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Section by Section Commentary on the TPP Final IP Chapter Published 6 November 2015 – Part 1 – General Provisions, Trademark, GIs, Designs

Available at: http://works.bepress.com/kimweatherall/31
Nature and scope of this document

This note comments on each provision of the TPP IP Chapter, and compares each provision to:

- Multilateral conventions, such as Berne, Rome, the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT)
- In some cases, US FTA provisions (particularly the Australia-US FTA, AUSFTA, with which I am most familiar).

This document covers Sections A–E, and Section G. It therefore covers:

- The General Provisions and Definitions
- Trade mark
- Geographical indications (and country names)
- Industrial designs

Patent is omitted, where I defer to others with expertise in that area of international IP law. Companion pieces to this one will cover copyright and the enforcement provisions.

The material here is necessarily preliminary and does not purport to be complete. It is published on the basis that it may assist others' analysis and commentary, and further analysis, to make this background work available generally. Further work at a later point will offer more 'high level' analysis.

I would welcome feedback or further comment, especially if provided with permission to incorporate insights into future iterations of this work for the benefit of others. I may be contacted at Kimberlee.Weatherall@sydney.edu.au.

This document is likely to grow and change over time as further insights become available. Please check back at the source or contact me for the latest version if citing.

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* Associate Professor, The University of Sydney, Sydney Law School.

1 For criticisms of the TRIPS definition, and the way it departs from a pure requirement that
Table of Contents

Nature and scope of this document.................................................................1

Table of Contents .........................................................................................2

1 Section A: General Provisions.................................................................3
  1.1 Definitions ..............................................................................................3
  1.2 Objectives, Principles and Understandings .............................................4
  1.3 Minimum Standards Harmonisation ......................................................7
  1.4 Adherence to Existing Treaties .............................................................8
  1.5 National Treatment .............................................................................10
  1.6 Transparency .......................................................................................13
  1.7 Application of Agreement to Existing Subject Matter and Prior Acts ......15
  1.8 Exhaustion of IP Rights .......................................................................16

2 Section B: Cooperation ............................................................................17
  2.1 General Cooperation and Work-sharing Provisions ................................17
  2.2 The Public Domain ..............................................................................17
  2.3 Traditional Knowledge ........................................................................18

3 Section C: Trade marks .......................................................................20
  3.1 Types of Signs Registrable as Trade Marks ..........................................20
  3.2 Collective and Certification Marks .......................................................20
  3.3 Use of Identical or Similar Signs ..........................................................21
  3.4 Exceptions and Limitations ................................................................23
  3.5 Well Known Trade Marks ....................................................................23
  3.6 Examination, Opposition, Cancellation, Procedural, Electronic Trademarks System; Classification; Term of protection ......................................................26
  3.7 Recording Licences .............................................................................27
  3.8 Earlier proposals for trade mark obligations that have been left out of the TPP Chapter ...........................................................................27
  3.9 Domain names and Cybersquatting ....................................................28

4 Sections D–E: Country Names and Geographical Indications .............29
  4.1 Country Names ....................................................................................29
  4.2 Geographical Indications ....................................................................29

5 Section F: Patents and undisclosed test data [not discussed] ..........32

6 Section G: Industrial Designs .................................................................33
1 Section A: General Provisions

1.1 Definitions

Article 18.1: Definitions

1. For the purposes of this Chapter:

Berne Convention means the Berne Convention for the Protection of Literary and Artistic Works, as revised at Paris, July 24, 1971;


Declaration on TRIPS and Public Health means the Declaration on the TRIPS Agreement and Public Health (WT/MIN(01)/DEC/2), adopted on November 14, 2001;

gеographical indication means an indication that identifies 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;

intellectual property refers to all categories of intellectual property that are the subject of Sections 1 through 7 of Part II of the TRIPS Agreement;

Madrid Protocol means the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, done at Madrid, June 27, 1989;

Paris Convention means the Paris Convention for the Protection of Industrial Property, as revised at Stockholm, July 14, 1967;

performance means a performance fixed in a phonogram unless otherwise specified;

with respect to copyright and related rights, the term right to authorise or prohibit refers to exclusive rights;

Singapore Treaty means the Singapore Treaty on the Law of Trademarks, done at Singapore, March 27, 2006;


WCT means the WIPO Copyright Treaty, done at Geneva, December 20, 1996; WIPO means the World Intellectual Property Organization;

For greater certainty, work includes a cinematographic work, photographic work and computer program; and

For the purposes of Article 18.8 (National Treatment), Article 18.31(a) (Administrative Procedures for the Protection or Recognition of Geographical Indications) and Article 18.62.1 (Related Rights):

*a national* means, in respect of the relevant right, a person of a Party that would meet the criteria for eligibility for protection provided for in the agreements listed in Article 18.7 (International Agreements) or the TRIPS Agreement.

Most of these definitions are relatively standard and are merely ways to allow for shortened versions of treaty names. A couple, however, do have substantive import.

One of particular import is the definition of *geographical indications*. The definition echoes that in TRIPS art 22.1, although its word-for-word inclusion here may have unintended consequences. The TRIPS definition *confines GIs to terms relating to members’ territory only*. This could prevent the GI provisions (discussed below Part 4.2, page 29) doing their apparent job of precluding third party or external international agreements for the protection of foreign (non-TPP) GIs overriding trade mark rights or the allowable use of generic terms. The most significant problems the GI provisions are aimed at relate, at present, to EU GIs which are not within this definition.

Another definition to note is that *work* includes a cinematographic work, photographic work and computer program. Although increasingly standard, this provision does have the effect of overriding the past multilateral approach of treating photographs differently from other artistic works (photographs used to have much shorter terms). It also ensures that the TPP stands in the way of more tailored forms of protection for works like software (although other multilateral conventions, such as the WCT, also do that, so little changes as a result of this approach).

### 1.2 Objectives, Principles and Understandings

**Article 18.2: Objectives**

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.

**Article 18.3: Principles**

1. Parties may, in formulating or amending their laws and regulations, adopt measures necessary to protect 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 Chapter.

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1 For criticisms of the TRIPS definition, and the way it departs from a pure requirement that goods originate within the geographical area designated, see Irene Calboli, *'In Territoria Veritas: Bringing Geographical Coherence in the Definition of Geographical Indications of Origin under TRIPS'* (2014) 6(1) WIPO Journal 57; citing Dev Gangjee, *Relocating the Law of Geographical Indications* (Cambridge University Press, 2012).
2. Appropriate measures, provided that they are consistent with the provisions of this Chapter, 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.

18.4: Understandings in respect of this Chapter

Having regard to the underlying public policy objectives of national systems, the Parties recognise the need to:

- promote innovation and creativity
- facilitate the diffusion of information, knowledge, technology, culture and the arts; and
- foster competition and open and efficient markets;

through their respective intellectual property systems, while respecting the principles of transparency and due process, and taking into account the interests of relevant stakeholders, including rights holders, service providers, users and the public.

Relationship to other treaties:

- Article 18.2 (Objectives) repeats TRIPS Art 7
- Article 18.3 (Principles) repeats TRIPS Art 8
- Article 18.4 (Understandings) is new language.

Comment

The TPP parties have settled on a model of principles and objectives, some taken directly from TRIPS, but supplemented by new text (art 18.4) stating the Parties’ ‘recognition’ of certain ideas that are important in framing IP systems. Earlier negotiating texts included richer proposals for a preamble and/or articles stating the objectives of the chapter. Past US practice on this issue has been mixed: The Australia-US Free Trade Agreement (AUSFTA) includes no preamble in the IP chapter; cf the US-Chile FTA which includes a one-page preamble. Most multilateral conventions in IP include a preamble, which typically recognises a range of interests and considerations in framing IP law, including the protection and promotion of creativity and innovation, but also the general interest in distribution of, and access to, culture and technology.

The inclusion of these objectives and principles is a net positive. They may assist in interpretation of the chapter in both state-to-state and investor-state disputes. They provide a necessary textual anchor to ensure that, in any dispute, a full range of interests can be considered, particularly by arbitrators who will not necessarily be specialists with a background in international IP law. The Vienna Convention on the Law of Treaties requires that ‘a treaty shall be interpreted in good faith in accordance with the ordinary meaning to be given to the terms of the treaty in their context and in the light of its object and purpose.’ In the context of unclear language elsewhere in the chapter, objectives text can help ensure that the rest of the chapter is interpreted in line with negotiators’ intentions; it can ‘add colour, texture and shading to our interpretation’. In TRIPS this role is played by articles 7 (18.2) and 8 (18.3). In the Doha

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Declaration on TRIPS and Public Health, all WTO Members stressed the importance of these norms for interpreting TRIPS.\(^4\)

Art 18.4 extends beyond TRIPS articles 7 and 8. The TRIPS articles reflect concerns of developing countries dating from the 1980s and 1990s, principally around technology transfer. Art 18.4 includes concerns relevant to other kinds of IP rights (in particular, trade marks and copyright). References to a range of stakeholders, diffusion (including of culture and the arts, and not just technology) as well as innovation and creativity, and especially references to competition, transparency, and due process will be helpful in understanding the intent of the chapter, the role of IP law and the scope of the enforcement provisions. A reference to the public domain in earlier drafts of this principle is no longer there, but see art 18.15 page 18-8 in which Parties recognize the ‘importance of a rich and accessible public domain’.

It is very pleasing in particular to see reference to competition and open and efficient markets. Considerations relating to competition and ensuring space for legitimate competition do inform the development of IP policy domestically.

