

ANNEX E OVERVIEW OF THE TRIPS AGREEMENT

(A) Introduction

The agreement on Trade Related Aspects of Intellectual Property, commonly known as the "TRIPS Agreement", was negotiated and concluded as an integral part of the multilateral trade negotiations under the Uruguay round of the General agreement on tariffs and trade (GATT). It came about in recognition of the fact that widely differing standards of protection and enforcement of intellectual property rights, and the absence of a multilateral framework of principles, rules and disciplines to deal with the international trade in counterfeit goods had become a serious tension in international trade relations.²²

The Agreement came into effect on January 1, 1995, and addresses the availability, scope, use and minimum term of protection for intellectual property rights. The Agreement, in Part II, defines intellectual property to include:

- Copyright and related rights
- Trademarks
- Geographical Indications
- Industrial designs
- Patents
- Layout-designs (topographies) of integrated circuits
- Protection of undisclosed information (trade secrets)

The Agreement also addresses the control of anti-competitive practices in contractual licenses related to IPRs.

The Agreement sets out the minimum standards of intellectual property protection which Members must provide in their domestic laws but leaves it to the discretion of Members to determine how best to implement these minimum standards in their domestic legislation and practice. Members are also free to implement in their laws more extensive protection than is required by the Agreement.²³

Members are obliged "to accord the treatment provided in this Agreement to the nationals of other Members",²⁴ where "nationals of other Members" is to be understood to be those natural or legal persons that would meet the criteria for eligibility for protection provided for in key intellectual property conventions as if all members of the WTO were members of these conventions. These conventions are administered by the World Intellectual Property Organization (WIPO) and are:

- The Paris Convention for the Protection of Industrial Property (1967).
- The Berne Convention for the Protection of Literary and Artistic Works (1971).

- The International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (The Rome Convention, 1961).
- The Treaty on Intellectual Property in Respect of Integrated Circuits (1989).

(B) Relationship between international IP conventions and TRIPS obligations

The TRIPS Agreement requires Members to comply with the substantive provisions of the key international intellectual property conventions including the Paris Convention (1967)²⁵ and the Berne Convention (1971),²⁶ whether or not they are members of those conventions. Further, in regard to integrated circuit layout-designs (topographies), Members are required to provide protection in accordance with some of the provisions of the Treaty on Intellectual Property in Respect of Integrated Circuits.²⁷

The Agreement supplements, or adds to, the obligations set out in the aforementioned conventions and treaty. Thus, for example, the TRIPS Agreement requires Members to provide for rental rights in the areas of “at least” computer programs and cinematographic works.²⁸ The Agreement also requires Members to provide protection for plant varieties either by patents or by an effective *sui generis* system,²⁹ or by any combination thereof.

Therefore, in order to comply with the requirements of the TRIPS Agreement when implementing their national systems of intellectual property protection, Members would have to comply with both the substantive provisions of the above mentioned conventions and treaty as well as with the additional new obligations set out in the Agreement itself.

(C) National treatment and Most-Favoured-Nation treatment

The TRIPS Agreement requires Members to adopt and adhere to the key principle of national treatment and most-favoured-nation (MFN) treatment. These principles already exist in other intellectual property conventions and multilateral agreements such as the Paris Convention.

(D) Exhaustion

Article 6 of the TRIPS Agreement states that, for the purposes of dispute settlement under the Agreement, subject to the provisions Article 3 (National Treatment) and Article 4 (Most-Favoured-Nation Treatment):

“... nothing in this Agreement shall be used to address the issue of the exhaustion of intellectual property rights.”

Thus, subject to compliance with Articles 3 and 4, Members may define their own positions on the issue of parallel imports.

(E) Objectives

The TRIPS Agreement states that:

“The protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.”³⁰

It is useful to note the wording of the preamble to the Agreement for establishing a context for future interpretation.

(F) Principles

The TRIPS Agreement permits Members to adopt, in their domestic legislation, measures which they deem necessary to protect public health and nutrition, and to promote the public interest in sectors of vital importance to their socio-economic and technological development, provided that such measures are consistent with the provisions of this agreement.³¹

The Agreement also recognizes the possible need for Members to adopt appropriate measures “to prevent abuse of intellectual property rights by right holders or the resort to practices which unreasonably restrain trade or adversely affect the international transfer of technology”.

