

THE WIPO JOURNAL:

ANALYSIS AND DEBATE OF INTELLECTUAL PROPERTY ISSUES

GENERAL EDITOR: PROFESSOR PETER K. YU

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Foreword for the Inaugural Issue of *The WIPO Journal: Analysis and Debate of Intellectual Property Issues*

In association with the World Intellectual Property Organization (WIPO), Thomson Reuters and Sweet & Maxwell have launched the first issue of *The WIPO Journal: Analysis and Debate of Intellectual Property Issues*. This peer-reviewed journal aims to create a forum in which experts can debate topical international intellectual property issues from different perspectives, recognising the multidisciplinary and multifaceted nature of global developments in intellectual property.

The perception of intellectual property has changed dramatically in the last two decades. Rapid evolution in technology regularly brings new intellectual property issues to the fore. Intellectual property has been acknowledged as integral to the multilateral trading system in the Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS Agreement) of the World Trade Organization, and global challenges raise intellectual property concerns of a fundamental nature. These include questions relating to the use of genetic resources and biotechnology, as well as how the intellectual property system can help find solutions to problems associated with climate change, access to health care, and food security.

The WIPO Journal seeks to take the lead in exploring these issues, and in providing insights into other developing areas, through scholarly articles by experts in the field. It examines new and innovative perspectives while providing both in-depth analysis of the subjects and a foundation for further research.

The eminent members of *The WIPO Journal's* Editorial Board bring their expertise to enrich the debate on these global issues. It is hoped that this new publication will prove an invaluable resource for professionals, scholars, policymakers, economists and scientists, as well as the many others interested in the balanced evolution of the intellectual property system.



A handwritten signature in black ink, which appears to read 'Francis Gurry'. The signature is fluid and cursive, written in a professional style.

Francis Gurry
Director General

World Intellectual Property Organization

The Global Intellectual Property Order and its Undetermined Future

Peter K. Yu^{*}

 Developing countries; Intellectual property; International trade

Today, the intellectual property system is at a crossroads. Developed countries are concerned that the protection and enforcement levels provided by existing multilateral treaties are insufficient to protect their growing intellectual property interests. Meanwhile, less-developed countries—which include, in WTO parlance, both developing and least-developed countries—are frustrated by the fast-growing protections that stifle access to essential medicines, knowledge, information and communication technologies, and other key development resources. More problematically, the development of new bilateral, plurilateral, and regional trade agreements outside the multilateral process has threatened to take away the limited “policy space” less-developed countries have retained notwithstanding their memberships in a number of international treaties.¹

At the micro level, rights holders are eager to stop the widespread unauthorised use of their intellectual property assets in the relatively lawless cyberspace and the piracy-filled developing world. Meanwhile, user communities and consumer groups are frustrated by their lack of access to law- and policy-making processes at both the national and international levels. Some also view the globalisation process with great fear and discomfort. To complicate matters, the rapid evolution of digital technologies and the arrival of the internet, new business models and open access arrangements have upset the dynamics within existing intellectual property industries. Such a change, in turn, has resulted in the formation of new, and sometimes unexpected, allies in the intellectual property arena.²

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¹ Peter K. Yu, “The International Enclosure Movement” (2007) 82 *Indiana L.J.* 827.

² Christopher May, “Afterword” in Jeremy de Beer (ed.), *Implementing WIPO’s Development Agenda*,

If these developments are not complicated enough, the traditional international legal order, which was built upon the Westphalian nation state model, has now morphed into a more pluralistic order that includes a wide range of state, sub-state, and non-state actors.³ Many recent developments in the intellectual property area, for example, have been initiated from the bottom and at the grass roots level, as compared to the top. A growing number of alliances, partnerships, and cross-border networks have also emerged in both the north and the south and between the two.

Most recently, the uncertainty brought about by the economic crisis has aggravated concerns on both sides of the intellectual property debate. While tension between developed and less-developed countries is already high, the crisis has created many serious domestic problems that make political compromises difficult to strike at the international level. Corporate downsizing has also led to a significant reduction in investment in research and development, although the changing economic structure does open up new opportunities for entrepreneurs, innovators, consultants, start-ups and other newcomers.

In short, regardless of one's vantage point, the intellectual property system is at a crossroads. As an introduction to this new journal, this essay highlights some of the key recent developments in the intellectual property field. The essay begins by discussing the increasingly complex, and at times incoherent, international legal order governing the protection and enforcement of intellectual property rights. It shows how much the system has been transformed since the launch of the Paris and Berne Conventions in the 1880s.

The essay then examines the increasingly polarised debate on intellectual property law and policy. Although the debate's growing divisiveness is understandable, given the rapid expansion of intellectual property rights and the highly contentious nature of boundary drawing, this essay pleads for a more constructive debate that is based on empirical research, historical and comparative analyses, interdisciplinary insights and holistic perspectives.

Finally, the essay concludes by pointing out that the international intellectual property system is not facing a crisis, as some commentators have claimed. Rather, it has been presented with a new opportunity. Many high-income developing countries are now approaching a crossover point at which they switch over to the more promising side of the intellectual property divide—the proverbial gap between those who benefit from the existing intellectual property system and those who do not. This crossover process is likely to have significant implications for the future development of the intellectual property system.

(Waterloo: Wilfrid Laurier University Press, 2009), pp.172–173; Ruth L. Okediji, *The International Copyright System: Limitations, Exceptions and Public Interest Considerations for Developing Countries* (UNCTAD-ICTSD Project on IPRs and Sustainable Development, 2006), p.6; Peter K. Yu, "A Tale of Two Development Agendas" (2009) 35 Ohio N.U.L. Rev. 465.

³ Peter K. Yu, "Access to Medicines, BRICS Alliances, and Collective Action" (2008) 34 Am. J.L. & Med. 345, 375–376.

The complex intellectual property order

The cornerstones of the international intellectual property system are the Paris Convention for the Protection of Industrial Property and the Berne Convention for the Protection of Literary and Artistic Works.⁴ These conventions were established in the 1880s at a time when European countries were exploring ways to establish an international order to patch up the divergent intellectual property protections offered in different national systems. Although some countries preferred to have greater harmonisation—or even universal standards—others declined and insisted on reserving a considerable amount of sovereign discretion in the conventions.⁵

In the end, what we have today is a system created out of political compromise. The system started with the introduction of limited minimum standards. These standards were gradually strengthened through revisions conducted every two decades or so. Notwithstanding these multiple revisions, countries still maintained a high degree of autonomy and a considerable amount of policy space to implement intellectual property laws and policies. For example, they could determine how much additional protection they wanted to offer in excess of the modest minimum standards. They could even decide whether they wanted to offer protection in the first place. Although Switzerland and the Netherlands did not offer patent protection when the Paris Convention was established, they were allowed to become the Union's founding members on July 7, 1884.⁶

The Paris/Berne Convention-based system, however, changed drastically in the mid-1990s with the arrival of the Agreement on Trade-Related Aspects of Intellectual Property Rights⁷ (TRIPS Agreement) of the World Trade Organization (WTO). By requiring high minimum standards for intellectual property protection and enforcement, and by marrying intellectual property to trade, the agreement has ushered in a new era in which key activities in intellectual property governance slowly migrate from WIPO to the newly-established WTO. As the successor to the General Agreement on Tariffs and Trade (GATT), the WTO is now front and centre in the intellectual property law and policy debate.

Since the establishment of the mandatory WTO dispute settlement process, TRIPS-related developments have attracted the policy attention of many developed countries, all of which have established intellectual property industries by the time the TRIPS Agreement entered into effect. Thus far, the process has been used to address disputes that range from copyright exceptions to pharmaceutical patents and from geographical

⁴ Berne Convention for the Protection of Literary and Artistic Works, September 9, 1886, revised at Paris July 24, 1971, 828 U.N.T.S. 221; Paris Convention for the Protection of Industrial Property, March 20, 1883, revised at Stockholm July 14, 1967, 828 U.N.T.S. 305.

⁵ Peter K. Yu, "Currents and Crosscurrents in the International Intellectual Property Regime" (2004) 38 *Loyola L.A. L.Rev.* 323, 348–350.

⁶ Eric Schiff, *Industrialization Without National Patents* (Princeton University Press, 1971).

⁷ Agreement on Trade-Related Aspects of Intellectual Property Rights, April 15, 1994, (1994) 33 I.L.M. 1197.

indications to intellectual property enforcement.⁸ Although developed countries used the process predominantly in its first few years, less-developed countries have recently become more active in the process.⁹

Meanwhile, the growing dominance of the WTO in the intellectual property arena and the resulting competition have helped rejuvenate WIPO. Although the negotiation of a number of recent WIPO treaties—such as the Substantive Patent Law Treaty and the Treaty on the Protection of Broadcasting Organisations—remains stalled, the WIPO Copyright Treaty and WIPO Performances and Phonograms Treaty¹⁰ have introduced significant changes to the copyright landscape. Along with the WIPO Internet Domain Name Process,¹¹ these internet treaties successfully put the organisation back to the forefront of the intellectual property law and policy debate. The organisation's revitalised role has also benefited from the active work in the WIPO Arbitration and Mediation Centre, the services the organisation provides to rights holders, the soft law recommendations on the protection of well-known and internet-based marks,¹² and WIPO's active and well-co-ordinated efforts to promote worldwide awareness of intellectual property rights.

Today, it is fair to say that both WIPO and the WTO have a joint mandate to set international intellectual property standards. Notwithstanding this relatively settled structure, there recently have been many intriguing developments in other international regimes, such as those governing public health, human rights, biological diversity, food and agriculture, and information and communications.¹³ These developments have resulted in what I have described as the “international intellectual property regime complex”—a non-hierarchical, decentralised conglomerate regime that includes not only the traditional area of intellectual property laws and policies, but also the overlapping areas in related international regimes or fora.¹⁴

One can glean three key insights from the development of this regime complex. First, with the arrival of many different international fora, countries—even the weaker

⁸ “Canada—Patent Protection of Pharmaceutical Products”, Report of the Panel, March 17, 2000, WT/DS114/R; “United States—Section 110(5) of the US Copyright Act”, Report of the Panel, June 15, 2000, WT/DS/160/R; “European Communities—Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs—Complaint by the United States”, Report of the Panel, March 15, 2005, WT/DS174/R; “European Communities—Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs—Complaint by Australia”, Report of the Panel, March 15, 2005, WT/DS290/R; “China—Measures Affecting the Protection and Enforcement of Intellectual Property Rights”, Report of the Panel, January 26, 2009, WT/DS362/R.

⁹ William J. Davey, “The WTO Dispute Settlement System: The First Ten Years” (2005) 8 J. Int'l Econ. L. 17, 24.

¹⁰ WIPO Copyright Treaty, December 20, 1996, (1997) 105–17 S. Treaty Doc. 1; WIPO Performances and Phonograms Treaty, 20 December 1996, (1997) 105–17 S. Treaty Doc. 18.

¹¹ WIPO, *The Management of Internet Names and Addresses: Intellectual Property Issues: Final Report of the WIPO Internet Domain Name Process* (Geneva: WIPO, 1999).

¹² “Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks”, September 20–29, 1999, WIPO Doc. A/34/13; “Joint Recommendation Concerning Provisions on the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet”, September 24–October 3, 2001.

¹³ Yu, “A Tale of Two Development Agendas” (2009) 35 Ohio N.U.L. Rev. 465, 522–540.

¹⁴ Peter K. Yu, “International Enclosure, the Regime Complex, and Intellectual Property Schizophrenia” [2007] Mich. St. L. Rev. 1, 13.

ones—now have the opportunity to move from one forum to another.¹⁵ It remains unclear which countries, or group of countries, will be the biggest beneficiary of this forum-proliferation/forum-shifting phenomenon. On the one hand, this development will allow weaker countries to better protect their interests by mobilising in favourable forums, developing the needed political and diplomatic groundwork, and establishing new “counter-regime norms” that help restore the balance of the international intellectual property system.¹⁶ The existence of multiple fora will also help promote “norm competition across different fora as well as . . . inter-agency competition and collaboration”.¹⁷ Without a doubt, WIPO has become a rather different organisation after the establishment of the WTO.

On the other hand, a proliferation of fora will benefit more powerful countries by raising the transaction costs for policy negotiation and co-ordination, thereby helping these countries to retain the status quo.¹⁸ The higher costs, along with the increased incoherence and complexities of the international intellectual property regime complex, are particularly damaging to less-developed countries, which often lack resources, expertise, leadership, negotiation sophistication and bargaining power. There are also justified fears that developed countries and their powerful supporting industries would launch what one commentator has described as a “multiple forum capture”¹⁹—a multi-forum strategy that seeks to shape the agenda, discussions, and norm development in areas that are implicated by intellectual property protection.²⁰

Secondly, with the arrival of the TRIPS Agreement and the growing use of TRIPS-plus bilateral, plurilateral, and regional trade agreements, the international intellectual property system is no longer as *international* as it was originally designed. Rather, the system has now become *global* and somewhat supranational.²¹ While Paul Geller alluded to the new “network model” of intellectual property lawmaking,²² Jane Ginsburg observed the emergent development of a “supranational code”.²³ In the

¹⁵ John Braithwaite and Peter Drahos, *Global Business Regulation* (Cambridge: Cambridge University Press, 2000), pp.564–571; Laurence R. Helfer, “Regime Shifting: The TRIPS Agreement and New Dynamics of International Intellectual Property Lawmaking” (2004) 29 *Yale J. Int’l L.* 1; Christopher May, *The World Intellectual Property Organization: Resurgence and the Development Agenda* (London: Routledge, 2007), p.66.

¹⁶ Helfer, “Regime Shifting” (2004) 29 *Yale J. Int’l L.* 1, 14; Donald J. Puchala and Raymond F. Hopkins, “International Regimes: Lessons from Inductive Analysis” in Stephen D. Krasner (ed.), *International Regimes* (Ithaca: Cornell University Press, 1983), p.66.

¹⁷ P. Bernt Hugenholtz and Ruth L. Okediji, *Conceiving an International Instrument on Limitations and Exceptions to Copyright: Final Report* (New York: Open Society Institute, 2008), p.41.

¹⁸ Eyal Benvenisti and George W. Downs, “The Empire’s New Clothes: Political Economy and the Fragmentation of International Law” (2007) 60 *Stan. L.Rev.* 595; Peter K. Yu, “A Tale of Two Development Agendas” (2009) 35 *Ohio N.U.L. Rev.* 465, 556.

¹⁹ Viviana Muñoz Tellez, “The Changing Global Governance of Intellectual Property Enforcement: A New Challenge for Developing Countries” in Li Xuan & Carlos Correa (eds), *Intellectual Property Enforcement: International Perspectives* (Cheltenham: Edward Elgar Publishing, 2009), p.9.

²⁰ Peter K. Yu, “Reconceptualizing Intellectual Property Interests in a Human Rights Framework” (2007) 40 *U.C. Davis L. Rev.* 1039, 1133–1141.

²¹ Yu, “The International Enclosure Movement” (2007) 82 *Indiana L.J.* 827, 901–906.

²² Paul Edward Geller, “From Patchwork to Network: Strategies for International Intellectual Property in Flux” (1998) 9 *Duke J. Comp. & Int’l L.* 69.

²³ Jane C. Ginsburg, “International Copyright: From a ‘Bundle’ of National Copyright Laws to a Supranational Code?” (2000) 47 *J. Copyright Soc’y U.S.A.* 265.

provocative words of noted English jurist Robin Jacob L.J., “as time goes on . . . the world will realize that at least for intellectual property the days of the nation-state are over”.²⁴

Finally, the growing activities in the various international regimes have made salient the spill-over effects and unintended consequences of intellectual property protection, as well as the high complex interdependence among policies in different issue areas. Today, intellectual property protection has impacted a wide variety of areas, including agriculture, health, the environment, education, culture, competition, free speech, privacy, democracy and the rule of law. The access-to-essential-medicines problem, for example, has raised difficult issues concerning public health, human rights, institutional infrastructure and government expenditures, in addition to the protection of pharmaceutical patents and clinical trial data. Likewise, the protection of traditional knowledge and cultural expressions implicates human rights, indigenous rights, cultural patrimony, biological diversity, agricultural productivity, food security, environmental sustainability, business ethics, global competition, scientific research, sustainable development and wealth distribution.²⁵

As the Committee on Economic, Social and Cultural Rights, a rare player in the intellectual property field, declared in its interpretative comment on a provision of the International Covenant on Economic, Social and Cultural Rights, “intellectual property is a social product . . . [with] a social function”.²⁶ “[T]he private interests of authors,” therefore, “should not be unduly favoured and the public interest in enjoying broad access to their productions should be given due consideration”.²⁷ This interpretive comment echoes the words of the WTO Appellate Body, which reminded us in its first trade dispute that the WTO Agreements, including the TRIPS Agreement, are “not to be read in clinical isolation from public international law”.²⁸

How the current international intellectual property order will evolve remains to be seen. Although some commentators have considered less-developed countries as rather ignorant of the complexity of and implications for the TRIPS Agreement—at least during the TRIPS negotiation process²⁹—developed countries were equally surprised by the evolution of the WTO and its many agreements.³⁰ Indeed, the

²⁴ Hon. Mr Justice Jacob, “International Intellectual Property Litigation in the Next Millennium” (2000) 32 Case W. Res. J. Int’l L. 507, 516.

²⁵ Peter K. Yu, “Teaching International Intellectual Property Law” (2008) 52 *St. Louis University Law Journal* 923.

²⁶ Committee on Economic, Social and Cultural Rights, *General Comment No.17: The Right of Everyone to Benefit from the Protection of the Moral and Material Interests Resulting from Any Scientific, Literary or Artistic Production of Which He Is the Author (Article 15, Paragraph 1 (c), of the Covenant)*, January 12, 2006, U.N. Doc. E/C.12/GC/17, para.35.

²⁷ Committee on Economic, Social and Cultural Rights, *General Comment No.171*, 2006, para.35.

²⁸ “United States—Standards for Reformulated and Conventional Gasoline”, Report of the Appellate Body, April 29, 1996, WT/DS2/AB/R, Pt III.B.

²⁹ Peter K. Yu, “TRIPS and Its Discontents” (2006) 10 *Marq. Intell. Prop. L. Rev.* 369, 375–376.

³⁰ Sylvia Ostry, “Asymmetry in the Uruguay Round and in the Doha Round” in Chantal Thomas and Joel P. Trachtman (eds) *Developing Countries in the WTO Legal System* (Oxford: Oxford University Press, 2009), p.105; Symposium, “U.S. Industries, Trade Associations, and Intellectual Property Lawmaking” (2002) 10 *Cardozo Journal of International and Comparative Law* 5, 10 (remarks of Jacques J. Gorlin, Director, Intellectual Property Committee).

international intellectual property system is now heading into an arguably uncharted territory where both sides will have to learn firsthand how to co-operate with each other to respond to new challenges while at the same time fighting hard against each other to protect their own interests.

A polarised policy debate

While the intellectual property system has become increasingly complex, the accompanying debate has become greatly polarised. The debate has also been impoverished by the increasing unquestioned use of binary terms.³¹ For example, part of the debate has focused on the dichotomy between corporate and consumer interests, between the interests of developed and less-developed countries, and between private and public goods. Even worse, inflammatory words, such as greed, theft, evil, parasite and piracy (including both piracy and biopiracy), have been used to attack, discredit or demonise one's opponents. Even when the same language is used, the terms often have different meanings or connotations or bring up different subtexts.³² In the end, the existing intellectual property debate has divided policy makers and commentators into two opposite camps, with the campers talking past, rather than to, each other.³³

The increased polarisation of this debate can be traced back to the growing strength and vocality of those who disagree with the positions taken by developed countries and their supporting intellectual property industries. Intellectual property rights holders have always been aggressive in pushing for stronger protection for their interests. However, it was only in recent years that their opponents have been able to mobilise to put up resistance or mount a counterattack. This growing resistance can be traced to four new developments.

First, with the rapid expansion of intellectual property rights, policy makers and commentators have become increasingly aware of the growing importance of intellectual property rights to the national economy as well as the potential for over-protection and abuse. While agriculture and textiles were the main concessions less-developed countries demanded during the negotiation of the TRIPS Agreement, intellectual property assets are likely to be the key economic driver for many countries in the 21st century.³⁴ As more countries migrate from the traditional agrarian and industrial economies to ones that are based on post-industrial, knowledge-based innovation, intellectual property assets will only become more important.

³¹ James Boyle, "Foreword: The Opposite of Property?" (2003) 66 (1-2) L. & Contemp. Probs. 1, 12; Peter Yu, "Intellectual Property and the Information Ecosystem" [2005] Mich. St. L. Rev. 1, 8-12.

³² Carlos M. Correa, *Intellectual Property Rights, the WTO and Developing Countries: The TRIPS Agreement and Policy Options* (London: Zed Books, 2000), p.211; May, "Afterword" in Jeremy de Beer (ed.), *Implementing WIPO's Development Agenda*, (2009), p.170; Sisule Musungu, *A Conceptual Framework for Priority Identification and Delivery of IP Technical Assistance for LDCs during the Extended Transition Period under the TRIPS Agreement* (Quaker United Nations Office, 2007), p.5; Yu, "International Enclosure, the Regime Complex, and Intellectual Property Schizophrenia" [2007] Mich. St. L. Rev. 1, 10.

³³ Yu, "Intellectual Property and the Information Ecosystem" [2005] Mich. St. L. Rev. 1, 10.

³⁴ Yu, "TRIPS and Its Discontents" (2006) 10 Marq. Intell. Prop. L. Rev. 369, p.380.

Secondly, the expansion of intellectual property rights, along with the changing lifestyles and consumer preferences, has led to a greater scrutiny of intellectual property laws and policies by the mainstream media.³⁵ While intellectual property issues were considered arcane, obscure, technical, and legalese in the past, the perception of these issues has changed dramatically in the past few years. Today, it is not uncommon to find the mainstream media reporting about the wide distribution of copyrighted materials through peer-to-peer file-sharing technologies, the trademarked products developed by McDonald's®³⁶, the need for greater access to patented pharmaceuticals in Africa and South America, and the use of geographical indications to protect champagne and cheese.

Thirdly, civil society groups and the academic community have become mobilised at both the domestic policy level and through cross-border networks.³⁶ They are increasingly active on the policy front, weighing in on the future development of the intellectual property system, especially when it relates to the information environment. For example, policy and academic experts have helped identify policy choices and negotiating strategies that help less-developed countries enhance their development prospects. They also have reframed the public debate to make it more favourable to the cause of these countries.³⁷ As John Braithwaite and Peter Drahos reminded us, "Had TRIPS been framed as a public health issue, the anxiety of mass publics in the US and other Western states might have become a factor in destabilising the consensus that US business elites had built around TRIPS"³⁸.

The most important development in this area, however, is the growing consciousness of intellectual property issues among the larger public—whether they be consumers, teachers, librarians, anti-globalisation protesters, artists, musicians, web designers, software programmers or virtual gamers. When the voices of these people are combined with those of political activists, academic experts and the mass media, the tone of the intellectual property debate has shifted dramatically. What was once considered unachievable, or even unimaginable, has now become somewhat possible. As Amy Kapczynski observed:

"Who would have thought, a decade or two ago, that college students would speak of the need to change copyright law with 'something like the reverence that earlier generations displayed in talking about social or racial equality'? Or that advocates of 'farmers' rights' could mobilize hundreds of thousands of people to protest seed patents and an IP treaty? Or that AIDS activists would engage in civil disobedience

³⁵ Yu, "A Tale of Two Development Agendas" (2009) 35 Ohio N.U. L. Rev. 465, pp.552–553.

³⁶ Yu, "A Tale of Two Development Agendas" (2009) 35 Ohio N.U. L. Rev. 465, pp.552–553.

³⁷ Braithwaite and Drahos, *Global Business Regulation*, 2000, p.576; Carolyn Deere, *The Implementation Game: The TRIPS Agreement and the Global Politics of Intellectual Property Reform in Developing Countries* (Oxford: Oxford University Press, 2009), p.173; Amy Kapczynski, "The Access to Knowledge Mobilization and the New Politics of Intellectual Property" (2008) 117 Yale L.J. 804, 809; John S. Odell and Susan K. Sell, "Reframing the Issue: The WTO Coalition on Intellectual Property and Public Health, 2001" in John S. Odell (ed.), *Negotiating Trade: Developing Countries in the WTO and NAFTA* (Cambridge: Cambridge University Press, 2006), p.87; Yu, "A Tale of Two Development Agendas" (2009) 35 Ohio N.U. L. Rev. 465, 552.

³⁸ Braithwaite and Drahos, *Global Business Regulation*, 2000, p.576

to challenge patents on medicines? Or that programmers would descend upon the European Parliament to protest software patents?’³⁹

Indeed, when Hong Kong—a place whose citizens are known for their political apathy—began to reform its digital copyright laws, I was pleasantly surprised, and indeed relieved, to find a large number of passionate young people who care about the direction of these reforms.

Thus far, there is a tendency to discuss intellectual property matters as if there is only black or white. The issues, however, are much more complex and nuanced—with many different shades of grey. Very few people today reject outright the protection and enforcement of intellectual property rights or embrace an absolute, despotic form of protection that excludes all limitations and exceptions. Indeed, it is rare to find people who argue that intellectual property rights are per se good or bad. Instead, it is more common to find discussions centring on how the intellectual property system should be set up and where the system should strike its balance.

At the international level, the larger debate concerns whether less-developed countries should follow the lead of developed countries and the path created out of past political compromises. Less-developed countries also question whether they are much better off setting up a somewhat different system. Such a system would allow them to experiment with new regulatory and economic policies while exploiting their comparative advantages. It would also enable them to take greater account of their local needs, national interests, technological capabilities, institutional capacities and public health conditions.⁴⁰

To be certain, a one-size-fits-all model—such as the one pushed by the TRIPS Agreement and the TRIPS-plus bilateral and regional trade agreements—is problematic. However, harmonisation is not entirely bad. Even if it would be highly impractical to have a multi-size model, there remains a serious and important question about what size the model should take. Should it be extra large, or should it be extra small?⁴¹ The fact that less-developed countries strongly oppose a super-size-fits-all model does not necessarily mean that these countries will always resist greater international harmonisation. After all, both the Paris and Berne Conventions began with a focus on setting up only “size S” minimum international standards which most of today’s less-developed countries are likely to find acceptable.

To help foster a constructive debate concerning international intellectual property standards, it is helpful to focus on four different areas. First, it is important to ground the debate on empirical data. Policy makers, especially those in the less-developed world, have a tendency to rely on data supplied by interested parties—whether they be trade groups and industry lobbies on the one hand or foreign-based civil society organisations on the other. Thus, instead of undertaking serious, impartial and sometimes difficult cost-benefit analyses that are based on substantive evidence, the policy makers’ misguided reliance on subjective data has reduced the debate to one that depends on a leap of faith.

³⁹ Amy Kapczynski, “The Access to Knowledge Mobilization and the New Politics of Intellectual Property” (2008) 117 Yale L.J. Pocket Part 262, 263.

⁴⁰ Yu, “The International Enclosure Movement” (2007) 82 Indiana L.J. 827.

⁴¹ Yu, “A Tale of Two Development Agendas” (2009) 35 Ohio N.U. L. Rev. 465, 512.

Secondly, it is important to understand, appreciate and carefully separate the different forms of intellectual property rights. That is, indeed, why some critics have discouraged the use of the term “intellectual property”, which they claim would encourage simplistic thinking that ignores the different characteristics of each form of protection.⁴² Intellectual property covers a large and ever-expanding variety of rights, such as copyrights, patents, trade marks, trade names, geographical indications, industrial designs, layout designs of integrated circuits, plant varieties, trade secrets and other undisclosed information, sui generis database rights, and the protection of traditional knowledge and cultural expressions. As new players and behaviours emerge and as new forms of intellectual property rights are being recognised, a careful debate that appreciates the different forms of intellectual property rights is likely to be very important.

Thirdly, it is important to incorporate into the discussion historical and comparative insights. These insights make us conscious of how the intellectual property system came to where it is today. The historical and comparative materials also provide the needed lessons to help us rethink the future of this system. Less-developed countries, for example, may not necessarily be reluctant to introduce stronger intellectual property protection. Nevertheless, they understandably would think twice after they notice that weaker protection may have contributed to the economic success of existing developed countries, such as the United States, Germany and Japan. It is therefore important not to overstate achievements or failures at a single point in time—such as the present. Rather, intellectual property developments should be studied as part of a more lengthy, complex, dynamic and evolutionary process.

Finally, it is important to take a holistic view and bring in interdisciplinary perspectives to illuminate the vast areas that are related to, but technically fall outside, the intellectual property field. While it remains important to understand the legal and economic implications for intellectual property protection, intellectual property rights have important cultural, social, educational and developmental aspects. The more interdisciplinary and holistic the discussion is, the more beneficial the debate will become.

The crossover point

When the international intellectual property system was set up, many less-developed countries had yet to obtain independence. It is telling that the Paris and Berne Conventions were set up at a time when European colonial powers—the Conventions’ founding members—were busy scrambling for concessions in Africa, Asia and other parts of the world.⁴³ Through colonial acts, the intellectual property standards in these Conventions were transplanted directly from the metropolitan states to the colonial

⁴² Richard M. Stallman, “Some Confusing or Loaded Words and Phrases That Are Worth Avoiding”, available at <http://www.fsf.org/licensing/essays/words-to-avoid.html> [Accessed September 15, 2009]; Yu, “Intellectual Property and the Information Ecosystem” [2005] Mich. St. L. Rev. 1, 1.

⁴³ Yu, “A Tale of Two Development Agendas” (2009) 35 Ohio N.U. L. Rev. 465, 565.

territories, even though these territories had not signed the international conventions.⁴⁴ As Ruth Okediji pointed out:

“Intellectual property law was not merely an incidental part of the colonial legal apparatus, but a central technique in the commercial superiority sought by European powers in their interactions *with each other* in regions beyond Europe . . . The [early period of European contact through trade with non-European peoples was] characterised by efforts to secure national economic interests against other European countries in colonial territories.”⁴⁵

In the 1960s, many of these territories became independent nations. With newfound sovereignty and autonomy, they expectedly demanded to adjust their intellectual property relations with other countries. From the establishment of the Stockholm Protocol to the revision of the Paris Convention to the unsuccessful creation of the International Code of Conduct on the Transfer of Technology, these newly independent nations requested special and differential treatment that took account of their colonial past, backward economic conditions and technological conditions, and desperate need for access to textbooks, scientific books and modern technologies.⁴⁶ Although many of these demands and initiatives failed, they provided the models for future pro-development efforts.

At the turn of this millennium, less-developed countries once again demanded the establishment of a development agenda, partly as a response to the serious shortcomings of the TRIPS Agreement and their concern over the harmonisation of substantive patent law. Their demands were made not just at WIPO and the WTO, but also in other fora, such as those governing public health, human rights, biological diversity, food and agriculture, and information and communications.⁴⁷ These demands and the resulting agenda successfully reintroduced a development dimension into the international intellectual property regime. Although enhancing the development prospects of latecomers remains a primary focus, the new agendas also bring with them new players, issues, fora, and rhetoric, a post-cold-war geo-political environment, and a more intellectual property-conscious public.⁴⁸

When one examines the development paths of many former less-developed countries, one could identify three distinct stages of development: (1) isolation; (2) emergence; and (3) crossover. The first stage began with the establishment of the international intellectual property regime. For most countries, this stage ended when countries declared independence and entered into relations with other countries on their own volition. The isolation stage lasted a little longer for those who relied on import substitution and similar strategies, such as those in the Communist bloc and

⁴⁴ Ruth L. Gana (Okediji), “The Myth of Development, The Progress of Rights: Human Rights to Intellectual Property and Development” (1996) 18 *Law & Pol’y* 315, 329.

⁴⁵ Ruth L. Okediji, “The International Relations of Intellectual Property: Narratives of Developing Country Participation in the Global Intellectual Property System” (2003) 7 *Sing. J. Int’l & Comp. L.* 315, 324–325.

⁴⁶ Yu, “A Tale of Two Development Agendas” (2009) 35 *Ohio N.U. L. Rev.* 465, 471–484, 493–511.

⁴⁷ Yu, “A Tale of Two Development Agendas” (2009) 35 *Ohio N.U. L. Rev.* 465, 511–540.

⁴⁸ Yu, “A Tale of Two Development Agendas” (2009) 35 *Ohio N.U. L. Rev.* 465, 540–573.

South America.⁴⁹ Unless there is a major setback to the international legal order, such as a movement to abandon existing international treaties, this stage is over for virtually all countries today.

The second stage occurred when less-developed countries pushed for the establishment of the old development agenda in the 1960s and early 1970s, such as the revision of the Paris and Berne Conventions, the transformation of WIPO into a specialised agency of the United Nations, and the establishment of the New International Economic Order. Except for WIPO's inclusion in the United Nations, most of these efforts ended with failure, due in no small part to the internal economic crises in these countries, the successful divide-and-conquer strategies deployed by the United States and other developed countries, and the successful launch of the GATT/WTO negotiations. The ongoing development agendas also fit within this stage and could be considered a continuation of past pro-development efforts. At this point, however, it is premature to evaluate the success of these recent efforts.

The last stage is where a less-developed country crosses over from a pirating nation to one that shows a strong respect for intellectual property rights. This stage is set to begin for some high-income developing countries, such as Brazil, China and India. It unfortunately will begin much later for low-income developing and least-developed countries. Indeed, for countries with very low imitative capacity or an insufficiently developed market, sufficient empirical evidence has suggested that stronger intellectual property protection may not be in the best interest of these countries.⁵⁰

Interestingly, these three stages of development strongly resemble the paths of evolution for many existing developed countries, including most notably the United States—which, according to some, has gone “from pirate to holdout to enforcer”.⁵¹ As far as protection of 18th and 19th century foreign authors are concerned, one need not be reminded that the United States was one of the biggest pirating nations in the world—creating frustration for both British and French authors. As Charles Dickens recounted, frustratedly, on his unsuccessful trip to America:

“I spoke, as you know, of international copyright, at Boston; and I spoke of it again at Hartford. My friends were paralysed with wonder at such audacious daring. The notion that I, a man alone by himself, in America, should venture to suggest to the Americans that there was one point on which they were neither just to their own countrymen nor to us, actually struck the boldest dumb! It is nothing that of all men living I am the greatest loser by it. It is nothing that I have to claim to speak and be heard. The wonder is that a breathing man can be found with temerity enough to suggest to the Americans the possibility of their having done wrong. I wish you could have seen the faces that I saw, down both sides of the table at Hartford, when I

⁴⁹ Peter K. Yu, “Toward a Nonzero-Sum Approach to Resolving Global Intellectual Property Disputes: What We Can Learn from Mediators, Business Strategists, and International Relations Theorists” (2002) 70 U. Cin. L. Rev. 569, 576.

⁵⁰ Keith E. Maskus, “The Role of Intellectual Property Rights in Encouraging Foreign Direct Investment and Technology Transfer” (1998) 9 Duke J. Comp. & Int'l L. 109, 130–131; Carlos A. Primo Braga and Carsten Fink, “The Relationship Between Intellectual Property Rights and Foreign Direct Investment” (1998) 9 Duke J. Comp. & Int'l L. 163, 164.

⁵¹ Julie E. Cohen, Lydia P. Loren, Ruth G. Okediji and Maureen A. O'Rourke, *Copyright in a Global Information Economy*, 2nd edn (New York: Aspen Publishers, 2006), p.34.

began to talk about Scott. I wish you could have heard how I gave it out. My blood so boiled as I thought of the monstrous injustice that I felt as if I were twelve feet high when I thrust it down their throats."⁵²

Notwithstanding Dickens' frustration—and similar sentiments from Anthony Trollope, Gilbert and Sullivan, and many others—the attitudes toward protection of foreign authors in the United States soon improved with the arrival of a group of new stakeholders—budding American authors such as James Fenimore Cooper, Ralph Waldo Emerson, Nathaniel Hawthorne, Washington Irving, Henry Wadsworth Longfellow, Herman Melville, Edgar Allan Poe, Harriet Beecher Stowe, Henry David Thoreau, and Walt Whitman.⁵³ Today, the United States is an uncontested champion of intellectual property rights throughout the world.

If experiences from countries like the United States, Germany, Japan, Singapore and South Korea can be generalised, less-developed countries are likely to experience a similar crossover in the near future. Indeed, one can already find promising signs in high-income developing countries, such as Brazil, China, and India, which have been grouped together with Russia as the so-called "BRIC countries". It is only a matter of time before these countries reach a crossover point where stronger protection will be in their self-interests.⁵⁴

Although intellectual property protections in these countries will no doubt improve in the near future, there is no guarantee that these countries will be interested in retaining the existing intellectual property system once they cross over to the other side of the intellectual property divide. Instead, these "new champions" may want to develop something different—something that builds upon their historical traditions and cultural backgrounds and that takes account of their drastically different socio-economic conditions.

Although it is important and highly useful to forecast when a country will cross over from one side of the intellectual property divide to the other, making such a forecast, unfortunately, will be very difficult. There are several reasons. First, the uneven development within many high-income developing countries has led to significant socio-economic fragmentations at the domestic level—along geographical boundaries, across economic sectors, and based on different ideologies, philosophies and traditions.⁵⁵ While some constituents in these countries are likely to benefit from the growing protections and therefore will support active intellectual property reforms, those who lose out undoubtedly will strongly resist the ratcheting up of intellectual property standards. As a result, the policies of these countries may look "schizophrenic" to outsiders. Because of their complex economic situations, these countries

⁵² Letter from Charles Dickens to John Foster, February 24, 1842, reprinted in Hamish Sandison, "The Berne Convention and the Universal Copyright Convention: The American Experience" (1986) 11 *Columbia-VLA J.L. & Arts* 89.

⁵³ Yu, "The Copyright Divide" (2003) 25 *Cardozo L. Rev.* 331, 344.

⁵⁴ Yu, "Access to Medicines, BRICS Alliances, and Collective Action" (2008) 34 *Am. J.L. & Med.* 345, 391; Yu, "Intellectual Property, Economic Development, and the China Puzzle" in Daniel J. Gervais (ed.), *Intellectual Property, Trade and Development: Strategies to Optimize Economic Development in a TRIPS Plus Era* (Oxford: Oxford University Press, 2007), p.202.

⁵⁵ Yu, "International Enclosure, the Regime Complex, and Intellectual Property Schizophrenia" [2007] *Mich. St. L. Rev.* 1, 21–33.

may also have more than one crossover point, depending on whether one focuses on a specific geographical region or the relevant economic sector.

Secondly, many of the existing bilateral, regional and multilateral intellectual property rules may make it difficult for these countries to cross over from one side of the intellectual property divide to the other. As we learn from those subscribing to the Realist tradition, countries are likely to push for rules and regimes that reflect their self-interests. Upon crossing over, these countries may become strong intellectual property powers that compete effectively against existing developed countries. At some point, the existing intellectual property powers, therefore, may express a preference for measures that prevent the emerging powers from reaching the crossover point, notwithstanding their concerns about the global piracy and counterfeiting problems. After all, if everything (including intellectual property standards) is the same, what would prevent multinational corporations from relocating their operations to countries that have drastically lower production, labour and distribution costs?

Thirdly, the finish line for this crossover process keeps on changing, thanks to the arrival of new forms of intellectual property rights, new issues in the intellectual property field, new players that demand stronger protection, and the negotiation of new bilateral, regional and multilateral treaties. While countries like Singapore and South Korea were undeniably on the promising side of the intellectual property divide a few years ago, the recent negotiations of bilateral free trade agreements with the United States, and therefore the establishment of a new finish line, may have threatened to push these countries back to the less promising side of the divide. Whether a country is considered to have provided adequate intellectual property protection will ultimately depend on what the minimum standards are.

Finally, intellectual property policies represent only one of the many components of a well-functioning innovation system. As complexity and dynamic systems theories have taught us, it is not easy to predict when the tipping point would be reached in a complex adaptive system. As Edward Lorenz observed in his widely-cited address to the Annual Meeting of the American Association for the Advancement of Science, the flap of a butterfly's wings in Brazil could set off a tornado in Texas.⁵⁶ There are indeed many variables in this crossover equation. Some variables, like the existence of a well-functioning innovation and competition system, are no doubt relevant to intellectual property protection. Others—such as the presence of a consciousness of legal rights, respect for the rule of law, an effective and independent judiciary, sufficiently developed basic infrastructure and a critical mass of local stakeholders—however, are irrelevant, or at best only marginally related, to intellectual property protection.⁵⁷

In sum, we may never be able to pinpoint when a country will cross over from one

⁵⁶ Edward Lorenz “describes a Brazilian butterfly that by beating its wings creates a movement of air that by joining with other currents transforms the weather in Texas”. Paul D. Carrington, “Butterfly Effects: The Possibilities of Law Teaching in a Democracy” (1992) 41 *Duke L.J.* 741, 743 (quoting Edward Lorenz, “Predictability: Does the Flap of a Butterfly's Wings in Brazil Set Off a Tornado in Texas?”, Address to the Annual Meeting of the American Association for the Advancement of Science, Washington, D.C., December 29, 1979).

⁵⁷ Yu, “Intellectual Property, Economic Development, and the China Puzzle” in Daniel J. Gervais (ed.), *Intellectual Property, Trade and Development: Strategies to Optimize Economic Development in a TRIPS Plus Era*, 2007, pp.213–216.

side of the intellectual property divide to the other, not to mention the fact that most forecasts have turned out to be inaccurate in hindsight. Nevertheless, if we have a better understanding of the conditions under which a country will cross over from one side to the other, we may be able to develop a better and more sophisticated understanding of the intellectual property system. We will also be in a better position to tackle the global piracy and counterfeiting problems. We may even be able to explore whether a careful and strategic recalibration of the existing intellectual property system could help accelerate the crossover process.

Conclusion


The international intellectual property system is expanding rapidly, yet it is at a point where its future remains undetermined. Although there has been wide disagreement over where the balance should be struck, the future standards are likely to fall somewhere in the middle—between what developed countries desire and what less-developed countries can afford. Although some commentators have argued that less-developed countries will eventually make a transition to become developed countries, it is premature to assume that less-developed countries, once developed, will always want the existing international intellectual property system. There is a good chance that they may want or *need* something rather different!

While policy makers and commentators continue to disagree over how to recalibrate the balance in the intellectual property system, such disagreement is not necessarily destructive. Countries, for example, disagreed widely and vehemently over a large number of issues in the early formation of both the Paris and Berne Conventions. Active and constructive disagreement, in fact, will only make the intellectual property debate more vibrant. It will also help others develop a greater appreciation of the tremendous efforts policy makers put into the development of the intellectual property system over the past few centuries. An “uninhibited, robust and wide-open” debate may even allow policy makers and commentators to rethink how an ideal intellectual property system should be set up, without focusing unduly on the choices made by treaty negotiators and policy makers in the past and the vested interests of incumbent industries.

Nobody can predict what the future intellectual property system will look like, but *everybody* can participate in the debate that helps us rethink its future. So, hear ye, hear ye, let the debate begin!

The Pre-History and Establishment of the WIPO

Christopher May

 Legal history; WIPO

The roots of the World Intellectual Property Organization stretch back into the 19th century.¹ The organisation's antecedents lie in the accelerated development of an international trade in products that were subject to various forms intellectual property rights (IPRs) in national markets. Indeed, prior to the last quarter of the 19th century the regulation of intellectual property was entirely a national issue,² with no formal framework for the international co-ordination of the recognition of rights over intellectual property.