Unfortunately, earlier proposals that would have referred to the importance of maintaining a balance between the rights of intellectual property holders and the legitimate interests of users and the community in subject matter protected by intellectual property have apparently been rejected. The language of ‘diffusion’ is somewhat mealy-mouthed in comparison, and the reference to ‘taking into account’ the interests of ‘relevant stakeholders’, while better than nothing, is not strong. References to the need to balance interests have been included in recent multilateral treaties such as the Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired or Otherwise Print Disabled\(^5\) and the Anti-Counterfeiting Trade Agreement (ACTA).\(^6\) Art 18.66 addresses the requirement of balance for copyright systems, but copyright is not the only IP system which needs to recognise a range of interests beyond those of right holders.

It is important to note that these provisions all operate in the context of a chapter which contains extensive, detailed rights for IP owners, and few concrete protections for the interests of users or the broader public. Thus while the impression from reading just these provisions might be a certain favouring of the public interest, these provisions are more than counterbalanced by the detailed protections provided for rights holders.


\(^5\) Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired or Otherwise Print Disabled, opened for signature on 27 June 2013, [2014] ATNIF 15 (not yet in force).

### 1.3 Minimum Standards Harmonisation

#### Article 18.5: Nature and Scope of Obligations

Each Party shall give effect to the provisions of this Chapter. A Party may, but shall not be obliged to, provide more extensive protection for, and enforcement of, intellectual property rights under its law than is required by this Chapter, provided that such protection and enforcement does not contravene the provisions of this Chapter. Each Party shall be free to determine the appropriate method of implementing the provisions of this Chapter within its own legal system and practice.

**Relationship to other treaties:**
- Similar to TRIPS Article 1.1 but with additional text referring to parties providing ‘more extensive … enforcement of, intellectual property rights’ (TRIPS art 1.1 refers only to protection).
- Similar to ACTA Article 2.1, but ACTA refers only to enforcement, and not to protection (because ACTA is focused on enforcement rather than the creation of substantive law).
- The first sentence repeats AUSFTA Art 17.1.1. AUSFTA makes no reference to states’ freedom to determine the appropriate method to implement AUSFTA.

**Comment**

This is a fairly standard provision that makes explicit that the chapter provides for minimum standards for IP protection and enforcement only. This is a consistent pattern in IP treaties starting with the Berne and Paris Conventions and continuing with TRIPS: later treaties only ever increase, but never seem to curtail or limit, IP owners’ rights set out in earlier agreements.\(^7\) As Ruse-Khan and Kur have noted:

> "the “freeze-plus approach” found in the Paris and Berne Conventions as well as in TRIPS is rather atypical in international law and treaty-making in general and WTO law in particular. Both with regard to the general question of prevailing treaty regimes in case two obligations from different treaties come into conflict as well as for the more specific issue of inter se agreements on the same subject matter, international law and practice recognises also the option to restrict existing rights and obligations."

The fact that the provision is standard does not mean it is good. IP’s one-way upwards ratchet is obviously problematic.\(^8\) It reduces countries’ policy freedom and flexibility, in a context where both technology and business models change, and in which it is widely acknowledged that both IP rights and flexibilities and exceptions are important for allowing and encouraging innovation.

The minimum standards approach here particularly complicates matters for countries (eg Australia, Singapore, Chile, Peru) that already have FTAs with the US with higher standards than some of the ones embodied here in some respects. For the sake of certainty and comprehensibility in IP law, it would have been eminently sensible to

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\(^7\) See generally Henning Grosse Ruse-Khan and Annette Kur, ‘Enough is Enough - The Notion of Binding Ceilings in International Intellectual Property Protection’ (Max Planck Institute for Intellectual Property, Competition and Tax Law Research Paper Series No 09-01, 8 December 2008)

\(^8\) See further ibid.
replace prior IP chapters with this, most current version, rather than having two subsisting, and strongly overlapping, sets of rules.

[Note: article 18.6 addresses the Doha Declaration and is not discussed here owing to the fact that others possess better expertise in that area]

1.4 Adherence to Existing Treaties

Article 18.7: International Agreements

1. Each Party affirms that it has ratified or acceded to the following agreements:

   (a) Patent Cooperation Treaty (1979), as amended September 28, 1979;

   (b) Paris Convention; and

   (c) Berne Convention.

2. Each party shall ratify or accede to each of the following agreements, where it is not already a Party to such agreement, by the date of entry into force of this Agreement for the Party concerned:

   (a) Madrid Protocol;

   (b) Budapest Treaty;

   (c) Singapore Treaty;

   (d) UPOV 1991;

   (e) WCT; and

   (f) WPPT.

1 A Party may satisfy the obligation in paragraphs 2(a) and 2(c) by ratifying or acceding to either Madrid Protocol or the Singapore Treaty.

2 Annex 18-A applies to this subparagraph.

Comment

The impact of this provision is to expand the set of IP obligations required by the TPP chapter itself. To summarise these treaties:

- Berne sets baseline copyright standards and is incorporated into TRIPS; the WCT and WPPT expand copyright rights to cover activities in the digital environment (including by introducing anti-circumvention rules);
- The Patent Cooperation Treaty and Madrid Protocol provide for streamlined processes for international applications for patents and trade marks respectively (ie, they allow companies to make one application for protection in a series of countries, although each country still examines and grants separate rights);
- The Paris Convention provides baseline obligations in the area of industrial property: patents, designs, trade marks and related rights;
• The Budapest Treaty relates to the deposit of microorganisms: it allows for
deposit of a micro-organism as part of a patent application process in a single
depository authority rather than requiring applicants to deposit in every
country where they seek protection;
• UPOV 1991 provides for plant variety protection.

Note that earlier drafts did not include the WPPT as something required to be adhered to. When Australia implemented AUSFTA, one of the more significant sources of local domestic law revisions was the requirement to sign the WPPT, which extends full economic and moral rights to performers. This was a significant change for a country that had historically granted economic rights in sound recordings to producers and confined performers’ rights to anti-bootlegging laws prohibiting recording or communication of performances without performers’ consent. The WPPT used to be one of WIPO’s less popular treaties (at least of those that have come into effect): today on the other hand it has 94 contracting parties (one reason for this number has been that the US made ratifying the WPPT a condition of its FTAs from the 2000s).

Note that there is no requirement to ratify the Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired or Otherwise Print Disabled.\(^9\) This is one example of imbalance in the IP Chapter: treaties that protect and extend economic rights or streamline administration and grant processes are mandatory; treaties to protect users or vulnerable groups barely rate a mention.\(^10\)

Earlier drafts of the chapter included the Patent Law Treaty 2000 and Convention Relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite (1974). The Patent Law Treaty 2000 is mentioned in art 18.14.1, as something which the parties ‘recognise the importance’ of ratifying or acceding to, or, in the alternative, adopting or maintaining procedural standards consistent with that agreement. The Hague Agreement on Industrial Designs is dealt with later in the text in the section on Designs (see below Part 0 page 33).

One point to note is that there is no equivalent to ACTA art 1, which provides that ‘Nothing in this Agreement shall derogate from any obligation of a Party with respect to any other Party under existing agreements, including the TRIPS Agreement.’ One question in the interpretation of ACTA which has been debated by scholars is whether mandatory TRIPS safeguards in the enforcement part of TRIPS (in particular, provisions to protect defendants or accused infringers) which were omitted from equivalent provisions in ACTA still had to be provided by a Party to ACTA.\(^11\) Scholars who concluded that TRIPS safeguards were preserved relied in part on article 1 of ACTA. The non-inclusion of a similar provision here may have implications, especially when art 18.5 is also taken into account, which specifically states that parties may provide for more extensive enforcement of IP rights. Mandatory TRIPS standards of course continue

\(^9\) Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired or Otherwise Print Disabled, opened for signature on 27 June 2013, [2014] ATNIF 15 (not yet in force).

\(^10\) The Marrakesh VIP Treaty is mentioned elsewhere in the text: see footnote 77 page 37. However, the mention there is optional: it comes as one form of ‘balance’ which Parties ‘shall endeavour to achieve’ (art 18.66) and even then Marrakesh is merely mentioned as one way such interests are recognised rather than as something that Parties should implement. The fact that Marrakesh is not even a treaty that Parties are exhorted to ‘make reasonable efforts’ or ‘endeavour’ to implement is a strong sign that user interests are not valued equally in this chapter.

to apply between TPP and non-TPP countries, and it seems unlikely in the extreme that
countries would set up differentiated enforcement systems depending on whether a
defendant were from a TPP country or not. Thus the practical impact is probably
minimal – except to the extent the TPP is attempting to create an international standard
(‘writing the rules, so China doesn’t’, in the political parlance that surrounds the TPP).

1.5 National Treatment

**Note** that this provision is not the only one affecting the national treatment obligation.
There are additional rules in art 18.62 (related rights) and in the transitional provisions,
making the picture on national treatment complicated.
Relationship to other treaties:

- Very differently worded from TRIPS (embodies a more expansive national treatment requirement);
- Less expansive concept of national treatment than most previous US FTAs (see eg AUSFTA art 17.1.6, which has narrower exception in relation to secondary uses of phonograms, and which requires national treatment not just in protection of IP rights but also ‘enjoyment’ of IPR rights and ‘any benefits derived from such rights’. (but see below on the impact of footnote 4).

Comment

National treatment is said to be a cornerstone of the international IP system. The basic idea of national treatment is that foreign creators/IP owners are entitled to the same rights and treatment as domestic creators and IP owners. National treatment, however, is far from a clear or unqualified standard internationally: there are debates about the scope of the obligation, and many treaties, especially in the area of related rights, recognise exceptions and limits on the national treatment obligation. The extension of national treatment has trade implications: most countries around the world have some level of trade imbalance when it comes to IP: the US is a net exporter of IP; most other countries (especially most other current TPP countries) would be net importers of IP (they consume more foreign copyright content, and use more foreign patented technology, than they export). Extending national treatment will ordinarily increase the copyright trade imbalance for net importers, sending more royalties and payments overseas.

