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Trans-Pacific Partnership – Intellectual Property Rights Chapter

February Draft – Section by Section Analysis

Table of Contents

Abstract

This report analyzes the February Draft of the proposed Intellectual Property Rights Chapter of the Trans-Pacific Partnership (TPP) by comparing few of its contentious provisions with the pertinent provisions in the Anti-Counterfeiting Trade Agreement, the Digital Millennium Copyright Act, the Agreement on Trade-Related Aspects of Intellectual Property Rights, the U.S. Copyright Act, U.S.-South Korea Free Trade Agreement, and the WIPO Performances and Phonograms Treaty. This analysis shows that TPP is a collection of pro-IP-enforcement provisions from various U.S. laws and international agreements. Similarly, the analysis also shows that TPP seeks to expand the rights of intellectual property right holders, at the expense of reducing safeguards and limitations on enforcement practices.

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TRADEMARKS – PROTECTABLE TRADEMARK SUBJECT MATTER

Relevant TPP Provision

- **Art. 2.1** - No Party may require, as a condition of registration, that a sign be visually perceptible, nor may a Party deny registration of a trademark solely on the grounds that the sign of which it is composed is a sound or a scent.[1]

Analysis

TPP art. 2.1 incorporates the scope of trademark subject matter under § 45 of the Lanham Act which has been interpreted to include, *inter alia*, colors *per se*, 2D/3D designs, motion marks, sound (NBC's three chimes[2]), scent (plumeria blossoms on sewing thread[3]), and non-visual marks as well.[4] Expectedly, this is a TRIPS-plus provision, as it clashes directly with TRIPS art. 15 which provides that "[m]embers may require, as a condition of registration, that signs be visually perceptible."[5] Additionally, it goes beyond TRIPS art. 15 which provides a non-exclusive list of what can be a protectable trademark, by explicitly requiring recognition of sound and scent.[6] Although the protection of sound as a trademark could have been established under the requirement of the sign being visually perceptible (music notes), the protection of scent as a trademark would have been difficult to enforce but for this explicit inclusion into the scope of protectable trademark subject matter. Finally, this provision is identical to art. 18.2.1 of the U.S.-South Korea Free Trade Agreement [KORUS].[7]

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[1] Trans-Pacific Partnership, Intellectual Property Rights Chapter February Draft art. 2.1. [hereinafter TPP].
[2] http://www.uspto.gov/web/offices/ac/ahrpa/opa/kids/soundex/72349496.mp3
[3] Trademark Registration No. 1639128.
[4] http://www.stoneduncan.com/files/Trademarks%20as%20a%20System%20of%20Signs.pdf.
[5] Agreement on Trade-Related Aspects of Intellectual Property Rights, art. 15, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Legal Instruments--Results of the Uruguay Round, 1869 U.N.T.S. 299 [hereinafter TRIPS].
[6] *Id*. (enumerating that "[a]ny sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks".
[7] Free Trade Agreement between the United States of America and the Republic of Korea, U.S.-S. Korea, June 30, 2007 [hereinafter KORUS], *available at* http://www.ustr.gov/Trade_Agreements/Bilateral/Republic_of_Korea_FTA/Final_Text/Section_Index.html.

GEOGRAPHICAL INDICATIONS – DEFINITION

Relevant TPP Provision

- **FN 4** – For purposes of this Chapter, **geographical indications** means indications that identify a good as originating in the territory of a Party, or a region or locality in that territory, where a given quality, reputation, or other characteristic of the good is essentially attributable to its geographical origin. Any sign or combination of signs (such as words, including geographical and personal names, as well as letters, numerals, figurative elements, and colors, including single colors), in any form whatsoever, shall be eligible to be a geographical indication. The term "originating" in this chapter does not have the meaning ascribed to that term in Article __._ (Definitions).[8]

Analysis

TPP contains a broader definition of "geographical indications" (GI) than in TRIPS art. 22.1.[9] Although the first sentence of TPP FN 4 mirrors TRIPS art. 22.1, the former expands the scope of protection by explicitly requiring the protection of "sign or combination of signs . . . in any form whatsoever" as a GI.[10] The non-exhaustive list of examples of "sign or combination of signs" contains many elements similar to a protectable trademark than a traditional GI.[11] Additionally, as of the February draft, TPP FN 4 explicitly leaves open the definition of "originating" in the context of GIs, thereby leaving the possibility that "originating in the territory of a Party" may not necessarily mean actually originating from the territory of a Party. Accordingly, TPP FN 4 seeks to weaken the level of protection of GI by lowering the standards eligibility while broadening the scope of protectable subject matter. Finally, this provision is identical to KORUS FN5.[12]

[8] TPP, *supra* note 1, FN4.
[9] TRIPS, *supra* note 5, art. 22.1 (defining 'geographical indications' as "indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin."
[10] TPP, *supra* note 1, FN4.
[11] *Id*. (listing words, geographical names, personal names, letters, numerals, figurative elements, colors including color *per se*).
[12] KORUS, *supra* note 7, FN5.

TRADEMARKS – IDENTICAL/SIMILAR SIGNS AND IDENTICAL/SIMILAR/RELATED GOODS OR SERVICES.

Relevant TPP Provision

- **Art. 2.4** – Each Party shall provide that the owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs, including geographical indications, for goods or services that are related to those goods or services in respect of which the owner's trademark is registered, where such use would result in a likelihood of confusion. In the case of the use of an identical sign, including a geographical indication, for identical goods or services, a likelihood of confusion shall be presumed.

Analysis

TPP art. 2.4 closely mimics but expands the standards in TRIPS art. 16.1[13] and KORUS art. 18.2.4.[14] Unlike TRIPS art. 16.1, which prohibits the use of identical or similar signs for identical or similar goods or services, KORUS art. 18.2.4 prohibits the use of identical or similar signs **at least** for identical or similar goods or services in respect of which the owner's trademark is registered. TPP art. 2.4 goes beyond KORUS art. 18.2.4 by prohibiting the use of identical or similar signs for goods and services that are **related to** those goods or services in respect of which the owner's trademark is registered. "Related to" is a much broader standard than "identical or similar to" and may be interpreted much more flexibly thereby leading to a flood of frivolous infringement claims against parties in the trade of "related goods or services". Additionally, unlike TRIPS but similar to KORUS, TPP also includes GIs within the purview of this provision.

[13] TRIPS, *supra* note 5, art. 16.1 (stating that "[t]he owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed."

[14] KORUS, *supra* note 7, art. 18.2 4 (providing that "owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs, including geographical indications, at least for goods or services that are identical or similar to those goods or services in respect of which the owner's trademark is registered, where such use would result in a likelihood of confusion. In the case of the use of an identical sign, including a geographical indication, for identical goods or services, a likelihood of confusion shall be presumed."

TRADEMARKS – WELL-KNOWN MARKS & "USE IN COMMERCE" STANDARD

Relevant TPP Provisions

- **Art. 2.6** – No Party may require as a condition for determining that a mark is a well-known mark that the mark has been registered in the Party or in another jurisdiction. Additionally, no Party may deny remedies or relief with respect to well-known marks based solely on the lack of:
    a. a registration;
    b. inclusion on a list of well-known marks; or
    c. prior recognition of the mark as well-known.

- **Art. 2.7** – Article 6*bis* of the *Paris Convention . . .* shall apply, *mutatis mutandis*, to goods or services that are not identical or similar to those identified by a well-known trademark, whether registered or not, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the trademark, and provided that the interests of the owner of the trademark are likely to be damaged by such use.

- **FN 5** – For purposes of determining whether a mark is well-known, no Party shall require that the reputation of the trademark extend beyond the sector of the public that normally deals with the relevant goods or services.