In the 25 years between 1850 and 1875, an international controversy had developed between those seeking to defend the protection of innovation and invention through the patent system, and those who contrasted this protection with the needs and demands of an international system of free trade. Unlike today, free trade advocates regarded IPRs as a privilege that could *not* be supported between jurisdictions as it constrained the free trade in goods that included claims of intellectual property. This was perhaps the last time that free traders would undertake a concerted effort to suggest that IPRs were illegitimate and fundamentally inconsistent with free trade. However, while the abolitionists had certainly stimulated a forthright debate, their dependence on largely pragmatic arguments opened the way for the reform of a system based on bilateral agreements, rather than the elimination of patents altogether. After this period of controversy, the idea of property in knowledge became widely accepted among the governments, policy makers, and commercial interests of the increasingly developed industrialised countries partly due to the intense lobbying of the 1860s and 1870s. This paved the way for the international market in products that

¹ This short article draws extensively from Ch.2 of Christopher May, *The World Intellectual Property Organisation: Resurgence and the Development Agenda* (London: Routledge, 2007) and from Christopher May and Susan K. Sell, *Intellectual Property Rights: A Critical History* (Boulder: Lynne Rienner Publishers, 2005), Chs 5 and 6.

² The term "intellectual property" as a collective noun also emerged around this time, having no currency in the previous 400 years of the history of the laws of patent and copyright.

stemmed from the manipulation and control of knowledge to become formally organised on the basis of multilateral legal structures.

In 1873, the Austro-Hungarian Empire hosted a World Exposition in Vienna, but American inventors refused to take part out of concern that their inventions would not be adequately protected, and German inventors shared this reluctance. As a result of German and Austrian patent attorneys' and engineers' intense concerns, the Austro-Hungarian Government held a Congress in Vienna in the same year to address inventors' concerns.³ The Congress endorsed international patent protection, but retained support for compulsory licensing as an instrument of public policy. The overriding objective was to establish a system in which states would recognise and protect the rights of foreign inventors and artists within states' own jurisdiction.⁴ Conferences in Paris (1878 and 1880) developed the idea further and a final conference in 1883 approved and signed the Paris Convention, which was completed by an Interpretative Protocol in Madrid in 1891. The 1883 Paris Convention for the Protection of Industrial Property, covered patents, trade marks, and industrial designs. Member countries also constituted an International Union for the Protection of Industrial Property, and it is in this union that the WIPO finds its origins.

In copyright, during the 19th century fierce competition among French, Belgian and Swiss publishers, as well as a dense network of bilateral treaties throughout Europe, had inspired a quest for a broader multilateral agreement that would incorporate the doctrine of national treatment, where domestic and foreign authors would be treated similarly. Governments had become disenchanted with reciprocal treaties because their effects were never equal, and indeed a number of countries had refused to make such deals with France in the first half of the 19th century, believing that France would get the better end of any bargain. However, in 1852 Napoleon III promulgated a decree that made the counterfeiting of foreign works in France a crime punishable by law, effectively extending copyright protection to works from foreign countries whether those countries' legislation protected French works *or not*.⁵ Within 10 years of this French initiative, 23 additional countries signed copyright treaties with France, demonstrating a general willingness to establish the international governance of copyright provided that the benefits were shared relatively equitably.

In 1858, the French author Victor Hugo convened a Congress of Authors and Artists in Brussels that affirmed the principle of national treatment for creative artists and authors. At a subsequent conference in Paris that ran alongside the Paris Universal Exhibition of 1878, Hugo launched the International Literary Association (later the International Literary and Artistic Association) under his founding presidency, which held a number of meetings (London 1879; Lisbon 1880; Vienna 1881; Rome 1882) culminating in the 1883 Congress in Berne. Chaired by Numa Droz, this and subsequent conventions explicitly set out to follow the example of the Paris Convention

³ Graham Dutfield, *Intellectual Property and the Life Sciences Industries: A Twentieth Century History* (Aldershot: Dartmouth Publishing Co., 2003), p.55.

⁴ Ruth L. Gana, "Has Creativity Died in the Third World? Some Implications of the Internationalization of Intellectual Property", (1995) 24 Denver J. Int'l L. & Pol'y 109.

⁵ Aubert Clark, *The Movement for International Copyright in Nineteenth Century America* (Westport, CT: Greenwood Press, 1960), p.134; Paul Goldstein, *Copyright's Highway: From Gutenberg to the Celestial Jukebox* (New York: Hill and Wang, 1994), pp.181-182.

and to produce a multilateral copyright agreement.⁶ This process finally produced the Berne Convention for the Protection of Literary and Artistic Works (1886). However, the United States was excluded from this convention because it retained a provision in its copyright laws requiring authors to register their work in Washington and to send a copy to the Library of Congress. These terms were inconsistent with a convention that had made the acquisition of copyright automatic upon authorised publication in any Member State. Berne signatories could not require registration as a precondition for granting copyright.

The underlying principles of both these initial multilateral intellectual property agreements were non-discrimination, national treatment, and the right of priority, offering protection to the first to invent or create, rather than the first to file or reproduce. Under this system, states were free to pass legislation of their own design, but were obligated to extend their legislative protection to foreigners of Member States. These conventions neither created new substantive international law nor imposed new laws on Member States; rather, they reflected a consensus among Member States that was legitimated by domestic laws already in place.⁷ This approach was to be repeated a century later in the form of the Trade Related Aspects of Intellectual Property Rights (TRIPs) agreement, on the establishment of the World Trade Organization.

The exclusion of America from Berne prompted publishers to push for changes in US law to conform to the Berne Convention, although southern Democrats bitterly opposed any effort to open American markets to foreign competition. To appease the printing workers' unions, the final compromise of 1891, codified in the Chace Act, provided that foreign authors could obtain copyright protection only if their work was published in the United States not later than it was published in its country of origin, and foreigners' works had to be printed in the United States, or printed from type set in the United States.⁸ This so-called "manufacturing clause" went directly against the Berne Convention, and therefore the US remained outside the agreement until 1986 when the clause was allowed to expire, although the US did accede to the Universal Copyright Convention (through UNESCO) as an alternative regulatory mechanism for its international trade in copyrighted products.⁹ In 1891, Congress signed an international agreement with England for reciprocal copyright protection.¹⁰ Therefore, the use of such bilateral agreements that the Paris and Berne conventions had sought to end continued by virtue of US domestic policy.

⁶ Sam Ricketson, *The Berne Convention for the Protection of Literary and Artistic Works: 1886-1986* (London: Kluwer/Centre for Commercial Law Studies, 1987), p.49.

⁷ R. L. Gana, "Has Creativity Died in the Third World?", 24 *Denv. J. Int'l L. & Pol'y* 109, 137.

⁸ John Feather, *Publishing, Piracy and Politics: An Historical Study of Copyright in Britain* (London: Mansell Publishing Limited, 1994), p.168.

⁹ Laurence R. Hefler, "Regime Shifting: The TRIPs Agreement and New Dynamics of International Intellectual Property Lawmaking" (2004) 29 *Yale J. Int' L.* 1.

¹⁰ Carla Hesse, "The Rise of Intellectual Property, 700 B.C.-A.D. 2000: An Idea in the Balance" (2002) 131(2) *Daedalus* 26.

An institution is born

Despite the major trans-Atlantic rift over copyright in this initial period of international governance of intellectual property, the members of the Rome and Berne conventions quickly realised that there were significant commonalities between the governance of both treaties and thus it would be sensible to develop a joint secretariat. The establishment of this new secretariat in 1893, brought together the international governance of patents, copyrights and trade marks under the authority of one institution. Initially the joint secretariat was placed under supervision of the Swiss Government with offices in Berne, where it stayed until moving to WIPO's current home in Geneva in 1960. The institutionalisation of the conventions' governance at the end of the 19th century represents the beginning of the international period of protection of intellectual property.¹¹ As the number of states expanded in the 20th century so the number of members of both conventions increased, as did the importance of the secretariat that oversaw the agreement.

With the establishment of the joint secretariat for the conventions as the *Bureaux Internationaux reunis pour la protection de la propriété intellectuelle* (BIRPI), the governance of intellectual property became one of the first policy areas to develop an early precursor to contemporary global governance. During the first half of the 20th century, the BIRPI oversaw a number of further treaties and amendments to the original conventions. These were often responses to new technologies in various economic sectors where IPRs were becoming more important, but also represented successful lobbying by a number of private sector groups that were eager to ensure that IPRs were both protected and extended. However, commercial interests were not always shared among sectors and at the convention that resulted in the Berlin 1908 revisions to the Berne convention, for instance, whereas the book publishers were happy with a system of exclusive rights to authorise publication which could be purchased and exploited, the newly emergent music recordings industry considered it more important in a fast moving field to allow competing record companies to record the same piece of music and accompanying lyrics. This dispute between sectors resulted in a return to national distinctions over this issue.¹² Given that the conventions regulated private commercial relations, states were often willing to respond to pressure from their domestic industries' representatives, but not always.

The first major challenge to the BIRPI's independence came with the establishment of the League of Nations. Article 24 of the Covenant of the League stated that there:

“[S]hall be placed under the direction of the League all international bureaux already established by general treaties if the parties to such treaties consent . . . In all matters of international interest which are regulated by general conventions but which are not placed under the control of international bureaux or commissions, the

¹¹ Peter Drahos, “States and Intellectual Property: The Past, the Present and the Future” in David Saunders and Brad Sherman (eds), *From Berne to Geneva: Recent Developments in International Copyright and Neighbouring Rights* (Nathan, Queensland: Australian Key Centre for Culture and Media Policy, 1997), pp.47–70.

¹² Vincent Porter, *Beyond the Berne Convention: Copyright, Broadcasting and the Single European Market* (London: John Libbey, 1991), p.4.

Secretariat of the League shall, subject to the consent of the Council and if desired by the parties, collect and distribute all relevant information and shall render any other assistance which may be necessary or desirable."¹³

However, while the General Secretariat was willing to negotiate a treaty of mutual co-operation, which was concluded in the early 1920s, the formal inclusion of intellectual property into the League's mandate was successfully resisted, with BIRPI and the League contracting as equal partners not as organisation and associate.

When BIRPI members met in Rome in 1928 to deal with issues raised by new broadcasting technologies, there were clear differences of opinion between states that wanted to reserve the private rights for authors as they already did for other technologies of distribution, and those countries like Australia and New Zealand that saw broadcasting as a public service that should be unencumbered by private rights, reflecting the emerging public service ethos of broadcasting in countries with vast distances between small communities. Once again, a compromise solution was concluded that while setting the parameters of choice, allowed individual states to shape the measures that were appropriate for their societies.¹⁴ Thus, during this period significant national variance in domestic regulation of intellectual property remained, and even when many of these broadcast issues were encompassed in the 1961 Rome convention, the convention was unable to attract the number of signatories that the preceding more flexible conventions had.¹⁵ Broadcasting remained an area where many states wished to retain their autonomy.

As more and more new states emerged during the post-1945 period of accelerated decolonisation, the membership profile of the BIRPI start to shift from being dominated by industrialised and developed states. Newly independent countries' governments were often keen to establish their membership of international society by joining various multilateral agreements and international organisations. The existing member governments of the BIRPI saw the potential for encouraging these "new" states to join and by doing so expand the realm of governance for intellectual property, which would potentially benefit the export oriented companies in their own intellectual property-related national sectors. These new members, many of which were newly emerged states, wanted the established countries to recognise their interests, reflecting the newly global democratic structures of the UN and its General Assembly. Thus, in the 1950s and into the 1960s, the conferences organised by the BIRPI began to include delegations that were sharply critical of the manner in which intellectual property was being utilised in the international system.

Already many of the issues that would become familiar in later debates about the relationship between intellectual property and development were being raised and discussed, before the WIPO itself was formally established. As Andréa Koury Menescal has argued at some length, many of the issues that were recently included in the proposal for a Development Agenda at the WIPO are remarkably similar to the

¹³ Full text of the League's Covenant is available at <http://net.lib.byu.edu/~rdh7/wwi/versa/versa1.html> [Accessed August 24, 2009].

¹⁴ Porter, *Beyond the Berne Convention*, 1991, p.7.

¹⁵ Porter, *Beyond the Berne Convention*, 1991, p.22.

draft resolution on intellectual property that was put before the UN by Brazil in 1961.¹⁶ This included concerns about technology transfer, the abuse of patent monopolies and the need to focus on the end of development, alongside an explicit denial that such an agenda was a demand for the abolition of the current system. However, after considerable debate and manoeuvring, the resulting UN Resolution 1713, adopted on December 19, 1961, firmly placed the examination and possible revision of the system with the BIRPI, rather than an independent body. The subsequent series of conferences and reports, involving the International Chamber of Commerce and the Association for the Protection of Intellectual Property, alongside the BIRPI, effectively stifled the intent of the resolution, leaving the issues to re-emerge some 40 years later. This period (between 1962 and 1967) also saw the establishment of a process of formalisation of the process for cross-border access to patent information. While initially established as an independent committee (with the BIRPI as merely an observer), the Committee for Information and Co-operation in Information Retrieval among Examining Patent Offices (ICIREPAT) in 1967 was incorporated into the Paris Union and by doing so became part of BIRPI.¹⁷

In the early 1960s, the BIRPI's staff were well aware that other international organisations, not least of all the UN Economic and Social Council were exploring the possibility of developing a more formal role in the international governance of IPRs.¹⁸ Indeed, during the 1950s, mirroring attempts under the League of Nations, there was some interest in incorporating the Paris and Berne Unions into the new United Nations system. Thus, for instance, the International Labour Organization had been showing some interest in IPR-related issues on behalf of workers, and partly as a response to the problem of the USA being outside the Berne convention, in consort with the United Nations Education Scientific and Cultural Organization (UNESCO) had in 1952 helped establish the Universal Copyright Convention (revised in 1971). This alternative copyright convention operated as a clear alternative centre of diplomatic gravity to the BIRPI, further stimulating the exploration of a more formalised institutional existence. Nevertheless, while this drove internal change and development at the BIRPI it (again) failed to produce the incorporation of IPRs into a more generalised international organisation.

Until this point, the *Bureaux* had enjoyed a slightly anomalous existence in the realm of multilateral agencies, at once both international and predominantly the responsibility of the Swiss Government. Therefore, at the 1962 meeting of the Permanent Bureau of the Paris Union and Berne Union, a committee of experts was set up to explore the possibility of establishing the *Bureaux* as a more normal international organisation, and to that end a diplomatic conference was organised. Moreover, as a move to make the *Bureaux* more clearly *international*, in 1963 the Swiss Government appointed, for the first time in the organisation's history, a non-Swiss as Director:

¹⁶ Andréa Koury Menescal, "Changing WIPO's Ways? The 2004 Development Agenda in Historical Perspective" (2005) 8 J. World Intell. Prop. 761 and *passim*.

¹⁷ Arpad Bogsch, *The First Twenty-Five Years of the World Intellectual Property Organization from 1967 to 1992* [WIPO Publication No.881 (E)] (Geneva: International Bureau of Intellectual Property, 1992), p.46.

¹⁸ Sisule F. Musungu and Graham Dutfield, *Multilateral Agreements and a TRIPs-plus World: The World Intellectual Property Organization* (Geneva: Quaker United Nations Office, 2003), p.4.

Georg H.C. Bodenhausen, from the Netherlands. With Bodenhausen as Director, and Arpad Bogsch as Deputy, a number of “preparations for the ‘structural and administrative’ reform (an expression coined for the purpose and consistently used in the official documents) were pursued with thoroughness and speed” through a Study Group empowered to consider the consolidation of the secretariat into a more formalised institutional structure.¹⁹ After a second meeting of the Permanent Bureau, attended by 39 Members States, of which nine were developing countries, and to which the Study Group reported, a draft convention consolidating the previous governance arrangements into a formal international organisation was taken to the 1967 Stockholm Conference, where the convention was approved, thereby facilitating the establishment of the WIPO three years later.²⁰ While the Stockholm Conference has become well known for the issues around copyright protections, perhaps of greater long-term importance was the organisational developments it ushered in. It is at this conference when the shape of the new international administrative body was set, and its role and priorities established in advance of its formalisation in 1970 as the WIPO, that the major consolidation of governance for IPRs was brokered.

However, during the negotiations and discussions in Stockholm, some developing country delegates became worried that the manner in which the staff posts were being constituted in the planned organisation, reflecting particular technical and legal demands as regards applicants, would ensure that the organisation’s staff would fail to represent or encompass the range of interests and views of the membership (an issue that has resurfaced periodically through the WIPO’s history, and most recently in the discussions around the Development Agenda). Apart from what might be termed professionalisation, one of the other key changes accomplished by the conference, and preparatory to the shift in status, was the assumption of responsibility for the budget, programme and activities of the organisation by its members, removing this responsibility from the Swiss Government, which up until this time had effectively controlled the organisation. This change of arrangements facilitated the successful application by the WIPO to become a specialised agency of the United Nations in 1974.

The World Intellectual Property Organization and the United Nations

The move to become a specialised agency of the UN was primarily driven by Arpad Bogsch, first as Deputy Director of the BIRPI from 1963, then as Deputy Director General of the WIPO on its formation, and finally as Director General from 1973 to his retirement in 1997. Bogsch strove to establish the WIPO as a universal organisation for the protection of intellectual property and saw the link with the UN as a crucial mechanism to this end. Unsurprisingly his first major move as the new Director General was to initiate proceedings to gain specialised agency status. Indeed, the organisational structure of the WIPO was established so that it already resembled that of a UN specialised agency, making the assumption of this status easy to complete.²¹

¹⁹ Bogsch, *The First Twenty-Five Years of the World Intellectual Property Organization*, 1992, p.22; Ricketson, *Berne Convention*, pp.114–117.

²⁰ Musungu and Dutfield, *Multilateral Agreements and a TRIPs-plus World*, 2003, p.4.

²¹ Bogsch, *The First Twenty-Five Years of the World Intellectual Property Organization*, 1992, p.28.

Unfortunately, the strategy of universalisation was at odds with the developing countries' interests in establishing a New International Economic Order that stressed national autonomy over IPR-related policy, most obviously in the realm of compulsory licenses, and over issues relating to technology transfer.²² Nevertheless, Borgsch's desire to link up with the UN also prompted the WIPO to agree to be listed as co-author on the 1974 United Nations Conference on Trade and Development (UNCTAD) report *The Role of the Patent System in the Transfer of Technology to Developing Countries*, despite the report's thrust being widely divergent from the WIPO's position on the role of patents in technology transfer.²³ Thus, the WIPO was shaped from the start by Borgsch's vision of universalisation, but the seeds of some of the WIPO's more recent problems also were sown by his assumption that the link with the UN would further this end. Indeed, as the WIPO became increasingly able to influence other UN agencies' work on IPRs, its agenda of universalisation was carried forward through the crowding out of alternative methods for dealing with knowledge and information as economic assets. At a time when the attempts to establish a *new international economic order* were influencing economic policy across developing countries, the WIPO's successful promotion of IPRs as the only solution to technology transfer and other knowledge-related issues was an important defence of IPRs' relevance globally.²⁴

While universalisation was a key motive for the assumption of specialised agency status it was not the only perceived advantage: the *Bureaux* and specifically Borgsch believed that working inside the UN system would also encourage developing countries to join the organisation, and would enable the internal administration of the organisation to benefit from the economies of scale available inside the UN.²⁵ The proposed widening of the membership prompted some concerns among the already existing Member States, as their representatives (rightly as it turned out) were worried that these new developing country members might question and undermine the key *promotional* aspects of the WIPO's activities. Conversely, many of the new members were very concerned about the limitations on staff recruitment that seemed to be implied by the WIPO's establishing convention, which stressed the use of technical experts to discuss their problems. For a number of developing country delegates at the diplomatic meetings that finalised the WIPO's convention, this suggested that critics and those with non-orthodox views about the value and use of IPRs would be excluded from the organisation.²⁶ Again these early concerns have resurfaced in the more recent debates regarding the activities of the WIPO in the new millennium.

Like all specialised agencies of the UN, the WIPO is formally an independent organisation with its own members. Although, to a large extent it shares the UN's membership, there is no necessary co-membership between the two organisations. For

²² Michael P. Ryan, *Knowledge Diplomacy: Global Competition and the Politics of Intellectual Property* (Washington, DC: Brookings Institution Press, 1998), p.127.

²³ Susan K. Sell, *Power and Ideas: North-South Politics of Intellectual Property and Antitrust* (Albany: State University of New York Press, 1998), p.116.

²⁴ Ruth L. Okediji, "History Lessons for the WIPO Development Agenda" in Neil W. Netanel (ed.), *The Development Agenda: Global Intellectual Property and Developing Countries* (Oxford: Oxford University Press, 2009).

²⁵ Borgsch, *The First Twenty-Five Years of the World Intellectual Property Organization*, 1992, p.28.

²⁶ World Intellectual Property Organization, *Records of the Intellectual Property Conference of Stockholm, June 11 to July 14, 1967* [Minutes for the Meeting to Create WIPO] (Geneva: WIPO, 1967), p.830.

example, for many years, until Switzerland joined the UN at the end of the last century, it was an important and influential member of the WIPO, having played a major role in the establishment and maintenance of its predecessor organisation, but was not a member of the UN. However, although independent organisationally, as a specialised agency of the UN, the WIPO was, and is, required to work in accordance with the UN's overall developmental mission. Indeed, the manner in which the notion of development has been conceived of at the WIPO has increasingly become an area of some tension.

Unlike other parts of the UN network of organisations, the WIPO is largely funded by fees that the private sector pays for the use of the Patent Co-operation Treaty (PCT). Thus, although it is a specialised agency, the WIPO is freed from many of the budget related pressures that shape and sometimes constrain other UN organisations. While the member countries have always made contributions to the running costs of the organisation this has now become minimal, with the five largest country contributors accounting for less than 3 per cent of the annual budget between them. This has meant that even the richer members have been unable to effectively control the organisation through their control over the budget.

The link with the UN allowed the WIPO to gain both diplomatic advantage from being a member of the UN system, as well as demonstrating its central role in the realm of global economic governance. As a specialised agency of the UN the WIPO became party to the Convention on Privileges and Immunities of Specialized Agencies.²⁷ The primary advantages to the WIPO of this formalised link are the assumption of international legal personality (art.II) for the WIPO—that means it is treated as a sovereign contracting individuals for the purposes of international law—but also include in the realm of treaty obligations, the extension of the diplomatic privileges and immunities (art.V and VI) enjoyed by state representatives and staff members of the UN to the state representatives and staff of the WIPO. These diplomatic advantages range from the enjoyment of diplomatic immunity to the *laissez-passer* (free passage) unrestricted travel of the organisation's representatives and staff, which was also explicitly included as art.17 of the formal agreement between the UN and the WIPO.

Those working at the WIPO therefore become members of the international diplomatic community, and as such this became a significant element in the organisation's programme to attract a group of like-minded experts that shared the WIPO's goals and interests to its staff positions.²⁸ By extending the status and advantages of international diplomacy to various experts, additionally the WIPO was able to build a community that it could then draw on for "independent" expert advice for its members, but advice that was shaped by the WIPO's own agenda. This gave the WIPO a mechanism for maintaining and expanding a group of supportive academics and lawyers who enjoyed significant travel and diplomatic privileges in service of the WIPO's various

²⁷ The Convention is available on the Union of International Associations website; <http://www.uia.org/legal/app51.php> [Accessed September 7, 2009].

²⁸ Peter Drahos and John Braithwaite, *Information Feudalism: Who Owns the Knowledge Economy?* (London: Earthscan Publications, 2002), p.113.

developmental and assistance programmes, and that had something to lose if they significantly diverged from the WIPO's expressed position on any issue.

The formal agreement with the UN set out how the two organisations would co-ordinate their activities and co-operate over their strategic direction (art.2), with an obligation by the WIPO to follow any recommendations of the UN and work with other agencies to develop resources to tackle problems identified by the WIPO and the other specialised agencies (art.5).²⁹ Alongside various commitments related to information and documents (art.6), the provision of statistics (art.7) and technical assistance (art.9), the WIPO also undertook through this agreement to facilitate the transfer of technology. Explicitly, the WIPO was obliged to work with the UNCTAD, the UNDP and the UNIDO to promote and facilitate

“the transfer of technology to developing countries in such a manner as to assist these countries in attaining *their* objectives in the fields of science and technology and trade and development” (art.10, *emphasis added*).

This question of how the WIPO's activities have interacted with, and have often differed from, developing countries' priorities has become a major element in the criticisms levelled at the WIPO.

Nevertheless, since 1974, the link with the UN has focussed the WIPO's attention not merely on administrating the treaties it oversees, and more specifically running the PCT, but also has required the organisation to work with developing countries to develop their domestic legislation as regards intellectual property. This was made clear in the first report that the WIPO submitted to the UN in 1975, reporting on its activities in its first year as a specialised agency. The statement stressed that:

“As in the case of all organizations of the United Nations system, one of the main objectives of [the] WIPO is to assist developing countries in their development. [The] WIPO assists developing countries in promoting their industrialization, their commerce and their cultural, scientific and technological development through the modernization of their industrial property and copyright systems and in meeting some of their needs in scientific documentation and the transfer of technology and technical know-how.”³⁰

As it does to this day, the assistance offered ranged from training of administrators to the provision of model laws, including seminars and other meetings to discuss key intellectual property issues, and help drafting members' legislation.

Although the WIPO has continued to function as a specialised agency of the UN and plays a continuing role in the global governance of IPRs, the establishment of the World Trade Organization (WTO) with a new overarching agreement on intellectual property—the TRIPs Agreement—as of its key elements was a major challenge to the

²⁹ Agreement between the United Nations and the World Intellectual Property Organization, available at <http://www.wipo.int/treaties/en/agreement> [Accessed August 24, 2009].

³⁰ World Intellectual Property Organization *Report of the World Intellectual Property Organization to the Economic and Social Council of the United Nations at its Fifty-Ninth Session* [Analytical Summary for the Year 1974] (Geneva WIPO, 1975), p.13.

WIPO and its methods of governance. This has prompted in the first years of the new millennium a major campaign to reassert the organisation's relevance,³¹ and an extended discussion about the overall purpose of the organisation around the proposed Development Agenda (DA). Indeed, many of the issues (as I have noted above) that have troubled the members of the WIPO throughout its early history have resurfaced in the discussions around the WIPO DA, demonstrating that the history of the organisation is far from concluded.

³¹ See May, *World Intellectual Property Organisation*, 2007, Ch.6.

International Norm-Making in the Field of Intellectual Property: A Shift Towards Maximum Rules?^{*}

Annette Kur^{**}

 Intellectual property; International law

Background and aims of IP maxima

Since its inception, international IP law set out on a one-way course—forward to more and stronger protection. That dynamism evolves from the “minimum rights”-approach underlying all major IP Conventions: the aim is to create a “floor” which Member States may exceed, but from which they cannot retract. Indeed, when the Paris and Berne Conventions were concluded at the end of the 19th century, the concept of minimum rights, in combination with the principle of national treatment, appeared as a natural way to address the rampant problems caused in many countries by lack of respect for the interests of foreign creators and inventors. Also the fact that further efforts were undertaken in the course of the following century to tighten the international safety net for IP rights could basically be considered as a self-imposing consequence of new technical developments and the increasing intensity of foreign trade relations. That this did not give rise to major concerns was also due to the fact that, unlike today, international norm-making did not result in an all-encompassing body of substantive regulation, but left a considerable degree of policy space to be

^{*} This comment is based on Annette Kur and Henning Große Ruse-Khan, “Enough Is Enough—the Notion of Binding Ceilings in International Intellectual Property Law, to be published in Annette Kur and Marianne Levin (eds), *Intellectual Property Rights in a Fair World Trade System*”; working paper version at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1326429 [Accessed September 7, 2009]. For reasons of space, references in the footnotes have been kept to a minimum.

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implemented by national legislature.¹ In addition, if countries adhering to an international convention deemed a revised text as too “advanced” for their own purposes, they were free to decide that they wanted to remain bound only by an earlier, less demanding version.

In the post-TRIPS world, the picture has changed quite dramatically. Although TRIPS has not resulted in international harmonisation in a strict sense, the differences between national laws and the standards of protection they offer have become much smaller. In a tremendous effort, all or most WTO members have amended and brushed up their legislation so as to reflect the quite elevated TRIPS requirements. Compared to the situation of only 15 years ago, this appears as bordering on the miraculous. However, of course, this is not a flawless tale of success. First, countries feeling compelled to accept protection standards that are tailor-made for the needs of industrialised countries rather than for their own situation, have grown bitter and resentful in the aftermath, especially when realising that the economic progress which was expected to ensue therefrom did not materialise.² The disappointment and distrust this has engendered have resulted in a climate where multinational negotiations aiming at further enhancement of IP standards are basically blocked.³ Secondly, industrialised countries had to realise that the problems incurred by IP right holders with regard to piracy and counterfeiting which TRIPS had purported to solve were hardly, if at all, mitigated by the implementation of substantive TRIPS standards in all or most WTO Member States. The main source of discontent is located in the sphere of enforcement, be it that members are considered as not having duly implemented the provisions contained in the enforcement part of TRIPS, or that they are blamed as not being willing and/or capable of spending the necessary resources on the pursuit of infringements.⁴ In addition, it was realised that from the point of view of right holders, some aspects of economic importance for them—such as protection of pharmaceutical test data—are not, or not sufficiently, covered by the TRIPS provisions.⁵

Both aspects—the unwillingness of many states to accept, on a multilateral level, a further upgrading of substantive obligations under IP law, and the discontentment of right holders with the level of protection actually achieved—have led to a revival of bilateral strategies. Strong actors, in particular the US, but also the EU and Japan, are

¹ For the differences in that regard between the Berne Convention and TRIPS see in particular Christophe Geiger, “From Berne to National Law, via the Copyright Directive: The Dangerous Mutations of the Three-Step Test” [2007] E.I.P.R. 486.

² The outcome of TRIPS is therefore estimated very differently, depending on a country’s specific situation. For an overview see Annette Kur, *The TRIPS Agreement Ten Years Later—A Conference Commemorating the 10th Anniversary of the TRIPS Agreement*, (2005) 36 IIC 558.

³ This concerns in particular the long-standing efforts to conclude a new international treaty on substantive issues of patent law (SPLT) under the aegis of WIPO.

⁴ It is particularly China that is in the focus of such accusations. While substantive law does live up to TRIPS standards (China acceded to the WTO in 2001), complaints are abundant that the law is not respected and enforced in practice. The issue was raised by the US in dispute settlement proceedings before the WTO (with mixed success), see “China—Measures Affecting the Protection and Enforcement of Intellectual Property Rights”, Report of the Panel, January 26, 2009, WT/D5362/R.

⁵ Among other things, this concerns the question to what extent test data provided by a pharmaceutical company in the course of application for market acceptance ought to be withheld from competitors. The issue is addressed in art.39(3), but only to the extent that the use made by others of such data is considered “unfair”, i.e. without granting an exclusive position with regard to such data.

offering favourable market conditions to specific trading partners against concessions in the field of IP.⁶ This is particularly critical where the obligations thus imposed concern sensitive areas such as public health, promotion of domestic industries and access to knowledge.⁷ Apart from the possibly detrimental effects ensuing for individual countries, the tendency to move ahead on a bilateral level might also be a mere foreplay to a further turn of the spiral moving upwards to more and stronger protection: once a substantial portion of trading partners have agreed to observe the same standards as those enshrined in present US (or EU) legislation, there is no way back to a meaningful reduction of what appears as widely accepted standards. The next step might then be to top even those elevated thresholds—first by introducing new and stronger laws domestically, arguing that one must do an even better job at home in order to protect trade-sensitive interests, and then by urging others to adopt the same rules, and so forth.

It is before that background that the interest recently commanded by the issue of internationally mandatory “ceilings” or “substantive maxima”⁸ must be appreciated.⁹ Embarking on an effort to identify certain absolute boundaries for IP rights could appear as a basically sensible antidote—a feasible way of reversing or at least halting a trend which, though originally born out of sound concerns, has developed a dangerous spin in recent decades. Ideally, such an approach would have two effects: first, a dampening influence on national legislatures otherwise prone to becoming prey to powerful lobbying groups (internal safeguard); and secondly, immunisation of countries against pressure exerted against them in the framework of bilateral trade negotiations (external safeguard).

Ceilings in present IP law and under discussion

Although the concept of ceilings is basically alien to the traditional way of norm-making in international IP, some examples can still be found, most of them regarding copyright. The Berne Convention, TRIPS and the WIPO Treaties of 1996 all exclude certain subject matter from protection, such as news of the day, ideas, mere data, etc.¹⁰ Furthermore, the citation right enshrined in art.10(1) Berne Convention provides an example for mandatory exceptions and limitations, and the same applies to art.5ter Paris Convention, which declares inadmissible the enforcement of patent rights

⁶ In the post-TRIPS era, FTAs have become a major source of concern; see in particular Keith Maskus and Jerome Reichman, “The Globalization of Private Goods and the Privatization of Global Public Goods” (2004) 7 J. Int’l Econ. L. 279.

⁷ Sisule Musungu and Graham Dutfield, *Multilateral Agreements in a TRIPS-plus World* (WIPO); see also Maskus and Reichman, “The Globalization of Private Goods and the Privatization of Global Public Goods”, (2004) 7 J. Int’l Econ. L. 279. For a sceptical evaluation of such criticism see Joseph Straus, “TRIPS, TRIPS-plus order TRIPS-minus” in Theo Bodewig, Thomas Dreier, Horst-Peter Götting, M. Haedicke, Michael Lehmann and Ansgar Ohly (eds), *Perspektiven des geistigen Eigentums und Wettbewerbsrechts (writings in honour of Gerhard Schrickler)* (2005), p.197.

⁸ As far as can be seen, the term “substantive maxima” and the concept to which it refers was first used by Rochelle Dreyfuss, “TRIPS—Round II: Should Users Strike Back”, (2004) 71 U. Chi. L. Rev. 21, 27; see also Graeme B. Dinwoodie, “The International Intellectual Property Law System: New Actors, New Institutions, New Sources” (2006) Marq. Intell. Prop. L. Rev. 205, 214.

⁹ In the following, the terms “ceilings” and “substantive maxima” are used alternately.

¹⁰ Article 2.8 Berne Convention; arts 9.2 and 10.2 TRIPS; arts 2 and 5 WCT.

against devices installed on, or needed for repair of, vessels, aircraft and other vehicles temporarily in transit. Also, certain provisions in the enforcement part of TRIPS could be understood as imposing mandatory limits.¹¹ Somewhat surprisingly, mandatory limitations and other maximum rules have also found their way into the trade agreement concluded between the European Communities and the CARIFORUM states.¹² Finally, at least theoretically, external rules may also constitute ceilings. This concerns, in particular, the norms enshrined in human rights instruments, such as the right to health, food, and education.¹³

Whereas until now, the number and practical relevance of ceiling rules have remained rather limited, increased political and scholarly efforts to safeguard the interest of users and the public at large have engendered a number of initiatives featuring mandatory limitations as a crucial element.¹⁴ In the WIPO Standing Committee on Copyright and Related Rights (SCCR), the topic became part of the working programme through a proposal made by Brazil, Chile, Nicaragua and Uruguay.¹⁵ The proposal stresses the importance of exceptions and limitations and asks the SCCR to begin work on prescribing a minimum framework of public policy exceptions which must be available in all national laws.¹⁶

The same forum recently took up for discussion a proposal for a WIPO Treaty for Improved Access for Blind, Visually Impaired and Other Reading Disabled Persons,

¹¹ For instance, art.52 TRIPS. On the possible implications of that article for the possibility to seize goods in transit, and the conflict caused by measures of Dutch customs authorities against medications from India in transit to Brazil and Africa, see Henning Grosse Ruse-Khan and Thomas Jaeger, "Policing Patents Worldwide—EC Border Measures against Transiting Generic Drugs under EC—and WTO Intellectual Property Regimes" (2009) 40 IIC (forthcoming).

¹² EC-CARIFORUM Economic Partnership Agreement (EPA) signed on October 15, 2008, available at http://trade.ec.europa.eu/doclib/docs/2008/february/tradoc_137971.pdf [Accessed September 7, 2009]. For more details concerning the ceiling rules contained in the EPA provisions on trade marks (fair use of descriptive terms), industrial designs (exclusion of functional features from protection) and competition (prohibition of competition distorting use of intellectual property), see Annette Kur and Henning Grosse Ruse-Khan, "Enough Is Enough—the Notion of Binding Ceilings", Pt III, available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1326429 [Accessed September 7, 2009].

¹³ The literature on the topic is very rich. For an overview, see e.g. Peter K. Yu, "Reconceptualizing Intellectual Property Interests in a Human Rights Framework" (2007) 40 U.C. Davis L. Rev. 1039. Although the superior dignity of human rights norms as compared to trade regulations is basically uncontested, this will not frequently lead to human rights norms forming an absolute barrier to protection of intellectual property rights, mainly for structural reasons concerning the degree of specificity of the respective regulations.

¹⁴ Of initiatives undertaken on the academic level, see in particular P. Bernt Hugenholtz and Ruth Okediji, *Conceiving an International Instrument on Limitations and Exceptions in Copyright*, Final Report of May 6, 2008; available at <http://www.ivir.nl/publicaties/hughholtz/finalreport2008.pdf> [Accessed September 7, 2009]. The study is based on prior work in particular by Ruth Okediji; see e.g. Ruth Okediji, *The International Copyright System*, (New York: Open Society Institute, 2008) (Geneva: ICTSD, 2006). More proposals, also concerning patent, industrial design and trademark law, are lined out in Annette Kur and Marianne Levin (eds), *Intellectual Property Rights in a Fair World Trade System* (forthcoming 2010).

¹⁵ The proposal is available online at http://www.wipo.int/edocs/mdocs/copyright/en/sccr_16/sccr_16_2.pdf [Accessed September 7, 2009].

¹⁶ Even before the proposal was made in its present form, WIPO has reacted by commissioning extensive studies mapping existing limitations and exceptions in specific areas of copyright worldwide.

submitted by the World Blind Union (WBU).¹⁷ The proposal envisions a number of mandatory limitations and exceptions,¹⁸ which beneficiaries shall be entitled to enjoy even if technological protection measures are used, and irrespective of contractual stipulations.¹⁹

Furthermore, the issue is to some degree involved in discussions concerning mandatory disclosure of origin of biological resources and/or associated traditional knowledge used in subject matter for which IP rights (especially patents) are sought to be obtained. Although no ceilings are foreseen in the sense of protection being limited or excluded per se, such proposals might indirectly impinge on the possibility to obtain a valid patent or other IP right.²⁰ Finally, rules setting mandatory limits to private exploitation of new technologies are in the focus of current debates on the implications of the IP regime for ecology-friendly innovation in the wake of climate change.²¹

Potential and drawbacks of maximum rules

Traditional IP conventions are aimed at protecting foreign right holders. Only they—the “beneficiaries”—are entitled to claim at least the same, or even better, rights than those granted to nationals of the protecting country. In other words, the conventions “do not care” about the situation under domestic law, as long as the rights of foreigners are duly observed. If the fact that legislatures are keen to avoid negative discrimination of their own citizens regularly leads to substantive harmonisation, this is a welcome side-effect, but not the principal aim of the agreements. For ceiling rules, however, that approach does not work. For example, the treaty proposed by the WBU would largely become meaningless if it were only to ensure that blind and visually impaired persons can access protected content while they are travelling abroad: in order to make sense, ceiling rules must be binding for legislatures in the countries where the beneficiaries are actually resident. This may then trigger the question why—without an obvious link to protection of *foreign* interests—an international treaty is needed at all. Why not take the more direct route of simply legislating nationally, in particular in areas where countries should retain full freedom to develop their own social policies, which may, or may not, involve IP-related measures? Would it not be preferable to simply ensure that the existing flexibilities in that area are not (further) curtailed by international law?

¹⁷ October 23, 2008, available online at http://www.keionline.org/misc-docs/tvi/tvi_en_pdf.pdf; see also http://www.wipo.int/meetings/en/doc_details.jsp?doc_id=122732 [Accessed September 7, 2009].

¹⁸ See art.4 of the proposal.

¹⁹ For a more far-reaching initiative which is equally centred on substantive maxima in copyright (and patent) protection, and even includes mandatory limitations regarding the extension in time, see draft treaty on Access to Knowledge (A2K), available at http://www.cptech.org/a2k/a2k_treaty_may9.pdf [Accessed September 7, 2009].

²⁰ See e.g. *Brazil, et al*, Communication on a Proposal to Amend TRIPS, WT/GC/W/564, (May 31, 2006) (proposal for art.29bis TRIPS).

²¹ See UN Framework Convention on Climate Change (UHFCC), Ad Hoc Working Group on Co-operative Long-term Action under the Convention, FCCC/AWGLCA/2009/INF.1 (June 22, 2009), pp.184–186.

The tentative answer to that question is two-fold. First, by shifting the forum—in this case, from the national to the international level—chances for acceptance and success may be improved:²² political visibility is enhanced, peer support can be aggregated, and the leveraging potential may thus become much stronger. The strategy has been employed successfully in the interest of rightholders, most notably in the context of the WIPO copyright treaties with their provisions on protection against circumvention of technological protection measures (TPMs).²³ It is basically sound to assume that the same tactics might work when it comes to users' interests, in particular if the matter pursued is of unquestionable moral appeal, like in the case of improved access for blind and visually impaired persons. Secondly, and probably more important than that, to agree on specific treaties or clauses with a ceiling character has a strong defensive effect. In an environment where the legislative freedom to provide for users' rights has become precarious, it may appear advisable to take pro-active measures on the international level to disperse doubts about the admissibility of specific modes of conduct under the international system. Last but not least, and depending on their contents, it is also imaginable that ceiling rules—expressly or tacitly—undertake to change the present situation by stipulating clauses which might even be found to derogate from existing international obligations.

The virtues and drawbacks of those strategic aims—forum shifting as well as pro-active defenses and (tacit) opt-out maneuvers—shall briefly be highlighted in the following. First, while forum shifting may improve the chance for an international treaty being concluded, it is all but sure whether governments—in spite of grand gestures having been staged internationally—will find the political support at home to actually ratify and adhere to the new instrument. Next, even if countries do adhere, chances are few that they would come under serious pressure if the resulting obligations are not or badly met. Unless the treaty has direct effect under national law, individual users, even when efficiently organised, would not be able to enforce the implementation before domestic courts. Even if ceiling treaties were subject to the WTO dispute settlement system or similar efficient enforcement regimes, this would probably not change much: it is quite unlikely that another WTO member would take pains to enforce due implementation of maximum rules in another country, be it for altruistic reasons, or, exceptionally, out of its own interests.²⁴

Regarding the second strategic goal mentioned above—deployment of international ceilings as pro-active defences—the impact will be strongest where this helps countries to resist pressure from third parties in bilateral negotiations. However, some qualifications need to be made here as well. First, depending on the political and economic urgency of the “deal” offered, countries may be more ready to renounce a ceiling

²² For similar argumentation—concerning forum shifting between different organisations and institutional frameworks—see Laurence R. Helfer, “Regime Shifting: The TRIPS Agreement and New Dynamics of International Intellectual Property Lawmaking”, (2004) 29 *Yale J. Int'l L.*

²³ It is very questionable indeed whether the same rules would have been obtainable on the national level (e.g. in the USA) without the negotiations in the international arena having been used as a lever.