The first issue of significance in this provision is whether national treatment applies to IP generally (as the obligation is stated in TRIPS) or to the rights as set out in the IP chapter itself (as provided in the Berne and Rome Conventions). This chapter has the broader obligation: parties are obliged to provide national treatment for all categories of IP covered in the chapter and not just for the specific rights provided in the chapter, except with respect to copyright/related rights (footnote 3): derogations are allowed for any (otherwise permissible) copyright/related rights not covered in the chapter. This would allow, for example, Berne exceptions to national treatment for droit de suite (resale royalties), and the protection of applied art and industrial design.

A second significant issue is whether the provision applies only to the protection of IP rights, and what that means. The conventional position is that national treatment applies to systems that are IP rights in either form or substance: meaning rights that (1) are effective against the world at large, (2) enable the creator/owner to control or benefit from use of a work (& where payment comes from users, not general revenue)

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12 The usual alternative is material reciprocity, where foreign creators and owners from Country A are entitled in Country B only to the extent of protection that creators/owners from Country B receive in Country A.
14 Berne Convention, art 14ter(2).
15 Berne Convention, art 2(7).
16 Note that US FTAs concluded in the 2000s tend to include broader language referring not just to protection but also to extends also to enjoyment of IP rights and/or the enjoyment of any benefits derived from such rights: see eg Australia-US Free Trade Agreement, signed 18 May 2004, [2005] ATS 1 (entered into force 1 January 2005), art 17.1.6. Such language was proposed for the TPP but has been rolled into footnote 5 as discussed below.
and (3) which value use of the work roughly proportionate to its success in the market.\textsuperscript{17} These criteria exclude from national treatment obligations most public lending right schemes and arguably some private copying levies.\textsuperscript{18} This reasoning however is based on treaty provisions from the Berne Convention (which requires that authors ‘enjoy rights’ granted to nationals\textsuperscript{19}) and TRIPS (which requires that each Member accord to the nationals of other Members ‘treatment no less favourable than that it accords to its own nationals with regard to the protection of intellectual property’).\textsuperscript{20}

The application of national treatment to levies has been the source of international tension: in particular, there have been arguments over whether non-European right holders (particularly US right holders) are entitled to payment from various European schemes for the remuneration of authors.\textsuperscript{21} Footnote 5 ‘settles’ this question by explicitly extending national treatment to ‘any form of payment... in respect of uses that fall under the copyright and related rights in this Chapter’. This could mean that national treatment applies to all levies related to copyright (and not only those which fulfil the criteria set out by Brauneis and others). Issues could also arise around cultural funds which are often funded from some proportion of levy income: the US has a long-standing dispute with countries like Canada and France which have levies which distribute money not only to creators and IP owners (including foreign owners) but via cultural funds which tend to be confined to local authors and creators.\textsuperscript{22} The language in footnote 5 might also make for a stronger argument that other related benefit systems cannot be confined to local authors/creators/ producers: subsidies and payment schemes for authors (or other creators). On the other hand, the language of ‘payments ... in respect of uses’ may mean that the Goldstein/Brauneis criteria still apply: ie unless payments are related directly to use, no national treatment obligation arises. Note that because footnote 5 is confined to rights dealt with in the TPP chapter, the public lending right ought not in any event become subject to national treatment.\textsuperscript{23}

The second issue relates to exceptions to national treatment. Countries resent being required to provide national treatment in circumstances where it means sending money to creators in a country where their own creators are not receiving equivalent rights/income. Multilateral IP conventions have a number of exceptions to national treatment: the Berne Convention for example has the rule of the shorter term (art 7(8)) which allows a Member to confine protection for foreign authors to the term provided in their country of origin, and an explicit exception for droits de suite (artists’ resale rights) in art 14ter(2). These exceptions are effectively preserved by footnote 3.

The position is particularly complex for related rights. Performers and phonograms (sound recordings) are protected under the Rome Convention for the Protection of

\textsuperscript{17}Robert Brauneis, ‘National Treatment in Copyright and Related Rights: How Much Work Does it Do?’ in Anselm Kamperman Sanders (ed), The Principle of National Treatment in International Economic Law (Edward Elgar, 2014) 248, citing Goldstein and Hugenholtz, above n 13.

\textsuperscript{18}Brauneis, above n 17.

\textsuperscript{19}Berne Convention, art 5(1).

\textsuperscript{20}‘Protection’ is defined in a footnote to ‘include matters affecting the availability, acquisition, scope, maintenance and enforcement of intellectual property rights as well as those matters affecting the use of intellectual property rights specifically addressed in this Agreement’.

\textsuperscript{21}Daniel J. Gervais, The TRIPS Agreement: Drafting History and Analysis (Sweet & Maxwell/Thomson Reuters, 2008), 218–220.

\textsuperscript{22}Christoph Beat Graber, in Damien Geradin and David Luff (eds), Free Trade versus Cultural Diversity (Schultness, 2004) 15, 38–40.

\textsuperscript{23}The TPP chapter does not deal with the rental right, and although it does deal with the distribution right the distribution right only refers to distribution by sale: see TPP art 18.60.
Performers, Producers of Phonograms and Broadcasting Organizations (1961) ²⁴ and the WIPO Performances and Phonograms Treaty (1996) (WPPT). ²⁵ Both treaties provide for (at least) equitable remuneration for the broadcasting or communication (other than making available on demand ²⁶) of (published) phonograms, with such remuneration to go to the performer, the producer, and/or both (as determined domestically): ²⁷ that is, countries may allow broadcasting and communication to the public without prior permission of performers or owners of copyright in the phonogram (sound recording), as long as they provide payment. Further, both Rome and the WPPT allow for reservations to these equitable remuneration provisions (or even opting out), ²⁸ and reservations are widespread. ²⁹

The US is not a party to the Rome Convention and entered a reservation to the WPPT. ³⁰ As a result, the US limits rights of local and foreign performers and producers, such that for ordinary analogue broadcasting, phonogram producers and performers get no exclusive rights or payment, and digital broadcasting/communication gives rise a limited right of remuneration. It is understandable that other countries granting broader rights in sound recordings/performances might hesitate to grant full national treatment therefore. The simplest way to address this would have been to allow reservations per WPPT art 15 (eg using similar drafting to TRIPS art 3(1)). The parties however have settled on a very specific carve-out reflecting the US approach and not generally allowing for exceptions that parties (or future parties) may have preserved by reservation to the WPPT. In other words, if another country, in the future, wishes to sign the TPP it would likely need to give up any reservations it made to the WPPT.

### 1.6 Transparency

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<th>Article 18.9: Transparency</th>
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<tr>
<td>1. Further to Article 26.2 (Publication) and 18.73.1 (Enforcement Practices With Respect to Intellectual Property Rights), each Party shall endeavour to make available on the Internet its laws, regulations, procedures and administrative ruling of general application concerning the protection and enforcement of intellectual property rights.</td>
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²⁴ Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, opened for signature 26 October 1961, 496 UNTS 43 (entered into force 18 May 1964)
²⁶ Producers of phonograms have an exclusive right to make the phonogram available to the public in such a way that members of the public may access them from a place and at a time individually chosen by them: WPPT art 14.
²⁷ Rome Convention article 12; WPPT art 15.
²⁸ WPPT art 15(3) and Rome art 16(1)(a).
²⁹ The agreed statement to art 15 of the WPPT is particularly telling: ‘It is understood that Article 15 does not represent a complete resolution of the level of rights of broadcasting and communication to the public that should be enjoyed by performers and phonogram producers in the digital age. Delegations were unable to achieve consensus on differing proposals for aspects of exclusivity to be provided in certain circumstances or for rights to be provided without the possibility of reservations, and have therefore left the issue to future resolution.’
³⁰ Specifically the US’ reservation states that it provides rights ‘only in respect of certain acts of broadcasting and communication to the public by digital means for which a direct or indirect fee is charged for reception, and for other retransmissions and digital phonorecord deliveries, as provided under the United States law’
2. Each Party shall, subject to its national law, endeavour to make available on the Internet information that it makes public concerning applications for trademarks, geographical indications, designs, patents and plant variety rights.  

3. Each party, subject to its law, make available on the Internet information that it makes public concerning registered or granted trademarks, geographical indications, designs, patents and plant variety rights, sufficient to enable the public to become acquainted with those registered or granted rights.

5. For greater certainty, paragraphs 2 and 3 are without prejudice to a Party’s obligations under 18.24 (Electronic Trademarks System).

6. For greater certainty, it is understood that paragraph 2 does not require parties to make available on the Internet the entire dossier for the relevant application.

7. For greater certainty, paragraph 3 does not require parties to make available on the Internet the entire dossier for the relevant registered or granted intellectual property right.

** Note that this provision is not the only one affecting transparency. There are additional rules in elsewhere in the chapter relating to particular kinds of rights.

Relationship to other treaties:
- No equivalent in TRIPS (the drafting of which predated the mainstream rise of the world wide web and internet);
- Very different drafting in ACTA. Art 30 of ACTA focuses on ensuring that parties take measures to publish information or otherwise make it available (and focuses on information about laws relating to IP and enforcement procedures);
- Very different drafting in AUSFTA which also requires that information be published or otherwise made available.

