (PCT) (1970)', at http://www.wipo.int/treaties/en/registration/pct/summary_pct.html (accessed 22 October 2014).

9 Cees Mulder, 'The Patent Cooperation Treaty', in Daniel Gervais (ed.), *Research Handbook on International Intellectual Property* (Cheltenham, UK: Edward Elgar, 2015), 317.

Convention. The task was not easy. Berne requires consensus (of members) to revise its text.¹⁰ Paris requires a three-fourths majority to revise Articles 13 to 17, which contain administrative provisions (International Bureau, financial contributions, etc.) and then provides that for other (including all substantive) provisions, '[t]his Convention shall be submitted to revision with a view to the introduction of amendments designed to improve the system of the Union'.¹¹ While the text of Article 18 of the Paris Convention is less clear than its Berne counterpart on this point, it seems that consensus is required to amend the substantive provisions of Paris.¹² In this context consensus is best understood as meaning the absence of negative votes because abstentions are not considered votes.¹³

Perhaps as a result of the perceived difficulty of getting to consensus, WIPO worked on making *additions* – instead of revisions – to the Paris and Berne Conventions. The organisation also carried out studies on various topics (sometimes jointly with UNESCO). For example, in 1975 the Berne Union and the Intergovernmental Committee of the Universal Copyright Convention (or UCC, which was still at that time of some importance because the United States was party to the UCC but not to Berne) adopted a resolution on the copyright aspects of photocopying.¹⁴ Another joint effort led to the adoption of recommendations on the copyright problems arising from the use of computers for access to and creation of works;¹⁵ principles concerning cable television;¹⁶ and principles regarding the protection of computer programs under existing copyright rules.¹⁷ Excellent research was also done by WIPO committees of experts on the specific issues that affect different categories of copyright works (audiovisual works and phonograms; works of architecture; visual arts; dramatic, choreographic and musical works; works of applied art; and the printed word).¹⁸

International patent law also experienced an evolution. In 1984, WIPO member states decided to begin negotiations on a draft Treaty Supplementing the Paris Convention as far as Patents are Concerned.¹⁹ Again, this was billed as a supplement or addition to Paris, not a revision. Its provisions on patentable subject matter, rights conferred by a patent, term of protection, and reversal of burden of proof for process patents were never adopted at WIPO. However, they were later incorporated in the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement).²⁰

10 Berne Convention, art. 27(3).

11 Paris Convention, art. 18.

12 See G. H. C. Bodenhausen, *Guide to the Paris Convention: As Revised at Stockholm in 1967* (Geneva: WIPO, 2004), 191.

13 Bodenhausen, *Guide to the Paris Convention*, 191.

14 See *Copyright* (WIPO monthly review) (1975): 159–75.

15 See *Copyright* (1982): 354–6.

16 See *Copyright* (1984): 131–205.

17 See *Copyright* (1983): 278–9.

18 See M. Ficsor, *The Law of Copyright and the Internet* (Oxford: Oxford University Press, 2002), 9.

19 See WIPO, 'History of the Preparations of the Patent Law Treaty', WIPO Doc. PLT/DC/5 (21 December 1990). There were other relevant studies during that period. See WIPO, 'Meeting Note on the First Session of the Committee of Experts on the Grace Period for Public Disclosure of an Invention before Filing an Application', *Industrial Property* (WIPO monthly review) (1984): 313.

20 See WIPO, 'Standing Committee on the Law of Patents, Suggestions for the Further Development of International Patent Law', WIPO Doc. SCP/4/2 (25 September 2000), 3. The TRIPS Agreement is discussed in the next section.

Three more instruments emerged during this period. First, in April 1987, WIPO successfully completed the negotiation of the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure, which has 79 member states (as of October 2014). The first period in our survey also saw the adoption of two so-called 'classification agreements', namely the Strasbourg Agreement Concerning the International Patent Classification (IPC) adopted in March 1971, and the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks adopted in June 1973.²¹

A major inflection point in international intellectual property marked the end of this period. With the launch of the General Agreement on Tariffs and Trade (GATT) Uruguay Round of Multinational Trade Negotiations in Punta del Este in September 1986, matters took a different turn. The new Round included, for the first time, negotiations on intellectual property beyond merely trade in counterfeit goods.²² A few months later, in 1987, negotiations on what would become the TRIPS Agreement commenced..

2.2. 1987–1994

The Uruguay Round did not start with a clear view that it would revolutionise international intellectual property. A note prepared by the GATT secretariat in preparation for the Punta del Este meeting only mentioned 'Trade In Counterfeit Goods *and Other Aspects of Intellectual Property*', questioning whether in 'regard to "other aspects of intellectual property"', can these aspects and the problems to be addressed be more clearly defined?²³ Even the Ministerial Declaration that launched the Round only stated that the negotiations should 'aim to clarify GATT provisions and elaborate as appropriate new rules and disciplines'.²⁴

As this is a discussion of the role of WIPO, a detailed historical account of the GATT Round is outside the scope of this paper. It is sufficient to note that the GATT Round ended in Marrakesh on 15 April 1994 with the signing of the Agreement Establishing the World Trade Organization, and its Annex 1C, better known as the TRIPS Agreement. It is also relevant to note for our purposes that WIPO received, and responded to, several requests for information from the GATT secretariat.²⁵

While WIPO's norm-making efforts were not otherwise at a complete standstill during the Uruguay Round, WIPO and its member states were less anxious to move forward on substantive IP rules at WIPO. They were perhaps waiting to see if the Uruguay Round would ultimately succeed, and what kind of IP package negotiators would agree to, just down the road from WIPO's Geneva headquarters at the Centre William-Rappard, the GATT (now WTO) headquarters.

The World Intellectual Property Organization's work undoubtedly changed as a result of the Uruguay Round, but, in an interesting turn of events, TRIPS put WIPO norms squarely at the centre of its edifice. It incorporated most of the Paris and Berne substantive provisions, and also referred to the

21 As of October 2015, the IPC Agreement had 62 member states and the Vienna Agreement 32.

22 Daniel Gervais, *The TRIPS Agreement: Drafting History and Analysis*, 4th edn (London: Sweet & Maxwell, 2012), 11–15.

23 GATT, 'Preparatory Committee – Trade in Counterfeit Goods and Other Aspects of Intellectual Property', Doc. PREP.COM(86) W/20 (28 April 1986), 2.

24 GATT, 'Ministerial Declaration on the Uruguay Round', Doc. MIN.DEC (20 September 1986), 7–28.

25 See Gervais, *The TRIPS Agreement*, 17.

1961 Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, and the Treaty on Intellectual Property in Respect of Integrated Circuits (IPIC).²⁶ WIPO could not ignore TRIPS, in part because most WTO members were also member states of WIPO, and they had decided to adopt TRIPS. Reacting institutionally, within the first year of the WTO's existence, WIPO signed a cooperation agreement with the WTO.²⁷

WIPO also continued its norm-setting work. In 1989, it altered its tradition of only studying various issues in the field of copyright to the discussion of a *possible protocol* (in other words, an addition not a revision) to the Berne Convention.²⁸ Two years later, work on a new international instrument to protect the rights of performers and producers of phonograms would begin.²⁹ WIPO also held several meetings during this period regarding model provisions and laws on copyright and producers of sound recordings.³⁰ While no model laws were published, some of the preparatory work on such laws was used when the WIPO Governing Bodies formally decided to begin work on a Possible Protocol to the Berne Convention in 1990–1³¹ and two years later on a Possible Instrument for the Protection of Rights of Performers and Producers of Phonograms.³²

Progress was also achieved in other sectors of intellectual property. A Committee of Experts on the Harmonization of Laws for the Protection of Marks was established and held its first session from 27 November to 1 December 1989.³³ The committee met once or twice a year and a treaty, which was mostly administrative in nature, was finally adopted in October 1994, just months after the conclusion of the Uruguay Round at the WTO. This new instrument, the Trademark Law Treaty (TLT), standardised and streamlined national and regional trademark registration procedures.³⁴ Also in 1989, the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks was adopted. It entered into force in 1995, paving the way for many countries, including China and the United States, to join the Madrid system.³⁵

The Committee of Experts on the Harmonization of Certain Provisions of Law for the Protection of Inventions also met several times during this period and a diplomatic conference was held in 1991.³⁶ The 1991 draft contained provisions aimed at harmonising various aspects of both administrative

26 TRIPS Agreement, Arts 2.1, 9.1, 14.6, 35, 15 April 1994, 1869 UNTS 299. Interestingly, IPIC never entered into force due to the lack of ratifications.

27 Agreement between the World Intellectual Property Organization and the World Trade Organization, 22 December 1995, 35 I.L.M. 754.

28 See Ficsor, *The Law of Copyright and the Internet*, 18–20.

29 See WIPO, *WIPO Intellectual Property Handbook*, 2nd edn (Geneva: WIPO, 2004), 214.

30 See Ficsor, *The Law of Copyright and the Internet*, 11–15.

31 See WIPO Doc. No. AB/XX/2, Annex A.

32 See WIPO Committee of Experts on a Possible Instrument for the Protection of Rights of Performers and Producers of Phonograms, 1st sess., Memorandum prepared by the International Bureau, WIPO Doc. INR/CE/I/3 (12 March 1993).

33 WIPO, 'History of the Preparations for the Trademark Law Treaty', WIPO Doc. TLT/DC/INF/2 (4 May 1994), 2.

34 WIPO, 'Summary of the Trademark Law Treaty (TLT) (1994)', at http://www.wipo.int/treaties/en/ip/tlt/summary_tlt.html (accessed 22 October 2014).

35 China joined in 1995 and the United States in 2003. See WIPO, 'Contracting Parties: Madrid Protocol', at http://www.wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=8 (accessed 22 October 2014).

36 See 'Results of the First Part (1991) of the Diplomatic Conference', WIPO Doc. PLT/DC/INF/5 (29 January 1993).

and substantive patent law.³⁷ For example, it tackled unity of invention ('The patent should contain a single general inventive concept'³⁸); named (without definitions, however) the three major patentability criteria;³⁹ provided for patents for 'products or processes, in all fields of technology';⁴⁰ enshrined 'first-to-file';⁴¹ established a grace period for disclosures by the inventor;⁴² and basic patent rights (including this: 'Product patents will cover at least the making, offering, marketing, using, importing or stocking of the product'⁴³).

A number of the provisions in the draft patent treaty were of a more administrative nature, dealing with, for example, changes to applications as well as time periods for examination, publication, and revocation. Differences of opinion arose on first-to-file, an issue on which the United States was not yet ready to capitulate.⁴⁴ The grace period was also a contentious issue, and countries with an absolute novelty (that is, any disclosure before the application is filed may negate novelty of the claimed invention) were unwilling to extend the grace period. Ultimately the 1991 conference failed to produce consensus.

After the signing of the Agreement Establishing the World Trade Organization (including TRIPS as its Annex 1C) in April 1994, and the TLT at WIPO in October 1994, the evolution of norm setting at WIPO had to factor in the new major player in international IP, namely the WTO, which was officially established on 1 January 1995.

2.3. 1995–2006

This was probably the most important decade in international intellectual property, with the possible exception of the 1880s which gave birth to the Paris and Berne Conventions. With the application of the TRIPS Agreement starting in January 1995 for more industrialised WTO members and on 1 January 2000 for developing country members, the 1995–2006 period reshaped several fundamental norms. The TRIPS Agreement led to the amendment and adoption of hundreds of national IP laws because all WTO members other than least developed countries (LDCs) were obligated to bring their national laws into compliance with TRIPS. Failure to do so could result in dispute-settlement proceedings and trade-based retaliation for those members which did not implement the dispute-settlement findings of non-compliance. Due to the enormous impact of TRIPS implementation, the 1995–2006 decade gave rise to the most in-depth debates and discussions about the positive and negative aspects of higher intellectual property protection. Before examining such debates, this paper will first consider the emergence of new instruments at WIPO.

37 For a detailed review of the draft, see Edward G. Fiorito, 'The "Basic Proposal" for Harmonization of U.S. and Worldwide Patent Laws Submitted by WIPO', *Journal of the Patent and Trademark Office Society* 73 (1991): 83–109.

38 Fiorito, 'The "Basic Proposal"', 87.

39 Fiorito, 'The "Basic Proposal"', 91–2. There were, however, some provisions on relevant dates for novelty and non-obviousness determinations.

40 Fiorito, 'The "Basic Proposal"', 89.

41 Fiorito, 'The "Basic Proposal"', 88–9.

42 Fiorito, 'The "Basic Proposal"', 92.

43 Fiorito, 'The "Basic Proposal"', 97.

44 See R. Carl Moy, 'The History of the Patent Harmonization Treaty: Economic Self-Interest as an Influence', *John Marshall Law Review* 26 (1993): 457–95.

In 1995, approximately four years after the failed diplomatic conference on a possible treaty to harmonise patent law, discussion began anew, but this time clearly limited to formality requirements of national and regional patent procedures. Work on a possible new instrument began in the Committee of Experts on the Patent Law Treaty, and in 1998 moved to the Standing Committee on the Law of Patents. A diplomatic conference was convened and it adopted the Patent Law Treaty (PLT) on 1 June 2000. This administrative treaty entered into force on 28 April 2005.

On the copyright front, the work done since 1991 and 1993, respectively, on a Possible Protocol to the Berne Convention and a Possible Instrument for the Protection of Rights of Performers and Producers of Phonograms, restarted after the adoption of TRIPS. It is only at that time that WIPO's work on these two instruments became what the former Assistant Director-General of WIPO, Mihály Ficsor, referred to as 'serious business'.⁴⁵ He was correct. The pace of negotiations accelerated sharply. Draft texts of the two new instruments were discussed in depth at WIPO events held in September 1995 and February and May of 1996, setting the stage for a diplomatic conference held in late December 1996. On 20 December of that year a diplomatic conference adopted the two new instruments, since then known as the WIPO Copyright Treaty (WCT) (1996) and WIPO Performances and Phonograms Treaty (WPPT).

Similarly, the law of trademark also evolved at WIPO. The quick adoption of the TLT six months after the signing of TRIPS at Marrakesh, as explained earlier, may be interpreted as a sign that WIPO was trying to retake the norm-making initiative (with the support of its member states), at least for administrative matters such as regulating national and regional applications and conditions that member states may impose on them.

The TLT did signify that WIPO was 'back in the game'. That said, there were several issues with the TLT, including:

- non-traditional trademarks (that is, the TLT applied to visible two-dimensional marks and allowed for limited coverage of three-dimensional marks; and thus neither to all three-dimensional marks, such as the shape of goods or their packaging, nor to colours per se, sound marks, motion marks, position marks, hologram marks, slogans, smell marks, feel marks, and taste marks);⁴⁶
- electronic applications (as an alternative to paper);
- mandatory recordation of trademark licences, a formality which sometimes imposes a heavy burden on trademark owners; and
- relief measures when an interested party fails to comply with certain time limits.

After a hiatus, work on trademark norms resumed at WIPO and the Singapore Treaty on the Law of Trademarks was adopted in March 2006⁴⁷ to address deficiencies in the TLT. In the words of the United States Patent and Trademark Office (USPTO), the 'Singapore Treaty updates the 1994 Trademark

45 Ficsor, *The Law of Copyright and the Internet*, 34.

46 See V. K. Ahuja, 'Non-Traditional Trademarks: New Dimension of Trademarks Law', *European Intellectual Property Review* 32.11 (2010): 575–81

47 For a more detailed analysis of the Singapore Treaty and comparison with the TLT, see Samay Gheewala, 'Legislative Update: Singapore Sling: WIPO Passes the Buck on Meaningful Reform of International Trademark Law', *DePaul-LCA Journal of Art and Entertainment Law* 17 (2007): 305–71, at 310–12.

Law Treaty (TLT) to adapt to certain business realities'.⁴⁸ A critique levelled at the Singapore Treaty is the somewhat 'superficial changes' and only 'broad outlines of behavior' which some see in its language.⁴⁹ Indeed, in terms of trademark law harmonisation, it is difficult to see on the horizon in the short or even medium term much in the way of new substantive norms beyond what is already contained in TRIPS.

The patent law harmonisation efforts at WIPO failed to achieve their objectives during this decade. This can be explained in part by the issues surrounding pharmaceuticals for HIV and other major pandemics, as will be explained below, and in part by ongoing divergences of view on key aspects of substantive patent law.

In November 2000, WIPO's Standing Committee on the Law of Patents (SCP) initiated work on the harmonisation of substantive patent law with a view to concluding a new instrument known as the Substantive Patent Law Treaty (SPLT). The initial focus was on 'the definition of prior art, novelty, inventive step/non-obviousness, industrial applicability/utility, and the drafting and interpretation of claims and the requirement of sufficient disclosure of the invention'.⁵⁰ A first draft of the SPLT was discussed by the SCP in May 2001. Some issues were already causing significant difficulties. As WIPO explains, 'some provisions, such as patentable subject matter or the grounds for refusal of a claimed invention, raised concerns about the available flexibility'.⁵¹ In 2004, 'the United States of America, Japan and the European Patent Office submitted a joint proposal designed to focus on an initial package of priority items including the definition of prior art, grace period, novelty and inventive step'.⁵² No consensus was reached and the SPLT negotiations were put on hold in 2006 (and have not restarted as of October 2015).

The second half of the decade under review was characterised by the emergence of highly critical analyses of the costs and purported benefits of increasing intellectual property protection in developing countries. The pushback was felt, at least initially, more at the WTO (TRIPS) than at WIPO. Given the widespread outrage over the ill-advised attempt of certain pharmaceutical companies to enforce patent rights in the face of thousands of patients in developing countries unable to afford antiretroviral or antimalarial therapies to combat HIV/AIDS, increasing multilateral patent protection and further harmonisation of patent law became practically impossible.

In the middle of the period, and following the much publicised failure in Seattle two years earlier, a new round of multilateral trade negotiations were launched in November 2001 at Doha (Qatar). Two documents adopted by the Doha Ministerial Conference dealt with TRIPS specifically. Interestingly, the first, which outlined the mandate for future negotiations, limited possible increases to TRIPS norms to items left unresolved when TRIPS was signed in 1994, including the protection of geographical indications, especially names of wines and spirits.⁵³ Otherwise, the document

48 United States Patent and Trademark Office, 'Office of Policy and External Affairs: Singapore Treaty', at http://www.uspto.gov/ip/global/trademarks/ir_tm_singapore.jsp (accessed 22 October 2014).

49 Gheewala, 'Legislative Update: Singapore Slings', 336.

50 WIPO, 'Draft Substantive Patent Law Treaty', at http://www.wipo.int/patent-law/en/draft_splt.htm (accessed 22 October 2014).

51 WIPO, 'Draft Substantive Patent Law Treaty'.

52 WIPO, 'Draft Substantive Patent Law Treaty'.

53 WTO, Ministerial Declaration, adopted on 14 November 2001, document WT/MIN(01)/DEC/1.

addressed traditional knowledge and folklore. In a separate Declaration on the TRIPS Agreement and Public Health adopted on the same day, Ministers agreed 'that the TRIPS Agreement does not and should not prevent members from taking measures to protect public health'. In particular, paragraph 6 instructed 'the Council for TRIPS to find an expeditious solution' to the problem of 'WTO members with insufficient or no manufacturing capacities in the pharmaceutical sector ... in making effective use of compulsory licensing under the TRIPS Agreement'.⁵⁴ This led to the adoption of a Decision in August 2003, and a parallel amendment to the TRIPS Agreement (Article 31bis) that essentially incorporated the language of the 2003 Decision into TRIPS.⁵⁵ This new approach is known as the 'paragraph 6 system' (based on the number of the relevant paragraph in the Declaration on the TRIPS Agreement and Public Health).

This downward pressure on multilateral intellectual property norms, that is, a push to reinvigorate flexibilities such as exceptions and limitations to exclusive rights, made it difficult to increase or attempt to harmonise protection, especially in the patent field. The decade thus ended with a push by those seeking higher levels of protection to change the forum and method of negotiation away from WIPO and WTO and into smaller groups of like-minded countries, an approach I previously described as a 'country club' model.⁵⁶ The initial push for what would become the Anti-Counterfeiting Trade Agreement (ACTA) came at the end of 2006.

During this period, WIPO's work reflected the changing political economy. In 1998–9, WIPO added 'issues related to intellectual property and genetic resources, traditional knowledge and folklore' to its list of regular activities under WIPO's Program on 'Global Intellectual Property Issues'.⁵⁷ In 2000, the WIPO Governing Bodies decided to move beyond on the protection of genetic resources, traditional knowledge and folklore. An intergovernmental committee was established and met for the first time in 2001.⁵⁸ The result of this work will also be discussed in the next section.

In 2004, WIPO started work on a Development Agenda designed to align its work with the interests of the developing world.⁵⁹ The Agenda was adopted in 2007, contains 45 recommendations (grouped into six clusters), and provides for the establishment of a Committee on Development and Intellectual Property (CDIP).⁶⁰ Without going into the detail, the 45 recommendations are generally designed to ensure that WIPO's norm-making efforts, other work and governance include a developmental

54 WTO, Declaration on the TRIPS Agreement and Public Health, adopted on 14 November 2001, Doc. WT/MIN(01)/DEC/2.

55 WTO, 'Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health Decision of the General Council of 30 August 2003', Docs WT/L/540 and Corr.1 (1 September 2003).

56 See Daniel Gervais, 'Country Clubs, Empiricism, Blogs and Innovation: The Future of International Intellectual Property Norm-Making in the Wake of ACTA', in Mira Burri and Thomas Cottier (eds), *Trade Governance in the Digital Age* (New York: Cambridge University Press, 2012), 323–43.

57 See WIPO, 'Matters Concerning Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore – An Overview', WIPO Doc. WIPO/GRTKF/IC/1/3, para. 23 (16 March 2001).

58 WIPO, 'Matters Concerning Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore'.

59 WIPO, 'Proposal by Argentina and Brazil for the Establishment of a Development Agenda for WIPO', WIPO Doc. WO/GA/31/11 (27 August 2004); see also WIPO, Report on the Thirty-First (15th Extraordinary) Session, WIPO Doc. WO/GA/31/15 (5 October 2004), 33–7. This proposal was joined by 12 other member states (Bolivia, Cuba, Dominican Republic, Ecuador, Egypt, Iran, Kenya, Peru, Sierra Leone, South Africa, Tanzania, and Venezuela). See WIPO, 'Report of the First Session of the Provisional Committee on Proposals Related to a WIPO Development Agenda', WIPO Doc. PCDA/1/6 (20–4 February 2006), prov. 2, including an annex containing all the proposals.

60 See WIPO, 'The 45 Adopted Recommendations under the WIPO Development Agenda', at <http://www.wipo.int/ip-development/en/agenda/recommendations.html> (accessed 22 October 2014).

dimension. They also seek to ensure the 'implications and benefits of a rich and accessible public domain'; that adequate technical assistance and capacity-building are made available; and that intellectual property-related policies and initiatives necessary to promote access to knowledge and transfer technology are considered.⁶¹ The Agenda also includes a reference to WIPO's work on genetic resources, traditional knowledge and folklore. The emergence of a strong echo of developing countries' concerns, essentially absent in 1996, is thus quite apparent in the decade that ended in 2006 with the rise of ACTA.

2.4. 2007–2014

The first of two major trends in the period that began in 2007 is the push for TRIPS Plus trade agreements. This movement began with ACTA but also the Trans-Pacific Partnership (TPP), a draft of which was signed in September 2015, and the Transatlantic Trade and Investment Partnership (TTIP). Both texts, if they enter into force, should contain significant intellectual property additions to the pre-existing (TRIPS) framework. The second trend is the developing world's resistance towards demands for higher levels of protection and enforcement of intellectual property, visible, inter alia, in the ongoing work on the WIPO Development Agenda.

At the end of the period under study, WIPO was able to achieve two significant norm-making breakthroughs by adopting two new instruments in the field of copyright. First, adopted in June 2012, the Beijing Treaty on Audiovisual Performances is the first major WIPO instrument signed in an 'emerging' economy (China). Second, a year later, the first treaty to contain only mandatory exceptions and limitations to copyright in favour of visually impaired users of copyright material, the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled (VIP Treaty), was adopted in June 2013.

The Beijing Treaty is not particularly controversial. Under the 1961 Rome Convention, audiovisual performers (actors) had essentially no rights once they consented to the fixation of their performance. An actor signing a contract with a producer, for example, would provide such consent and no longer have rights in the production. The Beijing Treaty extends greater protection to audiovisual performers, providing a list of rights, including a moral right under Article 5. However, Article 12 allows countries that operate in this area under the so-called work-for-hire doctrine, such as the United States, to consider that the rights are owned and exercised by, or transferred to, the producer.