²⁴ Another aspect to be considered here concerns the fact that it appears at least doubtful whether and to what extent internationally mandatory rules, if implemented into domestic legislation, would be “automatically” immune against measures of private ordering, i.e. installation of TPMs or contractual derogations. As long as no certainty exists in that field, it would be advisable or even necessary to explicitly state that the limitation must be given precedence over such measures.

treaty than to reject the bid for a free trade agreement. Furthermore, the main problem with intellectual property-related elements frequently stipulated in free trade agreements is usually not that the provisions as such are excessive, but that they are ill-adapted to a member's individual situation, and that they are often accepted without proper consideration of their possible impact on the domestic economic environment. Those problems, however, are basically due to deficiencies of procedural fairness and equal standing of the negotiating parties, and can hardly be solved by the introduction of maximum rules.

Apart from providing a safeguard against bilateral pressure, maximum rules may offer a way to concretise the existing framework of IP provisions, thereby creating a "safe haven" for user-friendly legislation. The importance of such safe havens should not be underestimated in view of the difficulties TRIPS members are facing when appreciating the space available for legislative measures limiting the availability and scope of IP protection. Especially after the WTO panel rulings on the three-step test, the ambiguity and restrictiveness of the approach to exceptions under TRIPS may have a deterring effect on those (developing) countries which aim to devise new exceptions corresponding to their individual situation and level of development.²⁵ Also, from that perspective, international rules drawing a clearer and more concrete picture of what can (or must) be accepted as an exception in international IP law are certainly welcome.

However, as long as such rules are enshrined in separate treaties, the amount of safety they can possibly offer rests on shaky ground. If TRIPS remains unchanged, the validity of subsequent inter-se treaties would rest in limbo, where their compatibility with TRIPS is uncertain. To some extent, the matter may be addressed by conflicts clauses, which, in a typical case might read: "nothing in this treaty shall derogate from existing obligations under (inter alia) TRIPS . . .". This would ensure that the TRIPS obligations would ultimately prevail also in the context of the new treaty. While that reduces the risk of being found in violation, it might diminish the independent value of the new treaty as a pro-active defence. Alternatively, with a somewhat more robust approach, it could be stated in the form of a presumption that the mandatory limitations a new treaty contains are in compliance with international norms, in particular the three-step test.²⁶ The point is made thereby that those drafting the text were aware of possible conflicts, but considered them as non-existing and therefore did not find a reason to condition the binding character of provisions upon their compatibility with TRIPS. However, such presumptions would arguably not have binding force, e.g. upon a WTO panel in case that the TRIPS compliance of a country implementing such binding rules is brought under scrutiny.

²⁵ This applies also to countries with more experience in drafting exceptions when confronted with new technologies, modes of exploitation and business models relating to the utilisation of IP protected subject matter. One can compare the effect of the three-step test to what is referred to as "regulatory chill" or "freeze" effect in international investment law where certain investment protection standards in bilateral investment treaties (BITs) may prevent the host country from introducing environmental or other public interests measures fearing that they might be challenged by investors as conflicting with these investment protection standards (thanks to Henning Grosse Ruse-Khan for pointing that out!).

²⁶ That approach was adopted in the NGO proposal for an A2K treaty; see http://www.cptech.org/a2k/a2k_treaty_may9.pdf [Accessed September 7, 2009].

Whereas the efficiency of ceiling treaties as pro-active defences may be somewhat compromised by the above considerations, their positive potential should not be ignored either. After all, they would have the all but unimportant advantage that countries adhering to them do not have to “go it alone”, but can rely on the backing provided by the broad international consent reflected in the text. In situations when the decision about compliance with international norms hinges on the interpretation of “open” clauses and value-based assessments, such additional support can be crucial.²⁷ It remains true, however, that the “red lines” demarcating the core contents of treaty obligations cannot be overstepped in this manner. New ceiling treaties therefore do not offer an easy “opt-out” route for countries resenting their present commitments. In other words, if and where it is found appropriate or even necessary to change the substance of the TRIPS Agreement, there is no other solution than to address the issue directly, by embarking on the laborious route to propose and negotiate amendments to TRIPS. The experience with the Doha Declaration and what ensued from it has demonstrated that this is not a “mission impossible”.

Conclusions

This brief comment has offered an overview on the background and potential—in positive and negative regards—of “ceiling” or “maximum” clauses in international intellectual property law. Of course, this is a cursory sketch rather than a full picture. In particular, space did not allow to consider more closely the most troubling aspect of substantive maxima—namely that they necessarily lead to a further curtailment of sovereign policy space which countries presently enjoy in the field of intellectual property. It must suffice to state here that even if a basically positive attitude is taken towards the concept of ceilings, the most challenging and intricate part of such endeavours would be to ensure that this does not entail a simple and possibly dangerous transposition of the frequently criticised “one-size-fits-all” approach to the upper limits of intellectual property law.

This, then, leads to the final question: given all those *caveats* and potential misgivings, would it be better to cease the entire discussion for good? The answer, at least from this author, is a clear “no”. Apart from the political and psychological importance of the message conveyed by the discourse—that intellectual property protection must meet its limits before spinning out of control—it might also help to provide valuable insights as to how and where those limits should lie. One possible outcome, though only a dim prospect at present, might be to draw up an international “charter of users’ rights”, lining out a general framework for assessing third parties’ entitlement to claim access and (possibly conditioned) use of protected subject matter.

²⁷ On that point, see art.31(3)(c) Vienna Convention on the Law of Treaties.

Some Consequences of Misinterpreting the TRIPS Agreement

Susy Frankel*

 Dispute resolution; Treaty interpretation; TRIPS; World Trade Organisation

Why do we protect intellectual property?

It is well known, even if frequently debated, that the purposes of intellectual property laws include encouraging innovation, in the case of patents, and promoting creativity, in the case of copyright. Variants on these justifications may be found in the policies of different countries. The United States, for example, ties its copyright and patent laws to a constitutional imperative to promote progress of science and the useful arts. Other countries are more direct about the economic importance of protecting intellectual property.¹ A further nuance, of any attempt to summarise justifications for copyright law, are the differences of philosophy between the “authors’ rights” approach, exemplified in the EU and the Anglo-American copyright approach.² Whether these differences are of any practical consequence is often debated, but certainly the differences between EU and US copyright and patent laws are quite stark. Their differing approaches to copyright exceptions were exemplified in the dispute over the US Copyright Act small business exemption (for playing certain types of broadcast music),³ which the WTO found to be contrary to the TRIPS Agreement.⁴ In patent law the big powers have not yet had a WTO dispute despite the many differences in their

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¹ It is often said that the development of copyright in England arose out of the Stationers’ Company’s desire to control the printing of books.

² See Jane Ginsburg, “A Tale of Two Copyrights” (1990) 64 *Tulane L. Rev* 991 where the author discusses the differences between the systems, but also shows the similarities.

³ “United States—Section 110 (5) of the US Copyright Act”, Report of the Panel, June 15, 2000, WT/DS160/R (June 15, 2000).

⁴ Agreement on Trade Related Aspects of Intellectual Property Rights April 15, 1994, entered into effect January 1, 1995 (1994) 33 *I.L.M.* 1197.

patent laws. Perhaps this is because those differences are permitted under the TRIPS Agreement, which provides for minimum standards of protection and national autonomy over how those minimums are implemented.

The purposes of trade marks are not such lofty claims as innovation and creativity; rather they are to ensure the origin of and sometimes the quality of goods or services to which the trade mark relates. Within the field of trade mark law the boundaries of protection are contested. Broadly, the contest is over whether the value of trade marks is in the marks themselves as a commodity and not just their value as a badge of origin.⁵

All three of these “traditional fields” of intellectual property: copyright, patents and trade marks have related rights which cause their own debates. Examples include plant variety rights, which are “related” to patents, and geographical indications, which are “related” to trade marks. Even though the rights are “related”, they do have different rationales and justifications from their parents.

Whatever the justification for the protection of intellectual property the policies behind the various forms of protection are frequently questioned. Some patents, it is said, inhibit innovation because they privatise too much. Copyright has arguably been stretched too far so that it protects much more than just the author’s right to make a return for his or her creativity.⁶ Much ink has been spilt on these complex and controversial topics, and they cannot be done justice here. It suffices to say that there is a significant quantity of debate about the parameters of intellectual property and whether it has become over-protective. Also, questions are raised about whether justifications, such as innovation and creativity remain relevant in the modern world of trade and commerce, or whether they have been subsumed by economic imperatives. The varying purposes of the branches and sub-branches of intellectual property law complicate any attempt to pinpoint any over-arching rationales for intellectual property and perhaps suggest that there is none, other than the ways that they are linked together under the auspices of WIPO and in the TRIPS Agreement.⁷

As commerce grew and intellectual property travelled across borders proponents of intellectual property in one country wanted to ensure that they could have protection in another country. This motivation for international protection led to the development of treaties. Two core treaties, which remain important today, are the Berne Convention⁸ and the Paris Convention.⁹ These are administered by WIPO and are part of the WTO TRIPS Agreement.

⁵ For a general discussion of trade marks see Graeme B. Dinwoodie and Mark D. Janis, *Trademark Law and Theory: A Handbook of Contemporary Research* (Cheltenham: Edward Elgar, 2008).

⁶ The development of digital technology has seen copyright extended to protecting the means that is used to prevent copying. These include digital rights management and technological protection mechanisms. Critics argue that this extension of copyright is not justified in the same way that protection of author’s expression is justified.

⁷ The traditional linkage made by scholars and universities is that intellectual property rights are rights in intangible property. The reality is that while that is undoubtedly legally accurate many of those rights are manifested in objects and traded in commerce.

⁸ Berne Convention for the Protection of Literary and Artistic Works, July 24, 1971, (Paris text), art.33(1), 1161 U.N.T.S. 3 (Berne Convention).

⁹ Paris Convention for the Protection of Industrial Property, July 14, 1967, (Stockholm text), 828 U.N.T.S. 305 (Paris Convention).

The rationales for international intellectual property protection

Today the rationales for international intellectual property are not the same as the domestic justifications for intellectual property rights. Basic rationales such as prohibiting infringement are the same. Unsurprisingly, domestic industry interests tend to dominate negotiating platforms of states on the international stage. However, the complexity of international trade in intellectual property adds a different series of rationales, for intellectual property law, to those that are found within the domestic environment. For the late 19th and for most of the 20th century the need to protect domestic industries abroad was largely fulfilled by entering into treaties that ensured similar levels of protection in foreign markets through the provision of minimum standards and national treatment.¹⁰ This treaty structure, utilising minimum standards and national treatment, emerged as the norm for international intellectual property protection as the means of achieving the goal of protection abroad. In the later part of the 20th century some powers, most notably the US and EU, felt the need to strengthen these obligations by linking trade and intellectual property. This led to a series of negotiations culminating in the TRIPS Agreement.

Whatever view is taken of the original purposes of international intellectual property law, the TRIPS Agreement has added a layer to those purposes. In the Uruguay Round negotiations that led to the formation of the TRIPS Agreement, the purpose of international intellectual property law was dominated by the nexus with trade. The need for the TRIPS Agreement was hotly debated. While that debate remains important to the Agreement's critics, the current debate focuses more on what has happened since the TRIPS Agreement came into force in 1995. In particular the various ways in which intellectual property protection is increasing through more multilateral negotiations and free trade agreements (FTAs). Subsequent to the TRIPS Agreement, the US and the EU have created policies to use FTAs as a method to ensure that their business interests are protected in foreign markets, often to a greater extent, than those interests are protected at home.¹¹

The TRIPS Agreement embodies minimum standards across the range of areas of intellectual property rights. The minimum standards are predicated by a series of general provisions, which include statements in the preamble about the relationship between intellectual property and trade as well as objectives and principles of the Agreement.

Who decides what the TRIPS Agreement means?

The Dispute Settlement Body (DSB) of the WTO has become the authority for interpretation of the TRIPS Agreement.¹² It is the only multilateral international body that

¹⁰ National treatment is the principle that foreign nationals are treated the same as domestic nationals in domestic law.

¹¹ The standard of protection that the US has in many of its FTAs is higher than that even found in the US. For example, fair use of copyright works in the US is a broader doctrine than is found in the Australian/US FTA or other US FTAs.

¹² Members of the WTO sit as the Dispute Settlement Body, which adopts by consensus the reports of panels or the Appellate Body who hear and report on disputes brought by Members under the

decides intellectual property disputes. Indeed, the proponents of the TRIPS Agreement heralded dispute settlement as one of its main achievements.

The TRIPS Agreement is also interpreted by the members of the Agreement in various ways. This interpretation may occur when a Member State enacts national laws to comply with the Agreement. Some domestic courts will consider the meaning of the TRIPS Agreement as a tool for interpreting domestic law so as to ensure that domestic law is consistent with international obligations. Interpretations of the Agreement also occur when Member States negotiate FTAs.

It is beyond the scope of this article to discuss fully the controversies that arise from FTAs. For present purposes it is noted that in many of these agreements powerful members of the WTO, the US and the EU, have obtained increased intellectual property standards that could not be agreed to at a multilateral level. Some of those, commonly called TRIPS-plus, standards arise out of interpretations of a particular view of the TRIPS Agreement. An example might be the meaning of art.27, which defines patentable subject matter. There are some types of patents, for example, that are protected in some countries but not in others, such as second and subsequent uses of known pharmaceutical compounds. The US in a number of its FTAs requires protection of these second uses; apparently on the basis that art.27 of TRIPS requires their protection in any event.¹³ It is beyond the scope of this article to analyse that interpretation of art.27. However, that view is much disputed and has not been the subject of a WTO decision.

The remainder of this article focuses on the WTO Dispute Settlement Body's interpretation of the TRIPS Agreement and the consequences of what I characterise as its misinterpretation. First, I provide an explanation of aspects of this "misinterpretation". The article then discusses some international and domestic law consequences of that misinterpretation. Finally some concluding thoughts are offered.

Interpretation of TRIPS at the WTO

Method of interpreting the TRIPS Agreement

In my previous work, I have analysed the WTO's application of the customary rules of interpretation of public international law to the TRIPS Agreement.¹⁴ The customary rules of interpretation that are applied in all WTO disputes are arts 31 and 32 of the Vienna Convention on the Law of Treaties.¹⁵ The principal rule of Vienna Convention

WTO covered agreements. Panels and a standing Appellate Body were established by and operate under the rules of the Understanding on Rules and Procedures Governing the Settlement of Disputes, April 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 2, 1869 U.N.T.S. 401 (DSU).

¹³ Although the US-Peru FTA does not include the protection of second uses of known pharmaceutical compounds.

¹⁴ Susy Frankel, "WTO Application of 'the Customary Rules of Interpretation of Public International Law' to Intellectual Property", (2006) 46 (2) Va. J. Int'l L. 365.

¹⁵ Vienna Convention on the Law of Treaties, May 23, 1969, 1115 U.N.T.S. 331, 8 I.L.M. 679 (entered into force January 17, 1980) (Vienna Convention). The use of the Vienna Convention arises from the DSU. Article 3.2 of the DSU requires that the WTO agreements be interpreted "in accordance with customary rules of interpretation of public international law".

interpretation is that a treaty must be interpreted “in good faith in accordance with the ordinary meaning to be given to the terms of the treaty in their context in light of its object and purpose”.

I have argued that WTO panels and the Appellate Body have not paid enough attention, when analysing individual articles of the TRIPS Agreement, to the purpose of the TRIPS Agreement as a whole, even though the Vienna Convention’s rules mandate that approach. Particularly, there is a lack of analysis of the purposes that are expressly elaborated in the words of the Agreement.¹⁶

Other commentators have criticised the way in which the method of interpretation has created a formalistic approach, which does not take into account the way in which domestic law is in fact made. Dinwoodie and Dreyfuss argue that the WTO dispute system needs to take into account not just the intellectual property provision at issue, but also the context through which a member came to enact that provision. A provision may be reached through trade-offs at a national level, and it is too great an interference in national autonomy for those trade-offs to be “unwound” at international level. Dinwoodie and Dreyfuss give the example of the extension of copyright term, which was part of a package that included the exemption from liability of the playing of certain musical works in some restaurants and bars. The WTO found that the musical works exemption was a violation of the TRIPS Agreement, but the US Supreme Court upheld the extension of term.¹⁷

The purpose of the TRIPS Agreement

The proposition that protecting intellectual property is important for international trade pre-dates the TRIPS Agreement. However, the creation of the TRIPS Agreement represented a significant leap in international intellectual property law as it formalised the relationship between trade and intellectual property. The competing proposition, to the trade/intellectual property linkage, is that intellectual property is a barrier to trade.¹⁸ The TRIPS Agreement represents a compromise between these positions, in the sense that WTO members have “agreed” that certain levels of intellectual property protection are, in the WTO context, acceptable barriers to trade. The preamble states:

“Desiring to reduce distortions and impediments to international trade, and taking into account the need to promote effective and adequate protection of intellectual property rights, and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade . . .”

The fundamental conflict between trade liberalisation and intellectual property barriers lies awkwardly within the TRIPS Agreement framework. The failure of the TRIPS

¹⁶ Frankel, WTO Application of “the Customary Rules,” (2006) 46 Va. J. Int’l L. 365, 390–401.

¹⁷ Graeme B. Dinwoodie and Rochelle Dreyfuss, “TRIPS and the Dynamics of Intellectual Property Lawmaking” (2004) 36 Case W. Res. J. Int’l L. 95.

¹⁸ For an excellent discussion of the relationship between free trade and patents see Luigi Palombi, *Gene Cartels: Biotech Patents in the Age of Free Trade* (Cheltenham: Edward Elgar, 2009), Ch.3.

Agreement to deal effectively with parallel importing is a stark example.¹⁹ While the prevention of parallel importing has been creatively legislated for in many jurisdictions, it is fundamentally at odds with the principles of encouraging the international flow of goods enshrined in the GATT.²⁰

Despite the TRIPS Agreement preamble's warning to balance protection against minimising trade barriers, reports of WTO panels and the Appellate Body are devoid of any real discussion of this balance in the context of any particular dispute. Rather panels look at particular provisions of the Agreement and seem to interpret them as if they incorporate a balance that does not require any additional consideration. Balancing factors arguably should not be used to change the meaning of a particular provision, but if there are competing meanings then the balance should favour the least trade inhibiting interpretation.

A similar phenomenon is observable in the approach of panels and the Appellate Body to arts 7 and 8, the objectives and principles of the Agreement. In *Canada Pharmaceuticals* the Panel observed that these articles could not be used to undermine the minimum standards of the TRIPS Agreement.²¹ That is undoubtedly so, but the Panel's approach served to obscure the reason that Canada raised the articles, which was as an interpretative guide to the provision in the TRIPS Agreement which allows patent exceptions.²²

Article 7 provides that the protection of intellectual property should contribute to the promotion of technological innovation and to the transfer and dissemination of technology. How this can be achieved is debatable, but at the very least art.7 says that it must be to the "mutual advantage of producers and users and in a manner conducive to social and economic welfare".

The principles of art.8, among other things, allow the adoption of measures which are "necessary to protect public health and nutrition and to promote the public interest in sectors of vital importance to their socioeconomic and technological development".

Articles 7 and 8 and are fundamental to an analysis of the object and purpose of the TRIPS Agreement. They are the core principles through which the interests of net-users of intellectual property, which are primarily developing countries, are balanced against those with a comparative advantage in owning intellectual property rights, primarily developed countries. In practice these principles should be central to interpreting the TRIPS flexibilities, which allow exceptions to the core intellectual property rights in order to achieve the purposes articulated in arts 7 and 8.

The importance of arts 7 and 8 to the interpretation of the TRIPS Agreement was underscored in the Doha Declaration on the TRIPS Agreement and Public Health.²³ This declaration has the status of a subsequent agreement between the parties that is

¹⁹ Article 5 of the TRIPS Agreement effectively provides that parties are free to prevent or allow parallel importing.

²⁰ General Agreement on Tariffs and Trade, October 30, 1947, 55 U.N.T.S. 194.

²¹ "Canada—Patent Protection of Pharmaceutical Products", Report of the Panel, March 17, 2000 WT/DS114/R.

²² Article 30 of the TRIPS Agreement. See discussion in Frankel, "WTO Application of 'the Customary Rules'", (2006) 46 Va. J. Int'l L. 365, 394–400.

²³ WTO, Declaration on the TRIPS Agreement and Public Health, WT/MIN(01)/Dec/2, 41 I.L.M. 755 para.5(a).

relevant to the interpretation of the TRIPS Agreement in accordance with the Vienna Convention.²⁴ Despite this Declaration there have been no WTO reports where there has been a change of approach to place more emphasis on these articles in the interpretation of the TRIPS Agreement. Perhaps this is because the right case has not yet arisen. However, more disturbingly, the Doha Declaration, which was a WTO Ministerial document made at the multilateral level, seems to have had no impact in the real world TRIPS-plus FTA negotiations. If intellectual property chapters in FTAs are legitimate they should at the very least reflect the object and purpose of the TRIPS Agreement, which many TRIPS-plus provisions do not.²⁵

Consequences of the WTO's misinterpretation

The consequences of the WTO's misinterpretation of the object and purpose of the TRIPS Agreement, which are summarised above, are observable at the international and domestic levels. A key consequence in the international forum is that the TRIPS Agreement's overarching balancing principles have really become statements with little practical effect. The balance is not treated as a dynamic concern; rather it is treated as already reflected in the minimum standards of the Agreement and, in a practical sense, is passive. This passivity does not accord with the wording of the Agreement which ultimately is where the intentions of the parties are to be found. Indeed, the Appellate Body in *India Patents* affirmed the importance of the words of the Agreement as reflecting the intentions of the parties.²⁶ This loss of balance, at the multilateral level of TRIPS interpretation, serves to reinforce what has become a constant drive to increase intellectual property protection in TRIPS-plus FTAs. Arguably, however, the balancing negotiations occur in other forums such as WIPO. The most detailed negotiations on the protection of traditional knowledge and related traditional cultural expressions, for example, have been ongoing at WIPO.

Even though there is a considerable role for WIPO and other non-WTO forums to discuss and negotiate intellectual property protections there are difficulties with intellectual property standards evolving in numerous forums, as fragmentation does occur. As far as WIPO and the WTO are concerned there is an agreement for consultation over intellectual property issues and WIPO has been consulted on matters arising in disputes.²⁷

As the WTO forum is where international intellectual property dispute settlement occurs, the interface between the WTO and other intellectual property forums is very important. The standards agreed elsewhere should, on the one hand, have an interface with the TRIPS Agreement; otherwise dispute settlement under the TRIPS Agreement

²⁴ See Vienna Convention on the Law of Treaties, May 23, 1969, art.31(3)(a) which provides that subsequent agreements regarding the interpretation of a treaty shall be taken into account in the process of interpretation together with context.

²⁵ For a discussion of intellectual property chapters in FTAs see Susy Frankel, "The Legitimacy and Purpose of Intellectual Property Chapters in FTAs" in Ross Buckley, Vai Io Lo and Laurence Boulle (eds), *Challenges to Multilateral Trade: The Impact of Bilateral Preferential and Regional Trade Agreements* (Alphen aan den Rijn: Kluwer Law International, 2008).

²⁶ "India—Patent Protection for Pharmaceutical and Agricultural Chemical Products" Report of the Panel, January 16, 1998, WT/DS50/AB/R p.45.

²⁷ WTO-WIPO Co-Operation Agreement, December 22, 1995, 35 I.L.M. 754.

risks making standards that have been agreed, in other multilateral forums, ineffectual. On the other hand, a standard made elsewhere cannot simply be assumed to be the intention of the TRIPS members. However, it is notable that most WTO members are also members of WIPO.

One domestic consequence is that countries, for which TRIPS flexibilities²⁸ are important, may tend to err unduly on the side of caution about whether the flexibilities would be TRIPS-compliant. Working out whether a so-called flexibility is TRIPS-compliant involves legal capacity that is not always readily accessible for developing countries, particularly small developing countries. The “fear” of being taken to the WTO may also lead such countries to limit TRIPS flexibilities, more narrowly than is necessary, in their national law.

As a procedural matter WTO panels do not create binding precedent with their reports. This is, however, fundamentally a principle that while legally correct, is untrue in many ways. The Appellate Body has stated²⁹:

“Adopted panel reports are an important part of the GATT *acquis*. They are often considered by subsequent panels. They create legitimate expectations among WTO members, and therefore, should be taken into account where they are relevant to any dispute. However, they are not binding, except with respect to resolving the particular dispute between the parties to that dispute.”

Although this statement was made with reference to GATT reports it equally applies to all DSB reports. The failure of the DSB to guide the interpretation of the object and purpose of the TRIPS Agreement is arguably very damaging which impacts well beyond the correctness or otherwise of the particular dispute between the parties. It creates an expectation that the object and purpose can be put aside.

Concluding thoughts


The rules-based dispute settlement system has failed to provide guidance on interpretation that reflects the object and purpose of the TRIPS Agreement. This failure has a number of consequences for the international intellectual property system. The TRIPS Agreement expressly articulates a balance between developed and developing countries’ interests. The DSB’s failure to use those balancing principles in the interpretation process means that the balance is not achieved. It is possible that some of these consequences might occur, in any event, because of power politics. However, the failure of the central dispute resolution system to provide appropriate guidance how to interpret the object and purpose of TRIPS is a failure of the rules-based system that requires correction.

²⁸ “TRIPS flexibilities” refers to the ability to have exceptions to intellectual property protection, in domestic law, in accordance with the provisions of the TRIPS Agreement.

²⁹ “Japan-Taxes on Alcohol Beverages” Report of the Appellate Body, October 4, 1996. WT/DS8/R, WT/DS9/R, WT/DS10/R.

Seizure of Generic Pharmaceuticals in Transit Based on Allegations of Patent Infringement: A Threat to International Trade, Development and Public Welfare

Frederick M. Abbott*

 Customs controls; EC law; Generic medicines; Infringement; Patents; TRIPS

The European Union amended its border control regulations in 2003 in a way that allegedly signalled permission to EU patent holders to demand seizure of goods in transit through EU ports and airports.¹ The precise intention of the EU IP Border Regulation has been the subject of some controversy among European courts.² What

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¹ Council Regulation 1383/2003 concerning customs actions against goods suspected of infringing certain intellectual property rights (EC IP Border Regulation).

² See *Montex Holdings v Diesel* (C-281/05) [2006] E.C.R. I-10881; [2007] E.T.M.R. 13 (interpreting 1994 predecessor to 2003 IP Border Directive, and holding that customs may not suspend transit of goods in commerce based on EU trade mark absent direct evidence of third party activity to place goods on market within Member State, even if goods were produced in contravention of trade mark holder rights in a non-EU state); *Nokia v UK Customs* [2009] EWHC 1903 (Ch), (holding that UK customs did not have authority under 2003 EU IP Border Regulation to detain fake goods in transit based on UK trade mark holder claim where no direct evidence of third party intention to place on market within EU, and rejecting Court of Hague analysis in Case 311378 *Sisvel v Sosecal* of July 18, 2008 based on manufacturing fiction); compare Court of Hague, Case 311378 *Sisvel v Sosecal* of July 18, 2008 (holding that Netherlands customs authorities may suspend goods in transit based on allegation of infringement of Dutch patent based on “manufacturing fiction” derived from recital of 2003 IP border regulation). See also Barbara Kuchar, “Comparative Presentation of Recent National Court Decisions in Transit Cases”, *INTA International Forum on Anticounterfeiting*, Paris, December 4, 2008; Jens van den Brink, “Comeback for the Legal Fiction of the Anti Piracy Regulation?” in *Kennedy Van der Laan Newsletter*, August 2008 (translating *Sisvel* decision to English).

has generated intense controversy, however, is the use of the regulation as the basis for seizure of pharmaceutical products alleged to be infringing “local” patents on their way through European airports.³ Although the next steps at the inter-governmental level remain to be determined, the fundamental IP related issues raised by the seizures are worthy of attention because of their long-term implications for the international economic system, economic development and public welfare.

Implementation of the EU IP Border Regulation represents a challenge to fundamental ideas about the way the international intellectual property system operates. The Paris Convention on the Protection of Industrial Property incorporates “independence” of patents as a core principle.⁴ The principle is framed in terms of protecting national institutions and decision-making against intrusive determinations by foreign authorities. The principle of independence of patents preserves the sovereign authority of states to adopt and implement patent protections as they consider appropriate, within the framework of a general set of rules. Each member of the Paris Convention decides whether to grant or deny patent protection, and that determination is not dependent on decisions of foreign courts or administrative bodies. The principle of “independence” is corollary to the “act of state doctrine” in international law pursuant to which the courts in one country do not sit in judgment on the acts of foreign governments taken within their own territory based on considerations of comity and restraint.⁵

The principle of independence is sometimes equated with a “territorial” nature of the international patent system. The Paris Convention does not prescribe the jurisdictional scope of patents, nor does it prescribe or define “territoriality”. The scope, extension or limitation of patent jurisdiction is determined by national legislatures and courts within boundaries prescribed by public international law. Traditionally, national legislatures and courts have approached potential extraterritorial application of patent law with considerable caution, recognising the problems that would arise in attempting to extend local control to economic activity taking place (and fundamentally regulated by) foreign legislatures and courts. (A territorial nature of the international patent system is recognised in the WTO Decision of August 30, 2003, at para.6(i), and in the corresponding TRIPS Agreement Amendment, at art.31bis.3, each expressly referring to the “territorial nature of [. . .] patent rights”.)

In recent years, some national courts have begun to move away from a rigid understanding of the “territoriality” of patent law. In the *Blackberry* case,⁶ the United States Court of Appeals for the Federal Circuit recognised that advances in technology may create situations in which an invention operates through actions carried out in more than one country, and that the issue of infringement within a country may not

³ See, e.g. “Access to Medicines Back on Centre Stage at the WTO”, (2009) 13(1) *ICTSD Bridges Monthly* 12, and joint letter from public health NGOs to Pascal Lamy, WTO Director General, February 18, 2009.

⁴ Paris Convention for the Protection of Industrial Property (1883, as amended), art.4bis (Patents: Independence of Patents Obtained for the Same Invention in Different Countries), 828 U.N.T.S. 305. See Frederick M. Abbott, Thomas Cottier & Francis Gurry, *International Intellectual Property in an Integrated World Economy* (New York: Aspen 2007), pp.65–70.

⁵ See *Banco Nacional de Cuba v Sabbatino* 376 U.S. 398 (1964).

⁶ *NTP v Research in Motion* 418 F 3d 1282 (Fed. Cir. 2005).

always be assessed only by examination of actions within that single national territory. A modest extension into extraterritorial application of patent law in the *Blackberry* case was grounded in traditional international law concepts of jurisdiction whereby an act undertaken outside the territorial limits of a state that has a direct and substantial effect within that state may lead its courts to take cognisance of those acts. In cases such as *Blackberry*, the infringement affects most directly and substantially the country where the allegedly infringed patent is held. Following the US Supreme Court decision in *Microsoft v AT&T*,⁷ which stressed limitation of patent infringement to the national territory (and cautioned against extraterritorial extension), the Federal Circuit acknowledged a strong presumption against extraterritorial effect in excluding process patents from the scope of a US statutory prohibition on exporting infringement-capable components.⁸

It is an axiom of public international law that sovereign nations exercise exclusive control over activities taking place within their own territory (although international human rights law challenges certain aspects of that axiom).⁹ The European Union bases its exercise of jurisdiction over pharmaceutical products moving in transit through EU airports on its right as sovereign to control activity taking place within EU (and Member State) territory. This extension of jurisdiction is said to be codified in EU customs regulations.¹⁰

Yet a corollary of the axiom of sovereign control over activities within the national territory is that states have the right to cede elements of exclusive control through international agreement and custom.¹¹ Thus, through a long history of international agreements and custom, states of the international community have adopted exceptions from exercise of jurisdiction in favor of immunity for diplomats, for naval vessels from *in rem* admiralty actions and for activities taking place on foreign operated military bases established under basing agreements.

Since 1947, Member States of the European Union have been members of the GATT, now the World Trade Organization (WTO). The EU is a Member of the WTO. The WTO provides the legal framework under which international trade is conducted. From its inception, the GATT/WTO has recognised in GATT art.V the principle of “freedom of transit” for goods moving through ports and airports in international trade. This fundamental principle has been so widely and consistently implemented that there has been virtually no controversy about it in the history of the GATT/WTO, despite the fact that goods are constantly moving in transit through its Members.¹² It is simply a “given” in international trade law that the customs authorities of a country

⁷ *Microsoft v AT&T* 550 U.S. 437 (2007).

⁸ *Cardiac Pacemakers v St. Jude Medical*, 576 F. 3d 1348 (Fed. Cir. 2009).

⁹ Cf. United Nations Charter, art.2.

¹⁰ See, e.g. art.3 of the 1992 Community Customs Code defining the “customs territory” of the Community as the territory of its Member States (Council Regulation (EEC) No.2913/92 of October 12, 1992 establishing the Community Customs Code).

¹¹ See, e.g. *The Case of the S.S. “Lotus”*, PCIJ, Judgment No.9, PCIJ, Ser. A., No.10, 1927.

¹² See, e.g. Note by WTO Secretariat, Article V of GATT 1994—Scope and Application, TN/TF/W/2, January 12, 2005 (updating G/C/W/408, September 10, 2002). There is a recent WTO panel report, “Colombia—Indicative Prices and Restrictions on Ports of Entry”, Report of the Panel, April 27, 2009, WT/DS366/R. That report addresses an issue unrelated to the subject of this essay, i.e. the point at which transit within a country removes goods from the protection of art.V.

do not seize or detain goods passing through their ports and airports *en route* to foreign destinations without a good reason. GATT art.V prohibits Members from imposing unreasonable regulatory requirements on goods in transit.¹³

The WTO TRIPS Agreement did not purport to modify the three core principles of the Paris Convention: national treatment, independence and right of priority.¹⁴ The TRIPS Agreement obligates WTO Members to extend patent subject matter coverage to all fields of technology.¹⁵ But the authority to grant or deny patent protection remains with national patent offices of Members based on relevant national legislation.¹⁶

An inventor may lack patent protection in a WTO Member for a number of reasons, including: (1) no patent was ever sought; (2) a patent has expired; (3) a patent application was rejected because the claimed invention was deemed not to meet the criteria of patentability; (4) the claimed invention did not constitute patentable subject matter under the law of the particular Member (e.g. computer software as such in Europe). India, as a case in point, was not required by the TRIPS Agreement to provide pharmaceutical product patent protection until January 1, 2005, and many pharmaceutical products patented in Europe are not patented in India.

Article 51 of the TRIPS Agreement obligates WTO Members to adopt procedures allowing trade mark and copyright owners to prevent counterfeit trade mark and pirated copyright goods from entering national markets through detention at the border and notification by customs authorities. The TRIPS Agreement also allows members to adopt measures to prevent importation of goods “infringing” other forms of intellectual property. Footnote 13 to that provision indicates that there is no obligation to provide anti-counterfeit or anti-piracy border procedures for parallel traded goods or “goods in transit”. It was logical for the drafters of the TRIPS Agreement to frame these exceptions in such terms as “no obligation” to provide measures, rather than as a bar or ban, because the drafters were not attempting to define the outer limits of IP protection. In the case of parallel trade, it was understood that members might or might not provide border protection measures depending upon the local approach to the exhaustion question. At the time the TRIPS Agreement was negotiated, the practice of seizing goods in transit based on allegations of patent infringement was unknown; so members would not have contemplated such practice as an option when drafting the relevant provision. It places too much weight on footnote 13 to suggest that it was intended to authorise the seizure of patented goods in transit when the practice was almost certainly outside the contemplation of the drafters of the TRIPS Agreement.

There have been a substantial number of recent cases in which EU customs authorities have acted to seize pharmaceutical products in transit between developing countries where there are no patents in force.¹⁷ These seizures have been based on

¹³ The Panel in the *Colombia-Indicative Prices* case, at para.7.387, noted: “As its title indicates, Article V of the *GATT 1994* thus generally addresses matters related to ‘freedom of transit’ of goods. This includes protection from unnecessary restrictions, such as limitations on freedom of transit, or unreasonable charges or delays (via paras 2-4), and the extension of Most-Favoured-Nation (MFN) treatment to Members’ goods which are ‘traffic in transit’ (via paras 2 and 5) or ‘have been in transit’ (via para.6).”

¹⁴ WTO TRIPS Agreement, art.2.

¹⁵ WTO TRIPS Agreement, art.27.1.

¹⁶ WTO TRIPS Agreement, arts 1.1, 29 and 62.

¹⁷ See, e.g. John W. Miller and Geeta Anand, *India Prepares EU Trade Complaint*, *Wall Street Journal*,

patents in force in the “transit” EU Member States. The customs authorities of the Netherlands have been the most aggressive. This is ironic since the Netherlands earlier acted as a champion of access to medicines for developing countries, and now appears to have retreated from its supportive posture. The first case that received wide public attention was seizure by Dutch customs in December 2008 at Schiphol airport of a shipment of losartan, a blood pressure medication, in transit from India to Brazil.¹⁸ Losartan is not patented in India or Brazil, but Merck asserts patent rights in the Netherlands. In this case, lawyers acting on behalf of Merck demanded that the producer, Dr Reddy’s, consent to destruction of the shipment. Merck eventually authorised release of the goods back to India in exchange for Dr Reddy’s acknowledgment of its Dutch patent. A second case involved a shipment of the antiretroviral medicine abacavir shipped from India by Aurobindo, where it is not patented, to Nigeria. Glaxo claims patent rights in the Netherlands. In this case, Glaxo advised Dutch customs authorities that it did not wish to initiate a legal action against the shipper, but Dutch customs authorities nevertheless referred the matter to a criminal prosecutor.¹⁹ Remarkably in this case the goods had been purchased on behalf of UNITAID. Dutch customs authorities were interfering with a French-supported programme to supply generic antiretroviral medicines to Africa. Other recent cases involve seizure by Dutch customs authorities of a Cipla shipment of olanzapine en route from India to Peru based on a Dutch patent asserted by Eli Lilly, and a shipment of clopidogrel en route from India to Colombia based on a Dutch patent asserted by Sanofi Aventis.²⁰

The European Court of Justice in *Montex Holdings v Diesel* raised serious doubt whether seizure of IP protected goods in transit and not intended for the European internal market was permissible.²¹ The Court of Justice noted that violation of the 1994 IP Border Regulation (predecessor of the 2003 IP Border Regulation) was predicated upon infringement of an EU intellectual property right (in that case a trade mark), and that the Trademark Directive predicated trade mark infringement on entry into the EU stream of commerce. The ECJ said that unless direct evidence of third party action to place the goods into the EU stream of commerce was present, there could be no infringement under EU law; thus no seizure was authorised. The High Court of England and Wales recently affirmed this line of reasoning in *Nokia v UK Customs*, also with respect to trademarks, but on this occasion expressly interpreting the 2003 EU IP Border Regulation.²² Dutch authorities and pharmaceutical patent holders, on the other hand, have relied on a decision of the Court of The Hague in the Netherlands, *Sisvel v Sosecal*, grounded in recital 8 of the 2003 IP Border Regulation. The Court of The Hague interprets the recital to establish a “manufacturing fiction”. Using this “fiction”, an act of patent infringement takes place by “use” of the patent for

August 6, 2009, and formal response by Dutch government on seizures and border measures in FTAs (to parliamentary questions), posted by Health Action International on IP-Health list server, April 25, 2009.

¹⁸ See Frederick M. Abbott, “Worst Fears Realised: The Dutch Confiscation of Medicines Bound from India to Brazil”, (2009) 13(1) *Bridges Monthly* 13.

¹⁹ Dutch Government’s response to Parliament, *supra* note 17.

²⁰ John W. Miller and Geeta Anand, “India Prepares EU Trade Complaint”, *Wall Street Journal*, August 6, 2009.

²¹ *Montex* (C-281/05) [2006] E.C.R. I-10881.

²² *Nokia v UK Customs* [2009] EWHC (Ch) 1903.

manufacturing in the Netherlands, even though it is absolutely clear that no such manufacturing takes place. It is a truly remarkable theory under which Dutch law is deemed to be violated by actions taking place in another country, e.g. India, as if those actions had taken place in the Netherlands.

It is hard to imagine a greater departure from the principle of independence of patents than the “manufacturing fiction” that is said to support a finding of infringement of a Netherlands patent by an action in India. The absence of a patent in India where the manufacturing takes place (and which is independent of the Netherlands) is completely ignored. There is no direct or substantial effect on the Netherlands that might be deemed to constitute a reasonable substitute for actual manufacturing. There is no harm in or to the Netherlands unless one reaches to the farthest levels of attenuation (which the European Commission has soundly rejected in the area of competition law).

It is also difficult to imagine what the international legal system will be like if the “fictional acts” theory of jurisdiction becomes widely adopted. American manufacturers might be sued in Europe for violating EU environmental law standards when manufacturing in the United States in compliance with US environmental law. Chinese companies could be sued in the EU for failing to provide EU-standard paid vacation for their workers on the fiction that they were manufacturing in France. A doctor performing a legal abortion in Germany could be prosecuted in Ireland on the theory that the abortion would have been illegal if performed in Ireland. An 18-year-old student drinking beer in Germany could be prosecuted in Florida because 21 is the legal drinking age in Florida. The concept of national sovereignty would be completely meaningless in this new “fictional acts” environment.

The European Commission has sought to justify implementation of the 2003 regulation on grounds that it is seeking to further the legitimate public policy goal of preventing the circulation of “counterfeit” drugs.²³ Since no one approves of counterfeiting, the Commission presumably considers that the public and legislators will ignore fundamental legal issues in favor of this “public good”.

Patent infringement and drug counterfeiting are completely different acts and involve different legal concepts. In order to infringe a patent, the infringer must infringe on each and every claim of the patent. The producer of a “patent infringing” drug should be producing the same thing as the patent holder or its licensee. Otherwise, there is no infringement. When a patent holder such as Merck alleges that Dr Reddy’s is infringing its losartan patent, it is alleging that Dr Reddy’s is producing the same drug as the one on which Merck holds its patent, but without its consent. Merck is not alleging that there is a risk to the public from a different or inferior product. The classic “generic” pharmaceutical product is the same as the originator “patented” product, produced by a third party, in a situation in which the patent does not apply.

The problem of “counterfeiting” in the pharmaceutical sector is a problem of misidentified substandard drugs placed on the market without concern for the well-being of the public. In the sense of pharmaceutical regulation, a counterfeit substandard drug does not infringe a patent because it is not the same thing as the patented drug.

²³ See Kaitlin Mara, “Generic Drug Delay Called ‘Systemic’ Problem at TRIPS Council”, *Intellectual Property Watch*, June 9, 2009.

It is neither the responsibility nor the right of WTO Members outside a country that has not granted patent protection to “cure” that situation in favor of a local patent holder by disregarding the decisions taken by authorities in the country that has not provided protection. The European Union has elected to disregard the sovereign rights of foreign WTO Members by refusing to give effect to their decisions as to patent status by the use of force—the seizure and detention by customs authorities of goods in transit. The allegations of infringement are purely for the convenience of a patent holder that happens to have chosen a particular transit country as a place to obtain a patent.²⁴ This is a form of “long-arm” extension of jurisdiction that the European Union has claimed to abhor when adopted by US antitrust authorities.