Comment
This article is overly complex. The aspiration is set very high, and could be expensive to comply with. The provision:
- Asks that members endeavor to make all relevant law, procedure, and decisions available online;
- Requires members (subject to national law, presumably including privacy) make available about granted registered IP rights available online: in other words, the patent, trade mark, design and GI registers must be searchable and online;
- Asks that members also endeavor to make everything in registered rights applications that is available to the public (which is a great deal) available online (this would be a standard Australia now meets, in relation to patents, via Auspatent’s eDossier system – but this is a very recent development in Australia and would likely be a very long way off for many TPP members). Although the impact of footnotes 6-7 is unclear: query whether they suggest that only general bibliographic information needs to be provided online? This is one occasion where the footnote appears to contradict the text and hence makes it difficult to interpret.

31 Specifically, AUSFTA art 17.1.2 requires that ‘all laws, regulations, and procedures concerning the protection or enforcement of intellectual property rights shall be in writing and 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’. 
The important thing to note is that this article is just a general baseline. Specific obligations in relation to both the trade mark and patent register come from both art 18.7 (international agreements) which requires parties to sign up to a number of treaties regarding administrative processes, and later provisions in the TPP IP Chapter itself. Further, although art 18.9 would suggest that parties need only *endeavour* to make information on applications available online, see art 18.24 (discussed below page 26).

1.7 **Application of Agreement to Existing Subject Matter and Prior Acts**

**Article 18.10: Application of Chapter to Existing Subject Matter and Prior Acts**

1. Except as it otherwise provides, including in Article 18.64 (Application of Article 18 of the Berne Convention and Article 14.6 of the TRIPS Agreement), this Chapter gives rise to obligations in respect of all subject matter existing at the date of entry into force of this Agreement for a Party and that is protected on that date in the territory of the Party where protection is claimed, or that meets or comes subsequently to meet the criteria for protection under this Chapter.

2. Except as otherwise provided Article 18.64 (Application of Article 18 of the Berne Convention and Article 14.6 of the TRIPS Agreement), a Party shall not be required to restore protection to subject matter that on the date of entry into force of this Agreement for that Party has fallen into the public domain in its territory.

3. This Chapter does not give rise to obligations in respect of acts that occurred before the date of entry into force of this Agreement.

**Relationship to other treaties:**
- Equivalent in TRIPS art 70, although TRIPS art 70 is more detailed with respect to treatment of applications for registered rights.
- Similar to AUSFTA art 17.1.9–17.1.11.

**Comment**

This provision reflects the conventional position under the Berne and TRIPS Conventions: namely, that material protected by IP rights at the time the treaty is concluded receive the benefits of any new rights or extension of rights provided by new treaties, including, for example, extensions of term. This has been controversial because it involves granting additional exclusive rights which cannot on any view act as an incentive to creativity or invention: it represents a windfall for rightsholders, and a transfer of wealth from the public to rightsholders: the public get nothing in return.\(^{32}\) It is also conventional *not* to require as a matter of international law extension of rights to works already in the public domain: see eg TRIPS art 70 (3), art 18(2) of the Berne Convention (although it may be legitimate for a country to extend protection to public domain works in copyright).

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\(^{32}\)Copyright term extension in the US was (unsuccessfully) challenged as being unconstitutional in *Eldred v Ashcroft* 537 US 186 (2003), partially on the basis that it could not plausibly be argued that retrospective copyright term extension was for the purpose of promoting science and the useful arts, as required by the US Constitution.
A provision of this kind has perhaps its greatest impact in copyright – where protection is protracted and arises automatically, and where a range of new rights have been granted over time. But both TRIPS and the TPP have also applied the rule to other IP rights, including patents. Thus, for example, in countries like Australia, which was required by TRIPS to lengthen the term of patent protection from 16 to 20 years, patents granted prior to TRIPS coming into effect received the benefit of the extended patent term. Again this has been criticised as simply reducing economic welfare. Similarly, for countries that do not currently allow for patent term extensions, this provision in the TPP represents a wealth transfer to pharmaceutical companies – in return for nothing.

There is a strange inconsistency in the way that existing registered rights are sometimes dealt with. At least in Australia the practice has been to assess the validity of registered rights under validity rules existing at the time the rights were applied for: that is, such registered rights are effectively ‘grandfathered’ in those cases where a more stringent standard for validity is introduced through legislation. Thus the approach taken to date has been that IP owners are not to be disadvantaged by changes in IP rules (for example, to raise the standards for patentability) but they are advantaged by increases in the scope of rights. As a policy matter, this does not really make sense, is unsupported by any economic rationale, and it causes administrative and legal complexity.

There is room for argument regarding the scope of the obligation in the TPP, in part because the provision is less detailed than art 70 of TRIPS. The TPP text refers to ‘all subject matter existing’ and protected at the date of entry of the Agreement into force. If, for example, a country required the submission of undisclosed test or other data for the purposes of marketing approval, but prior to the TPP granted a lesser period of protection, is it required to give the benefit of the extended TPP term of protection? Notwithstanding art 18.10 the provisions on data exclusivity are stated in the future tense, in terms of acts (the existence of rights depends on the act of requiring the submission of test data). This may give rise to an argument that test data exclusivity terms apply only prospectively, although there is equally an argument that the TPP applies to any act of allowing a third party to rely on the test data for marketing approval that occurs subsequent to the TPP coming into effect.

1.8 Exhaustion of IP Rights

**Article 18.11: Exhaustion of IP Rights**

Nothing in this Agreement prevents a Party from determining whether and under what conditions the exhaustion of intellectual property rights applies under its legal system.  

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8 For greater certainty, this Article is without prejudice to any provisions addressing the exhaustion of intellectual property rights in international agreements to which a Party is a party.

**Relationship to other treaties:**
- Similar to TRIPS art 6 although differently worded

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33 Patents (World Trade Organization Amendments) Act 1994 (Cth)
34 See for example Tony Harris, Nic Gruen and Dianne Nicol, Pharmaceutical Patents Review Report (Commonwealth of Australia, 2013).
35 Note that in some cases, transitional provisions will affect this: for example, Peru’s transitional provisions are quite complex on the question of when the extended rights for pharmaceutical patent owners apply.
2.1 General Cooperation and Work-sharing Provisions

Without going into detail, these provisions on cooperation (arts 18.12–18.14; 18.17) are fairly loose, requiring mostly that Parties 'endeavour to cooperate'. There are some relatively specific provisions on patent cooperation/work sharing – although as Drahos has elsewhere pointed out, patent offices have worked together extensively even in the absence of formal treaty provisions of this kind: one way that patent offices like the USPTO and EPO have been promoting a harmonisation agenda is through training patent examiners from developing countries, providing access to resources, and engaging in staff secondment and other such activities.\(^{36}\) Cooperation is explicitly subject to the availability of resources, on request, and on mutually agreed terms and conditions (art 18.17).

2.2 The Public Domain

<table>
<thead>
<tr>
<th>Article 18.15: Public Domain</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The Parties recognize the importance of a rich and accessible public domain.</td>
</tr>
<tr>
<td>2. The Parties also acknowledge the importance of informational materials, such as publicly accessible databases of registered intellectual property rights that assist in the identification of subject matter that has fallen into the public domain.</td>
</tr>
</tbody>
</table>

Relationship to other treaties:

• This is new. Neither TRIPS, nor ACTA, nor past US FTAs talk about the importance of the public domain

Comment

The public domain consists of material that is not (or no longer) protected by IP rights: it consists of inventions no longer protected by patent; books and music that are out of copyright. The public domain is a rich source of material for education, research, and new innovation and creativity.

The inclusion of some recognition of the importance of the public domain is useful; as a general statement it could be used in a similar way to the objectives and understandings provisions discussed above (section 1.1, page 3 above). It is not clear why this is included in the cooperation part of the chapter since it has no commitments on, say, cooperation on the construction of publicly accessible databases.

The language of ‘recognition’ and ‘acknowledgment’ is very weak and creates no enforceable obligations. As is true throughout the chapter, then, provisions intended to protect the public interest generally are non-mandatory (as compared to provisions for the benefit of rightsholders, which are far more likely to be non-mandatory). The provision does, however, provide a textual anchor for public domain considerations that might arise in interpreting other provisions of the chapter.

2.3 Traditional Knowledge

<table>
<thead>
<tr>
<th>Article 18.16: Cooperation in the Areas of Traditional Knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The Parties recognise the relevance of intellectual property systems and traditional knowledge associated with genetic resources to each other, when that traditional knowledge is related to those intellectual property systems.</td>
</tr>
<tr>
<td>2. The Parties shall endeavor to cooperate through their respective agencies responsible for intellectual property or other relevant institutions to enhance the understanding of issues connected with traditional knowledge associated with genetic resources, and genetic resources.</td>
</tr>
<tr>
<td>3. The Parties shall endeavor to pursue quality patent examination, which may include:</td>
</tr>
<tr>
<td>(a) that in determining prior art, relevant publicly available documented information related to traditional knowledge associated with genetic resources may be taken into account;</td>
</tr>
<tr>
<td>(b) an opportunity for third parties to cite, in writing, to the competent examining authority prior art disclosures that may have a bearing on patentability, including prior art disclosures related to traditional knowledge associated with genetic resources;</td>
</tr>
<tr>
<td>(c) if applicable and appropriate, the use of databases or digital libraries containing traditional knowledge associated with genetic resources; and</td>
</tr>
</tbody>
</table>
(d) cooperation in the training of patent examiners in the examination of patent applications related to traditional knowledge associated with genetic resources.

Relationship to other treaties:
- This is new: similar provisions do not exist in TRIPS, ACTA, or past US FTAs.

Comment
The provision targets concerns that patent applications are sometimes granted which seek to monopolise traditional knowledge (for example, of the medicinal properties of certain plants). It targets this issue through examination, seeking to bring information about traditional knowledge into the patent examination process.