The normative grounding of exceptions and limitations for visually impaired users is rather obvious, even though there may be issues of borders and limits. The more significant implication of the VIP Treaty is that it is seen in some circles as providing impetus for other categories of users to ask for 'their' treaty. For example, in 2014 WIPO's Governing Bodies continued discussions on a possible treaty on exceptions and limitations for libraries, archives, and educational and research institutions.⁶² The related idea that copyright norm-setting might move forward as a balance between specific new protection and enforcement commitments, on the one hand, and targeted exceptions and limitations, on the other hand, is perceptible in the parallel push for a new treaty to

61 WIPO, 'The 45 Adopted Recommendations'.

62 WIPO General Assembly, 'Report on the Work of the Standing Committee on Copyright and Related Rights', WIPO Doc. WO/GA/46/5 (29 August 2014).

protect broadcasters.⁶³

The idea was expressed quite clearly in the spring of 2014 by the Director General of WIPO, Francis Gurry:

The successful conclusion of the Beijing and Marrakesh Treaties shows us that it is easier to reach a shared understanding on specific issues, where there is a demonstrable and manageable need for international action, than to achieve a shared understanding across the whole range of intellectual property, which now underlies most economic and cultural activities. As we go forward on such specific issues, it will be important that the agenda address the interests of all sides of the multilateral equation. ... I am conscious that this balance, which is an essential feature of multilateralism, extends beyond the normative agenda to the whole way in which the Organization operates.⁶⁴

Beyond copyright, a significant effort was made in recent years to bring to some sort of conclusion years of discussion on the protection of genetic resources, traditional knowledge and folklore. As explained in the previous section, this effort started in 2000. Since 2001, the intergovernmental committee established for this purpose has met 28 times. At the 2015 meeting of Governing Bodies, WIPO adopted a plan which should include a decision to be made in 2017 on a possible diplomatic conference for the adoption of one or more international legal instrument(s) for the effective protection of genetic resources, traditional knowledge and traditional cultural expressions.⁶⁵ It remains to be seen whether this effort will be successful.

The World Intellectual Property Organization has taken a number of recent, additional norm-making initiatives, including a Diplomatic Conference which adopted a new Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications in May 2015.⁶⁶ This may allow the Lisbon system to operate more in line with, and possibly instead of, the notification and registration for wines and spirits envisaged in the TRIPS Agreement, though as of October 2015 significant opposition to the New Act, especially from common law countries that protect geographical indications under a trade mark system remained.⁶⁷

Consideration of the convening of a diplomatic conference for the adoption of a possible Design Law Treaty is also in the (distant) offing.⁶⁸

Finally, the Committee on Development and Intellectual Property, mentioned in the previous section, is meeting for the sixteenth time in November 2015. At previous meetings, the Committee

63 WIPO General Assembly, 'Report on the Work of the Standing Committee'.

64 'Acceptance Speech by Francis Gurry on His Reappointment', WIPO Assemblies 2014, 8 May 2014, at http://www.wipo.int/about-wipo/en/dgo/speeches/a_53_dg_speech.html (accessed 27 October 2015).

65 WIPO, 'Matters Concerning the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore', Decision, October 2015, at http://www.wipo.int/export/sites/www/tk/en/igc/pdf/igc_mandate_1617.pdf (accessed 27 October 2015).

66 Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications adopted on 20 May 2015. As of October 2015, no ratifications or adhesions had been notified to WIPO.

67 For a discussion, see Daniel Gervais, 'Reinventing Lisbon: The Case for a Protocol to the Lisbon Agreement', *Chicago Journal of International Law* 11.1 (2010): 67–126.

68 WIPO, 'Matters Concerning the Convening of a Diplomatic Conference for the Adoption of a Design Law Treaty', Doc. WO/GA/46/9 (23 June 2014).

reviewed a number of national case studies and comparative analyses of how intellectual property rules impact development. At the fifteenth meeting, WIPO provided a detailed overview of how Development Agenda recommendations inform its work in several areas.⁶⁹

3. Looking Ahead: What Role for WIPO?

WIPO has continued to be pro-active in seeking to launch new norm-setting exercises as recently as its September 2014 Governing Bodies. The election of its Director General, Francis Gurry, for a second term in September 2014 may add momentum to WIPO's efforts.

A notable difference between the earlier situation and WIPO today is the lack of a major effort to reach consensus on broad areas of intellectual property, as in the Paris and Berne Conventions and TRIPS. Efforts currently underway focus instead on fairly specific issues. This could lead to a variegated tapestry of IP norms, with limited groups of countries ratifying or adhering to new instruments. This is the picture that emerges when one considers the substantive (or 'IP Protection') treaties⁷⁰ in force and/or recently signed administered by WIPO, as shown in Table 1.1 (as of October 2015):

Table 1.1: IP protection treaties

Treaty	Year of adoption	Number of states	States/year
Berne Convention*	1886/1971	168	n/a
Paris Convention*	1883/1967	176	n/a
Beijing Treaty on Audiovisual Performances	2012	9	2.5
Brussels Convention	1974	37	<1
Madrid Agreement (Indications of Source)	1981	36	1
Marrakesh VIP Treaty	2013	11	4
Nairobi Treaty	1981	51	1.5
Patent Law Treaty	2000	36	2.4
Phonograms Convention	1971	78	1.8
Rome Convention	1961	92	1.7
Singapore Treaty on the Law of Trademarks	2006	38	4
Trademark Law Treaty	1994	53	2.5
WCT	1996	93	4.9
WPPT	1996	94	4.9

*For Berne and Paris, the existence of several versions or 'acts' makes the last column less meaningful.

There are no clear patterns here, but lessons can nonetheless be drawn. The top 'scores' among recent instruments go to instruments in two different sectors, namely trademark (Singapore Treaty) and copyright (WCT and WPPT). These three treaties differ on another level: two are substantive

69 See WIPO, 'Director General's Report on Implementation of the Development Agenda', WIPO Doc. CDIP/15/2 (11 February 2015).

70 Considered as such by WIPO. See WIPO, 'WIPO-Administered Treaties', at <http://www.wipo.int/treaties/en/> (accessed 27 October 2015).

law treaties (WCT, WPPT) while the other (Singapore) aims to harmonise 'administrative trademark registration procedures'.⁷¹ Why did those three succeed quickly? One could argue that they remedied problems that were widely perceived to be urgent. The WCT and WPPT were adopted in 1996, approximately three years after the release of the first browser, Mosaic, and the public discovery of the World Wide Web.⁷² As to Singapore, the 1994 Trademark Law Treaty which it is meant to update was considered obsolete almost as of the date of its signature.⁷³

Regardless of whether this is a valid explanation of the relative success of the Singapore Treaty and of the WCT and WPPT, a lesson can be drawn. It is that we are almost certainly going to see an emerging patchwork of treaty ratifications, which one could call the tapestry effect. This is troubling to a certain extent. While treaties are often meant to harmonise—up to a point at least—, they can also solidify differences when groups of like-minded countries consider a treaty to reflect their perspective, thus making it harder to convince others to join.

Two examples should suffice to illustrate this point. First, the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (1958) was seen in some circles as reflecting the views and interests of the 'Old World' (primarily the European Union) and hence was shunned by many 'New World' countries (mostly in the Americas and Australasia). While issues, real or perceived, with the Lisbon Agreement were solvable, once the idea that Lisbon was unpalatable to the New World became engrained it took decades to reopen meaningful discussions.⁷⁴ Those discussions did bear fruit, however, as a diplomatic conference adopted a revised Lisbon Agreement in May 2015.⁷⁵ Still, this new instrument may not gain worldwide acceptance. It will be important to follow the celerity and geographical provenance of instruments of adhesion or ratification.⁷⁶

The second example is the Berne Convention. It was resisted by the United States, which pushed for a different, more corporate friendly and formal (without moral rights) instrument, namely the Universal Copyright Convention.⁷⁷ The United States saw many aspects of its copyright system as fundamentally incompatible with the Berne Convention, in particular the Convention's moral right and its prohibition of formalities such as registration to secure copyright.⁷⁸ The US 'manufacturing clause' under which (subject to certain exceptions and qualifications) books and periodicals in the English language must be printed from type set or from plates made within North America also posed a national treatment issue.⁷⁹

71 WIPO, 'Summary of the Singapore Treaty on the Law of Trademarks (2006)', at http://www.wipo.int/treaties/en/ip/singapore/summary_singapore.html (accessed 27 October 2015).

72 See 'Mosaic – The First Global Web Browser', at http://www.livinginternet.com/w/wi_mosaic.htm (accessed 1 October 2015).

73 See Gheewala, 'Legislative Update: Singapore Sling', 309.

74 See Gervais, 'Reinventing Lisbon'.

75 See n. 67 above.

76 See Daniel Gervais, 'Irreconcilable Differences? The Geneva Act of the Lisbon Agreement and the Common Law' (2015) *Houston Law Review* (forthcoming).

77 Universal Copyright Convention, 6 September 1952, 216 U.N.T.S. 132, as revised at Paris on 24 July 1971, 943 U.N.T.S. 178. See also John Schulman, 'International Copyright in the United States', *Law and Contemporary Problems* 19 (1954): 141.

78 Berne Convention, Arts. 6*bis* and 5(2), respectively.

79 Melville B. Nimmer, 'Implications of the Prospective Revisions of the Berne Convention and the United States Copyright Law', *Stanford Law Review* 19 (1967): 501.

It took more than a century for the United States to acquiesce and join Berne.⁸⁰ Still today, especially after the decision by the United States Supreme Court in the well-known *Dastar* case,⁸¹ there is very little doubt that United States law is not Berne-compliant. Some see a bit of hypocrisy in adherence to Berne combined with non-compliance while insisting on strong copyright protection in other jurisdictions. As a US federal judge put it, 'It is hypocritical of the United States to enforce strictly the economic articles of the Berne Convention against noncomplying nations, while at the same time to take a casual approach to article 6bis.'⁸² Similar questions can be raised about the performer's moral rights contained in Article 5 of the WPPT⁸³ and Article 5 of the Beijing Treaty on Audiovisual Performances, if and when it enters into force with respect to the United States. Yet, American exceptionalism is not the topic of this paper. Rather, this example shows that, even without being fully compliant, the United States ultimately joined the Berne Convention.

The Berne and Paris Conventions clearly have near universal appeal, based on their broad membership status. Indeed, many of the instruments negotiated since have been built on them.⁸⁴ The risk for the future is that only states that agree with additions to those basic instruments will join them, thus accentuating the tapestry effect and leading to the formation of intellectual property 'clans'. I have referred to trade-based efforts to update like-minded TRIPS, Berne and Paris as the country club approach.⁸⁵ Thus far, those efforts have failed to produce consensus among negotiators on major substantive updates to TRIPS or harmonisation at a higher level of protection, even though some progress was made on enforcement measures.

What should WIPO do? A feature of ACTA and subsequent trade negotiations (TPP and TTIP in particular) has been their opaqueness. In contrast, WIPO has traditionally been more transparent. The WIPO approach, until convincingly proven otherwise, is the way it should remain. Opaqueness creates major resistance and greatly reduces buy-in and trust. The more important question is whether WIPO should maintain its multiple parallel track approach or instead pursue grander bargains. Might it not be time to update Paris and Berne and then push for broader adherence? It is true of course that this is not easy because consensus is required. But at this stage, it may be a better path than the alternative.

80 The United States joined the Berne Union on 16 November 1988 and the Convention entered into force with respect to the United States on 1 March 1989. See WIPO, 'Contracting Parties – Berne Convention – United States of America', at http://www.wipo.int/treaties/en/remarks.jsp?cnty_id=1045C (accessed 22 October 2014).

81 *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003).

82 Edward J. Damich, quoted in Clint A. Carpenter, 'Stepmother, May I? Moral Rights, *Dastar*, and the False Advertising Prong of Lanham Act Section 43(A)', *Washington and Lee Law Review* 63 (2006): 1647–8.

83 The United States ratified the WPPT on 14 September 1999. The Treaty entered into force on 20 May 2002. World Intellectual Property Organization Performances and Phonograms Treaty, 20 December 1996, 2186 U.N.T.S. 203.

84 For example, the WIPO Copyright Treaty 'is a special agreement within the meaning of article 20 of the Berne Convention'. World Intellectual Property Organization Copyright Treaty, Art. 1(1), 20 December 1996, 2186 U.N.T.S. 121.

85 See Gervais, 'Country Clubs'.

The Role of the World Trade Organization in the Intellectual Property System

Carlos M. Correa

With the adoption of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), the World Trade Organization (WTO) played a major and unprecedented role in shaping the international intellectual property system. The TRIPS Agreement provided for minimum standards of protection, which essentially reflected those in force in developed countries. It also introduced a mechanism of dispute settlement that legitimises the adoption of trade retaliation against non-complying countries. This possibility was ostensibly absent in previous international conventions on the matter.

The implementation of the TRIPS Agreement demanded some changes in the legislation of developed countries (e.g. the patent term in the United States). However, substantial changes were needed in developing countries to reach the levels of protection required by the Agreement.¹

Thirty-four complaints relating to the TRIPS Agreement were submitted under the WTO Dispute Settlement Understanding.² Only a few of them led to the establishment of a panel and a final ruling. Interestingly, in most of these cases the complained-about party was a developed country (United States, Canada, European Union). These cases contributed to the development of basic jurisprudence on the interpretation of the TRIPS Agreement.³

This paper focuses on developments regarding matters submitted to the Council for TRIPS, including the extension of the transition period for least developed countries (LDCs) and the adopted amendment to the TRIPS Agreement relating to compulsory licences for the export of medicines.

The Council for TRIPS

The Council for TRIPS (hereinafter 'the Council') was mandated to undertake several tasks:

The Council for TRIPS shall monitor the operation of this Agreement and, in particular, Members' compliance with their obligations hereunder, and shall afford Members the opportunity of consulting on matters relating to the trade-related aspects of intellectual property rights. It shall carry out such other responsibilities as assigned to it by the Members, and it shall, in particular, provide any assistance requested by them in the context of dispute settlement procedures ...⁴

In monitoring the operation of the TRIPS Agreement, the Council 'has closely reviewed the IP [intellectual property] systems of some 130 WTO Members, going over more than 4,000 legal texts

1 For a general analysis, see Carolyn Deere, *The Implementation Game: The TRIPS Agreement and the Global Politics of Intellectual Property Reform in Developing Countries* (Oxford: Oxford University Press, 2010). For regional perspectives, see, e.g., Mohammed El-said, 'The Implementation Paradox: Intellectual Property Regulation in the Arab World', *Journal of International Trade Law and Policy* 9.3 (2010): 221–35; Carlos Correa, 'TRIPS and TRIPS-Plus Protection and Impacts in Latin America', in F. Gervais (ed.), *Intellectual Property, Trade and Development* (Oxford: Oxford University Press, 2007).

2 See World Trade Organization, 'Disputes by Agreement', at http://www.wto.org/english/tratop_e/dispu_e/dispu_agreements_index_e.htm?id=A26.

3 Importantly, the Appellate Body has indicated that treaty interpretation must be based on Article 31 of the Vienna Convention on the Law of the Treaties, and does not allow the 'imputation into a treaty of words that are not there or the importation into a treaty of concepts that were not intended'. The 'legitimate expectations' of the parties to the TRIPS Agreement 'are reflected in the language of the treaty itself'. WTO, Appellate Body, *India-Patent Protection for Pharmaceutical and Agricultural Chemical Products*, AB-1997-5, WT/DS50/AB/R (19 December 1997).

4 Article 68, TRIPS Agreement.

of Members implementing TRIPS'.⁵ A significant part of the work of the Council has, however, focused on issues that remained unresolved at the conclusion of the TRIPS Agreement. They include patent protection related to plants and animals and the processes for obtaining them (Article 27.3(b)); non-violation and situation complaints; and geographical indications. The Council was also mandated by the WTO Ministerial Conference to work on the relationship between the TRIPS Agreement and the Convention on Biological Diversity (CBD), as well as on the protection of traditional knowledge. As discussed below, the Council has failed to achieve any concrete results in these areas.

The Council intervened in the elaboration of the WTO Decision of 3 August 2003⁶ and the consequent proposed amendment to the TRIPS Agreement, and in the extensions of the transitional period accorded to LDCs by Article 66.1 of the TRIPS Agreement. A permanent task of the Council is to review the application of the provisions of the section on geographical indications (GIs) of the Agreement and, annually, review the implementation of Article 66.2 relating to technology transfer to LDCs.

1. Review of Article 27.3(b)

Article 27.3(b) was the only provision in the TRIPS Agreement subject to an early review –four years after the date the WTO Agreement entered into force. This period was shorter than the general transitional period contemplated for the implementation of the Agreement in developing countries (which extended until 1 January 2000).

A possible reason for the introduction of this early review clause is the European Community's reluctance to accept the patentability of plant and animal varieties, which is prohibited under the European Patent Convention. Furthermore, the US expected a rapid change in the European position that would allow for the patenting, in particular, of plants.⁷ Another possible explanation is the developed countries' expectation that an amendment to Article 27.3(b) could be agreed upon and compliance with the International Convention for the Protection of New Varieties of Plants (UPOV Convention) made mandatory for all WTO members. Whatever the expectations of the proponents of the review clause were, as soon as discussions were opened, a deep divide in the WTO membership was evident.

Some developing countries regarded the mandated review as an opportunity to revise the provision, and limit rather than expand its obligations. Thus, the African Group held that the review should aim at prohibiting the patenting of plants, animals and micro-organisms, as well as their parts and natural processes. Its submission stated: 'The review process should clarify that plants and animals as well as microorganisms and all other living organisms and their parts cannot be patented, and that natural processes that produce plants, animals and other living organisms should also not be patentable.'⁸

5 WTO, 'Azevêdo Highlights "Dramatic Increase" in Knowledge Component of Trade', 20 October 2014, at http://www.wto.org/english/news_e/spra_e/spra38_e.htm.

6 Relating to compulsory licences for the export of medicines.

7 The first US patent on plants was confirmed in 1985 by the Board of Appeals and Interferences of the US Patent and Trademark Office *in re Hibberd*.

8 See 'Preparations for the 1999 Ministerial Conference: The TRIPS Agreement. Communication from Kenya on behalf of the African Group', WT/GC/W/302 (6 August 1999), at <http://www.grain.org/es/article/entries/1861-africa-group-position-on-trips>.

The African Group further demanded the harmonisation of the TRIPS Agreement with the CBD. They also wished to ensure the protection and promotion of Farmers' Rights as recognised in the FAO International Undertaking on Plant Genetic Resources, while preserving the ability to develop specific modalities of protection for traditional knowledge at the national level.⁹ The Group argued that 'by mandating or enabling the patenting of seeds, plants and genetic and biological materials, Article 27.3(b) is likely to lead to appropriation of the knowledge and resources of indigenous and local communities'.¹⁰

The African Group also made it clear that the purpose of the 'review' should be the amendment of the provision. It held that:

It is the firm understanding of the African Group that the mandate of the Council is to review the substantive provisions of Article 27.3(b). Since no provision is made for review of implementation of this specific Article (except implicitly in the context of the overall review scheduled for 2000 in Article 71.1) members of the African Group consider it appropriate that any information (to be) submitted under the current review will not be used for the purpose of reviewing the implementation of the provisions of this Article.¹¹

In what may be viewed as a response to the radical view taken by the African Group on the issue of patentability, developed countries took the position that 'review' in Article 27.3(b) only meant an analysis of the *implementation* of the provision, not its amendment. This is an interesting example of the extent to which the ambiguity in the wording of a provision in the TRIPS Agreement may lead to radically different interpretations. So different that, 15 years later, there is no consensus on the mandated 'review'.

In 2010, Bolivia proposed to amend Article 27.3(b) to prohibit the patenting of all life forms; protect innovations of indigenous and local farming communities and their farming practices; prevent anti-competitive practices; protect the rights of indigenous communities; and prevent any intellectual property claims over traditional knowledge.¹² This proposal has not been seriously discussed so far.

Although the 'review' of Article 27.3(b) appears as a standard issue in the agenda of all meetings of the Council for TRIPS, nothing indicates that WTO members will make any decision on the matter in the foreseeable future. The controversial nature and the economic importance of the issues involved, particularly in relation to the protection of plants, suggest that new developments on the matter are unlikely to occur.¹³

9 WT/GC/W/302 (6 August 1999) and IP/C/W/206 (20 September 2000).

10 WT/GC/W/302 and IP/C/W/206.

11 WT/GC/W/302 and IP/C/W/206.

12 'Review of Article 27.3(B) of TRIPS Agreement, Communication from Bolivia', IP/C/W/545 (February 2010); see also IP/C/W/554 (March 2011).

13 In the meantime, many developing countries – which did not provide protection to plant varieties – have joined UPOV, while a few (e.g. India, Thailand, Malaysia) have introduced sui generis legislation non-compliant with UPOV standards.

2. Non-Violation and Situation Complaints

Article 64.2 of the TRIPS Agreement banned 'non-violation and situation complaints'¹⁴ (hereinafter 'non-violation complaints') for a period of five years. During this period the Council for TRIPS was given the mandate to examine and make recommendations on 'the scope and modalities for complaints of the type provided for under subparagraphs 1(b) and 1(c) of Article XXIII of GATT' (Article 64.3). Any decision by the Ministerial Conference to approve the Council's recommendations or extend the moratorium must be made 'only by consensus, and approved recommendations shall be effective for all Members without further formal acceptance process' (Article 64.3).

To date WTO members have not agreed to undertake the exercise of defining the 'scope and modalities' for non-violation complaints referred to in Article 64.3. The moratorium established by Article 64.2 has been successively extended by the WTO Ministerial Conferences, thereby preventing members from initiating non-violation complaints under the TRIPS Agreement.

A deep divide, similar to the one found in connection with Article 27.3(b), exists with regard to this issue. Developing countries fear that allowing non-violation complaints will undermine what are known as 'TRIPS flexibilities'. In a communication from 14 developing countries, these countries noted the systemic concerns raised by this issue; they argued that:

non-violation and situation complaints are unnecessary to protect any balance of rights and obligations inherent in the TRIPS Agreement, as these are reflected in the Agreement's principal obligations and flexibilities, and the Agreement explicitly states that WTO Members are not obliged to implement more extensive protection (Article 1).¹⁵

The United States and Switzerland have actively pursued the commencement of negotiations to define the 'scope and modalities' for non-violation complaints. In the US view, the application of such complaints will not erode the 'TRIPS flexibilities': 'the availability of non-violation complaints will protect Members from intentional evasions of obligations under the TRIPS Agreement while preserving the ability of any Member to implement legitimate social, economic development, health, environmental and cultural policies.'¹⁶

However, there are solid grounds for rejecting the use of non-violation complaints in the context of the TRIPS Agreement. In *India – Patent Protection for Pharmaceutical and Agricultural Chemical Products*, the Appellate Body correctly rejected the panel's use of a 'legitimate expectations' standard – which may provide the grounds for non-violation complaints – as a principle for interpreting the TRIPS Agreement. As mentioned above, the Appellate Body emphasised that obligations which are not stated in the treaty cannot be imported into its text through interpretation. The acceptance of such complaints could only be based on an expansive, non-literal reading of the TRIPS Agreement's

14 A complaint of this kind may be filed, even when a WTO agreement has not been violated, if a member argues that it has been deprived of an expected benefit because of another government's action, or because of any other situation that exists. See, e.g., 'TRIPS: "Non-Violation" Complaints (Article 64.2): Background and the Current Situation', at http://www.wto.org/english/tratop_e/trips_e/nonviolation_background_e.htm.

15 'Non-Violation and Situation Nullification or Impairment under the TRIPS Agreement, Communication from Argentina, Bolivia, Brazil, Colombia, Cuba, Ecuador, Egypt, India, Kenya, Malaysia, Pakistan, Peru, Sri Lanka and Venezuela', IP/C/W/385 (30 October 2002).

16 'Non-Violation Complaints under the TRIPS Agreement, Communication from the United States', IP/C/W/599 (10 June 2014).

obligations. For instance, price controls, packaging and labelling requirements, or consumer protection rules might be considered to deprive right holders of their expectations regarding the exploitation of their rights; even tax policies could be challenged.¹⁷ An alleged violation of the 'spirit' of the Agreement may also be articulated to narrow key flexibilities in the TRIPS Agreement, such as the definition of the criteria of patentability, fair use exceptions under copyright, or the implementation of exceptions and compulsory licences under national laws.