While the threat to the international economic system and foundations of international law are serious enough, an even more important negative consequence of the EU policy with respect to the seizure of generic pharmaceuticals in transit is the breach of the understanding reached at the WTO regarding access to medicines as embodied in the Doha Declaration on the TRIPS Agreement and Public Health. There was a bargain reached at the conclusion of the GATT Uruguay Round of trade negotiations in 1993 that provided a 10-year transition period for countries such as India that did not provide pharmaceutical patent protection to institute that protection.²⁵ That bargain acknowledged that public health systems and patients throughout the developing world relied on countries such as India to provide low-cost generic versions of pharmaceutical products on patent in the developed countries, and that a rapid transition to globalised patent protection would have significant adverse effects on public health. In good measure as a consequence of India’s decision to take full advantage of the transition period, a significant part of the developing world can and does continue to rely on that country for the supply of low-cost generic medicines. The Doha Declaration was born out of frustration by developing countries with aggressive tactics employed by the pharmaceutical originator industry, USTR and the European Commission that sought to eliminate through trade intimidation the flexibilities that had been negotiated and built into the TRIPS Agreement.²⁶

The Doha Declaration is an agreement among WTO Members on interpretation of the TRIPS Agreement and provides that the TRIPS Agreement does not and should not interfere with the right of members to protect public health. It further recognises the objective of promoting “access to medicines for all”. Seizure of generic drugs moving legitimately in transit is a frontal assault by the EU on the object and purpose of the Doha Declaration. It is an effort to prevent developing countries from relying on the security of supply from Indian generic manufacturers, and to put them out of business

²⁴ Imagine, for example, if the German computer software firm SAP sought to ship program disks from Heidelberg to Bogotá through Miami, and US Customs seized and detained the program disks because of an allegation of patent infringement by IBM based on a US software patent. Since the EPO does not grant software patents, IBM presumably does not have protection in Europe. Would the European Union consider this a legitimate patent infringement action?


²⁵ Frederick M. Abbott and Jerome H. Reichman, “The Doha Round’s Public Health Legacy: Strategies for the Production and Diffusion of Patented Medicines Under the Amended TRIPS Provisions”, (2007) 10 J. Int’l Econ. L. 921. While USTR eventually acknowledged the legitimacy of TRIPS flexibilities (as adopted by South Africa), the European Commission never did.

²⁶ See Frederick M. Abbott, “The Doha Declaration on the TRIPS Agreement and Public Health: Lighting a Dark Corner at the WTO”, (2002) 5 J. Int’l Econ. L. 469.

(or force them into mergers with major originator companies). This cannot be justified as a means to control counterfeiting. If legitimate generic drugs are treated as counterfeit drugs the entire global public will suffer. Regrettably, the international patent system will again suffer a blow to its legitimacy.

Threshold Requirements for Copyright Protection under the International Conventions

Sam Ricketson^{*}

 Copyright; International law; Originality

Some 13 years ago, the late Sir Hugh Laddie provided a thought-provoking analysis of the underlying “sacred principles” of copyright protection in a public lecture that had the provocative title of “Copyright: Over-strength, Over-regulated, Over-rated?”¹ One of the “sacred principles” examined by Sir Hugh was the one embodied in the Eighth Commandment (“Thou shalt not steal”) and the way in which this had been applied by common law courts to extend protection to a wide body of material that might be of little intellectual or creative merit, but which might nonetheless represent the result of hard work and endeavour that these courts would protect against unauthorised third party appropriations. This tendency, along with a number of others (longer terms of protection, the increased use of criminal penalties, restrictive defences and the like), then brought Sir Hugh to his choice of title, with particular reference to the matter of copyright being “over-strength”. Towards the end of his lecture, he issued the following challenge which sets the scene for the subject of the present article:

“Perhaps we should consider whether the current law on originality makes sense or serves a useful purpose. To reduce to its simplest, you can have too much of a good thing and I suggest that we have got too much copyright. In the case of copyright, the Eighth Commandment has got out of control.”

While Sir Hugh’s comments were obviously directed at UK law, they point to a wider

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¹ Memorial Lecture in honour of Stephen Stewart Q.C., given in November 1995. Hon Mr Justice “Copyright: Over-strength, Over-regulated, Over-rated?” (1996) 5 E.I.P.R. 253.

issue that arises with respect to all copyright laws: what is the threshold for protection, and how should this be set? A cursory review of national laws suggests that this is a question that is answered differently as between those with a civil law background and those with a common law tradition, such as my own. Furthermore, even among common law jurisdictions, there are significantly different approaches to be found, although it may now be that these are drawing closer together. One particular area of contestation has been in relation to informational works, in particular compilations and databases, where some national courts, notably those in the USA, have emphasised the need for some minimal degree of creativity,² and those in countries such as the United Kingdom³ and Australia,⁴ where protection appears to have been extended on the basis of protection for the results of labour and effort alone (so-called “sweat of the brow”). While this position appears to be changing in Australia,⁵ and the Supreme Court of Canada has pointed to a halfway position that emphasises the need for some kind of intellectual effort (“skill and judgment”) rather than labour alone,⁶ the Eighth Commandment can still be seen at work here, as epitomised in the famous dictum of an earlier English judge that, “after all, there remains the rough practical test that what is worth copying is prima facie worth protecting.”⁷ But, as Sir Hugh pointed out:

“not all copying is bad, and . . . sometimes copying and developing are to the general good. I should make it clear that I believe that copyright has an important role to play in society. I do not advocate an unprincipled free-for-all. But I suggest that the scales are at the moment weighed far too much in favour of would-be copyright owners.”

The purpose of the present article therefore is to consider the extent to which threshold levels of protection for copyright works are dealt with under the international conventions and the guidance, indeed the boundaries, that these instruments provide for national laws.

The international framework to be considered

At the outset, it should be noted that, in the case of industrial property rights such as patents, trade marks and designs, there have been no international prescriptions historically as to threshold criteria for protection. Thus, the Paris Convention for the Protection of Industrial Property remains silent on such matters, and it is only in the

² *Feist Publications Inc v Rural Telephone Service Company, Inc* 499 U.S. 340 (1991) at [11], [16].

³ See, for example, *Waterlow Publishers Ltd v Rose* (1989) 17 I.P.R. 493. To similar effect, see Kevin Garnett, Gillian Davies and Gwilym Harbottle (eds), *Copinger and Skone James on Copyright*, 15th edn (London: Sweet & Maxwell, 2005), p.132 (Copinger).

⁴ The high point here is the protection given to white and yellow pages directories by the Full Federal Court in *Desktop Marketing Systems Pty Ltd v Telstra Corp* (2002) 55 I.P.R. 1.

⁵ See *IceTV Pty Limited & Anor v Nine Network Australia Pty Limited* [2009] HCA 14 (April 22, 2009).

⁶ See generally *CCH Canadian Limited v Law Society of Upper Canada* [2004] 1 S.C.R. 339, [2004] SCC 13.

⁷ Peterson J. in *University of London Press Limited v University Tutorial Press Limited* [1916] 2 Ch.601–610.

TRIPS Agreement that they are specifically addressed.⁸ In the case of copyright and related rights, however, the TRIPS Agreement contains no provision of this kind. To the extent that it does so, this can only arise through its incorporation of the substantive provisions of the Berne Convention for the Protection of Literary and Artistic Works 1886 (as amended in Stockholm in 1967)⁹; the same is true of the WIPO Copyright Treaty 1996.¹⁰

Accordingly, for the purposes of our present inquiry, all roads lead back to Berne: if there are any international norms in relation to such matters as “originality”, “intellectual creativity” or even “sweat of brow”, they will need to be found in that instrument and nowhere else.

The relevant provisions of the Berne Convention

So far as a particular threshold standard for protection is concerned, the requirements of the Convention arise chiefly as a matter of inference, requiring the reader to work through a number of different provisions.

The obvious starting point is to note that the opening words of the preamble of the Convention state:

“The countries of the Union, being equally animated by the desire to protect, in as effective and uniform a manner as possible, the rights of authors in their literary and artistic works . . .”

Authors and their rights are obviously the subject of the Convention, but the term “author” is itself undefined. Nonetheless, it is clear that there is a direct link between authors and their “works”, and there is a series of quite detailed provisions specifying what are to be protected as “literary and artistic works”. These begin with art.2(1), which contains the following general definition that has remained relatively unchanged since the Berlin Act of 1908:

The expression “literary and artistic works” shall include every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression, such as books, pamphlets and other writings; lectures, addresses, sermons and other works of the same nature; dramatic or dramatico-musical works; choreographic works and entertainments in dumb show; musical compositions with or without words; cinematographic works to which are assimilated works expressed by a process analogous to cinematography; works of drawing, painting, architecture, sculpture, engraving and lithography; photographic works to which are assimilated works expressed by a process analogous to photography; works of applied art; illustrations, maps, plans, sketches and three-dimensional works relative to geography, topography, architecture or science.

⁸ TRIPS Agreement, art.15(1) (trade marks—“capable of distinguishing”); art.25(1) (designs—to be “new or original”); and art.27(1) (patents—novelty, inventive step and industrial application).

⁹ TRIPS Agreement, art.9(1).

¹⁰ WCT, art.1(4).

The boundaries propounded here as to what is to be protected are broad but nonetheless distinct—namely “productions in the literary, scientific and artistic domain”. While the adjective “scientific” is somewhat mysterious, it seems that it was not intended to extend to such things as inventions and discoveries—the province of patents—but rather as a description to capture works relating to scientific matters or of a scientific character (as in the listed examples of “illustrations, geographical charts, plans, sketches and plastic works relative to geography, topography, architecture or science”).¹¹ Indeed, the long list of examples that follows the general opening definition suggests that the adjectives “literary and artistic” are to be interpreted broadly. The term “production” is undefined, but it seems only to have been intended to indicate that the work must have come into existence before protection can be claimed¹²—a reference, perhaps, to the need for a work to have assumed some definite shape or “form” and something more than just a simple idea or thought in the author’s head.¹³ There is no direct reference here to the need for such “productions in the literary, scientific or artistic domain” to be “original”, “creative” or “intellectual creations”, but indirectly an indication of such a requirement can be derived from art 2(3) which is concerned with derivative works. This provides that:

“Translations, adaptations, arrangements of music and other alterations of a literary or artistic work shall be protected as original works without prejudice to the copyright in the original work.”

It can be argued that the adjective “original” is used in two senses here: first, to refer to the quality that other works protected under the Convention in art.2(1) must be presumed to have, i.e. that they should be “original”, and, secondly, to indicate the work that was first in time, i.e. the work on which the derivative work was based. An alternative reading is that the first use of “original” is simply a non-discrimination requirement, namely that the translation, adaptation, etc. is to be treated no differently from the first or “original” work from which it is derived.

The records of the Berlin Revision Conference at which the predecessor of art.2(3) (then art.2(2)) was adopted provide little further assistance on this point, although it is noteworthy that the *rappporteur* (Louis Renault, a distinguished French lawyer) did refer to translations as being “*un travail intellectuelle, souvent difficile*”¹⁴), taking care to distinguish the “work” or contribution of the translator from the “work” that had been translated. Indeed, the proviso to art.2(3) was added to remove the possibility that had existed under previous texts for an argument that “unlawful” or unauthorised

¹¹ See further Sam Ricketson and Jane Ginsburg, *International Copyright and Neighbouring Rights: the Berne Convention and Beyond* (Oxford: Oxford University Press, 2006) at [8.06].

¹² Ricketson and Ginsburg, *International Copyright and Neighbouring Rights: The Berne Convention and Beyond*, 2006, p.403.

¹³ Note, however, that art.2(2) provides that it is “a matter for legislation in the countries of the Union to prescribe that works in general or any specified categories of works shall not be protected unless they have been fixed in some material form”.

¹⁴ *Actes de la Conference reunie a Berlin du 14 octobre au 14 novembre 1908*, pp.232–233. For an English translation made by WIPO in 1986, see <http://www.oup.com/uk/booksites/content/9780196259466/15550026> [Accessed September 7, 2009]: “The translator has accomplished intellectual and often difficult work.”

translations could not be protected¹⁵ and could be reproduced with impunity. On the other hand, the translator's work was to be protected as a work in its own right which the translator could prevent others from appropriating, even if he could not oppose another translation being made of the same (original) work.¹⁶ Renault then went on to say that "adaptations, musical arrangements and other reproductions in an altered form of a literary or artistic work" might be compared to translations for the purposes of protection.¹⁷ Nothing further, however, is to be found in his report on art.2 as to what particular meaning or content was to be given to the adjective "original" or whether this reflected a requirement in relation to works generally.

The word "original" does recur in relation to one other kind of work protected under the present text of art.2(1), namely "cinematographic works". This is to be found in art.14*bis*(1) which provides:

Without prejudice to the copyright in any work which may have been adapted or reproduced, a cinematographic work shall be protected as an original work. The owner of copyright in a cinematographic work shall enjoy the same rights as the author of an original work . . .

Again, this use of "original" does not clearly indicate whether it simply operates as a non-discrimination requirement, i.e. that cinematographic works are not to be treated differently from other kinds of literary or artistic works, or whether it is intended as a qualitative threshold requirement, i.e. that the work must be "original" in the sense of having some "original character" (however that is to be judged). The predecessor to art.14*bis*(1) is more suggestive in this regard. This was adopted at the time of the Berlin Revision Conference of 1908 (as art.14(2)) and provided that cinematographic productions were to be protected as literary or artistic works "if, by the arrangement of the acting form or the combination of the incidents represented, the author had given the work a *personal and original* character" (emphasis supplied). Furthermore, art.14(3) provided that the reproduction by cinematography of a literary, scientific or artistic work was to be protected as an "*original work*" (emphasis supplied). These were more explicit substantive threshold requirements, and further support for this view is to be found in the report of Renault where he referred to cinematographic adaptations and reproductions alike as serving to "give form to a creation".¹⁸ He went on to say:

"The person who takes the cinematographic shots and develops the negatives will also be the person who has imagined the subject, arranged the scenes and directed the moves of the actors. For example, one may wish to represent the life of Mary Stuart by means of the cinematograph; there is intellectual work consisting in choosing the principal episodes of her life—those which are of interest in themselves or which lend themselves the best to scenic action—and placing the characters in an appropriate setting. Whether the characters speak by a combination of the

¹⁵ Thus, art.6 of the Berne Act of the Convention had provided that "lawful translations shall be protected as original works".

¹⁶ See art.6 of the Berne Act.

¹⁷ See art.6 of the Berne Act.

¹⁸ See <http://www.oup.com/uk/booksites/content/9780196259466/15550026> [Accessed September 7, 2009].

cinematograph and the phonograph or whether they do not speak, we have here a dramatic work of a particular genre which it must not be possible to appropriate with impunity. Doubtless a competitor could take the Mary Stuart story in his turn and combine the episodes which will take place before the eyes of the spectator, but he cannot merely reproduce someone else's work . . . It is not a question of monopolising an idea or a subject but of protecting the form given the idea or the development of the subject. Judges will assess the matter in the same way as for ordinary literary and artistic works; they are perfectly able to make such an assessment, as we have seen."¹⁹

It therefore seems reasonable to conclude, from these provisions, that the drafters of the Berlin text assumed that "originality" was a requirement for literary and artistic works generally. No further assistance as to the meaning and content of this term, however, was provided in the Convention itself, apart from Renault's reference to imaginative contributions by the author/director. Beyond this, the meaning of the requirement of originality was left as a matter for national laws to interpret for themselves.

A further qualitative requirement, so far as the present Berne text is concerned, is to be found in art.2(5) which deals with compilations, albeit in a limited way, and introduces a new concept, namely that of "intellectual creation". This provides that:

"Collections of literary or artistic works such as encyclopaedias and anthologies which, by reason of their *selection and arrangement* of their contents, constitute *intellectual creations*, shall be protected *as such*, without prejudice to the copyright in each of the works forming part of such collection."

This provision, introduced in the Brussels Revision of 1948, replaced a more general reference to "collections of different works" which previously appeared as an inclusion in the list of derivative works (translations, adaptations, etc.) that were the subject of art.2(2) (now art.2(3)). The new art.2(5) received little explanation in the General Report of Marcel Plaisant to the Conference, apart from the following brief comment:

"The discussion on them served to make it clear that protection was assured whenever the selection and arrangement of the contents of the works had the character of an intellectual creation. While newspapers, magazines and periodicals are not actually specified, as the United Kingdom delegation had originally proposed, they are nevertheless included in so far as they constitute *artistic creations* by reason of the distribution and presentation of their subject matter."²⁰

This is a long way from requiring the protection of the kinds of factual or informational compilations, such as directories, catalogues and databases, which have long been the subject of protection in many common law jurisdictions, even though the same intellectual contributions of selection and arrangement may be equally involved in

¹⁹ See <http://www.oup.com/uk/booksites/content/9780196259466/15550026> [Accessed September 7, 2009].

²⁰ See the English translation of Plaisant's Report at <http://www.oup.com/uk/booksites/content/9780196259466/15550026> [Accessed September 7, 2009].

their making.²¹ Nonetheless, the reference to “intellectual creation” in the text of art.2(5) is intriguing, and gives rise to the following possibilities:

- In its previous embodiment (in art.2(2) of the Berlin and Rome Acts), “collections of different works” were protected as “original works”; the change of language in art.2(5) to “intellectual creation” might therefore suggest that this provision was intended to protect a different kind of subject matter that was distinct from the literary and artistic works that were protected generally under art.2(1), particularly as the elements to be protected (selection and arrangement) were expressly identified. In other words, the protection given under art.2(5) was a *sui generis* or related kind of protection that had simply been brought under the umbrella of the Convention for convenience sake but otherwise had no connection to the kinds of works protected under that Convention. On this view, therefore, art.2(5) has nothing to do with the requirements for the works protected under art.2(1).
- There is some precedent for such an interpretation, in that previous texts of the Convention had accorded separate protection to such subject matter as photographic works which only gained the “supreme rank of general protection” under art.2(1) in the Brussels Act.²² However, there is nothing in the debates at the Brussels Conference, or the Report of Plaisant, to suggest that collections were being treated differently; rather, the more likely implication is that art.2(5) was intended to record that, if such collections constituted intellectual creations by reason of their selection or arrangement, then they were to be protected in the same way as literary and artistic works generally. If this were not so, it is difficult to see what can have been intended by the words “as such” (it being quite unclear to what this could otherwise refer). A line therefore seems to run from art.2(5) through art.2(3) to art.2(1) as follows: “original translations, adaptations, etc.” under art.2(5) and collections of works that are “intellectual creations” under art.2(3) are to be protected as “literary and artistic works” under art.2(1), suggesting that both originality and intellectual creation are correlative and implicit requirements for literary and artistic productions that otherwise fall under art.2(1).

If the second of these interpretations is accepted, there is one further question to be considered before proceeding to the ultimate inquiry as to the meaning of these requirements, namely to what activity of the author are they directed? The time-honoured dichotomy between ideas and their form of expression is not explicitly addressed in *Berne*, but the implication from art.2(1) is that it is only the form of expression of a work that is to be protected, that is, “every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression

²¹ This is one of two respects in which the TRIPS Agreement, art.10(2) and the WCT, art.5, extend the incorporated obligations of member countries under the Berne Convention (the other being with respect to the protection of computer programs). These matters are discussed further below.

²² Marcel Plaisant, Report, at <http://www.oup.com/uk/booksites/content/9780196259466/15550026> [Accessed September 7, 2009]. Prior to this, they were protected separately under art.3 of the Berne, Berlin and Rome Acts.

...". Such a view also seems to underlie the comments of Renault and Plaisant reproduced above, and is reflected in art.2(8) which provides that the Convention is not to apply to "news of the day or to miscellaneous facts having the character of mere items of press information". While the latter may have a limited and specific operation in the context of Berne, it may now be argued that the idea-expression dichotomy is now incorporated as a general Berne standard as a consequence of its adoption in art.9(2) of the TRIPS Agreement and more recently in art.2 of the WCT, both being agreements that require signatories to comply with the substantive provisions of the Berne Convention.²³ Accordingly, any requirement of originality or intellectual creation arising under the Convention is directed at the form in which a work is expressed, rather than the ideas, concepts or facts embodied in that expression.

In light of the above, the following general propositions about the threshold requirements for protection under Berne can be formulated:

- the convention is concerned with the protection of the rights of authors in literary and artistic works;
- this means the expression of those works, and not the ideas/concepts/facts embodied therein;
- the authorial contribution to this expression must have some element of originality/intellectual creation about it; and
- the form of this contribution must be "literary or artistic" in some general sense (clearly non-literary or artistic contributions cannot be included, although they may well involve inventive components that might be capable of protection under the laws of patents or some *sui generis* regime).

These propositions only take us so far. In particular, no clear standard or level of originality or intellectual creation is to be discerned, leaving it open to Member States to determine this for themselves. While "intellectual creation" for the purposes of art.2(5) is clearly identified (by reference to selection or arrangement of contents), its meaning in relation to works generally under art.2(1) is quite open-ended. Thus, it would be open for State A to opt for a "minimum degree of creativity" (as in the USA) and for States B and C to apply a more prosaic requirement of skill and judgment (as in Canada and possibly now Australia). On this view, the requirements of originality/intellectual creation are flexible and can be satisfied by anything falling within their broad boundaries: there need only be *some* intellectual skill and judgment or intellectual creation, and nothing more. On the other hand, there will still be lower and upper limits.

²³ These provide in the same terms that: "Copyright protection shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such". As a prescription expressed in these terms, this must be taken to be a reflection and/or mere articulation of what is already required by Berne, having regard to art.1(1) of the WCT which provides that it is a "special agreement" within art.20 of the Berne Convention (such agreements must not contain "provisions not contrary to this Convention") and art.2(2) of the TRIPS Agreement ("nothing in Parts I to IV of this Agreement shall derogate from existing obligations that Members may have to each other under the ... the Berne Convention ...").

- *The lower limit*: it requires some stretch of the imagination to argue that the terms “original” or “intellectual creation” could ever extend to cover productions that are purely or almost wholly the result of “sweat of the brow”, or the application of time and deployment of resources. Examples would be whole of universe databases such as telephone directories, where the level of intellectual contribution by “authors” is purely mechanical or wholly predictable (as in alphabetical ordering). Another would be an electronic database, where the arrangement and/or selection is made purely, or almost wholly, through the use of an appropriate computer program rather than by a human author.
- *Upper limits*: at the other end of the scale, it is also difficult to argue that the requirement of intellectual creation or originality imports some particular level of artistic or literary achievement or intellectual distinction. Right from the start, it has been clear that the convention is not concerned with the “high arts” alone, and the general reference in art.2(1) to “productions in the . . . scientific domain”, as well as the various examples that follow underlines that “literary and artistic works” may equally be utilitarian and informational in character as much as entertaining or aesthetically uplifting.

TRIPS and the WCT

Before considering the implications of these requirements for national laws, some brief mention should be made of the provisions of the TRIPS Agreement and the WCT. In addition to their incorporation of Berne standards, these instruments add to Berne requirements in relation to subject matter in two respects: the protection of computer software and compilations of data. This is done differently in both cases.

Computer software

Article 10(1) of TRIPS provides here that:

“Computer programs, whether in source or object code, shall be protected as literary works under the Berne Convention (1971).”

Article 4 of the WCT is somewhat differently expressed:

“Computer programs are protected as literary works within the meaning of Article 2 of the Berne Convention. Such protection applies to computer programs, whatever may be the mode or form of their expression.”

While the exact effect of these provisions may be debated vis-à-vis the Berne Convention itself, that is, as to whether they effect any real amendment to the scope of art.2(1) of Berne,²⁴ they do not purport to say anything as to the threshold standard of protection to be applied to these kinds of subject matter. In other words, the standards

²⁴ See further Sam Ricketson, “The Berne Convention: The Continued Relevance of an Ancient Text” in David Vaver and Lionel Bently (eds), *Intellectual Property in the New Millennium: Essays in Honour of William R Cornish* (Cambridge: Cambridge University Press, 2004), pp.217–233.

applicable under Berne are also to be applied to computer software, and it is to that text we must look for guidance rather than anything in the TRIPS Agreement or the WCT.²⁵

Compilations of data

In this case, the formulation of the TRIPS Agreement and WCT provisions is rather different. Thus, art.10(2) of TRIPS provides:

“Compilations of data or other material, whether in machine readable or other form, which by reason of the selection or arrangement of their contents constitute intellectual creations shall be protected as such. Such protection, which shall not extend to the data or material itself, shall be without prejudice to any copyright subsisting in the data or material itself.”

Article 5 of the WCT is in similar terms, albeit with some slight differences in wording. Unlike the computer program provisions, however, these make no reference back to Berne, and the obligations that arise here are free standing, that is, on the assumption that such compilations satisfy the intellectual creation requirement (by reason of the selection or arrangement of their contents) they are to be protected “as such”. This, however, begs the question: intellectual creations are not otherwise protected on their own under either TRIPS or the WCT, and the only logical reference point must be to literary and artistic works under Berne. This is confirmed, in the case of the WCT, by the following agreed statement to art.5:

“The scope of protection for compilations of data (databases) under Article 5 of this Treaty, read with Article 2, is consistent with Article 2 of the Berne Convention and on a par with the relevant provisions of the TRIPS Agreement.”

As in the case of art.2(5) of Berne, these provisions underline the requirement of “intellectual creation” in art.2(1) of Berne, but say nothing further about the *level* of intellectual creation that is required. This therefore remains a matter for national laws to determine for themselves.

Carrying these obligations into national law—when do countries fall into breach?

The final question for consideration here is the implications for national laws where they depart from the parameters set out in Berne and protect either too much, by setting the level of originality too low, or too little by setting it too high.

²⁵ In the case of the WCT, this point also is underlined by the following agreed statement to art.4: “The scope of protection for computer programs under Article 4 of this Treaty, read with Article 2, is consistent with Article 2 of the Berne Convention and on a par with the relevant provisions of the TRIPS Agreement.”

Going too low

Although the position in Australia may now be changing, this country has long been an exemplar of “sweat of the brow” levels of originality. The United Kingdom is another. The consequence of such an approach is that a larger, possibly much larger, body of material enters into copyright protection as literary and artistic works than, say, in the USA or Europe. Sir Hugh Laddie’s description of “Copyright: Overstrength . . . over-rated” is therefore all too apt in this regard, and the scope for third parties to create and innovate is clearly more restricted in such jurisdictions.

In view of the above analysis of the relevant Berne provisions, the obvious conclusion must be that low threshold levels of this kind are inconsistent with the levels required under Berne (although such levels will clearly embrace everything that actually falls within the Berne standard). On the other hand, going beyond the requirements of Berne does not mean that a country is therefore in breach of Berne (and thereby TRIPS). If such a country accords protection to foreign claimants on the same basis (which is true in the case of both Australia and the United Kingdom), it can hardly be in breach of the national treatment requirement under art.5(1) simply because it is then more generous (and who is going to complain, in any event?). However, would such a country be in breach if it were to apply a lower threshold level of protection to works of its own authors, but to require a higher “Berne consistent” standard in the case of foreign claimants? There should likewise be no ground for complaint in such a situation, as the country in question would still be applying national treatment, as required by art.5(1), to the works of foreign claimants. This would be on the basis that art.5(1) does not require national treatment with respect to anything falling outside—or in this instance, below—Berne standards.²⁶

Going too high

Do problems of inconsistency arise at the other end of the scale, that is, where a country imposes a higher threshold standard than required under Berne? In such a case, unlike the first, there would be a surfeit of foreign claimants who would lose out rather than gain the windfall of protection that they might otherwise not obtain in their country of origin.

So far as art.5(1) is concerned, there is no failure to accord national treatment in this instance: foreign claimants will be treated no differently than local authors in respect of those “works for which they are protected under this Convention”. However, there may be a failure to comply with the other limb of art.5(1) which requires that, in addition to national treatment, foreign authors are to be accorded those “rights specially granted by this Convention”. This is a reference to the exclusive rights specifically provided for in the convention, such as reproduction, translation, public performance, etc, and seems to mean that a country adopting a higher (Berne-plus) threshold standard would not be able to refuse protection of these “rights specially

²⁶ For an interesting exploration of these issues generally, see David Vaver, “The National Treatment Requirements of the Berne and Universal Copyright Conventions: Part One” (1986) 17 IIC 577; “Part Two” (1986) 17 IIC 715.

granted” to foreign works that met only the Berne standard, even if it could otherwise refuse to accord the level of protection that would apply under national treatment. It would therefore only be in this unusual situation that any question of non-compliance (and consequential WTO action) could arise.

Concluding comments

The two scenarios outlined in the preceding section may suggest the likelihood of a country falling into breach with respect to threshold standards is both small and more of academic, rather than any practical, significance. On the other hand, if Berne is seen as an aspirational instrument, as well as a source of binding obligations, the above analysis of its provisions indicates that there is a threshold standard to be found there that can provide a guide to national laws. The content of this standard may only be loosely adumbrated, but it may operate in two directions. The first of these is as an encouragement to countries to lift their standards of protection beyond that of mere sweat of the brow, time and labour. Secondly, it may act as a warning against elevating these standards too high in a qualitative sense: some intellectual or creative contribution by an author to the form of expression of a work is all that needs to be present.

Rethinking Copyright Institution for the Digital Age

Yoshiyuki Tamura*

 Copyright; Digital technology

In the last few years, diverse calls and proposals for strengthening copyright protection and making copyright enforcement more efficient have been put forward by various interest groups in numerous countries around the world. Many of them have even already been adopted. In this short essay I will argue for a more cautious approach than those currently adopted in many jurisdictions, including Japan, towards designing new copyright laws, to address controversies brought by digital reproduction and communication technologies. To do so, the following inquiry points out several aspects that are often overlooked for various reasons, but that are essential for designing an efficient, operational and feasible *institution* of copyright in the digital era.

Limitations of natural law justifications supporting strong copyright protection

The first aspect which needs to be taken into account is that justifications supporting strong copyright protection are often very limited. Conventionally, several types of arguments are used to justify granting authors with exclusive rights to the original and creative results of their intellectual labour.¹ Some arguments stem from natural law

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¹ For excellent overviews of various justifications for granting and protecting intellectual property rights, see Tom G. Palmer, "Are Patents and Copyrights Morally Justified? The Philosophy of Property Rights and Ideal Objects", (1990) 13 Harv. J.L. & Pub. Pol'y 817; Peter Drahos, *A Philosophy of Intellectual Property* (Aldershot: Dartmouth, 1996); *Intellectual Property*: Adam D. Moore (ed.) *Moral, Legal, and International Dilemmas* (Lanham, MD: Rowman & Littlefield Publishers, 1997); William W. Fisher, "Theories of Intellectual Property", in Stephan R. Munzer (ed.), *New Essays in the Legal and Political Theory of Property* (Cambridge: Cambridge University Press, 2001) p.168; Wendy J. Gordon, "Intellectual Property" in Peter Cane and Mark Tushnet (eds) *The Oxford Handbook of Legal Studies* (Oxford: Oxford University Press, 2003) p.617.

theories²; others are based on utilitarianism stressing the importance of granting authors with exclusive rights in order to give the authors sufficient incentives to continue in creating works of authorship.³ It is thus important to examine the explanatory power of these theories, since they considerably affect the answer to the quintessential question concerning how to adapt and reconfigure copyright laws adequately and efficiently for the digital age: why and when copyrights should be granted and protected by law?

In countries with civil law traditions like Japan, the concept of authors' rights⁴ is traditionally deemed to rely on two types of natural law theories. One derives from John Locke's writings on justifying property rights to tangible things.⁵ This line of justification is based on the premise that each person is naturally entitled to own the results of her creative intellectual labour. Although Locke did not expressly deal with justifying property rights to intangible goods, some scholars advocate the application of Lockean labour theory also to intellectual property, including copyright, to a certain degree.⁶ The other type of natural law theories puts forward that an individual is naturally entitled to own their creations, because they partially or completely reflect or embody her personality.⁷ To put it more bluntly, while the former focuses on individuals' creative activities leading to the creation of artistic, literary and scientific works, the latter emphasises the role of such works in the creation and development of the authors' personality.

Although some scholars suggest that the abovementioned natural law theories fit the intangible results of human intellectual labour than they fit tangible things, there are several insurmountable flaws in using these theories to provide satisfactory justifications for granting exclusive rights under current national copyright laws or proposed amendments.⁸ The main reason is that any acquisition of natural rights as justified by these theories collides with the natural rights of other individuals. As I have provided

² See, e.g. Justin Hughes, "The Philosophy of Intellectual Property" (1988) 77 *Geo. L.J.* 287; Wendy J. Gordon, "A Property Right in Self-Expression: Equality and Individualism in the Natural Law of Intellectual Property", (1993) 102 *Yale L.J.* 1533.

³ See generally William M. Landes and Richard A. Posner, *The Economic Structure of Intellectual Property Law* (Cambridge, MA: Belknap Press of Harvard University Press, 2003); Mark A. Lemley, "Ex Ante Versus Ex Post Justifications for Intellectual Property", (2004) 71 *U. Chi. L. Rev.* 129.

⁴ The civil law jurisdictions employ the term "authors' rights" in its variations provided by individual national languages, such as "droit d'auteur" in French, "Urheberrecht" in German or "chosaku-ken" in Japanese.

⁵ See John Locke, *Two Treatises of Government*, Peter Laslett (ed.) (Cambridge: Cambridge University Press, 1988), pp.285–302.

⁶ See, e.g. Alfred C. Yen, "Restoring the Natural Law: Copyright as Labour and Possession", (1990) 51 *Ohio St. L.J.* 517; Adam D. Moore, *Intellectual Property and Information Control: Philosophic Foundations and Contemporary Issues*, (New Brunswick, NJ: Transaction Publishers, 2004).

⁷ See, e.g. Drahos, *A Philosophy of Intellectual Property* (Dartmouth, 1996), pp.73–94; Hughes, "The Philosophy of Intellectual Property" (1988) 77 *Geo. L.J.* 287, 330–365; Jeanne L. Schroeder, "Unnatural Rights: Hegel and Intellectual Property", (2006) 60 *U. Miami L. Rev.* 453.

⁸ See, e.g. Alex Gosseries, "How (Un)fair Is Intellectual Property?" in Alex Gosseries, Alain Marciano and Alain Strowel (eds), *Intellectual Property and Theories of Justice* (Basingstoke: Palgrave Macmillan, 2008), p.3.

severe criticisms of natural law theories in detail elsewhere,⁹ the following enquiry puts forward only a few most critical points that cannot be adequately addressed by these theories.

The first theory, the so-called “Lockean labour theory” of property, is premised on the freedom of human action. To put it more bluntly, each individual has the right to act freely, and when she works at the expense of her freedom of action, she should be entitled to own the fruits of her labour.¹⁰ However, if the creators were granted intellectual property rights such as copyrights under the Lockean labour theory, such natural rights would considerably restrict others’ freedom of action.¹¹ The justification for copyrights and other intellectual property rights based on the Lockean property theory is therefore internally contradictory.

A further challenge confronting the Lockean labour theory concerns its spoilage limitation. Locke’s theory is premised on the existence of nature which God has given to all humanity in common.¹² The imminent faith of many tangible things is that they get spoiled sooner or later. If they were not properly used and consumed, their spoilage would go against God’s instructions. As imminent spoilage justifies the claims for property in the fruits of human labour, the consent from other members of concerned community is not necessarily required. Unless someone works on, and utilises, natural resources, they would get spoiled. Such person does not therefore deprive others of anything held in common. Unlike tangible things, intangible goods eligible for intellectual property protection are not reduced by possession. They can be used without excluding others of access to them. Furthermore, the spoilage problem does not occur in the case of intangibles covered by copyrights and other intellectual property rights. In summary, it is difficult to justify the foundation of copyright by the Lockean labour theory of property. Accordingly, copyright protection and its strengthening must be buttressed by a different justification.

Another natural law theory conventionally used to justify the grant of exclusive rights to the authors of artistic, literary and scientific works stems from the writings of Georg Wilhelm Friedrich Hegel.¹³ It originated with the emergence of *geistiges Eigentum* theory in Germany.¹⁴ Hegel justifies the institution of property by arguing that property is essential for an individual to develop her personality in the external world.¹⁵ Nevertheless, people can live without intellectual property rights. Put in other words, intellectual property rights are not indispensable for an individual to develop

⁹ See Yoshiyuki Tamura, “Chitekizaisanhōseisakugaku no kokoromi”, (2008) 20 *Intell. Prop. L. & Pol’y J.*, 1, translated in English as “A Theory of the Law and Policy of Intellectual Property: Building a New Framework”, (2009) 1 *Nordic J. Com. L.*, (translated by Nari Lee), available at http://www.njcl.utu.fi/1_2009/article1.pdf [Accessed August 31, 2009].

¹⁰ See John Locke, *Two Treatises of Government*, pp.287–288, para.27.

¹¹ See John Locke, *Two Treatises of Government*, p.288, para.27 (“For this Labour being the unquestionable Property of the Labourer, no Man but he can have a right to what that is once joyned to, at least where there is enough, and as good left in common for others.”).

¹² See John Locke, *Two Treatises of Government*, p.286–287, para.26.

¹³ See Georg Wilhelm Friedrich Hegel, *Philosophie des Rechts: nach der Vorlesungsnachschrift K.G. v. Griesheims 1824/25* Karl-Heinz Ilting (ed.), (Frommann-Holzboog, 1974) pp.209–211, 230–238 and 240.

¹⁴ For an overview of the development of *geistiges Eigentum* theory, see, e.g. Heinrich Hubmann, *Das Recht des schöpferischen Geistes: eine philosophisch-juristische Betrachtung zur Urheberrechtsreform* (Berlin: W. de Gruyter, 1954) pp.70–71.

¹⁵ See Hegel, *Philosophie des Rechts: nach der Vorlesungsnachschrift K.G. v. Griesheims*, p.238.

her personality. As intellectual property rights clash with the creation and development of personality by other members of society, Hegel's theory cannot justify intellectual property rights, including copyrights, as natural rights.

To sum up, the natural law theories do not satisfactorily provide comprehensive justifications for copyrights and other intellectual property rights. Inevitably, the utilitarian perspective should be considered in addition to natural law theories. In fact, I argued elsewhere that the utilitarian incentive theory is an appropriate foundation for intellectual property rights under certain conditions and circumstances.¹⁶ The incentive theory is based on the proposition that unless free-riding is prevented to a certain degree, the public will suffer loss by decreased intellectual creation, because the motivation to create new literary, artistic and scientific works will be significantly reduced.¹⁷ The incentive theory thus justifies granting intellectual property rights, including copyrights, only when such grant enhances society-wide welfare.

Adjustment of the copyright institution to technological progress and the social environment

The second aspect which should be taken into account in adapting copyright laws to the digital era is that the copyright institution has been regularly adapted to fit the technological progress and social environment. This institution should not be considered as inflexible and rigid. Conversely, it should be understood as requiring regular adjustments to new technologies and changes in social environment under certain conditions and circumstances. This view is also supported by more than 300 years of copyright law's history,¹⁸ in which three waves of different threats to the copyright holders' legitimate interests and of copyright law's respective adjustments and responses can be distinguished according to the type of technology and use of copyrighted works.¹⁹

The origins of today's copyright law are closely related to the introduction of the printing press. The First Wave faced by the copyright institution can then be characterised by massive use and diffusion of printing technology. When the printing technology had been broadly spread and used for commercial activities, the problem of book piracy emerged. The need to protect publishers against competing cheaper

¹⁶ See, e.g. Yoshiyuki Tamura, "Theory of Intellectual Property Law", (2004) 3 *Intell. Prop. L. & Pol'y J.*, 1 (translated by Yasufumi Shiroyama); Yoshiyuki Tamura, *Chitekizaisanhō Intellectual Property Law*, 4th edn, (Tokyo: Yuhikaku, 2006), pp.7–22.

¹⁷ See, e.g. Landes and Posner, *The Economic Structure of Intellectual Property Law* pp.11, 20–22, 213–214.

¹⁸ See, e.g. Augustine Birrell, *Seven Lectures on the Law and History of Copyright in Books* (South Hackensack, NJ: Rothman Reprints, 1971) (1899); Brad Sherman and Lionel Bently, *The Making of Modern Intellectual Property Law* (Cambridge: Cambridge University Press, 1999); B. Zorina Khan, *The Democratization of Invention: Patents and Copyrights in American Economic Development, 1790–1920* (Cambridge: Cambridge University Press, 2005); Christopher May and Susan K. Sell, *Intellectual Property Rights: A Critical History* (Boulder, CO: Lynne Rienner Publishers, 2006); Ronan Deazley, *Rethinking Copyright: History, Theory, Language* (Cheltenham: Edward Elgar, 2006).

¹⁹ For a more detailed analysis of the three waves of copyright law's development, see e.g. Yoshiyuki Tamura, "Internet to chosakuken: chosakukenhō no daisan no nami (Internet and Copyright: The Third Wave of the Copyright Law)", (1999) *Amerikaho* pp.202, 211–214.

editions of second comers led to the establishment of the modern copyright institution in the beginning of 18th century in England.²⁰ Since the publishers were granted exclusive rights that allowed them to prohibit the copying of manuscripts they registered, it is only natural that these rights were and are still called copyrights in English speaking countries.

The copyright institution as designed at its formation functioned adequately with minor adaptations²¹ until the middle of 20th century. Copying of copyrighted works until that time required considerable investment. For this reason, the group of those who were able to make reproductions of copyrighted works was limited to entities that did so for commercial purposes. The consumers of copyrighted works could not afford to print books or to produce sound or audiovisual recordings of high quality at that time. Hence, although the exclusive rights granted by modern copyright laws were collectively called copyrights in common law jurisdictions or authors' and neighbouring rights in civil law jurisdictions, their actual function was limited to regulating and restricting competition from business entities who were not holding the required exclusive rights. This situation had two advantages with regard to the design of copyright law. First, it was relatively easy to monitor the compliance of copyrights. The copyright institution functioned effectively especially due to the limited group of affected entities—those using copyrighted works for commercial purposes.²² Secondly, the freedom of private individuals was not restricted by direct enforcement of copyrights against those using copyrighted works for non-commercial purposes.²³

However, the situation completely changed with the introduction of various analogue reproduction technologies, such as photocopying machines, tape recorders and VCRs, in the second part of the 20th century. The Second Wave of copyright law's development can therefore be characterised by massive use of analogue reproduction technologies by individuals for non-commercial purposes. As the reproduction technologies entered the private sphere of the consumers of copyrighted works', the character of copyright suddenly altered entirely. Copyright, as a result, started to extensively regulate and interfere with activities of private individuals. At the same time, it should be underlined that, although the freedom of individuals' activities was restricted by copyright law, it was quite difficult for the copyright holders to efficiently monitor whether individual users of analogue reproduction technologies infringe their copyrights in any way. This drastically impaired the effectiveness of copyright

²⁰ See, e.g. Lyman Ray Patterson, *Copyright in Historical Perspective* (Nashville, TN: Vanderbilt University Press, 1968); Mark Rose, *Authors and Owners: The Invention of Copyright* (Cambridge, MA: Harvard University Press, 1993); Ronan Deazley, *On the Origin of The Right to Copy: Charting the Movement of Copyright Law in Eighteenth-Century Britain (1695–1775)* (Oxford: Hart Publishing, 2004).