The provisions however are very soft indeed. They are stated only in terms of ‘recognition’ and various ‘endeavours’. Requirements for patent offices to pay attention to documented or publicly known traditional knowledge in assessing patent applications has been a long-standing demand of a number of countries rich in genetic resources and TK; this provision is no more than a polite suggestion that parties might like to consider such information.

Notably too art 18.6.1 recognises only the relevance of traditional knowledge associated with genetic resources – it does not recognise the ‘importance’ or ‘contribution’ of traditional knowledge and traditional cultural expressions (cf earlier proposals). Other early proposals would have provided for obligations beyond mere patent examination: for example, by requiring prior informed consent in accessing traditional knowledge, and even fair and equitable benefit sharing, as well as recognising that IP rights might be one way to protect traditional knowledge. By contrast, the final provision suggests a fairly one way street via language that is close to, if not actually tautological: apparently the Parties ‘recognise the relevance of IP systems and TK, when that TK is related to those IP systems’ (It’s like saying ‘the parties recognise that their relatives are related to them’).

The provisions have been significantly narrowed in scope from earlier proposals: earlier proposals from many countries referred, not just to ‘traditional knowledge associated with genetic resources’, but also to a broader set of concerns around appropriation of traditional cultural expressions. Thus one missing provision that had widespread support in an earlier draft (except the US and Japan) is a provision allowing Parties to establish appropriate measures to respect, preserve and promote or protect traditional knowledge and traditional cultural expressions. This may have moved to another chapter or, more likely, been removed entirely.
3  Section C: Trade marks

3.1  Types of Signs Registrable as Trade Marks

**Article 18.18: Types of Signs Registrable as Trade Marks**

1. No Party shall require, as a condition of registration, that a sign be visually perceptible, nor shall a Party deny registration of a trademark solely on the ground that the sign of which it is composed is a sound. Additionally, each Party shall make best efforts to register scent marks. A Party may require a concise and accurate description, or graphical representation, or both, as applicable, of the trademark.

**Relationship to other treaties:**

- TRIPS: Removes a flexibility: TRIPS Art 15.1 allows countries to require that marks are visually perceptible.
- Similar to AUSFTA art 17.1.2, although AUSFTA allows parties to require an adequate description which can be represented graphically. TPP offers ‘a concise and accurate description’ (more European-style language) as an alternative to a graphical representation.

**Comment**

The TPP includes a broad range of possible trade marks: broader than TRIPS. Registration of scent marks in particular has been controversial. In Europe, the mark defined in an application must be clear, precise, self-contained, easily accessible, intelligible, durable and objective. This has largely prevented the registration of scent marks which cannot be so readily described.\(^{37}\)

Note that nothing in this provision will harmonise protection or make international registrations easier for business. Parties may still have very different understandings of the scope of an allowable registration, or how, for example, colour trade marks must be confined or specified in order to be registrable.

3.2  Collective and Certification Marks

**Article 18.19: Collective and Certification Marks**

1. Each Party shall provide that trademarks include collective marks and certification marks. A Party is not obligated to treat certification marks as a separate category in its law, provided that those marks are protected. Each Party shall also provide that signs that may serve as geographical indications are capable of protection under its trademark system.\(^{10}\)

10 Consistent with the definition of a geographical indication in Article 18.1 (Definitions), any sign or combination of signs shall be eligible for protection under one or more of the legal means for protecting geographical indications, or a combination of such means.

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Relationship to other treaties:
- No equivalent in TRIPS: trade marks and geographical indications are treated separately
- Similar to AUSFTA art 17.2.

Comment
Collective and Certification marks are exceptions to the usual rule that trade marks are signs used to indicate the source of goods or services. Collective marks are not defined here, but generally, they are signs intended to be used by members of an association, to distinguish their goods/services from those of non-members; in general, the association applies for the mark. Examples in the Australian register include marks for Industry Super Funds, the Queensland Freemasons and European Appellations such as Chateau Neuf-du-Pape Controle and Rioja Consejo Regulador d. de Origen Calificada. Certification marks are marks used to distinguish goods or services that have been certified by some person for some quality, accuracy, material, mode of manufacture or some other feature. Examples on the Australian register include the Heart Foundation ‘tick’, various Wool marks, a Ceylon Tea mark, a Danish Butter mark, and appellations such as Parmigiano Reggiano Tutela Consorzio.

The drafting suggests that collective and certification marks should be protected whether registered or not (it is not confined to the registered system). Note also the confined definition of geographical indications as referring only to GIs where the relevant geographical territory falls within the territory of a Party to the TPP. The drafting therefore does not appear to mandate any particular system or approach in relation to GIs originating from non-TPP members, subject to obligations of national treatment.38

3.3 Use of Identical or Similar Signs

<table>
<thead>
<tr>
<th>Article 18.20: Use of Identical or Similar Signs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Each Party shall provide that the owner of a registered trademark has the exclusive right to prevent third parties that do not have the owner’s consent from using in the course of trade identical or similar signs, including subsequent geographical indications,11,12 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, for identical goods or services, a likelihood of confusion shall be presumed.</td>
</tr>
</tbody>
</table>

Fn11 For greater certainty, the exclusive right in this Article applies to cases of unauthorized use of geographical indications with goods for which the trademark is registered, in cases in which the use of that geographical indication in the course of trade would result in a likelihood of confusion as to source of the goods.

Fn12 For greater certainty, the Parties understand that this Article should not be interpreted to affect their rights and obligations under Article 22 and Article 23 of the TRIPs Agreement.

38 And note the impact of the decision of the WTO Panel in Panel Report, European Communities - Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs, WTO Doc WT/DS174/R (15 March 2005): this decision makes it clear that although parties need not have identical systems for nationals of all countries entitled to national treatment under TRIPS, there must be effective equality: having additional hurdles to protection will be contrary to the obligation to provide national treatment.
Relationship with other treaties:

- Additional to TRIPS:
  - TRIPS art 16.1 grants trade mark owners the right to prevent the use of identical or similar signs on identical or similar goods or services where use would result in a likelihood of confusion. This adds the reference to related goods or services;
  - makes rights in relation to identical marks on identical goods/services more absolute, by presuming confusion in those cases;
  - The TPP provision omits language from TRIPS stating that 'The rights described above shall not prejudice any existing prior rights; nor shall they affect the possibility of Members making rights available on the basis of use'. The omission of this language clearly does not prevent a Party from preventing registration of a mark that conflicts with some existing user in the market or creating exceptions for prior user under Article 18.21 (exceptions).
- Equivalent to AUSFTA art 17.2.4, except that the term subsequent [geographical indications] is omitted from AUSFTA.

Comment

This provision reflects widely adopted trade mark law internationally – where trade mark owners (a) get stronger rights in the case of the use of identical signs on identical goods/services (confusion is presumed), and (b) have a right to prevent likelihood of confusion where a similar/identical sign is used on related goods/services (not just the registered goods or services). Analysts from particular countries may need to consider domestic law: in Australia, for example, the term ‘similar’ is used to assess infringement where competing marks are both used on goods, or both used on services; related is used where one mark is on goods, and the other on services (ie, the thinking is that services can be similar to services, goods similar to goods, but services are related to goods not similar (and vice versa)). Given the language in TRIPS refers to similar goods/services, it appears the thinking here is that related is a wider concept than similar.

The most interesting issue relates to the relationship with geographical indications. This is explored further below, but the reference to subsequent geographical indications seems designed (so far as possible) to lock in a system whereby prior trade mark owners cannot have their rights displaced by subsequently recognised geographical indications. Conflict between GIs and trade marks is not uncommon: companies making a similar product to some traditional (eg European) product may have used a term that in Europe would be considered a GI in order to communicate the nature of their product; alternatively, a company may be importing a product and register a geographical term from another country for its imports.

It is not clear what a subsequent geographical indication is: geographical indications are defined in terms of their properties not in terms of their registration or formal recognition. So does ‘subsequent geographical indication’ refer to subsequently registered geographical indications? Or subsequently recognised but perhaps unregistered geographical indications? The potential impact of this provision is that a later geographical indication, however it enters the law of a Party, cannot override existing trade mark rights. This (together with the GI provisions discussed below) will make future deals with, for example, the European Union difficult if the EU demands full and unqualified recognition for its GIs (for example, relating to cheeses, meats or other products) not yet recognised in TPP countries.
### 3.4 Exceptions and Limitations

#### Article 18.21: Exceptions

Each Party may provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interest of the owner of the trademark and of third parties.

### Relationship with other treaties:

- Repeats TRIPS art 17
- Repeats AUSFTA art 71.2.5

### Comment

This provision repeats TRIPS precisely. It allows for exceptions to trade mark rights for nominative uses, bona fide uses of names and geographical terms, indications of the kind, quality or destination of goods etc. The exception must be 'limited' – that is it must be narrow and permit only a small diminution of rights.\(^{39}\) The 'legitimate interests' that must be taken into account are normative claims calling for protection of interests that are 'justifiable' in the sense that they are supported by relevant public policies or other social norms.\(^{40}\) Note that it is not limited to registered trade marks: it can thus apply to unregistered marks.\(^{41}\) Under the equivalent WTO provision, the Panel Report in EC – GIs specifically recognises that some exceptions may enable some level of consumer confusion. 'Third parties' includes consumers,\(^ {42}\) and users of GIs (who have a legitimate interest in using geographical terms to indicate the quality of their goods).\(^ {44}\)

One question of interest is whether the constellation of provisions in the TPP IP chapter (including this provision) allows subsequent registration and use of geographical indications where they conflict with pre-existing trade marks (discussed below).