The issue of non-violation complaints will remain on the Council for TRIPS agenda as a matter requiring a final decision. However, as in the case of Article 27.3(b), a consensus on this subject seems unlikely. If reached, it should make non-violation complaints inapplicable to the TRIPS Agreement. Otherwise a wide range of legitimate public policies that may directly or indirectly affect intellectual property owners may be challenged on the argument of being TRIPS violations.

3. The Relationship between the TRIPS Agreement and the Convention on Biological Diversity

Exploring the relationship between TRIPS and the Convention on Biological Diversity was mandated by paragraphs 12 and 19 of the Doha Ministerial Declaration, and by paragraph 39 of the Hong Kong Ministerial Declaration. Although the relationship between the TRIPS Agreement and the CBD is multifaceted, developing countries have focused their efforts on introducing an obligation to disclose the origin of genetic resources and associated traditional knowledge claimed in patent applications. The first proposals on this subject were made in the context of the review of Article 27.3(b). However, the proposals later shifted to the consideration of a possible amendment to Article 29, which deals with the general disclosure obligation imposed on patent applicants.

The TRIPS Agreement does not contain any provisions to ensure that patent applicants have obtained prior informed consent (PIC) from the countries of origin of the genetic resources and complied with national regimes on access and benefit sharing, as required by the CBD. Several submissions outlined the purposes and possible scope of a disclosure obligation relating to patent claims on genetic resources.¹⁸ In 2006 a group of developing countries, including the African, Caribbean and Pacific Group of States (ACP Group) and the LDCs Group submitted a proposal for a new Article 29*bis* to the Council for TRIPS.¹⁹ After the adoption of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization, a new submission was made²⁰ that reflected some of the elements of the Protocol, such as the concept of an 'Internationally Recognized Certificate'.

17 See, e.g. Frederick Abbott, 'Non-Violation Nullification or Impairment Causes of Action under the TRIPS Agreement and the Fifth Ministerial Conference: A Warning and Reminder', Occasional Paper 11 (July 2003), at <http://www.geneva.uno.int/info/pdf/QP11-nv.pdf>.

18 See, e.g., 'Elements of the Obligation to Disclose the Source and Country of Origin of Biological Resources and/or Traditional Knowledge Used in an Invention: Submission from Brazil, India, Pakistan, Peru, Thailand, and Venezuela, IP/C/W/429 (21 September 2004).

19 'The Outstanding Implementation Issue on the Relationship between the TRIPS Agreement and the Convention on Biological Diversity, Communication from Brazil, China, Colombia, Cuba, India, Pakistan, Peru, Thailand and Tanzania and Others', IP/C/W/474, Add.1, Add.2, Add.3, Add.4, Add.5, Add.6, Add.7, Add.8 and Add.9 Revision (also circulated as WT/GC/W/564/Rev.2 and TN/C/W/41/Rev.2) (5 July 2006).

20 'Draft Decision to Enhance Mutual Supportiveness between the TRIPS Agreement and the Convention on Biological Diversity, Communication from Brazil, China, Colombia, Ecuador, India, Indonesia, Peru, Thailand, the ACP Group, and the African Group', TN/C/W/59 (19 April 2011).

These proposals aim at increasing the transparency of the patent system in order to allow countries to monitor and effectively enforce benefit-sharing obligations. They were a response to the concerns created by many reported cases of 'biopiracy'.²¹

The proposal essentially requires patent applicants to:

- disclose the country of origin and the specific source of the genetic resources and/or of the traditional knowledge used in the invention;
- provide evidence of PIC through approval of authorities under the relevant national regime; and
- provide evidence of fair and equitable benefit sharing under the relevant national regime.

One of the most controversial issues regarding these proposals has been determining the legal consequences of non-compliance with disclosure obligations. Developing countries have advocated an approach in which the legal effects would materialise on the patents themselves, such as allowing for their revocation.

The European Union has shown its willingness to (partially) accept the proposed amendment²² in exchange for support in two areas: the creation of an international registry and the extension of GI protection. A proposal to deal with these issues as a 'single undertaking' – despite the fact that the three issues are not covered by the same negotiating mandate – obtained a large support among WTO membership, but failed to generate the required consensus, as mentioned below.²³

4. Geographical Indications

The TRIPS Agreement is the first binding international instrument with a wide membership to require the protection of GIs. To a great extent it reflects the aspirations of the European countries, which actively pursued the inclusion of a specific section on the subject during the Uruguay Round. The interest of the EU in this subject is explained by the large number of GIs held by European producers. It is the region that may benefit the most from an enhanced protection of those signs.

While the negotiation of the TRIPS Agreement likely satisfied the demands of most European countries regarding GIs protection, it fell short of their ambition. The Agreement included 'grandfather clauses' that allowed WTO members, in certain circumstances, to permit their nationals to continue using foreign GIs. The Agreement also differentiated the level of protection granted to wines and spirits from that accorded to other products. In addition, while the establishment of a multilateral system of notification and registration of GIs for wines was discussed during the Uruguay Round, a final agreement was not reached. The Agreement only incorporated an obligation, under Article 23.4, for WTO members to engage in negotiations in the Council,²⁴ without prejudging any particular

21 See, e.g., Edward Hammond, *Biopiracy Watch: A Compilation of Some Recent Cases*, vol. 1 (Penang: Third World Network, 2013).

22 Although generally supportive of the proposed amendment, the EU has disagreed with the proponents on the critical issue of the legal effects of non-compliance with the disclosure obligation.

23 See 'Draft Modalities for TRIPS-Related Issues, Communication from Albania, Brazil, China, Ecuador, the European Communities, India, Indonesia, the Kyrgyz Republic, the Former Yugoslav Republic of Macedonia, Pakistan, Peru, Sri Lanka, Switzerland, Thailand, Turkey, the ACP Group and the African Group', JOB(08)/80 (17 July 2008).

24 Although Article 23.4 only refers to wines, the negotiating mandate was expanded so as to also cover 'spirits'.

outcome with regard to the modes and legal effects of the proposed notification and registration. This negotiation is the only one to take place at the Council for TRIPS in dedicated 'special sessions' (i.e. negotiating sessions).²⁵

Another issue under discussion is extending the level of protection for wines and spirits to *all* products. This would essentially mean that right holders would not be required to demonstrate that the use of a designation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin misleads the public as to the geographical origin of the good or constitutes an act of unfair competition.

The debates about an enhanced protection for GIs have been particularly divisive both among developing countries and among developed countries. India, Brazil, China, Ecuador, Indonesia, Pakistan, Peru, Sri Lanka, Thailand, and the African Group have been sympathetic to the proposal, whereas Argentina, Uruguay, Chile and other developing countries oppose it.²⁶ On the other hand, a number of developed countries (Australia, New Zealand, United States and Canada) do not support its extension. They are probably concerned by its possible trade implications (particularly the displacement of local products from domestic and foreign markets), and by the lack of capacity to enforce their domestic GIs internationally.

There is also significant disagreement regarding the scope and effects of a multilateral registry for wines and spirits. Many developed and developing countries reject the proposal to establish a multilateral registry with binding legal effects.

The proposal of 'draft modalities for TRIPS-Related Issues' submitted by a large number of developed and developing countries attempted to link the creation of a multilateral registry for GIs and the extension of GIs protection with the establishment of a disclosure obligation for patent applicants in relation to genetic resources and associated traditional knowledge. However, given the opposition by an important group of countries regarding GIs, as well as to the incorporation of a disclosure obligation (which is strongly opposed, for instance, by the United States) the 'draft TRIPS modalities' was not adopted.

The paralysis on GIs issues in WTO explains the EU's persistent efforts to increase the protection of GIs through bilateral stand-alone agreements (e.g. EU-China) and broader free trade agreements (FTAs) or Economic Partnership Agreements. Although GIs are an outstanding issue in all EU trade negotiations, their outcomes illustrate the deep asymmetry of economic benefits that the parties may obtain from enhanced protection. For instance, in the FTA concluded among the EU, Peru and Colombia, the EU has obtained the recognition of numerous GIs, while only two Colombian and four Peruvian GIs were recognised.²⁷

25 See WTO, 'Negotiations, Implementation and TRIPS Council Work', at http://www.wto.org/english/thewto_e/minist_e/min05_e/brief_e/brief06_e.htm.

26 Interestingly, despite the different levels of development within the group of developing countries, they seem to generally share a common view within the Council, with the noticeable exception of issues relating to GIs. They have, in particular, resisted attempts to promote TRIPS-plus standards or the engagement of the Council in processes that may erode the TRIPS flexibilities, such as discussions on the implementation of enforcement measures.

27 See Annex XIII of the EU-Peru-Colombia FTA, at http://trade.ec.europa.eu/doclib/docs/2011/march/tradoc_147725.pdf.

GIs enable producers to capture a premium price,²⁸ the size of which is dependent on a number of factors such as market size, degree of competition with substitutes, demand elasticity and, above all, consumer perceptions about the linkage of an indication with product attributes.²⁹ It is illusory to think that GIs can be created from scratch in developing countries, and that these countries could obtain benefits comparable to those generated by already well-established GIs.

GIs are another area where WTO has been incapable of reaching viable agreements. There are no signs suggesting that the current situation could change in the short term.

5. Least Developed Countries

In recognition of the special needs and requirements of LDCs, Article 66.1 of the TRIPS Agreement accorded a ten-year transition period to these countries, which expired on 1 January 2006.

A special decision³⁰ was made in June 2002 by the TRIPS Council in relation to pharmaceutical products, pursuant to the instruction given to the Council by the 2001 Doha Ministerial Declaration on TRIPS and Public Health. It exempted LDCs from applying sections 5 (patents) and 7 (test data) of Part II of TRIPS and from enforcing rights under those provisions until 1 January 2016. In addition, a decision of the General Council of July 2002³¹ exempted LDCs from obligations under Article 70.9 (exclusive marketing rights for pharmaceutical products) of the TRIPS Agreement until 2016.

The justification for an extension specifically applicable to pharmaceuticals is particularly important in the effort to facilitate access to medicines at low cost. The majority of the populations of LDCs would be otherwise unable to receive needed medical treatments.

In addition, upon a collective request by the LDCs, the general transition period accorded by Article 66.1 was extended until July 2013 (for seven and a half years) by a decision of the Council for TRIPS.³² This decision included a 'no-rollback clause', which essentially prevented LDCs from providing a reduced level of intellectual property protection if their laws contained provisions compliant with or closer to the TRIPS standards.

Before the expiration of the extended transitional period in July 2013, and in exercising the right recognised in Article 66.1,³³ LDCs requested a further extension. This time the LDCs proposed that the

28 From an economic point of view, geographical indications 'act as a strong differentiation tool through the creation of collective monopolies ... [T]hey segment the production market and erect barriers on producers which limit entry at two levels. First, only producers within the demarcated area qualify for participation. This is followed by another barrier in that, within this region, only producers who comply with the code of practice fall within the collective. These institutional barriers which are created by limiting the use of the designation and defining the product and production process facilitate the formation of a monopoly which encompasses all producers within the designation who comply with the code of practice'; see Cerkia Bramley, Estelle Biénabe and Johann Kirsten, 'The Economics of Geographical Indications: Towards a Conceptual Framework for Geographical Indication Research in Developing Countries', in *The Economics of Intellectual Property: Suggestions for Further Research in Developing Countries and Countries with Economies in Transition* (Geneva: WIPO, 2009), at <http://www.wipo.int/ip-development/en/economics/>.

29 See, e.g., Carlos Correa, 'Protection of Geographical Indications in CARICOM Countries', paper prepared for CARICOM, 2002, at <http://www10.iadb.org/intal/intalcdi/PE/2009/03454.pdf>.

30 See IP/C/25.

31 See WT/L/478.

32 See IP/C/40.

33 'The Council of TRIPS *shall*, upon duly motivated request ... *accord* extensions of this period' (Article 66.1; emphasis added).

exempt period not be subject to an arbitrary term, but rather would end when a country benefiting from the extension ceases to be an LDC in accordance with the applicable indicators. In fact, the socioeconomic situation of LDCs had not improved since the first extension was granted. Moreover, the UNCTAD *Least Developed Countries Report 2011* found that the 'marginalization' of LDCs was 'in many ways worse than in the early 1970s ... More generally, the picture that emerges ... is that the LDCs ... have not been able to develop their productive capacities and beneficially integrate with the world economy.'³⁴ However, developed countries refused to grant the extension on the requested terms; they only reluctantly agreed to extend the transitional period until July 2021.

The rationale for exempting LDCs from compliance with the TRIPS obligations is articulated by Article 66.1 itself: 'In view of the special needs and requirements of least-developed country Members, their economic, financial and administrative constraints, and their need for flexibility to create a viable technological base ...' This article recognises that the creation of a 'viable technological base' cannot be made in the context of high levels of intellectual property protection, as required by the TRIPS Agreement. Learning through access to foreign technologies and imitation are essential at early stages of development. In fact, developed countries themselves started their industrialisation process under weak intellectual property systems. In relation to the United States, for instance, a US governmental agency noted: 'When the United States was still a relatively young and developing country, for example, it refused to respect international intellectual property rights on the grounds that it was freely entitled to foreign works to further its social and economic development.'³⁵

The developed countries' resistance towards recognising the situation of LDCs, as characterised by Article 66.1, is not commensurate with the small portion of the world market for products protected by intellectual property that LDCs represent. It is also paradoxical in view of developed countries' lack of effective implementation regarding their technology transfer obligations to LDCs under Article 66.2. A review of the reports submitted by developed countries to the Council reveals that developed countries have failed to introduce the necessary 'incentives', and that even if 'technology transfer' were broadly understood, most programmes reported by developed countries did not include the transmission of technology or were not specifically targeted at LDCs.³⁶ For instance, the report by New Zealand states that promoting a broad economic environment in New Zealand that is conducive to the development of its enterprises and institutions enables them to transfer technology abroad,³⁷ as if a direct link could be established between the prosperity of New Zealand's enterprises and entities and specific technology transfers to LDCs.

The annual review undertaken by the Council of the reports submitted by developed countries in respect of their obligations under Article 66.2 has not been in any way sufficient to achieve the objective of this provision. An additional agenda item for the Council will be an LDC proposal to

34 UNCTAD, *The Least Developed Countries Report 2011: The Potential Role of South-South Cooperation for Inclusive and Sustainable Development* (New York: UNCTAD, 2011), 30–1.

35 US Congress, Office of Technology Assessment, *Intellectual Property Rights in an Age of Electronics and Information*, OTA-CIT-302 (Washington, DC: US Government Printing Office, April 1986). See also Doron Ben-Atar, *Trade Secrets: Intellectual Piracy and the Origins of American Industrial Power* (New Haven: Yale University Press, 2004).

36 Suerie Moon, *Does TRIPS Art. 66.2 Encourage Technology Transfer to LDCs? An Analysis of Country Submissions to the TRIPS Council (1999–2007)*, UNCTAD-ICTSD Project on IPRs and Sustainable Development, December 2008; Suerie Moon, *Meaningful Technology Transfer to the LDCs: A Proposal for a Monitoring Mechanism for TRIPS Article 66.2*, ICTSD Programme on Innovation, Technology and Intellectual Property, April 2011.

37 See IP/C/W/ADD.1.

modify the format for developed countries' submissions under that article so that there is more detailed reporting of technology transfer activities, and overlap with technical assistance required under Article 67 is avoided.

In the coming months, a new extension of the transition period for pharmaceuticals, and of the waiver granted in 2002 in relation to 'exclusive marketing rights' (Article 70.9 of the TRIPS Agreement) may again confront LDCs and developed countries. This may be one of the few areas where the Council's role can be significant in the near future in framing the intellectual property systems at the national level, but only in relation to LDCs.

6. Review of the Paragraph 6 System

The system of compulsory licences for the export of pharmaceuticals to countries without manufacturing capacity in this field, as established by the WTO Decision of 3 August 2003, has failed so far in two respects. On the one hand, after more than ten years since its adoption, only one export operation has taken place (the supply of antiretrovirals from a Canadian firm to Rwanda). On the other, although an amendment to the TRIPS Agreement based on this WTO Decision was agreed upon in December 2005, the number of approvals necessary for its entry into force in accordance with the WTO rules has not yet been reached. While developing countries have attempted to address the functioning of this system in the Council, this discussion has not taken place as developed countries have not consented.

7. Other Agenda Items of the Council

Further outstanding items on the Council's agenda include the review of national implementing legislation, and the review of the implementation of the TRIPS Agreement under Article 71.1. Reports on cooperation and capacity building are also regularly submitted. Despite their potential importance, these items do not contribute in a significant manner to the relevance of the Council's work.

An interesting discussion took place in the Council when, on 11 June 2013, Ecuador submitted a document titled 'Contribution of Intellectual Property to Facilitating the Transfer of Environmentally Rational Technology'.³⁸ This paper proposed that members consider adopting a declaration in which they would enshrine the principle that 'nothing in the TRIPS Agreement can minimize or impair the flexibilities provided for in that Agreement, nor prevent or limit Members taking measures they consider necessary to protect their population from the effects of climate change and to make use of environmentally sound technologies'. As is the case for other subjects, the debates were characterised by strong differences among the members. As a result the discussion failed to reach a concrete outcome, despite the importance of the issue and the need to ensure that technologies for mitigation and adaptation to climate change are globally disseminated.

Upon request of the United States and other countries, the Council's agenda has instead incorporated items that do not directly relate to the implementation of the TRIPS Agreement.³⁹ Thus, an item on

38 IP/C/W/585/Rev.1.

39 Despite the insistence from developed countries, there was no consensus in the Council to address issues of 'enforcement', as developing countries feared that expansive interpretations of the TRIPS Agreement provisions could be promoted.

intellectual property and innovation was included in the last seven meetings. The purpose of its inclusion is to promote the view that intellectual property leads to innovation, independent of the level of development of the countries concerned. In addition, the October 2014 session of the TRIPS Council was accompanied by an 'Innovation Fair' sponsored by the EU, Switzerland and the US. It is difficult to see how this kind of agenda item fits within the Council's mandate and why the Council should embark on this kind of debate when there are many more appropriate forums available. The involvement of the Council in this area is particularly problematic since government delegates are often unaware of academic work on the subject. Significantly, a deep mismatch may be found between the positions on the role of intellectual property of the governments of some developed countries (notably the United States) and the analysis and evidence emerging from academic studies conducted in the same and other countries.⁴⁰

Conclusions

Despite the major role that WTO played in heightening the global standards for intellectual property protection, the current role of WTO in developing the international system of protection is minimal. The Council seems to be paralysed by basic disagreements on the role of such a system, or particular components thereof, in socioeconomic development. As noted by the WTO Director General, 'as far as the TRIPS issues are concerned, they have also proven to be difficult in themselves, reflecting the strong interests and divergent views existing across the membership'.⁴¹ The main divergences clearly are between developed and developing countries, but they also emerge within each of these groupings in the particular case of GIs. The WTO has become an unfriendly forum for initiatives aimed at increasing the level of protection for intellectual property, which have instead been channelled through bilateral and plurilateral agreements.

The blockade around the issues under the mandate of the Council is unlikely to change any time soon, especially in the light of the current frustration about the Doha Round prevailing in the WTO membership. This should not be a justification, however, to transform the Council into a forum for the promotion of particular governments' views on the role of intellectual property.

40 See, e.g., Carlos Correa, 'Innovation and Technology Transfer of Environmentally Sound Technologies: The Need to Engage in a Substantive Debate', *Review of European, Comparative and International Environmental Law* 22.1 (2013): 54–61.

41 WTO, 'Roberto Azevêdo Highlights "Dramatic Increase"'.

Multilateralism vs Plurilateralism in International IP Law: Lessons to Be Learned from the Failure of the Anti-Counterfeiting Trade Agreement

Christophe Geiger*

* Some parts of this paper draw on the previous article 'Rethinking the Enforcement of IP Rights at International Level', in D. Beldiman (ed.), *Access to Information and Knowledge: 21st Century Challenges in Intellectual Property and Knowledge Governance* (Cheltenham, UK, and Northampton, MA: Edward Elgar, 2013), 284–98. The author is very thankful to Elena Dan, Research assistant at the CEIPI, for her research and great editorial assistance.

1. Introduction

The intellectual property multilateral treaty-making processes currently face various challenges. Some of them were well summarised by the Director General of the World Intellectual Property Organization (WIPO), Francis Gurry, in his acceptance speech following his reappointment for a second mandate: 'asymmetries of wealth, opportunity and knowledge; historical and contemporary trust deficits; and the reality of a multi-speed and multi-tiered world in which multilateralism, while being the highest expression of inclusiveness and legitimacy, is also the slowest solution'.¹

The pressure on the multilateral and inclusive IP system comes from various directions. For example, the international framework agreed upon during the Uruguay Round negotiations and which resulted in the TRIPS Agreement has been criticised for not taking sufficiently into account the different levels of capacity for innovation and the interests of developing and least developed countries.² At the same time, the same rules have been perceived by many developed nations as being the result of an ineffective multilateral approach which insufficiently protects their interests.³ This perception has led them to advance stronger provisions on intellectual property rights (IPRs) protection in bilateral⁴ or plurilateral⁵ agreements. In this context, an issue of particular concern is the enforcement of intellectual property rights, which is indicative of the general trend to avoid multilateralism in international norm-making.

Indeed, the creation of an efficient system to secure the proper enforcement of intellectual property rights has constantly preoccupied policymakers over the last decades. However, if serious efforts have recently been made and numerous initiatives undertaken at the international level to strengthen the legal framework in this regard, this was mainly done outside the multilateral arena, especially through the incorporation of precise and detailed IP enforcement provisions in bilateral⁶ or plurilateral agreements.

One of these attempts to strengthen the IP enforcement framework is the plurilateral Anti-Counterfeiting Trade Agreement (ACTA). This Agreement, negotiated over a period of three years by the European Commission (for the European Union and its member states) and ten other

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- 1 See 'Acceptance Speech by Francis Gurry on his Reappointment', WIPO Assemblies 2014, 8 May 2014, at http://www.wipo.int/about-wipo/en/dgo/speeches/a_53_dg_speech.html (accessed October 2014).
 - 2 Critical literature on the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) is too abundant to be quoted extensively. See e.g., D. Vaver and S. Basheer, 'Popping Patent Pills: Europe and a Decade's Dose of TRIPS', *European Intellectual Property Review* 28.5 (2006): 282–91; J. Malbon and C. Lawson (eds), *Interpreting and Implementing the TRIPS Agreement: Is It Fair?* (Cheltenham, UK: Edward Elgar, 2008); B. Remiche and J. Kors (eds), *L'Accord ADPIC: dix ans après. Regards croisés, Europe-Amérique latine* (Brussels: Larcier, 2007); C. M. Correa, *Trade Related Aspects of Intellectual Property Rights: A Commentary on the TRIPS Agreement* (Oxford: Oxford University Press, 2007); P. K. Yu, 'TRIPs and Its Discontents', *Marquette Intellectual Property Law Review* 10.2 (2006): 369.
 - 3 For a more detailed discussion, see C. Geiger, 'Weakening Multilateralism in Intellectual Property Lawmaking: A European Perspective on ACTA', *WIPO Journal* 3.2 (2012): 166–78.
 - 4 A good example of a bilateral agreement in this sense is the EU's free trade agreement (FTA) with South Korea, see FTA between the European Union and its Member States, of the one part, and the Republic of Korea, of the other part, OJ 2011 L 127 (14 May 2011), Article 10.54 *et seq.* More generally on enforcement provisions in bilateral treaties, see X. Seuba, 'Intellectual Property in Free Trade Agreements: What Treaties, What Content?', *Journal of World Intellectual Property* 16.5–6 (2013): 240–61.
 - 5 In this sense, a plurilateral example is the Anti-Counterfeiting Trade Agreement discussed throughout this article.
 - 6 See X. Seuba, 'Substantive and Jurisdictional Challenges Arising from Bilateralism in Intellectual Property', Chapter 4 in the present issue.

countries,⁷ has proven controversial, particularly in the European Union.⁸ Strong concerns have, for example, been expressed regarding an excessive tightening of penalties in the field of intellectual property. Such criticism has specifically targeted the use of copyright-protected works on the internet by means of peer-to-peer file-sharing platforms and the excessive restrictions on certain fundamental rights, leading to a wave of protest among European citizens.⁹ Consequently, when ACTA was submitted to the European Parliament for examination and after heated discussions at the European Union and national levels, the European Parliament rejected the Agreement on 4 July 2012 with an overwhelming majority.¹⁰ ACTA can thus be considered a failed attempt to depart from multilateralism in the field of IP enforcement.¹¹ However, ACTA can surely serve as a good example to define general characteristics of the current plurilateral agenda on intellectual property lawmaking, within which certain countries urge for new and higher enforcement standards. For this purpose, the paper discusses: the context in which the mechanism of plurilateralism in IP norm-setting has arisen; the approach adopted by states with regard to intellectual property rulemaking; the content of the plurilateral agreements on IP enforcement in contrast to the provisions in multilateral treaties; and the procedures used by negotiating countries in setting rules for intellectual property rights.