²¹ See generally Benjamin Kaplan, *An Unhurried View of Copyright* (New York, NY: Columbia University Press, 1967); Paul Goldstein, *Copyright's Highway: From Gutenberg to the Celestial Jukebox*, revised edn (Stanford University Press, 2003).

²² In this regard, collecting societies collectively administering exclusive rights of dispersed copyright holders played an important role; see generally Daniel Gervais (ed.), *Collective Management of Copyright and Related Rights* (Alphen aan den Rijn: Kluwer Law International, 2006); Goldstein, *Copyright's Highway: From Gutenberg to the Celestial Jukebox*, revised edn, pp.63–103 (describing the history of creating ASCAP in the United States).

²³ See, e.g. Jessica Litman, *Digital Copyright* (Amherst, NY: Prometheus Books, 2001), pp.18–19, 177–178.

enforcement against new types of users and uses of copyrighted works. As a countermeasure adopted in many civil law countries, the focus of their national copyright laws was shifted to areas where a limited number of actors could still be found. The good examples are the grant of rental rights to copyright holders²⁴ and the introduction of various levy systems for private copying.²⁵ These measures were based on the fact that the number of record rental shops and manufacturers or distributors of analogue reproduction equipments or media was still limited.

Before any adequate and efficient solution was found to respond to the threats brought by the Second Wave to the legitimate interests of the copyright holders, the Third Wave has emerged with the invention and dissemination of digital technologies and the internet at the end of the 20th century. The digital technologies allow private individuals to make perfect copies of digitised copyrighted works. Furthermore, the internet enables millions of individuals to distribute such perfect copies to an unlimited number of strangers without difficulty. Before the introduction of the internet, the copyright holders had the right to prohibit reproductions of copyrighted works for commercial purposes and the right to restrict certain public uses of copyrighted works. At that time, copyright laws did regulate activities of private individuals, but they did not affect many uses of copyrighted works by individuals for non-commercial purposes. The internet has completely changed this situation. Copyright laws have started to affect many activities of private individuals which were considered lawful in the analogue era. In addition, the digital technologies allow more effective and invasive monitoring of private individuals' compliance with copyright law than analogue technologies could ever do. As these activities count enormous numbers, Lawrence Lessig warns that the copyright protection is likely to become too strong and omnipresent, and therefore the problem of striking a just and adequate balance between the interests of right holders and users has become more urgent and serious than ever before.²⁶

²⁴ See, e.g. Agreement on Trade-Related Aspects of Intellectual Property Rights, art.11, April 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Legal Instruments—Results of the Uruguay Round, 33 I.L.M. 1125 (1994); WIPO Copyright Treaty (hereinafter "WCT"), art.7, December 20, 1996, 828 U.N.T.S. 3, available at http://www.wipo.int/export/sites/www/treaties/en/ip/wct/pdf/trtdocs_wo033.pdf [Accessed August 31, 2009]; WIPO Performances and Phonograms Treaty (hereinafter WPPT), arts 9 and 13, December 20, 1996, 36 I.L.M. 76 (1997), available at http://www.wipo.int/export/sites/www/treaties/en/ip/wppt/pdf/trtdocs_wo034.pdf [Accessed August 31, 2009].

²⁵ See, e.g. Gillian Davies and Michèle E. Hung, *Music and Video Private Copying: An International Survey of the Problem and the Law* (London: Sweet & Maxwell, 1993).

²⁶ See Lawrence Lessig, *The Future of Ideas: The Fate of the Commons in a Connected World* (New York, NY: Random House, 2001); Lawrence Lessig, *Free Culture: The Nature and Future of Creativity* (London: Penguin Books, 2004); Lawrence Lessig, *Code Version 2.0* (New York, NY: Basic Books, 2006); Lawrence Lessig, *Remix: Making Art and Commerce Thrive in the Hybrid Economy* (New York, NY: Penguin Press, 2008).

Need to consider the policy-making process in the copyright field: pitfalls of the incentive theory

The third aspect which should be taken into consideration in rethinking the copyright institution for the digital age is that the policy-making process matters and considerably affects the actual design of copyright law and the balance struck between the interests of affected stakeholders. According to the collective action²⁷ and public choice theories,²⁸ the policy-making process tends to reflect interests which are easily organised. On the other hand, interests which are difficult to be organised are hardly reflected, because economically rational people will not, resort to lobbying unless their possible individual benefit is large enough.²⁹ Hence, the policy-making process is, by its structure, biased against the interests of dispersed and unorganised stakeholders, although such interests may be substantial in the aggregate within a particular society.

As a result copyright law is unlikely to reflect users' interests. In fact, there is a tendency to set up copyright protection at a high level at the expense of the users of copyrighted works.³⁰ Moreover, unlike tangible property, the intellectual property regimes, including the copyright regime, can be designed quite arbitrarily and freely, as can be seen in the differences between individual national regimes notwithstanding the high level of international harmonisation in this field.³¹ Under these circumstances, prospective right holders always find enough interests and incentives to be actively involved in the policy-making process. This often leads to expanding their rights far beyond the socially desirable level.³²

There are several possible countermeasures to this bias in the governance structure against the interests of dispersed and unorganised stakeholders. Some of these measures have recently appeared or still need to be put into effect. As a reaction to the ongoing strengthening of copyright protection at the expense of users, various movements to defend the interests of diverse dispersed stakeholders in copyright policy making are slowly but steadily emerging in many countries. A good example of such change in the governance structure of the policy-making process in Japan is the

²⁷ See Mancur Olson, *The Logic of Collective Action: Public Goods and the Theory of Groups*, revised edn (Cambridge, MA: Harvard University Press, 1971).

²⁸ See, e.g. George J. Stigler, "The Theory of Economic Regulation" (1971) 2 Bell J. Econ. & Mgmt. Sci. 359; James M. Buchanan and Gordon Tullock, *The Calculus of Consent: Logical Foundations of Constitutional Democracy* (Ann Arbor, MI: University of Michigan Press, 1962); James M. Buchanan, Robert Tollison and Gordon Tullock (eds), *Towards a Theory of the Rent-Seeking Society* (College Station, TX: Texas A&M University Press, 1980).

²⁹ See Neil K. Komisar, *Imperfect Alternatives: Choosing Institutions in Law, Economics, and Public Policy* (Chicago, IL: University of Chicago Press, 1994), pp.53–97.

³⁰ See, e.g. Antonina Bakardjieva Engelbrek, "Copyright from an Institutional Perspective: Actors, Interests, Stakes and the Logic of Participation", (2007) 4 Rev. Econ. Res. on Copyright Iss. 65 (applying the participation-centered comparative institutional approach to copyright law).

³¹ For a comparative study of various national copyright laws, see, e.g. Paul Edward Geller (ed.) *International Copyright Law and Practice* (Newark, NJ: Matthew Bender, 2008).

³² For analyses of several such situations, see Michele Boldrin and David K. Levine, *Against Intellectual Monopoly* (Cambridge: Cambridge University Press, 2008); Tatsuo Tanaka, "Shiteki-copy ha higai wo" (Do Private Copies Cause Any Harm?) in Junjiro Shintaku and Noriyuki Yanagawa (eds) *Free-copy no keizaigaku: Digital-ka to contents-business no mirai (The Economics of Free Copying: Digitization and the Future of Contents Business)* (Tokyo: Nikkei Publishing, 2008) p.117.

emergence of “think©” movement³³ which concentrates on broadening public discussion on controversial issues concerning strengthening copyright protection in Japan. For instance, due to the influence of think©’s activities, the discussion of the possibility for extending the copyright term up to 70 years after the authors’ death in Japan, by following the legislation already adopted in Europe and the United States, has recently been suspended.

Other possible countermeasures have traditionally been built into the structure of the copyright institution, but their efficiency has been gradually hindered or, in some cases completely dismantled. An example of such mechanisms is the division of roles between the legislature and the judiciary through a distinction between rules and standards. This issue has lately been raised by arguments in support of the introduction of a fair use clause in the Japanese copyright law.

According to the classic law and economics argument,³⁴ the choice between rules and standards or in other words, between individual limitation clauses, and general clauses is a matter of comparing legislative costs with enforcement costs. To put it simply, where the same type of disputes occurs quite often, clarification through legislation is more efficient than a case-by-case judicial examination, because it promotes the benefit of legal certainty. In such cases, a rule, rather than a standard, should be adopted. On the other hand, where the same type of disputes arises less frequently and it is hard to foresee all possible situations, a standard should be chosen, because it will be more efficient for the judiciary to apply the standard to relevant circumstances of each particular case. The cost of designing legislation to foresee all the likely scenarios will be much higher than the respective benefits of predicting in advance the court’s decision of dispute in each potential case. In the context of copyright limitations and exceptions, for example, private use should be regulated by a rule—an individual limitation clause—because it occurs fairly often in everyday life.

Taking into account the public choice theory, another significant difference between rules and standards should be pointed out. Legislation in the form of rules has a disadvantage: it does not adequately protect the interests of the public and other dispersed stakeholders. The targets for lobbying of concentrated and well-organised interest groups are clear. Any proposed rule invites pressure and lobbying from such groups to re-correct the proposal in their favour. As a result, the rules in copyright laws such as individual limitation clauses tend to over-protect the interests of well-organised corporate copyright holders at the expense of the public and other dispersed stakeholders.

By contrast, legislative proposals in the form of standards do not face such a problem because the targets are not so clear. While standards leave some margin for interpretation, agreements on a certain standard can be easily achieved. The interpretation of agreed standards can then be entrusted to the judiciary, which is relatively resilient against the pressure from a variety of lobbying groups. Nevertheless, one should not be taken for granted that where the same type of disputes occurs often,

³³ See <http://www.thinkcopyright.org> [Accessed August 31, 2009].

³⁴ See Louis Kaplow, “Rules Versus Standards: An Economic Analysis”, (1992) 42 Duke L.J. 557; Richard A. Posner, *Economic Analysis of Law*, 7th edn (New York, NY: Aspen Publishers, 2007), pp.586–590; Robert Cooter and Thomas Ulen, *Law & Economics*, 5th edn (Boston, MA: Pearson Education, 2007), pp.358–359.

rules are always preferable. As the legislature suffers from policy-making biases, this aspect should be taken into account in redesigning a more proper and adequate division of roles between the legislature and the judiciary through the use of rules and standards in copyright law.³⁵

Need to take into account the interests of all creators and copyright holders

The final aspect to which I want to draw attention to in this short essay is the need to reform the copyright institution for the digital era in a way that copyright law would take into account the interests of all authors, creators and copyright holders, and not only the interests of a limited group of well-organised, main corporate copyright holders who regularly push for strengthening copyright protection in order to maximise their private benefits. Many argue that the need to guarantee in some way and to a certain extent the consumers' freedom to use copyrighted works has increased by broadening their opportunities to use copyrighted works. Simultaneously, the excessive usage of copyrighted works by private individuals has caused serious problems to the interests of copyright holders inducing many of them to search for ways of how to cope with the emergent situation. This controversy took place during the Second Wave of copyright law's development. Today the controversy has shifted to another place—cyberspace—and has expanded in size and type.

Due to the internet, this problem has been augmented even further. Since the advent of the internet, not only opportunities to use works have been amplified, but also the number of works which are available for such uses has been increased in an unprecedented way. These days, many articles and photographs from old magazines, which were not easily accessible to the broader public for a very long time, are uploaded on to the internet and made available to millions of internet users. In general, these copyrighted works can be divided into two groups: works the use of which is worth the transaction costs for obtaining the clearance of required rights; and works the use of which is not worth such expenses. Similarly, two types of copyright holders can be distinguished as well. Some copyright holders tend to exercise their exclusive rights extensively, including the employment of various technological protection measures and digital rights management tools which significantly limit the users in using the copyrighted works.³⁶ The others are totally indifferent to non-commercial use of their copyrighted works by individuals. Moreover, in case of the so-called orphan works the identity of concerned copyright holders can be hardly found or is even completely unknown. The problem brought by digital technologies and the internet is that even

³⁵ For a more detailed elaboration of this argument, see Yoshiyuki Tamura, "Chit-ekizaisanhoseisakugaku no seika to kadai: Tagenbunsangatatogyo wo mezasu shinsedaihoseisakugaku he no tenbo" (Achievements of, and Tasks for the Intellectual Property Law and Policy: Towards a New Global Law and Policy for Multi-Agential Governance), (2009) 1 *Hokkaido J. New Global L. & Pol'y* 1, 10–11.

³⁶ WCT, arts 11 and 12; WPPT, arts 18 and 19. See also, e.g. Peter K. Yu, "Anticircumvention and Anti-Anticircumvention" (2006) 84 *Denv. U.L. Rev.* 13; Pamela Samuelson and Jason Schultz, "Digital Rights Management: Should Copyright Owners Have to Give Notice of Their Use of Technical Protection Measures?" (2007) 6 *Mich. J. on Telecomm. & High Tech. L.* 41.

the works of the latter group of copyright holders, including orphan works, can be easily accessible and exploited by individuals in enormous numbers. These phenomena could not be observed in previous waves of copyright law's development.

As shown above, the governance structure bias exists against the users'. Similar problems with this type of bias can also be found on the right holders' side against some authors, creators and copyright holders, especially those who do not object to various non-commercial uses of their copyrighted works by individuals. The interests of, and claims presented by, those copyright holders who want to broadly exercise their exclusive rights are more likely to be reflected in the policy-making process than those of other authors, creators and copyright holders. Consequently, the gap between the views of many right holders and the copyright law seems to slowly but surely become larger and deeper.

A solution to this problem can be found in the Creative Commons movement.³⁷ This movement does not only ensure the freedom to use, but it also, and with more significance, facilitates the establishment of legal institutions which more adequately and appropriately fit the interests and attitudes of diverse copyright holders. In short, this movement has altered the governance structure by reflecting and accommodating those stakeholders' interests,³⁸ the reflection of which in the policy-making process is not so easy due to the governance structure bias. Although Creative Commons licences have many advantages, they also have their flaws and inefficiencies. Their main limitation is that they are only voluntary. A further problem is that they are partly influenced by the current technicalities of national copyright laws. Accordingly, even when many creators consider the current copyright protection to be too strong and pervasive, and thus want to use the Creative Commons licence scheme, some of them may not fully understand all the terms and conditions of such licenses or can feel troublesome to learn how to utilise particular marks.

Some ideas on how to rethink the institution of copyright for the digital era

The adequate and proper understanding of individual aspects stressed above leads us to the conclusion that to design an efficient legal institution, the interests of stakeholders who are hardly able to take any viable and feasible action in policy-making process should be *a priori* protected by legislation and the judiciary. In this sense, it should be left upon those stakeholders, which are able to efficiently express their positions and interests in the respective policy-making process, to take all necessary actions and steps to protect their interests.

At the level of legislation, it may be suggested to introduce such legal institutions which partially or completely change the default rules of copyright law by taking into account the governance structure bias. A possible option can be to set up the default

³⁷ See <http://creativecommons.org> [Accessed August 31, 2009].

³⁸ For an empirical study of the operation of Creative Commons regime, see Jessica Coates, "Creative Commons—The Next Generation: Creative Commons Licence Use Five Years On", (2007) 4 SCRIPTed 72, available at <http://www.law.ed.ac.uk/ahrc/script-ed/vol4-1/coates.asp#4> [Accessed August 31, 2009].

rules so that all creations of human creative intellectual labour are in the public domain unless certain necessary steps, e.g. registration or notice, are taken by concerned authors or other creators. A further option can be an adoption of the regime which is achieved under the Creative Commons licences as a default rule. If these options are too drastic, it is possible to recommend more moderate institutional changes, such as limiting the scope of copyright regulations within the digital field, or decreasing the level of copyright protection unless the copyright holders who are interested in continuation of their exclusive rights to the concerned works of authorship register them after lapsing a certain period and paying the respective registration fee.

At the level of the judiciary, the courts are to be expected to strike the balance between the interests of rights holders and users while considering the governance structure bias. In this regard, it should be pointed out, as Jessica Litman did, that it is difficult to demand the public, which is rarely actively involved in copyright policy making, to follow the copyright law's technicalities which are often hardly understandable by copyright law experts.³⁹ Accordingly, the courts can correct this imbalanced situation by interpreting copyright law in favour of the weaker and disadvantaged party in the policy-making process. The by-product of such courts' activities will be redesigning copyright law in a way that individual users would observe copyright law voluntarily due to the internalisation of individual copyright norms without the need to impose severe legal sanctions.⁴⁰ In this way, the courts will, to a certain degree, remedy insufficient participation and representation of the public in copyright policy making and will thus preserve democratic legitimacy of the policy-making process in a broader sense and at a higher degree. At the same time, voluntary compliance with copyright law achieved due to the internalisation of its norms by regulated subjects will considerably contribute to ensuring higher efficiency than many national copyright laws have at the present in restricting various uses of

³⁹ Jessica Litman, "The Exclusive Right to Read", (1994) 13 *Cardozo Arts & Ent. L.J.* 29, 34: ("[T]he U.S. copyright law is even more technical, inconsistent and difficult to understand; more importantly, it touches everyone and everything. In the intervening years, copyright has reached out to embrace much of the paraphernalia of modern society. The current copyright statute weighs in at 142 pages. Technology, heedless of law, has developed modes that insert multiple acts of reproduction and transmission—potentially actionable events under the copyright statute—into commonplace daily transactions. Most of us can no longer spend even an hour without colliding with the copyright law. Reading one's mail or picking up one's telephone messages these days requires many of us to commit acts that the government's Information Infrastructure Task Force now tells us ought to be viewed as unauthorised reproductions or transmissions."). Richard A. Epstein, *Simple Rules for a Complex World* (Cambridge, MA: Harvard University Press, 1995); Lessig, *Remix*, pp.266–268 (advocating in favour of simplifying the copyright norms).

⁴⁰ For several arguments showing the importance of internationalising the legal norms by the regulated subjects, see, e.g. Lessig, *Code Version 2.0*, pp.340–345 ("Architectural constraints, then, work whether or not the subject knows they are working, while law and norms work only if the subject knows something about them. If the subject has internalized them, they can constrain whether or not the expected cost of complying exceeds the benefit of deviating. Law and norms can be made more code-like the more they are internalized, but internalization takes work."); Branislav Hazucha, "Tanin no chosakukenshingai wo tasukeru gijutsu ni taisuru kiritsu no arikata: dyuaru usu gijutsu no kisei ni okeru shakaikihan no yakuwaiti" (*Enableness of Copyright Infringement: A Role of Social Norms in the Regulation of Dual-Use Technologies*) (2009) 24 *Intell. Prop. L. & Pol'y J.* 49 (translated by Yoshiyuki Tamura and Kazunari Tanzawa).


copyrighted works by consumers. An example of such law was put forward by Litman who argues that the acts of copyright infringement should be found only in the large scale or commercial uses that deprive the rights holders of economic opportunities.⁴¹

⁴¹ Litman, *Digital Copyright*, pp.180–182.

Internet Piracy as a Wake-up Call for Copyright Law Makers—Is the “Graduated Response” a Good Reply?

Thoughts from a law professor “who grew up in the Gutenberg Age”

Alain Strowel*

 Copyright; Disconnection; France; Infringement; Internet service providers

Pointing to figures on online copyright piracy, Ms Viviane Reding, EU Commissioner for Telecoms and Media, recently commented:

“These figures reveal the serious deficiencies of the present system. It is necessary to penalise those who are breaking the law. But are there really enough attractive and consumer-friendly legal offers on the market? Does our present legal system for Intellectual Property Rights really live up to the expectations of the internet generation? Have we considered all alternative options to repression? Have we really looked at the issue through the eyes of a 16 year old? Or only from the perspective of law professors who grew up in the Gutenberg Age? In my view, growing internet piracy is a vote of no-confidence in existing business models and legal solutions. It should be a wake-up call for policy-makers.”¹

There is a lot of food for thought in those comments, especially for a law professor (like me) “who grew up in the Gutenberg Age”.

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¹ Viviane Reding, “Digital Europe—Europe’s Fast Track to Economic Recovery”, The Ludwig Erhard Lecture 2009, Lisbon Council, Brussels, July 9, 2009, p.9 (SPEECH/09/336), available at <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/09/336> [Accessed September 7, 2009].

Thoughts on accessing digital content and on copyright law making

Reding presents copyright law as a mechanism of “penalisation” or “repression.” While it is true that copyright infringements can be, and are, sanctioned by criminal measures, even a professor of law from the Gutenberg Age does not think such measures meet the law’s objective and ensure the protection of the creators’ rights. I thus agree with Commissioner Reding if she thinks the criminal approach is not the right legal solution. In saying this, I am probably siding with many “16 year olds”. However, the view of the “digital natives”² who seem to consider internet piracy “sexy” is also alarming. According to the Eurostat figures released by Commissioner Reding in July, 60 per cent of those digital natives “have downloaded audiovisual content from the internet in the past months without paying”.³

Unfortunately, these data are not really relevant for assessing the conduct of the internet generation, as no precise description of this content is provided. Are the downloads protected by copyright? Probably. Are they offered on the internet under a “free license”? Maybe. However, more information is needed to give meaning to those numbers.

One additional figure mentioned by Commissioner Reding is more telling: 28 per cent of the interviewed users apparently stated they would not be willing to pay for the downloaded content.⁴ Users are now used to freely accessing various content made available either licitly or illicitly on the internet, and are thus not attracted by a commercial offer requiring a direct payment for access to the content.

Nevertheless, the figure quoted by Ms Reding also illustrates that more than two-thirds of the users are apparently ready to pay for downloaded content. Even if the users are not keen on paying each time they access a protected item, they might be pleased to pay for a service that includes some unrestricted form of access to content (for example, access without any download via streaming services). Indeed, for many users, the online services should be driven by “the principle of ‘eat as much as you can’ in exchange for a fixed fee”,⁵ as opposed to a scheme requiring payment for each individual download.

Thus, content providers have a window of opportunity to exploiting this willingness, and more consumer-friendly ways to access content at a reasonable price should be designed. Law makers could help by creating a more simple and consumer-friendly legal framework for accessing digital content in Europe and elsewhere. In particular, I agree with Commissioner Reding that a simpler system for licensing

² This term is used by Commissioner Reding to refer to the new generation “ready to apply innovations like web 2.0 to business and public life, whether as podcasters, bloggers, social networkers or website owners” (Reding, “Digital Europe—Europe’s Fast Track to Economic Recovery”, The Ludwig Erhard Lecture 2009, Lisbon Council, Brussels, July 9, 2009, p.5).

³ Reding, “Digital Europe—Europe’s Fast Track to Economic Recovery”, The Ludwig Erhard Lecture 2009, Lisbon Council, Brussels, July 9, 2009, p.9.

⁴ This number is difficult however to reconcile with the data provided in a more recent document of the Commission which indicates that more or less 50 per cent of the surveyed persons have no willingness to pay (see Commission Staff Working Document, accompanying a Communication from the Commission, Europe’s Digital Competitiveness Report, Vol.1: 2010—Annual Information Society Report 2009 (COM(2009) 390, SEC(2009) 1103, August 4, 2009, 58).

⁵ Commission Staff Working Document, (COM(2009) 390, SEC(2009) 1103, August 4, 2009, p.58).

copyright throughout the 27 EU Member States is badly needed (in particular for music). The EU should also foster more transparency in the flow of money that is collected by intermediaries, such as collecting societies and digital platforms (e.g. the so-called UGC sites or other content aggregators which benefit from advertising revenues). Simplifying the licensing models and reforming the money-channeling systems does not mean that less money will be distributed to the artists at the end. On the contrary. (This statement should be substantiated, but I leave that for another contribution.)

On another front, more should be done to open access to books that are either out of print or orphan works, and the promotion of digital libraries should be on the agenda of decision makers all over the world (not only in Europe). Governments should pay special attention to adequate regulation of private agreements that lead to new online libraries or could block their development, such as the Google Book Search Settlement. This regulation could go hand in hand with improved models to make the new publications available online and to remunerate today's creations, which should remain the primary focus of copyright—therefore, the extension of copyright duration—which is hotly debated in Europe right now—should not be high (or at all?) on the law makers agenda as this issue focuses on past creators and other beneficiaries.

However, the copyright reforms supporting honest consumers and innovative internet entrepreneurs in the business of content access can only help if the conduct of internet users less conscious of the negative effects of their acts (on the artists they otherwise cherish) is policed by the law or, even better, by alternative enforcement models. Here comes the “graduated response” that is now seriously under consideration in various countries, to begin with in France.⁶

The graduated response “à la française”: how will this alternative enforcement system work?

“Graduated response”, refers to an alternative mechanism to fight internet piracy (in particular resulting from P2P file sharing) that relies on a form of co-operation with the internet access providers that goes beyond the classical “notice and take down” approach, and implies an educational notification mechanism for alleged online infringers before more stringent measures can be imposed (including, possibly, the suspension or termination of the internet service). The “graduated response” is another word for improved ISP co-operation. It can probably result from a statute, from codes of practices (possibly negotiated under the auspices of a public authority), from cross-industry agreements, or from remedies ordered by a court. The French version of the graduated response relies on new legislative measures, and an administrative body in charge of the notification system and of the relation with the access providers. The role of the access providers is indeed decisive, as without their

⁶ The issue of the graduated response is conspicuously absent from the Digital Europe priorities sketched by Commissioner Reding in her July 2009 speech (see reference above). For a recent quick overview of some initiatives on the graduated response, see the June 2009 document prepared by the UK Government: *Consultation on Legislation to Address Illicit P2P File-Sharing*, p.13 available at <http://www.berr.gov.uk/consultations/page51696.html> [Accessed September 7, 2009].

co-operation it would be difficult, if not impossible, to collect the IP addresses of infringers, or to terminate internet access for well-informed repeat offenders.

Rather than new copyright rules, an alternative enforcement system is needed, and this is what the graduated response is about

Before examining the French developments on the “graduated response” more in depth, it is important to understand why a new (institutional) system for enforcing digital copyright is needed. A quick and manageable dispute resolution system for the internet already exists: the existing domain name arbitration systems, such as the Uniform Dispute Resolution Policy (UDRP) set up by ICANN, and similar systems at national or regional levels.⁷ The UDRP is a helpful model for resolving intellectual property disputes on the internet,⁸ but it is rooted in a web of contracts (between ICANN and the registrars, between ICANN and the private providers of dispute resolution services, between the registrants and the registrars, etc.) that cannot be easily duplicated in the field of copyright. Nevertheless, for online copyright, the internet access providers could play a pivotal role between the internet users and an enforcement body, similar to the central role of the domain name registrars in the UDRP system.⁹

The graduated response system shares similar objectives and some characteristics with the UDRP type of mechanism: the speed of the procedure, its effectiveness (implementation by an intermediary, i.e. the registrar or the access provider), the limited cost of the mechanism (in comparison with standard court proceedings), the focus on resolving straightforward infringement cases involving rather basic facts, the possibility of an appeal before a judicial court,¹⁰ etc. However, the UDRP type of mechanism is otherwise quite different from the “graduated response” now under consideration in France as: (i) the UDRP defines an arbitration or administrative procedure before a panel comprising one or more experts, while the graduated response involves a standard court (or administrative) proceeding involving professional judges; (ii) the UDRP is an arbitration system for resolving existing disputes, while the “graduated response” intends primarily to reduce the scale of infringements through an (automated) educational notification mechanism for alleged online infringers; (iii) the graduated response is based on a scale of sanctions culminating in the suspension or termination of internet service, rather than on a panel decision

⁷ The UDRP is considered as a model for a streamlined dispute resolution system for online copyright: see Mark A. Lemley and R. Anthony Reese, “Reducing Digital Copyright Infringement Without Restricting Innovation”, 56 Stan. L. Rev. 1345 (2004).

⁸ See Andrew Christie, “The ICANN Domain Name Dispute Resolution System as a Model for Resolving Other Intellectual Property Disputes on the Internet”, (2002) 5 *Journal of World Intellectual Property* 105; Laurence R. Helfer and Graeme B. Dinwoodie, “Designing Non-National Systems: the Case of the Uniform Domain Name Dispute Resolution Policy” (2001) 43 *Wm. & Mary L. Rev.* 141.

⁹ This is probably why, in countries where no legislative push for a new response to copyright piracy exists, the focus is on access providers and the definition of their obligations and responsibilities towards their clients and the content owners.

¹⁰ Although this is not yet clear from the (draft) rules and the discussions on the graduated response that have taken place in various countries.

imposing one unique and final sanction, the transfer of the abusively registered domain name; (iv) the ultimate sanction (suspension of service) is only imposed when the alleged infringer is sufficiently aware that he is acting in an illicit way (after the first warnings); the domain name transfer in turn requires some bad faith that will not result from notifications, but from other facts submitted to the panel; (v) the graduated response requires an active role for the access provider, as it is obliged to preserve evidence of repeated infringement (such as users' IP addresses) to enable the proceedings and to terminate the repeat infringers' accounts, while the registrar is only required to implement the transfer of the domain name at the end of the process¹¹; (vi) the graduated response only tackles repeat infringers, while the UDRP-like systems can apply to a first time infringer; and (vii) the UDRP-like system for domain names was first set up at the global level, while the graduated response has been so far tackled at the national level under varying approaches.

The contours of the "graduated response" system are not yet clear, in part because of its varying versions, but this institutional system is clearly different from the existing law enforcement mechanisms (in particular the criminal ones). There is thus no reason why a decision maker, keen to avoid the existing repressive legal solutions and open to new ideas for enforcing intellectual property (for example Ms Reding or her successor), would not embrace the prospect of designing the right framework for such a mechanism. At the same time, the graduated response largely differs from the sole successful alternative dispute resolution (ADR) system so far devised for the internet: the UDRP system. The UDRP is primarily a system for solving disputes that has advantages over litigation before a court; the graduated response, on the other hand, is more focused on the pre-litigation phase, and as it contains a notification requirement has an educational aim absent from the UDRP. The graduated response is thus an Alternative Enforcement System (let us coin a new acronym: AES) rather than an ADR.

The French graduated response in a nutshell (state of the law: July 31, 2009)

The French graduated response legislation, the "Creation and Internet" law, was adopted by Parliament on May 13, 2009. However, some of its provisions, such as the possibility of a new administrative body (called the HADOPI¹²) to impose the suspension or termination of internet service, were struck down by the Constitutional Council on June 10 (see discussion below). The revised law¹³ of June 12, 2009 (the 2009 Law) therefore only implements the warning mechanism of the graduated response system, leaving aside the more far-reaching sanctions. The warning system will be

¹¹ Discussing the right sanction for a copyright dispute resolution mechanism (comparable to the transfer remedy in the UDRP model), Mark A. Lemley and Anthony Reese note that: "A copyright system needs a substitute sanction and enforcement mechanism, such a reliable way to remove infringing material or the infringer herself from the network". Lemley and Reese, "Reducing Digital Copyright Infringement Without Restricting Innovation", 56 Stan. L. Rev. 1345, 166-167.

¹² "HADOPI" stands for the "High Authority for the Diffusion of Works ("Oeuvres" in French) and the Protection of Rights on the Internet".

¹³ Law No.2009-669 of June 12, 2009 favouring the diffusion and protection of creation on the internet (*Official Journal*, June 13, 2009).

handled by the HADOPI. On July 8, a new bill establishing sanctions for repeat infringers passed the Senate.¹⁴ The new bill creates an expedited procedure before a judge empowered to impose criminal penalties or suspend an infringer's account for up to one year. It is expected this new law on the more far-reaching remedies will be in force at the end of 2009.

Before discussing whether the sanction of account suspension is compatible with freedom of expression, it is important to understand how the new notification system (to be put in place during autumn 2009) will work. One of the main constraints in building a workable system in France comes from the rules on data protection. The collection and processing of the internet addresses (the IP numbers) of users suspected of committing online infringements are covered by the Law on "Informatics and the Protection of Freedoms" of January 6, 1978. Article 9 of this law allows some categories of legal entities representing the right owners (in particular the collecting societies) to collect and process the data (IP addresses) needed to enforce copyright.

The 2009 Law further provides that the sworn surveyors of collecting societies and of "properly constituted professional bodies" are allowed to make referrals to the "Rights Protection Committee" of the HADOPI. This Committee can then initiate the "graduated response" by sending online warnings to the subscriber engaging in copyright infringement. The justification for sending those emails to the targeted subscribers (in co-operation with their access provider) lies with a new provision at the core of the French graduated response: art.L.336-3 of the Intellectual Property Code. This article creates a new statutory obligation for the access subscriber "to ensure that this [internet] access is not subject to a use with a view to reproducing, representing, making available or communicating to the public [protected] works". A breach of this new monitoring obligation justifies a warning even if the subscriber (for example, an organisation such as a university) is not directly infringing on a copyright. This first warning, which contains a recommendation to respect the monitoring obligation, is followed by a second warning if another breach of the monitoring obligation is detected within six months after the first. This second online recommendation can be accompanied by a registered letter. Both recommendations must state the facts supporting the apparent breach of the monitoring obligation, but are not required to disclose the content of the protected works. The subscriber can, however, ask the Committee of the HADOPI for additional information on the works involved and prepare some defense.

Implementation of the graduated response system requires the the co-operation of the access providers, as they are in charge of forwarding the warnings prepared by the Committee to their clients. In addition, the 2009 Law requires that new subscription agreements expressly refer to the monitoring obligation (art.L.336-3) and detail the sanctions that can be imposed by the Committee, as well as the civil and criminal sanctions commonly provided by copyright law.

¹⁴ This complementary text has been adopted by Parliament in September 2009, and, with the exception of the provision, validated by an October 22, 2009 decision of the Constitutional Council. The second law will enter into force once promulgated and published in the *Official Journal*.

Internet access is a fundamental right rooted in the freedom of expression, but it can be subject to proportionate limitations

The decision of the French Constitutional Council¹⁵ pointed out two deficiencies of the text adopted on May 13, 2009: First, the Council ruled that the decision to suspend internet connections of digital pirates should be made by the courts as opposed to an administrative authority; secondly, it considered that the rule imputing the infringement to the subscriber of an internet connection (versus the actual user), unless the subscriber can prove the opposite, does not comply with the French constitutional principle of presumption of innocence.

In the first part of the ruling, the Constitutional Council held that only a judge can order suspension of access to internet services as the freedom of expression¹⁶ “covers the freedom to access those services” (s.12 *in fine* of the Council decision). The French constitutional principle of freedom of expression refers literally to “the free communication of thoughts and opinions”. The inclusion of internet access under freedom of speech/expression is justified by reference to the actual state of the communication technologies, the broad development of the online public services and the importance of those services for the democratic life and the expression of ideas and opinions (s.12).

This view is almost irrefutable, as internet is obviously becoming an ever more essential tool for generating and sharing ideas.¹⁷ There are many examples showing that the internet creates:

“unparalleled avenues for social discourse across national and international boundaries . . . Along with facilitating access to information, entertainment content and public services, the internet constitutes a central means of communication and self-expression in both personal and professional life (email, VoIP, blogs, instant messaging, etc).”¹⁸

The role of the internet in a democratic and open culture has been restated by the European Parliament, which on March 26, 2009, adopted a Recommendation to the Council that states:

¹⁵ See Decision No.2009-580 DC of June 10, 2009, available at <http://www.conseil-constitutionnel.fr> [Accessed September 7, 2009]. The Constitutional Council is a “strange animal”: not really a Constitutional Court (with the power and the independence of other “supreme” judges), but a body comprising among other former high level politicians (including former Presidents of France) with the (political?) power to oppose legal provisions adopted by the Parliament that are considered as incompatible with the French Constitution.

¹⁶ In France, the freedom of expression is recognised in art.11 of the 1789 Declaration of the Human Rights and of the Rights of Citizens. For this paper, the European “freedom of expression” (as protected under the European Convention on Human Rights and various national constitutions) corresponds to the US “free speech” (as protected by the first amendment to the US Constitution).

¹⁷ Some French intellectuals commenting on the 2009 Law have however criticised this view, considering that it is the freedom to consume (content) that is now wrongly put at the pinnacle as a human right. See Alain Finkielkraut, Interview in *Le Point*, July 16, 2009, p.31.

¹⁸ See the Google submission on TCP Draft ISP Code of Practice submitted on March 6, 2009 in New Zealand.

“whereas the evolution of the internet proves that it is becoming an indispensable tool for promoting democratic initiatives, a new arena for political debate (for instance e-campaigning and e-voting), a key instrument at world level for exercising freedom of expression (for instance, blogging) and for developing business activities, and a mechanism for promoting digital literacy and the dissemination of knowledge (e-learning); whereas the internet has also brought with it an increasing number of opportunities for people of all ages to communicate with people from different parts of the world, for example, and has thereby expanded the scope for people to familiarise themselves with other cultures and thus enhance their understanding of other people and cultures; whereas the internet has also extended the diversity of news sources for individuals as they are now able to tap into the flow of news from different parts of the world.”¹⁹

The internet is not only an engine for free expression, it is a way to access culture and enhance education. Although freedom of expression does not include a right to access a particular copyrighted work (except in exceptional circumstances²⁰), a broad right to access internet resources is covered, as freedom of expression²¹ includes the “right to receive and impart information and ideas without interference by public authority and regardless of frontiers” (art.10(1) European Convention on Human Rights or ECHR). The reference to “regardless of frontiers” is particularly relevant in the internet context. The existence of a right to access the internet can also be derived from decisions of the European Court of Human Rights, which has for instance ruled that access to TV programmes through satellite dishes should be guaranteed where no other infrastructure exists and where the satellite transmission is an essential means for a minority group to keep the contact with its community.²²

As with other forms of expression and communication, limitations on the right of internet access can be imposed under strict conditions. In Europe, such limitations have to respect the conditions of art.10(2) ECHR, i.e. they must be (i) “prescribed law”; (ii) “in the interests” of a legitimate aim, including “the protection of . . . rights of others”; and (iii) “necessary in a democratic society.”

The “necessity” or “proportionality” criterion is the main hurdle for any statutory limitation to freedom of expression. In its brief analysis, the French Constitutional Council considered the internet suspension as a disproportional measure or, at least, that it cannot be imposed by an administrative body because:

¹⁹ European Parliament recommendation of 26 March 2009 to the Council on strengthening security and fundamental freedoms on the internet (2008/2160(INI)), available at <http://www.europarl.europa.eu> [Accessed September 7, 2009].

²⁰ Such as the circumstances surrounding the well-known case *Time Inc v Bernard Geis Associates*, 293 F. Supp. 130 (S.D.N.Y. 1968), about the amateur film on the assassination of President Kennedy. On this see: Alain Strowel and François Tulkens, “Freedom of Expression and Copyright under Civil Law: Of Balance, Adaptation and Access” in Jonathan Griffiths and Uma Suthersanen (eds), *Copyright and Free Speech* (Oxford: Oxford University Press, 2005), pp.287–313.

²¹ To prohibit internet access is clearly much more prejudicial than to limit (on the basis of copyright) the access to one particular work (as substitutes for a particular work exist in most cases).

²² *Khurshid Mustafa et Tarzibachi v Sweden*, December 16, 2008 (req. 23883/06) and *Autronic AG v Switzerland*, May 22, 1990, available at <http://www.echr.coe.int> [Accessed September 7, 2009].

- the measure can restrict the internet access of the subscription owner and of all the other persons who are benefiting from it (for example in an organisation), thus not only of the person who might be directly responsible for the copyright infringement;
- the measure can apply to the freedom to speak and communicate from home;
- the power of the administrative authority would not be limited to a category of persons but would apply to the whole population.

It is possible but not sure that the European Court of Human Rights would support a graduated response scheme. It all depends on the details and implementation of such scheme. According to the case law of the European Court of Human Rights, a measure limiting freedom of expression should be “indispensable” in the sense that no other measure less restrictive of the freedom to receive information exists in order to achieve the legitimate aim (protection of copyright and of the authors). This is a tough standard to meet, but the data on the scope of digital piracy discussed above suggests that the existing measures (civil and criminal sanctions) are not able to curb online piracy, which could call for an alternative system such as the graduated response. The result of the balancing of interests would also depend on the person affected by the graduated response, and his or her professional and personal situation. For example, one can expect that the European Court of Human Rights would not consider the internet suspension of a journalist account as indispensable and proportionate, as the European Court is very much opposed to any broad limitation of the free expression of journalists.

Other facts must be taken into account in deciding whether an internet suspension is a proportionate remedy. For example:

- as the internet suspension comes after two notifications in the French graduated response, this weighs in favour of proportionality, but the authority implanting the suspension must be sure to communicate correct and complete information regarding the infringing material and the user’s behaviour;
- only repeat infringers are subject to the measure in the French scheme; this also weighs in favour of proportionality;
- the French graduated response largely targets internet access at home. A person will thus be able to use other access points, whether at work, in internet coffee shops, through relatives, or by using devices other than a home computer such as mobile devices with email and browsing capabilities. However, blocking home internet access could create a real burden for some. At the same time, the wide availability of internet access through other accounts or devices could mean that the effectiveness of the full graduated response is far from being guaranteed;
- in the French scheme, the internet suspension does not (should not) affect the other telecommunications services, for instance the fixed line telephone or the TV service in case of a “triple play” offer, which would weigh in favor of proportionality;
- to ensure that the proportionality requirement is respected, an additional improvement could consist in limiting the broadband of some internet users,

while keeping a minimal access to the more fundamental services such as messaging. In fact, this is already happening, with some access providers monitoring internet traffic and slowing down suspect data such as BitTorrents packets²³;

- the measure of internet suspension will appear more justified as a means of protecting the right of third parties if the contract with the access provider adequately defines the circumstances under which access can be blocked, and specifies repeat infringements can lead to the extreme measure of internet access restriction. This measure is already commonly provided for in those contracts, but applies only when the subscriber does not pay the bill.

All of the foregoing facts and ways to modulate and implement the internet suspension have to be taken into account when assessing whether a particular form of internet suspension is a proportionate response to fight copyright infringement. Such a measure is not “per se” incompatible with the freedom to hold opinion and to receive information.

The “full” graduated response (“three strikes and you’re out”) shows how copyright is evolving as a “right on access”

The internet account termination is not yet, but will very probably become, part of the French legal framework (see discussion above), and one can already reflect on the evolving nature of copyright control if a “full” graduated response (“three strikes *and you’re out*”) is applicable.

In other contributions,²⁴ we have supported the view that copyright has *always* been a form of access control, although the way copyright restricts access has evolved as new technologies have appeared and the law responded accordingly. In the early days until the digital era, copyright only allowed control of the *access to tangible copies*, whether through the right of reproduction or through the right of distribution. Balance was achieved through the exceptions designed for this framework of copyright law (for example, the private copying exception or the “fair use” exception for the reproduction right, and the exhaustion or “first sale” rule for the distribution right). Once copyright had to respond to the digital challenge, new ways to control access were invented by the legislators. For instance, the “making available right” and the protection of technological measures of protection were designed primarily by the 1996 WIPO Treatises and later by the various national implementations in order to control *access to digital works* (rather than access to tangible copies). In this context, the right exceptions to the new layer of protection are still unclear. It now appears that the form of access control deriving from copyright rules will once more evolve if the French graduated response is fully applied and becomes a model law for other

²³ On this, see Justin Hughes, “Copyright Enforcement on the Internet—in Three Acts”, draft distributed at the 2009 Fordham Intellectual Property Law and Policy conference.]