Analysis

TPP art. 2.6 is identical to KORUS art. 18.2.6 and is an attempt to export the "use in commerce" standard of trademark protection by explicitly prohibiting the requirement of registration for protection. The "use in commerce" standard in § 1 of the Lanham Act provides the fundamental basis for trademark protection in the United States[15], unlike in other jurisdictions where registration is a condition precedent for trademark protection.[16] Furthermore, TPP art. 2.7 continues to expand the "use in commerce" standard by mimicking but altering TRIPS art. 16.3[17] by mandating the application of art. 6*bis* of the Paris

[15] Lanham Act, 15 U.S. C. § 1051; *see also All About Trademarks*, **USPTO**, http://www.uspto.gov/smallbusiness/trademarks/registering.html (explaining the required steps for trademark protection in the United States).
[16] *Trademark Protection in France*, **EuriMark,** http://www.eurimark.com/index.php/de/nationales-recht/45-france/135-french-trademarks (explaining that "[u]se of a Trademark in France does not confer any rights without a trademark registration to support it").
[17] TRIPS, *supra* note 5, art. 16.3 (providing that "Article 6*bis* of the Paris Convention (1967) shall apply, *mutatis mutandis*, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use").

Convention, regardless of whether the mark is registered or not. Additionally, art. 2.6(c) is concerning because it provides the basis for remedies or relief for alleged 'well-known marks' even though the mark may not have been recognized as well-known. Art. 2.6(c), in other words, could provide a "well-known mark protection" for non-well-known marks. In defining a "well-known mark", TPP FN 5 twists the language of TRIPS art. 16.2[18], which requires but does not limit the analysis to the consideration of "the knowledge of the trademark in the relevant sector of the public", by mandating that parties shall only require that the reputation of the well-known mark extend to the "sector of the public that normally deals with the relevant goods or services".

[18] TRIPS, *supra* note 5, art. 16.2. (explaining that "[i]n determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public").

GEOGRAPHICAL INDICATIONS – REFUSING PROTECTION OR RECOGNITION OF GI

Relevant TPP Provision

- **Art. 2.15** -
  (a) Each Party shall provide that the grounds for refusing protection or recognition of a geographical indication and for allowing opposition to, and cancellation of, a geographical indication shall include the following:
    (i) the geographical indication is likely to cause confusion with a trademark or geographical indication that is the subject of a good faith pending application or registration in the territory of such Party and that has a priority date that predates the protection or recognition of the later geographical indication in such territory;
    (ii) the geographical indication is likely to cause confusion with a trademark or geographical indication, the rights to which have been acquired in the territory of the Party through use in good faith, that has a priority date that predates the protection or recognition of the later geographical indication in such territory;
    (iii) the geographical indication is likely to cause confusion with a trademark or geographical indication that has become well known in the territory of the Party and that has a priority date that predates the protection or recognition of the later geographical indication in such territory; and
    (iv) the geographical indication is a generic term for the goods or services associated with the geographical indication in the Party's territory;
  (b) For purposes of this section, the date of protection of the geographical indication in a territory of a Party shall be:
  (i) in the case of protection or recognition provided as a result of an application or petition, the date of such application or petition was filed; and
  (ii) in the case of protection or recognition provided through other means, the date of protection or recognition specified under the Party's laws.

Analysis

TRIPS art. 22 prohibits the unauthorized use of GI to avoid "mislead[ing] the public as to the true place of origin".[19] TPP goes beyond TRIPS in many ways. First, TPP art. 2.15 prohibits use of GI that is "likely to cause confusion with a trademark or geographical indication". Accordingly, TPP alters the fundamental focus of GI protection from the protection of goods from a specific place of origin to the protection of goods with specific trademark or geographical indication. Read in conjunction with TPP FN 4[20], which leaves open the definition of "originating" in the context of GIs, TPP seems to treat GIs more

[19] TRIPS, *supra* note 5, art. 22.
[20] *See supra GEOGRAPHICAL INDICATIONS – DEFINITION.*

like trademarks. Also, considering that GI recognition or protection may be refused on the basis of likelihood of confusion with a trademark, TPP's protection of GI seems hard to distinguish from protection of trademarks.

Additionally, TPP art. 2.15(a)(ii) continues to export the U.S.'s "use in commerce" standard by extending protection to registered GIs as well as GIs which have acquired rights through "use in good faith". Furthermore, TPP art. 2.15(b)(ii), leaves open the possibility that "use in commerce" may also be sufficient to provide for a date of protection or recognition.

Finally, TPP art. 2.15(a)(iv) recognizes that generic terms should not be protected as GIs. However, TPP art. 2.18 notes that "a term is generic if it is the term customary in common language as the common name for the goods or services associated with the trademark or geographical indication".[21] This definition closely follows the definition of "generic" under TRIPS art. 24.6.[22] However, unlike the definition under TRIPS, which focuses on the generic-nature of the indicator in the territory of the Member, the definition under TPP omits the phrase "in the territory of the Member". Therefore, TPP leaves open the possibility that a term may be generic in the territory of a 3rd party member while it's not generic in the territory of the GI's origin. Furthermore, TPP FN 7 notes that "[n]o Party shall preclude the possibility that a term that it recognized as a trademark or geographical indication may not, at a time following that designation, become a generic designation for the associated goods or services."[23]

[21] TPP, *supra* note 1.
[22] TRIPS, *supra* note 5 (defining generic as "the term customary in common language as the common name for such goods or services in the territory of that Member").
[23] TPP, *supra* note 1, FN 7.

GEOGRAPHICAL INDICATIONS – GI USE FOR G/S NOT FROM THE TRUE PLACE OF ORIGIN

Relevant TPP Provision

- **Art. 2.22** – Each Party shall permit the use, and as appropriate, shall provide for the registration, of signs or indications that identify services or products other than wines or spirits, and that reference a geographical area that is not the true place of origin of the services or of the product, provided that:
    a. the sign or indication is used in a manner that does not mislead the public as to the geographical origin of the goods or services;
    b. use of the sign or indication does not constitute an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (1967);
    c. use of the sign or indication would not cause a likelihood of confusion with respect to an earlier-in-time similar or identical trademark or geographical indication that is used for identical or similar goods or services; and
    d. where a request for registration is concerned, the sign or indication is not a generic term for the associated goods or services.

Analysis

This provision seems counterintuitive as it requires permitting the use or registration of signs or indications that reference a geographical area even though it is not the true place or origin of the goods or services. This seems to conflict directly with the fundamental purpose of GIs. However, the text of TPP art. 2.22 provides important limitations that resemble TRIPS arts. 22.2[24] and 23.1.[25] First, TPP art. 2.22 prohibits the use and registration of wines or spirits that reference a geographical area that is not the true place of origin. This limitation reflects and is consistent with TRIPS art. 23.1 which provides additional protection for wines and spirits.

[24] TRIPS, *supra* note 5, art. 22(2) (providing that "In respect of geographical indications, Members shall provide the legal means for interested parties to prevent: (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good; (b) any use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (1967)").

[25] *Id.* at art. 23.1 (stating that " Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind", "type", "style", "imitation" or the like").

Next, TPP art. 2.22(a) closely follows TRIPS art. 22.2(a) and TPP art. 2.22(b) follows TRIPS art. 22.2(b). However, this is where the similarities end. TPP art. 2.22(c) reflects the extension of the "likelihood of confusion" standard of trademark protection to the protection of GIs.[26] Finally, TPP art. 2.22(d) simply prevents the registration of generic terms. However, given the definition of "generic" under TPP art. 2.18 and how it leaves open the possibility that a term may be generic in the territory of a 3rd party member while it's not generic in the territory of the GI's origin, this provision may be of concern. Nonetheless, TPP art. 2.22 seems consistent with TRIPS overall.

[26] *See infra* discussion on TPP art. 2.15.

COPYRIGHT & RELATED RIGHTS – EXCLUSIVE REPRODUCTION RIGHTS

Relevant TPP Provision

- **Art. 4.1** – Each Party shall provide that authors, performers, and producers of phonograms8 have the right9 to authorize or prohibit all reproductions of their works, performances, and phonograms,10 in any manner or form, permanent or temporary (including temporary storage in electronic form).
- **FN 8** – References to "authors, performers, and producers of phonograms" refer also to any successors in interest.

