

# PROTECTION OF IPR'S UNDER TRIPS

Intellectual Property Rights- Paper 3

Ian Savio Pimenta

S.Y LL.M

Govind Ramnath Kare College of Law

## INDEX

CH. NO.	CONTENTS	PAGE NO.
1	INTRODUCTION AND HISTORY	1
2	PROTECTION OF IPR'S	7
3	AREAS OF PROTECTION UNDER TRIPS	10
4	ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS	15
5	CONCLUSION	33
6	BIBLIOGRAPHY/WEBLIOGRAPHY	34

# PROTECTION OF IPRs UNDER TRIPS

## **Chapter 1- INTRODUCTION AND HISTORY**

In today's era of modernization and globalization trade has become a very important aspect in the international sphere. Trade however is not just confined to buying and selling of goods as understood in a lay man's language. It involves ideas and knowledge. There is a lot of research, innovation, designing that goes into manufacturing of products and this cannot be underestimated.

Intellectual Property Rights exist in various forms whether they are musical works, paintings, books, cinematographic films, product logos, industrial designs, new inventions etc. The creators of such works have to be given the right to prevent others from using their inventions, designs or other works without the permission or authority of such creator. It is important that the creator receives remuneration for his creation being used by another. Hence it is necessary that there is protection accorded to the creators and their works which would work as an incentive to promote more and more ideas and put in to form and encourage others to come up with new creations without having the fear that the work may be used without the consent or knowledge of the creator.

The extent of protection and enforcement of intellectual property rights varies widely around the world, and as intellectual property becomes more important in trade, differences tend to crop up between nations specially in economic relations. Internationally acceptable trade rules for intellectual property rights are a way to introduce more international order and predictability, and for disputes to be settled more systematically.

## HISTORY BEHIND TRIPS

The Agreement on TRIPS aims at protecting intellectual property rights, to reward creativity and inventiveness. The original Punta de Este declaration of GATT at the beginning of the Uruguay Round in 1986 did not make any reference to TRIPS. It was added to the Original Uruguay Round Agenda only in the late eighties. Developing countries agreed to the inclusion of TRIPS in the Uruguay Round only on condition that the textile and clothing quotas would go. For the first time, under the auspices of the GATT, 1994, the TRIPS have been negotiated under multilateral negotiations.<sup>1</sup>

TRIPS is a minimum standards agreement and it encourages countries to provide a high level of protection for intellectual property and explicitly permits to do so. The TRIPS agreement sets out the minimum protection that must be given for each category of intellectual property rights in the national law of each WTO member country. The Agreement also lays down procedures and remedies to be provided by each country for intellectual property rights enforcement.<sup>2</sup>

Members who are desirous of reducing distortions and impediments to international trade by taking into account the need to promote effective and adequate protection of intellectual property rights need to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade.<sup>3</sup>

The WTO's TRIPS Agreement is an attempt to narrow the gaps in the way intellectual property rights are protected around the world, and to bring them under common international rules. It establishes minimum levels of protection that each government has to give to the intellectual property of fellow WTO members. In doing so, it strikes a balance between the long term benefits and possible short term costs to society.

---

<sup>1</sup> Law of Intellectual Property- Dr. S.R. Myneni

<sup>2</sup> Ibid.

<sup>3</sup> Law relating to Intellectual Property- Dr. B.L Wadehra

Society benefits in the long term when intellectual property protection encourages creation and invention, especially when the period of protection expires and the creations and inventions enter the public domain. Governments are allowed to reduce any short term costs through various exceptions, for example to tackle public health problems. And, when there are trade disputes over intellectual property rights, the WTO's dispute settlement system is now available.<sup>4</sup>

The agreement covers five broad issues:-

- (i) how basic principles of the trading system and other international intellectual property agreements should be applied
- (ii) how to give adequate protection to intellectual property rights
- (iii) how countries should enforce those rights adequately in their own territories
- (iv) how to settle disputes on intellectual property between members of the WTO
- (v) special transitional arrangements during the period when the new system is being introduced.<sup>5</sup>

The Paris Convention (1967) for Industrial Patents and the Berne Convention (1971) for Copyrights are the starting points of the TRIPS. Members are expected to comply with these standards. Similarly the obligations under the Rome Convention (1961) and the IPIC Treaty (1989) are also protected under TRIPS.<sup>6</sup>

### *NEED FOR TRIPS*

To achieve reduction of distortions and impediments to international trade, the member countries of the WTO recognized the following:

- i. There is the need to promote effective and adequate protection of intellectual property rights;

---

<sup>4</sup> <http://www.wto.org>

<sup>5</sup> Ibid.

<sup>6</sup> Law of Intellectual Property- Dr. S.R. Myneni

- ii. There is the need for new rules and disciplines concerning the intellectual property rights;
- iii. There is the need to provide adequate standards and principles, scope and use of trade-related intellectual property rights;
- iv. There is the need to provide effective and appropriate means for the enforcement of trade-related aspects of intellectual property rights and settlement of disputes between governments regarding them;
- v. There is the need for maximum flexibility in domestic implementation of laws and regulations in the least developed countries;
- vi. There is the need to establish a mutually supportive relationship between the WTO and the World Intellectual Property Organization (WIPO) as well as other relevant international organizations.<sup>7</sup>

## OBJECTIVES OF TRIPS

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.<sup>8</sup>

Members may, in formulating or amending their laws and regulations, adopt measures necessary to protect public health and nutrition and to promote the public interest in sectors of vital importance to their socio-economic and technological development, provided that such measures are consistent with the provisions of this Agreement.<sup>9</sup>