²⁴ Alain Strowel, “L’émergence d’un droit d’accès en droit d’auteur? Quelques réflexions sur le devenir du droit d’auteur” in Carine Dautrelepon and François Dubuisson (eds), *Le droit d’auteur adapté à l’univers numérique* (Brussels: Bruylant, 2008), pp.61–89.

countries; indeed, according to this new shift in copyright law, regulating internet access is the main issue and is part of the new remedy. Thus, it is no more the access to tangible copies or digital works that is involved, but the *access to the internet* as a whole. This, in turn, raises new problems as the friction between the fundamental principle of freedom of expression and copyright become even more acute (see discussion above).

The graduated response: Is it a workable reply that can become the norm?

Support for the graduated response is probably growing worldwide. The traditional copyright industries have been advocating this new approach to fight online piracy. Apart from France, South Korea and Taiwan seem to have already a graduated response in the law.²⁵ In New Zealand, the implementation of the Copyright Amendment of 2008, which requires ISPs to have a termination policy for repeat infringers, is still under discussion. Other countries such as Australia, the United Kingdom and the Netherlands have engaged in ongoing discussions regarding how to move forward. In other countries such as Belgium and Ireland the possibility of more co-operation (and a termination policy) on the part of the access providers is being argued before the courts (the *Scarlet/Tiscali* case in Belgium and the *Eircom* case in Ireland). It is still a bit premature to conclude that the graduated response or some enhanced ISP co-operation model will become the norm. In several countries, a further backlash is to be expected before the adoption of new rules or their implementation. The August 25, 2009 announcement in the United Kingdom about the adoption of swifter and more flexible measures to tackle unlawful peer-to-peer file sharing²⁶ has, for instance, prompted strong reactions²⁷ that might delay the adoption of more robust rules. Where something already exists in the law (for example, in France), the real implementation of the new rules is still to be watched carefully.

Some commentators remain deeply pessimistic about fighting internet piracy. In a recent editorial on the graduated response, Jeremy Philips concluded:

“The feasibility of disconnecting a person from the internet, and any attempt to police and enforce such a ban, smacks the futile . . . So what should be done to ease the position of injured copyright owners? Depressingly, in the majority of cases, there is no solution.”²⁸

I am less negative. First of all, the graduated response is not just about its terminal phase—the termination of internet accounts. It also relies on an automatic warning system, and we can expect that the warning system will deter some potential infringers. It is probably true that certain savvy users will find ways to remain online despite a ban; however, these users probably constitute a relatively small portion of internet

²⁵ See, e.g. Chuan Hian Hou, “Three Strikes and You Are Out”, *The Straits Times*, August 19, 2009.

²⁶ See the August 25, 2009 announcement of the UK Department for Business Innovation and Skills, <http://nds.coi.gov.uk> [Accessed September 7, 2009].

²⁷ See BBC news, “Anger at UK File-sharing Policy”, August 25, 2009 available at <http://news.bbc.co.uk/2/hi/technology/8219652.stm> [Accessed September 7, 2009].

²⁸ Jeremy Philips, “‘Three Strikes’ . . . and Then?” (2009) 4(8) *JIPLP* 521.


users. Enforcement does not (and should not) aim at eliminating any infringement; a solution that would eliminate all piracy, if at all possible, would seem dangerous or at least dubious for both individual liberties and technological innovation. An alternative enforcement model would raise the expected costs of infringement, and the simple possibility of banishment from the internet would play this role for most internet users. At the same time, the graduated response relies on the view that many file sharers are not really aware of the illicit nature of their conduct and that education will help. I agree to a certain measure. In any case, a bet on the educational effect of the warnings is worth the risk.

Neither the deterrent effect of the ultimate remedy nor the educational impact of the successive notifications will suffice, however. The legal framework (for example, a legislation-based “graduated response”) can “change the economics of targeting direct infringers”,²⁹ but that is not enough. Things will only change if the access providers themselves become more active in policing their clients because they see and reap some benefits. This would be the case if the ISPs are themselves more directly benefiting from value- or content-added services. We remain confident that alternative business models will develop, even for mass market products.

²⁹ This is how the objective of an alternative enforcement system for online copyright is defined by Lemley and Reese, “Reducing Digital Copyright Infringement Without Restricting Innovation”, 56 *Stan. L. Rev.* 1345.

The Lisbon Agreement's Misunderstood Potential

Daniel Gervais*

 Geographical indications; TRIPS

In his address at the ceremony to mark the 50th anniversary of the adoption of the Lisbon Agreement on October 31, 2008,¹ WIPO Director General Francis Gurry noted that there was renewed interest in the Lisbon Agreement.² He underscored the fact that the agreement allows states that so wish to protect appellations used in connection with any relevant product—including products other than wines and spirits, which benefit from a higher level of protection under the TRIPS Agreement.³ The Director General also emphasised the ability of the Agreement, considered against the backdrop of its negotiating history, to accommodate a variety of different legal concepts “with different national legal traditions and within a framework of specific historical and economic conditions.”⁴ He concluded that the “negotiators of the Lisbon Agreement have taught us back in 1958 that it is possible to get to a result that combines effective protection beautifully with flexibly applicable exceptions.”⁵ In this short essay, I will consider the basis for such claims, and the degree to which the notion of appellation of origin overlaps with the notion of geographical indication contained in the TRIPS Agreement. This will allow us to ask, though perhaps not fully answer, a

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¹ Available at http://www.wipo.int/about-wipo/en/dgo/speeches/gurry_lisbon_08.html [Accessed August 24, 2009].

² Lisbon Agreement for the Protection of Appellations of Origin and Their International Registration, October 31, 1958, as revised at Stockholm on July 14, 1967, and as amended on September 28, 1979, 923 U.N.T.S. 205 (Lisbon Agreement).

³ Indications used in association with wines and spirits benefit from a higher level of protection under art.23.1 of the TRIPS Agreement. Agreement on Trade-Related Aspects of Intellectual Property Rights, April 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Results of the Uruguay Round of Multilateral Trade Negotiations: The Legal Texts, 1869 U.N.T.S. 299, 33 I.L.M. 1125, 1197 (TRIPS Agreement or TRIPS). See Daniel Gervais, *The TRIPS Agreement: Drafting History and Analysis*, 3rd edn (London: Sweet & Maxwell, 2008), pp.303–309.

⁴ Address by Francis Gurry, Director General, WIPO, at the Ceremony to Mark the 50th Anniversary of the Adoption of the Lisbon Agreement, Lisbon, October 31, 2008, available at http://www.wipo.int/about-wipo/en/dgo/speeches/gurry_lisbon_08.html [Accessed August 24, 2009].

⁵ See http://www.wipo.int/about-wipo/en/dgo/speeches/gurry_lisbon_08.html [Accessed August 24, 2009].

key question, namely whether the Lisbon system could be used as the register mandated under art.23.4 of TRIPS.

I will proceed in three parts. First, I consider the definitional issues: TRIPS protects geographical indications, not appellations of origin. Any substantial difference between the two notions would argue against the applicability of the Lisbon system in the TRIPS context. In Part II, I review the history of the Lisbon Agreement and attempt to identify and quantify the flexibility mentioned by the Director General that seems to be available to Lisbon Member States. In the last part, I consider possible changes to the Lisbon system. Admittedly, the last part is only an inventory and will require further development at a later date.

Part I—Appellations of origin and geographical indications

The Lisbon Agreement deals with “appellations of origin”, which are defined in the agreement as follows:

“the geographical name of a country, region, or locality, which serves to designate a product originating therein, the quality and⁶ characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.”⁷

Appellations of origin are thus terms or symbols that designate a geographical location, which may be as small as a village or as big as a country, to distinguish products produced in that geographical location and produced either according to regulations or “local, constant and trusted usage”⁸ in such location which results in certain quality or characteristics of the product, and/or its fame. Typically, this will be due to a method of production or of extraction of certain local resources. The notion is not, however, confined to food products or indeed products that require that certain local natural resources be used. Industrial products may also be protected by an appellation due to the availability of specialised skills and know-how,⁹ and protection may also extend to a certain presentation of products for sale.¹⁰

The concept of “indication of source” under the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods¹¹ is broader, but the level of protection of such indications is lower. A cause of action under the Madrid Agreement (typically for seizure on importation) arises when a *false* indication of source, whether or not the product has qualities or characteristics that derive from its

⁶ As we will see below, this appears to be an incorrect translation of the official (French) version. In art.2(2).

⁷ Article 2(1) of the Lisbon Agreement. This definition is also used to define the same term used in the *Paris Convention for the Protection of Industrial Property* and in the *Convention on the Use of Appellations of Origin and Denominations of Cheeses*.

⁸ Actes de la Conférence Réunie à Lisbonne du 6 au 31 Octobre 1958 (1963), p.813 [hereinafter Actes]. The Acts of the Lisbon Conference were published in French. All translations are the author’s own.

⁹ Actes, p.813.

¹⁰ Actes, p.814.

¹¹ April 14, 1891, revised October 31, 1958, 828 U.N.T.S. 389 (Madrid Agreement).

geographical origin. An indication of source is not limited to geographical locations; it could be a trade name for example.¹²

The TRIPS Agreement is the first multilateral text dealing with another notion, namely that of “geographical indication” (GI). The question here is whether, and if so how, that notion may be different from the Lisbon notion of appellation of origin.¹³

Article 22.1 of the TRIPS Agreement resembles art.2 of the Lisbon Agreement, yet it also differs at least facially from Lisbon on a number of points: (a) appellations of origin under Lisbon designate a “product”, while a geographical indication under TRIPS identifies a “good”, the term traditionally used in the GATT/WTO context to differentiate goods from services (that is, the definition does not include services)¹⁴; (b) appellations of origin under the Lisbon Agreement are geographical names of a country, region, or locality, while geographical indications under TRIPS are any indication pointing to a given country, region or locality, but not necessarily limited to the *name* of a country, region or locality—what matters is the indication that the good originates in the territory of a member or a part thereof and; (c) finally, appellations of origin speak of a geographical environment, including natural and human factors,¹⁵ while TRIPS uses a more general concept of “geographical origin”.

We can eliminate the good/product distinction simply by looking at other linguistic versions. The French version of the TRIPS Agreement and the Lisbon Agreement use the term “produit” for both “good” and “product.”¹⁶

The fact that Lisbon refers only to “names” is potentially a real difference. However, as Mihály Ficsor noted in his report to WIPO, “at the end of the day, a name is something that identifies.”¹⁷ It also is apparently the current practice under the Lisbon Agreement to register denominations that may not be “names” *stricto sensu*.¹⁸ Finally, the official French version of the Agreement does not use the term “nom,” but rather “denomination,” which, according to major dictionaries, *includes* names but also

¹² Actes, p.814.

¹³ See *Alberto Francisco Ribeiro de Almeida*, “Key Differences Between Trade Marks and Geographical Indications” (2008) 30 E.I.P.R. 406, 407–408.

¹⁴ Apparently, no difference in meaning (between “product” and “good”) was intended, especially in light of the fact that in both the French and Spanish versions the same words, namely “produit” and “producto” respectively, were used.

¹⁵ For examples of how far this could be applied, see Florent Gevers, “Geographical Names and Signs Used as Trade Marks” (1990) 8 E.I.P.R. 285, and, Florent Gevers, “The Future Possibilities of International Protection for Geographical Indications” [1991] *Industrial Property* 154.

¹⁶ See, e.g. art.15.1 of the TRIPS Agreement and art.2 of the Lisbon Agreement. Additionally, the French text of the Lisbon Agreement is the original version (see art.17(1)(a) of the Agreement), while all official versions of the TRIPS text (English, French and Spanish) have equal weight. See the last paragraph of the *Marrakesh Agreement Establishing the World Trade Organization*, April 15, 1994, 1867 U.N.T.S. 154, 33 I.L.M. 1144. The TRIPS Agreement is Annex 1C of that Agreement.

¹⁷ Mihály Ficsor, *Challenges to the Lisbon system*, Document prepared for the WIPO Forum on Geographical Indications and Appellations of Origin, Lisbon, October 30–31, 2008, WIPO/GEO/LIS/08/4, October 31, 2008, 5, available at http://www.wipo.int/meetings/en/details.jsp?meeting_id=16802 (Ficsor Report) [Accessed September 10, 2009]. Mr Ficsor is Vice President of the Hungarian Patent Office. There is support for this view in various dictionaries. For example, the *Websters Dictionary* provides two definitions of the term “name”, one of which reads: “a word or symbol used in logic to designate an entity” (emphasis added).

¹⁸ Ficsor Report, p.6.

anything used to designate something.¹⁹ Yet, while the Lisbon registry officials may decide to accept denominations other than names *stricto sensu*, it is difficult to argue that they must. Ideally, an administrative practice could be discussed and issued to clarify the matter. A document prepared by the Secretariat for the recently established Working Group on the Development of the Lisbon System²⁰ refers to the somewhat broader concept of “denomination that identifies a geographical entity in the country of origin.”²¹ Concerning the third apparent difference, namely the substantive elements that constitute an appellation and a geographical indication under Lisbon and the TRIPS Agreement, respectively, the first point to note is that the negotiating history of the Lisbon Agreement shows that, as mentioned by the Director General, the agreement was understood to provide considerable flexibility to Member States. The Lisbon drafters would have recognised the TRIPS definition as similar if not identical to the concept they were trying to define. For example, a difference often mentioned between the two instruments is that the Lisbon definition (art.2(1)) mentions only the quality and²² characteristics of a product, while TRIPS also mentions its reputation. This is correct of course. However, the definitions are functionally identical when one considers that the Lisbon Agreement defines “country of origin” as “the country whose name, or the country in which is situated the region or locality whose name, constitutes the appellation of origin which has given the product its *reputation*.”²³ There remains only what amounts mostly to a sequencing difference: Lisbon focuses on quality and characteristics and seems to assume that a reputational advantage will follow, while TRIPS simply apposes the three notions.

One could also interpret the reference to reputation in Lisbon as requiring reputation “next to” quality or characteristics. This view is supported by art.2(2) but also by the use of the term “recognized” in art.1(2). The meaning of this term as it features in art.1(2) is explained in the Report of the Fourth Commission of the Lisbon Conference²⁴ as follows:

“Article I was approved with the addition of the word “recognized” before the words “protected as such” This change was considered necessary to harmonize this provision with the principle according to which an appellation always protects a product having a certain degree of notoriety.”²⁵

Reputation could be considered at first glance as a soft, subjective criterion. However, it can be measured. Reputation is the result of years of work in association with a product that has created a mental link between that product and its geographical origin, but reputation is also a cause that can be measured by its effects. For example,

¹⁹ See, e.g. Le Petit Robert.

²⁰ See the Summary by the Chair, WIPO Document LI/WG/DEV/1/3 of March 20, 2009.

²¹ WIPO Document LI/WG/DEV/1/2 Rev., Annex II, p.4.

²² It should be noted that the official signed text of the Lisbon Agreement is the French text and uses “ou”, not “et”, that is “or” not “and”, and in that respect is similar to TRIPS. A key WIPO publication does the same (i.e. use the disjunctive form), even in English. See G.H.C. Bodenhausen, *WIPO Guide to the Paris Convention*, (Geneva: BIRPI, 1969) p.23.

²³ Lisbon Agreement art.2(2).

²⁴ See Actes p.859.

²⁵ See Actes p.859.

consumer surveys, price differentials attributable to the perceived advantage of the product because of its origin, etc. Accordingly, WIPO has taken the view that reputation is a legal, objective criterion used to identify a protected product.²⁶

The other criteria mentioned in TRIPS art.22.1 are "harder" and perhaps easier to prove, namely the quality and (other) characteristics of the product itself. But even "quality" may be defined in a number of ways according to a consumer's priorities. In the same vein, at least the selection of which (other) characteristics are relevant may be subject to the same criticism. In other words, while all the criteria mentioned in art.22 are potentially partially "subjective", they can be considered by way of rational demonstration and comparative analysis. Presumably, if potential buyers of a product want it because of a quality or characteristic associated with it stem from its geographical origin (whether the cause is human or natural factors or a combination of both), then that product could be said to have a given reputation. The difference in treatment of reputation between Lisbon and TRIPS would then not be *functionally* different.

Another possible distinction is between geographical indications under TRIPS and trade rules concerning the national origin of a product. The geographical "origin" for this purpose may or may not be the same "origin" that would be determined under the WTO Rules of Origin Agreement and may not be indicated in the same way. Under that agreement, origin is the criterion used to determine the national source of a product. Such rules usually attach a product to country or customs territory, and there is no need to show that a particular characteristic of the product is derived from a specific geographical origin. Their importance is derived from the fact that duties and restrictions in several cases depend upon the source of imports, but they are also used to implement measures and instruments of commercial policy such as anti-dumping duties and safeguard measures; to determine whether imported products shall receive most-favoured-nation (MFN) treatment or preferential treatment; for the purpose of trade statistics; for the application of labelling and marking requirements; and for government procurement purposes.

Interestingly, certain initial proposals for a TRIPS text covered both geographical indications and "appellations of origin",²⁷ and may help in understanding the distinction. For instance, the Swiss proposal contained the following provision:

"A geographical indication is any direct or indirect reference to the geographical origin of a product, including characteristics or qualities which are related to that origin . . . [while] an appellation of origin is a qualified geographical indication denominating a country, region or locality indicating that a product is originating therefrom and has qualities, reputation or other characteristics which are essentially or exclusively attributable to the geographical origin, including human or natural factors. A denomination which has acquired a geographical character in relation to a product which has such qualities, reputation or characteristics is also deemed to be appellation of origin."²⁸

²⁶ See WIPO document SCT/10/4.

²⁷ In particular the Swiss proposal tabled on May 14, 1990, document MTN.GNG/NG11/W/73.

²⁸ MTN.GNG/NG11/W/73, art.220.

Again, this is true to the extent one reads the Lisbon text strictly. TRIPS does use the broader concept of "indication" and thus seems to blend the normative heft of Lisbon in protecting geographically-dependent quality, characteristics or reputation, with the symbolic flexibility of the Madrid Agreement by encompassing broadly any *indication* that would point to a particular geographic origin provided, however, that a certain quality or characteristic (and/or reputation) is attributable to that origin. Yet, appellations protected under Lisbon currently²⁹ go beyond names and include many logos and, again on this count, there appears to be little if any functional difference between TRIPS and Lisbon.

The initial Lisbon text (proposed by the secretariat) only contained a definition of the notion of "country of origin."³⁰ Israel then proposed a definition of the notion of appellation that it presented as very flexible.³¹ That definition³² was amended, but the *principle* was retained: the underlying idea was to avoid constraining national law-makers. Put differently, the purpose of the amendment was to embed the difference between indications of source, on the one hand, and appellations of origin on the other (the essential difference being the quality or characteristics of the product or its reputation) while leaving considerable implementation flexibility to each Member State.³³

Another definitional approach which attempts to make a distinction between geographical indications and appellations of origin is contained in European Union legislation, which, however, refers to "*designations of origin*" instead of appellations:

"2. For the purposes of this Regulation³⁴:

²⁹ The entire bibliographic catalogue may be downloaded at <ftp://ftpird.wipo.int/twipo/lisbon/> [Accessed September 7, 2009].

³⁰ Actes, p.832.

³¹ Actes, p.832.

³² In this agreement, "appellation of origin" means the geographical name of a country, region, or locality, from which a product originates and which implies a particular quality or nature of the product due to this country, region or locality [author's translation].

³³ Actes, p.859: "By introducing a definition for appellations of origin into the Agreement itself, such definition could be invoked for the purposes of registration, without prejudicing a national definition, whether broader or more precise in scope" (as translated in fn.1 of Annex II of document LI/WG/DEV/1/2 Rev.

³⁴ Council Regulation 510/2006 (which replaced Council Regulation 2081/92 on the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs following the WTO panel case dealing with geographical indications protection in the European Union). There are several other relevant instruments. At the level of the European Union: Council Regulation 479/2008 of April 29, 2008 on the common organisation of the market in wine, amending Regulations 1493/1999, 1782/2003, 1290/2005, 3/2008 and repealing Regulations 2392/86 and 1493/1999 [2009] OJ L148/1; Commission Regulation 1607/2000 of July 24, 2000 laying down detailed rules for implementing in particular the Title relating to quality wine produced in specified regions, [2000] OJ L185/17; Commission Regulation 753/2002 of April 29, 2002 laying down certain rules for applying Council Regulation 1493/1999 as regards the description, designation, presentation and protection of certain wine sector products, [2002] OJ L118/1; Commission Regulation 1282/2001 of June 28, 2001 laying down detailed rules for the application of Council Regulation 1493/1999 as regards the gathering of information to identify wine products and to monitor the wine market and amending Regulation 1623/2000 [2001] OJ L176/14; Council Directive 89/104 of December 1, 1988 to approximate the laws of the Member States relating to trade marks [1989] OJ L40/1, adopted on December 21, 1988, art.7 (Exhaustion of the rights conferred by a trade mark) and Council Regulation 40/94 of December 20,

- (a) designation of origin: means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:
 - originating in that region, specific place or country, and
 - the quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors, and the production, processing and preparation of which take place in the defined geographical area;
- (b) geographical indication: means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:
 - originating in that region, specific place or country, and
 - which possesses a specific quality, reputation or other characteristics attributable to that geographical origin and the production and/or processing and/or preparation of which take place in the defined geographical area.”

The differences between the two notions are as follows: (1) “essentially or exclusively due” *v* “attributable”; (2) “geographical environment” *v* “geographical origin”; and (3) “production, processing *and* preparation” *v* “production, processing *or* preparation”. The definition of “designation of origin” thus emphasises the *essentialness* of the geographic impact on quality or characteristics whereas the geographical indication only refers to a quality, characteristic or reputation that is *attributable* to production and/or processing and/or preparation. TRIPS also refers to essentialness and its notion of geographical indication is thus counter-intuitively closer to this European notion of designation of origin.

One could argue that this European regulation does not amount to an excessively generous effort to clarify or simplify the debate. In fact, it gets worse: the regulation provides for the possibility that a geographical designation may be treated as a designation of origin.³⁵ Presumably, centering on a notion of geographical indication that would be compatible with the Lisbon concept of appellation (which seems possible given their substantial degree of overlap) would ameliorate a possible future for Lisbon outside of Europe.

Also worth mentioning, art.1721 of NAFTA³⁶ contains a definition of “geographical indications”, as follows:

“2. For purposes of this Agreement:

geographical indication means any indication that identifies a good as originating in

1993 on the Community Trade Mark; Directive 2000/13 of the European Parliament and of the Council of March 20, 2000 on the labelling, presentation and advertising of foodstuffs [2000] OJ L109/29 and Directive 97/55 of European Parliament and of the Council of October 6, 1997 amending Directive 84/450 concerning misleading advertising so as to include comparative advertising [1997] OJ L290/18.

³⁵ Council Regulation 2081/92 of July 14, 1992, art.4.

³⁶ North American Free Trade Agreement, US-Can.-Mex., December 17, 1992, 107 Stat. 2057, 32 I.L.M. 289 (1993), available at http://www.nafta-sec-alena.org/DefaultSite/index_e.aspx?DetailID=78. [Accessed September 7, 2009].

the territory of a Party, or a region or locality in that territory, where a particular quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.”

As can readily be observed, this definition is similar to the one contained in the TRIPS text except for the word “particular” which was replaced by “given”.

In summary, geographical indications as defined in the TRIPS Agreement *may* cover a somewhat broader scope than appellations of origin as defined in the Lisbon Agreement, because they include the “reputation” parameter found in the European Union Regulation mentioned above as a separate element, whereas in Lisbon reputation is assumed to derive from the quality or characteristics and is mentioned in the definition of “country of origin” instead of the definition of appellation itself.³⁷ Yet, when one looks at functional differences, there are very few and exist mostly in European regulations where their purpose and function are not immediately apparent. Perhaps Europe would be willing, in negotiating a worldwide art.23 register, to simplify its system or at least facially align the notions it uses to reflect international norms.

As regards indications of source (Madrid Agreement), they are clearly a different, broader concept, covering any indication pointing directly or indirectly to a country or place of origin without the need to show that a particular quality, reputation or characteristic follows from the “source.”³⁸ The same could be said of art.10 of the Paris Convention which extends the application of the provisions of art.9 to cases of “direct or indirect use of a false indication of the source of the goods or the identity of the producer, manufacturer, or merchant”.

Part II—Lessons from the Lisbon negotiating history

The Vienna Convention instructs us to look at a treaty’s negotiating history³⁹ when the meaning of the text is not plain.

Article 1 of the Lisbon Agreement provides that states party to that treaty must “protect on their territories, in accordance with the terms of this Agreement, the

³⁷ In addition, systems concerning appellations of origin usually presuppose the existence of a registration system. See WIPO document GEO/CE/I/II, April 9, 1990, para.41. See also “The Definition of Geographical Indications”, WIPO document SCT/9/4, October 1, 2002. It is also relevant to note that this European Regulation was negotiated at about the same time as TRIPS.

³⁸ See “Document on Geographical Indications: Historical Background, Nature of Rights, Existing Systems for Protection and Obtaining Protection in Other Countries”, WIPO document SCT/8/4, April 2, 2002, p.4 and Actes, pp.771, 814.

³⁹ Article 32 provides:

“Recourse may be had to supplementary means of interpretation, *including the preparatory work of the treaty and the circumstances of its conclusion*, in order to confirm the meaning resulting from the application of article 31, or to determine the meaning when the interpretation according to article 31:

(a) leaves the meaning ambiguous or obscure; or
 (b) leads to a result which is manifestly absurd or unreasonable.”
 (emphasis added)

appellations of origin of products of the other countries of the Special Union,⁴⁰ recognised and protected as such in the country of origin and registered at the International Bureau of Intellectual Property" (WIPO). The obligation to protect appellations is thus bounded by the need for the appellation to be protected in the country of origin and the need to be registered at WIPO. This implies the existence of an international registry. It does *not*, however, imply either national registers or a domestic *sui generis* regime. This will become clearer as we look at other provisions.

Article 2 contains the definitions already discussed in Part II.

Article 3 provides, as in art.23 of the TRIPS Agreement, that protection must be conferred against usurpation or imitation, even if the true origin of the product is indicated or if the appellation is used in translated form or accompanied by terms such as "kind", "type", "make", "imitation", or the like. The negotiating history shows that the original draft only provided protection generally against "counterfeiting." The negotiators elected to use words (usurpation or imitation) with somewhat more precise meaning. Interestingly, the Czechoslovak delegation asked whether Pils, Pilsen and Pilsner would be considered imitations, and the Drafting Committee responded in the affirmative and PILS (and related terms) was the first appellation to make its way on the Lisbon register.⁴¹ The notion of translation was also added at the suggestion of the host nation, Portugal.⁴²

Article 4 safeguards existing protection under the Paris Convention and the Madrid Agreement and probably also applies to existing protection under bilateral and plurilateral agreements, national laws and regulations, and court or administrative decisions.

Article 5 is by far the most important provision of the Lisbon Agreement and here the negotiating history is highly informative because the original text prepared by the Secretariat was essentially rewritten at the Diplomatic Conference that adopted the Agreement.⁴³

Applications for registration may only be made by or through the appointed authority of a member State⁴⁴ of the Special Union, though they apply in the "name of any natural persons or legal entities, public or private, having, according to their national legislation, a right to use such appellations."⁴⁵ Two conclusions can already be drawn about the Lisbon system: (a) a national authority must be appointed to interface

⁴⁰ Because members of the Lisbon system saw themselves as providing for higher protection than members of the Paris Convention but assumed they would be members of the Paris Union (see Actes, p.814), they created a "special union" as members of Lisbon.

⁴¹ Actes, p.834. However, when Czechoslovakia registered PILS, five declarations of refusal were notified, including one by France alleging that "Pils" was not a proper appellation of origin. France—Déclaration de refus (April 17, 1968) (on file with author).

⁴² Actes, p.834.

⁴³ See Matthijs Geuze, "Let's Have Another Look at the Lisbon Agreement: Its Terms in Their Context and in the Light of Its Object and Purpose", WIPO Document WIPO/GEO/BEI/07/10 (June 18, 2007).

⁴⁴ The official French text speaks of "*administration compétente*".

⁴⁵ Lisbon Agreement, art.5(1). The obligation to apply through a national authority is similar under the Madrid system (trade marks).

with the international register⁴⁶; and (b) it is up to each country of origin to decide who has the right to use a protected appellation.

The rest of art.5 prescribes the registration process.⁴⁷ First, WIPO must notify "without delay" any new registration and publish them in a periodical.⁴⁸ Then, and this is the core of the system, any national office may declare that it "cannot ensure the protection of an appellation of origin whose registration has been notified to it . . . together with an indication of the grounds therefore."⁴⁹ The declaration of refusal must be made within one year of the receipt of WIPO's notification and may not be made later.⁵⁰ The declaration does not reduce protection that may be available under other instruments (such as the Paris Convention or the Madrid Agreement). This means that the higher protection (in the absence of any misleading element) may not be available, but protection available for a false indication would still apply (it is often protected under the trade mark statute).⁵¹ If such a declaration is made within the appropriate delay and with a proper justification (for example, the appellation is generic in the declaring country), WIPO then notifies the country of origin of the refusal, which, in turn, notifies the right holder (holder of the registration). The *only* remedy available at that juncture for the right holder is to resort, in the declaring/refusing country, to the judicial and administrative remedies open to the nationals of that country. That is, national treatment. As already mentioned, there are no limits on the grounds that may be invoked in support of a declaration under art.5(3).

Finally, art.5(6) provides that if an appellation that has been granted protection in a given country pursuant to notification of its international registration but was already in use by third parties in that country, and assuming that no refusal is notified under art.5(3), such third parties may be given a delay of up to two years to cease using the appellation.⁵² A notification to WIPO is required.

⁴⁶ Article 4 of the Regulations under the Lisbon Agreement for the Protection of Appellations of Origin and Their International Registration (latest version entered in force on April 1, 2002; available at http://www.wipo.int/lisbon/en/legal_texts/ [hereinafter the Regulations]) [Accessed September 7, 2009] provides that each country must inform WIPO of the name and address of the authority competent to effect each of the notifications possible under the agreement.

⁴⁷ The details of the process are contained in the regulations.

⁴⁸ Lisbon Agreement, art.5(2).

⁴⁹ Lisbon Agreement, art.5(3).

⁵⁰ Lisbon Agreement, art.5(4).

⁵¹ See, e.g. s.43(a)(1) of the Lanham Act (15 U.S.C. s.1125(a)(1) (1988)) which provides:

"Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act."

For a discussion, see Lillian R. BeVier, "Competitor Suits for False Advertising under s.43(a) of the Lanham Act: A Puzzle in the Law of Deception", (1992) 78 Va. L. Rev. 1.

⁵² See r.12 of the Lisbon Regulations.

The negotiating history makes plain that the negotiators did *not* want any international supervisory or oversight authority.⁵³ Some Member States had already exchanged lists of appellations bilaterally prior to their accession to Lisbon which were then multilateralised using the Lisbon register. Moreover, a Lisbon Union member can refuse any appellation notified to it and, if and when approached by the country of origin, can negotiate the withdrawal of such refusals⁵⁴ in the same way that bilateral agreements are now negotiated to protect certain geographical indications.⁵⁵ As mentioned at the conference:

“The refusal must be accompanied by the grounds for which the country has decided not to grant protection. Those grounds constitute a basis for possible discussion with a view to arriving at an agreement.”⁵⁶

Finally, under Rule 16, a Lisbon member may invalidate a registered appellation. Once the invalidation is final, it must be notified to the International Bureau.⁵⁷

The negotiating history mentions specifically as a ground for refusal the fact that an appellation may have become generic in a country. However, Italy had suggested an amendment to limit refusals only to cases where an appellation has become generic in the declaring country and this amendment was refused (by a vote of 7-1).⁵⁸ Clearly, there are other possible grounds for refusal.⁵⁹ They would include the fact the appellation is used for product that violates *ordre public* or simply that it is not a proper appellation.⁶⁰ The *Actes* make that clear: “The proposed procedure gives countries which receive the notification of an appellation of origin from the International Bureau of opposing any legal or factual situation which would prevent the grant of protection for all or part of the territory of the Special Union.”⁶¹

Some Lisbon members have refused appellations that conflict with earlier trade

⁵³ *Actes*, p.836.

⁵⁴ A mechanism to withdraw declarations of refusal is provided in art.11 of the Regulations.

⁵⁵ In 2005 a bilateral agreement was reached between Europe and the United States on products of the vine (see Press Release, U.S. Trade Representative, “United States and European Community Reach Agreement on Trade in Wine” (March 10, 2006), http://www.ustr.gov/Document_Library/Press_Releases/2006/March/United_States_European_Community_Reach_Agreement_on_Trade_in_Wine.html [Accessed September 7, 2009]). For a discussion see Brian Rose, “No More Whining about Geographical Indications: Assessing the 2005 Agreement between the United States and the European Community on the Trade in Wine”, (2007) 29 *Hous. J. Int'l L.* 731.

⁵⁶ *Actes*, p.817 (author’s translation). A number of proposed amendments to the Rules would streamline the system. See Documents LI/A/25/1 (July 24, 2009) Annex 1, and LI/WG/DEV/2/1 Rev, Annex 1.

⁵⁷ For example, the appellation BUD, which was refused by several Lisbon members, was invalidated in Hungary, Italy and Portugal (see Lisbon registration 598). The Italian invalidation refers to a final decision by the Italian Supreme Court No.13168/02 of June 18, 2002, confirming a decision by the Court of Appeal of Milan.

⁵⁸ *Actes*, pp.835–837.

⁵⁹ Iran refused all appellations relating to alcoholic beverages or pork meat, as well as the only Israeli appellation on the Lisbon Register (Jaffa). See Lisbon Bulletin No.37.

⁶⁰ The appellation “Bud” (Appellation No.501) was similarly refused by many Lisbon members as not referring to a geographical location. The case also highlights the differences between appellations and trade marks.

⁶¹ *Actes*, pp.817 (author’s translation).

marks,⁶² an area which is partly regulated by TRIPS. Moreover, the Chair of the Negotiation Committee explained that there should be no international control of the grounds for refusal. As a formal matter, a declaration of refusal must contain grounds. Beyond that, it would seem the matter would be left for courts to decide or for further bilateral discussions. In the former case, perhaps the grounds for refusal could be challenged, but before the courts of the declaring (refusing) country.

There are three other substantive provisions worth mentioning here. First, art.6 provides that a registered appellation cannot be deemed to have generic as long as it remains protected in the country of origin. As noted in a WIPO document, however, "exceptions to this general rule may apply, in particular in cases of acquiescence, i.e. if the exclusive right to use the appellation of origin has not been enforced vis-à-vis certain persons, who are using the appellation of origin in respect of products that do not meet the specific geographically-determined qualifications linked to the appellation of origin."⁶³ Still, art.6 may pose difficulties in countries where geographical indications are protected as trade marks and where genericness is a valid defence against a claim of infringement.

Subject to this provision, a registration has no time limit. Secondly, art.8 provides that:

"[l]egal action required for ensuring the protection of appellations of origin may be taken in each of the countries of the Special Union under the provisions of the national legislation:

1. at the instance of the competent Office or at the request of the public prosecutor;
2. by any interested party, whether a natural person or a legal entity, whether public or private."⁶⁴

This provision seems to imply ex officio powers from the national office, attorney general or other official to take legal action, but no obligation to do so. It also leaves remedies essentially up to each Member State, though it should amount to protection against "usurpation and imitation."⁶⁵

Finally, art.14(2)(c), provides that any country acceding to this agreement may, within a period of one year, declare in regard to which appellations of origin, already registered at the International Bureau, it wishes to exercise the right provided for in art.5(3).⁶⁶ This means that any new Lisbon member does not have to accept any of the

⁶² See, e.g. the refusal of the appellation KHVANCHCARA (country of origin: Georgia) by Bulgaria of May 10, 2005, Appellation No.862, because of a conflict with an earlier national trade mark. There are many similar examples. See fn.60 above.

⁶³ Geuze, "Let's Have Another Look at the Lisbon Agreement: Its Terms in their Context and in the Light of Its Object and Purpose", WIPO Document WIPO/GEO/BEI/07/10 (June 18, 2007), p.8. This may be relevant in the context of the Wine Agreement concluded between the European Union and the United States, which grandfathered a number of so-called "semi-generic" appellations, including Champagne and Chablis (Lisbon Appellations 231 and 155, respectively). See art.6 of the Agreement between the European Community and the United States of America on Trade in Wine, March 10, 2006.

⁶⁴ Lisbon Agreement, art.8.

⁶⁵ Actes, p.814.

registered indication. It does, however, have a duty to examine those appellations and decide whether it wants to notify a refusal, which it must do within one year of accession.

In summary, Lisbon is a flexible multilateral agreement, and one that confers little substantive power to the international registry and entrusts decisions about protection to the national administrations and the courts of each Member State. It does not require a domestic *sui generis* registration system; only that a national office be empowered to interface with the international registry (either the same one or a different one for each type of notification provided for under the agreement). To be able to use the international register, the appellation must be protected in the country of origin of the right holder (whose status is also decided under the domestic law of each member). This necessarily implies that a legal mechanism be put in place in each Member State. But this mechanism could be a national law or regulation, a court decision, a decision by a specialised agency or board, a trade mark-like (application/publication/opposition/registration) system or indeed a *sui generis* system, as in many European countries.

The agreement does not curtail the implementation method to be used by each Member State. In fact, just the opposite is true: the regulations provide that an application must contain, *inter alia*, "the title and date of the *legislative or administrative provisions, the judicial decisions or the date and number of the registration* by virtue of which the appellation of origin is protected in the country of origin."⁶⁷

Part III—Can we reinvent Lisbon?

In the introduction, I posed a fairly straightforward question: can the Lisbon system be used as the register mandated under art.23(4) of the TRIPS Agreement?

Perhaps the main difference between the approaches of different groups of industrialised countries during the TRIPS negotiations resided in the fact that, for some, protection should be accorded whenever use of an indication constituted unfair competition, while for others, an element of deception (misleading the public) was necessary. This is also a reflection of the dual nature of protection of trade mark and geographical indication (or other related concept) in many countries, where, on the one hand, there is a strong element of consumer/buyer protection (against misleading use) and, on the other hand, marks and indications are protected against dilution or depreciation of their value (and of the associated goodwill) even in cases where no consumer/buyer would likely be misled. The solution found in the agreement, as is often the case in international negotiations, was to include a part of both: the new rule addresses (for goods other than wines and spirits)⁶⁸ the use of indications that may mislead the public, but incorporates the obligations under art.10*bis* of the Paris Convention in respect of unfair competition. Yet, the protection against dilution in this

⁶⁶ In practice, the International Bureau notifies the entire existing stock of Lisbon registered appellations upon accession to the new member country, which then has one year from receipt of that notification to notify any refusal(s). As noted above, however, under r.16 an appellation may be invalidated (typically by a final decision of a court of law) after the expiry of his 12-month period.

⁶⁷ Regulations, art.5(a)(vi) (emphasis added).

⁶⁸ Under art.23, there is no such need to prove that the public might be misled or that the act constitutes unfair competition.

article is certainly not as broad as in the national laws of a number of WTO members and it is thus likely that additional protection may be sought in this area. The linkage with traditional knowledge protection may raise the level of interest of this issue for several WTO members, including developing country members.⁶⁹ Yet, Lisbon, as noted above, permits but does not mandate the expansion of protection against non-deceptive use of indications beyond those for wines, which may offer Doha negotiators an elegant solution. Lisbon registrations have to be protected against usurpation and imitation, but the exact scope of protection will depend on the level of protection available in the country concerned. It may include protection against dilution, which applies even in the absence of consumer confusion. Additionally, while TRIPS does distinguish between wines and spirits, on the one hand, and other products, on the other, members are free to protect, e.g. wines and spirits differently, provided the Lisbon minimum obligations are met. The Agreement is thus flexible enough to protect wines and spirits at a higher level (that is, without deception). It would allow WTO (TRIPS) members access to an existing system under which the necessary expertise exists for proper consideration as to whether a registered denomination is indeed an appellation as defined in the Lisbon Agreement. As I attempted to demonstrate in Part I, the definitional gaps, if any, between TRIPS and Lisbon are such that most if not all of those differences can be considered functionally irrelevant.

Yet, WTO members need not jump into the Lisbon system *tel quel*. WTO members who are non Lisbon-members should, however, wish to join the ongoing discussions on the reform of the Lisbon system.⁷⁰ The system as it stands could be improved. For instance, in addition or in parallel to recently-considered changes to the application process, such as the adoption of Administrative Instructions⁷¹, one could argue for a clearer pathway to allow similar appellations to co-exist where appropriate.⁷² The solution might require an amendment to the Rules but most likely not to the agreement itself.⁷³

Rules for refusals could and probably should be spelled out with greater clarity.

⁶⁹ As Professors Maskus and Fink rightly note, "some developing countries stand to gain from stronger WTO rules for GI protection. However, benefiting commercially from GIs requires complementary efforts to identify valuable GIs and build an actual international reputation for them." Carsten Fink and Keith Maskus, "The Debate on Geographical Indications in the WTO" in Richard Newfarmer (ed.), *Trade, Doha, and Development: Window into the Issues* (The World Bank, 2005), p.210. See also Daniel Gervais, "Traditional Knowledge: Are We Closer to the Answers? The Potential Role of Geographical Indications" (2009) 15 *ILSA Journal of International and Comparative Law* 551.

⁷⁰ Of particular interest if the establishment of a working group established at the 23rd (6th extraordinary) session of the Assembly of the Lisbon Union (September 22 to 30, 2008) responsible for exploring possible improvements to the procedures under the Lisbon Agreement. The Working Group met in Geneva from March 17 to 20, 2009. See the Summary by the Chair, WIPO Document LI/WG/DEV/1/3 of March 20, 2009.

⁷¹ See above.

⁷² See the proposals now before the Assembly (document LI/A/25/1 of July 25, 2009). The proposed Administrative Instructions would facilitate the use of electronic means for notifications. The notification of co-existence situations would be facilitated by the other amendment before the Assembly, namely that for the introduction of procedures for the notification of statements of grant of protection. This would *not* require all member countries to accept co-existence in each and every case.

⁷³ A number of proposals for changes to the Rules were made by the Secretariat and some were considered at First Session of the Working Group. See above and WIPO Document LI/WG/DEV/1/2 Rev. of February 10, 2009.

However, an empirical analysis of current practice reveals a fairly consistent if mostly unwritten code of conduct among Lisbon members. Refusals of Lisbon registered appellations can be categorized on the basis of three types of grounds: those relating to the definition; those relating to an earlier right; and "other grounds". Refusals in the first category are typically made because an appellation does not meet the definition contained in art.2(1) of the Lisbon Agreement, that is, more precisely, because: (a) it is a generic indication of a type of product; (b) it is just an indication of the origin of products; (c) it is an homonymous denomination that does not meet the definition; (d) the denomination is not geographical; (e) the denomination is insufficiently precise to be able to meet the definition; or (f) the competent authority is not convinced that the denomination meets the definition. The second category of refusals are meant to reflect the existence of prior rights (such as an earlier trade mark). Indeed, an opposition or request for cancellation may be filed against an appellation submitted for registration. A creative solution under the current rules, an appellation may be refused only partially, that is its right holder cannot use it to prevent the use of a specified homonymous appellation. Typically, the protection is refused unless a specified homonymous denomination can co-exist. Co-existence may be allowed under the national law of only one or some member country(ies). Other member countries' may not allow co-existence.⁷⁴ Finally, a third set beyond those two groups of reasons, appellations are sometimes refused because they are likely to generate confusion; because the registration has not taken place in respect of all producers in the region concerned; or because the appellation goes against religious values, ethics or public order.⁷⁵ Another possibly more interesting option is the adoption of a protocol, as was done for the Madrid system.