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- 7 These countries are Australia, Canada, Republic of Korea, United States of America, Japan, Kingdom of Morocco, United Mexican States, New Zealand, Republic of Singapore and Swiss Confederation.
- 8 See for example R. D'Erme, C. Geiger, H. Grosse Ruse-Khan, C. Heinze, T. Jaeger, R. Matulionyte and A. Metzger, 'The Impact of the Anti-Counterfeiting Trade Agreement on the Legal Framework for IP Enforcement in the European Union', in C. Geiger (ed.), *Constructing European Intellectual Property: Achievements and New Perspectives*, EIPIN Series 1 (Cheltenham, UK: Edward Elgar, 2013), 394; P. Arhel, 'L'Accord commercial anticontrefaçon. Version finale', *Propriété Industrielle* (March 2011): 13; J.-C. Galloux, *Revue Trimestrielle de Droit commercial (RTD com)* (January/March 2011): at 81; IGIR (Institute for Globalisation and International Regulation of the University of Maastricht), 'The Anti-Counterfeiting Trade Agreement (ACTA): An Assessment', study for the European Parliament's Committee on International Trade, June 2011, EXPO/B/INTA/FWC/2009-01/Lot7/12, PE 433.859; M. Stieper, 'Das Anti-Counterfeiting Trade Agreement (ACTA)', *GRUR Int (Gewerblicher Rechtsschutz und Urheberrecht Internationaler Teil)* (2011): 124–31; C. Geiger, 'Of ACTA, "Pirates" and Organized Criminality: How "Criminal" Should the Enforcement of Intellectual Property Be?', *International Review of Intellectual Property and Competition Law* 41.6 (2010): 629–31; C. Geiger, 'Quelle mise en œuvre des droits de propriété intellectuelle au niveau international? Retour sur l'Accord commercial anti-contrefaçon (ACTA)', *Propriétés Intellectuelles* 43 (2012): 201–10; B. Mercurio, 'Beyond the Text: The Significance of the Anti-Counterfeiting Trade Agreement', *Journal of International Economic Law* 15.2 (2012): 361–90; M. Blakeney, *Intellectual Property Enforcement: A Commentary on the Anti-Counterfeiting Trade Agreement (ACTA)* (Cheltenham, UK: Edward Elgar, 2012); P. Roffe and X. Seuba (eds), *The ACTA and the Plurilateral Enforcement Agenda: Genesis and Aftermath* (Cambridge: Cambridge University Press, 2015).
- 9 On this issue, with references to ACTA, see C. Geiger, 'Challenges for the Enforcement of Copyright in the Online World: Time for a New Approach', in P. Torremans (ed.), *Research Handbook on the Cross-Border Enforcement of Intellectual Property* (Cheltenham, UK: Edward Elgar, 2014), 704.
- 10 European Parliament legislative resolution of 4 July 2012 on the draft Council decision on the conclusion of the Anti-Counterfeiting Trade Agreement between the European Union and its Member States, Australia, Canada, Japan, the Republic of Korea, the United Mexican States, the Kingdom of Morocco, New Zealand, the Republic of Singapore, the Swiss Confederation and the United States of America (12195/2011 – C7-0027/2012 – 2011/0167(NLE)), P7_TA-PROV(2012)0287). For a comment on the rejection and its implications for the future, see D. Matthews and P. Zikovska, 'The Rise and Fall of the Anti-Counterfeiting Trade Agreement (ACTA): Lessons for the European Union', *International Review of Intellectual Property and Competition Law* 44 (2013): 626–55.
- 11 Of course, it is true that one signatory party (Japan) ratified the treaty on 6 September 2012, and thus, with five more ratifications, ACTA could in theory still take effect within those parties, but this is very unlikely, at least in the near future.

2. The Global Context of International IP Lawmaking

The general context which led to ACTA is the proliferation of counterfeiting in third countries, notably in developing countries and emerging economies,¹² combined with a certain degree of weakness in international intellectual property law regarding enforcement mechanisms.

In fact, the minimum rules on enforcement set out in the TRIPS Agreement were considered by the developed world to be insufficient or ineffective at an early stage.¹³ The 'weakness'¹⁴ of the international provisions for enforcing intellectual property rights had been illustrated by the Panel decision of the World Trade Organization (WTO) in a case brought by the United States against China.¹⁵ The United States alleged that China did not provide for criminal penalties against copyright infringement on a commercial scale in its national legislation, thus failing to comply with Article 61 of the TRIPS Agreement. Article 61 requires member states to 'provide for criminal procedures and penalties to be applied at least in cases of wilful trademark counterfeiting or copyright piracy on a commercial scale'. However, the WTO Panel remained cautious, explaining that 'commercial scale' referred 'to counterfeiting or piracy carried on at the magnitude or extent of typical or usual commercial activity with respect to a given product in a given market'.¹⁶ Thus, the Panel held that the 'commercial scale' should take account of the circumstances of the case and the available evidence of commerciality, adding that the interpretation of the scope of the obligation depended on the nature of the product, on the market in question, as well as on the scale of the infringements.

The Panel's caution is not surprising in light of the negotiating record of the TRIPS Agreement, which clearly illustrates the difficulty of finding a compromise on the adoption of a common criterion for harmonising criminal penalties in the field of intellectual property. In fact, the parties were only able to reach agreement on a minimalist approach.¹⁷ The flexible interpretation of the provisions of the TRIPS Agreement by the Panel was welcomed by many commentators, permitting the adjustment

12 See in particular the impressive figures quoted in the study from the Organisation for Economic Co-operation and Development, 'The Economic Impact of Counterfeiting and Piracy', OECD, Paris, 2008, updated in OECD, 'Magnitude of Counterfeiting and Piracy of Tangible Products: An Update', November 2009, 1.

13 Certain scholars have thus not hesitated to argue that the provisions on enforcement provided in TRIPS can be seen as the 'Achilles' heel' of the Agreement, see P. K. Yu, 'TRIPS and Its Achilles' Heel', *Journal of Intellectual Property Law* 18.2 (2011): 479–531.

14 The word is in quotation marks, since the provision might be regarded as 'weak' from the point of view of the richest countries as compared with their IP enforcement standards. In a more global context, the flexibility of the international provision might be seen as an advantage, allowing a compromise between the diverging interests of the parties to the Agreement.

15 Report of the WTO Panel of 26 January 2009, 'China – Measures Affecting the Protection and Enforcement of Intellectual Property Rights', WT/DS362/R. For a comment, see for example R. Creemers, 'The Effects of World Trade Organization Case DS362 on Audiovisual Media Piracy in China', *European Intellectual Property Review* 31.11 (2009): 568; H. Xue, 'An Anatomical Study of the United States versus China at the World Trade Organization on Intellectual Property Enforcement', *European Intellectual Property Review*, no. 6 (2009): 292; D. Gervais, 'China – Measures Affecting the Protection and Enforcement of Intellectual Property Rights', *American Journal of International Law* 103.3 (2009): 549–55; H. Grosse Ruse-Khan, 'Criminal Enforcement and International IP Law' and P. K. Yu, 'Shaping Chinese Criminal Enforcement Norms through the TRIPS Agreement', in C. Geiger (ed.), *Criminal Enforcement of Intellectual Property: A Handbook of Contemporary Research* (Cheltenham, UK: Edward Elgar, 2012); P. K. Yu, *The US–China Dispute over TRIPS Enforcement*, Occasional Papers in Intellectual Property Law 5, Drake University Law School (2010); A. Adam, 'What Is "Commercial Scale"? A Critical Analysis of the WTO Decision in WT/DS362/R', *European Intellectual Property Review* 33.6 (2011): 342–8.

16 See Gervais, 'China – Measures Affecting the Protection and Enforcement of Intellectual Property Rights', para. 7.577.

17 For a detailed analysis of the preparatory work for TRIPS Agreement in the field of criminal penalties, see Adam, 'What Is "Commercial Scale"?', 346ff.

of the obligations under the treaty in terms of penalties to the specific circumstances and needs of the country in question.¹⁸ However, many developed countries saw it as a confirmation of the inadequacies of the existing international provisions. Therefore, developed countries pushed for the adoption of stricter multilateral rules in the context of international organisations such as WIPO and the WTO, but encountered some difficulties in imposing such changes on the international framework rapidly and without making concessions. This failure was mainly due to the opposition from developing countries that did not necessarily share the same interests and concerns as IP exporting countries regarding enforcement.¹⁹

3. The 'Country Club' Approach to Intellectual Property Lawmaking

Given the difficulty in achieving satisfactory rules within the classical multilateral framework, a number of likeminded countries engaged in what has been called 'forum shifting'.²⁰ This involves negotiating among themselves (and in secret) tougher agreements, such as the plurilateral Anti-Counterfeiting Trade Agreement. The Preamble of the Agreement is clear on this issue, stating that the new text aims at providing effective and appropriate means for enforcing intellectual property rights *complementary* to the TRIPS Agreement.

However, national legislation in the majority of the states that negotiated ACTA include provisions on IP enforcement that are often sufficiently developed and at times stronger than those provided for by this treaty. In fact, one of the arguments frequently advanced by the European Commission and other signatories to reassure its opponents was that the Agreement would not modify the legal provisions applicable in the field. In this sense, the European Commission has, on several occasions, emphasised that ACTA is fully compatible with the *acquis communautaire*.²¹ These comments lead one to question why so much effort has been expended to negotiate a text that, according to its main protagonists, would not alter existing law.

18 See in particular Ruse-Khan, 'Criminal Enforcement and International IP Law' and Yu, 'Shaping Chinese Criminal Enforcement Norms'.

19 Interestingly, some scholars have demonstrated that most of today's developed countries went through a period of intellectual property piracy or at least uncompensated uses of the intellectual property of other more developed nations in order to foster their own innovation capacities, see for example on this issue the interesting article by L. J. Gibbons, 'Do as I Say (Not as I Did): Putative Intellectual Property Lessons for Emerging Economies from the Not So Long Past of the Developed Nations', *SMU Law Review* 64.3 (2011): 923.

20 See P. K. Yu, 'Six Secret (and Now Open) Fears of ACTA', *SMU Law Review* 64.3 (2011): 975–1094, at 1075; K. Weatherall, 'Politics, Compromise, Text and the Failures of the Anti-Counterfeiting Trade Agreement', *Sidney Law Review* 33 (2011): 229–63; M. Kaminski, 'The Origins and Potential Impact of the Anti-Counterfeiting Trade Agreement (ACTA)', *Yale Journal of International Law* 34 (2009): 247. Very critically on this tendency in recent international intellectual property lawmaking, see S. K. Sell, 'Everything Old Is New Again: The Development Agenda Then and Now', *WIPO Journal* 3.1 (2011): 17–23, at 20. The same author defines ACTA-like initiatives as a 'vertical forum shifting', see S. K. Sell, 'TRIPS Was Never Enough: Vertical Forum Shifting, FTAs, ACTA, and TPP', *Journal of Intellectual Property Law* 18.2 (2011): 447–78. See also L. Helfer, 'Regime Shifting: The TRIPs Agreement and New Dynamics of International Intellectual Property Lawmaking', *Yale Journal of International Law* 29 (2004): 1–83.

21 See in particular the Communication of the Commission, 'A Single Market for Intellectual Property Rights – Boosting Creativity and Innovation to Provide Economic Growth, High Quality Jobs and First Class Products and Services in Europe', Brussels, 24 May 2011, COM(2011) 287 final, 24.

The answer is that the Agreement seemed to mainly address *non-signatory* emerging countries,²² which would have been later invited to 'join the club'²³ by ratifying the text or by signing bilateral agreements.²⁴ The Preamble of the treaty confirms that ACTA's aim is 'global' and that it concerns the 'world economy and not merely the economies of the signatory countries'.²⁵ Moreover, a special body was established to implement the Agreement, the 'ACTA Committee'.²⁶ The Committee was tasked with examining 'matters concerning the development of the Agreement', to decide upon 'the terms of accession to this Agreement of any member of the WTO', and to invite 'those signatories not parties to this Agreement to participate in the Committee's deliberations on those rules and procedures'.²⁷ Thus, its creation reinforces the view that the prime addressees were third countries. These approaches show that plurilateralism can be used by certain nations as a method to circumvent the difficulty of negotiating in the multilateral framework, nevertheless with the aim to adopt global standards that meet their interests.

4. The Content of IP Provisions in Plurilateral Agreements

One characteristic that can be identified is that the content of these new initiatives steadily raises the level of the enforcement mechanisms. In fact, plurilateral norms in the field often build on previous treaties with the aim of modifying the preceding benchmark.²⁸ For example, ACTA builds on the TRIPS Agreement, while the Trans-Pacific Partnership (TPP), another plurilateral agreement currently under negotiations,²⁹ builds on ACTA.

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- 22 As an example, countries like China, Brazil, Russia and India were not invited to take part in the negotiations although they are regularly identified by certain signatory states as being the principal origin of counterfeit products, see in particular 'IPR Enforcement Report 2009', Commission Staff Working Document, Brussels, SEC(2009) 1360, at http://trade.ec.europa.eu/doclib/docs/2009/october/tradoc_145204.pdf (accessed October 2014). According to Professor Galloux, the fact that the emerging countries were not involved or were not invited 'constitutes beyond doubt one of the weaknesses of this project', *RTD com* (January/March 2011): 81. See also in this sense A. Rens, *Collateral Damage: The Impact of ACTA and the Enforcement Agenda on the World's Poorest People*, Program on Information Justice and Intellectual Property (PIJIP) Research Paper 5, American University Washington College of Law, Washington DC, 2010.
- 23 To quote an expression used by Daniel Gervais, 'China – Measures Affecting the Protection and Enforcement of Intellectual Property Rights', 55S: 'The approach is neither regional nor truly multilateral; it is a "club approach" in which like-minded jurisdictions define enforcement "membership" rules and then invite other countries to join, presumably via other trade agreements.' See also P. K. Yu, 'ACTA and Its Complex Politics', *WIPO Journal* 3.1 (2011): 1–16, at 3; IGIR, 'The Anti-Counterfeiting Trade Agreement (ACTA)', 11.
- 24 See also IGIR, 'The Anti-Counterfeiting Trade Agreement (ACTA)', 9. Moreover, for an interesting perspective on bilateral agreements between developing and developed countries, see B. H. Malkawi, 'A Long "TRIP" Home: How the Berne Convention, TRIPS Agreement, and Other Instruments Complement the International Copyright System', *European Intellectual Property Review* 35.2 (2013): 15–18.
- 25 According to the Preamble, 'the proliferation of counterfeit and pirated goods, as well as of services that distribute infringing material, undermines legitimate trade and sustainable development of the world economy, causes significant financial losses for right holders and for legitimate businesses, and, in some cases, provides a source of revenue for organized crime and otherwise poses risks to the public'; for this reason, the parties to the Agreement desire 'to combat such proliferation through enhanced international cooperation and *more effective international enforcement*' (emphasis added).
- 26 Chapter V, Article 36, ACTA. For a comment see P. K. Yu, 'The ACTA Committee', in Roffe and Seuba, *The ACTA and the Plurilateral Enforcement Agenda*, 143.
- 27 Article 36(2)(b), Article 36(2)(d) and Article 36(5) ACTA.
- 28 See also T. Woods, 'Copyright Enforcement at All Costs? Considerations for Striking Balance in the International Enforcement Agenda', *AIPLA Quarterly Journal* 37.3 (2009): 347–93, at 367–8.
- 29 The treaty builds on the Trans-Pacific Strategic Economic Partnership Agreement (P4) between Brunei Darussalam, Chile, New Zealand and Singapore, an agreement that entered into force in 2006. The ongoing negotiations on the Trans-Pacific Partnership agreement are between Brunei Darussalam, Chile, New Zealand, Republic of Singapore, Australia, Canada, Malaysia, United Mexican States, Peru, United States of America, Viet Nam, and Japan.

As an example, it is thus interesting to have a closer look at the content of ACTA. It is not the objective here to present an in-depth analysis of the proposed provisions, but rather to make some general observations and a few comments. ACTA consists of five chapters. Within the context of the present article the most important chapters are the first and the second. The first chapter contains the Agreement's initial provisions and general definitions. This chapter also lays down ACTA's relationship with other agreements, the nature and the scope of the obligations, and the general principles relating to the Agreement. The second establishes the legal framework for improving the enforcement of intellectual property rights. The second chapter also constitutes the core of the proposed regulation and contains, in particular, provisions concerning civil enforcement, border measures, criminal enforcement and an additional section on the specific measures aimed at enforcing intellectual property rights in the digital environment (the 'digital chapter' of the Agreement).

First of all, it should be noted that in the final version of the Agreement, numerous controversial provisions envisaged during the negotiations, specifically regarding the implementation of 'graduated response' systems for combating file sharing on the internet, have been dropped or had their scope considerably narrowed.³⁰ Secondly, major efforts have been made to include, specifically in the general provisions of the Agreement, a number of rules aimed at guaranteeing balanced procedures.³¹ These provisions are all the more important because the secret nature of the negotiations makes it more difficult to understand the text, since the negotiating record is neither known nor accessible, unlike all the multilateral agreements adopted within the WTO or the WIPO where the debates are documented.³² It is precisely the vague and uncertain nature of some provisions and the lack of clear limits that may be the source of difficulties.³³ The discretion left to member states in the implementation of the Agreement may also allow 'maximalist' readings of the provisions. Moreover, the Agreement contained a number of controversial provisions that have, for the most part, been worded in a non-binding manner. Of course, this does not lead to a direct obligation to implement them, but can nevertheless reflect an intention to induce the parties to introduce those provisions into their national law. More generally, the Agreement is distinct from the provisions of international and European intellectual property law in a number of ways, specifically regarding civil enforcement, border measures, criminal enforcement and the provisions concerning the enforcement of the IP rights in the digital environment.³⁴

30 See also IGIR, 'The Anti-Counterfeiting Trade Agreement (ACTA)', 60; T. Hoeren, 'ACTA ad acta? Überlegungen zum urheberrechtlichen "Shitstorm"', Editorial, *MultiMedia und Recht* 3 (2012): 137–8.

31 See Article 2(3), Article 6(2), Article 6(3) and Article 27(2) ACTA. For an extensive comment, see X. Seuba, 'ACTA Initial Provisions and General Obligations', in Roffe and Seuba, *The ACTA and the Plurilateral Enforcement Agenda*, 46, stating that some of the provisions of Chapter I 'are expected to play an important balancing function'.

32 See the IGIR study, 'The Anti-Counterfeiting Trade Agreement (ACTA)', 17. See also Article 6 of the European Parliament resolution of 10 March 2010 on the transparency and state of play of the ACTA negotiations, P7_TA(2010)0058, in which the Parliament 'deplores the calculated choice of the parties not to negotiate through well-established international bodies, such as WIPO and WTO, which have established frameworks for public information and consultation'.

33 See, in this sense, Hoeren, 'ACTA ad acta?', 138, stating that the interpretation of the Agreement remains very unclear.

34 See 'Opinion of European Academics on Anti-Counterfeiting Trade Agreement', *Journal of Intellectual Property, Information Technology and E-Commerce Law (JIPITEC)* 2.1 (2011): 65–72, at paras 15–16. See also Commission Services Working Paper, 'Comments on the "Opinion of European Academics on Anti-Counterfeiting Trade Agreement"', 27 April 2011, reproduced in *JIPITEC* 2.2 (2011): 171–83.

The most problematic aspects of ACTA are likely the criminal provisions.³⁵ Under Article 23(1) 'each Party shall provide for criminal procedures and penalties to be applied at least in cases of wilful trademark counterfeiting or copyright or related rights piracy on a commercial scale'. The term 'commercial scale' is defined broadly as comprising at least acts carried out 'as commercial activities for direct or indirect economic or commercial advantage'. This considerably broadens the notion of 'commercial scale' and is less flexible than the market/product based interpretation of the TRIPS Agreement by the WTO Panel.³⁶ This is problematic because the harmonisation of criminal law at the international and European level has always been a highly sensitive issue and required further discussions, since criminal law is closely linked to moral and cultural conceptions at national level.³⁷

As already mentioned, the objective of creating a tougher international criminal enforcement framework for the infringement of IPRs has also been a priority during the ongoing negotiations of another plurilateral treaty, the TPP. In the discussions regarding the TPP, it appears that the participating states intend to adopt similar (or even stronger) provisions than ACTA on criminal measures for the protection of intellectual property rights. Although no official draft of this treaty has been released to date, a number of leaked versions³⁸ indicate similar patterns to ACTA on the proposed obligation for criminal penalties to include sentences of 'imprisonment as well as monetary fines'.³⁹ Furthermore, this treaty also proposes to criminalise the aiding and abetting of infringement,⁴⁰ which expands criminal liability to intermediaries and others, going beyond the scope established in the TRIPS Agreement. At the same time, the proposed provisions of the TPP that attempt to define the scope of criminal copyright and related rights enforcement aim to include acts of infringement for non-commercial purposes, defined as 'significant acts, not carried out for commercial advantage or financial gain, that have a substantial prejudicial impact on the interests of the copyright or related rights owner in relation to the marketplace'.⁴¹ If this approach is agreed upon,

35 On these provisions, see C. Geiger, 'ACTA and Beyond: Towards a Differentiated Approach to Criminal Enforcement of Intellectual Property Rights at Global Level', in Roffe and Seuba, *The ACTA and the Plurilateral Enforcement Agenda*, 100.

36 See, in this sense, Ruse-Khan, 'Criminal Enforcement and International IP Law', 171ff. See also Report of the WTO Panel, 'China – Measures Affecting the Protection and Enforcement of Intellectual Property Rights', para. 7.577.

37 See C. Geiger, 'The Anti-Counterfeiting Trade Agreement and Criminal Enforcement of Intellectual Property: What Consequences for the European Union?', in J. Rosén (ed.), *Intellectual Property at the Crossroads of Trade* (Cheltenham, UK: Edward Elgar, 2012), 167–81, at 169.

38 See the latest leaked draft of the final text of the Agreement as agreed to by the signatories in Atlanta on October 5, 2015. Trans Pacific Partnership, Intellectual Property Rights Chapter (Oct. 5, 2015), at <https://wikileaks.org/tpp-ip3> (last visited Oct. 27, 2015). For a first comment see S.M. Flynn, 'Now we know: TPP is worse than ACTA', at <http://infojustice.org/archives/35130>; Previous leaked versions of the TPP date from 11 May 2015, at <http://keionline.org/sites/default/files/Section-H-1-11-of-Enforcement-TPP-IPChapter-11May2015.pdf> (accessed August 2015), or were released on 16 October 2014, see 'Updated Secret Trans-Pacific Partnership Agreement (TPP) – IP Chapter (second publication)', at <https://www.wikileaks.org/tpp-ip2/#start> (accessed October 2014); from August 2013, for a comment see for example M. Kaminski, 'The TPP and Copyright', Concurring Opinions, 14 November 2013, at <http://www.concurringopinions.com/archives/2013/11/the-tpp-and-copyright.html> (accessed October 2014); K. Weatherall, 'TPP – Australian Section-by-Section Analysis of the Enforcement Provisions (August 2013 Leaked Draft)', November 2013, at <http://works.bepress.com/cgi/viewcontent.cgi?article=1032&context=kimweatherall> (accessed October 2014). and from February 2011, for a comment see S. M. Flynn, B. Baker, M. Kaminski and J. Koo, 'The US Proposal for an Intellectual Property Chapter in the Trans-Pacific Partnership Agreement', *American University International Law Review* 28.1 (2012):105–205

39 Article QQ.H.7, para. 6(a). The monetary fines must be 'sufficiently high to provide a deterrent to future acts of infringement, consistently with the level of penalties applied for crimes of a corresponding gravity'.

40 Article QQ.H.7, para. 5.

41 See latest leaked draft of the Agreement, October 5, 2015, Article QQ.H.7, para. 1(b). For a comment on the earlier leaked draft of the Agreement of 16 October 2014, see M. Kaminski, 'The Leaked TPP: Some Notes, and Criminal Copyright', Concurring Opinions, 16 October 2014, at <http://www.concurringopinions.com/archives/2014/10/the-leaked-tpp-some->

the TPP may bring a broader and higher standard to criminal provisions than the ones previously foreseen at the international level. This is problematic since the criminal enforcement of intellectual property has some economic, but also ethical, historical and even psychological aspects⁴² that were not addressed by ACTA or by the ongoing negotiations of the TPP.