---

<sup>7</sup> Law of Intellectual Property- Dr. S.R. Myneni

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

Appropriate measures provided that they are consistent with the provisions of this Agreement, may be needed to prevent the 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.<sup>10</sup>

## BASIC PRINCIPLES

a.) *Obligation of members*- Member countries shall give effect to the provisions of the TRIPS Agreement. Members may, but shall not be obliged to implement in their law more extensive protection than is required by this Agreement, provided that such protection does not contravene the provisions of this agreement. Members shall be free to determine the appropriate method of implementing the provisions of this agreement within their own legal system and practice.<sup>11</sup>

b.) *National Treatment*- Each member shall accord to the nationals of other members, treatment not less favourable than it accords to its own nationals with regard to the protection of intellectual property, subject to the exceptions provided in the Paris Convention (1967), the Berne Convention (1971), the Rome Convention or the treaty on intellectual property in respect Integrated circuits. In respect of performers, producers of phonograms and broadcasting organizations, this obligation is only applied in respect of the rights provided under this agreement.<sup>12</sup>

Members may avail themselves of the exceptions permitted in relation to judicial and administrative procedures, including the designation of an address for service or the appointment of an agent within the jurisdiction of a Member,

---

<sup>10</sup> Law of Intellectual Property- Dr. S.R. Myneni

<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

only where such exceptions are necessary to secure compliance with laws and regulations which are not inconsistent with the provisions of this Agreement and where such practices are not applied in a manner which would constitute a disguised restriction on Trade.<sup>13</sup>

c.) *Most-favoured Nation Treatment*- With regard to the protection of intellectual property and advantage, favour, privilege or immunity granted by a Member to the nationals of any other country shall be accorded immediately and unconditionally to the nationals of all other Members. Exempted from this obligation is any advantage, favour, privilege or immunity accorded by a member.<sup>14</sup>

---

<sup>13</sup> Law of Intellectual Property- Dr. S.R. Myneni

<sup>14</sup> Law relating to Intellectual Property- Dr. B.L Wadehra



## ***Chapter 2- PROTECTION OF IPRs***

As in GATT and GATS, the starting point of the intellectual property agreement is basic principles. And as in the two other agreements, non-discrimination features prominently: national treatment (treating one's own nationals and foreigners equally), and most-favoured-nation treatment (equal treatment for nationals of all trading partners in the WTO). National treatment is also a key principle in other intellectual property agreements outside the WTO.<sup>15</sup>

The TRIPS Agreement has an additional important principle: intellectual property protection should contribute to technical innovation and the transfer of technology. Both producers and users should benefit, and economic and social welfare should be enhanced, the agreement says. The areas of intellectual property that it covers are: copyright and related rights (i.e. the rights of performers, producers of sound recordings and broadcasting organizations); trademarks including service marks; geographical indications including appellations of origin; industrial designs; patents including the protection of new varieties of plants; the layout-designs of integrated circuits; and undisclosed information including trade secrets and test data.<sup>16</sup>

The three main features of the Agreement are:

*Standards-* In respect of each of the main areas of intellectual property covered by the TRIPS Agreement, the Agreement sets out the minimum standards of protection to be provided by each Member. Each of the main elements of protection is defined, namely the subject-matter to be protected, the rights to be conferred and permissible exceptions to those rights, and the minimum duration of protection. The Agreement sets these standards by requiring, first, that the substantive obligations of the main conventions of the WIPO, the Paris Convention for the Protection of Industrial Property (Paris Convention) and the Berne Convention for the Protection of Literary

---

<sup>15</sup> <http://www.wto.org>

<sup>16</sup> *ibid.*

and Artistic Works (Berne Convention) in their most recent versions, must be complied with. With the exception of the provisions of the Berne Convention on moral rights, all the main substantive provisions of these conventions are incorporated by reference and thus become obligations under the TRIPS Agreement between TRIPS Member countries. The relevant provisions are to be found in Articles 2.1 and 9.1 of the TRIPS Agreement, which relate, respectively, to the Paris Convention and to the Berne Convention. Secondly, the TRIPS Agreement adds a substantial number of additional obligations on matters where the pre-existing conventions are silent or were seen as being inadequate. The TRIPS Agreement is thus sometimes referred to as a Berne and Paris-plus agreement.<sup>17</sup>

*Enforcement-* The second main set of provisions deals with domestic procedures and remedies for the enforcement of intellectual property rights. The Agreement lays down certain general principles applicable to all IPR enforcement procedures. In addition, it contains provisions on civil and administrative procedures and remedies, provisional measures, special requirements related to border measures and criminal procedures, which specify, in a certain amount of detail, the procedures and remedies that must be available so that right holders can effectively enforce their rights.<sup>18</sup>

*Dispute settlement-* The Agreement makes disputes between WTO Members about the respect of the TRIPS obligations subject to the WTO's dispute settlement procedures.<sup>19</sup>

The obligations under the Agreement will apply equally to all Member countries, but developing countries will have a longer period to phase them in. Special transition

---

<sup>17</sup> <http://www.wto.org>

<sup>18</sup> *ibid.*

<sup>19</sup> *ibid.*

arrangements operate in the situation where a developing country does not presently provide product patent protection in the area of pharmaceuticals.<sup>20</sup>

The TRIPS Agreement is a minimum standards agreement, which allows Members to provide more extensive protection of intellectual property if they so wish. Members are left free to determine the appropriate method of implementing the provisions of the Agreement within their own legal system and practice.<sup>21</sup>