### 3.5 Well Known Trade Marks

#### Article 18.22: Well-Known Trademarks

1. No Party may require as a condition for determining that a trademark is well-known that the trademark has been registered in the Party or in another jurisdiction, included on a list of well-known trademarks, or given prior recognition as a well-known trademark.

2. Article 6bis 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,\(^ {13}\) whether registered or not, provided that use of that trademark in relation to those

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\(^{39}\) Ibid, [7.650]; see Gervais, above n 21, 280–1.

\(^{40}\) Panel Report, *European Communities - Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs*, WTO Doc WT/DS174/R (15 March 2005) [7.663]. Trade mark owners have a legitimate interest in preserving the distinctiveness of their trade marks so that they can perform the function of distinguishing the goods/services of the owner in the course of trade, and in the economic value of its mark arising from the reputation that it enjoys and the quality that it denotes: ibid at [7.664].

\(^{41}\) Gervais, above n 21, 281.


\(^{13}\) Ibid at [7.676].

\(^{44}\) Ibid at [7.681].
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.


4. Each Party shall provide for appropriate measures to refuse the application or cancel the registration and prohibit the use of a trademark that is identical or similar to a well-known trademark, for identical or similar goods or services, if the use of that trademark is likely to cause confusion with the prior well-known trademark. A Party may also provide such measures inter alia in cases in which the subsequent trademark is likely to deceive.

In determining whether a trademark is well-known in the Party, that Party need not require that the reputation of the trademark extend beyond the sector of the public that normally deals with the relevant goods or services.

The Parties understand that such well-known trademark is one that was already well-known before, as determined by a Party, the application for, registration of or use of the first-mentioned trademark.

### Relationship to other treaties

- Article 18.22.1 does not have an equivalent in TRIPS, ACTA or AUSFTA. It is aimed against countries setting up administrative pre-conditions to protection for well-known marks; it is not clear whether (many) countries actually do this.
- Article 18.22.2 rewords and extends TRIPS 16.3. It repeats AUSFTA art 17.2.6, except that footnote 16 to the TPP is practically opposite in effect to AUSFTA footnote 14.
- Article 18.22.3 has no equivalent in TRIPS, or AUSFTA.
- Article 18.22.4 has no equivalent in TRIPS or AUSFTA. In prior incarnations this provision was extremely worrying and could have required significant changes to trade mark law; it has been significantly narrowed.

### Comment

This is a provision which has undergone dramatic revisions over the course of negotiations – it started in early US proposals as a very ambitious provision indeed that would have radically changed international law relating to well-known marks, and has been significantly cut back over time. Well-known marks receive very different levels of protection in different countries: the US has anti-dilution law; the EU has extensive protection for well-known marks, including protection against diluting uses and uses that ‘take unfair advantage’ of the repute of a mark. Australia has relatively low levels of protection via the trade mark system: prohibiting uses of well-known marks on unrelated products where consumers would make a connection with the owner. In short, this is an unharmonised area of law.

The big questions that arises for well-known marks (a) can the mark owner prevent others registering a similar mark for unrelated goods (usually, TM rights to prevent registration are confined to the registered and similar goods/services); (b) what uses on dissimilar goods can the TM owner prevent; and (c) when can an owner prevent use of a mark even though consumers are not confused by the use into thinking the interloper's
goods/services come from the same source: that is, can Coca-Cola prevent use on floor tiles, even no one thinks Coca-Cola has branched out into building materials?

Para 2 is concerned with art 6bis of the Paris Convention, which requires Members to protect well-known marks from being registered, or used, on identical or similar goods to those where the well-known mark owner is using the mark.

TRIPS extended the Paris obligation to also cover well-known marks used for services, and to prevent registration for or use on goods or services that are not similar to those where the well-known mark owner is operating (eg, Coca-Cola for floor tiling) – at least where the presence of the mark indicates a connection, and this causes damage to the well-known mark owner. Para 2 is more explicit than TRIPS in two ways:

- The TPP explicitly states that the well-known mark need not be registered (although this may be implicit in TRIPS in any event, in that art 16.3 of TRIPS is not explicitly confined to registered marks);
- The TPP applies 6bis to goods or services that are not identical or similar (TRIPS only refers to goods/services that are not similar). Again, this may be implicit in TRIPS.

The strangest thing in this leaked version of the chapter is footnote 16 to paragraph 2, which currently states that:

the Party need not require that the reputation of the trademark extend beyond the sector of the public that normally deals with the relevant goods or services.

This wording suggests that a Party could require that protected marks be well-known among the public at large. This would seem to be somewhat inconsistent at least in spirit with paragraph 3: the Joint Recommendation very clearly states that a Party should not require that the mark be well-known to the public at large. Compare also AUSFTA footnote 14, which states that:

In determining whether a mark is well known, the reputation of the mark need not extend beyond the sector of the public that normally deals with the relevant goods or services.

I suspect an error.

The reference to the Joint Recommendation is non-binding: ie the Parties recognise the importance of the recommendation without committing to observe every last element of it. The Joint Recommendation is an interpretation of trade mark protection for well-known marks, that reflects a very broad model of protection for well-known marks and a potentially very low bar for establishing that a mark is well-known. Taken literally, the Joint Recommendation suggests, for example, marks may be well-known even if merely known (not well-known) only to one relevant sector of the public, such as distributors (without the general or consuming public being aware at all).

Para 4 with cases involving application for/use of a mark similar or identical to a well-known (registered or unregistered) trade mark, on similar or identical goods/services and which causes confusion or is likely to deceive. So far as that goes, that is not particularly troubling and is consistent with the Paris Convention art 6bis. An earlier version of this provision was extremely broad and weird: its narrowing in this final
version is a good result.\textsuperscript{45}

The upshot is that this article (unlike earlier proposals) now reflects a relatively minimal standard of protection for well-known marks and has eschewed adoption of the more expansive (and more controversial) US and EU systems.

### 3.6 Examination, Opposition, Cancellation, Procedural, Electronic Trademarks System; Classification; Term of protection

**Relationship to other treaties**

- These provisions (Articles 18.23–18.26) go beyond TRIPS which contains relatively little detail on registration systems for trade marks.
- They are untroubling for developed countries and are broadly consistent with past US FTAs and with the *Singapore Treaty on the Law of Trademarks* which deals with a range of procedural matters. For developing countries, they could be quite expensive.
- Individual countries considering ratification need to assess the extent of establishment costs relating to these various administrative requirements. These provisions require a country to maintain:
  - a full system for examination, including reasoned decisions in writing and opportunities for applicants to challenge and appeal refusals;
  - a system of opposition or cancellation/revocation, including reasoned decisions in writing;
  - a fully online database of applications and registered marks; and
  - a system for electronic application for marks.

**Comment**

Establishing these systems would be expensive if they do not already exist. Notably, art 18.24 qualifies art 18.9 in that it *requires* an online database that includes applications as well as registered marks. The obligation to use the *Nice* Classification but not make determinations of similarity or lack of similarity of goods on the basis of *Nice* Classification (art 18.25) is also found in the *Singapore Treaty on the Law of Trademarks 2006* art 9.

\textsuperscript{45} Earlier versions of this paragraph suggested that there should also be remedies where a junior use of a mark ‘risk[s] associating the trademark with the owner of the well-known trademark’ or ‘constitutes unfair exploitation of the reputation of the well-known trademark’. This was concerning because it did not appear to be consistent with any particular jurisdiction internationally, in a context where trade mark law varies very significantly between countries. For example, ‘risk associating’ is not language found anywhere in international trade mark rules/legislation as far as I know except in the Benelux countries (which of course were not part of the TPP negotiations); even the very protective EU system requires a *likelihood of association*. ‘Unfair exploitation’ was also an unclear term: Art 5(2) and 4.4(a) of the *EU Trademarks Directive* prohibit registration or use of a trade mark where ‘use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the reputation of the earlier trade mark’;\textsuperscript{45} ‘exploitation’ is language used in a decision of the Court of Justice of the European Union in *L’Oreal SA v Bellure NV (C-487/07)* [2010] RPC 1. The *US Trademark Dilution Act* prohibits ‘the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of...likelihood of confusion, mistake, or deception’ (ie dilution); the US also has liability for tarnishment. In short, the *removal* of this language is a good result, both because it avoids expanding trade mark rights without democratic debate regarding the merits of expansion, and because it avoids importing very unclear language in a piecemeal way into the treaty.
Article 18.26 provides for a 10 year term for registration of a trade mark, renewable. This is longer than the term in TRIPS (7 years: art 18), but the same as is provided in many countries and in US FTAs such as AUSFTA (17.2.9). 10 years is also the term of registrations and renewals provided for in the Singapore Treaty on the Law of Trademarks 2006 art 13.

### 3.7 Recording Licences

**Article 18.27: Non-recordal of a Licence**

No Party may require recordal of trademark licenses: to establish the validity of the license; or as a condition for use of a trademark by a licensee, to be deemed to constitute use by the holder in proceedings relating to the acquisition, maintenance and enforcement of trademarks.

<table>
<thead>
<tr>
<th>Relationship to other treaties</th>
</tr>
</thead>
<tbody>
<tr>
<td>- No equivalent provision exists in TRIPS. TRIPS art 21 allows Members to determine conditions relating to licensing and assignment of trade marks.</td>
</tr>
<tr>
<td>- AUSFTA simply states that neither Party may require recordal of licences.</td>
</tr>
<tr>
<td>- Art 18.27 is similar but more limited than art 19 of the Singapore Treaty on the Law of Trademarks which provides that non-recordal of a licence may not:</td>
</tr>
<tr>
<td>o Affect the validity of a trade mark registration;</td>
</tr>
<tr>
<td>o Be a condition for any right of the licensee to join infringement proceedings or obtain damages;(^{46})</td>
</tr>
<tr>
<td>o Be a condition for use of the mark by a licensee being deemed use by the owner in proceedings requiring the acquisition, maintenance or enforcement of trade marks.</td>
</tr>
</tbody>
</table>

**Comment**

This provision is relatively untroubling. It allows for recording of licences for purposes not outlined in the provision, such as in order to give notice of licensees’ claims in the case of sale of a trade mark. It would be consistent with this provision, to have a rule that failure to record a licence could enable a bona fide purchaser of a trade mark without notice to acquire the trade mark dear of the licence.