Analysis

This provision is identical to KORUS art. 18.4.1 and resembles the exclusive rights provided under the U.S. Copyright Act § 106(1)[27]. Whereas § 106(1) refers to owner of copyright, TPP art. 4.1 specifically refers to "authors, performers, and producers of phonograms". However, TPP FN 8 clarifies that "authors, performers, and producers of phonograms" refer to any successors in interests and therefore, may apply to "owner of copyright" in general.

Next, whereas TPP art. 4.1 grants exclusive right to "prohibit all reproduction . . . in any manner or form, permanent or temporary (including temporary storage in electronic form)" § 106(1) simply prohibits reproduction of the "copyrighted works in copies or phonorecords". The addition of "in any manner or form" in TPP alters the scope of what may be considered as a "copy" of a copyrighted work. Furthermore, by prohibiting unauthorized reproduction, "permanent or temporary including temporary storage in electronic form", TPP leaves open the definition of a "copy". Copyright Act § 101 provides that in order to be a "copy", a work must be "fixed" and must be able to be "perceived, reproduced, or otherwise communicated".[28] § 101 further provides that in order for a work to be "fixed", it must be

[27] 17 U.S.C. § 106 (2002) (stating that "owner of copyright under this title has the exclusive rights to . . . reproduce the copyrighted work in copies or phonorecords").

[28] *Id*. at § 101 (defining that "[c]opies" are material objects, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term "copies" includes the material object, other than a phonorecord, in which the work is first fixed").

"sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than ***transitory duration***."[29] TPP art. 4.1, however, does not define "copy", nor does it specify how long a work must be "fixed" to be a "copy", permanent or temporary.

[29] *Id.* (emphasis added); *see also* Cartoon Network LP, LLLP v. CSC Holdings, Inc., 536 F.3d 121 (2d Cir. 2008) (holding that 1.2 seconds are not 'more than transitory duration' and therefore insufficient for a work to be 'fixed').

COPYRIGHT & RELATED RIGHTS – TERMS OF PROTECTION

Relevant TPP Provision

- **Art. 4.5** – Each Party shall provide that, where the term of protection of a work (including a photographic work), performance, or phonogram is to be calculated:
  a. on the basis of the life of a natural person, the term shall be not less than the life of the author and 70 years after the author's death; and
  b. on a basis other than the life of a natural person, the term shall be:
     i. not less than 95 years from the end of the calendar year of the first authorized publication of the work, performance, or phonogram, or
     ii. failing such authorized publication within 25 years from the creation of the work, performance, or phonogram, not less than 120 years from the end of the calendar year of the creation of the work, performance, or phonogram.

Analysis

TPP art. 4.5 resembles U.S. Copyright Act § 302.[30] TPP art. 4.5(a) mirrors §§ 302(a)-(b) which state that "[c]opyright in a work created on or after January 1, 1978, subsists from its creation and, except as otherwise provided by the following subsections, endures for a term consisting of the life of the author and 70 years after the author's death"[31] and that a "[c]opyright in a work created before January 1, 1978, but not theretofore in the public domain or copyrighted, subsists from January 1, 1978, and endures for the term provided by section 302."[32] Although the "life of the author and 70 years after the author's death" standard of TPP art. 4.5 is consistent with §§ 302(a)-(b), the former sets the specified terms as the minimum level of protection whereas the latter sets them as the standard.

Next, TPP art. 4.5(b) mimic but alters § 302(e) which provide the presumption as to the author's death and states that "[a]fter a period of 95 years from the year of first publication of a work, or a period of 120 years from the year of its creation, whichever expires first, any person who obtains from the Copyright Office a certified report that the records . . . disclose nothing to indicate that the author of

[30] 17 U.S.C. § 302 (2002) (specifying the duration of copyright for works created on or after 1/1/78).
[31] *Id.* at § 302(a).
[32] *Id*. at § 303(a).

the work is living, or died less than 70 years before, is entitled to the benefit of a presumption that the author has been dead for at least 70 years."[33] In addition to what is provided under § 302(e), TPP art. 4.5(b)(ii) further concerns cases of failing to publish within 25 years from the creation of the work. On a different note, TPP art. 2.5 is almost identical to KORUS art. 18.4.4. However, while TPP art. 4.5(b)(i) specifies the terms to be not less than 95 years from the end of the calendar year of the first authorized publication", KORUS provides that it shall not be less than 70 years. Otherwise, the two provisions are identical.

[33] *Id.* at § 302(e).

COPYRIGHT & RELATED RIGHTS – TECHNOLOGICAL PROTECTION MEASURES

Relevant TPP Provision

- **Art. 4.9(a)** –
    a. In order to provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures that authors, performers, and producers of phonograms use in connection with the exercise of their rights and that restrict unauthorized acts in respect of their works, performances, and phonograms, each Party shall provide that any person who:

i. circumvents without authority any effective technological measure that controls access to a protected work, performance, phonogram, or other subject matter; or

ii. (ii) manufactures, imports, distributes, offers to the public, provides, or otherwise traffics in devices, products, or components, or offers to the public or provides services, that:

A. are promoted, advertised, or marketed by that person, or by another person acting in concert with that person and with that person's knowledge, for the purpose of circumvention of any effective technological measure,

B. have only a limited commercially significant purpose or use other than to circumvent any effective technological measure, or

C. are primarily designed, produced, or performed for the purpose of enabling or facilitating the circumvention of any effective technological measure,

shall be liable and subject to the remedies set out in Article [12.12]. Each Party shall provide for criminal procedures and penalties to be applied when any person, other than a nonprofit library, archive, educational institution, or public noncommercial broadcasting entity, is found to have engaged willfully and for purposes of commercial advantage or private financial gain in any of the foregoing activities. Such criminal procedures and penalties shall include the application to such activities of the remedies and authorities listed in subparagraphs (a), (b), and (f) of Article [15.5] as applicable to infringements, *mutatis mutandis*. 12

Analysis

TPP art. 4.9 closely resembles various provisions found in the Anti-Counterfeiting Trade Agreement (ACTA), KORUS, and the Digital Millennium Copyright Act (DMCA). TPP art. 4.9 is identical to KORUS art. 18.4.7 with the exception of one difference – while KORUS art. 18.4.7(a)(i) requires "knowingly or having reasonable grounds to know", TPP art. 4.9(a)(i) does not have the same

requirement. This also goes beyond the relevant language in ACTA. (*see infra* discussion about TPP art. 4.9(a)(i)). TPP art. 4.9(a) is identical to ACTA art. 27.5.[34]

TPP art. 4.9(a)(ii) closely resembles DMCA § 1201(a)(1)(A)[35] and ACTA art. 27.6(a)(i)[36]. However, unlike DMCA or ACTA, TPP art. 4.9 applies to "any" effective technological measure and specifically enumerates the protected subject matter to include "work, performance, phonogram, or other subject matter". Furthermore, unlike under ACTA art. 27.6(a)(i), under TPP, circumvention does not have to be carried out knowingly or with reasonable grounds to know that it will result in infringing activity. Next, TPP art. 4.9(a)(ii) mirrors DMCA § 1201(a)(2)[37] but unlike the latter, the former omits the word "technology". TPP art. 4.9(a)(ii)(A) follows DMCA § 1201(a)(2)(C)[38] but adds "promoted, advertised" in addition to "marketed". This also goes beyond ACTA art. 27.6(a)(ii)[39] which only covers offering to the public. Additionally, unlike "use in circumventing" in DMCA § 1201(a)(2)(C) and "as means of circumventing" in ACTA art. 27.6(a)(ii), TPP art. 4.9(a)(ii)(A) alters the standard to "for the purpose of circumvention of any effective technological measure." TPP art. 4.9(a)(ii)(B) follows DMCA § 1201(a)(2)(B)[40] and ACTA art. 27.6(b)(ii)[41]. However, unlike DMCA or ACTA, TPP applies to circumvention