---

<sup>20</sup> <http://www.wto.org>

<sup>21</sup> *ibid.*

### **Chapter 3- AREAS OF PROTECTION UNDER TRIPS**

#### Copyright:

The TRIPS agreement ensures that computer programs will be protected as literary works under the Berne Convention and outlines how databases should be protected.<sup>22</sup>

It also expands international copyright rules to cover rental rights. Authors of computer programs and producers of sound recordings must have the right to prohibit the commercial rental of their works to the public. A similar exclusive right applies to films where commercial rental has led to widespread copying, affecting copyright-owners potential earnings from their films.<sup>23</sup>

The agreement says performers must also have the right to prevent unauthorized recording, reproduction and broadcast of live performances for not less than 50 years. Producers of sound recordings must have the right to prevent the unauthorized reproduction of recordings for a period of 50 years.<sup>24</sup>

#### Trademarks:

The agreement defines what types of signs must be eligible for protection as trademarks, and what the minimum rights conferred on their owners must be. It says that service marks must be protected in the same way as trademarks used for goods. Marks that have become well-known in a particular country enjoy additional protection.<sup>25</sup>

---

<sup>22</sup> <http://www.wto.org>

<sup>23</sup> *ibid.*

<sup>24</sup> *ibid.*

<sup>25</sup> *ibid.*

## Geographical indications:

A place name is sometimes used to identify a product. This geographical indication does not only say where the product was made. More importantly, it identifies the product's special characteristics, which are the result of the product's origins. Well-known examples include Champagne, Scotch, Tequila, and Roquefort cheese. Wine and spirits makers are particularly concerned about the use of place-names to identify products, and the TRIPS Agreement contains special provisions for these products. But the issue is also important for other types of goods.<sup>26</sup>

Using the place name when the product was made elsewhere or when it does not have the usual characteristics can mislead consumers, and it can lead to unfair competition. The TRIPS Agreement says countries have to prevent this misuse of place names.<sup>27</sup>

For wines and spirits, the agreement provides higher levels of protection, i.e. even where there is no danger of the public being misled.<sup>28</sup>

Some exceptions are allowed, for example if the name is already protected as a trademark or if it has become a generic term. For example, Cheddar now refers to a particular type of cheese not necessarily made in Cheddar, in the UK. But any country wanting to make an exception for these reasons must be willing to negotiate with the country which wants to protect the geographical indication in question.<sup>29</sup>

The agreement provides for further negotiations in the WTO to establish a multilateral system of notification and registration of geographical indications for wines. These are

---

<sup>26</sup> <http://www.wto.org>

<sup>27</sup> *ibid.*

<sup>28</sup> *ibid.*

<sup>29</sup> *ibid.*

now part of the Doha Development Agenda and they include spirits. Also debated in the WTO is whether to negotiate extending this higher level of protection beyond wines and spirits.<sup>30</sup>

#### Industrial Designs:

Under the TRIPS Agreement, industrial designs must be protected for at least 10 years. Owners of protected designs must be able to prevent the manufacture, sale or importation of articles bearing or embodying a design which is a copy of the protected design.<sup>31</sup>

#### Patents:

The agreement says patent protection must be available for inventions for at least 20 years. Patent protection must be available for both products and processes, in almost all fields of technology. Governments can refuse to issue a patent for an invention if its commercial exploitation is prohibited for reasons of public order or morality. They can also exclude diagnostic, therapeutic and surgical methods, plants and animals (other than microorganisms), and biological processes for the production of plants or animals (other than microbiological processes). Plant varieties, however, must be protectable by patents or by a special system (such as the breeder's rights provided in the conventions of UPOV- the International Union for the Protection of New Varieties of Plants).<sup>32</sup>

The agreement describes the minimum rights that a patent owner must enjoy. But it also allows certain exceptions. A patent owner could abuse his rights, for example by failing to supply the product on the market. To deal with that possibility, the agreement says governments can issue compulsory licences, allowing a competitor to

---

<sup>30</sup> <http://www.wto.org>

<sup>31</sup> *ibid.*

<sup>32</sup> *ibid.*

produce the product or use the process under licence. But this can only be done under certain conditions aimed at safeguarding the legitimate interests of the patent-holder.<sup>33</sup>

If a patent is issued for a production process, then the rights must extend to the product directly obtained from the process. Under certain conditions alleged infringers may be ordered by a court to prove that they have not used the patented process.<sup>34</sup>

An issue that has arisen recently is how to ensure patent protection for pharmaceutical products does not prevent people in poor countries from having access to medicines, while at the same time maintaining the patent system's role in providing incentives for research and development into new medicines. Flexibilities such as compulsory licensing are written into the TRIPS Agreement, but some governments were unsure of how these would be interpreted, and how far their right to use them would be respected.<sup>35</sup>

A large part of this was settled when WTO ministers issued a special declaration at the Doha Ministerial Conference in November 2001. They agreed that the TRIPS Agreement does not and should not prevent members from taking measures to protect public health. They underscored countries' ability to use the flexibilities that are built into the TRIPS Agreement. And they agreed to extend exemptions on pharmaceutical patent protection for least-developed countries until 2016. On one remaining question, they assigned further work to the TRIPS Council to sort out how to provide extra flexibility, so that countries unable to produce pharmaceuticals domestically can import patented drugs made under compulsory licensing.<sup>36</sup>