(G) Availability, scope and use of IPRs under TRIPS

TRIPS requirements concerning the availability, scope and use of intellectual property rights (Part II of the Agreement) are addressed below in the relevant sections and chapters that follow.

(H) Enforcement

Section 1: General obligations

This section of the TRIPS Agreement sets out general obligations and principles that pertain to the enforcement procedures required by this part of Agreement. It requires Members to ensure that enforcement procedures are available under their national laws to permit effective action against infringement of intellectual property rights.

Such procedures must provide expeditious remedies to prevent infringements and remedies which will deter further infringements.³²

At the same time, the Agreement requires that such procedures must be applied in a manner to avoid the creation of barriers to legitimate trade and also to provide for safeguards against their abuse.³³

The procedures must be fair and equitable, not unnecessarily complicated or costly, or entail unreasonable time limits or unwarranted delays.³⁴ Decisions on the merits of a case must be based on evidence in respect of which the parties were offered the opportunity to be heard, should preferably be in writing, reasoned, made available without undue delay³⁵ and subject to judicial review (except in respect of acquittal in criminal cases).³⁶

The Agreement does not, however, require a Member to put in place a special judicial system for the enforcement of intellectual property rights nor does it

impose any obligations with respect to the distribution of resources as between the enforcement of intellectual property rights and the enforcement of laws in general.³⁷

Section 2: Civil and administrative procedures and remedies

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

Specifically, Section 2 deals with matters pertaining to:

- Fair and equitable enforcement procedures (Article 42).
- Evidence of proof (Section 43), including the adduction of evidence and the protection of confidential information.
- Injunctions to require a party to desist from an infringement (Article 44).
- Damages, right holder expenses (including attorney's fees) and ordering recovery of profits from infringing activities (Article 45).
- Other remedies (Article 46), including the disposal and destruction of infringing goods and the materials and implements used predominately to make them.
- Right of information to order the identification of third persons involved in infringing activities (Article 47).
- Indemnification of the defendant in the event of abuse of enforcement procedures (Article 48).

Section 3: Provisional measures

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

The Article sets out guidelines for these procedures which deal with:

- The preservation of relevant evidence (Article 50.1).
- The adoption of provisional measures to protect evidence before the other party has a right to be heard, provided notice and right to a hearing are given within a reasonable time (Article 50.2 and 50.4).
- The production of evidence and the provision of a security (Article 50.3).
- Compensation for injury of the defendant where there is no final determination of infringement (Article 50.7).

- Information necessary for identification of goods (Article 50.5).
- Revocation of provisional measures if proceedings are not initiated within a certain period of time (Article 50.6).
- The requirement for administrative procedures which can result in provisional measures to conform to the principles of this Section (Article 50.8).

Section 4: Special requirements related to border measures

Article 51 of the TRIPS Agreement states that:

“Members shall, in conformity with the provisions set out below, adopt procedures³⁸ to enable a right holder, who has valid grounds for suspecting that the importation of counterfeit trademark or pirated copyright goods³⁹ may take place, to lodge an application in writing with competent authorities, administrative or judicial, for the suspension by the customs authorities of the release into free circulation of such goods”.

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

Articles 52 to 60 set out detailed guidelines with which border measures must conform:

- Application for suspension of release of goods by customs authorities (Article 52).
- Requirement for security or other assurance (Article 53).
- Notification of suspension to the importer and the applicant (Article 54).
- Duration of the suspension (Article 55).
- Indemnification of the importer and the owner of the goods (Article 56).
- Right of inspection by the right holder and importer and information regarding the importers and the quantity of goods (Article 57).
- Ex officio actions (Article 58).
- Remedies (disposal or destruction of the goods (Article 59);
- Allowed exclusion of small quantities of goods of non-commercial nature (Article 60).

Section 5: Criminal procedures

The TRIPS Agreement requires that Members provide for criminal procedures and penalties be applied at least in the case of “wilful trademark counterfeiting or copyright piracy on a commercial scale”.

Remedies available shall include:

- Imprisonment and/or

- Fines

In appropriate cases, the remedies available shall include:

- Seizure
- Forfeiture
- Destruction

of the infringing goods and of any materials used predominantly in the commission of the offence.⁴⁰

(I) Acquisition and maintenance of IPRs

Part IV (Article 62) of the TRIPS Agreement sets out principles intended to ensure that the formalities and procedures for the acquisition and maintenance of intellectual property rights in Members are reasonable and that final administrative decisions in a Member are subject to review by a judicial or quasi-judicial authority.