[34] Anti-Counterfeiting Trade Agreement, art. 27.5, Dec. 3, 2010 [hereinafter ACTA], *available at* http://www.dfat.gov.au/trade/acta/Final-ACTA-text-following-legal-verification.pdf
[35] 17 U.S.C. § 1201(a)(1)(A) (stating that "[n]o person shall circumvent a technological measure that effectively controls access to a work protected under this title. The prohibition contained in the preceding sentence shall take effect at the end of the 2-year period beginning on the date of the enactment of this chapter").
[36] ACTA, *supra* note 34, art. 27.6(a)(i) (prohibiting "the unauthorized circumvention of an effective technological measure carried out knowingly or with reasonable grounds to know").
[37] § 1201(a)(2) (mandating that regarding circumvention, "no person shall manufacture, import, offer to the public, provide, or otherwise traffic in any technology, product, service, device, component, or part thereof, that").
[38] § 1201(a)(2)(C) (prohibiting product, service, device, component, or part thereof that "is marketed by that person or another acting in concert with that person with that person's knowledge for use in circumventing a technological measure that effectively controls access to a work protected under this title").
[39] ACTA, *supra* note 34, art. 27.6(a)(ii) (prohibiting "the offering to the public by marketing of a device or product, including computer programs, or a service, as a means of circumventing an effective technological measure").
[40] § 1201(a)(2)(B) ("has only limited commercially significant purpose or use other than to circumvent a technological measure that effectively controls access to a work protected under this title"
[41] ACTA, *supra* note 34, art. 27.6(b)(ii) ("has only a limited commercially significant purpose other than circumventing an effective technological measure).

of "any" effective technological measure. Finally, TPP art. 4.9(a)(ii)(C) follows DMCA § 1201(a)(2)(A)[42] but adds "enabling or facilitating" thereby extending the scope of this section beyond technology that is primarily designed, produced, or performed for the purpose of circumvention. This also goes beyond ACTA art. 27.6(b)(i) which is identical to § 1201(a)(2)(A).

The bottom paragraph of TPP art. 4.9 also resembles DMCA and ACTA as all of the texts provide remedies and damages for infringement. Additional, similar to DMCA § 1204, TPP mandates criminal procedures and penalties for infringers who have infringed "willfully and for purposes of commercial advantage or private financial gain." Finally, the exception for "a nonprofit library, archive, education institution, or public noncommercial broadcasting entity" mirrors the exception in DMCA § 1201(d)(1) but adds "public noncommercial broadcasting entity".

[42] § 1201(a)(2)(A) ("is primarily designed or produced for the purpose of circumventing a technological measure that effectively controls access to a work protected under this title").

COPYRIGHT & RELATED RIGHTS – EXCEPTIONS AND LIMITATIONS

Relevant TPP Provision

- **Art. 4.9(d)** – Each Party shall confine exceptions and limitations to measures implementing subparagraph (a) to the following activities, which shall be applied to relevant measures in accordance with subparagraph (e):
  i. noninfringing reverse engineering activities with regard to a lawfully obtained copy of a computer program, carried out in good faith with respect to particular elements of that computer program that have not been readily available to the person engaged in those activities, for the sole purpose of achieving interoperability of an independently created computer program with other programs;
  ii. noninfringing good faith activities, carried out by an appropriately qualified researcher who has lawfully obtained a copy, unfixed performance, or display of a work, performance, or phonogram and who has made a good faith effort to obtain authorization for such activities, to the extent necessary for the sole purpose of research consisting of identifying and analyzing flaws and vulnerabilities of technologies for scrambling and descrambling of information;
  iii. the inclusion of a component or part for the sole purpose of preventing the access of minors to inappropriate online content in a technology, product, service, or device that itself is not prohibited under the measures implementing subparagraph (a)(ii);
  iv. noninfringing good faith activities that are authorized by the owner of a computer, computer system, or computer network for the sole purpose of testing, investigating, or correcting the security of that computer, computer system, or computer network;
  v. noninfringing activities for the sole purpose of identifying and disabling a capability to carry out undisclosed collection or dissemination of personally identifying information reflecting the online activities of a natural person in a way that has no other effect on the ability of any person to gain access to any work.
  vi. lawfully authorized activities carried out by government employees, agents, or contractors for the purpose of law enforcement, intelligence, essential security, or similar governmental purposes;
  vii. access by a nonprofit library, archive, or educational institution to a work, performance, or phonogram not otherwise available to it, for the sole purpose of making acquisition decisions; and
  viii. (viii) noninfringing uses of a work, performance, or phonogram in a particular class of works, performances, or phonograms when an actual or likely adverse impact on those noninfringing uses is demonstrated in a legislative or administrative proceeding by substantial evidence; provided that any limitation or exception adopted in reliance upon this clause shall have effect for a renewable period of not more than three years from the date of conclusion of such proceeding.

Analysis

TPP art. 4.9(d) directly reflects the various exceptions and limitations in DMCA § 1201. TPP art. 4.9(d)(i) is identical to the "Reverse Engineering" exception in DMCA § 1201(f). Next, TPP art. 4.9(d)(ii) is

identical to the "Encryption Research" exception in DMCA § 1201(g). Third, TPP art. 4.9(d)(iii) is identical to the "Protection of Minors" exception in DMCA § 1201(h). Fourth, TPP art. 4.9(d)(iv) is identical to the "Security Testing" exception in DMCA § 1201(j). Next, TPP art. 4.9(d)(v) is identical to the "Protection of Personally Identify Information" limitation in DMCA § 1201(i). Sixth, TPP art. 4.9(d)(vi) is identical to the "Government Activities" exception in DMCA § 1201(e). Next, TPP art. 4.9(d)(vii) is identical to the "Library Exception" in DMCA § 1201(d)(1).

COPYRIGHT & RELATED RIGHTS – RIGHTS MANAGEMENT INFORMATION

Relevant TPP Provision

- **Art. 4.10** – In order to provide adequate and effective legal remedies to protect rights management information:
  a. each Party shall provide that any person who without authority, and knowing, or, with respect to civil remedies, having reasonable grounds to know, that it would induce, enable, facilitate, or conceal an infringement of any copyright or related right,
     i. knowingly removes or alters any rights management information;
     ii. distributes or imports for distribution rights management information knowing that the rights management information has been removed or altered without authority; or
     iii. distributes, imports for distribution, broadcasts, communicates or makes available to the public copies of works, performances, or phonograms, knowing that rights management information has been removed or altered without authority,

     shall be liable and subject to the remedies set out in Article [12.12 Each Party shall provide for criminal procedures and penalties to be applied when any person, other than a nonprofit library, archive, educational institution, or public noncommercial broadcasting entity, is found to have engaged willfully and for purposes of commercial advantage or private financial gain in any of the foregoing activities. Such criminal procedures and penalties shall include the application to such activities of the remedies and authorities listed in subparagraphs (a), (b) and (f) of Article [15.5] as applicable to infringements, *mutatis mutandis*.
  b. each Party shall confine exceptions and limitations to measures implementing subparagraph (a) to lawfully authorized activities carried out by government employees, agents, or contractors for the purpose of law enforcement, intelligence, essential security, or similar governmental purposes.
  c. **Rights management information** means:
     i. information that identifies a work, performance, or phonogram; the author of the work, the performer of the performance, or the producer of the phonogram; or the owner of any right in the work, performance, or phonogram;
     ii. information about the terms and conditions of the use of the work, performance, or phonogram; or
     iii. any numbers or codes that represent such information, when any of these items is attached to a copy of the work, performance, or phonogram or appears in connection with the communication or making available of a work, performance or phonogram, to the public.
  d. For greater certainty, nothing in this paragraph shall obligate a Party to require the owner of any right in the work, performance, or phonogram to attach rights management information to copies of the work, performance, or phonogram, or to cause rights management information to appear in connection with a communication of the work, performance, or phonogram to the public.