---

<sup>33</sup><http://www.wto.org>

<sup>34</sup> *Ibid.*

<sup>35</sup> *Ibid.*

<sup>36</sup> *Ibid.*

### Integrated circuits layout designs:

The basis for protecting integrated circuit designs (topographies) in the TRIPS agreement is the Washington Treaty on Intellectual Property in Respect of Integrated Circuits, which comes under the World Intellectual Property Organization. This was adopted in 1989 but has not yet entered into force. The TRIPS agreement adds a number of provisions: for example, protection must be available for at least 10 years.<sup>37</sup>

### Undisclosed information and trade secrets:

Trade secrets and other types of undisclosed information which have commercial value must be protected against breach of confidence and other acts contrary to honest commercial practices. But reasonable steps must have been taken to keep the information secret. Test data submitted to governments in order to obtain marketing approval for new pharmaceutical or agricultural chemicals must also be protected against unfair commercial use.<sup>38</sup>

---

<sup>37</sup> <http://www.wto.org>

<sup>38</sup> *ibid.*



## **Chapter 4- ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS**

Accessible, sufficient and adequately funded arrangements for the protection of rights are crucial in any worthwhile intellectual property system. There is no point in establishing a detailed and comprehensive system for protecting intellectual property rights and disseminating information concerning them, if it is not possible for the right-owners to enforce their rights effectively in a world where expanding technologies have facilitated infringement of protected rights to a hitherto unprecedented extent. They must be able to take action against infringers in order to prevent further infringement and recover the losses incurred from any actual infringement. They must also be able to call on the state authorities to deal with counterfeits.<sup>39</sup>

All intellectual property systems need to be underpinned by a strong judicial system for dealing with both civil and criminal offenses, staffed by an adequate number of judges with suitable background and experience. Intellectual property disputes are in the main matters to be decided under civil law and the judicial system should make every effort to deal with them not only fairly but also expeditiously. Without a proper system for both enforcing rights and also enabling the grant of rights to others to be resisted, an intellectual property system will have no value.<sup>40</sup>

The evolution of international standards for the enforcement of copyright and related rights has been dramatic in recent years, and this evolution has been driven principally by two factors. The first is the advance of technological means for the creation and use (both authorized and unauthorized) of protected material, including, most recently, the advent of digital technology, which makes it possible to transmit and make perfect copies of any information existing in digital form, including works and productions protected by copyright and related rights. The second factor is the increasing economic importance of goods and services protected by intellectual property rights in the realm

---

<sup>39</sup> <http://www.wipo.int>

<sup>40</sup> *Ibid.*

of international trade; simply put, trade in products embodying protected intellectual property rights is now a booming, worldwide business.<sup>41</sup>

While the international copyright and related rights conventions administered by WIPO do not contain extensive provisions dealing with enforcement of rights, the obligation of States to provide adequate means for enforcement of rights is clearly present in these conventions. The Berne Convention contains two specific provisions on the enforcement of rights, on the one hand Article 16(1) and (2), which provides that infringing copies of a work are subject to seizure in any country of the Berne Union where the work enjoys protection, even when the copies come from a country where the work is not or no longer protected, and on the other hand Article 13(3), which provides for seizure of copies of certain recordings of musical works imported without permission of the author or other owner of copyright in the country of importation.<sup>42</sup>

### *General Obligations*

Members shall ensure that enforcement procedures as specified in this Part (Part III) are available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements. These procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.<sup>43</sup>

Parties to a proceeding shall have an opportunity for review by a judicial authority of final administrative decisions and subject to jurisdictional provisions in a Member's

---

<sup>41</sup> <http://www.wipo.int>

<sup>42</sup> *Ibid.*

<sup>43</sup> Law of Intellectual Property- Dr. S.R. Myneni

law concerning the importance of a case, of at least the legal aspects of initial judicial decisions on the merits of a case. However, there shall be no obligation to provide an opportunity for review of acquittals in criminal cases.<sup>44</sup>

It is understood that this Part does not create any obligation to put in place a judicial system for the enforcement of intellectual property rights distinct from that for the enforcement of law in general, nor does it affect the capacity of Members to enforce their law in general.<sup>45</sup>

*Civil and Administrative procedures and remedies:*

Fair and Equitable Procedures-

Despite efforts to achieve friendly settlement, circumstances can and do arise where the owner of a right feels that he must take action against an infringer in order to protect his markets, present or future. In most jurisdictions this will be handled in the civil courts. In most situations, there will be considerable dispute as to whether for example the claims in a patent to be enforced should be of the scope claimed, and as to whether the alleged infringement actually falls within the valid scope. With trademarks, arguments also concern the scope of the registration and whether the allegedly infringing mark is confusingly similar to the earlier mark. Infringers may genuinely believe that they have a plausible case on such aspects. Most patent infringements are not slavish imitations but, arguably, take advantage of the protected inventive concepts of the patent and will have to be resolved on the basis of expert opinion.<sup>46</sup>

In an action for patent infringement in common-law countries (the procedure and terminology in civil-law countries differs to some extent), the patent owner, acting

---

<sup>44</sup> Law of Intellectual Property- Dr. S.R. Myneni

<sup>45</sup> Ibid.