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

(J) Transitional arrangements

Developed country Members were required to apply the provisions of the Agreement by January 1, 1996. Developing country members and members of countries in transition from centrally planned to market to driven economies were able to delay implementation until January 1, 2000, with an additional delay of five years for the application of the agreement's provisions on product patents, where such did not exist.⁴¹

The delay for implementing the TRIPS Agreement provisions discussed above does not, however, apply to the implementation of Articles 3, 4 and 5, the National Treatment and Most-Favoured-Nation Treatment principles in the Agreement, and the obligations under multilateral treaties on the acquisition and maintenance of intellectual property rights.

A further exception to the implementation delay provisions of the TRIPS Agreement relates to patent protection for pharmaceutical and agricultural chemical products.⁴² In this regard, the Agreement provides that where a Member does not make available on the date of entry into force of the WTO Agreement, namely January 1, 1995, patent protection for pharmaceutical and agricultural chemical products commensurate with its TRIPS obligations, that Member shall:

“Notwithstanding the provisions of Part VI (Transitional Arrangements) provide as from the date of entry into force of the Agreement Establishing the WTO a means by which applications for patents for such inventions can be filed”.

Least-developed country Members were provided an additional 10 years to implement the provisions of the Agreement until January 1, 2006, the

implementation of TRIPS obligations, with the exception of Articles 3, 4 and 5, as was the case with regard to developing country Members.

On November 29, 2005, the TRIPS Council further extended this to July 1, 2013, and confirmed these countries' right to seek further extensions afterwards. That extension did not affect the transition period for patents for pharmaceutical products, which had been agreed in 2002 - least-developed countries will not have to protect these patents until 2016. According to that decision and for the purposes of facilitating targeted technical assistance and financial cooperation, LDC's will have to provide the TRIPS Council, preferably before 1 January 2008, all possible information on their individual needs in order to obtain the necessary assistance in implementing the objectives, principles, rights and obligations under the TRIPS Agreement.

Where least-developed countries do provide some kinds of intellectual property protection even though they are not required to do so under the TRIPS Agreement, they are obliged not to reduce or withdraw the protection that they currently give.⁴³

This Decision is without prejudice to the Council's Decision of 27 June 2002 on "Extension of the Transition Period under Article 66.1 of the TRIPS Agreement for Least Developed Country Members for Certain Obligations with respect to Pharmaceutical Products" (IP/C/25), and to the right of least-developed country Members to seek further extensions of the period provided for in paragraph 1 of Article 66 of the Agreement."

(K) Institutional arrangements and final provisions

Part VII of the Agreement sets out the role of the Council for TRIPS, calls upon Members to cooperate with each other to eliminate the international trade in goods that infringe intellectual property rights, particularly between customs authorities with regard to trade in counterfeit trademark and pirated copyright goods.

This Part also addresses the treatment of acts and subject matter that existed before the coming into force of the Agreement. This includes obligations regarding protection for pharmaceutical and agricultural chemical products where the Member does not yet make available patent protection.

Finally, this Part sets out exceptions to address Members' national security interests.

(L) The Doha Declaration on TRIPS and public health

At the Doha Ministerial Conference (9-14 November 2001), the WTO Members took the unprecedented step of adopting a special declaration on issues related to the TRIPS Agreement and public health. This separate declaration was designed to respond to concerns about the possible implications of the TRIPS Agreement for access to medicines. It emphasized that the TRIPS Agreement does not and should not prevent member governments from acting to protect public health, including using the flexibilities in the TRIPS Agreement (in particular compulsory licensing and parallel importing).

In the declaration, the TRIPS Council was tasked with finding a solution to the problems countries may face in making use of compulsory licensing if they have too little or no pharmaceutical manufacturing capacity (this was achieved by way of a special waiver under Article 31(f) of the TRIPS Agreement agreed in a WTO General Council decision of 30th August 2003⁴⁴). The declaration also extended the deadline for LDCs to apply certain provisions on pharmaceutical patents until 1 January 2016 – these were subsequently formally implemented by decisions of the TRIPS Council in June 2002⁴⁵ and the WTO General Council in July 2002⁴⁶.