Analysis

TPP art. 4.10 is a combination of various provisions in KORUS, ACTA, and DMCA. First, TPP art. 4.10(a) is identical to KORUS art. 18.4.8(a). Although worded differently, it is also substantively identical to ACTA art. 27.7. DMCA § 1202, however, only refers to "knowing and intentional" infringements. TPP art. 4.10(a)(i) is identical to ACTA art. 27.7(a) and same as DMCA § 1202(b)(1). Similarly, TPP art. 4.10(a)(ii) is identical to DMCA § 1202(b)(2). Next, TPP art. 4.10(a)(iii) is identical to ACTA art. 27.7(b) and similar to DMCA § 1202(b)(3)[43]. However, while § 1202(b)(3) prohibits a person from "distribut[ing], import[ing] for distribution, or publicly perform[ing]", TPP goes beyond DMCA by also prohibiting (in addition to the acts enumerated in § 1202(b)(3)), a person from broadcasting, communicating or making available to the public. Finally, the bottom paragraph of TPP art. 4.10(a) consists of a combination of the civil remedies of DMCA § 1203 and the criminal procedures of DMCA § 1204.

Next, the exceptions and limitations in TPP art. 4.10(b) is substantively the same as KORUS art. 18.4.8(b) and DMCA § 1202(d). Additionally, the definition of "Rights Management Information" under TPP art. 4.10(c) is identical to KORUS art. 18.4.8(c) and is similar to DMCA §§ 1202(c)(1)-(3), (6), (7). However, the definition under TPP art. 4.10(c) specifically omits DMCA §§ 1202(c)(4),(5).[44] Lastly, TPP art. 4.10(d) is identical to KORUS art. 18.4.8(d).

[43] 17 U.S.C. § 1202(b)(3) ("distribute, import for distribution, or publicly perform works, copies of works, or phonorecords, knowing that copyright management information has been removed or altered without authority of the copyright owner or the law").

[44] ("(4) With the exception of public performances of works by radio and television broadcast stations, the name of, and other identifying information about, a performer whose performance is fixed in a work other than an audiovisual work. (5) With the exception of public performances of works by radio and television broadcast stations, in the case of an audiovisual work, the name of, and other identifying information about, a writer, performer, or director who is credited in the audiovisual work").

RELATED RIGHTS

Relevant TPP Provision

- **Art. 6 –**

1. Each Party shall accord the rights provided for in this Chapter with respect to performers and producers of phonograms to the performers and producers of phonograms who are nationals of another Party and to performances or phonograms first published or first fixed in the territory of another Party. A performance or phonogram shall be considered first published in the territory of a Party in which it is published within 30 days of its original publication.

2. Each Party shall provide to performers the right to authorize or prohibit:
    a. broadcasting and communication to the public of their unfixed performances, except where the performance is already a broadcast performance; and
    b. fixation of their unfixed performances.
3.
    a. Each Party shall provide to performers and producers of phonograms the right to authorize or prohibit the broadcasting and any communication to the public of their performances or phonograms, by wire or wireless means, including the making available to the public of those performances and phonograms in such a way that members of the public may access them from a place and at a time individually chosen by them.
    b. Notwithstanding subparagraph (a) and Article [4.8][*exceptions and limitations*], the application of this right to analog transmissions and non-interactive, free over-the-air broadcasts, and exceptions or limitations to this right for such activity, shall be a matter of each Party's law.

    c. Each Party may adopt limitations to this right in respect of other noninteractive transmissions in accordance with Article [4.8] [*exceptions and limitations*], provided that the limitations do not prejudice the right of the performer or producer of phonograms to obtain equitable remuneration.
4. No Party may subject the enjoyment and exercise of the rights of performers and producers of phonograms provided for in this Chapter to any formality.
5. For purposes of this Article and Article 4, the following definitions apply with respect to performers and producers of phonograms:
    (a) **broadcasting** means the transmission to the public by wireless means or satellite of sounds or sounds and images, or representations thereof, including wireless transmission of encrypted signals where the means for decrypting are provided to the public by the broadcasting organization or with its consent; "broadcasting" does not include transmissions over computer networks or any transmissions where the time and place of reception may be individually chosen by members of the public.

Analysis

TPP art. 6 incorporates various provisions from the WIPO Performances and Phonograms Treaty (WPPT)[45] and KORUS. First, TPP art. 6.1 closely resembles KORUS art. 18.6.1 but adds the last sentence, "[a] performance or phonogram shall be considered first published in the territory of a Party in which it is published within 30 days of its original publication." Second, TPP art. 6.2 is identical to WPPT art. 6 and KORUS art. 18.6.2. Next, TPP art. 6.3 is identical to KORUS art. 18.6.3 and closely follows WPPT art. 10 but adds "producers of phonograms" in addition to performers. Next, TPP art. 6.4 is identical to KORUS art. 18.6.4 and WPPT art. 20. Finally, the definitions section under TPP art. 6.5 is identical to KORUS art. 18.6.5 and is almost identical to WPPT art. 2. TPP art. 6.5, however, alters the definition of "broadcasting" by adding that it does not include transmissions over computer networks or any transmission where the time and place of reception may be individually chosen by members of the public. (Like Netflix, Hulu).

[45] World Intellectual Property Organization Performances and Phonograms Treaty, adopted by Diplomatic Conference at Geneva, Dec. 20, 1996, 36 I.L.M. 76 [WPPT].

PATENTS – PATENTABILITY

Relevant TPP Provisions

- **Art. 8.1** – 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.15 In addition, the Parties confirm that: patents shall be available for any new forms, uses, or methods of using a known product; and a new form, use, or method of using a known product may satisfy the criteria for patentability, even if such invention does not result in the enhancement of the known efficacy of that product.

- **FN 15** - 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. In determinations regarding inventive step (or non- obviousness), each Party shall consider whether the claimed invention would have been obvious to a skilled artisan (or a person having ordinary skill in the art) at the priority date of the claimed invention.

Analysis

Art. 8.1 closely mirrors KORUS art. 18.8.1. However, TPP further adds that in addition to any new uses or methods of using a known product, "any new forms, uses, or methods of using a known product; and a new form, use, or method of using a known product may satisfy the criteria for patentability, even if such invention does not result in the enhancement of the known efficacy of that product". Therefore, TPP significantly lowers the standard of patentability for "new forms, uses, or methods of using a known product."

Additionally, FN 15 combines the patentability standards of the U.S. and the E.U. by nothing that the terms "inventive step" and "capable of industrial application" are synonymous with "non-obvious" and "useful", respectively. (non-obvious and useful being U.S. standards). FN 15 is consistent and almost identical with TRIPS FN 5.[46]

[46] TRIPS, *supra* note 5, FN 5 ("For the purposes of this Article, the terms "inventive step" and "capable of industrial application" may be deemed by a Member to be synonymous with the terms "non-obvious" and "useful" respectively").

PATENTS – SCOPE OF PATENTABLE SUBJECT MATTER

Relevant TPP Provision

- **Art. 8.2** – Each Party shall make patents available for inventions for the following:
    a. plants and animals, and
    b. diagnostic, therapeutic, and surgical methods for the treatment of humans or animals.

Analysis

TPP art. 8.2 clashes directly with TRIPS art. 27.3 which provides that "*[m]embers may also exclude from patentability:* (a) diagnostic, therapeutic and surgical methods for the treatment of humans or animals; (b) plants and animals other than micro-organisms, and essentially biological processes for the production of plants or animals other than non-biological and microbiological processes."[47] TPP art. 8.2, however, **requires** that *"each party shall make patents available for* . . . (a) plants and animals, and; (b) diagnostic, therapeutic, and surgical methods for the treatment of humans or animals". If a TPP member country had previously chosen to exclude (a) and (b) from patentability, now the member country **must** make patents available for them.

TPP art. 8.2 closely follows KORUS art. 18.8.2, which provides two instances where a party may exclude a subject matter from patentability. 18.8.2(b) notes that a party may exclude, "diagnostic, therapeutic, and surgical procedures for the treatment of humans or animals". KORUS goes beyond TRIPS art. 27.3 by not allowing exclusion of plants and animals from patentability. However, TPP is even more TRIPS-plus than KORUS since it prevents the exclusion of "diagnostic, therapeutic, and surgical procedures for the treatment of humans or animals."