<sup>46</sup> <http://www.wipo.int>

through his immediate lawyers (solicitors), arranges for a writ or complaint to be served on the alleged infringer. In the writ the patent owner, as plaintiff, will specify the nature of the alleged infringement and the remedy sought. Almost always, an injunction restraining the alleged infringer, the defendant, from continuing with what he has been doing, will be requested, as well as damages. The defendant will usually acknowledge the writ and give notice that he intends to defend. If he does not, the plaintiff may be entitled to a final or interlocutory ruling (one which decides the issue but leaves open the question of damages, etc.) forthwith. If the defendant does defend, and the issue is not settled out of court or dealt with summarily, pleadings will be exchanged, on the one hand stating the material facts of the claim and on the other the defenses or counterclaims. The purpose of pleadings is to define precisely the issues in dispute and eliminate agreed or irrelevant matters. They go back and forth and can take several months. A counterclaim may be an allegation that the patent is invalid; this will have to be defended by the patent owner. Once the pleadings have been completed the plaintiff will issue a summons for directions. Such directions, given by the judge, will deal with discovery and inspection of documents and in general with the trial preparations. Notice to inspect documents may be served on the other side by leave of the court. So may interrogatories, which take the form of written questions which the other side must answer under oath, e.g. by sworn affidavit, before the trial.<sup>47</sup>

Members shall make available to right holders civil judicial procedures concerning the enforcement of any intellectual property right covered by this Agreement. Defendants shall have the right to written notice which is timely and contains sufficient detail, including the basis of the claims. Parties shall be allowed to be represented by independent legal counsel, and procedures shall not impose overly burdensome requirements concerning mandatory personal appearances. All parties to such procedures shall be duly entitled to substantiate their claims and to present all relevant evidence. The procedure shall provide a means to identify and protect confidential information, unless this would be contrary to existing constitutional requirements.<sup>48</sup>

---

<sup>47</sup> <http://www.wipo.int>

<sup>48</sup> Law relating to Intellectual Property- Dr. B.L Wadehra

## Evidence-

The judicial authorities shall have the authority, where a party has presented reasonably available evidence sufficient to support its claims and has specified evidence relevant to substantiation of its claims which lies in the control of the opposing party, to order that this evidence be produced by the opposing party, subject in appropriate cases to conditions which ensure the protection of confidential information.<sup>49</sup>

In cases in which a party to a proceeding voluntarily and without good reason refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes a procedure relating to an enforcement action, a Member may accord judicial authorities the authority to make preliminary and final determinations, affirmative or negative, on the basis of the information presented to them, including the complaint or the allegation presented by the party adversely affected by the denial of access to information, subject to providing the parties an opportunity to be heard on the allegations or evidence.<sup>50</sup>

## Injunctions

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.<sup>51</sup>

---

<sup>49</sup> Law relating to Intellectual Property- Dr. B.L Wadehra

<sup>50</sup> Ibid.

<sup>51</sup> Ibid.

## Damages

The judicial authorities shall have the authority to order the infringer to pay the right holder damages adequate to compensate for the injury the right holder has suffered because of an infringement of that person's intellectual property right by an infringer who knowingly, or with reasonable grounds to know, engaged in infringing activity.<sup>52</sup>

The judicial authorities shall also have the authority to order the infringer to pay the right holder expenses, which may include appropriate attorney's fees. In appropriate cases, Members may authorize the judicial authorities to order recovery of profits and/or payment of pre-established damages even where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity.<sup>53</sup>

## Other Remedies

In order to create an effective deterrent to infringement, the judicial authorities shall have the authority to order that goods that they have found to be infringing be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to avoid any harm caused to the right holder, or, unless this would be contrary to existing constitutional requirements, destroyed. The judicial authorities shall also have the authority to order that materials and implements the predominant use of which has been in the creation of the infringing goods be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to minimize the risks of further infringements. In considering such requests, the need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interests of third parties shall be taken into account. 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.<sup>54</sup>

---

<sup>52</sup> Law relating to Intellectual Property- Dr. B.L Wadehra

<sup>53</sup> Ibid.

<sup>54</sup> Ibid.

## Right of Information

Members may provide that the judicial authorities shall have the authority, unless this would be out of proportion to the seriousness of the infringement, to order the infringer to inform the right holder of the identity of third persons involved in the production and distribution of the infringing goods or services and of their channels of distribution.<sup>55</sup>

## Indemnification of the Defendant

The judicial authorities shall have the authority to order a party at whose request measures were taken and who has abused enforcement procedures to provide to a party wrongfully enjoined or restrained adequate compensation for the injury suffered because of such abuse. The judicial authorities shall also have the authority to order the applicant to pay the defendant expenses, which may include appropriate attorney's fees.<sup>56</sup>

In respect of the administration of any law pertaining to the protection or enforcement of intellectual property rights, Members shall only exempt both public authorities and officials from liability to appropriate remedial measures where actions are taken or intended in good faith in the course of the administration of that law.<sup>57</sup>

## Administrative Procedures

To the extent that any civil remedy can be ordered as a result of administrative procedures on the merits of a case, such procedures shall conform to principles equivalent in substance to those set forth.<sup>58</sup>

---

<sup>55</sup> Law relating to Intellectual Property- Dr. B.L Wadehra

<sup>56</sup> Ibid.

<sup>57</sup> Ibid.