More generally, the new initiatives which endeavour to cover the existing gaps on the enforcement provisions in the TRIPS Agreement through different methods, including those increasingly based on criminal law, confirm not only the rise of global standards for IPRs protection and enforcement, but also a persistent trend to shift the platforms on which developed countries are searching for satisfactory rules in the field.⁴³

5. The Procedures of IP Norm-Setting: Implications of Plurilateralism for Multilateralism

As we have seen, the recent plurilateral initiatives are aiming to complete the multilateral systems concerning the enforcement and protection of intellectual property rights. Sometimes weaker than the obligations laid down in the national law of the negotiating parties in the field of civil and criminal enforcement, ACTA appears primarily addressed to non-signatory third countries which will be later invited to 'join the club', either by ratifying the Agreement a posteriori or by concluding bilateral agreements.

Although some dark areas remain concerning the exact impact of ACTA's provisions, mainly due to the vague scope of many provisions and the uncertainties regarding interpretation, it is perhaps not so much the content of the Agreement that is the most problematic, but rather the method of adoption.⁴⁴ The secret negotiation of the future of intellectual property law between a few like-minded countries and outside the purview of competent international organisations is an unwelcome precedent and by no means a guarantee of success.⁴⁵ The shortcomings of this approach are evidenced by the negotiations of the TPP.

In the case of ACTA, the negotiating text would have probably remained unknown if the European Parliament, echoing many of the worries expressed, had not adopted in March 2010 a resolution

notes-and-criminal-copyright.html (accessed October 2014); K. Weatherall, 'TPP-Section-by-Section Analysis of Some Provisions People Aren't Talking About (May 2014 Leaked Draft)', 29 October 2014, at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2516058. More generally on the consequences that this implies in the copyright context: C. Geiger, 'The Rise of Criminal Enforcement of Intellectual Property Rights ... and Its Failure in the Context of Copyright Infringements on the Internet', in S. Frankel and D. Gervais (eds), *The Evolution and Equilibrium of Copyright in the Digital Age* (Cambridge: Cambridge University Press, 2014), 113–42.

42 For a historical, economic, and psychological perspective on criminal enforcement, see the chapters by D. Lefranc, A. Wechsler and A. Peukert in Geiger, *Criminal Enforcement of Intellectual Property*.

43 See Sell, 'TRIPS Was Never Enough', 456; Geiger, 'Weakening Multilateralism in Intellectual Property Lawmaking', 166.

44 See Mercurio, 'Beyond the Text', 361.

45 On this point, one might recall the failure of the Multilateral Agreement on Investment (MAI), which was negotiated in secret within the OECD between 1995 and 1997 with the intention of subsequently extending it to non-members, and which encountered huge opposition among the general public until it was finally abandoned in October 1998. See on the question in particular D. Henderson, *L'Accord multilatéral sur l'investissement. Leçons d'un échec* (Paris: GEM, 1999). See also D. Gervais and V. Nicholas-Gervais, 'Intellectual Property in the Multilateral Agreement on Investment: Lessons to Be Learned', *Journal of World Intellectual Property* 2.2 (1999): 257–74. While an international regulation of investments was certainly desirable, the method adopted blocked any progress on the topic for many years.

demanding full information about the progress of the negotiations on the proposed Agreement.⁴⁶ As a result of this resolution, the European Commission finally published the first version of the proposed Agreement on 21 April 2010,⁴⁷ followed by a consolidated version on 2 October 2010⁴⁸ and a final version on 3 December 2010 subsequent to the legal verification meeting in Sydney.⁴⁹ For a long time only available in English, the last version of the Agreement was then published in a number of different languages on 23 August 2011.⁵⁰

The TPP faces the same criticism as ACTA regarding the lack of transparency of the negotiations. This has, in turn, made it difficult to assess the potential effects of the Agreement, as a draft text is unavailable. In these circumstances, academia and media are forced to rely on leaked information rather than official texts in their evaluation of the benefits and costs of the future treaty. According to the available information and because of the pattern of increasing enforcement measures, the TPP has been qualified as an 'ACTA-plus' treaty.⁵¹ In any case, the secrecy of the negotiations process⁵² on agreements concerning or including the delicate issue of the enforcement of intellectual property rights contributes considerably to the development of mistrust among the general public. It is this process which gives rise to widespread speculation about the contents and objectives of such plurilateral agreements.⁵³

Additionally, if major IP initiatives at the international level are carried out outside the designated international organisations, this risks undermining the credibility of multilateralism in the field of intellectual property law. Furthermore, in the long term, such actions may considerably weaken the WTO⁵⁴ and WIPO,⁵⁵ which are responsible for such legislation.⁵⁶ At a time when intellectual

46 See European Parliament resolution of 10 March 2010 on the transparency and state of play of the ACTA negotiations, P7_TA(2010)0058).

47 ACTA, consolidated text prepared for public release, April 2010, at http://trade.ec.europa.eu/doclib/docs/2010/april/tradoc_146029.pdf (last accessed October 2014).

48 'Anti-Counterfeiting Trade Agreement', Consolidated Text, reflects changes made during September 2010 Tokyo Round, Informal Predecisional/Deliberative Draft, 2 October 2010.

49 Which, however, had very little impact on the final text.

50 Council of the European Union, 23 August 2011, 12196/11, Interinstitutional File: 2011/0166 (NLE).

51 See, in this sense, Sell, 'TRIPS Was Never Enough', 448.

52 In July 2014, the Court of Justice of the European Union released a decision concerning the transparency issue of the negotiations process of international agreements. The Court stated that the widest possible public access to the documents of EU institutions is the rule, and exceptions therefore are to be interpreted and applied strictly, see C-350/12 P, *Council of the European Union v Sophie in 't Veld*, Judgment of the Court (First Chamber) of 3 July 2014, para. 48. For a comment see A. Ramalho, 'The TTIP-Gate: A Tale of Access to Documents, Secrecy and EU Powers', 9 July 2014, at <http://kluwercopyrightblog.com/2014/07/09/the-ttip-gate-a-tale-of-access-to-documents-secrecy-and-eu-powers/> (accessed October 2014).

53 See for example M. K. Lewis, 'The Trans-Pacific Partnership: New Paradigm or Wolf in Sheep's Clothing?', *Boston College International and Comparative Law Review* 34.1 (2011): 27; P. K. Yu, *The Alphabet Soup of Transborder Intellectual Property Enforcement*, Legal Studies Research Paper Series, Drake University (2012), 12–13.

54 See C. M. Correa, 'The Role of the World Trade Organization in the Intellectual Property System', Chapter 2 in the current issue.

55 See D. Gervais, 'What Role for WIPO?', Chapter 1 in the current issue.

56 See also in this sense Yu, 'Six Secret (and Now Open) Fears of ACTA', 1078, and also Yu, 'ACTA and Its Complex Politics', 1. According to Francis Gurry, the Director General of WIPO, 'a number of countries feel (there is) an important area of public policy they are not able to address in the multilateral forum, and so have gone outside the multilateral framework to satisfy their desire for creating some form of "international cooperation" ... That's the challenge for us. And whether it concerns enforcement, ACTA, or any other area, that, on whole, is a bad development for a multilateral agency, that

property is more than ever a major aspect of the global economy, this is undoubtedly an undesirable signal.⁵⁷

6. Conclusion

The struggle against counterfeiting and the effective enforcement of intellectual property rights are legitimate objectives that can likely be efficiently and successfully defended within the international bodies.⁵⁸ Equally, convincing emerging countries that it is in their interests to have effective enforcement mechanisms does not seem an impossible task, particularly since several of these countries have gradually developed strategies for stronger protection of their intellectual property rights. Obviously, such a multilateral approach will likely require compromises and also to take into account the equally legitimate demands of many developing countries, such as in the field of limitations and exceptions to copyright, the protection of traditional knowledge, or access to medicines.

In this regard and in light of the recent experiences of global intellectual property lawmaking, a few relevant lessons could be drawn for the legislature.

First, the success of international negotiations often depends on the chosen forum and on the complexity of the negotiations, which is measured both qualitatively and quantitatively.⁵⁹ The quality of negotiations relates to the breadth and sensitivity of the agenda regarding the set of rules to be adopted, while the quantity of negotiations concerns the number of countries involved. In this regard, it can be noted that two treaties have been concluded in recent years within the multilateral framework, namely the WIPO Beijing Treaty on Audiovisual Performances⁶⁰ in June 2012, and the WIPO Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired, or Otherwise Print Disabled in June 2013.⁶¹ In two consecutive years, the international community proved that it has the capacity to deal with delicate issues, and that the system has reached the necessary maturity to codify, in a homogeneous manner, complex areas, both conceptually and technically.

member states start to do things outside'; see the discussion reported by C. Saez, 'ACTA a Sign of Weakness in Multilateral System, WIPO Head Says', *Intellectual Property Watch*, 30 June 2010. In this sense see also S. Bannerman, 'WIPO and the ACTA Threat', *International Journal of Technology Policy and Law* 1.1 (2012): 3–14.

57 See L. Floridi, *ACTA – The Ethical Analysis of a Failure, and Its Lessons*, ECIPE Occasional Paper 4, European Centre For International Political Economy, Brussels, 2012, 11: 'One of the most serious collateral damages caused by ACTA's failure is that has now made it more difficult to reach an international agreement on how best to protect IPR.'

58 Strengthening the enforcement mechanisms of IP rights is probably not the only solution to diminish piracy in developing countries. According to a study, the efficiency of these measures would even be quite uncertain. See J. Karaganis (ed.), *Media Piracy in Emerging Economies* (New York: Social Science Research Council, 2011), Executive Summary, iii. See also in this sense, but with regard to internet piracy, I. A. Stamatoudi, 'ACTA, Internet Service Providers and the *Acquis Communautaire*', in Rosén, *Intellectual Property at the Crossroads of Trade*, concluding that 'internet piracy cannot be solved solely through the vehicle of law', but also by new business models and affordable prices (262).

59 This has been ascertained in relation to the Multilateral Agreement on Investment as well, see *Lessons from the MAI*, UNCTAD Series on Issues in International Investment Agreements, UNCTAD/ITE/IIT/Misc.22 (New York: United Nations, 1999), 27–8.

60 WIPO Beijing Treaty on Audiovisual Performances, PR/2012/714 (26 June 2012).

61 WIPO Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired, or Otherwise Print Disabled, VIP/DC/8 (27 June 2013).

Second, the acceptance and the effect of a treaty depends on its content, which must reflect a balance between rights and responsibilities, and also a certain degree of flexibility to allow countries to adopt the international measures according to their specific needs and circumstances. In this regard, it must be underscored that intellectual property rights enforcement cannot be considered strictly from an economic point of view. Essential social considerations at the heart of IPRs need also to be respected.⁶² Therefore, the provisions on intellectual property rights enforcement require flexibility in order to achieve a balance of rights and obligations, which equally guarantees better coherence⁶³ and greater acceptance of the entire system.⁶⁴

Third, embracing a transparent method of negotiation has a key role in securing the necessary support and legitimacy for intellectual property rights agreements. Therefore, the multilateral approach requires efforts on both sides. However, in the long term, this approach is likely to be much more effective than the hard-line approach generally employed by the rich countries and the equivalent defensive posture of developing countries.⁶⁵ In the meantime, it is the legitimacy of the entire IP system that is at risk.

62 See C. Geiger, 'Towards a Balanced International Legal Framework for the Criminal Enforcement of Intellectual Property Rights', in H. Ullrich, R. M. Hilty, M. Lamping and J. Drexler (eds), *TRIPS Plus 20 – From Trade Rules to Market Principles* (Berlin: Springer, forthcoming 2016). See also Sell, 'TRIPS Was Never Enough', 478.

63 Looking for solutions in different forums will only add levels of complexity to the system. This will encourage fragmentation rather than bring harmonisation. See, for example, K. Raustiala, 'Density and Conflict in International Intellectual Property Law', *UC Davis Law Review* 40.3 (March 2007): 1021–38, at 1026: 'The existence of a regime complex in IP has important implications for world politics and for the development of legal rules. I will briefly highlight four such implications here: path dependence, forum-shopping, "strategic inconsistency," and deferral of conflict resolution to ex post processes of rule implementation and interpretation.' See also P. K. Yu, 'International Enclosure, the Regime Complex, and Intellectual Property Schizophrenia', *Michigan State Law Review*, no. 1 (2007): 1–33.

64 Professor Susan K. Sell has noticed that 'ACTA proposes to ratchet up enforcement without a complementary ratcheting up of due process', see Sell, 'TRIPS Was Never Enough', 457.

65 For a consideration on the future of the international intellectual property system, see A. A. Latif, 'Change and Continuity in the International Intellectual Property System: A Turbulent Decade in Perspective', *WIPO Journal* 3.1 (2011): 36–55.

Substantive and Jurisdictional Challenges Arising from Bilateralism in Intellectual Property

Xavier Seuba

1. Introduction

Among the global challenges facing the intellectual property system, the risks arising from the existence of numerous norm-making forums are particularly striking. Intellectual property lawmaking has become, at the international level, a crowded environment.¹ Multilateral, plurilateral, regional and bilateral normative and institutional initiatives evolve at the same time,² but not necessarily in a coordinated or coherent manner.³ The intellectual property community has seen how international organisations with diverse constituencies, as well as international treaties of heterogeneous membership, have expanded in the last two decades.⁴ Similar to international law in general,⁵ this blossoming is a sign of vitality and dynamism, but entails important risks in terms of legal fragmentation and lack of coherence, since the same actors may adopt different positions in different forums.⁶

Preferential trade agreements (PTAs) are among the sources of law that have contributed to the powerful expansion of international intellectual property law. The practice of concluding bilateral agreements with relevant intellectual property implications has reached important levels in the last 15 years.⁷ Although the intellectual property content of trade agreements is heterogeneous, it is commonplace to recognise that bilateral agreements are instruments for harmonising and increasing the levels of intellectual property protection. In short, bilateral agreements generally create new substantive rights and strengthen the national and international mechanisms for intellectual property enforcement.

The qualitative and quantitative importance of preferential trade agreements has been thoroughly discussed by academia and international organisations over the last ten years.⁸ This piece touches

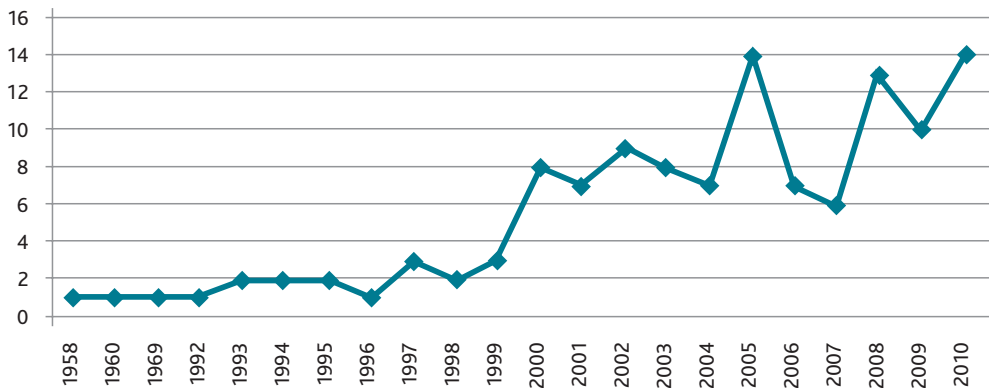
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- 1 P. Yu, 'The Global Intellectual Property Order and Its Undetermined Future', *WIPO Journal* 1 (2009): 3–7.
 - 2 J. Braithwaite and P. Drahos, *Global Business Regulation* (Cambridge: Cambridge University Press, 2000), 564–71.
 - 3 L. R. Helfer, 'Regime Shifting: The TRIPS Agreement and New Dynamics of International Intellectual Property Lawmaking', *Yale Journal of International Law* 29 (2004): 1.
 - 4 T. Cottier and M. Foltea, 'Global Governance in Intellectual Property: Does the Decision-Making Forum Matter?', *WIPO Journal* 3.1 (2012): 139–65.
 - 5 Study Group of the International Law Commission, *Fragmentation of International Law: Difficulties Arising from the Diversification and Expansion of International Law*, A/CN.4/L.682 (13 April 2006), 14.
 - 6 P. Yu, 'International Enclosure, the Regime Complex, and Intellectual Property Schizophrenia', *Michigan State Law Review* 1 (2007): 21–33.
 - 7 While this piece focuses on trade-related treaties, bilateralism relates as well to bilateral investment treaties and science and technology agreements. See early references to conflicts with investment law in C. Correa, 'Investment Protection in Bilateral and Free Trade Agreements: Implications for the Granting of Compulsory Licenses', *Michigan Journal of International Law* 26 (2004): 331; C. Correa, *Tratados bilaterales de inversión: ¿Agentes de normas mundiales nuevas para la protección de los derechos de propiedad intelectual?* (Barcelona: GRAIN, 2004).
 - 8 F. M. Abbott, *The Doha Declaration on the TRIPS Agreement and Public Health and the Contradictory Trend in Bilateral and Regional Free Trade Agreements*, Occasional Paper 14, Quaker United Nations Office, Geneva, 2004; F. M. Abbott, 'Toward a New Era of Objective Assessment in the Field of TRIPS and Variable Geometry for the Preservation of Multilateralism', *Journal of International Economic Law* 8.1 (2005): 77–100; F. M. Abbott, *Intellectual Property Provisions of Bilateral and Regional Trade Agreements in Light of U.S. Federal Law*, ICTSD, Geneva, 2006; R. Burrell and K. Weatherall, 'Exporting Controversy? Reactions to the Copyright Provisions of the US-Australia Free Trade Agreement: Lessons for U.S. Trade Policy', *Journal of Law, Technology and Policy*, no. 2 (2008): 265; C. M. Correa, *Protection of Intellectual Property and Public Health within the Framework of the Chile-US Trade Agreement*, Occasional Paper 1, Quaker United Nations Office, Geneva, 2004; P. Drahos, 'BITS and BIPS: Bilateralism in Intellectual Property', *Journal of World Intellectual Property Law* 4.6 (2004): 791–808; C. Fink, 'Intellectual Property Rights', in J.-P. Chauffour and J.-C. Maur (eds), *Preferential Trade Agreement Policies for Development: A Handbook* (Washington, DC: World Bank, 2011), 387–405; C. Heath and A. Kamperman Sanders (eds),

upon the current situation and relevance of preferential trade agreements, and also adds a systemic aspect, namely the eventual conflicts arising not only between trade agreements and treaties of other international regimes,⁹ but also conflicts between preferential trade agreements themselves. These conflicts are not limited to the substantive aspects, but extend as well to the jurisdictional domain.

2. What Are We Talking About?

There has been a persistent increase in the annual number of treaties entering into force during the last 15 years. Presently, as Figure 4.1 depicts, an average of between 10 and 15 preferential trade agreements regulating intellectual property enter into force each year.

Figure 4.1. Number of PTAs addressing IP entering into force each year



Source: X. Seuba, 'Intellectual Property in Preferential Trade Agreements: What Treaties, What Content?', *Journal of World Intellectual Property* 16.5–6 (2013): 2.

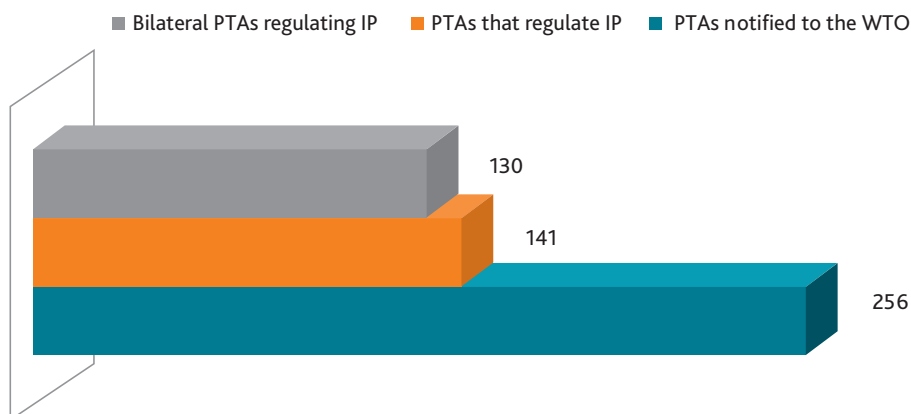
Research conducted in 2013¹⁰ demonstrated that 141 out of the 256 preferential trade agreements that had been notified to the WTO regulate intellectual property in a meaningful way. When studied more closely, it was observed that 130 out of those 141 PTAs are bilateral treaties (Figure 4.2), while the rest are regional trade agreements or agreements with more than three parties.

Intellectual Property and Free Trade Agreements (Oxford: Hart, 2007), 87–126; D. Matthews and V. Muñoz-Tellez, 'Bilateral Technical Assistance and TRIPS: The United States, Japan and the European Communities in a Comparative Perspective', *Journal of World Intellectual Property* 9.6 (2006): 629–53; P. Roffe, *Bilateral Agreements and a TRIPS-Plus World: The Chile-USA Free Trade Agreement*, TRIPS Issues Papers 4, Quaker International Affairs Programme, Ottawa, 2004; P. Roffe and M. Santa Cruz, *Los derechos de propiedad intelectual en los acuerdos de libre comercio celebrados por países de América Latina con países desarrollados* (Santiago de Chile: CEPAL, 2006); P. Roffe, D. Vivas-Eugui and G. Vea, *Maintaining Policy Space for Development*, ICTSD, Geneva, 2007; X. Seuba, 'Checks and Balances in the Intellectual Property Enforcement Field: Reconstructing EU Trade Agreements', in C. Geiger (ed.), *Constructing European Intellectual Property: Achievements and New Perspectives* (Cheltenham, UK: Edward Elgar, 2013); R. Valdés and D. Tavengwa, *Intellectual Property Provisions in Regional Trade Agreements*, WTO Staff Working Paper ERSD-2012-21, World Trade Organization, Geneva, 2012.

9 See point 3 of the *Principles for Intellectual Property Provisions in Bilateral and Regional Agreements*, at http://www.ip.mpg.de/en/news/principles_for_intellectual_property_provisions_in_bilateral_and_regional_agreements.html (accessed 5 October 2015).

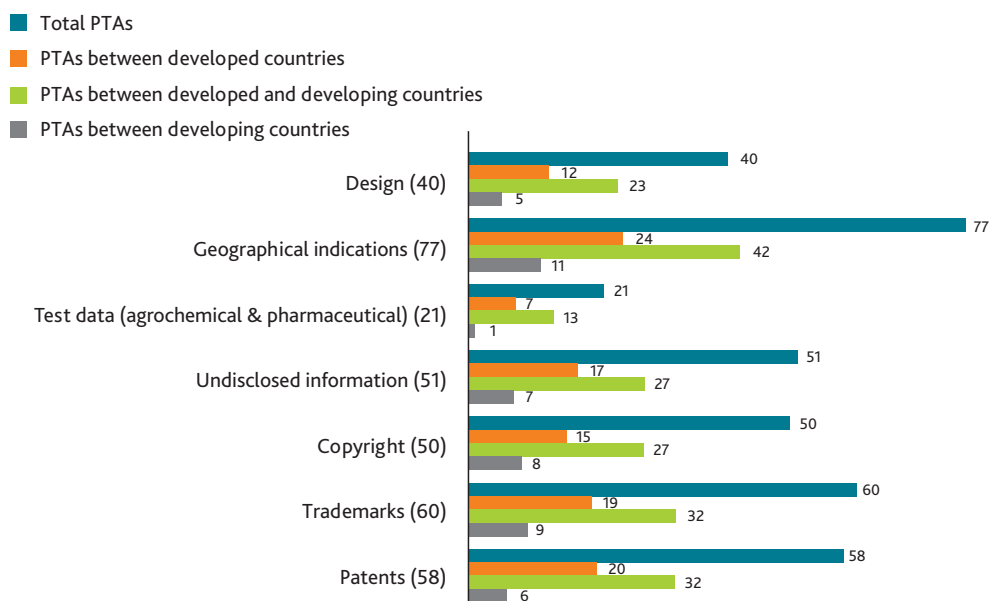
10 X. Seuba, 'Intellectual Property in Preferential Trade Agreements: What Treaties, What Content?', *Journal of World Intellectual Property* 16.5–6 (2013): 240–61.