[47] TRIPS, *supra* note 5, art. 27.3 (emphasis added).

CIVIL & ADMINISTRATIVE PROCEDURES AND REMEDIES - INJUNCTIONS

Relevant TPP Provision

- **Art. 12.2** - Each Party shall provide for injunctive relief consistent with Article 44 of the TRIPS Agreement, and shall also make injunctions available to prevent the exportation of infringing goods.

Analysis

This provision is equivalent to ACTA art. 8.1.[48] However, unlike ACTA, TPP art. 12.2 narrows the scope of injunctions by providing that injunctive relief has to be consistent with art. 44 of TRIPS.[49] Also unlike ACTA, the injunctive relief does not extend to third parties. Overall, the injunction section in TPP seems to be watered down from the version in ACTA.

[48] ACTA, *supra* note 34, art. 8.1 ("Each Party shall provide that, in civil judicial proceedings concerning the enforcement of intellectual property rights, its judicial authorities have the authority to issue an order against a party to desist from an infringement, and inter alia, an order to that party or, where appropriate, to a third party over whom the relevant judicial authority exercises jurisdiction, to prevent goods that involve the infringement of an intellectual property right from entering into the channels of commerce").

[49] ("1. The judicial authorities shall have the authority to order a party to desist from an infringement, *inter alia* to prevent the entry into the channels of commerce in their jurisdiction of imported goods that involve the infringement of an intellectual property right, immediately after customs clearance of such goods. Members are not obliged to accord such authority in respect of protected subject matter acquired or ordered by a person prior to knowing or having reasonable grounds to know that dealing in such subject matter would entail the infringement of an intellectual property right. 2. Notwithstanding the other provisions of this Part and provided that the provisions of Part II specifically addressing use by governments, or by third parties authorized by a government, without the authorization of the right holder are complied with, Members may limit the remedies available against such use to payment of remuneration in accordance with subparagraph (h) of Article 31. In other cases, the remedies under this Part shall apply or, where these remedies are inconsistent with a Member's law, declaratory judgments and adequate compensation shall be available").

CIVIL & ADMINISTRATIVE PROCEDURES AND REMEDIES – DAMAGES

Relevant TPP Provision

- **Art. 12.3** – Each Party shall provide that:
  a. in civil judicial proceedings, its judicial authorities shall have the authority to order the infringer to pay the right holder:
     i. damages adequate to compensate for the injury the right holder has suffered as a result of the infringement, and
     ii. at least in the case of copyright or related rights infringement and trademark counterfeiting, the profits of the infringer that are attributable to the infringement and that are not taken into account in computing the amount of the damages referred to in clause (i).
  b. in determining damages for infringement of intellectual property rights, its judicial authorities shall consider, *inter alia*, the value of the infringed good or service, measured by the suggested retail price or other legitimate measure of value submitted by the right holder.

Analysis

TPP art. 12.3 is equivalent to ACTA arts. 9.1[50] and 9.2[51]. However, unlike ACTA art. 9.1, TPP art. 12.3 does not require the infringer to "knowingly or with reasonable grounds to know, engage in infringing activity". Additionally, unlike ACTA art. 9.2, TPP art. 12.3 does not presume the infringer's profits to be the amount of damages suffered as the result of infringement. Instead, TPP separates the compensatory damages for the injury caused by the infringement from the profits of the infringer that were not taken into account in computing the compensatory damages. Nonetheless, both TPP and ACTA art. 9.1 require the infringer to "pay damages adequate to compensate for the injury". In

[50] ACTA, *supra* note 34, art. 9.1 ("[e]ach Party shall provide that, in civil judicial proceedings concerning the enforcement of intellectual property rights, its judicial authorities have the authority to order the infringer who, knowingly or with reasonable grounds to know, engaged in infringing activity to pay the right holder damages adequate to compensate for the injury the right holder has suffered as a result of the infringement. In determining the amount of damages for infringement of intellectual property rights, a Party's judicial authorities shall have the authority to consider, *inter alia,* any legitimate measure of value the right holder submits, which may include lost profits, the value of the infringed goods or services measured by the market price, or the suggested retail price").
[51] *Id.* at art. 9.2 ("[a]t least in cases of copyright or related rights infringement and trademark counterfeiting, each Party shall provide that, in civil judicial proceedings, its judicial authorities have the authority to order the infringer to pay the right holder the infringer's profits that are attributable to the infringement. A Party may presume those profits to be the amount of damages referred to in paragraph 1").

determining damages, TPP art. 12.3 does not list lost profits or market prices as means of measurement. Nonetheless, both TPP and ACTA allow computation of damages by using any or other "legitimate measure of value" submitted by the right holder. TPP art. 12.3(a) is identical to KORUS art. 18.10.5(a) and TPP art. 12.3(b) closely follows KORUS art. 18.10.5(b). However, KORUS art. 18.10.5(b) also contains "market price" as a measure of damages.

CIVIL & ADMINISTRATIVE PROCEDURES AND REMEDIES – PRE-ESTABLISHED DAMAGES

Relevant TPP Provision

- **Art. 12.4** – In civil judicial proceedings, each Party shall, at least with respect to works, phonograms, and performances protected by copyright or related rights, and in cases of trademark counterfeiting, establish or maintain a system that provides for pre-established damages, which shall be available upon the election of the right holder. Pre-established damages shall be in an amount sufficiently high to constitute a deterrent to future infringements and to compensate fully the right holder for the harm caused by the infringement. In civil judicial proceedings concerning patent infringement, each Party shall provide that its judicial authorities shall have the authority to increase damages to an amount that is up to three times the amount of the injury found or assessed.

Analysis

Regarding pre-established damages, TPP heightens the level of enforcement beyond ACTA art. 9.3.[52] Although both TPP and ACTA require pre-established damages sufficient to compensate the right holder, TPP goes beyond by requiring the amount to be "sufficiently high to constitute a deterrent to future infringement." Additionally, unlike ACTA TPP provides that in patent infringement cases, the damages may be increased up to three times the amount found or assessed. If anything, this is an extremely dangerous provision that awards windfall disguised as damages designed to be deterrents against patent infringements. TPP art. 12.4 is almost identical to KORUS art. 18.10.6 except that TPP adds the last sentence about tripling damages for patent infringements.

[52] *Id*. at art. 9.3 ("At least with respect to infringement of copyright or related rights protecting works, phonograms, and performances, and in cases of trademark counterfeiting, each Party shall also establish or maintain a system that provides for one or more of the following: (a) pre-established damages; or (b) presumptions3 for determining the amount of damages sufficient to compensate the right holder for the harm caused by the infringement; or (c) at least for copyright, additional damages).

CIVIL & ADMINISTRATIVE PROCEDURES AND REMEDIES – REMEDIES

Relevant TPP Provision

- **Art. 12.7** – Each Party shall provide that in civil judicial proceedings:
    a. at the right holder's request, goods that have been found to be pirated or counterfeit shall be destroyed, except in exceptional circumstances;
    b. its judicial authorities shall have the authority to order that materials and implements that have been used in the manufacture or creation of such pirated or counterfeit goods be, without compensation of any sort, promptly destroyed or, in exceptional circumstances, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to minimize the risks of further infringements; and
    c. in regard to counterfeit trademarked goods, the simple removal of the trademark unlawfully affixed shall not be sufficient to permit the release of goods into the channels of commerce.