<sup>58</sup> Law of Intellectual Property- Dr. S.R. Myneni

The judicial authorities shall have the authority 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 into the channels of commerce in their jurisdiction of goods, including imported goods immediately after customs clearance.<sup>59</sup>

The judicial authorities shall 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.<sup>60</sup>

The judicial authorities shall have the authority to require the applicant to provide any reasonably available evidence in order to satisfy themselves with a sufficient degree of certainty that the applicant is the right holder and that the applicant's right is being infringed or that such infringement is imminent, and to order the applicant to provide a security or equivalent assurance sufficient to protect the defendant and to prevent abuse.<sup>61</sup>

Where provisional measures have been adopted *inaudita altera parte*, the parties affected shall be given notice, without delay after the execution of the measures at the latest. A review, including a right to be heard, shall take place upon request of the defendant with a view to deciding, within a reasonable period after the notification of the measures, whether these measures shall be modified, revoked or confirmed.<sup>62</sup>

---

<sup>59</sup> Law of Intellectual Property- Dr. S.R. Myneni

<sup>60</sup> *Ibid.*

<sup>61</sup> *Ibid.*

<sup>62</sup> *Ibid.*



The applicant may be required to supply other information necessary for the identification of the goods concerned by the authority that will execute the provisional measures.<sup>63</sup>

The purposes of civil remedies are (i) to provide compensation for the prejudice caused by infringements, (ii) to dispose appropriately of the infringing copies (typically through destruction or other disposal outside the normal channels of commerce), (iii) to dispose appropriately of implements used for infringing activities and (iv) to grant injunctions to prohibit further infringements. Such remedies should always be available irrespective of whether the infringement has been committed willfully and/or for profit-making purposes.<sup>64</sup>

Civil remedies are not always sufficient deterrents. Where infringement becomes a business, the closing down of one plant with the assistance of courts and law enforcement authorities may only mean that the plant will re-open somewhere else. Infringements committed willfully and for profit-making purposes should be punished by criminal sanctions, and the level of the sanctions must make it clear that such infringements of copyright are serious offenses. It is normally preferable that criminal sanctions are also applicable in case of infringements committed through gross negligence, for profit-making purposes, because it may be difficult to prove that infringements are committed willfully. Increased punishments in cases of recidivism are also justified. The criminal sanctions available should comprise both fines and imprisonment, and, where merited by the case, courts should be able to impose both these sanctions on the infringer.<sup>65</sup>

---

<sup>63</sup> Law of Intellectual Property- Dr. S.R. Myneni

<sup>64</sup> <http://www.wipo.int>

<sup>65</sup> *Ibid.*

## Border Measures

Piracy is by no means an exclusively national activity, i.e., the production in a country of infringing copies for sale in that country. It is also very much an international operation, with vast quantities of infringing copies being manufactured in one country and shipped to others, often on the other side of the world; quantities of infringing copies which are shipped to other countries substantially undermine legitimate business to the extent that international companies often withdraw from the market, and investment in recording and producing local talent virtually dries up. For this reason, the power to stop infringing copies entering a market is of vital importance, and provisions that make this possible are an essential feature of modern copyright legislation. Also, the World Customs Organization has developed a model law for the enforcement of such measures.<sup>66</sup>

Border measures are intended to prevent infringing copies or lawful copies in violation of the right of importation from being brought into the country concerned. They constitute an effective way to counter acts of infringement, because it is frequently easier to prevent the distribution of infringing copies at the border than after the copies have already been brought into the country and put into circulation. Border measures are usually carried out by administrative authorities (customs authorities) and not by judicial authorities. In national legislation on this issue, a number of safeguards and appropriate procedural rules are normally found which ensure the fairness and effectiveness of measures applied by such authorities.<sup>67</sup>

Providing for the availability of various enforcement measures may not be entirely sufficient. It is, of course, necessary that national legislation also provide general safeguards to ensure due procedures for the application of those measures in keeping with the principles of justice and fairness and with the need for efficiency. For example, national legislation must ensure that procedures for the enforcement of

---

<sup>66</sup> <http://www.wipo.int>

<sup>67</sup> *Ibid.*

copyright are fair, equitable, transparent, expeditious, not unnecessarily complicated, costly or burdensome, and do not impose unreasonable time limits, and both plaintiffs and defendants must have equal access to information and equal possibilities to present their case.<sup>68</sup>

#### Anti-Piracy Measures for Phonograms, Audiovisual Works and Computer Programs

The notion of piracy covers a number of different phenomena. For example, in the field of music, three expressions are used in common parlance which are all covered by the wider notion of piracy as used here. Those expressions are ‘counterfeits’, ‘bootlegs’ and ‘pirate copies.’<sup>69</sup>

‘Counterfeits’ are usually exact copies of a sound or video disc or tape with, for instance, exactly the same packaging as the original, usually including even the trademark. The copies could be either tapes or more sophisticated industrially manufactured CDs. ‘Bootlegs’ are copies of recordings of a live performance or a broadcast, if the recording was made without the authorization of the right-owner concerned. ‘Pirate copies’, finally, are unauthorized copies of a sound or video recording which do not attempt to imitate the original but are generally of low quality, with handwritten labels, etc. Those are becoming rarer because in general people prefer recordings of higher quality.<sup>70</sup>

Generally speaking, five categories of works, performances or productions are the most exposed victims of piracy, namely: sound recordings; video recordings; computer programs; broadcasts; books. Particularly the first three categories of works or productions have been hit by piracy in recent decades because they are, with modern digital reproduction technology, very easy to copy. It takes, for instance, no great

---

<sup>68</sup> <http://www.wipo.int>

<sup>69</sup> *ibid.*

<sup>70</sup> *ibid.*

effort to make copies, by means of a personal computer, of computer programs of the same quality as the original and with high speed and efficiency; as computer programs are very costly to develop, uncontrolled copying hurts considerably the interests of the right-owners.<sup>71</sup>

Various practical measures can be undertaken in order to combat piracy. To some extent protection can be obtained through various types of copy-protection systems, that is, that mechanisms (spoiler signals or water marks in sound or video recordings) are built in which prevent unauthorized copying.<sup>72</sup>

Another measure is to have an efficient collective administration in respect of musical works; if it is easy for user to contact and obtain authorization from the right owners through such an organization, the temptation to engage in piracy activities may be less.<sup>73</sup>