### 3.8 Earlier proposals for trade mark obligations that have been left out of the TPP Chapter

Earlier drafts of the TPP IP chapter included some very strange proposals to expand trade mark owner rights which, fortunately, have been removed from the final version. One key earlier proposals was drafted as follows:

Pursuant to Article 20 of the TRIPS Agreement, each Party shall ensure that its measures mandating the use of the term customary in common language as the...\(^{46}\)An earlier draft of the TPP chapter included a prohibition on making recordal of a licence a precondition for any right that a licensee may have under that Party’s law to join infringement proceedings initiated by the holder, or to obtain by way of civil infringement proceedings damages resulting from an infringement of the trademark. This has been removed from the final version. Note too that in art 18.7 a Party need only sign one of the Singapore Treaty and the Madrid Protocol. The Madrid Protocol does not have any provisions on recordal of licences.
common name for a good or service (“common name”) including, inter alia, requirements concerning the relative size, placement or style of use of the trademark in relation to the common name, do not impair the use or effectiveness of trademarks used in relation to such good or service.

This was odd in part because art 20 of TRIPS deals with a different issue (encumbrances such as requiring use with another trademark, use in a special form or use in a manner detrimental to its capability to distinguish the goods or services of one undertaking from those of other undertakings). Art 20 of TRIPS is also a provision on use of trade marks, and the question whether trade mark owners have positive rights to use their marks is a central issue in current WTO claims relating to tobacco plain packaging. It is a relief to see this water-muddying provision out of the TPP.

As noted above, the other key element removed from the TPP trade mark section relates to extended protection for well-known marks: this is discussed above under heading 3.5 (see footnote 45 above page 26).

3.9 Domain names and Cybersquatting

Art 18.28 is aimed at ‘cybersquatting’ – broadly, the bad faith registration/use of domain names that are the same as, or confusingly similar with trade marks. Historically such cases have been dealt with under the Uniform Domain Name Dispute Resolution Policy (UDRP policy) which creates an online system for dispute resolution with strict timetables, expert arbitrators, and no hearings.

Broadly this provision (18.28) requires that a Party maintain a UDRP-style system for non-judicial resolution of disputes over domain names for its country code top level domain. It would probably have been better, rather than name-checking the UDRP specifically, to include in the treaty the key disputes to be addressed, the broad mechanism and any procedural requirements. Better still, a properly drafted principles-level IP Chapter would have focused on the goal: that is, an expeditious method for resolving disputes between TM owners and domain name registrants, leaving the detail to local systems or global developments. The provision is TRIPS plus and far more detailed than past US free trade agreements, which have not generally included standards such as requirements that any processes be expeditious/fair and equitable/not overly burdensome.

Perhaps the most controversial part of art 18.28 is its requirements for a database of contact information (an issue which has recently received some attention lately in the context of doxing and other online harassment). However importantly that obligation is explicitly subject to the Party’s laws regarding protection of privacy and personal data, allowing for privacy protections to be implemented. If local privacy laws require, the domain name database can keep personal information out. Note, however, that there is no obligation to respect any standards of privacy in relation to any database of domain name registrants.
4 Sections D–E: Country Names and Geographical Indications

4.1 Country Names

Article 18.29: Country Names

Each Party shall provide the legal means for interested persons to prevent commercial use of the country name of a Party in relation to a good in a manner that misleads consumers as to the origin of that good.

Relationship to other treaties
• I am not aware of a similar provision in any existing treaties (but let me know if you do!)

Comment
It is not hard to see why this provision is here. It would not be unusual for traders to see advantage in being able both (a) to proclaim where they come from and (b) prevent others inaccurately claiming to be from that country. For example, it may be an advantage to Australian or Chilean wine makers, or New Zealand dairy producers, to ensure that only products truly from their respective countries are marketed as such. Obviously such traders will have no specific proprietary right in the country name. Nor would traders be able to establish some proprietary reputation (in most, albeit not all, cases, it would be hard to establish any particular reputation associated with all traders from a given country).

In Australia, article 18.29 would be covered by general consumer protection law: traders can sue to prevent consumers being misled by (for example) packaging or advertising claims (without necessarily having to prove harm to their own commercial interests). The question for any given country proposing to enter the TPP would be whether they have equivalently generous standing rules to allow such an action.

Note that the provision applies only to goods, not to misleading use of country names on services.

4.2 Geographical Indications

Geographical indications (GIs) as defined in Article 18.1\(^{47}\) are signs (words or logos) 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 The best known examples are European: Champagne, Parma Ham, Mozzarella Cheese, but at least in this text, the definition is confined to terms relating to Member territories (see art 18.1 discussed above p 3). There are examples from the TPP region: Australian wine GIs such as Coonawarra or Hunter Valley would count; *Pisco* is a term that Chile proposed early in the negotiations should be a term recognised as for the exclusive use on products of Chile and Peru; a recent EU-Vietnam Free Trade Agreement recognises Mộc Châu tea and Buôn Ma Thuột coffee as Vietnamese GIs.

\(^{47}\)See commentary above part 1.1 (Definitions) page 3 for discussion of the definition.
The summary of the GI provisions is as follows: they seek to preclude the creation of protection for GIs which will risk confusion with existing trade marks or which will prevent use of customary/generic terms, whether those GIs are recognised through an administrative process or via a trade agreement.

A trade-off is involved in assessing whether this approach is in the interests of any individual TPP country:

- On the one hand, producers from countries like Australia and New Zealand face barriers to their export trade in countries which conclude an agreement with the EU which includes extended protection of GIs for dairy and meat products. The Australian cheese industry can suddenly find markets for Australian parmesan or fetta blocked or subject to new barriers. Thus, on one view, it is desirable to prevent trading partners concluding such an agreement with the EU (or elsewhere) unless that agreement protects existing trade mark or generic uses. This is the benefit of the TPP approach;

- On the other hand, a deal like the EU-Australia Wine Agreement involved a ‘payoff’ – in return for protection of EU GIs, better access to the EU wine market was secured for Australian producers. Thus if the TPP precludes such deals, it may prevent trade gains that, while involving some costs, are also beneficial to agricultural producers. Even if Australian producers were to decide that a deal was in their interests overall, and agree not to oppose the registration of European GIs, producers from other TPP countries can elect to challenge under the TPP model.

Which option is best in the long term for any given TPP country requires:

- Knowledge of the level of access which other TPP partners currently have for their agricultural producers within Europe, and whether that access is better (and thus whether locking in current deals, but precluding new ones, is an advantage or disadvantage);

- Knowledge of the level of access currently available to competitor nations; and

- An assessment of the likelihood that non-TPP countries might take advantage of TPP countries’ inability to do deals desirable with the EU and thus ‘steal a march’ on TPP countries and producers; and more.

That is the summary: what follows is detail.

One issue in IP internationally is how conflicts between GIs and trade marks should be handled, especially in the context of demands for enhanced protection from agricultural producers from regions or localities associated with some particular quality of goods. The US and EU are well-known for taking different views on this question. Within post-colonial Western countries with a significant European immigrant heritage or population, there has been extensive use of European geographical terms as generic terms to describe products made using similar ingredients or methods to products produced in Europe (thus, we have Australian Fetta and American Parma Ham). The result is that certain terms that Europe considers are Geographical Indications have been used generically or descriptively in former colonies like Australia, New Zealand and the US. Such terms have also been incorporated into registered and unregistered trade marks. The EU position has historically been that European GIs ought, in general, not to be used, even if accompanied by terminology that suggests the term is being used descriptively (-style; -type etc).

In TRIPS, GIs relating to wine and liquors/spirits were granted significant protection (but with grandfathering of existing uses) including against use with the true geographical origin or use with terms such as 'style' or 'type' (art 23). Other GIs were
left for further discussion (art 24). The EU’s ambitions for international protection of GIs also extend to various meats and cheeses; nor is Europe the only country that has potential GIs that might be protected: several developing countries also have potentially valuable geographical terms (consider Darjeeling Tea, for example). In a number of cases, the EU has reached trade agreements involving the protection of EU GIs in non-EU trading partners, in return for enhanced access to the European market or other trade concessions. For example, the Agreement between Australia and the European Community on Trade in Wine ensures protection of an extensive list of EU wine-related Geographical Indications; 48 such protection being extensive and not allowing for grandfathering of existing uses/trade marks (a large number of wine producers have had to change their labelling practices as a result). An EU-Vietnam Free Trade Agreement has also recently been announced; press releases suggest that EU GIs protected under that Agreement will include ‘Champagne, Parmigiano Reggiano cheese, Rioja wine, Roquefort cheese and Scotch Whisky’ (a list notably not confined to wines). 49

The model embodied in the TPP allows for protection of geographical indications through the trade mark system, a sui generis (distinct) system, or other legal means (art 18.30) (an example could be through the law of extended passing off). 50 Protection for GIs is not required, except for country names of Parties (art 18.29 above). Systems for the registration of GIs are subject to general obligations in art 18.31 concerning methods for application, provision of information and allowing for opposition and cancellation procedures for GIs. But most importantly the system is geared to protect the interests of trade mark owners/traders who may have used geographical terms either as trade marks or component parts thereof, or as generic (common language) terms describing a product. Retrospective recognition of GIs is prohibited: art 18.35.