Figure 4.2. Bilateral and regional trade agreements regulating intellectual property



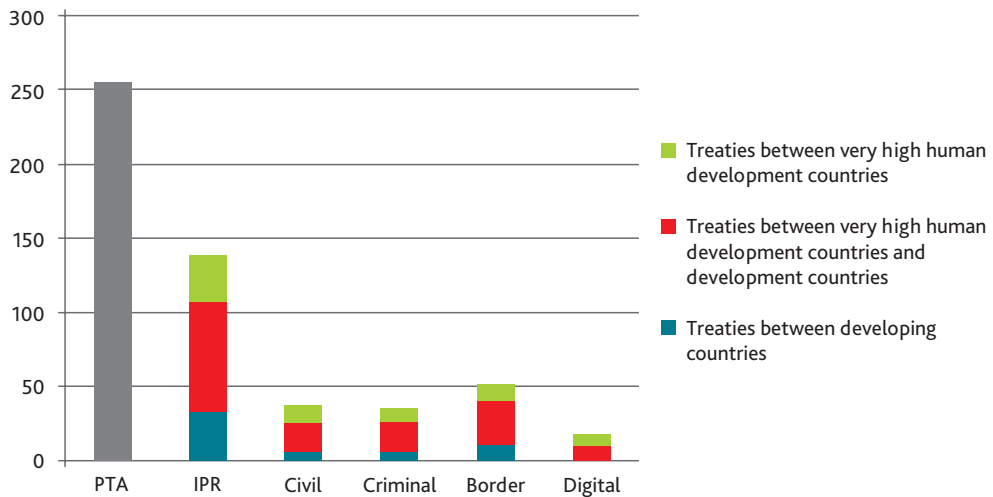
It is also interesting to identify the categories of intellectual property that have been commonly regulated in preferential trade agreements, as well as the level of development of the contracting parties. As Figure 4.3 illustrates, geographical indications is the most commonly regulated category of intellectual property. However, it is also clear that almost all other forms of protection are also normally addressed in preferential trade agreements. Additionally, this figure allows one to infer that some forms of protection are not in the interest of developing countries. It is clear, for instance, that agrochemical and pharmaceutical test data protection has only been regulated in one agreement concluded between two developing countries, while the rest of treaties always have, among the signatories, one highly developed country.

Figure 4.3. Intellectual property categories in trade agreements



Similar comments can be made with respect to different areas of enforcement (Figure 4.4), where the bars reflecting treaties enshrining civil, criminal, border and digital enforcement are subcategories of the bars reflecting the total number of PTAs and the number of PTAs regulating intellectual property. On the one hand, while all areas of intellectual property enforcement have been the object of regulation in preferential trade agreements, the attention paid to border enforcement is particularly relevant when compared to civil, criminal and digital enforcement. In fact, numerous treaties only allude to intellectual property rights (IPRs) to regulate some aspects of border enforcement. On the other hand, similarly to substantive aspects of intellectual property protection, it is readily apparent that some areas of enforcement are of particular interest to a small group of developed economies. This is demonstrated by the fact that while more than 50 agreements regulate border enforcement, none of the treaties addressing digital enforcement has been concluded between developing nations.

Figure 4.4 Intellectual property enforcement in trade agreements



3. General Features of Intellectual Property Regulation via Preferential Trade Agreements

As far as the regulation of intellectual property is concerned, preferential trade agreements display a number of distinctive features. It is clear, for instance, that trade agreements have become a fertile source for legal transplantation. Also notable is the fact that, in the context of trade negotiations, intellectual property is treated in a similar fashion to trade in goods and tangible commodities. Moreover, diversity across treaties in terms of topics regulated and the level of compromises agreed upon is also noticeable. Finally, in many instances, a sort of race to propose and attain the inclusion of certain aspects of intellectual property regulation within the scope of trade agreements can be observed. Let's briefly introduce these four characteristics.¹¹

¹¹ See in detail these and other characteristics in X. Seuba, *International Regulation of Pharmaceuticals: Codification by Means of Legal Transplantation*, ICTSD, Geneva, 2014.

3.1 Transplantation

Bilateralism in intellectual property has been recognised as a powerful channel for the transplantation of intellectual property statutes. So far, the exportation has notably taken one direction: generally from the United States or the European Union towards other countries, both developing and developed. As has been depicted in detail elsewhere, presently it is easy to find excerpts of the US Digital Millennium Copyright Act¹² or the European Directive on the enforcement of intellectual property rights¹³ in countries pertaining to very different legal traditions.

This is the reason why expressions such as legal exportation, legal imperialism or legal acculturation have become usual, generally denoting different levels of criticism towards what is perceived as either an undesired or a somewhat forced importation of the intellectual property law. It is probably opportune to clarify that criticism responds to two different aspects. On the one hand, criticism responds to the phenomenon of transplantation per se and forms part of a much wider debate on whether norms originating in one legal order can be naturally transplanted into other settings.¹⁴ On the other hand, criticism also relates to the specific content of the treaties, which generally reflect those parts of the statutes of the exporting countries favouring right holders, thus underlying the lack of balance of the transplanted statutes.

3.2 Intellectual property as a commodity

As far as the negotiation techniques are concerned, the *single undertaking* strategy that characterises trade agreements implies that states may adopt an unbalanced intellectual property chapter in exchange for benefits obtained in other areas within the same treaty. Trade negotiations are frequently perceived as a bargaining process, rather than a positive contribution to the construction of coherent legal regimes. This implies that intellectual property is treated as if it was a commodity; a good that can be traded in exchange for other immediate advantages.

This approach may be wise if the treaty is considered in isolation, but probably not if the focus is on the subsequent functioning of the intellectual property system. Since intellectual property is the instrument identified to promote innovation while temporally restricting competition, and given the notorious difficulty of finding the right point of equilibrium that justifies access restrictions, the addition of external factors unrelated to the intellectual property system, such as market access advantages, seems clearly disruptive. Ultimately, states must take advantage of the process of national implementation in order to partially correct the disequilibrium that may be found in the text of the treaties.¹⁵

12 Burrell and Weatherall, 'Exporting Controversy?'

13 Seuba, 'Intellectual Property in Preferential Trade Agreements'.

14 See, for opposite views in that controversy, A. Watson, *Legal Transplants: An Approach to Comparative Law* (Edinburgh: Scottish Academic Press, 1974); P. Legrand, 'The Impossibility of "Legal Transplants"', *Maastricht Journal of European and Comparative Law* 4 (1997): 111–24.

15 P. Roffe and L. M. Genovesi, *Propuesta de estrategia y plan de acción: implementación del Acuerdo de Promoción Comercial con los EE.UU. en el área de propiedad intelectual* (Washington, DC: Banco Interamericano de Desarrollo, 2009), 12.

3.3 Diversity

While bilateralism in the area of intellectual property is widely perceived as a relatively homogeneous phenomenon, in reality this may not be the case. The content of the trade agreements, the morphology of the treaties, and their normative techniques differ broadly. The level of the parties' development – particularly the parties promoting the agreement – partially explains such diversity. In the case of highly developed countries, there is the expectation of attaining highly detailed and strong commitments. In contrast, the conclusion of preferential agreements between developing and emerging economies is characterised by a different approach to intellectual property, in the sense that the parties endeavour to preserve the policy space needed to satisfy the provision of public goods.

It is important to have in mind the existing diversity because it permits understanding that, while systemic challenges arising from bilateral agreements may be coincidental in many instances, substantive challenges will change from treaty to treaty. Thus, overly ample generalisations are risky, and it is probably misleading to portray free trade agreements either as the panacea for intellectual property regulation or as a homogeneous threat for a wide range of legal interests.

3.4 Normative race

The exportation of intellectual property law can also be depicted as a race among a reduced number of competitor states. The prize for the winner is indeed tempting: the first country capable of transferring its own regulation will generally block the adoption of different proposals originating in other commercial powers. As a result this country can impose its own vision with respect to either a specific problem or an intellectual property institution. This is the reason why there exists a particularly strong incentive to be the first to negotiate, and to do so as quickly as possible, thus preventing other countries from imposing their vision and solutions on different aspects of intellectual property law.

Interestingly, the race between norm-exporting countries to be the first to negotiate and conclude specific norms need not end with one country winning the race. In effect, even if different standards have been already agreed, newcomer countries may push for the acceptance of (their) contradictory norms. This attitude is not caused by ignorance of the already existing legal *acquis* of the counterpart. In fact, the point of departure for negotiators is generally the text resulting from the combination of past agreements of the trade partner. Contradictory rules are part of a well-studied strategic inconsistency,¹⁶ and are placed in new trade agreements with the intention of becoming the foundation of the resistance and erosion of competing intellectual property standards.

The existence of a race can be observed with regard to both substantive standards of protection and standards for the enforcement of intellectual property rights. From the substantive point of view, a clear example is the competition between the European Union and the United States to transplant their diverging regimes concerning the protection of geographical indications.¹⁷ With respect to the

16 See, in a broader context, K. Raustiala and D. G. Victor, 'The Regime Complex for Plant Genetic Resources', *International Organization* 58 (2004): 301.

17 B. O'Connor, 'The European Union and the United States: Conflicting Agendas on Geographical Indications – What's Happening in Asia?', *Global Trade and Customs Journal* 9.2 (2014): 66–9.

enforcement domain, the race can be observed through the notable differences in the European and North American proposals concerning the award of damages in case of intellectual property infringement.

4. Jurisdictional Conflicts

4.1 Institutional design

An important consequence of the conclusion of trade agreements, and probably the entire global trade legal framework, is the proliferation of institutional forums with power to solve or mediate conflicts between the parties to an agreement. Almost each and every preferential trade agreement enshrines a dispute settlement chapter. Moreover, in some cases institutional provisions create a political body with the competence to address the implementation and interpretation of intellectual property commitments.

While dispute settlement bodies created in the context of trade agreements consist of arbitral panels, they coexist with the aforementioned political bodies. The latter can be either of a general nature and have competence over the entire treaty, receiving in this case names such as 'joint committee', 'trade commission', or only intellectual property-related bodies. In the latter case, bodies that restrict their activities to the intellectual property chapter may be called the 'subcommittee on intellectual property' or 'intellectual property committee'. Sometimes political bodies created in other chapters of the agreement, such as the chapters relating to technical standards or pharmaceutical products, may also impact intellectual property regulation. The competence of these bodies is generally limited to the administration of diplomatic means of dispute settlement, but they are also capable of delivering interpretations on the substantive content of the treaty.

An analysis of all bilateral treaties concluded by the United States, the European Union, the European Free Trade Association (EFTA), Japan, Australia and Mexico¹⁸ reveals that, systematically, these treaties organise dispute settlement with a combination of diplomatic and jurisdictional means. In effect, parties to the more than 50 treaties subscribed to by the aforementioned trade powers can always request the creation of an arbitral panel delivering binding rulings to settle bilateral disputes.

The creation of ad hoc dispute settlement procedures has not, however, been accompanied by the necessary norms addressing potential overlaps between these bodies. The only norm frequently found in preferential trade agreements is that relating to the choice of forum. Pursuant to this norm, whenever parties coincide in the same treaties, the election of a dispute settlement system will preclude the adjudication of the same controversy in the context of another treaty. This norm, however, does not solve the problem that arises from the existence of controversies on the same subject matter between one state and different trade partners. That is, when the same state has concluded conflicting obligations with different trade partners, the norm on the choice of forum

18 ASEAN-Australia-New Zealand; Australia-Chile; Australia-Thailand; Chile-Japan; Chile-Mexico; Colombia-Mexico; US-CAFTA-DR); EFTA-Albania; EFTA-Chile; EFTA-Colombia; EFTA-Croatia; EFTA-Egypt; EFTA-Former Yugoslav Republic of Macedonia; EFTA-Hong Kong; EFTA-Israel; EFTA-Jordan; EFTA-Republic of Korea; EFTA-Lebanon; EFTA-Mexico; EFTA-Montenegro; EFTA-Morocco; EFTA-Peru; EFTA-Serbia; EFTA-Singapore; EFTA-Turkey; EFTA-Ukraine; EU-CARIFORUM; EU-Colombia; EU-Republic of Korea; EU-Peru; Japan-India; Japan-Indonesia; Japan-Malaysia; Japan-Mexico; Japan-Peru; Japan-Philippines; Japan-Singapore; Japan-Switzerland; Japan-Thailand; Japan-Viet Nam; Republic of Korea-US; Mexico-El Salvador; Mexico-Guatemala; Mexico-Honduras; Thailand-Australia; US-Australia; US-Bahrain; US-Chile; US-Colombia; US-Jordan; US-Morocco; US-Panama; US-Oman; US-Peru; US-Singapore.

does not provide any meaningful solution. It is in this context that some of the previously mentioned characteristics, notably the diversity that characterises the content of trade agreements as well as the existence of a race between some of the main promoters of new intellectual property undertakings, takes on a special relevance.

4.2. *The case of the conflicting standards relating to patentability*

A recent case illustrates some of the abovementioned characteristics of trade agreements and the problems arising from substantive and jurisdictional overlap.

Colombia, like many developing countries, has concluded bilateral agreements regulating intellectual property rights with different partners. The agreements that Colombia has concluded not only set up their own dispute settlement system, but also enshrine a number of contradictory standards. The latter is at least the case of norms relating to geographical indications, damages, and patentability standards.

Colombia belongs to the Andean Community, a regional integration organisation with a powerful court that regularly addresses intellectual property controversies.¹⁹ For Colombia, and other members of the Andean Community, patentability is ruled by Decision 486, on the Common Intellectual Property Regime,²⁰ which prescribes, among other requirements, the industrial application of any patentable invention. The industrial application requirement is, moreover, also found in the agreement concluded between Colombia and the European Free Trade Association.²¹

However, in the context of the trade agreement concluded between Colombia and the United States, it is not the industrial application criterion but the utility standard that has been enacted. Although the drafting of the treaty is not entirely clear in this regard, it permits the interpretation that the utility standard prevails over industrial application.²² This appears to be the understanding of Colombian authorities.

The trade agreement concluded between Colombia and the United States prompted the adoption of new patentability guidelines in Colombia, where it was declared that utility, and no longer industrial application, would be the requirement to satisfy in the context of patent law.²³ In response to a demand from Colombian nationals claiming that the new patentability guidelines infringed upon Andean law, the adjudicatory authorities of the Andean Community reacted and explicitly stated that member states are obliged to ensure that only inventions fulfilling the industrial application

19 See in particular L. R. Helfer, K. J. Alter and M. F. Guerzovich, 'Islands of Effective International Adjudication: Constructing an Intellectual Property Rule of Law in the Andean Community', *American Journal of International Law* 103.1 (2009): 1–47.

20 Decisión 486, Régimen Común sobre Propiedad Industrial, 2000.

21 Article 6.9 of the Free Trade Agreement between the Republic of Colombia and the EFTA States.

22 Article 16.9.1 of the Free Trade Agreement between Colombia and the United States prescribes that '1. Each Party shall make patents available for any invention, whether a product or process, in all fields of technology, provided that the invention is new, involves an inventive step, and is capable of industrial application. For the purposes of this Article, a Party may treat the terms "inventive step" and "capable of industrial application" as being synonymous with the terms "non-obvious" and "useful," respectively.' Article 16.9.11 of the same agreement clarifies that 'Each Party shall provide that a claimed invention is industrially applicable if it has a specific, substantial, and credible utility.'

23 Instructivo Examen de Solicitudes de Patente de Invención y Modelo de Utilidad, Memorando 12-2282-1-1 (8 February 2012), adopted by Jefe de la Oficina Asesora de Planeación de la Superintendencia de Industria y Comercio.

standard are patentable.²⁴

The Colombian authorities amended their patentability guidelines in order to implement the Andean ruling and explicitly declare that inventions must have industrial application.²⁵ While this is a welcome amendment, respecting the Andean normativity may come at the cost of breaching the trade agreement with the United States. The question that needs to be posed is what the United States Trade Representative can do to require full implementation of its agreement with Colombia. One option is to activate the dispute settlement system of the agreement. In the event this happens, the situation may become a Pandora's box. Not only may the Andean dispute resolution system be contradicted by the eventual ruling of the arbitral panel that would be set up in the context of the United States-Colombia trade agreement, but the bilateral dispute settlement system created by virtue of the agreement between Colombia and the European Free Trade Association could also become involved. As mentioned above, in this agreement it is also stated that 'industrial application' and not 'utility' is the requirement that inventions must meet in order to be patentable, thus any eventual change as a result of a dispute settlement between Colombia and the United States would be of relevance for the EFTA agreement. Ultimately, this will result in three different dispute settlement forums adjudicating the same substantive controversy.

5. Conclusion

Bilateralism is a recognised instrument for moving regulations forward when multilateral negotiations fail to reach a positive outcome. It permits like-minded countries to avoid the complexities of reaching an agreement in the multilateral forum. While TRIPS enables bilateral agreements, an excess of bilateralism may threaten multilateralism and give rise to contradictory standards. Since it is not only like-minded countries that enter into bilateral trade agreements, and given the (sometimes notable) different bargaining power of trade partners, the risk of adopting intellectual property standards that either do not respond to the interests of one of the parties or that give rise to tensions with other agreements is relevant.

Although it may seem contradictory, bilateralism both promotes and obstructs harmonisation, since different promoters of bilateralism may be pushing for different standards. At the present moment, a relevant number of countries are in the process of implementing norms that have been adopted in bilateral trade deals. Lawmakers and judges start to become familiar with the problems posed by the existence of contradictory standards. However, these problems are not restricted to the national domain. On the contrary, dispute settlement bodies set up in other bilateral or regional forums may be confronted with the situation of having to adjudicate controversies that ultimately respond to the national implementation of standards found in bilateral trade agreements.

Public international law provides an insufficient set of tools to address these problems, with solutions limited to the rule of the choice of forum and the highly problematic Article 30 of the Vienna Convention on the Law of Treaties. Moreover, it does not appear that international law will

24 'Dictamen No. 04-2013 de la Secretaría General de la Comunidad Andina', *Gaceta Oficial del Acuerdo de Cartagena*, año XXX, no. 2272 (2013): 1, at <http://intranet.comunidadandina.org/Documentos/Gacetas/GACE2272.pdf> (accessed 6 October 2014).

25 See present section 2.14 of the Instructivo Examen de Forma y Fondo de Solicitudes de Patentes de Invención y Modelos de Utilidad, Código: PI02-I06, at www.sic.gov.co/recursos_user/documentos/propiedad_industrial/Formatos/Instructivo_PI02-F06.pdf (accessed 29 September 2014).

be enriched with the necessary normative response in the near future. In the meantime, and as a response to bilateralism, it is necessary to adopt a more informed and consistent approach to negotiations. It is up to the parties not to engage in contradictory standards, although this may be also a highly rhetorical affirmation when, as noted, parties are perfectly aware of the existence of contradictory norms.

Patent Law's Institutional Players

Craig Allen Nard*

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This paper focuses on which institutional players are best positioned to navigate and apply patent law's complex doctrinal and policy framework. The question is particularly germane because the doctrines and policies that form patent law's incentive dynamic are inherently and irredeemably ambiguous in their application. A language that seeks to regulate this space must accommodate the unforeseeable and unpredictable nature of technological innovation. There is only so much policymakers, especially legislators, can do to sharpen the doctrinal edge to add predictability and certainty to these doctrines. Through the lens of the rules–standard continuum, patent law's most prominent guardians of competition and the public domain – such as inventive step (non-obviousness) and enablement, particularly in the context of claim scope – look more like standards than rules.

I begin this paper by examining the two aforementioned patent law doctrines. I end by arguing that our focus should not necessarily be on finding the right language for directives or statutes, an oftentimes frustrating task; rather, the legislative vehicle should provide a framework within which other institutions and intellectual property stakeholders can operate. Accordingly, we should appreciate the structural limitations of the legislative enterprise, and understand that courts are comparatively in the best position to make and develop patent law and policy. This is not to suggest that ambiguous language will abruptly become crystal clear in the hands of the jurist; and I certainly appreciate the dominant role that legislative bodies play in civil law countries and the cultural constraints placed on the civil law jurist. I am suggesting that the nature of the judicial institution better positions the judge to engage patent law's most important doctrines in a manner that is more consistent with the technologic communities that come before him. In addition, I would urge civil law jurists in the context of patent law to take a more active role in exploring policy considerations, particularly in the light of Europe's Unified Patent Court proposal. Indeed, specialised judges in the patent context will develop expertise that provides an opportunity to engage with the doctrine at a deep level. The Unified Patent Court proposal provides a window of opportunity for a pilot project that embraces a pro-active, policymaking judge.

1. Sentries of the Public Domain

1.1 Enablement, claim scope, and improvement activity

Patent law's enablement requirement can be viewed as serving two functions.¹ The first is facilitating information dissemination. Technical information disclosed in the patent, particularly the specification, has potential to create immediate value for follow-on researchers by improving the patented invention or for the public by contributing to the general storehouse of technical knowledge. This view of the specification was embraced by the House of Lords in *Kirin-Amgen, Inv. v. Hoechst Marion Roussel Ltd.*, wherein Lord Hoffmann wrote:

1 The enablement requirement is a common feature in patent systems. See, e.g., 35 United States Code §112 ('The specification shall contain a written description of the invention, and the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art ... to make and use the same'); European Patent Convention §83 ('The European patent application shall disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art'); and Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), Article 29 ('Members shall require that an applicant for a patent shall disclose the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art ...'). See also Sivaramjani Thambisetty, *The Evolution of Sufficiency in Common Law*, LSE Law, Society and Economy Working Papers 6/2013, at http://www.lse.ac.uk/collections/law/wps/WPS2013-06_Thambisetty.pdf.

disclosure is not only to enable other people to perform the invention after the patent has expired. If that were all, the inventor might as well be allowed to keep it secret during the life of the patent. It is also to enable anyone to make immediate use of the information for any purpose which does not infringe the claims. The specifications of valid and subsisting patents are an important source of information for further research, as is abundantly shown by a reading of the sources cited in the specification for the patent in suit.²

Indeed, the importance of access to and dissemination of technical information as it relates to the pace of innovation has been appreciated by economic historians for some time.³

The second function serves to restrict the claim scope by requiring the specification to enable subject matter commensurate with the scope of the claims. To satisfy the commensurability requirement, claim scope must be less than or equal to the scope of enablement, which means that the specification must enable a person having ordinary skill in the art to make and use the claimed invention without 'undue experimentation'.⁴ In short, a patentee cannot claim more than he discloses.

Subsumed within the information dissemination and commensurability functions of the enablement requirement is the important question of optimal claim scope; that is, the legal and policy determination relating to the breadth of the patentee's property right that affects both ex-ante and ex-post incentives. Situating a patentee's claim scope on the narrow–broad continuum has implications for not only the patentee, but also follow-on innovators who seek to improve upon the patented technology and consumers who are the ultimate beneficiaries of innovation.

This dynamic is illustrated by the prominent case of *O'Reilly v. Morse*.⁵ Here, Samuel Morse – a well-regarded portrait painter turned inventor – developed a method and apparatus of 'transmitting intelligence between distant points by means of electro-magnetism'. The patent described and claimed 'the instruments and mode' of transmission, including the famed 'Code'. But Morse's last claim (claim 8) was notably ambitious:

I do not propose to limit myself to the specific machinery, or parts of machinery, described in the foregoing specifications and claims; the essence of my invention being the use of the motive power of the electric or galvanic current, which I call electro-magnetism, *however developed*, for making or printing intelligible characters, letters of signs, at any distances, being a new application of that power, of which I claim to be the first inventor or discoverer.

2 [2004] UKHL 46, [2004] All ER (D) 286 (1 October 2004).

3 See, e.g., Joel Mokyr, *The Gifts of Athena: Historical Origins of the Knowledge Economy* (Princeton: Princeton University Press, 2002), 28–77; William J. Baumol, *The Free-Market Innovation Machine: Analyzing the Growth Miracle of Capitalism* (Princeton: Princeton University Press, 2002), 73–92. For a discussion on the gradual nature of innovation, see George Basalla, *The Evolution of Technology* (Cambridge: Cambridge University Press, 1988).

4 See *Cedarapids, Inc. v. Nordberg, Inc.*, 121 F.3d 727 (Fed. Cir. 1997). Under well-established case law of the Board of Appeal of the European Patent Office, the 'disclosure must be reproducible without undue burden. A reasonable amount of trial and error is permissible provided that the skilled person has at his disposal, either in the specification or on the basis of common general knowledge, adequate information leading necessarily and directly towards success through the evaluation of initial failures.' See ECLI:EP:BA2008:T006306.20080624.

5 56 U.S. 62 (1854).