Analysis

TPP arts. 12.7(a), (b), and (c) are respectively equivalent to ACTA arts. 10.1[53], 10.2[54], and 20.2[55]. Although both TPP and ACTA require the destruction of pirated or counterfeit goods at the request of the right holder, unlike ACTA art. 10.1, TPP does not require the destruction of the goods be carried out without compensation of any sort. Also, unlike ACTA art. 10.2, TPP simply refers to materials and implements and does not require them to have been predominantly used in manufacture or creation of infringing goods. Additionally, TPP allows disposal of infringing goods outside the commerce as an alternative to the destruction of the goods ***only*** in cases of exceptional circumstances. Finally, in regards to counterfeit trademarked goods, unlike ACTA art. 20.2, TPP does not allow for an exception in

[53] *Id*. at art. 10.1 ("At least with respect to pirated copyright goods and counterfeit trademark goods, each Party shall provide that, in civil judicial proceedings, at the right holder's request, its judicial authorities have the authority to order that such infringing goods be destroyed, except in exceptional circumstances, without compensation of any sort").
[54] *Id*. at art. 10.2 ("Each Party shall further provide that its judicial authorities have the authority to order that materials and implements, the predominant use of which has been in the manufacture or creation of such infringing goods, be, without undue delay and without compensation of any sort, destroyed or disposed of outside the channels of commerce in such a manner as to minimize the risks of further infringements").
[55] *Id*. at art. 20.2("In regard to counterfeit trademark goods, the simple removal of the trademark unlawfully affixed shall not be sufficient, other than in exceptional cases, to permit release of the goods into the channels of commerce").

exceptional cases to allow the simple removal of the trademark to be sufficient to permit the release of the goods.

CIVIL & ADMINISTRATIVE PROCEDURES AND REMEDIES – INFORMATION RELATED TO INFRINGEMENT

Relevant TPP Provision

- **Art. 12.8** – Each Party shall provide that in civil judicial proceedings concerning the enforcement of intellectual property rights, its judicial authorities shall have the authority to order the infringer to provide any information that the infringer possesses or controls regarding any persons or entities involved in any aspect of the infringement and regarding the means of production or distribution channel of such goods or services, including the identification of third persons involved in the production and distribution of the infringing goods or services or in their channels of distribution, and to provide this information to the right holder.

Analysis

Although TPP art. 12.8 is equivalent to ACTA art. 11[56], the former provides for much higher level of enforcement than the latter. Unlike ACTA, TPP does not contain the safeguards providing that such access to information shall be without prejudice to privileges, protection of confidential information sources or processing of personal data. Furthermore, TPP does not require the access to such information to be conditional "upon a justified request of the right holder". Finally, TPP omits the word "alleged" and instead, simply refers to "infringement" and "infringer", thereby presuming guilt. Other than these differences, the language of TPP art. 12.8 closely follows the language of ACTA. TPP art. 12.8 is also almost identical to KORUS art. 18.10.10. However, TPP omits "for the purpose of collecting evidence" from this provision.

[56] *Id*. at art. 11 ("Without prejudice to its law governing privilege, the protection of confidentiality of information sources, or the processing of personal data, each Party shall provide that, in civil judicial proceedings concerning the enforcement of intellectual property rights, its judicial authorities have the authority, upon a justified request of the right holder, to order the infringer or, in the alternative, the alleged infringer, to provide to the right holder or to the judicial authorities, at least for the purpose of collecting evidence, relevant information as provided for in its applicable laws and regulations that the infringer or alleged infringer possesses or controls. Such information may include information regarding any person involved in any aspect of the infringement or alleged infringement and regarding the means of production or the channels of distribution of the infringing or allegedly infringing goods or services, including the identification of third persons alleged to be involved in the production and distribution of such goods or services and of their channels of distribution").

CIVIL & ADMINISTRATIVE PROCEDURES AND REMEDIES – ADDITIONAL PUNISHMENTS

Relevant TPP Provision

- **Art. 12.9** – Each Party shall provide that its judicial authorities have the authority to:
    a. fine or imprison, in appropriate cases, a party to a civil judicial proceeding who fails to abide by valid orders issued by such authorities; and
    b. impose sanctions on parties to a civil judicial proceeding their counsel, experts, or other persons subject to the court's jurisdiction, for violation of judicial orders regarding the protection of confidential information produced or exchanged in a proceeding.

Analysis

This extremely dangerous provision is identical to KORUS art. 18.10.11. This provision goes beyond the purview of intellectual property rights enforcement and reaches into the subject matter of contempt of court. For example, TPP art. 12.9(a) allows fines and imprisonment as means of punishing those who fail to abide by valid orders issued by judicial authorities. This provision does not belong in an agreement concerning intellectual property.

PROVISIONAL MEASURES – PROVISIONAL RELIEF *INAUDITA ALTERA PARTE*

Relevant TPP Provision

- **Art. 13.1** – Each Party shall act on requests for provisional relief *inaudita altera parte* expeditiously, shall, except in exceptional cases, generally execute such requests within ten days.

Analysis

TPP art. 13.1 is similar to ACTA art. 12.2[57] and KORUS art. 18.10.17[58]. However, unlike ACTA, TPP does not require showing that "delay is likely to cause irreparable harm . . . or where there is a demonstrable risk of evidence being destroyed" to adopt provisional measures *inaudita latera parte*. Additionally, unlike ACTA, TPP explicitly requires that such actions be executive within ten days, except in exceptional circumstances. This ten day limit is also not present in KORUS.

[57] *Id*. at art. 12.2 ("Each Party shall provide that its judicial authorities have the authority to adopt provisional measures *inaudita altera parte* where appropriate, in particular where any delay is likely to cause irreparable harm to the right holder, or where there is a demonstrable risk of evidence being destroyed. In proceedings conducted *inaudita altera parte*, each Party shall provide its judicial authorities with the authority to act expeditiously on requests for provisional measures and to make a decision without undue delay").

[58] KORUS, *supra* note 7, art. 18.10.17 ("Each Party shall act on requests for provisional measures *inaudita altera parte* expeditiously").

SPECIAL REQUIREMENT RELATED TO BORDER ENFORCEMENT – DEFINITIONS

Relevant TPP Provision

- **FN 20** – For purposes of Article 14:
    a. **counterfeit trademark goods** means any goods, including packaging, bearing without authorization a trademark that is identical to the trademark validly registered in respect of such goods, or that cannot be distinguished in its essential aspects from such a trademark, and that thereby infringes the rights of the owner of the trademark in question under the law of the country of importation; and
    b. **pirated copyright goods** means any goods that are copies made without the consent of the right holder or person duly authorized by the right holder in the country of production and that are made directly or indirectly from an article where the making of that copy would have constituted an infringement of a copyright or a related right under the law of the country of importation.

Analysis

TPP's definition of counterfeit trademark goods concern the infringement of the "rights of the owner of the trademark in question under **law of the country of importation**" while ACTA's definition concerns the rights of the owner under the **law of the country in which the procedures are invoked**.[59] Similarly, TPP's definition of pirated copyright goods concerns infringement of a copyright under the **law of the country of importation** while ACTA's definition concerns the **law of the country in which the procedures are invoked**.[60]

[59] ACTA, *supra* note 34, art. 5(d) ("**counterfeit trademark goods** means any goods, including packaging, bearing without authorization a trademark which is identical to the trademark validly registered in respect of such goods, or which cannot be distinguished in its essential aspects from such a trademark, and which thereby infringes the rights of the owner of the trademark in question under the law of the country in which the procedures set forth in Chapter II (Legal Framework for Enforcement of Intellectual Property Rights) are Invoked").
[60] *Id.* at art. 5(k) ("**pirated copyright goods** means any goods which are copies made without the consent of the right holder or person duly authorized by the right holder in the country of production and which are made directly or indirectly from an article where the making of that copy would have constituted an infringement of a copyright or a related right under the law of the country in which the procedures set forth in Chapter II (Legal Framework for Enforcement of Intellectual Property Rights) are invoked").

SPECIAL REQUIREMENT RELATED TO BORDER ENFORCEMENT – REMEDIES

Relevant TPP Provision

Art. 14.6 – Each Party shall provide that goods that have been determined by its competent authorities to be pirated or counterfeit shall be destroyed, except in exceptional circumstances. In regard to counterfeit trademark goods, the simple removal of the trademark unlawfully affixed shall not be sufficient to permit the release of the goods into the channels of commerce. In no event shall the competent authorities be authorized, except in exceptional circumstances, to permit the exportation of counterfeit or pirated goods or to permit such goods to be subject to other customs procedures.