The first important issue relating to the GI/TM relationship concerns the grounds on which GI registrations (including registrations of translations/transliterations) may be opposed. The TPP text distinguishes between wine/spirit GIs and other GIs: see footnote 20. A minimum set of grounds for refusing/cancelling non-wine/spirit GIs are:

1. Where the GI is likely to cause confusion with an existing registered trade mark or good faith pending application (art 18.32.1(a))
2. Where the GI is likely to cause confusion with a pre-existing (possibly unregistered) trade mark (art 18.32.1(b)); and
3. Where ‘the geographical indication is a term customary in common language as the common name for such goods in that Party's territory’ (art 18.32.1(c)); 51 and
4. Where the GI has ceased to meet the conditions on which protection was originally granted (art 18.32.3).

The second important issue relates to international agreements, and whether TPP members can enter international agreements to offer more absolute protection for GIs. The usual model in IP treaties is that such treaties create minimum standards but not maximums – that countries are entitled to offer more absolute protection (this is

48 These are protected under a sui generis system provided for in the Australian Grape and Wine Authority Act 2013 (Cth), Part VII.
51 Transitional rules apply: parties are not required to apply the grounds if they did not apply at the time the GI was applied for: 18.32.2 and footnote 22. How this is to be proved is dealt with in art 18.33 in terms which seem largely redundant. Note also that 18.34 extends this ground effectively to individual components of multi-component GIs – ie individual components that are customary terms are not to be protected.
embodied in the TPP in art 18.5). In this case, however, there is a conflict between kinds of IP (trade marks and GIs). And here, the TPP does impose a ceiling. Deals already done (at least in principle\textsuperscript{52}) (for example with the EU) which protect or recognise GIs are allowed subject only to a requirement to publicise the intention to protect GIs and allow for comment including on protection or a reasonable term for phasing in protection (art 18.36.2).

Any deals in the future, however, have to be made subject to processes for opposition and cancellation of the GI (art 18.31(e) and 18.32.1), apparently on the grounds in 18.32.1 set out above: art 18.36.1. So there could be no new EU-TPP Member Treaty including where an annexed list of (arguably generic) terms was immediately protected as GIs without any possibility of opposition or qualification of the rights (except in relation to wines/spirits, to which art 18.36 does not apply: art 18.36.5).\textsuperscript{53} Opposition and cancellation \textit{must} be allowed (art 18.36.1(a)(iii)), and note that such opposition might be launched by an \textit{overseas} producer exporting to the relevant market.\textsuperscript{54} A deal with the EU could still be reached, provided that it allowed for challenges to GI registrations.

5 \hspace{1cm} \textbf{Section F: Patents and undisclosed test data [not discussed]}

Articles 18.37–18.56 deal with patents (generally), undisclosed test data and specific protections for patents for pharmaceutical products including biologics. These provisions are important but not addressed in this document because other commentators are more expert in those areas.

\textsuperscript{52} Art 18.36.6 provides that art 18.36 does not apply to GIs specifically identified in agreements concluded or agreed in principle before the conclusion or agreement in principle of the TPP, or agreements ratified prior to the party’s ratification date for the TPP (the latter being more feasible for parties that might join the TPP at a later date).

\textsuperscript{53} Note however the comments in Part 1.1 page 3 above – at present the definition of GIs excludes European GIs. This may be corrected at some point.

\textsuperscript{54} Thus, it would not be possible to do a ‘deal’ where the industry in a given country agreed not to oppose GI registrations in return for market access, since opposition must be allowed by overseas traders who do not get the benefit of any enhanced market access).
6 Section G: Industrial Designs

The industrial designs section is brief: it has but two articles (art 18.55-18.56), reflecting the general lack of importance attached to this area of IP protection, and the fact that protection of designs is one of the least harmonised areas of international IP law.

**Article 18.55: Protection**

1. Each Party shall ensure adequate and effective protection of industrial designs and also confirms that protection for industrial designs is available for designs:
   
   (a) embodied in a part of an article; or, alternatively,
   
   (b) having a particular regard, where appropriate, to a part of an article in the context of the article as a whole.

2. This Article is subject to Article 25 and Article 26 of the TRIPS Agreement.

**Relationship to other treaties**

- Very different from TRIPS: arts 25–26 of TRIPS actually establish broad parameters for a design protection system:
  - the baseline requirements for industrial design protection ("independently created industrial designs that are new or original");
  - the required exclusive rights ("the right to prevent third parties not having the owner's consent from making, selling or importing articles bearing or embodying a design which is a copy, or substantially a copy, of the protected design, when such acts are undertaken for commercial purposes");
  - the term of protection (10 years)
  - a three step test to limit exceptions to protection.
- Very different to AUSFTA: AUSFTA focuses on streamlining and harmonising administrative processes (through general level requirements to endeavour to reduce differences).

**Comment**

This section seeks to do little more than require ‘adequate and effective protection of industrial designs’ (art 18.55). The TPP addresses only one substantive issue: partial designs or designs for parts of products (art 18.55).

Countries differ regarding whether they offer protection for partial designs. In some jurisdictions, like the European Union, the United Kingdom, and the United States, countries differ regarding whether they offer protection for partial designs. In some jurisdictions, like the European Union, the United Kingdom, and the United States, countries differ regarding whether they offer protection for partial designs.

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55 Both art 1(1) of the Directive 98/71/EC of the European Parliament and of the Council of 13th October 1998 on the legal protection of designs, and art 3(a) of the Council Regulation (EC) No. 6/2002 of 12th December 2001 on Community Designs define a ‘design’ as ‘the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation’.

56 Partial disclaimers are permissible as the EU design directive has been incorporated into UK law: see Registered Design Regulations 2001, S1 2001/3949]. The definition of “design” for registered designs under the Registered Designs Act 1949 (UK) is “the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation” (s 1(2)). The definition
you can register the appearance of part of a product: people submit applications that show the bit claimed in 'solid' lines with dotted lines indicating disclaimed matter. For example, registration might be sought for the particular shape of the 'home button' on an iPad or iPhone.

Other countries, like Australia, require registration of the overall appearance of the whole product, and there is no provision for 'disclaiming' parts of a product. It is not possible to register, for example, the home button on a cell phone, without reference to the whole shape of the phone. The whole shape/appearance of the iPad or iPhone would need to be registered. A defendant who has made enough changes to the shape of the overall product may avoid infringement: possibly making registrations far less effective in providing incentives for good design. A registration of a design for part of a product confers broader rights than a registration relating to the whole product: a design for part of a product will be infringed by a wider range of products that include the registered part but otherwise look very different.

One advantage of the ‘whole product’ approach is that third parties are not prevented from making/selling things that the design owner never thought of. A disadvantage from the perspective of designs owners is that each new product line must be the subject of a new registration, even if it embodies a consistent feature (like the home button). Not allowing registration of partial designs makes design protection quite narrow.

Art 18.55.1(b) seems to be designed to protect Australia’s ‘half way house’ between product-only and product part protection. An arbitrator familiar with the US, EU or other system providing partial design protection 18.55.1(b) however could read it more broadly than might be expected by an Australian-trained specialist.

The meaning of article 18.55.2, which makes art 18.55.1 ‘subject to’ TRIPS articles 25 and 26 is not entirely clear. TRIPS art 25–26 are summarised above: they set out the parameters of protection. Perhaps the correct interpretation is that by making art 18.55.1 ‘subject to’ articles 25–26, art 18.55.2 precludes any argument that a system that met the very limited TRIPS requirements, and which takes advantage of the flexibilities in TRIPS (eg to exclude protection for designs dictated by function), is not ‘adequate or effective’ as required by art 18.55.1. That is, perhaps art 18.55.2 preserves Parties’ rights to enact a system that meets only TRIPS minima.
Article 18.56: Improving Industrial Design Systems

The Parties recognise the importance of improving the quality and efficiency of their respective industrial design registration systems, as well as facilitating the process of cross-border acquisition of rights in their respective industrial design systems, including giving due consideration to ratifying or acceding to the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs, done at Geneva, July 2, 1999.

Comment

This provision represents the lowest possible level of commitment to the Hague system (which harmonises registration systems to allow for international filings), asking only that parties ‘give due consideration’ to ratifying or acceding to the Hague Agreement (1999). Compare AUSFTA which required Australia and the US to ‘make best efforts to comply’ with the Geneva Act of the Hague Convention.

The Hague Agreement provides a streamlined filing process for international applications. The Hague System currently has 64 members, including recently the US and Japan. Canada, China, Australia, and Russia are exploring membership in the near future along with a number of ASEAN Member States. Hague is limited – it has less members than either the Madrid Protocol (which provides a similar system for trade marks) (94 members) or the Patent Cooperation Treaty (148 members). The Hague Agreement is currently not much used. WIPO reported in 2014 there were 27,838 international registrations in force covering 116,571 designs - although with the US, UK, Japan, and maybe China joining these numbers may increase.

There is a trade-off involved in joining the Hague Agreement. For example, the Hague Agreement requires a minimum term of protection of 15 years (compared to the TRIPS requirement of 10); it can also require changes to internal administrative systems (Hague sets out process and application requirements). It can also have implications for IP office revenue: applications filed through the Hague System do not generate the same level of fee income for local IP offices. However, this might be offset by increased applications. It is worth noting too that while a single application can be filed through the Hague Agreement for protection in multiple countries, jurisdictions still vary in what they require and the system can be complicated to navigate even for sophisticated users.

59 This is still less than either the Madrid Protocol (94 members) or the Patent Cooperation Treaty (148 members).