The majority opinion, authored by Chief Justice Taney, identified several concerns with this claim. First, the Court understood the breadth of claim 8, if left undisturbed, would leave too little room for follow-on improvement activity. Justice Taney wrote:

For aught that we now know some future inventor, in the onward march of science, may discover a mode of writing or printing at a distance by means of the electric or galvanic current, without using any part of the process or combination set forth in the plaintiff's specification. But this person would have to come to Morse for permission.⁶

Second, Morse's claim was not commensurate with what he disclosed. While there was sufficient disclosure in Morse's specification to support his first seven claims (to the apparatus and code), his 'however developed' language in claim 8 would have extended the boundaries of his property right beyond his contribution to society.⁷

Finally, underlying the majority opinion was the fact the Morse was one of many talented individuals who were working on telegraphy. For instance, the British had been operating a Wheatstone-designed electric telegraph since 1838 and there were others who preceded Morse and added important pieces to the telegraphy puzzle.⁸

The dissent, authored by Justice Grier, argued that Morse was entitled to the scope set forth in claim 8. Morse invented something special that had immediate use to society, while others toiling in the telegraphy space offered devices far removed from practical application.

Both Justice Taney and Grier engaged IP's incentive dynamic and struggled to identify the optimal balance between incentivising creation while leaving enough room for others to operate without a plausible threat of litigation with the understanding that the implicit beneficiary of properly aligned incentives is the public.

6 Implicit in this statement is an awareness of inefficiencies associated with a 'patent hold-up' situation in the context of improvement activity. According to Thomas Cotter, a patent hold-up situation occurs when a (1) patent owner (2) is able to exploit its bargaining power vis-à-vis downstream users (3) due to the possibility that the patent owner will be able to enjoy the manufacture, use, or sale of an end product that incorporates the patented invention, (4) in such a way as to threaten either (a) static deadweight loss far out of proportion to any likely increases in dynamic efficiency, or (b) dynamic efficiency losses due to downstream users' reduced incentives to invest in ... follow-on innovation. Thomas F. Cotter, 'Patent Holdup, Patent Remedies, and Antitrust Responses', *Journal of Corporation Law* 34.4 (2009): 1151, at 1154.

7 Similar issues were at play in *Nash v. CBS, Inc.*, 899 F.3d 1537 (7th Cir. 1994), but instead of telegraphy, the subject matter was literature and television production. Facts and ideas are not subject to copyright protection, as they are best left to the public to use, including CBS, the alleged infringer. With this articulation of the fact/expression dichotomy in copyright law, Judge Easterbrook wrote from a more policy-oriented perspective, noting that during the creative enterprise every author, just like every inventor, is simultaneously both a 'creator in part and a borrower in part'. In this context, 'Before the first work is published, broad protection of intellectual property seems best; after it is published, narrow protection seems best', *ibid.* at 1540. Nonetheless, 'only one rule can be in force' and 'This single rule must achieve as much as possible of these inconsistent demands', *ibid.*

8 But history remembers Morse and for good reason. His telegraph worked better, and the British would soon make the transition to Morse's system. As Kenneth Silverman wrote, Morse was not the first to employ the powers of electromagnetism, but compared to his competitors, his telegraph was 'the cheapest, the most rugged, the most reliable, and the simplest to operate'. Kenneth Silverman, *Lightning Man: The Accursed Life of Samuel F. B. Morse* (New York: Knopf, 2003), 322. Moreover, the famous Morse code greatly influenced the use of language. According to historian Maury Klein, the 'leisurely, flowery flow of Victorian prose found itself challenged by the terse, snappy vignettes of the telegram, where more words meant higher costs'. Maury Klein, *The Genesis of Industrial America, 1870–1920* (Cambridge: Cambridge University Press, 2007), 77.

1.2 Inventive step and the public domain

The inventive step requirement (or non-obviousness, as it is called in the United States)⁹ is a fundamental feature of numerous patent systems throughout the world.¹⁰ The novelty and inventive step requirements work together. The former seeks to ensure the public domain remains undisturbed, while the latter demands that the claimed invention be sufficiently removed from the prior art, meaning, in most cases, that the invention reflects a leap forward.¹¹ Thus, while both novelty and inventive step are designed to guard the public domain, inventive step is the more aggressive sentry. Moreover, inventive step is a richer policy tool that allows for the combination of prior art references, and demands more complex rules. Therefore, we must keep in mind that the inventive step requirement not only seeks to prevent the issuance of a patent that would withdraw 'what is already known'¹² but also to 'weed out those inventions which would not be disclosed or devised but for the inducement of a patent'.¹³

What is particularly germane to the thesis of this paper is that within the parameters of the inventive step inquiry, there resides a significant subjective component or a built-in flexibility. As the United States Supreme Court observed, 'What is obvious is not a question upon which there is likely to be uniformity of thought in every given factual context.'¹⁴ This flexibility, however, allows inventive step to be used as a policy instrument to further patent law's stated goal of enhancing social welfare through the promotion of innovation.

Some commentators see the inventive step as fertile ground to further important functions of the patent system based on the costs and uncertainty of invention. For instance, in an influential article, Edmund Kitch, concerned about over-rewarding inventive activity, suggested non-obviousness be used to reward patents for those innovations that would have been developed 'absent the protection of a patent'.¹⁵ As the Court in the famous *Graham v. John Deere* case noted, the non-obviousness requirement is designed to limit patent protection to those inventions 'which would not be disclosed or devised but for the inducement of a patent'.¹⁶ Kitch is concerned not only with the costs of

9 While the Europeans invoke inventive step from a 'problem and solution' approach, both inventive step and non-obviousness seek to achieve the same thing: innovation that is sufficiently removed from the public domain, more so than what the novelty requirement demands. In fact, Article 56 of the European Patent Convention uses the term 'obvious' in defining inventive step: 'An invention shall be considered as involving an inventive step if, having regard to the state of the art, it is not obvious to a person in the art ...'

10 Article 27 of TRIPS Agreement, for example, states 'patents shall be available for any inventions, whether products or processes, in all fields of technology, provided that they are new, involve an *inventive step* and are capable of industrial application' (emphasis added).

11 The European Patent Office defines 'obvious' in Article 56 as 'that which does not go beyond the normal *progress* of technology but merely follows plainly or logically from the prior art, i.e., something which does not involve the exercise of any skill or ability beyond that to be expected of the person skilled in the art' (emphasis added). *Guidelines for Examination in the European Patent Office*, §11.4 (11 April 2010). In this regard, 'progress' or improvement is made more explicit.

12 *KSR International Co. v. Teleflex, Inc.*, 550 U.S. 398, 416 (2007) (quoting *Great Atlantic & Pacific Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147, 152 (1950)).

13 *Graham v. John Deere Co.*, 383 U.S. 1, 11 (1966). See Robert P. Merges, *Justifying Intellectual Property* (Cambridge, MA: Harvard University Press, 2011), 155 (stating the non-obviousness requirement 'conserves social resources' because '[a]n obvious invention will likely soon be made even without the award of a patent right').

14 *Graham*, 383 U.S. at 11.

15 See Edmund W. Kitch, 'Graham v. John Deere Co.: New Standards for Patents', *Supreme Court Review* 1966 (1966): 293–346, at 301.

16 *Graham*, 383 U.S. 1, 11.

invention, but also with a lack of value in the invented item. Once the market signals value, the idea in waiting may 'be discovered more or less simultaneously by a number of those who can exploit it'.¹⁷ In addition (and related) to costs, uncertainty plays an important role in invention, particularly if tackling uncertainty is a costly endeavour. Robert Merges, whose work builds on Kitch's insights, has argued that the non-obviousness requirement should act 'as a legal rule that influences behavior' and 'encourage[s] researchers to pursue projects whose success appears highly uncertain at the outset'.¹⁸ Thus, Merges views section 103 as a tool to focus on those inventors who need the inducement of the patent system the most and to develop and disclose innovations whose success is rife with early-stage uncertainty. As William Landes and Richard Posner note, 'Uncertainty implies the likelihood of failure en route to success. Those failures are costly, and since the costs are incurred before the successful invention can be patented and marketed, they are additional costs that the inventor must recover in the revenues generated by the patent.'¹⁹

A related feature of the inventive step inquiry, one that highlights the courts' institutional advantage, is the fact that the analysis embodies more of a standard than a rule. Deciding whether to adopt a rule or standard is dependent on several factors and the nature of the legal regime in question. (A rules-based approach may be good for tax law, but ill-suited for constitutional law.) Rules and standards each have their respective strengths and weaknesses, and '[n]o sensible person supposes that rules are always superior to standards, or vice versa.'²⁰ As Judge Posner wrote,

A rule singles out one or a few facts and makes it or them conclusive of legal liability; a standard permits consideration of all or at least most facts that are relevant to the standard's rationale. A speed limit is a rule; negligence is a standard. Rules have the advantage of being definite and of limiting factual inquiry but the disadvantage of being inflexible, even arbitrary, and thus overinclusive, or of being underinclusive and thus opening up loopholes ... Standards are flexible, but vague and open-ended; they make business planning difficult, invite the sometimes unpredictable exercise of judicial discretion, and are more costly to adjudicate – and yet when based on lay intuition they may actually be more intelligible, and thus in a sense clearer and more precise, to the persons whose behavior they seek to guide than rules would be.²¹

17 William M. Landes and Richard A. Posner, *The Economic Structure of Intellectual Property Law* (Cambridge, MA: Harvard University Press, 2003), 304.

18 Robert P. Merges, 'Uncertainty and the Standard of Patentability', *Berkeley High Technology Law Journal* 7.1 (1992): 1–70, at 2. See also Kenneth J. Arrow, 'Economic Welfare and the Allocation of Resources for Invention', in *The Rate and Direction of Inventive Activity: Economic and Social Factors* (Cambridge, MA: National Bureau of Economic Research, 1962), 609–26, at 610–14.

19 Landes and Posner, *The Economic Structure of Intellectual Property Law*, 304. Lastly, Dan Burk and Mark Lemley have advocated using the flexibility inherent in constructing the level of skill in the art possessed as a 'policy lever' to tailor a non-obviousness analysis to the needs of divergent industries. See Dan L. Burk and Mark A. Lemley, 'Policy Levers in Patent Law', *Virginia Law Review* 89.7 (2003): 1575–696, at 1648–52.

20 *Mindgames, Inc. v. Western Publ'g Co., Inc.*, 218 F.3d 652, 657 (7th Cir. 2000).

21 *Mindgames, Inc. v. Western Publ'g Co., Inc.*

Importantly, while there are differences between a rule and a standard, they more often than not reside on a continuum, where legal forms can be characterised as either 'rule-like' or 'standard-like'.²² For example, exceptions may be carved into a rule, application of a standard may demand consideration of certain pre-fixed factors, or presumptions may be used.²³

Where does inventive step or non-obviousness fit on this rules–standard continuum? The drafters of the non-obviousness provision of the United States Patent Code – section 103 – 'knew they were not making a *definition* but rather a *statement of policy*, a *specific approach* to a difficult problem'.²⁴ In *Graham*, the Court expressly noted the unpredictability associated with applying the non-obviousness test, but held that positioning the non-obviousness determination on the standard side of the continuum is understandable because, given the infinite variety and unpredictable nature of innovation, a legislature could not enact a rule that would include or foresee when any given invention would satisfy the obviousness requirement. An objective rule was, therefore, not only infeasible and costly, but would have exacerbated the over/under-inclusive problem associated typically with rules.

A non-obviousness inquiry (and to a large degree, the inventive step) seeks to strike a balance between predictability and flexibility by establishing parameters – or pre-fixed factors – that contextualise an obviousness determination. The parameters require the decision-maker to engage in factual findings relating to the 'scope and content of the prior art' (technology factor); 'differences between the prior art and the claims at issue' (comparative factor); and 'the level of skill in the pertinent art' (knowledge factor).²⁵ While these factual determinations do not unambiguously reveal what is obvious, they do provide boundaries within which the non-obviousness decision-maker must stay. Reflecting this cabining approach, Giles Rich wrote, the obviousness determination 'is as of a particular time and to a particular legally fictitious, technical person ... But *that* is not all; *what* must have been obvious is *the subject matter as a whole*. That, of course, is the invention as defined by each patent claim.'²⁶

With these two prominent patent law doctrines (enablement and inventive step) as our foundation, we are now ready for a discussion of the comparative advantages of courts as the principal managers and architects of the patent system.

22 See Kathleen M. Sullivan, 'Forward: The Justices of Rules and Standards', *Harvard Law Review* 106 (1992): 22–123, at 61 (noting 'distinctions between rules and standards ... mark a continuum, not a divide. A rule may be corrupted by exceptions to the point where it resembles a standard; likewise, a standard may attach such fixed weights to the multiple factors it considers that it resembles a rule').

23 See Russell B. Korobkin, 'Behavioral Analysis and Legal Form: Rules vs. Standards Revisited', *Oregon Law Review* 79.1 (2000): 23–60, at 26–8. See also Cass R. Sunstein, 'Problems with Rules', *California Law Review* 83.4 (1995): 953–1026, at 964 (describing a number of legal 'devices' that operate as intermediaries between rules and standards, such as presumptions, factors, and principles).

24 Giles S. Rich, 'The Vague Concept of "Invention" as Replaced by §103 of the 1952 Patent Act', *Federal Circuit Bar Journal* 14.1 (2005): 147, at 159 (taken from the 'Kettering Award Address', Patent, Trademark, and Copyright Research Institute, George Washington University (1964), 144–5) (emphasis in original).

25 See *Graham*, 383 U.S. at 12.

26 Giles S. Rich, 'Laying the Ghost of the "Invention" Requirement', in J. Witherspoon (ed.), *Nonobviousness: The Ultimate Condition of Patentability* (Washington: Bureau of National Affairs, 1980), 1:508 (emphasis in original).

2. Comparative Advantages of Courts vis-à-vis Legislators

With the aforementioned discussion in mind, this section explores the comparative advantages of courts vis-à-vis legislators. This discussion assumes greater relevancy as Europe's Unified Patent Court takes shape, and the role of the judge in applying and interpreting (indeed, constructing) European patent law's fundamental principles inevitably grows in importance.²⁷

Initially it is worth noting that each technological community has its own norms and rules, which produce distinct cultural settings. Dissimilar industries and stakeholders hold divergent views of the patent system and the extent to which they rely on patents.²⁸ Thus, while patent law's fundamental doctrines and policy underpinnings largely remain constant, each industry is unique with respect to how the attendant variables should be balanced and the inputs associated with such balancing. The legislative process is simply ill-equipped to address this institutional diversity and convolution. As Rochelle Dreyfuss states, the 'complexity, frequency, and pace' of change within the scientific community 'far outstrip Congress's capacity to legislate'.²⁹

In contrast, the judge, in the Hayekian sense, is more closely tethered to industry customs and norms, and is thus more likely to develop a doctrine that reflects the parties' and the relevant industry's legitimate expectations.³⁰ Characterised another way, players within any given industry can be understood as what Lon Fuller called 'friendly strangers' acting within a particular 'social context', one where reciprocity plays an important role not only among the 'strangers', but also the law's relationship to the relevant social context. Accordingly,

law and its social environment stand in a relation of reciprocal influence; any given form of law will not only act upon, but be influenced and shaped by, the established forms of interaction that constitute its social milieu. This means that for a given social context one form of law may be more appropriate than another, and that the attempt to force a form of law upon a social environment uncongenial to it may miscarry with damaging results.³¹

Moreover, patent doctrine is not designed to guide inventors as to where they should channel their inventive energies. Rather, the marketplace signals to inventors where the financial rewards reside, and indicates the costs and benefits of a given research initiative.³² The patent system embodies

27 For more on the Unified Patent Court, see <http://www.unified-patent-court.org/images/documents/upc-agreement.pdf> and <http://www.unified-patent-court.org/>.

28 See Landes and Posner, *The Economic Structure of Intellectual Property Law*, 312 ('Many highly progressive, research-intensive industries, notably including the computer software industry, do not rely heavily on patents as a method of preventing free riding on inventive activity'); Wesley M. Cohen et al., *Protecting Their Intellectual Assets: Appropriability Conditions and Why U.S. Manufacturing Firms Patent (or Not)*, Working Paper No. 7552, National Bureau of Economic Research, 2000, 1. See generally Richard C. Levin et al., 'Appropriating the Returns from Industrial Research and Development', *Brookings Papers on Economic Activity* 18 (1987): 783–831.

29 Rochelle Cooper Dreyfuss, 'In Search of Institutional Identity: The Federal Circuit Comes of Age', *Berkeley Technology Law Journal* 23.2 (2008): 787–828, at 800–1.

30 See Friedrich A. Hayek, *Law, Legislation and Liberty*, vol. 1: *Rules and Order* (Chicago: University of Chicago Press, 1973), 78; Brian Simpson, 'The Common Law and Legal Theory', in William Twining (ed.), *Legal Theory and Common Law* (Oxford: Blackwell, 1986), 20 ('the common law system ... consists of a body of practices observed and ideas received over time by a caste of lawyers, these ideas being used by them as providing guidance in what is conceived to be the rational determination of disputes litigated before them on behalf of clients, and in other contexts').

31 Lon Fuller, 'Human Interaction and the Law', *American Journal of Jurisprudence* 14.1 (1969): 1–36, at 27.

32 See Herbert Hovenkamp, Mark D. Janis and Mark A. Lemley, *IP and Antitrust §4.2a* (New York: Kluwer, 2005) (noting a

a self-selection process that works hand-in-hand with the marketplace to foster innovation in a decentralised setting.³³ But patent law's 'reward structure cannot be modified according to the market structure in which the inventor operates'.³⁴

The question thus becomes: which institution is better situated to apply and develop seemingly neutral principles to divergent industries in a manner that reflects distinct industry norms and legitimate expectations at any given time. Viewing this question through the lens of comparative advantage,³⁵ the common law is well positioned, which means in the European context, the judges on the Unified Patent Court would enjoy an amount of discretion that was previously unavailable or discouraged. In a decentralised setting, the Hayekian judge

... serves, or tries to maintain and improve, a going order which nobody has designed, an order that has formed itself without the knowledge and often against the will of authority, that extends beyond the range of deliberate organization on the part of anybody, and that is not based on the individuals doing anybody's will, but on their expectations becoming mutually adjusted.³⁶

Judicial intervention becomes necessary only when 'the rules which secure such a matching of expectations are not always observed, or clear enough, or adequate to prevent conflicts even if observed'.³⁷ This persistent intervention requires 'not only the application of already established rules but also the formulation of new rules necessary for the preservation of the order of action'.³⁸

patent grant 'is not even a guarantee of market success'). But as Jacob Schmookler reminds us, 'invention is largely an economic activity which, like other economic activities, is pursued for gain.' Jacob Schmookler, *Invention and Economic Growth* (Cambridge, MA: Harvard University Press, 1996), 206. See also B. Zorina Khan, *The Democratization of Invention: Patents and Copyrights in American Economic Development, 1790–1920* (Cambridge: Cambridge University Press, 2005), 66 (stating that in the United States, patent 'statutes from the earliest years ensured that the "progress of science and useful arts" was to be achieved through a complementary relationship between law and the market in the form of a patent system'); Steven W. Usselman, *Regulating Railroad Innovation: Business, Technology, and Politics in America, 1840–1920* (Cambridge: Cambridge University Press, 2002), 97–8 (stating 'a patent in and of itself conveyed no rewards or special privileges. Inventors did not receive a bounty based on the perceived utility of their handiwork ... The market would determine the number of takers and the amount they were willing to pay').

- 33 See Mokyr, *The Gifts of Athena*, 239 (observing that overall welfare is enhanced in decentralized systems because they tend 'to be more efficient than centralized ones in engendering technological progress because they [do] not depend on the personal judgment and survival of single-minded and strong-willed individuals'); Peter S. Menell and Suzanne Scotchmer, 'Intellectual Property Law', in A. Mitchell Polinsky and Steven Shavell (eds), *Handbook of Law and Economics*, vol. 2 (Amsterdam: Elsevier, 2007), 1477 (referring to decentralisation in intellectual property systems as a 'virtue' and stating 'Probably the most important obstacle to effective public procurement is in finding the ideas for invention that are widely distributed among firms and inventors. The lure of intellectual property protection does that automatically').
- 34 Suzanne Scotchmer, *Innovation and Incentives* (Cambridge, MA: MIT Press, 2004), 117. As Dan Burk and Mark Lemley have argued, a unitary patent system 'simply cannot offer the range of proper incentives for the variety of technologies and industrial sectors it would need to serve'. Dan Burk and Mark Lemley, *The Patent Crisis and How the Courts Can Solve It* (Chicago: University of Chicago Press, 2009), 95.
- 35 James Buchanan highlighted the importance classical political economists placed upon comparing institutions. According to Buchanan, 'Classical political economy was ... largely concerned with the comparison of alternative social or institutional orders....[I]ts main purpose was ... that of developing appropriate models of the working of alternative institutions in order that the choice between those institutions might be better informed.' James M. Buchanan, *Explorations into Constitutional Economics* (College Station: Texas A&M University Press, 1989), 4.
- 36 Hayek, *Law, Legislation and Liberty*, vol. 1. 118–19. See also Todd J. Zywicki and Anthony B. Sanders, 'Posner, Hayek, and the Economic Analysis of the Law', *Iowa Law Review* 93.2 (2008): 559–603, at 567 (asserting that Hayek viewed the law as 'designed to serve as an input to individual expectations in order to enable individuals to effectuate their own individual plans by coordinating their affairs with others who are necessary to effectuating those plans').
- 37 Hayek, *Law, Legislation and Liberty*, vol. 1, 119.
- 38 Hayek, *Law, Legislation and Liberty*, vol. 1, 119.

Thus, through the 'process of piecemeal tinkering, or "immanent criticism,"' the entire patent system is made 'more consistent both internally as well as with the facts to which the rules are applied'.³⁹

In contrast, the inherent institutional limitations of legislatures may lead to a punctuated and distorted evolution of patent doctrine, which may have a disruptive effect on technological development.⁴⁰ Legislative responses also tend to be top-down and finding the right words can be elusive. In contrast, the common law has the ability to '[a]dapt[] to modern understanding[s] and greater experience[s]'.⁴¹ As Hayek observed, 'it is likely that few endeavors by judges to improve the law have come to be accepted by others unless they found expressed in them what in a sense they "knew" already.'⁴² In this regard, the common law, working within the interstices of the code, is more responsive to the technological communities that form part of the patent law fabric. Whether the issue is one of damages, inventive step, or eligibility, judges are better suited to engage the trade-off calculus and develop patent doctrine and policy through the use of legal forms that modulate the rule–standard continuum.⁴³ As Fuller noted, 'One may often accord respect to a precedent not by embracing it with a frozen logic but by drawing from its thought the elements of a new pattern of decision.'⁴⁴

However, the common law is not without shortcomings. Some commentators have argued that recent American Supreme Court decisions, for example, reveal limits of the courts' ability to effect significant reform.⁴⁵ And the Federal Circuit – American patent law's principal policy driver – has not consistently inspired confidence. But again, the question is one of comparative advantage. While the common law is imperfect – particularly in temporal isolation – it retains a comparative advantage over legislatures in the context of reforming and developing patent law.⁴⁶

With the aforementioned in mind, we must ask: What is the role of the legislature? Surely, legislatures are not without salutary influences and have an important role to play in the patent system. The

39 Hayek, *Law, Legislation and Liberty*, vol. 1, 118.

40 See Bruno Leoni, *Freedom and the Law*, 3rd edn (Indianapolis: Liberty Fund, 1991), 18 ('Legislation may have ... a negative effect on the very efficacy of the rules and on the homogeneity of the feelings and convictions *already prevailing* in a given society').

41 *Leegin Creative Leather Prods., Inc. v. PSKS, Inc.*, 551 U.S. 877, 899 (2007) (observing that the legislative process lacks the necessary legerity that is the common law process).

42 Hayek, *Law, Legislation and Liberty*, vol. 1, 118.

43 See Todd J. Zywicki, 'A Unanimity-Reinforcing Model of Efficiency in the Common Law: An Institutional Comparison of Common Law and Legislative Solutions to Large-Number Externality Problems', *Case Western Reserve Law Review* 46 (1996): 961–1031, at 991 (contrasting the judge's role with the legislature's by remarking, 'the judge is little more than an expert trained in articulating the tacit beliefs and expectations that undergird the ongoing order of the community').

44 Fuller, 'Human Interaction and the Law', 96.

45 See R. Polk Wagner, 'The Supreme Court and the Future of Patent Reform', *Federal Lawyer* 55.2 (February 2008): 35, at 39 ('it appears that there is little reason to be hopeful about the possibilities for real reform of the patent system via Supreme Court litigation'); Gregory N. Mandel, 'Another Missed Opportunity: The Supreme Court's Failure to Define Obviousness or Combat Hindsight Bias in *KSR v. Teleflex*', *Lewis and Clark Law Review* 12.2 (2008): 323–42, at 324 (asserting the Court missed an opportunity to define 'what the [non-obviousness] standard actually requires').