Analysis

TPP art. 14.6 is equivalent to ACTA arts. 20.1 and 20.2.[61] Although both TPP and ACTA provide for an exception to destruction of the infringing goods as a form of remedy, TPP does not explicitly allow for disposal of such goods outside the channels of commerce. Additionally unlike ACTA, TPP further notes that, except in exceptional cases, in no event shall the counterfeit or pirated goods be permitted to be exported or be subject to other customs procedures.

[61] *Id.* at arts. 20.1, 20.2 ("Each Party shall provide that its competent authorities have the authority to order the destruction of goods following a determination referred to in Article 19 (Determination as to Infringement) that the goods are infringing. In cases where such goods are not destroyed, each Party shall ensure that, except in exceptional circumstances, such goods are disposed of outside the channels of commerce in such a manner as to avoid any harm to the right holder. 2. In regard to counterfeit trademark goods, the simple removal of the trademark unlawfully affixed shall not be sufficient, other than in exceptional cases, to permit release of the goods into the channels of commerce").

SPECIAL REQUIREMENT RELATED TO BORDER ENFORCEMENT – SMALL CONSIGNMENTS

Relevant TPP Provision

- **Art. 14.8** – A Party may exclude from the application of this Article (border measures), small quantities of goods of a non-commercial nature contained in traveler's personal luggage.

Analysis

TPP is essentially identical to ACTA art. 14[62] since it explicitly allows an exception only for "small quantities of goods of a non-commercial nature contained in traveler's personal luggage."

[62] *Id.* at art. 14 ("1. Each Party shall include in the application of this Section goods of a commercial nature sent in small consignments. 2. A Party may exclude from the application of this Section small quantities of goods of a non-commercial nature contained in travellers' personal luggage").

CRIMINAL ENFORCEMENT – OFFENCES

Relevant TPP Provision

- **Art. 15.2** – Each Party shall also provide for criminal procedures and penalties to be applied, even absent willful trademark counterfeiting or copyright or related rights piracy, at least in cases of knowing trafficking in:
    a. labels or packaging, of any type or nature, to which a counterfeit trademark has been applied, the use of which is likely to cause confusion, to cause mistake, or to deceive; and
    b. counterfeit or illicit labels affixed to, enclosing, or accompanying, or designed to be affixed to, enclose, or accompany the following:
        i. a phonogram,
        ii. a copy of a computer program or a literary work,
        iii. a copy of a motion picture or other audiovisual work,
        iv. documentation or packaging for such items; and
    c. counterfeit documentation or packaging for items of the type described in subparagraph (b).

Analysis

TPP art. 15.2 is similar to ACTA art. 23.2[63] as well as KORUS art. 18.10.28. However, unlike ACTA, TPP alters the standard for criminal procedures and penalties in cases of infringement of labels or packaging or any type or nature of the product from "wilful importation and domestic use, in the course of trade and on a commercial scale" to "knowing trafficking in". Second, unlike ACTA, TPP changes the threshold for infringement from authorized use of identical/undistinguishable trademark to a use of a trademark "which is likely to cause confusion, to cause mistake, or to deceive". Furthermore, unlike ACTA, TPP does not require the use of the 'confusing' label "on goods or in relation to services which are identical to goods or services for which such trademark is registered". Finally, unlike ACTA, TPP explicitly

[63] *Id.* at art. 23.2 ("Each Party shall provide for criminal procedures and penalties to be applied in cases of wilful importation and domestic use, in the course of trade and on a commercial scale, of labels or packaging: (a) to which a mark has been applied without authorization which is identical to, or cannot be distinguished from, a trademark registered in its territory; and (b) which are intended to be used in the course of trade on goods or in relation to services which are identical to goods or services for which such trademark is registered").

protects against counterfeit or illicit labels affixed to , enclosed in, or accompanying a phonogram, a computer program, a copy of a movie, documentation or packaging for such items.

CRIMINAL ENFORCEMENT – PENALTIES

Relevant TPP Provision

- **Art. 15.5(a)** – With respect to the offences described in Article 15.[1]-[4] above, each Party shall provide: (a) penalties that include sentences of imprisonment as well as monetary fines sufficiently high to provide a deterrent to future infringements, consistent with a policy of removing the infringer's monetary incentive. Each Party shall further establish policies or guidelines that encourage judicial authorities to impose those penalties at levels sufficient to provide a deterrent to future infringements, including the imposition of actual terms of imprisonment when criminal infringement is undertaken for commercial advantage or private financial gain;

Analysis

This provision is equivalent to ACTA art. 24[64] and is identical to KORUS art. 18.10.27(a). Both TPP and ACTA prescribe both "imprisonment and monetary fines sufficiently high to provide a deterrent to future" infringements. (Note, however, TPP also adds that such penalties should be "consistent with a policy of removing the infringer's monetary incentive".) However, TPP omits ACTA's safeguard that such penalties shall be consistent with "the level of penalties applied for crimes of a corresponding gravity". Furthermore, TPP requires party members to establish policies or guidelines to "encourage judicial authorities to [actually] impose those penalties".

[64] *Id.* at art. 24 (For offences specified in paragraphs 1, 2, and 4 of Article 23 (Criminal Offences), each Party shall provide penalties that include imprisonment as well as monetary fines sufficiently high to provide a deterrent to future acts of infringement, consistently with the level of penalties applied for crimes of a corresponding gravity").

CRIMINAL ENFORCEMENT – SEIZURE, FORFEITURE, AND DESTRUCTION

Relevant TPP Provision

Art. 15.5(b) – that its judicial authorities shall have the authority to order the seizure of suspected counterfeit or pirated goods, any related materials and implements used in the commission of the offense, any assets traceable to the infringing activity, and any documentary evidence relevant to the offense. Each Party shall provide that items that are subject to seizure pursuant to any such judicial order need not be individually identified so long as they fall within general categories specified in the order;

Art. 15.5(d) – that its judicial authorities shall, except in exceptional cases, order
(i) the forfeiture and destruction of all counterfeit or pirated goods, and any articles consisting of a counterfeit mark; and

Analysis

TPP art. 15.5(b) is equivalent to ACTA art. 25.1.[65] TPP and ACTA provisions are pretty similar. However, TPP requires seizure of "any assets ***traceable*** to the infringing activity" while ACTA requires seizure of "assets ***derived from, or obtained directly or indirectly through*** the alleged infringing activity". Traceable is a broader standard. Additionally, TPP allows seizure of such items without individual identification "so long as they fall within general categories specified in the order".

TPP art. 15.5(d)(i) is equivalent to to ACTA art. 25.3.[66] However, unlike ACTA, TPP requires forfeiture AND destruction of all counterfeit or pirated goods while ACTA requires forfeiture OR

[65] *Id.* at art. 25.1 ("With respect to the offences specified in paragraphs 1, 2, 3, and 4 of Article 23 (Criminal Offences) for which a Party provides criminal procedures and penalties, that Party shall provide that its competent authorities have the authority to order the seizure of suspected counterfeit trademark goods or pirated copyright goods, any related materials and implements used in the commission of the alleged offence, documentary evidence relevant to the alleged offence, and the assets derived from, or obtained directly or indirectly through, the alleged infringing activity").

[66] *Id.* at art. 25.3 ("With respect to the offences specified in paragraphs 1, 2, 3, and 4 of Article 23 (Criminal Offences) for which a Party provides criminal procedures and penalties, that Party shall provide that its competent authorities have the authority to order the forfeiture or destruction of all counterfeit trademark goods or pirated copyright goods. In cases where counterfeit trademark goods and pirated copyright goods are not destroyed, the competent authorities shall ensure that, except in exceptional circumstances, such goods shall be disposed of

destruction. While both TPP and ACTA allow for an exception, unlike ACTA, TPP does not explicitly allow goods to be "disposed of outside the channels of commerce".

outside the channels of commerce in such a manner as to avoid causing any harm to the right holder. Each Party shall ensure that the forfeiture or destruction of such goods shall occur without compensation of any sort to the infringer").