Naturally, if the Lisbon system were used as the TRIPS register and an appellation/indication was refused in a way which, while compatible with the form requirements of Lisbon, violated TRIPS, the WTO dispute-settlement system could be triggered. WTO Members, in adopting Lisbon as the TRIPS register, could provide a set of substantive principles, based on arts 23 and 24, to avoid most such cases. Additionally, the negotiation which follows a refusal under Lisbon matches the spirit of the consultations required under the WTO Dispute Settlement Understanding.

Conclusion

The Lisbon system, which led a mostly uneventful life until recently, now has a possible new role to play as the multilateral register the negotiation of the establishment of which is mandated under art.23(4) of the TRIPS Agreement. Contrary to the practice of most current Lisbon members that protect appellations of origin under a *sui generis* system, both the text and negotiating history of the Lisbon Agreement make it

⁷⁴ If the proposed amendments now before the Lisbon Assembly are adopted, if a member country allows co-existence, it will be able to submit a partial refusal or a partial statement of grant of protection based on the situation of co-existence. This way the Lisbon Register would reflect the actual situation in member countries as closely as possible. See document LI/WG/DEV/1/2 Rev., Annex 1.

⁷⁵ The author is indebted to Mr Matthijs Geuze, Head, International Appellations of Origin Registry, for his input, especially on this point. All errors and omissions are entirely mine, however, as are the views expressed in the article.


plain that the establishment of such a parallel, *sui generis* system is but one way of implementing Lisbon. While valid normative concerns might justify the establishment of *sui generis* systems such as those in existence in the European Union, neither TRIPS nor Lisbon requires this outcome in the protection of GIs and appellations of origin, respectively.⁷⁶ The Lisbon Agreement is flexible in that it allows members to refuse an appellation on a vast array of grounds and then only allows for a negotiation to take place among the registering and refusing members. A new Lisbon member may also refuse any appellation currently on the register when it joins.

Proceeding in this way would require that each non-Lisbon WTO member to take a good look at the current list of appellations (less than 900) and refuse those it considers unacceptable. This would generate a finite list of bilaterally refused (contentious) appellations, which could then be negotiated away to the extent possible over time, not unlike the tariff negotiations that take place in multilateral trade rounds under the GATT/WTO. This would seem a major step forward in certainty for owners of trade marks and indications and would remove a thorn in the side of the Doha process. A protocol could also be considered. It could clarify definitions to match the TRIPS notion of geographical indication more directly; align refusal and invalidation with TRIPS rules; and allow a finding of genericness at any point. The success of the Madrid Protocol is a clear indication that this option is realistic.

⁷⁶ For a US discussion, see, e.g. Margaret Ritzert, "Champagne Is from Champagne: An Economic Justification for Extending Trademark-Level Protection to Wine-related Geographical Indications" (2009) 37 AIPLA Q.J. 191.

What Is “Traditional Cultural Expression”? International Definitions and Their Application in Developing Asia^{*}

Christoph Antons^{**}

 Asia; Cultural property; Developing countries; Intellectual property; Traditional knowledge

The WIPO Intergovernmental Committee and its agenda

The WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC) began its deliberations in 2001. Eight years later in July 2009, it reached a temporary standstill. At its 14th session, held in Geneva from June 29 to July 3, 2009, representatives of Members States, inter-governmental and non-governmental organisations agreed to disagree on the agenda item related to “Future Work” that attempted to specify ways in which the work of the Committee should be carried forward during the 2010–11 biennium.¹ Representatives of many developing countries and non-governmental organisations voiced their dissatisfaction with the slow progress in the IGC. A proposal from the African Group of countries sought to speed up the agenda during the 2010–11 biennium by requiring

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¹ Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore, Fourteenth Session, Geneva, June 29–July, 3, 2009, *Initial Draft Report*, WIPO/GRTKF/IC/14/12 Provisions of July 31, 2009. See also “WIPO Committee Reaches Standstill on Traditional Knowledge”, (2009) 13(25) *Bridges Weekly Trade News Digest*.

"text-based negotiations" for "an internationally binding instrument/instruments" with a "clearly defined work programme and timeframe, including the holding of intersessional work sessions".² While this proposal was supported by a large number of developing country representatives, others such as the representatives of the United States, Japan or Germany, speaking on behalf of the B Group of developed countries, found still much "unfinished analytical work" and the necessity to further a "common understanding" of the issues.³ Thus, while members were clearly in favour of renewing the mandate of the IGC, there were differing views on the precise scope and aims of its work during the next biennium. The idea of intersessional work sessions and of a partial shift of forum to expert working groups as well as the composition of such groups was also disputed. At their Annual Assemblies from September 22 to October 1, 2009, WIPO member states finally renewed the mandate of the IGC with the objective of reaching agreement on a text of an international legal instrument (or instruments) and with a provision for three inter-sessional meetings of working groups.⁴

One of the ongoing discussions concerns definitions of "traditional cultural expressions", which will be the focus of the first part of this article. IGC members in fact also disagreed on whether more consensus on fundamental concepts and "broad, non-exhaustive and non-exclusive, definitions" was necessary⁵ or whether it was possible to start with more loosely worded terminology in order not to get "stuck in working on ideal definitions that could take years to adopt".⁶ The article will then examine the approach to TCE protection in Indonesia and a few disputes between Indonesia and Malaysia about TCEs.

Attempts at defining "traditional cultural expression" (TCE)

What are the definitions, descriptive or otherwise, that have been discussed thus far? Article 1 of the WIPO Revised Objectives and Principles for the Protection of Traditional Cultural Expressions and Expressions of Folklore defines the subject matter as "any forms, whether tangible and intangible, in which traditional culture and knowledge are expressed, appear or are manifested".⁷ The provision continues to provide examples of verbal expressions, words, signs and symbols, musical expressions, expressions by action (such as dances, plays, ceremonies, rituals and other "performances") and tangible expressions, such as productions of art and including handicrafts, musical instruments and architectural forms. In a final part, the provision

² See the text of the proposal and various proposals for amendments on pp.38–42 of WIPO/GRTKF/IC/12 Provisions of July 31, 2009.

³ See for example WIPO/GRTKF/IC/12 Provisions of July 31, 2009, pp.8–9, 20–21 and 24.

⁴ "WIPO Assemblies Provide Direction for Next Biennium", at http://wipo.int/portal/en/news/2009/article_0038.html [Accessed October 19, 2009].

⁵ See for example the interventions of the representatives of New Zealand and Singapore on pp.21–23.

⁶ See the intervention of the representative of Nigeria, on p.17.

⁷ Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore, Twelfth Session, Geneva, February 25 to 29, 2008, *Reproduction of Document WIPO/GRTKF/IC/94 "The Protection of Traditional Cultural Expressions/Expressions of Folklore: Revised Objectives and Principles"*, WIPO/GRTKF/IC/12/4(c) of December 6, 2007, p.11.

links the expression to requirements of creativity and continuing “authenticity” of the material. Thus, the expression must be the product of creative intellectual activity (of an individual or communal nature), characteristic of a community’s cultural and social identity and cultural heritage and maintained, used or developed by such community, or by individuals having the right or responsibility to do so in accordance with the customary law and practices of the community. The provision concludes by clarifying that the specific choice of terms should be determined at national and regional levels.

It has been pointed out that this current definition used by WIPO is a departure from earlier WIPO working definitions, which saw traditional cultural expressions as a subset of the wider definition of “traditional knowledge”, which encompasses also knowledge related to the environment and biodiversity, traditional medicinal knowledge and traditional agricultural knowledge.⁸ Still in 2001, in its original report on “Intellectual Property Needs and Expectations of Traditional Knowledge Holders”, WIPO represented the relationship between traditional knowledge and traditional cultural expressions in a picture of overlapping circles starting with heritage as the broadest term, which incorporated traditional knowledge, which in turn incorporated the smaller subsets of the again overlapping circles of expressions of folklore and indigenous knowledge.⁹ However, when it became clear that this picture was difficult to bring into line with the relatively neat categories of intellectual property rights, WIPO began to distinguish between traditional knowledge “in the strict sense”, which became henceforth defined as “technical traditional knowledge” (and in legal terms relates to industrial property rights such as patents) and “traditional cultural expressions” (which relate in particular to copyright).¹⁰

Many analysts have regretted this bifurcation of the analysis by pointing out that the distinction between TK and TCE is an artificial one in the eyes of indigenous peoples and local communities and from the perspective of traditional creators.¹¹ Traditional cultural expressions such as textiles, music or ceremonial paintings often source the ingredients or instruments from the natural surroundings, and this requires as much technical knowledge as it requires artistic skills.¹² One need not be familiar with the oft-quoted holistic worldview of indigenous and local people to understand the technical knowledge involved in the creation of headbands and skirts made from

⁸ Christoph Antons, “Introduction” in Christoph Antons (ed.), *Traditional Knowledge, Traditional Cultural Expressions and Intellectual Property Law in the Asia-Pacific Region* (Alphen aan den Rijn: Kluwer Law International, 2009), pp.2–3.

⁹ WIPO, *Intellectual Property Needs and Expectations of Traditional Knowledge Holders—WIPO Report on Fact-Finding Missions on Intellectual Property and Traditional Knowledge (1998-1999)* (Geneva: WIPO 2001), p.26.

¹⁰ WIPO/GRTKF/IC/6/4 of December 12, 2003, Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore, Sixth Session, Geneva, March 15–19, 2004, *Traditional Knowledge: Policy and Legal Options* p.5.

¹¹ Darrell A. Posey, “Can Cultural Rights Protect Traditional Cultural Knowledge and Biodiversity?” in Halina Niéc (ed.), *Cultural Rights and Wrongs*, (Paris: UNESCO and London: Institute of Art and Law, 1998), p.43.

¹² Michael Blakeney, “Protection of Traditional Knowledge by Geographical Indications” in Christoph Antons (ed.), *Traditional Knowledge, Traditional Cultural Expressions and Intellectual Property Law in the Asia-Pacific Region*, (2009), pp.105–107.

paperbark by Dayak groups in the interior of Borneo¹³ or in the complicated designs and weaving techniques for silk textiles, *batik*, brocade weaving and embroidery in countries like Thailand and Indonesia.¹⁴ Coming back to this issue in its "draft gap analysis" document of October 2008,¹⁵ the IGC acknowledged this problem. The document in defining protection of TCEs distinguishes between "(i) the creative and distinctive expressions themselves; and/or (ii) the reputation or distinctive character associated with them; and/or (iii) their method of manufacture (such as in the case of handicrafts, musical instruments and textiles, for example)." As far as TCEs relate to the manufacture of crafts, musical instruments and textiles, the document regards this as referring more to what is treated as "traditional knowledge *stricto sensu*" ("in the strict sense") in the Committee's work. The "Revised Objectives and Principles" document equally recognised "the often inseparable quality of the content or substance of traditional knowledge *stricto sensu* (TK) and TCEs/EoF [expressions of folklore] for many communities" and regarded the parallel but separate consideration of the issues as "compatible with and respectful of the traditional context in which TCEs/EoF and TK are often perceived as integral parts of an holistic cultural identity."¹⁶

However, the link between traditional knowledge and traditional cultural expressions is not only to be found in the traditional manner of manufacture of the material. Traditional cultural expressions also play an important role in the transmission of traditional knowledge. Especially in societies with few written sources of tradition, cultural expressions such as songs, legends or even paintings are often used to transmit to the next generation what WIPO would refer to as "traditional knowledge in the strict sense".¹⁷ In parts of Asia as well, the transmission of traditional forms of knowledge, for example related to medicine, may well be in a form that would be most appropriately defined as traditional cultural expression.¹⁸ While these various purposes of traditional cultural expressions are not always satisfactorily covered by the

¹³ Roy W. Hamilton, "Barkcloth Skirts from Southwestern Borneo" in Jane Puranananda, *The Secrets of Southeast Asian Textiles: Myth, Status and the Supernatural* (Bangkok: James H.W. Thompson Foundation/River Books, 2007), pp.58–71.

¹⁴ Susan Conway, *Thai Textiles* (Bangkok: River Books Press, 1992); Susan Conway, *Silken Threads Lacquer Thrones: Lan Na Court Textiles* (Bangkok: River Books, 2002); Anne Richter, *Arts and Crafts of Indonesia* (San Francisco: Chronicle Books), pp.89–96; Sativa Sutan Aswar, *Antakesuma Suji dalam Adat Minangkabau—Antakesuma Embroidery in the Minangkabau Adat* (Jakarta: Penerbit Djambatan, 1999).

¹⁵ Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore, Thirteenth Session, Geneva, October 13 to 17, 2008, *The Protection of Traditional Cultural Expressions: Draft Gap Analysis*, WIPO/GRTKF/IC/13/4(b) Review of October 11, 2008, Annex I, p.5.

¹⁶ IGC, WIPO/GRTKF/IC/12/4 (c), p.9.

¹⁷ On the relationship between Australian Aboriginal mythology, art and landscape see Howard Morphy, *Aboriginal Art* (London: Phaidon Press, 1998), in particular Ch.4.

¹⁸ On various Southeast Asian "manuals" transferring medical and other knowledge see C. Reynolds, *Seditious Histories: Contesting Thai and Southeast Asian Pasts* (Seattle–Singapore: University of Washington Press/Singapore University Press, 2006), pp.214–242; Soewito Santoso, *The Centhini Story: The Javanese Journey of Life* (Singapore: Marshall Cavendish, 2006), pp.138–139. See also Christoph Antons and Rosy Antons-Sutanto, "Traditional Medicine and Intellectual Property Rights: A Case Study of the Indonesian *jamu* Industry", in: C. Antons (ed.), *Traditional Knowledge, Traditional Cultural Expressions and Intellectual Property Law in the Asia-Pacific Region* (Alphen aan den Rijn: Kluwer Law International, 2009), pp.363–384.

current WIPO draft provisions, the distinction between TK and TCE nevertheless has been accepted among the participants in the WIPO discussions and seems to be fairly well established by now.

Authenticity requirements and “modern” interpretations of TCE

Beyond such agreement on the basics, however, much else needs to be worked out. Anthropologists and social scientists have warned, on the one hand, of the dangers of essentialising cultures¹⁹ and of constructing romantic notions of tribal people that have little to do with reality.²⁰ On the other hand, they have spoken of “oppressive authenticity”, because of the need for indigenous people to fulfil the expectations of lawyers and administrators with regards to “tradition” and “traditional life styles”.²¹ In view of such arguments, the delegation of Colombia, for example, objected to the requirement in art.1 that a TCE must be “characteristic of a community’s distinctive cultural identity and traditional heritage developed and maintained by it”, a requirement which the Colombians found imposed a too onerous burden of proof on communities.²²

In the “draft gap analysis” document, the IGC Secretariat attempts to distinguish further within the category of TCEs between what they call “pre-existing TCEs” or “TCEs *stricto sensu*”, on the one hand, and contemporary interpretations and adaptations of them, on the other hand.²³ TCEs in this latest document are characterised by creative intellectual activity, have been handed down from one generation to another, reflect a community’s cultural and social identity, consist of characteristic elements of a community’s heritage, are made by authors unknown and/or unlocatable and/or by communities, are often primarily created for spiritual and religious purposes, make often use of natural resources in their creation and reproduction and are constantly evolving, developing and being recreated within the community.²⁴ Further down in the latest document, the IGC secretariat outlines a very useful “conceptual divide” between the role of copyright and other IP rights in protecting, on the one hand, TCEs for which the commercial exploitation in as fair and balanced a manner as possible is intended, and on the other hand, TCEs that are created primarily for spiritual and religious purposes and not meant to reach as broad a public as possible. In the latter case, the document finds more appropriate the development of a *sui generis* IP system

¹⁹ Jane K. Cowan, Marie-Bénédicte Dembour and Richard A. Wilson, “Introduction” in Jane K. Cowan, Marie-Bénédicte Dembour and Richard A. Wilson (eds), *Culture and Rights: Anthropological Perspectives* (Cambridge: Cambridge University Press, 2001), pp.10–11, 19 and 21; Sonia Smallacombe, “On Display for its Aesthetic Beauty: How Western Institutions Fabricate Knowledge about Aboriginal Cultural Heritage” in Duncan Ivison, Paul Patton and Will Sanders (eds), *Political Theory and the Rights of Indigenous Peoples* (Cambridge: Cambridge University Press, 2000), p.155.

²⁰ Claire Smith, Heather Burke and Graeme K. Ward, “Globalisation and Indigenous Peoples: Threat or Empowerment?” in Claire Smith and Graeme K. Ward (eds), *Indigenous Cultures in an Interconnected World* (Vancouver: UBC Press, 2000), pp.7–10.

²¹ Jeffrey Sissons, *First Peoples: Indigenous Cultures and Their Futures* (London: Reaktion Books, 2005), pp.37–59.

²² IGC, WIPO/GRTKF/IC/12/4 (c), Annex, p.14.

²³ IGC, WIPO/GRTKF/IC/13/4(b) Rev., Annex I, p.4.

²⁴ IGC, WIPO/GRTKF/IC/13/4(b) Rev., Annex I, p.4.

or non-IP mechanisms such as laws dealing with "blasphemy, cultural and other human rights, dignity, cultural heritage preservation, defamation, rights of publicity, and privacy".²⁵

This actually points to a stronger distinction again between IP protection regarding material for commercialisation and non-IP protection for sacred and secret aspects of cultural heritage. Such a distinction between the interests of the public, national governments and the public administration in heritage protection and the interests of private parties and communities in intellectual property protection for commercialisation is indeed important. The increasing use of intellectual property and other private property rights for the fulfilment of public purposes such as biodiversity protection and heritage protection in the context of a shift from "top down" to "bottom up" policy approaches has led in recent years to a blurring of the distinction between the interests of national governments, communities and private parties.²⁶ WIPO as a United Nations organisation is of course typically involved with state parties and national governments rather than communities at the grassroots level. Although NGOs and representatives of local and indigenous communities are meanwhile included in the deliberations of the Intergovernmental Committee, any implementation of new legislation or the conclusion of international treaties in TCE protection remains a matter for national governments. Many of the practical measures such as the establishment of royalty collection agencies and support funds equally depend on the intermediary role of national governments.²⁷ If the distinction between private IP rights and public heritage protection laws is blurred, then the ultimate benefactor of such newly created rights may often, at least initially, be the nation state and the national government rather than the community or the individuals within a community responsible for creating the expressions.

TCE protection in the Indonesian Copyright Act

An example for the blurring of heritage and copyright protection comes from Indonesia. In 1982, Indonesia adopted its first national Copyright Act, and it repealed the previous Dutch colonial legislation of 1912.²⁸ Indonesia was just one of several developing countries to replace its colonial copyright act and to introduce national copyright protection for the first time during the 1970s or 1980s. To facilitate this step, both WIPO and UNESCO had drafted sets of model provisions in 1976 (the Tunis Model Copyright Law for Developing Countries) and in 1982 (the WIPO/UNESCO Model Provisions on Copyright). In accordance with the state centred development

²⁵ IGC, WIPO/GRTKF/IC/13/4(b) Rev., Annex I, p.11.

²⁶ For a critique of this development in the field of environmental governance see Peter Newell, "The Marketization of Global Environmental Governance: Manifestations and Implementations" in Jacob Park, Ken Conca and Matthias Finger (eds), *The Crisis of Global Environmental Governance: Towards a New Political Economy of Sustainability* (London and New York: Routledge, 2008), pp.84–86.

²⁷ Christoph Antons, "Traditional Cultural Expressions and Their Significance for Development in a Digital Environment: Examples from Australia and Southeast Asia" in Christoph Beat Graber and Mira Burri-Nenova (eds), *Intellectual Property and Traditional Cultural Expressions in a Digital Environment* (Cheltenham, UK–Northampton, MA: Edward Elgar Publishing, 2008), p.299.

²⁸ Christoph Antons, *Intellectual Property Law in Indonesia* (London: Kluwer Law International, 2000), pp.53–54.

models of the 1960s and 1970s, the Tunis Model Law introduced a folklore protection provision, which left the administration of royalty collection for folkloristic expressions exclusively in the hands of a “competent authority” at the national level. The model provisions of 1982, on the other hand, foresaw royalty collection by a “competent authority” of the state or by the “community concerned”.²⁹ Indonesia adopted in 1982 the model of the 1976 Tunis Model Law and introduced art.10 of the Copyright Act, which has now with few modifications been taken over into the Copyright Act of 2002. The provision is to be found in a part of the Copyright Act, which bears the heading “Copyright related to works whose author is not known”.³⁰ This is a reference to art.15.4 of the Berne Convention introduced in 1967 to provide protection to TCEs with no identifiable authors again via a “competent authority” to represent the authors and protect and enforce their rights.³¹ Article 10(1) declares categorically that the state holds the copyright to prehistorical and historical works and to “other national cultural objects”. The Indonesian state also holds the copyright according to art.10(2) to folklore and to the so-called “products of popular culture which become common property”. The provision continues with a list of examples of such folkloristic expressions, such as “stories, tales, fairy tales, legends, chronicles, songs, handicrafts, choreographies, dances, calligraphies and other works of art”. Article 10(3) then stipulates that non-Indonesians must obtain a licence from a “relevant agency” if they want to publish or multiply such material. The provision of art.15.4 Berne Convention seems to have inspired art.11 of the Indonesian Copyright Act, which at first sight could also be relevant for TCEs and EoF that are not claimed by specific communities. According to art.11(1), the state holds the copyright in the interest of the author, if the work is unpublished and the author unknown. If such works have been published, the unknown author will be represented by the publisher or again by the state, if both author and publisher are unknown (art. 11(2), (3)). However, apart from the absence of a “competent authority”, whose designation is required by art.15.4 Berne Convention, the provisions on time limitation in the Indonesian Copyright Act make it plain that art.11 in its current form is unsuitable and apparently not meant to apply to expressions of folklore. For while the folkloristic expressions mentioned in art.10(2) enjoy protection without any time limit (art.31(1)a.), time-limits of 50 years after publication or after a work becomes known apply to the works of unknown authors regulated in art.11 (see art.31(1) b. and (2)). Nevertheless, the fact that these various regulations appear together in the same part of the Act as “works of unknown authors” means that there is potential of conflict with regards to expressions of folklore of unknown authors that are not claimed by specific communities and that could also be claimed under art.11. In this case, such “works” would in fact enter the public domain after the end of the limitation period. However, while the wording of art.11 allows for such an

²⁹ Janice G. Weiner, “Protection of Folklore: A Political and Legal Challenge” (1987) 18 IIC 86–87.

³⁰ For an Indonesian language version of the legislation see Tim Redaksi Tatanusa (ed.), 7 *Undang-Undang: Rahasia Dagang, Desain Industri, Desain Tata Letak Sirkuit Terpadu, Paten, Merek, Hak Cipta, Perlindungan Varietas Tanaman* (Jakarta: PT Tatanusa, 2005). For an English language version see Yasmon (Rangkayo Sati), *Indonesian Intellectual Property Directory* (Jakarta: Shortcut, 2006) and the website of the Indonesian Directorate General of Intellectual Property Rights at <http://www.dgip.go.id/ebscript/publicportal.cgi?.ucid=2662&ctid=77&type=0> [Accessed September 10, 2009].

³¹ WIPO/GRTKF/IC/13/4(b) Rev., Annex I, p.14.

interpretation, it will be more appropriate to regard art.10(2) and (3) as specifically addressing TCEs and, therefore, as the more suitable provision in this context.

Regarding this current “folklore” protection provision of art.10(2) and (3), several aspects are remarkable. First, art.10(4) requires a government regulation for the scheme to become operative and this has never been issued. Secondly, it works with the fiction that folkloristic expressions and pre-historical and archaeological heritage material all constitute “works”, a term which in copyright protection is usually reserved for original expressions of an individual author or of a collective of authors. The Indonesian language knows two terms to refer to a “work”, in the copyright sense, and both are used in the Copyright Act. *Karya* is the more literal translation of “work” and is often used to refer to the works of an author or a composer in ordinary language, whereas *ciptaan* (literally the “creation”) expresses a work of greater individuality and is used in the Copyright Act as the equivalent of the legal concept of “work”. Nevertheless, both terms are used in art.10(2) and (3) with regards to expressions of folklore, so that it can safely be concluded that they are also regarded as works in a copyright sense. Thirdly, the folklore protection provision of art.10(2) mixes material commonly associated with collectively developed folkloristic expressions such as fairy tales and legends with potentially quite individualist expressions that are more often associated with individual copyright for artistic works such as choreographies and calligraphy. This could lead to a potential overlap with individual copyright protection, so that a distinction would have to be made (presumably by the “relevant agency”) as to whether a particular choreography or calligraphy is “modern” or “traditional”.³² The same would presumably apply to handicrafts, especially to traditional versions of *batik*, which in its modern version of “batik art” is mentioned in art.12(1) of the Copyright Act as an example for individual works. Fourthly, once all of this heritage and folkloristic material has been declared to constitute “works” in a copyright sense and to qualify for copyright protection, the Act puts the Indonesian state as represented by the national government into the position of the copyright holder and administrator of any rights and benefits that may derive from this construct.

The distribution of rights and responsibilities between the national government and communities

When the provision was introduced in the early 1980s, it unsurprisingly raised concerns among those regional communities in Indonesia which actually produce the material. However, the original wording of the provision in the Copyright Act of 1982 declared that the Indonesian state would exercise the copyright in the material “with regards to foreign countries”. This led copyright experts and interested authors at the time to the conclusion that the state’s copyright in this case was restricted to foreigners,

³² Christoph Antons, “Traditional Knowledge and Intellectual Property Rights in Australia and Southeast Asia” in Christopher Heath and Anselm Kamperman Sanders (eds), *New Frontiers of Intellectual Property Law: IP and Cultural Heritage, Geographical Indications, Enforcement and Over-protection* (Oxford and Portland, Oregon: Hart Publishing, 2005), p.48.

whereas Indonesian citizens would be free to use the material.³³ If one enters one of the large arts and crafts centres in Indonesia’s capital Jakarta, one finds a huge variety of *batik* clothing from Java, paintings from Bali, embroidery from Sumatra, *ikat* weavings from islands such as Flores or Timor and masks and totemic poles from the province of West Papua. At the time of the introduction of the Copyright Act, these many different communities were apparently concerned that the copyright of the state to this material could lead to restrictions for their own traditional uses. According to the writer Ajip Rosidi, the specific wording of the folklore provision and its reference to foreign countries was introduced as a compromise between the government and critics of the draft to alleviate the concerns of local communities.³⁴ Presumably these concerns extended also to the manner in which traditional material was to be identified, royalties to be collected and how benefits were to be distributed to the producer communities.³⁵ Under the previous law, the interpretation that Indonesians were generally free to use traditional material could also be collected from an explanatory memorandum to the 1997 revision of the Copyright Act concerning *batik*, which confirmed that traditional *batik* was only protected vis-à-vis foreign countries.

If anything, the discussion about benefit distribution has intensified since the end of the Suharto government in 1998. Indonesia has since then embarked on a policy of administrative and legal decentralisation and the responsibility for many areas of tax collection and financial administration has been delegated from the central government to regional administrators.³⁶ It is interesting to note that at a time of such widespread decentralisation, the centralised administration of copyright to folkloristic expressions by the national government was reaffirmed and in fact further strengthened in the Copyright Act of 2002. Whereas the Copyright Act of 1982 stated that the Indonesian state would hold the copyright “with regards to foreign countries”, this qualification disappeared with the 2002 amendment. If one wants to speculate about the reasons for this trend, the following propositions could be put forward: first, the Indonesian Government perceives the potential for abuse and rip off of folkloristic material largely as a threat from outside and from foreigners, such as tourists and collectors of traditional art from the industrialised world. As a consequence, the explanatory memorandum to art.10(2) mentions that the provision is intended to “prevent actions by foreign parties which could damage the relevant cultural values”. Thus, a centralised approach is regarded as the most practical step to defend Indonesian culture against misuse by foreigners and to collect royalties on behalf of Indonesia from Western tourists and collectors interested in the material. Potential conflicts between various Indonesian communities or between Indonesian communities and individuals are left unregulated. The role of the state as defender of national

³³ A. Rosidi, *Undang-Undang Hak Cipta—Pandangan Seorang Awam* (Jakarta: Djambatan, 1984), pp.79–80; J.C.T. Simorangkir, *Undang-Undang Hak Cipta 1982*, (Jakarta: UHC, 1982), p.136.

³⁴ A. Rosidi, *Undang-Undang Hak Cipta—Pandangan Seorang Awam* (Jakarta: Djambatan, 1984).

³⁵ Antons, *Intellectual Property Law in Indonesia*, 2000, pp.87–88.

³⁶ On Indonesia’s decentralisation policies see Franz von Benda-Beckmann and Keeber von Benda-Beckmann, “Between Global Forces and Local Politics: Reorganisation of Village Government in Indonesia” in Christoph Antons and Volkmar Gessner (eds), *Globalisation and Resistance: Law Reform in Asia Since the Crisis* (Oxford and Portland, Oregon: Hart, 2007), pp.211–252; Mark Turner and Owen Podger with Maria Sumardjono and Wayan K. Tirthayasa, *Decentralisation in Indonesia: Redesigning the State* (Canberra: Asia Pacific Press, 2003).

culture is also to be found in art.32(1) of the Indonesian Constitution, which requires that:

“the state shall advance the national culture of Indonesia among the civilisations of the world by assuring the freedom of society to preserve and develop cultural values.”

A second reason is the still pressing need for relatively young nation states like Indonesia to consolidate the unity of the nation against separatist tendencies. In many ways it is a tragedy for young Asian nation states that they have to consolidate a still precarious national unity at a time when older nation states in Europe and North America are beginning to move towards larger regional arrangements and at a time when the forces of globalisation provide smaller nations and regions with commercial opportunities of their own.³⁷ National symbolism is important in this context and traditional cultural expressions play an important role in such national symbolism.

Thirdly, and following on from this, in Indonesia as in many other countries, local and regional cultural expressions are also used to create national culture and national identity symbols. In Indonesia, these are used in politics, but also in tourism campaigns. Of course, the state control of the expressions facilitates their use for such purposes and it may in the long run transform originally local and regional expressions into national heritage.

Interesting to note further is that Indonesia recently introduced protection for geographical indications (GIs), which allows groups of individual users and communities to register GIs related to TCEs such as handicraft. Although the acquisition of such GI protection requires the taking of many bureaucratic hurdles and approval by various government authorities,³⁸ it is not entirely clear how such individual and community rights stemming from GI protection relate to the government administered copyright scheme, if that would ever become implemented. Four products have meanwhile been registered for GI protection, including the famous Jepara furniture.³⁹ However, the different and conflicting interests mentioned above have meant that 27 years after the provision was first introduced, a necessary government regulation required in art.10(4) to implement the folklore protection and specify the details has still to be issued. In any case, it seems that the developments have finally overtaken the copyright approach to TCE in Indonesia. The government is working on a draft law to protect TK and TCE in a comprehensive manner. At the same time, other intellectual property laws such as the Copyright Act are being reviewed. The outcome may well be that the folklore protection provision will be deleted in the Copyright Act and that the subject matter will become exclusively regulated via the *sui generis* TK/TCE law.

³⁷ Antons, “Traditional Cultural Expressions and Their Significance for Development in a Digital Environment: Examples from Australia and Southeast Asia” in *Intellectual Property and Traditional Cultural Expressions in a Digital Environment*, 2008, p.289.

³⁸ Christoph Antons, “Traditional Knowledge and Approaches in the Asia-Pacific Region” in Antons (ed.), *Traditional Knowledge, Traditional Cultural Expressions and Intellectual Property Law in the Asia-Pacific Region*, 2009, pp.58–59.

³⁹ “Jepara bentuk lembaga verifikasi merek”, August 25, 2009, available on the website of the Directorate General of Intellectual Property Rights, www.dgip.go.id/ebscript/publicportal.cgi?.ucid=23&id=2407&type=2 [Accessed August 30, 2009].

Regional disputes about TCEs

Although the Indonesian version of folklore protection in the Copyright Act has remained as a theoretical option on paper only, various regional disputes over traditional songs, music and *batik* have demonstrated, how problematic the national approach to TCE occasionally can become. In view of a common Malay heritage, it is not surprising that many of these disputes have involved Indonesia's ASEAN neighbour Malaysia. In 2007, for example, the use of the folk song "Rasa sayang" for a Malaysian tourism campaign sparked a diplomatic row between the two ASEAN countries, after a member of the Indonesian Parliament urged the Government to sue the Malaysian Tourism Ministry over the use of the song, which in his view was appropriation of Indonesian heritage. He also thought that the Malaysians had appropriated other elements of the Indonesian culture related to *Batik* art and the shadow puppet theatre (*wayang*) in the past.⁴⁰ The Indonesian Tourism and Cultural Minister equally wanted to investigate how far Indonesia could claim copyright to the song. The Indonesians believe that the song originated in the Moluccan islands. The Malaysian Tourism Ministry responded on the other hand that the song was widely used throughout the Malay archipelago and was therefore heritage of the Malay islands rather than Indonesia.⁴¹ A heated debate developed on the internet, and both sides attempted to provide evidence for their claims using, among other things, films and other historical material, which was posted on YouTube.

In August 2009, a similar dispute developed over the use of a typical Balinese dance created originally for temple ceremonies as part of a tourism promotion series "Enigmatic Malaysia" on the Discovery Channel.⁴² This most recent dispute highlights the importance of traditional culture for tourism, which explains the relevance of TCEs beyond the purely regional context. Like Malaysia, Indonesia also wants to extend cultural tourism and provide opportunities for traditional artists⁴³ by using its cultural diversity and its heritage of world famous temples and monuments such as for example the Borobudur temple complex in Central Java. The Indonesian Minister for Culture and Tourism sent a letter to his Malaysian counterpart protesting the use of the Balinese dance for the series "Enigmatic Malaysia".⁴⁴ Indonesia's President Susilo Bambang Yudhoyono asked the Malaysian Government to respect the sensitivities of the Indonesian people and pointed out that this was not the first incident of this nature.⁴⁵ Both he and the Minister for Culture and Tourism thought that such cases

⁴⁰ "Malaysia Urges Indonesia to Drop Plans to Sue over Folk Song", *Jakarta Post*, October 8, 2007.

⁴¹ "Rasa Sayang Belongs to all", *The Star Online*, October 3, 2007.

⁴² "Indonesian Outrage over a Dance", *Asia Sentinel*, August 25, 2009; Stephen Fitzpatrick, "Malaysia 'Steals' Bali Dance", *The Australian*, August 26, 2009.

⁴³ "Pemberdayaan Masyarakat Seni Tradisi dalam Industri Pariwisata Budaya", available from the website of the Indonesian Ministry for Culture and Tourism, <http://www.budpar.go.id/page.php?ic=541&id=150> [Accessed August 30, 2009]. See also "Jero Wacik: Daftarkan Karya Budaya ke Hak Intelektual", *Suara Pembaruan*, October 22, 2007, available at <http://www.cabiklunik.blogspot.com/2007/10/jero-wacik-daftarkan-karya-budaya-ke.html> [Accessed August 30, 2009].

⁴⁴ "Soal Tari Pendet, Menbudpar Kirim Surat Teguran Keras ke Malaysia", August 24, 2009. <http://www.budpar.go.id/page.php?ic=511&id=5075> [Accessed August 30, 2009].

⁴⁵ "Presiden Minta Malaysia Proporsional Terkait Tari Pendet", August 25, 2009, <http://www.budpar.go.id/page.php?ic=511&id=5078> [Accessed August 30, 2009].

could in the future be referred to an Eminent Persons Group formed a few years earlier to mediate in conflicts between the two countries. The Minister also mentioned an informal bilateral agreement concluded in 2008 for similar purposes.⁴⁶ Discovery Channel removed the promotional film and issued an apology, while the Malaysian Government pointed out that the film clip was produced by a private company and not by the Malaysian Government.⁴⁷

In the wake of this latest incident, the Minister, other government officials and academics called on the Indonesians to register their cultural expressions. They pointed in this context to a Memorandum of Understanding between the Ministry of Culture and Tourism and the Ministry of Justice and Human Rights. These two departments had together created a registration facility, which since 2007 had registered approximately 600 cultural expressions within the Ministry of Culture and Tourism and approximately 2000 within the Ministry of Justice and Human Rights.⁴⁸ This is apparently meant as a preliminary defensive mechanism against claims to the material from outside of Indonesia and as preparation for intellectual property protection, once the relevant mechanisms are in place.⁴⁹ In the province of West Kalimantan, the provincial government asked in particular for the registration of TCEs of unknown authorship.⁵⁰ As mentioned above, when intellectual property protection for TCEs finally becomes established in Indonesia, it may well be via a new *sui generis* legislation rather than the Copyright Act. A Draft Law on the Protection of Traditional Knowledge and Traditional Cultural Expressions is currently in preparation. Under discussion since 2001, the draft law is expected to be finalised and submitted to the Indonesian parliament in 2010.⁵¹ The new law is expected to cover among other things copyright and patent protection for TCEs and TK and the distribution of benefits between TK/TCE providers and users of the system. According to press reports, it is envisaged at this stage that much of the financial benefits will be for regional government institutions with customary law councils (*dewan adat*) as the first reference point.⁵² If a customary law council does not exist, the benefits are supposed to flow to

⁴⁶ "RI-Malaysia Punya Perjanjian Tak Formal untuk Selesaikan Sengketa Karya Budaya", August 24, 2009, <http://www.budpar.go.id/page.php?ic=511&id=5075> [Accessed August 30, 2009].

⁴⁷ Fitzpatrick, "Malaysia 'Steals' Bali Dance", *The Australian*, August 26, 2009; "Indonesian Outrage over a Dance", *Asia Sentinel*, August 25, 2009.

⁴⁸ "Asal Tidak Diklaim, Tari Pendet Dapat Ditayangkan untuk Promosi Pariwisata", August 21, 2009, <http://www.budpar.go.id/page.php?ic=511&id=5072> [Accessed August 30, 2009]; "Menbudpar Kembali Ingatkan Agar Karya Budaya Segera Didaftarkan", August 25, 2009, <http://www.budpar.go.id/page.php?ic=511&id=5077> [Accessed August 30, 2009]; A.S. Nugroho, "Surat Malaysia diperkirakan pekan depan", *Waspada Online*, August 28, 2009, available at <http://www.waspada.co.id/index.php?view=article&catid=17%3Anasional&id=48312> [Accessed August 30, 2009].

⁴⁹ "Seniman Bali Desak Pemerintah Pertahankan Tari Pendet", August 24, 2009, available from the website of the Directorate General of Intellectual Property Rights, <http://www.dgip.go.id/ebscript/publicportal.cgi?.ucid=376&ctid=23&id=2403&type=2> [Accessed August 30, 2009].

⁵⁰ "Kalbar daftarkan HaKI local", August 28, 2009, <http://www.dgip.go.id/ebscript/publicportal.cgi?.ucid=376&ctid=23&id=2409&type=2> [Accessed August 30, 2009].

⁵¹ "Surat Malaysia diperkirakan pekan depan", *Waspada Online*, August 28, 2009, available at <http://www.waspada.co.id/index.php?view=article&catid=17%3Anasional&id=48312> [Accessed August 30, 2009].

⁵² "Hak Cipta dan Paten Budaya Diatur dalam UU Baru", *Republika Online*, December 2, 2008, <http://www.republika.co.id/print/17772> [Accessed August 30, 2009]; T.A. Ryadi, "Lindungi Pengetahuan dan Ekspresi Budaya Bangsa", *Jurnal Nasional*, December 3, 2008, available at http://www.forumbudaya.org/index.php?option=com_content&task=view&id=228&Itemid=61 [Accessed August 30, 2009].

the regional government and to the national government, if it concerns TK or TCEs used across the boundaries of various provinces.

Conclusion

In view of the high expectations when the IGC began its work in 2001, the immediate results have perhaps been somewhat disappointing. However, the Committee had to grapple with extremely complex issues discussed by stakeholders with often very diverging interests such as countries at different levels of development, national governments with an interest in furthering national development objectives and local and indigenous producers and holders of TK/TCEs seeking to obtain an equitable share of the benefits from the use of their knowledge and cultural expressions. From this perspective, much progress has been made in identifying the problems and in creating a much greater awareness of the complexities. The experience with Indonesia's unimplemented copyright provision shows that these complexities continue at the national and regional level. The shift in governance towards “bottom up” models with significant involvement of local communities is laudable, but often not easy to implement in practice. Colonial policies and many years of internal migration in post-colonial nation states often mean that boundaries of communities are difficult to draw, and customary institutions for local government, where they still exist, would have to be resurrected from a long period of decline.⁵³ The link to land so typical of customary law institutions may be broken and sometimes attempts to re-establish it can lead to significant conflicts over land and resources.⁵⁴ It will be interesting to see how the proposed Indonesian *sui generis* legislation will deal with these issues and how it will be accepted by local stakeholders with significant expectations with regards to their future benefits.

What is also becoming increasingly clear is the attractiveness of TCEs as symbols of national unity in diversity, to increase cultural tourism in local and regional settings and to participate in an emerging trade with upmarket, “modern” interpretations and adaptations of traditional cultural material. Here, the IGC's “draft gap analysis” proposal to distinguish more strongly between various TCEs depending on whether commercialisation or the safeguarding of sacred and/or secret material is intended appears as a step in the right direction. Finally, the regional disputes about TCEs show that heritage protection is a serious matter in Asia, as such heritage is still sometimes used to symbolise nation states, political legitimacy and sometimes even to define

⁵³ M. Chanock, “Branding Identity and Copyrighting Culture: Orientation towards the Customary in Traditional Knowledge Discourse” in Antons (ed.), *Traditional Knowledge, Traditional Cultural Expressions and Intellectual Property Law in the Asia-Pacific Region*, 2009, pp.177–193.

⁵⁴ For a critical study of such problems encountered during fieldwork in Indonesia's Central Sulawesi Highlands see T. Murray Li, *The Will to Improve: Governmentality, Development and the Practice of Politics* (Durham & London: Duke University Press, 2007). For a different assessment from fieldwork in West Sumatra see von Benda-Beckmann and von Benda-Beckmann, “Between Global Forces and Local Politics: Reorganisation of Village Government in Indonesia” in *Globalisation and Resistance: Law Reform in Asia Since the Crisis*, 2007, p.212 which found “highly diverse and contested processes with as yet uncertain outcomes that do not correspond with the optimistic picture associated with decentralisation policies, nor with the pessimistic expectations of the critics”.

territorial borders.⁵⁵ As more national laws for TCE protection become enacted, dispute resolution mechanisms at the bilateral and regional levels will be important, especially to deal with those TCEs that have been widely spread across various borders.

⁵⁵ UNESCO's approval of a world heritage application by Cambodia for a disputed temple complex recently led to a serious border conflict between Thailand and Cambodia, see "Thailand and Cambodia Agree to Cool Things Off", *Asia Sentinel*, October 17, 2008.