The system of copyright and related rights is a branch of private law in that it grants personal exclusive rights to the individual beneficiaries. Therefore, the basic approach in most countries, is, or has been, that it is for the injured party himself to take action. Consequently, the basic possibility for him is to take civil action.<sup>74</sup>

However, there is a change in the attitude in many countries, mainly in view of the alarming growth of the piracy activities. A number of countries have introduced heavy penal sanctions for at least certain kinds of infringement of copyright, in particular such which would be considered as piracy. Penal sanctions should and in most countries do include both fines and imprisonment, the maximum of which may be up

---

<sup>71</sup> <http://www.wipo.int>

<sup>72</sup> *ibid.*

<sup>73</sup> *ibid.*

<sup>74</sup> *ibid.*

to several years. If penal sanctions are to work satisfactorily, the objective criteria for the infringement must be clearly defined. This means, in particular, that the rights should be framed and described in a clear and unequivocal way so that it is obvious which the act or acts are which must not be undertaken without the authorization of the author or other right-owner. Also, the so-called subjective criteria must be determined clearly. At least in some national laws the penal provisions for copyright violations apply not only to acts which are committed willfully but also to those committed with gross negligence. The sanctions should be applicable not only to the person who directly committed the violation but also to those who contributed to it, for instance by providing equipment used for unauthorized reproduction with full knowledge of the intended use of that equipment.<sup>75</sup>

#### Criminal Procedures:

Patent actions are essentially civil actions for infringement. In the case of trademarks and copyright, much of what has been explained about procedures in relation to civil actions applies to ordinary actions for infringement, but the serious criminal offenses of counterfeiting and piracy can also arise. A trader may knowingly manufacture, distribute or sell goods marked with a trademark where the marking has been done without the permission of the owner or where the goods have been illicitly copied.<sup>76</sup>

There are several ways that counterfeits can come to the attention of the authorities. Rights owners themselves may become aware of distributors or retailers trading in counterfeit goods and bring the trade to the attention of the police. Also counterfeits may be detected by law enforcement officers who are specifically empowered under trademark legislation to take action against traders in counterfeit goods. Their powers may be extended to enable them to deal with copyright offenses. On conviction, traders in counterfeit goods can face stiff penalties, and seizure of all offending products is normal. In respect of items protected by copyright, such as sound

---

<sup>75</sup> <http://www.wipo.int>

<sup>76</sup> *ibid.*

recordings on tape or compact disk, the police are the normal enforcement authority and will take action on the basis of a complaint by the lawful right-owner. They often need little more than 24 hours warning in order to secure warrants and make checks.<sup>77</sup>

Members shall provide for criminal procedures and penalties to be applied at least in cases of wilful trademark counterfeiting or copyright piracy on a commercial scale. Remedies available shall include imprisonment and/or monetary fines sufficient to provide a deterrent, consistently with the level of penalties applied for crimes of a corresponding gravity. In appropriate cases, remedies available shall also include the seizure, forfeiture and destruction of the infringing goods and of any materials and implements the predominant use of which has been in the commission of the offence. Members may provide for criminal procedures and penalties to be applied in other cases of infringement of intellectual property rights, in particular where they are committed wilfully and on a commercial scale.<sup>78</sup>

## DISPUTE PREVENTION AND SETTLEMENT

Laws and regulations, and final judicial decisions and administrative rulings of general application, made effective by a Member pertaining to the subject matter of this Agreement (the availability, scope, acquisition, enforcement and prevention of the abuse of intellectual property rights) shall be published, or where such publication is not practicable made publicly available, in a national language, in such a manner as to enable governments and right holders to become acquainted with them. Agreements concerning the subject matter of this Agreement which are in force between the government or a governmental agency of a Member and the government or a governmental agency of another Member shall also be published.<sup>79</sup>

---

<sup>77</sup> <http://www.wipo.int>

<sup>78</sup> Law of Intellectual Property- Dr. S.R. Myneni

<sup>79</sup> *Ibid.*

Members shall notify the laws and regulations to the Council of TRIPS. Each Member shall be prepared to supply information to a written request from another member. Members shall not be required to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.<sup>80</sup>

To settle the disputes between Member countries of the WTO, the Disputes Settlement Body (DSB) is established under the 'Understanding on Rules and Procedures Governing the Settlement of Disputes'. Accordingly the DSB shall have the authority to establish panels, adopt panel and Appellate body reports, maintain surveillance of implementation of rulings and recommendations and authorities, suspension of concessions and obligations under the covered agreements. Recommendations or rulings made by the DSB shall be aimed at achieving a satisfactory settlement of the matter relating to TRIPS and other Agreements.<sup>81</sup>

#### Good Offices and Mediation:

Good offices, conciliation and mediation are procedures that are undertaken voluntarily if the parties to the dispute so agree. The proceedings shall be confidential and without prejudice to the rights of either party in any further proceedings. If the parties to a dispute agree on procedures for good offices, conciliation or mediation may continue while the panel process proceeds. The Director-General may, acting in an ex-officio capacity, offer good offices, conciliation or mediation with the view to assisting Member countries to settle a dispute.<sup>82</sup>

---

<sup>80</sup> Law of Intellectual Property- Dr. S.R. Myneni

<sup>81</sup> Ibid.

<sup>82</sup> Ibid.