46 As early as 2003, Burk and Lemley wrote: 'We are aware that legislatures are traditionally considered to have an institutional advantage in detailed fact-finding, that litigation is not cost free, and that appellate courts in particular are not entirely immune from problems of public choice. However, all advantages are comparative, and the question is not whether courts are perfect policy tailors, but whether, given the evils of industry-specific statutes we have described, courts are better situated to engage in tailoring than the legislature. Courts have substantial ability to profile an industry and adapt innovation policy according to the profile, within a reasonable time frame and at reasonable cost.' Burk and Lemley, 'Policy Levers in Patent Law', 1668.

experience of many decades yields important lessons. The most obvious lesson is that, given the large-scale positive externality problem associated with technical dissemination, the creation of a statutory property right is necessary to enable the internalisation of the externality.⁴⁷ And although legislatures should exercise restraint in engaging in substantive patent reform, this does not mean that their role in ongoing reform or developmental efforts is insignificant. Rather, legislatures should assume a modest, yet important, role confined to (1) bringing about procedural change, whether relating to the examination process, the harmonisation of priority determinations, and prejudicial disclosures, or patent law's judicial architecture; or (2) engaging in substantive corrective action by addressing a jurisprudence gone awry. As Hayek wrote, corrective legislation is sometimes desirable because the 'development of case-law is in some respects a one-way street'.⁴⁸ The relevant inquiry, however, is how to draw the line between jurisprudence gone awry and jurisprudence that is merely enduring growing pains typically associated with, for example, a transitional period – something that is likely to occur with the new Unified Court system in Europe. Hayek's response is that legislative action is necessary when 'the development of the law has lain in the hands of members of a particular class whose traditional views made them regard as just what could not meet the more general requirements of justice'.⁴⁹

For example, the 1952 Patent Act in the United States was a response to a Supreme Court patent law jurisprudence perceived to embrace an anti-patent bias. Justice Jackson, in dissent, captured this perception in the 1949 case of *Jungersen v. Ostby & Barton Co.*, when he candidly wrote, 'the only patent that is valid is one which this Court has not been able to get its hands on'.⁵⁰

Conclusion

The common law has enjoyed a prominent role in the history and development of US patent law. The courts have navigated the contours of the patent system, adeptly constructing doctrine and interpreting elliptical statutory phrases. This adept navigation is reflected in the courts' ability to situate a doctrine on the rule–standards continuum in a manner that balances judicial discretion, public notice, and flexibility. This accretive process is imperfect, but possesses comparative advantages to legislative intervention, which should be limited to procedural reform and corrective legislative action. European policymakers, given the exciting state of European patent law, particularly with the imminent creation of a Unified Court system, can draw valuable lessons from this approach – taking the good, leaving the bad.

47 See William J. Baumol and Wallace E. Oates, *The Theory of Environmental Policy*, 2nd edn (Cambridge: Cambridge University Press, 1988), 10–11 (discussing the positive role legislation plays when a large number of people are involved in a given situation, which gives rise to high transaction costs and barrier to voluntary contracting); Harold Demsetz, 'Toward a Theory of Property Rights', *American Economic Review* 57.2 (1967): 347–59, at 348, 359 (asserting a 'primary function of property rights is that of guiding incentives to achieve a greater internalization of externalities', and further stating, 'If a new idea is freely appropriable by all, if there exist a communal rights to new ideas, incentives for developing such ideas will be lacking').

48 Hayek, *Law, Legislation and Liberty*, vol. 1, 88 (describing role of legislation as corrective action towards judicial pronouncements).

49 Hayek, *Law, Legislation and Liberty*, vol. 1, 89.

50 335 U.S. 560, 572 (1949) (Jackson, J., dissenting).

Conclusions

Pedro Roffe

The first issue of the joint CEIPI-ICTSD series draws on the conference organised by CEIPI in May 2014. The event featured prominent scholars who gathered to examine what Christophe Geiger characterised as the increasing complexities of the intellectual property system. This description is particularly true when compared to the rather straightforward development of this field in past centuries. For a long time, the most inclusive system for regulating intellectual property rights at the international level was the multilateral system administrated by the World Intellectual Property Organization (WIPO) and its predecessor, the United International Bureaux for the Protection of Intellectual Property (BIRPI). This complexity has grown since the emergence of the Agreement on Trade-Related Aspects of Intellectual Property Rights and the proliferation of plurilateral, bilateral and regional arrangements. Although such agreements have been the venues for important normative developments, as noted in this volume, they have also contributed to a fragmentation of the system and to a sort of erosion of the rigid North–South divide that has long affected intellectual property international relations.

The conference combined a number of contemporary issues that have an impact on the intellectual property system. The topics of discussion ranged from the challenging tasks being undertaken by multilateral institutions, to the difficulties posed by the intense activity being displayed outside the established multilateral system in advancing new normative agendas. From a more theoretical perspective, the conference also debated the merits and shortcomings of the common law and continental European law in addressing specific patent issues; in particular, how these legal systems could operate in the context of the forthcoming establishment of the system.

The papers in this volume have sought to identify key trends in international intellectual property law. In my reading of the analysis made in the papers, the authors introduced four overriding themes that characterise contemporary intellectual property law. Three of these themes cut across most of the presentations, namely the question of forum shifting, the new role of multilateral organisations such as the World Trade Organization (WTO) and WIPO, and the continuing but evolving nature of the North–South divide. The fourth theme relates to the role of the judiciary in addressing complex technical problems.

The Movement from Multilateral Treaty Negotiations to Bilateral and Plurilateral Discussions

The increased emphasis being placed on negotiations among small groups of like-minded states as opposed to the traditional multilateral negotiating framework permeated most presentations. States may view 'forum shifting' as more desirable since a limited number of parties can reduce the obstacles to reaching a negotiated settlement. However, it has produced a number of problems, including insufficient or a lack of transparency and an increased potential for conflict with other bilateral and multilateral instruments.

As perceived by one of the participants in the conference, the implementation of the TRIPS Agreement and the multilateral debate exposed a pressure to reinvigorate flexibilities, such as exceptions and limitations to exclusive rights, making it difficult to increase protection at the multilateral level, especially in the patent field. This trend ended with an effort by those seeking higher levels of protection to change the forum and method of negotiation. The consequence was a shift away from

WIPO and WTO towards smaller groups of like-minded countries, referred to as the 'country club' model. (See Daniel Gervais, Chapter 1)

This trend to forum shifting, particularly via bilateral, regional and plurilateral trade agreements, has confronted the multilateral system with major challenges. Generally a risk arises from the existence of numerous norm-making forums. In this respect, preferential trade agreements are among the sources of law that have contributed to a powerful expansion of international intellectual property law. Bilateralism and regionalism are recognised as instruments to move regulation forward when multilateral negotiations do not deliver. They permit like-minded countries to avoid the complexities associated with reaching an agreement in multilateral forums. While the TRIPS Agreement legitimises bilateral and regional agreements, overdoing it may threaten the roots of multilateralism and give rise to inconsistent standards. Although it may seem contradictory, bilateralism both promotes and obstructs harmonisation, since different promoters of bilateralism are under the influence of their particular legal cultural traditions. One clear example here is the case of the protection of geographical indications, where the main promoters of preferential trade agreements, namely the United States and the European Union, advocate contrasting legal approaches.

The number of preferential trade treaties that enter into force each year has increased over the last 15 years, including those of an important number of emerging economies building new alliances with major trading partners. The relevance of this phenomenon was underlined, as well as its systemic implications. In particular, it has been noted that eventual conflicts are likely to arise, not only between trade agreements and treaties of other international regimes (e.g., environment, human rights) but also between preferential trade agreements themselves. These conflicts are not limited to substantive aspects. Rather, there is the potential for disputes which extend to the jurisdictional domain and to the fact that trade agreements have become a fertile source for legal transplantation of intellectual property standards. (See Xavier Seuba, Chapter 4)

Transplantation, the export of legal norms and standards, has shown a consistent trend: movement from major trading partners towards other countries, both developing and developed. For example, as a result of preferential trade agreements it is common to find passages of the US Digital Millennium Copyright Act or the European Directive for the enforcement of intellectual property rights in countries with different legal traditions.

As noted, in the case of geographical indications (GI), the stalemate in WTO on these issues explains in part the European Union's persistent efforts to increase protection through bilateral stand-alone agreements (EU-China) or in the context of broader preferential trade agreements (EU-Central American countries).

As illustrated in Chapter 3 of this volume, the creation of an efficient system to enforce intellectual property rights has constantly preoccupied policymakers, particularly following the adoption of the TRIPS Agreement. Developed countries pushed for the adoption of stricter multilateral rules in the context of multilateral organisations, particularly WTO. The lack of success in this area can be attributed, in part, to the opposition from developing countries that did not necessarily share the same interests and concerns as major trading partners and feared new limitations on their policy space to enact laws and regulations that could better respond to their traditions and law enforcement requirements in general.

Given the above difficulties in achieving consensus within the classical multilateral framework, a number of like-minded countries engaged in forum shifting, opting to negotiate more stringent agreements among themselves, as in the case of the plurilateral Anti-Counterfeiting Trade Agreement (ACTA). One major difficulty with ACTA was that it was targeting *non-signatory* emerging countries that would have been later invited to join this exclusive group of more advanced countries by ratifying the text or by subsequently signing bilateral agreements incorporating ACTA standards. The Preamble of the treaty confirms that ACTA's aim is 'global' and that it concerns the 'world economy and not merely the economies of the signatory countries'.

The negotiations on the Trans-Pacific Partnership is another case of a plurilateral treaty whose critical objective, among others, is establishing a more demanding international criminal enforcement framework for infringement of intellectual property rights (IPRs). During these negotiations it has become apparent that the participating states intend to adopt similar or stronger provisions than ACTA in respect, for example, of criminal measures for the protection of IPRs.

Negotiations outside the competent international organisations have had a confidential character that, according to the authors of this volume constitutes an unwelcome phenomenon and by no means a guarantee of accomplishment. The lack of transparency makes these initiatives difficult to assess with respect to their potential benefits and costs. In these circumstances, stakeholders and the public in general are forced to rely on leaked information rather than official texts in their evaluation of the treaty provisions. In this respect, it was overwhelmingly noted that a major advantage of the multilateral system, particularly on an issue as delicate as enforcement, is the transparent method of negotiations that prevails in multilateral institutions. This tradition plays a key role in securing the necessary support and legitimacy for intellectual property rights agreements. Pursuing other methods puts at risk the legitimacy of the entire system.

The Role of Traditional Multilateral Organisations in the New Scenario of Forum Shifting

The second cross-cutting theme, closely related to the previous phenomenon of forum shifting, was the fact that multilateral organisations like WIPO and the WTO are taking on new roles in the modern IP world. Historically, WIPO's effort was directed towards a series of broad consensus-based multilateral initiatives. However, WIPO's actions over the past decade have sought to target specific issues and engage with a group of like-minded states, as in the case of the recently revised version of the Lisbon Agreement on Appellations of Origin and Geographical Indications. Similarly, while the WTO once played a central role in shaping international IP with the introduction of the TRIPS Agreement, it has failed to make a major impact on normative issues in recent years. These recent trends are connected and contribute to the aforementioned movement of forum shifting.

The World Trade Organization

With the adoption of the TRIPS Agreement, the WTO played an unprecedented role in shaping the international intellectual property system. (See Chapter 2) In many respects it relegated the WIPO to a subsidiary norm-setting role. The new role of the WTO was not limited to overseeing the fundamental changes produced by the TRIPS Agreement, but also included important developments

in dispute settlement and its contribution to the development of basic jurisprudence on the interpretation of the Agreement.

The Council for TRIPS became an important rule-making body by reviewing the intellectual property systems of members implementing the minimum standards of the Agreement. However, a significant part of the Council's work focused on issues that remained unresolved at the conclusion of the TRIPS Agreement, among others, patent protection related to plants and animals; non-violation and situation complaints; and geographical indications. The Council has also addressed – but unsuccessfully – the relationship between the TRIPS Agreement and the Convention on Biological Diversity (CBD), particularly with respect to genetic resources and the protection of traditional knowledge.

With respect to the least developed countries (LDCs), the Council for TRIPS has taken a number of important decisions, including the extension until July 2021 of the original transitional arrangement for those countries in relation to the application of the TRIPS Agreement and the enforcement of rights, including the special waiver in the case of pharmaceutical products.

As noted in by Correa in Chapter 2, the role of the Council for TRIPS has declined in recent years and it has proved to be unable to move forward on issues as important as the case of countries with insufficient manufacturing capacity in the pharmaceutical sector and their ability to make full use of the flexibilities of the Agreement. The "paragraph 6" system would have failed in two respects. On one hand, after more than ten years since its adoption in 2003, only one case has been identified as successful. On the other, although it was an amendment to the TRIPS Agreement based on the original 2003 Decision – agreed in December 2005 – it has not yet received the necessary number of ratifications to enter into force.

According to this reading, WTO initially played a major role in elevating the standards for intellectual property protection globally; however, its current role in the development of the international system of protection is negligible. Instead, WTO's attention has been diverted towards issues that are not directly related to its mandate, such as the role of intellectual property in the innovation process. The WTO has thus ceased to be the forum for new normative initiatives and they have instead been channelled through bilateral, regional and plurilateral agreements, as discussed above.

The World Intellectual Property Organization

With respect to WIPO, a more positive outlook is represented in Chapter 1, particularly in respect of its management of an impressive battery of registration systems and instruments¹ and agreements that create classifications that facilitate international applications in various fields.²

The TRIPS Agreement and its implementation had a major influence on the work of WIPO in recent decades. This was due, in particular, to the way WIPO's administration of classical conventions (Paris and Berne) became an integral part of the new post-TRIPS architecture. Its influence was also enhanced by the WIPO secretariat's role in providing technical assistance, jointly with the WTO, to developing countries. Immediately after implementation of the TRIPS Agreement, two new

1 For example, the Patent Cooperation Treaty, the Madrid International Trademark System, the Hague International Design System, the Lisbon International System of Appellations of Origin.

2 For example, the Locarno Agreement on industrial designs and the Vienna Agreement on figurative elements of marks.

important instruments dealing with the internet were adopted, the WIPO Copyright Treaty and the WIPO Performances and Phonograms.

The post-TRIPS period also illustrates the difficulty of advancing the substantive harmonisation of patent law. In many respects, this has been dominated by the difficulties that developing countries encountered when accommodating the new TRIPS standards, particularly with respect to patent protection.

Responding to the changing political economy, WIPO added to its global agenda in the late 1990s issues related to intellectual property and genetic resources, traditional knowledge and cultural expressions. This changing political economy and concerns expressed by developing countries is the forum-shifting process and the perceived imbalance in the trend towards expanding protection and enforcement of intellectual property rights influenced the decision to include a new angle in the work of the organisation in terms of a Development Agenda designed to particularly address the interests of the developing world.

The adoption of the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled (VIP Treaty) in June 2013 was highlighted as a major recent achievement, particularly in being the first treaty to contain mandatory exceptions and limitations to copyright in favour of visually impaired users of copyright material. The treaty is relevant on account of its underlying principle that copyright norm-setting may move forward as a balance between specific new protection and enforcement commitments, on the one hand, and targeted exceptions and limitations, on the other.

As highlighted by Geiger in Chapter 3 of this volume, the quality of negotiations is a function of the breadth and sensitivity of the agenda on the set of rules to be adopted. In contrast, the quantity of negotiations concerns the number of countries involved. In this regard, the example of the two recent multilateral treaties adopted in WIPO, including the cited VIP Treaty,³ illustrates that the international system still has the capacity to deal with sensitive issues. These treaties also demonstrate that the system can reach the necessary maturity to homogeneously codify complex areas, both conceptually and technically.

However, as pointed out in Chapter 1 of this collection, these recent developments could be seen as a new phase in the work of WIPO, representing a transition away from consensus-based initiatives directed towards broad areas of intellectual property, such as the Paris and Berne Conventions, and towards targeted efforts on fairly specific issues to remedy urgent issues, as in the case of the internet treaties and the VIP Treaty. This trend, characterised as the 'tapestry effect', could also be disturbing. While treaties are intended to harmonise minimum standards, they can also solidify differences. This is most likely to occur when groups of like-minded countries design a treaty to reflect their own perspectives, thus making it harder to convince others to join. A case in point could be the recent revision of the Lisbon Agreement.

3 See also the WIPO Beijing Treaty on Audiovisual Performances

The Persistent but Evolving Divide between Developed and Developing Countries

A third cross-cutting theme of the papers was the divide between developed and developing countries that remains a significant feature of IP relationships. The North–South divide continues to be present with respect to issues such as genetic resources, traditional knowledge, technology transfer, and the extension of TRIPS exemptions to LDCs. However, it is noteworthy that such a divide is not a feature of all international IP issues. For example, both the recent revision of the Lisbon Agreement on appellations of origin and the debates surrounding patent protection for plants and animals cannot be reduced to a simplistic North–South dichotomy. This is also the case for non-violation complaints in the context of the TRIPS Agreement.

As noted, the divide between developed and developing countries remains a significant feature of IP relationships but with nuances, including particularly in our view the consequences of the emergence of new coalitions relating to specific issues or as a result of the forum-shifting phenomenon identified under our first theme.

For example, it was pointed out that the review of patent protection related to plants and animals in the context of the TRIPS Agreement was not necessarily a North–South issue; rather, it originated in the differences of perception between the United States and the European Union. In particular, the EU was reluctant, under the European Patent Convention, to accept the straightforward patentability of plants and animals. The debate in the Council for TRIPS was, however, dominated by the position taken by some developing countries that argued that the mandated review was an opportunity to revise the provision and limit, rather than expand, the obligations established under TRIPS. For example, the African Group held the view that the review should aim merely at prohibiting the patenting of plants and animals. (See Chapter 2)

A recurrent issue in multilateral forums is the relationship between IP protection and the transfer of technology to developing countries, particularly with respect to LDCs. A review of the reports submitted by developed countries to the Council of TRIPS reveals that these countries have failed to introduce the 'incentives' required under the Agreement to enhance technology transfer to those countries. The role of patents particularly in the transfer of technology in the context of the United Nations Framework Convention on Climate Change has been divisive. Developing countries argue that the intellectual property system might create obstacles to access to technology and the developed countries advocate the crucial role of patents as a stimulus to innovation and the diffusion of technology.

In the case of the Council for TRIPS another outstanding matter relates to non-violation and situation complaints. The initial moratorium prescribed in the Agreement has been the subject of important debates on the viability of the GATT system relating to trade in goods being applicable to intellectual property. A deep divide has also persisted on this issue. Developing countries fear that allowing non-violation complaints will undermine the use of what are known as TRIPS flexibilities. On the other hand, particularly the United States and Switzerland have emerged as the member states most actively pursuing an end to the moratorium. These states argue that the application of such complaints in the dispute settlement system would not erode the TRIPS flexibilities. On this issue the strict North–South divide once again does not appear so evident because a number of

developed countries, excluding the United States and Switzerland, seem to adhere to the thesis that non-violation complaints are inadequate remedies in the case of intellectual property.

The relationship between intellectual property and the Convention on Biological Diversity has remained an open issue both in the Council for TRIPS and WIPO. Developing countries have focused their efforts on introducing an obligation to disclose the origin of genetic resources and associated traditional knowledge claimed in patent applications as the appropriate means for achieving compatibility of TRIPS obligations and those in the CBD. The first proposals on the subject were made in the context of the review of the patentability of plants and animals, referred to above. However, the proposals later shifted to the consideration of a possible amendment of the enabling disclosure clause in TRIPS (Article 29).

With respect to geographical indications (GIs), European countries have sought added protection, attempting to fill the gaps left, in their view, by TRIPS. The TRIPS Agreement differentiates the level of protection granted to wines and spirits from that accorded to other products. In addition, while the establishment of a multilateral system of notification and registration of GIs for wines was discussed during the Uruguay Round, a final agreement was not reached. TRIPS incorporated the obligation to engage in negotiations in the Council, without prejudging any particular outcome with regard to the modes and legal effects of the proposed notification and registration.

Extending the level of protection provided for wines and spirits to all products has also been a debated issue in WTO. By extending similar protection to that accorded to wines and spirits to other products, right holders would not be required to demonstrate that using a designation of a good indicating or suggesting that it originates in a geographical area other than the true place of origin misleads the public or constitutes an act of unfair competition. As pointed out under the forum-shifting theme, these issues have been brought to negotiations in preferential trade agreements for lack of consensus in multilateral forums.

The debate on enhancing the protection for GIs to all products has been divisive and shows the evolving nature of the North–South divide. For example, a number of countries from Latin America, as well as South Africa, have aligned themselves with the United States, Australia and New Zealand.

In this particular context, a joint proposal was made by a group of developed countries and an important number of developing countries to address the relationship between TRIPS and CBD, particularly on the disclosure requirement, in a broader framework of a package of issues that also included the creation of an international registry and the extension of GI protection beyond wines and spirits.

These different alignments show that the traditional North–South divide on IP matters is not as dominant as it used to be where countries seek coalitions on specific matters with like-minded countries irrespective of that divide.

The continuing North–South divide in IP matters has, however, been evident in the discussions in WIPO, mentioned above, on the implementation of the recommendations adopted to put in place a Development Agenda. This has also been the case, with some nuances, in the deliberations also in WIPO on genetic resources and traditional knowledge.

As highlighted, the phenomenon of forum shifting through new trade agreements that incorporate robust chapters on the protection and enforcement of intellectual property via bilateral, regional and plurilateral agreements include a growing number of emerging countries committing themselves to higher standards of protection and enforcement of IP beyond those agreed in TRIPS. These new agreements solidify new coalitions of countries that break away from the traditional North–South divide on these issues.

Beyond Norm Setting: The Role of the Judiciary

Chapter 5 focuses on the particular role of the judiciary in the governance of the modern IP system. Given the increasingly complex and diverse nature of this area of law, the flexibility and discretion of the courts vis-à-vis the legislature's top-down approach was a considered a matter that deserved better attention.

There is here the need to appreciate the structural limitations of the legislative and to understand that courts are comparatively in the best position to make and develop patent law and policy. In the author's view, (see Craig, Chapter 5) judges who are familiar with patent disputes will develop expertise that provides an opportunity to engage in doctrinal matters at a deep level. The case of Europe and the proposal for a Unified Patent Court was considered a window of opportunity for a pilot project that embraces a pro-active, policymaking judge.⁴

For example, patent law's enablement requirement serves two functions. First, it facilitates information dissemination. Technical information disclosed in the patent, particularly the specification, has potential immediate value for follow-on researchers by improving the patented invention or for the public by contributing to the general storehouse of technical knowledge. The second function serves to restrict the claim scope by requiring the specification to enable subject matter commensurate with the scope of the claims. In short, a patentee cannot claim more than (s) he discloses.

The inventive step requirement or non-obviousness is a fundamental feature of numerous patent systems throughout the world. The novelty and inventive step requirements work together. The former seeks to ensure that the public domain remains undisturbed, while the latter demands that the claimed invention be sufficiently removed from the prior art, meaning that in most cases the invention reflects a leap forward. What is particularly germane in this paper is that within the parameters of the inventive step inquiry there resides a significant subjective component or a built-in flexibility. This flexibility, however, allows the inventive step to be used as a policy instrument to further patent law's stated goal of enhancing social welfare through the promotion of innovation.

Overall, the question posed is which institution is better situated to apply and develop seemingly neutral principles to divergent industries in a manner that reflects distinct industry norms and legitimate expectations at any given time? Viewing this question through the lens of comparative advantage, the author concludes that the common law is better positioned and sees an opportunity in the European context for judges of the Unified Patent Court to enjoy a level of discretion that was previously unavailable or discouraged.

4 The second issue of the series, under preparation, focuses precisely on the role of specialised courts in intellectual property matters.

The common law system, however, is not without shortcomings. Some argue that recent US Supreme Court decisions, for example, reveal the limits of the courts' ability to effect significant reform. In addition, the Federal Circuit – US patent law's principal policy driver – has not consistently inspired confidence. While the common law is imperfect – particularly in temporal isolation – it retains a comparative advantage over legislatures in the context of reforming and developing patent law.

The legislature has in any case an important role to play. The experience of many decades in the case of the United States yields important lessons. The most obvious lesson is that given the large-scale positive externality problem associated with technical dissemination, the creation of a statutory property right is necessary to enable the internalisation of the externality. Although the legislature should exercise restraint when engaging in substantive patent reform, this does not mean that it plays an insignificant role in ongoing reform or developmental efforts. In the case of US patent law, the common law has enjoyed a prominent role. This incremental process could be imperfect, but according to the author in Chapter 5 of this volume it has a comparative advantage over legislative intervention, which should be limited to procedural reform and corrective legislative action.

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