### Establishment of Panels:

If the complaining party so requests, a panel shall be established at the DSB meeting. The request for the establishment of a panel shall be made in writing and provide a brief summary of the result of consultation process along with the summary of the result of consultation process along with the summary of the legal basis of the complaint sufficient to present the problem clearly.<sup>83</sup>

Panel shall be composed of well-qualified governmental or non-governmental individuals, including persons who have served on or presented a case to a panel, served as a representative of a Member country etc. Panel members should be selected with a view to ensuring the independence of the members, a sufficiently diverse background and a wide spectrum of experience.<sup>84</sup>

Where more than one Member country requests the establishment of a panel related to the same matter, a single panel may be established.<sup>85</sup>

The panel should make an objective assessment of the matter before it. Panels should consult regularly with the parties to the dispute and give them adequate opportunity to develop a mutually satisfactory solution. Each panel shall have the right to seek information and technical advice from any individual or a body. Panel deliberations shall be confidential.<sup>86</sup>

---

<sup>83</sup> Law of Intellectual Property- Dr. S.R. Myneni

<sup>84</sup> Ibid.

<sup>85</sup> Ibid.

<sup>86</sup> Ibid.



### Appellate Review:

A Standing Appellate Body shall be established by the DSB. It shall hear appeals from panel cases. It shall be composed of 7 persons, three of whom shall serve on any one case. Persons serving on the Appellate Body shall serve in rotation.

## INSTITUTIONAL ARRANGEMENTS AND FINAL PROVISIONS

The Council for TRIPS shall monitor the operation of this Agreement and, in particular, Members' compliance with their obligations hereunder, and shall afford Members the opportunity of consulting on matters relating to the trade-related aspects of intellectual property rights. It shall carry out such other responsibilities as assigned to it by the Members, and it shall, in particular, provide any assistance requested by them in the context of dispute settlement procedures. In carrying out its functions, the Council for TRIPS may consult with and seek information from any source it deems appropriate. In consultation with WIPO, the Council shall seek to establish, within one year of its first meeting, appropriate arrangements for cooperation with bodies of that Organization.<sup>87</sup>

### International Cooperation

Members agree to cooperate with each other with a view to eliminating international trade in goods infringing intellectual property rights. For this purpose, they shall establish and notify contact points in their administrations and be ready to exchange information on trade in infringing goods. They shall, in particular, promote the exchange of information and cooperation between customs authorities with regard to trade in counterfeit trademark goods and pirated copyright goods.<sup>88</sup>

### Activities within WIPO Concerning Enforcement

---

<sup>87</sup> <http://www.wto.org>

<sup>88</sup> *ibid.*

The repression of activities such as piracy and counterfeiting, which are factors of major economic importance, is a crucial task for WIPO. WIPO administers many international conventions and treaties relating to intellectual property. This aspect of WIPO's work consists basically in ensuring the proper operation of the bodies that govern these various international agreements and in obtaining the accession of the largest possible number of States to them; indeed for any repression to have proper effect it is necessary that the most uniform legal framework possible be established, comprising high-level provisions well adapted to new circumstances and the new technological facilities available to 'pirates'.<sup>89</sup>

WIPO also develops new legislative provisions, both to adapt existing provisions to the new technologies and to reflect the progressively emerging consensus in favor of increasing the level of these provisions. For example, the impact of digital technology on copyright and related rights is enormous. The ability to transmit by electromagnetic waves, by cable or by satellite, musical works that are incorporated in sound or audiovisual recordings, increases the problem of unlawful reproduction and also of private copying, since works stored in digital form can be reproduced any number of times without loss of quality when compared with the original from which the copies are made.<sup>90</sup>

---

<sup>89</sup> <http://www.wipo.int>

<sup>90</sup> <http://www.wipo.int>

## **Chapter 5- CONCLUSION**

Merely having intellectual property laws is not enough. It has to be kept in mind that they have to be enforced in a proper way. Enforcement of intellectual property rights is covered under Part III of TRIPS. The TRIPS agreement says governments have to ensure that intellectual property rights can be enforced under their laws, and that the penalties for infringement are to be tough enough to deter further violations. The procedures must be fair and equitable, and not unnecessarily complicated or costly. They should not entail unreasonable time-limits or unwarranted delays. Parties involved should be able to petition a court to review an administrative decision or to appeal a lower court's decision. They must be able to take action against infringers in order to prevent further infringement and recover the losses incurred from any actual infringement.

The TRIPS agreement describes in detail how enforcement of intellectual property rights should be handled, including rules for obtaining evidence, provisional measures, injunctions, damages and other penalties. It covers the need to have a strong judicial system for dealing with both civil and criminal offenses. Further to deal with such cases the courts have to have an adequate number of judges. The agreement says courts should have the right, under certain conditions, to order the disposal or destruction of pirated or counterfeit goods. Willful trademark counterfeiting or copyright piracy on a commercial scale should be criminal offences. Governments should make sure that intellectual property rights owners can receive the assistance of customs authorities to prevent imports of counterfeit and pirated goods. Further, developing countries see technology transfer as part of the arrangement in which they have agreed to protect intellectual property rights. The TRIPS Agreement includes a number of provisions on this. For example, it requires developed countries' governments to provide incentives for their companies to transfer technology to least-developed countries.

## **BIBLIOGRAPHY/WEBLIOGRAPHY**

1. Law of Intellectual Property- Dr. Srinivasa Rao Myneni  
(4<sup>th</sup> Edition 2007), Asia Law House, Published by S.P Gogia
2. Law relating to Intellectual Property- Dr. B.L Wadehra  
(Fourth Edition Reprint of 2008), Universal Law Publishing Co.  
Pvt. Ltd.  
ISBN: 978-81-7534-588-1
3. <http://www.wipo.int>
4. <http://www.wto.org>