One Hundred Years of Progress: The Development of the Intellectual Property System in China

Handong Wu *

 China; Intellectual property; International trade; Legal history

As the ideal of a global economy meanders toward reality, the world is moving steadily toward a unified global system of intellectual property protection. From an international view, IPR has become a set of game rules with universal binding force. In the meantime, the systematisation and codification of IPR have also shown some indications. In the complicated international background, the construction of an IPR system in modern countries has vivid characteristics of the present time which, not only concerns the strategic policy consideration of facilitating economic and social development, but also with the rational arrangement made in pursuit of a systematisation of legal norms.

The system of intellectual property rights results from the development of modern commerce, economy and science and technology. It was during the 17th to 18th century that western, developed countries commenced to make IP legislation, which is 200 to 300 years older than that in China. Even some developing countries, such as India and Brazil, built the system of intellectual property rights 100 years earlier than China. China has experienced a history from “being forced to apply” into “being willing to apply” in terms its development of an IPR system.

A century’s history of the development of China’s IPR system can be divided into four stages as below:

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Passive acceptance

Generally speaking, China's intellectual property protection began in the late Qing Dynasty. It resulted very much from the pressure imposed by the imperialists rather than learning from the west. In 1898, the first patent law in history was enacted as a result of political reform, which is called the Statute of Encouraging Arts and Crafts; however it came to an untimely end due to the failure of "Wu Xu Reform". Hereafter, in light of the intellectual property clauses contained in the Sino-British Treaty of Commerce and Navigation of 1902 and the Sino-American Commercial Navigation Treaty of 1903, the Qing Government separately enacted the Statute of Trademark Registration in 1904 and Copyright Law of the Qing Dynasty in 1910 with the help of foreigners. The two statutes were applicable from the late Qing to the early Republic of China. The later Beiyang Government (the Northern Warlord Government) and the Kuomintang Government had instituted copyright, patent and trade mark laws, which were derived from foreign law. This passive legal transplant was quite common in developing countries. Those British colonies, such as India, all directly applied UK copyright law. India Copyright Law of 1914 originated from UK Copyright Law of 1911. At that time, it was usually very late for developing countries to build their IPR systems, which, meanwhile were strongly influenced by outside pressure. Under these circumstances, it was very difficult for developing countries to institute the needed legislation to reflect the overall goal of domestic social development.

(2) Selective arrangement

Since the founding of New China, the Central Government once enacted several administrative regulations to protect intellectual property. In a strict sense, however, IP legal system had not yet been established. Since the adoption of its reform and open-up policy, especially from the late 1970s to the early 1990s, China enhanced IP legislation, enacting the Trademark Law of the China (1982), the Patent Law of China (1984) and the Copyright Law of China (1990). A preliminary IPR system has been built, the IP legislation at this stage can be concluded as a selective arrangement. In my view, there are three reasons. First, due to the difficulty and insufficient preparation in drafting legislation, China has drafted some main intellectual property laws while failing to consider other IP laws. Secondly, in view of the current situation of domestic economy, science and technology, its IP protection level is not high. For instance, the scope of patent is quite limited; the universal international standard has not yet applied in computer software protection. Finally, due to the imbalance of international cultural exchange and short-term implementation of the Copyright Law, China did not participate in co-operation of international copyright matters.

Accordingly, it was beneficial for China to make the said selective arrangement in light of domestic development. There are many similar worldwide precedents to be followed. For example, the US enacted the US Copyright Law in 1790. For an extended period of time, the US did not offer protection to foreign works, taking the view that its culture and education lagged behind those of European countries. As a result the US strayed away from the Berne Convention for the Protection of Literary and Artistic Works (1886) for 102 years. Not until 1988 did it declare its accession to the Berne

Convention. Japan is another case. Patent Law was enacted in 1885 after the Meiji Restoration in Japan, in which the level for patent protection is basically lower. In order to facilitate domestic industries to absorb foreign technology, drugs and chemical substances are excluded from patent protection for 50 years. It shows that any country experiences a transitional stage from “selective protection” to “absolute protection”, and from “low-level protection” to “high-level protection” in terms of the history of its IPR system. In the case of low level of domestic development in economy and society, this stage characterised by low-level IPR protection is significantly essential.

(3) Modulated application

From the early 1990s to the early part of this new century, China has entered into an important stage in terms of development and perfection of its IPR system. Before acceding to WTO, China had completely modified the Copyright Law (1991, 2001), the Patent Law (1993, 2001) and the Trademark Law (1993, 2001), and had enacted the Regulations for the Protection of New Varieties of Plants (1997) and the Regulations for the Protection of Layout-design of Integrated Circuits (2001). China ultimately met the requirement of TRIPS Agreement in terms of IP protection standard and level. In a word, it took China only just over 10 years to achieve the transition of IP protection from low level to high level and from localisation to internationalisation.

The reasons therein include not only the promise that China agrees to perform duties contained in international conventions, but also the domestic need for development. Internationally, the Sino-American Memorandum of Understanding on the Protection of Intellectual Property of 1992 and the Sino-American Intellectual Property Agreement of 1995 significantly quickened the process of internationalisation in respect of intellectual property protection in China. In particular, the TRIPS Agreement promulgated by the WTO in 1994 produced a direct influence on China’s IP legislation. With the internationalization of IPR, it was impossible for China not to protect foreigners’ intellectual property for the purpose of developing its domestic economy, science, technology and culture. Meanwhile, with the increasingly intellectualization of international trade it is impossible for China to either isolate itself from the world or get rid of the pattern of developed-country-led international protection of IPR. At home, for the purpose of boosting economic development and scientific and technological advances, it is for China as a rising industrial country which had an internal need to strengthen IP protection. In terms of the arrangement, it is a necessary choice for an economically-advancing country to modulate its domestic legislation.

Legislative revision initiated during this stage was the result of system innovation. Revision of the Copyright Law in 2001 focused on expanding objects namely, reviewing practical art work and acrobatics art work in the scope of protected objects, enhancing protection of computer program, and adding the right to lease and the right to diffuse information network to the scope of protected rights. Revision of Patent Law (1993, 2001) engaged in promoting the development of science and technology and innovation, creating more favourable conditions for deepening the reform and open-up policy, intensifying protection and improving judicial and administrative enforcement. The revision also streamlined procedures for examination and granting and

maintaining the legal rights of patent holders, furthering the reform and open-up policy for China's entry to the WTO and compliance with the TRIPS Agreement while establishing a diligent, incorrupt, pragmatic and highly efficient workforce for patent examination and granting. Revision of Trademark Law (1993, 2001) focused on extending protection scope of trade mark right to service trade mark, adding registered trade mark and registrant into the application scope, and strengthening the protection of famous brands. Moreover, the Regulations for the Protection of New Varieties of Plants (1997) and the Regulations for the Protection of Layout-design of Integrated Circuits (2001) have been enacted. We can safely conclude that China's IPR legislation is designed with concern for modern scientific and technological development, and it makes greater efforts to promote the modernisation of science and technology through the modernisation of its legislation.

(4) Active decision-making

In order to intensively protect intellectual property and promote the building of the IPR system, China has separately set up the National Working Group for Intellectual Property Rights Protection in 2001 and the Leading Group for National Intellectual Property Strategy Formulation in 2005. Since then, China has entered a new phase of stratagem initiative in terms of IP system building. In January 2006, Chinese President Hu Jintao put forward the strategic object of building an innovative society in China's Science and Technology Conference. In May 2006, President Hu made remarks in the Group Study of the Political Bureau of the Central Committee of CPC:

“Strengthening the building of China's system of intellectual property right and vigorously upgrading the capacity of creation, management, protection and application regarding intellectual property are our urgent need for the purpose of enhancing independent and self-driven innovation capabilities and building an innovation-oriented country”.

His remarks reveal that China has reconsidered the role and position that the IPR system plays and strays from the viewpoint of its national strategy. Based on the development trend of international science, technology and economy, as well as the development of innovative countries, China will build and implement a national intellectual property strategy and effectively develop the IPR system for the purpose of reducing differences between China and developed countries and realising the span-centered developing mode for decision-making.

IP policy-making is done on the basis of overall national objective of building an innovation-oriented country. An innovative country refers to a country whose basic strategy is to enhance scientific and technological innovation, to enormously boost innovative capacity in science and technology and thereupon build its competitiveness advantage. At present, there are about 20 countries which are recognised worldwide as innovative countries, including the United Kingdom, Japan, Finland, Korea, etc. The common characteristics of these countries are: integrated innovation index is obviously higher than that in other countries; contribution ratio of scientific and technological advance committed to economic growth is above 70 per cent; R&D investment is above

2 per cent in domestic gross productivity; and the degree of dependence on foreign technology is below 30 per cent.¹

In order to build an innovative country and to realise the objective of long-term sustainability for development, China will have to make choices about its development mode. In the past, China participated in international specialization through labour-intensive industries, which has played an important role in accelerating economic growth and enlarging employment. However, with the escalating costs of labour and environmental resources, an increasingly acute issue concerning low valued-added products appeared. For example, China's per capita natural resource is comparatively rare: plowland resource is only one-third of the world's per capita level, freshwater resource is one-fourth, oil resource is 17 per cent, and natural air resource is 13 per cent. Relatively sufficient coal resource is only 42 per cent of world per capita level.² These data reveal that China shall never follow the path of development that consumes a considerable amount of resources. Meanwhile, in the international economic framework in which "developed countries offer technology and knowledge while developing countries provide labor and resource", western developed countries are reluctant to transfer their core technology to China due to either the consideration of benefits of keeping its own technology or prejudice on China's political ideology. China's investment in R&D is only 1.3 per cent of GDP whereas its dependence on foreign technology is above 50 per cent. Due to its lack of core technology, China's enterprises have to pay to foreign patent holders 20 per cent of the selling price for a domestically-made cell phone, 30 per cent of the selling price of a computer and 20–40 per cent of the selling price of a numerical-controlled machine tool. One of four computers in worldwide production is from Jiangsu. However, after paying technology licence charges to Intel and Microsoft, what China's enterprises earn from each computer is only equal to the price of 10 apples. The said examples reveal that it is impossible for China to follow the path of technology-dependent development; instead it should follow the path of technology-advanced and knowledge-innovated mode.

However, technological, cultural or knowledge-based innovation must depend on system innovation. China has witnessed that those countries and multinational corporations that have stronger self-driven innovation capacities all hold their own core technology and stress applying intellectual property to promote technology research, development and update for the purpose of strengthening national core competitiveness and boosting market competitiveness for enterprises. For example, the US ranks first in terms of its innovative capacity, especially in the fields of computer technology, internet technology, biotechnology, etc. With powerful support from the

¹ Based on following minimum protection standard provided in international conventions, developing countries should combine the "Phase Theory" with the "Scope Theory" in making choices with regard to the IPR system. The "Phase Theory" states that IPR protection level in one country should conform to its domestic economic and social developing levels, namely, it shouldn't lag behind or go beyond its scientific, technological and economic development in a certain phase. The "Scope Theory" states that IPR protection scope in one country should conform to its domestic economic and social development, namely, it shouldn't inappropriately reduce or expand the scope.

² See Jean-Eric Aubert, *Promoting Innovation in Developing Countries: A Conceptual Framework*, (Washington D.C.: World Bank, 2005).

IPR system, the “sunrise industries of the US”, such as electronic, software, bioengineering and internet industries, rapidly develop and expand. Meanwhile, those MNCs which have stronger technological innovative capacity always hold the representative technologies which are all centred on self-driven intellectual property, such as micromationed electronic technology in Sony, optics medium technology in Philips, CPU producing technology in Intel, etc. IBM, called Big Blue, has gained nearly 30,000 patented technologies in a few recent years. The big gap between China and developed countries mainly exists in terms of technological capacity and innovative capacity, in terms of difference in the quantity and quality of self-driven intellectual property. China has the biggest population in the world; however, the rich labour force has not been transformed into intellectual resources. China is the biggest manufacturing country in the world in which there are nearly 200 goods ranking the first in output; however, its industry preponderance is not striking. Compared to developed countries, the relative preponderance for China’s industries lies in a cheap labour force, whereas the biggest gap lies in the lack of scientific and technological strength and innovative capacity. In summary, China is short of core-technology patent, copyright and internationally famous brands. Up to 2005, only 37 per cent of applications submitted in China by Chinese citizens have been granted an invention patent. In the field of high technology, such as automobile, aeroplane, instrument, information, bioengineering, new material, etc. patents granted by China almost go solely to foreign companies, accounting for 80–90 per cent of the total granted patents.

Since the implementation of the Patent Law, although the amount of domestic brand registration has increased dramatically, there are very few internationally well-known brands owned by Chinese enterprises. Among China’s top 200 export enterprises, 80 per cent use foreign brands. In recent public appraisals of the worldwide top 100 international famous brands, none of the Chinese brands were included. At present, China is making great efforts to restructure industries, change the mode of growth, upgrade technology and reform enterprises. Under these circumstances, it has significant strategic plans to finish the transition from the mode of “imitated by China” to the mode of “made in China” and ultimately to the mode of “created by China”.

Seeing the development trend of international protection of IPR and general experience of building an IPR system of each country, I believe it is necessary to further enrich, adjust and improve China’s intellectual property policy. Thereupon, I specially put forward some proposals as follows:

- Revising and perfecting IPR legislation closely depending on China’s actual situation and practical experience. China’s current IPR legislation basically accords with actual situation and international rules; however, some imperfections still exist. At present, China should revise its Patent Law, Copyright Law, Trademark Law and Anti-Unfair Competition Law, improve the review and authorisation mechanisms for granting design patents, perfect the search and report system for utility model and clarify the standard for recognizing torts. China should issue the Anti-Monopoly Law and the Business Secret Protection Law, enact some regulations such as the Statute of Protecting Folklore in Art for the purpose of offering domestic legal protection to “expressions of folklore” art-literature and traditional knowledge. China

should make full use of related rules on intellectual property abuse and limiting competition practice in licensing trade, pay attention to prevent intellectual property abuse and build mechanism of defining, restricting and punishing intellectual property abuses.


- Establishing IP-oriented public policy system is closely dependent on the national intellectual property strategy. This strategy is a strategy for holistic, long-term and national policy development, which embodies that a country should promote and pilot self-driven innovations through the IPR system. Hereupon, a harmonised and integrated strategy shall be built based on the combination of government, enterprises, industries and society. Piloted by the national IP strategy, the IPR system shall co-operate with national science and technology policy, industry policy, cultural policy, educational policy and foreign trade policy, incorporating in particular intellectual property clauses into these related policies. In terms of industry policy, China should emphasise the restricting of reconstructing industry structure and the facilitation of the industrialisation of intellectual property. In terms of science and technology policy, China should intensify the strength of protection for inventors and promote the industrialisation of scientific and technological products. In terms of foreign trade, China should change the mode to increase foreign trade, optimise the structure of imported and exported goods, and support the export expansion for goods having independent intellectual property and an independent brand identity. In terms of cultural and educational policy, we should encourage cultural innovation and boost copyright-granted culture into the market. In terms of investment policy, China should strengthen investment on innovation fund and intensify financial support for R&D.
- Reinforcing exchange and co-operation with regard to IPR international affairs, closely depending on the latest reforms on the international IPR system. As a big country which is playing an important political role in the world, China should conduct dialogues and communications with other countries, international organisations and foreign enterprises in the field of intellectual property. At present, China should pay particular attention to playing a constructive role in the new round of TRIPS negotiation and make efforts to express concerns about benefits in the process of revising and making IPR international protection rules.

China's first concern is to strengthen legal protection on traditional resources (including traditional knowledge and inherited resources) and geographical indications. China should enhance international protection of traditional medicine, "expressions of folklore" art-literature, inherited resource, biological diversity and geographical indications in which China has an advantage and reduce the protection level for some intellectual products in which China is in an inferior position to create. The second concern is to attach importance to the benefits in maintaining the balance between developing and developed countries. In constructing an international IPR system, China should consider the phase of scientific, technological, economic and social development for developing countries, and increase technological transformation and assistance which is closely related to the benefits for developing countries.

Finally, the last concern is to promote the harmonised development of intellectual property and human rights. China should closely combine IPR international protection with human rights and try to implement the harmonised development in terms of IPR protection and human rights, such as the right to free expression, privacy, right to health and development.

The China–US Relationship on Climate Change, Intellectual Property and CCS: Requiem for a Species?

Peter Drahos*

 Carbon capture and storage; China; Climate change; Patents; Technology transfer; United States

Most states are not in a position to do anything directly to change the current path of global warming by controlling their own emission of green house gases (GHGs). Two states, however, China and the US can do a lot. China and the US are responsible for about 35 per cent of all GHG emissions, with China probably emitting a little more than the US.¹ Under business as usual scenarios, China will easily become the world's biggest emitter.²

A key issue facing both of them and therefore the world is what they will do about coal-based emissions. In 2004, coal overtook oil as the main source of global emissions.³ According to the International Energy Agency's (IEA) various scenario-building exercises, coal comes out as the biggest source of energy-related CO₂ emissions for the next couple of decades.⁴ China and the US both depend on coal. Coal accounts for 70 per cent of China's primary energy production.⁵ In the US coal accounts for 23 per cent of primary energy consumption and accounts for some 36 per cent of its fossil fuel CO₂ emission.⁶

The policy option that has emerged for dealing with coal that has wide support

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¹ Jane A. Legget, Jeffrey Logan and Anna Mackey, *China's Greenhouse Gas Emissions and Mitigation Policies*, Congressional Research Service Report for Congress, September 10, 2008, p.8.

² IEA, *World Energy Outlook 2007* (Paris: IEA, 2007), p.193.

³ IEA, *World Energy Outlook 2007*, 2007, p.193.

⁴ IEA, *World Energy Outlook 2007*, 2007, p.193.

⁵ IEA, *Cleaner Coal in China*, (Paris: IEA, 2009), p.71.

⁶ Data are from the US Energy Information Administration. See <http://www.eia.doe.gov/bookshelf/brochures/greenhouse/Chapter1.htm> [Accessed September 11, 2009].

amongst the countries responsible for the bulk of global CO₂ emissions is carbon capture and storage (CCS) technology. In 2005, the G8 countries, as part of their Gleneagles Plan of Action on Climate Change, Clean Energy and Sustainable Development, approved the Carbon Sequestration Leadership Forum (CSLF) as the place for co-operation on CCS, making it part of the G8's strategy for climate change action.⁷ The application of CCS technology to coal-fired power plants is in a research and demonstration phase. If it is developed to a commercial scale, the world faces what is almost certainly the most urgent technology transfer task in its history.

This paper analyses the transfer of CCS technology in the context of the China-US relationship. The basic message of the paper is that China and the US will have to begin the process of thinking about the climate change regime, the energy regime and the intellectual property regime in an integrated way. The last two of these regimes have in the past been the subject of power politics. This is not something the emerging climate change regime can afford. Dealing with climate change will require the highest levels of co-operation, and this means that China and the US will have to forge new institutions or adapt old ones to help achieve those levels. Amongst other things, this means banishing the ghosts of past ideological debates over intellectual property rights.

The 2°C guardrail

The intellectual property and technology transfer issues need to be placed in the context of the work of the International Panel on Climate Change (IPCC). For some time the IPCC has been describing the likely risks that accompany rises in global average temperature. In a 2001 report, a working party of the IPCC suggested that if the global average rise in temperature could be kept to no more than 2°C above the 1990 level then some of the worst risks of climate change could be avoided.⁸ This is sometimes referred to as the 2°C "guardrail". Work by others using more recent data suggests that even the 2°C carries more risks than previously thought.⁹ There has been growing political support for avoiding dangerous climate change with, for example, the G8 issuing statements to this effect.¹⁰ In response to this bout of political pledging, international organizations such as the IEA and the OECD have looked at possible reduction emission scenarios that are consistent with the 2°C guardrail.¹¹

The emissions reduction scenario of interest for present purposes is the one

⁷ See <http://www.cslforum.org> [Accessed September 11, 2009]. The CSLF has 22 countries and the European Commission as members. This group is responsible for 76 per cent of CO₂ emissions.

⁸ James J. McCarthy et al (eds), *Climate Change 2001: Impact, Adaptation and Vulnerability: Contribution of Working Group II to the Third Assessment Report of the Intergovernmental Panel on Climate Change* (Cambridge: Cambridge University Press, 2001), p.5.

⁹ See the Synthesis Report from Climate Change, Global Risks, Challenges & Decisions, Copenhagen 2009, March 10–12, 2009, p.16, available at <http://climatecongress.ku.dk/pdf/synthesisreport/> [Accessed September 11, 2009].

¹⁰ IEA, *World Energy Outlook 2007*, 2007, p.207.

¹¹ See IEA, *World Energy Outlook 2007*, 2007, p.207 and J. M. Burniaux, J. Chateau, R. Dellink, R. Duval and S. Jamet, "The Economics of Climate Change Mitigation: How to Build the Necessary Global Action in a Cost-effective Manner", OECD Economics Department Working Papers, No.701, June 2009.

presented by the IEA in its *2007 World Energy Outlook*, since it assumes that coal will continue to be used, but with the wide deployment of CCS. In this scenario, energy-related CO₂ emissions peak in 2012, and CCS accounts for 21 per cent of CO₂ reductions by 2030.¹² This scenario draws on the IPCC's 2°C target, a target that requires a CO₂ equivalent concentration in terms of parts per million to be stabilised in the range of 445–490 and CO₂ emissions to peak in 2015.¹³

Clearly, co-operation between China and the US is foundational to meeting the 2°C guardrail and in some scenarios this implies co-operation on the development and diffusion of CCS. For the time being the economic incentives for China in particular to continue using its large coal reserves for electrical power generation are massive. Worth remembering here is that in the US most urban households obtained access to electricity between 1910 and 1930, and without that access the US economy could not have grown in the way that it did.¹⁴ China is following an energy growth path that the US took not so long ago. Coal has an energy security dimension in the US. The US has the world's largest coal reserves, and in a global energy system where peak oil is much closer to reality, the US will be considering what do with them.

Co-operation on CCS

At their Strategic and Economic talks in July 2009, the US and China signed a memorandum of understanding in which, amongst other things, they resolved to co-operate on “cleaner uses of coal and carbon capture and storage”.¹⁵ Talk is cheap, and CCS is not. Capturing CO₂ is “highly energy-intensive and expensive”, ranging from US\$30 to \$90 per tonne of CO₂ and higher in some cases.¹⁶ Other estimates suggest that, depending on the type of power plant, CCS can add somewhere between 37 per cent and 76 per cent to the capital cost of a plant.¹⁷ Aside from the cost of CCS, the energy required in the capture process would mean that CCS plants would be around 14 per cent less efficient in generating electricity than non-CCS plants.¹⁸ These capital and efficiency costs become very large for China, costs that would have to be passed on to Chinese consumers. On top of this there is the R&D cost of CCS. The IEA in its review of various bilateral initiatives on clean coal technologies pointed out that “there is evidence to suggest that China will only participate in significant CCS activities if the other party provides funding to cover all direct and indirect costs in China”.¹⁹

Naturally this raises the question of who else might pay for the development of CCS. Here it is important to note that CCS does not refer to a technology, but rather to a suite of technologies around the three different stages of CCS—the capture of CO₂, its

¹² IEA, *World Energy Outlook 2007*, 2007, p.208.

¹³ See the Synthesis Report from Climate Change, Global Risks, Challenges & Decisions, Copenhagen 2009, March 10–12, 2009, p.19.

¹⁴ D. C. Mowery and Nathan Rosenberg, *Paths of Innovation: Technological Change in 20th-Century America*, (Cambridge: Cambridge University Press, 1999), p.105.

¹⁵ The text of the memorandum of understanding is available at <http://www.state.gov/r/pa/prs/ps/2009/july/126592.htm> [Accessed September 7, 2009].

¹⁶ IEA, *World Energy Outlook 2007*, 2007, p.218.

¹⁷ See “Updated CSLF Technology Roadmap”, Note by Secretariat, May 28, 2009, p.20.

¹⁸ See “Updated CSLF Technology Roadmap”, Note by Secretariat, May 28, 2009, p.19.

¹⁹ IEA, *Cleaner Coal in China*, 2009, p.263.

transport and storage. Some technological elements of CCS are well known. For example, the separation and storage of CO₂ from gas has been going on at the Sleipner gas field on the Norwegian Continental Shelf since 1996.²⁰ But there are also parts of CSS that require research of a more basic kind. The costliest part of CCS is the capture stage, and it is in this stage that new research is required if CCS-equipped power stations are to be able to compete with renewable energy sources. The CSLF in its latest technology roadmap lists four priority areas where long term exploratory R&D is required: chemical looping, post-combustion carbonate looping cycles, gas separation membranes and adsorption processes for CO₂ and ion-transport membranes for O₂ separation.²¹

On the surface the amount of activity and money around CCS looks impressive. The CSLF has recognised 20 demonstration CCS projects of which six are complete.²² However, many of these projects appear to relate to gas and/or storage, technologies that are already well known. Reducing emissions from coal-powered stations is the main game—a 400 megawatt coal-powered station releases about 400 tonnes of CO₂ per hour compared to 180 tonnes from a gas-fired plant.²³

The crucial question is how much of the global funding effort going into CCS is going into basic R&D that CCS requires if it is to play a significant role in enabling the world to keep to the 2°C guardrail. Unfortunately we do not have an answer to this question, because the funding packages being announced by governments around the world do not provide this level of detail.

However, the economics of basic research is well understood. Back in 1962 Kenneth Arrow pointed out that, because of uncertainty, appropriation and indivisibility problems, markets would tend to under-invest in research, with the risk of under-investment being greater for basic research.²⁴ Governments and universities had to undertake this kind of research. In this context it is worth looking at the FutureGen programme that was announced by the US Department of Energy in 2003. The aim of FutureGen was to build the world's first zero emissions coal-fired power plant.²⁵ About 76 per cent of the costs were to be met by the Department of Energy and the rest by a consortium of coal producers and power companies. This consortium, known as the FutureGen Industrial Alliance (Alliance), included the China Huaneng Group. Worried by cost blowouts, the Department of Energy decided not to continue its arrangement with the Alliance and moved to restructure the FutureGen program. When the US Government Accountability Office reviewed the Department of Energy's restructured proposal, it characterised the original FutureGen project as a research and development project and the re-structured program as a commercial demonstration

²⁰ See "Updated CSLF Technology Roadmap", Note by Secretariat, May 28, 2009, p.24.

²¹ See "Updated CSLF Technology Roadmap", Note by Secretariat, May 28, 2009, p.38.

²² See <http://www.cslforum.org> [Accessed September 7, 2009].

²³ See "Updated CSLF Technology Roadmap", Note by Secretariat, May 28, 2009, p.3.

²⁴ K. J. Arrow, "Economic Welfare and the Allocation of Resources for Invention" in *The Rate and Direction of Inventive Activity: Economic and Social Factors* (Princeton, NJ: Princeton University Press, 1962), p.609.

²⁵ Details of the FutureGen project are to be found in the following report: *Clean Coal: DOE's Decision to Restructure FutureGen Should Be Based on a Comprehensive Analysis of Costs, Benefits, and Risks*, (Washington, DC: US Government Accountability Office, 2009).

project.²⁶ The original programme would have served as a “living laboratory host facility” for new technologies, a feature missing from the re-structured proposal.²⁷ Importantly, the companies involved in the original FutureGen project had agreed “to forgo all rights to intellectual property and revenue sharing” because this would have enabled “the Alliance to share important findings from the project with the nation and world, which will foster rapid, widespread commercial deployment of the technology”.²⁸

The FutureGen project, which started off as a risk spreading joint venture amongst government and the coal power industry, looks, in its re-structured form, to be less promising from the point of view of basic R&D outcomes for CCS. This brings us back to the question of who will fund this basic R&D. China may be prepared to bear some of the R&D cost. Aside from its massive dependence on coal, it is one of the countries that will suffer the most from climate change.²⁹ It can therefore internalise many of the benefits of R&D on CCS. In December 2005 the GreenGen Co. was established in China, its shareholders being Chinese power and coal companies.³⁰ The objective of GreenGen Co. is to “build and operate the first IGCC [integrated gasification combined cycle] power plant in China in 2009 and coal-based, near-zero-emission GreenGen power plant in China with independent intellectual property rights.”³¹ The crucial question is how much of GreenGen’s funding will go into the long-term exploratory R&D that is needed to make large scale CCS an affordable reality. The Alliance partners in the original FutureGen project had estimated the cost of the project to be US\$1.8 billion over the life of the programme. Keeping in mind the project was not scheduled for completion until 2017, this is not a great cost given the potential gains. Nevertheless, it proved too much for the US Department of Energy.

Broader China-US co-operation on intellectual property and climate change

The history of the US–China relationship on intellectual property rights would make most optimists pessimistic about the prospect of great co-operation on intellectual property and climate change. Summarising a complex history, the US in the 1980s and 1990s used its trade enforcement tools and the fact that China was seeking membership of the World Trade Organization (WTO) to threaten Chinese trade in the US

²⁶ See *Clean Coal*, 2009, p.4.

²⁷ See *Clean Coal*, 2009, p.6.

²⁸ See Opening Remarks and Summary of Testimony, Paul Thompson, Chairman of the Board, FutureGen Alliance, Before the US Senate Appropriations Committee, Subcommittee on Energy and Water Development, May 8, 2008, available at <http://www.futuregenalliance.org> [Accessed September 11, 2009].

²⁹ See *Climate Change Mitigation: What Do We Do?*, 2008, p.26.

³⁰ The China Huaneng Group (CHNG), the China Datang Corporation, the China Huadian Corporation, the China Guodian Corporation, the China Power Investment Corporation, the Shen Hua Group, the China National Coal Group and the State Development and Investment Corporation. See <http://www.greeneng.com.cn> [Accessed September 7, 2009].

³¹ See http://www.greeneng.com.cn/en/aboutus_02.htm [Accessed September 7, 2009].

market unless China lifted its standards of intellectual property protection.³² The protection of intellectual property in China continues to be a source of tension between the two countries, following “a cycle of futility” made up of threats and counter threats.³³ Shouting at the rest of the world about the importance of US monopoly rights in the free trade system is a habit that Congress finds hard to give up. The American Clean Energy and Security Act that was passed by the House of Representatives in July 2009 links the export of US clean energy technology to the protection of US intellectual property.³⁴

China’s position on intellectual property rights in the context of the climate change negotiations is not likely to make Congress lower its voice. In a recent submission outlining its vision for long term co-operative action to fulfil the Bali Action Plan, China observed that the existing intellectual property rights system did not meet the increasing need to speed up the transfer of climate change technologies, that special arrangements, including the compulsory licensing of climate change technologies, had to be put into place in the United Nations Framework Convention on Climate Change “to curb the negative effects of monopoly powers”, and that publicly financed environmental technologies in developed countries should remain in the public domain and be available for transfer to developing countries on preferential terms.³⁵

Given the fact that the US has over the last three decades used the trade regime to institutionalise stronger intellectual property standards around the world, it is not likely to be that receptive to China’s ideas about the future of intellectual property in the context of the climate change regime. The US recession that has followed the global financial crisis will, if anything, make the US Congress keener than ever to protect the intellectual property rights of US companies. The American Clean Energy and Security Act links the growth of green jobs in the US economy to export opportunities in clean technologies for US companies in the major developing country economies.³⁶ There is evidence that the US along with the EU and Japan have patent portfolios in clean energy technologies. According to OECD patent data, Brazil, India, China and Russia together own about 6 per cent of renewable energy patents with the US (20 per cent), Japan (20 per cent) and the EU (37 per cent) owning the majority of such patents.³⁷ In the climate change context the intellectual property rights issues will likely lead to a familiar standoff in which the US will argue that the best way for developing countries to ensure the transfer of clean environmental technologies is to create and enforce stronger intellectual property rights, with China counter-arguing that the cost of clean environmental technologies protected by intellectual property rights will inhibit their diffusion in developing countries.

³² For the history see P. K. Yu, “From Pirates to Partners: Protecting Intellectual Property in China in the Twenty-First Century” (2000) 50 *Am. U. L. Rev.* 131.

³³ See P. K. Yu, “Still Dissatisfied After All These Years: Intellectual Property, Post-WTO China, And The Avoidable Cycle Of Futility”, (2005) 34 *Ga. J. Int’l & Comp. L.* 143.

³⁴ See s.441 of H.R. 2454.

³⁵ China’s Views on The Fulfillment of the Bali Action Plan and the Components of the Agreed Outcome to Be Adopted by the Conference of the Parties at its 15th Session, February 6, 2009, available at http://unfccc.int/files/kyoto_protocol/application/pdf/china060209.pdf [Accessed September 7, 2009].

³⁶ See s.441 of H.R. 2454.

³⁷ See OECD, *Compendium of Patent Statistics 2008*, (Paris: OECD, 2008), p.21.

Survival: Competition or co-operation?

There are three distinct international regimes that the US and China have to think about in an integrated way and without the luxury of all that much time to do so: the climate change regime, the energy regime and the intellectual property rights regime. On climate change the IPCC's work shows that time is becoming increasingly short. Essentially the major emitters have to peak by 2020 if there is to be a realistic chance of keeping to the 2°C guardrail. Unless China and the US both agree to take on serious mitigation targets the world will be left to negotiate a climate regime that is primarily about adaptation to dangerous climate change. The costs of this may well make the current costs of mitigation look trivial. An immediate issue facing both countries is what to do about their coal-based energy systems. The IEA's emissions reduction scenario that was discussed earlier shows that CCS has to arrive early. However, the CSLF's technology map suggests that it will not arrive till after 2020.³⁸ One important issue is whether, despite all the money being put into CCS, enough is going into the basic R&D that is required to make the delivery of zero emissions coal-fired electricity an economic and technological reality. Encouraging the development of a R&D facility along the lines of the original FutureGen project is one option.

However, given the uncertainties surrounding CCS, a better option for China and the US may be to consider the role they might play together in helping to re-shape the world's energy regime. This regime might be summed up as a negotiated monopoly regime in which the US has been the dominant actor and the IEA the most important international organization. Little creative thinking has come out of the IEA on the role of renewable energy in the world energy system. The IEA's core business remains fossil fuel and ensuring that the world has sufficient reserves of oil in place to deal with disruptions to supply.³⁹ Continuing with a regime that is tilted towards fossil fuels will increase each country's perception of the other as a competitor in the game of energy survival. The game of securing oil supplies is zero sum. The race to secure fossil fuel supplies is more likely to trigger an adversarial power politics than it is the co-operation that the world so desperately needs on energy and climate change. Instead of setting themselves up for competition over energy, China and the US should look to the development of an alternative regime in which they might do more to co-ordinate the emergence of renewable energy technologies in order to achieve their energy security goals and that would help both work towards an emission reduction scenario that is consistent with the 2°C guardrail. One possible forum in which to begin a discussion is the newly established International Renewable Energy Agency.⁴⁰ It offers both countries the possibility of a fresh start, something that is less true of old world clubs like the IEA and the OECD.

Finally, this leaves the question of what to do about the issue of intellectual property rights. As heretical as it sounds, the issue is comparatively trivial. This is especially true when compared to the IPCC's predictions about the consequences of dangerous

³⁸ See "Updated CSLF Technology Roadmap", Note by Secretariat, May 28, 2009, p.47.

³⁹ See IEA, *IEA Response System For Oil Supply Emergencies*, (Paris: IEA, 2008), available at <http://www.iea.org> [Accessed September 7, 2009].

⁴⁰ See <http://www.irena.org> [Accessed September 7, 2009].


climate change. Obviously, China and the US can turn this into a make or break issue if they so choose. The US, however, no longer has the leverage over China that it did when China was seeking membership of the WTO. In any case China has made great strides in improving its patent system. In a remarkably short space of time it has created a world class patent office that operates as an International Searching Authority under the Patent Co-operation Treaty and that has close collaborative relations with other major patent offices such as the European Patent Office and the German Patent Office. China has also made low-cost patent dispute resolution a priority, creating a system of local administrative authorities that can decide patent infringement matters.⁴¹ China for its part has to recognise that the US will never agree to a formal weakening of the intellectual property regime in the context of the climate change negotiations. Probably the best strategy here is to keep intellectual property rights out of climate change negotiations and deal with specific issues as they arise on a case by case basis. Today there exists a rich set of governance tools for dealing with intellectual property problems, tools that range from private actor licensing strategies such as those to be found in open source to conventional state-based tools such as compulsory licensing. The example of FutureGen shows that large companies can sometimes negotiate arrangements over intellectual property rights that do advance the goal of diffusion.

The choices facing China and the US are stark, and the time horizon short. They can choose to play power politics until fossil fuel is but a few dying embers drifting over lands wasted by climate change. Alternatively they can recognise that climate change is a matter of survival governance in which they must create strong regimes that will bind them together in co-operation.

⁴¹ See http://www.sipo.gov.cn/sipo_English/about/Administration/200804/t20080416_380178.html [Accessed September 7, 2009].

Intellectual Property and the Transfer of Green Technologies: An Essay on Economic Perspectives

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 Climate change; Economics; Patents; Technology transfer

In this article I hope to encourage fellow international economists to think more deeply about the role of intellectual property rights (IPR) in enhancing or discouraging the flow of needed technologies, particularly as they affect the provision of public goods. This issue has hardly been neglected in general, but its depth and breadth have yet to penetrate the thinking of most international economists. For them, technology generally flows in one direction (from rich countries in the north to lagging countries in the south), and stronger global patents, while perhaps raising incentives for R&D investment in the north, generally raise costs of copying and limit access to knowledge in the south. This view is at best a caricature and is often misleading, as I will describe.

Perhaps more fundamentally, technology transfer is generally depicted as a matter of purely private markets—mediated by IPR—when, in fact, access to knowledge and information is central to improving the provision of important public goods. Complex analytical models have raised insights about how technology is traded and learned but generally have not treated international transfers to improve education, public health and, especially, environmental protection with the same degree of attention. Yet it is precisely these issues that must be addressed deeply (and soon) in order for global policy to understand the underlying trade-offs sensibly.

Thus, in this article, I first describe briefly the standard international economics views of IPR and international technology transfer (ITT). I then provide an overview of some key issues in the area of global climate change, highlighting how little we know about trade-offs among market failures and externalities in the context of technology flows. By mentioning some major policy questions and proposed approaches, perhaps the discussion will motivate international economists and development economists to

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broaden their thinking in this area. Thus, the article ends with a call for more analytical and empirical work that can illuminate these problems. Perhaps this journal could play a role in inducing such work.

The standard views

No short article can do justice to the complexities of a deep strand of literature. My intention here is simply to summarise the main results of that literature and draw conclusions that seem widely shared among international economists. Neither is this a comprehensive literature review.¹

Patents as protectionism

International economists tend to view IPR in general, and patents in particular, as a means of supporting market power and limiting competition in global markets. In one vein, commentators have noted that as traditional trade barriers have fallen through international negotiations, their influence has been offset in some degree by strengthened patent rights.² Some theoretical models explicitly consider this trade-off, arguing that trade barriers and IPR are substitutes: as one form of protection falls, markets can be segmented by increases in the other.³ This is an intriguing proposition though it has yet to receive formal empirical support.

More widespread is the view that the essential role of patents in global trade is to diminish competition facing multinational firms, particularly in developing countries. In this conception, products arrive via imports and the only channel of technology transfer is for local firms to copy or reverse engineer them. This ability to imitate is surely restricted by strengthened patents and trade secrets laws, thereby reducing access to technology and expanding the technology gap between north and south. In the classic paper on this subject, this process reduces innovation and growth because the longer periods during which northern firms have a patent-protected monopoly permits them to shift resources from R&D to production.⁴ Others argue that the transition to more rigorous patent rights clearly favours multinational firms, the source of much innovation, and raises obstacles to innovation by firms in developing nations.⁵

There is much truth in these claims. After all, an essential point of IPR is to offer

¹ For recent reviews, see Keith E. Maskus, *Encouraging International Technology Transfer*, United Nations Conference on Trade and Development and International Centre for Trade and Sustainable Development, (2004) Issue paper no.7; and Foray, *Technology Transfer in the TRIPS Age* (Geneva: ICTSD, 2009).

² Keith E. Maskus and Jerome H. Reichman, "The Globalization of Private Knowledge Goods and the Privatization of Global Public Goods" in K. E. Maskus and J. H. Reichman (eds) *International Public Goods and Transfer of Technology under a Globalized Intellectual Property Regime* (Cambridge: Cambridge University Press, 2005).

³ L.D. Qiu and Edwin L.-C. Lai, "Protection of Trade for Innovation: the Roles of Northern and Southern Tariffs" (2004) 16 *Japan and the World Economy* 449.

⁴ Elhanan Helpman, "Innovation, Imitation and Intellectual Property Rights" (1993) 61 *Econometrica* 1241. See also Amy Jocelyn Glass and Kamal Saggi, "Intellectual Property Rights and Foreign Direct Investment" (2002) 56 *J. Int'l Econ.* 387.

⁵ Michelle Boldrin and David K. Levine, *Against Intellectual Monopoly* (Cambridge: Cambridge University Press, 2008); Yi Qian, "Do National Patent Laws Stimulate Domestic Innovation in a Global

exclusive rights to the use of new products and technologies. In turn, local imitation costs are raised through ending research exemptions, limiting reverse engineering and protecting trade secrets. Further, it is commonly argued that the United States, Japan, Korea and other now-developed economies benefited from copying global technologies, while China shows few qualms in this regard.⁶ At the same time, we should question the basis for these conclusions. Generally they depend on simplistic parameterisations of how IPR operate: in essence a factor that multiplies the cost of imitation. This is a highly stylised view and misses much that is relevant about patents in ITT.

Patents as contracts

Further, newer views have expanded the scope of this type of analysis. Thus, for example, if foreign direct investment (FDI) through multinational firms is permitted as a second channel of ITT, stronger patent rights can expand the flow of technology and innovation because it permits more efficient shift of production abroad.⁷ Moreover, if one conceives of patent reform as a means of reducing the costs of achieving successful technology transfer, even as it raises the cost of imitation, the net impact on information flows through licensing can be positive.⁸ More generally, contract enforcement in technology deals is important for purposes of sustained ITT.⁹ These ideas have found extensive empirical support in the literature, at least as regards middle-income and larger developing economies.¹⁰ There is little evidence to date that IPR have much impact of any kind on ITT to the least-developed nations.

Patents destroy access to public goods

The issues above have dominated the attention of international economists in their analyses of IPR. This is not surprising since they are the stuff of basic economics and there are data on trade and investment worth analysing. Unfortunately, they miss

Patenting Environment?" (2007) 89 *Review of Economics and Statistics* 436 which presents empirical evidence that recent patent reforms have not encouraged innovation in developing countries.

⁶ See Keith E. Maskus, "Intellectual Property Rights in the WTO Accession Package: Assessing China's Reforms," in Deepak Bhattachali, Shantong Li and William J. Martin (eds) *China and the WTO: Accession, Policy Reform and Poverty Reduction Strategies* (Oxford: Oxford University Press, 2004) and Linsu Kim, *Technology Transfer and Intellectual Property Rights: Lessons from Korea's Experience*, (Geneva: UNCTAD-ICTSD Project on IPRs and Sustainable Development, 2003).

⁷ Edwin L.-C. Lai, "International Intellectual Property Protection and the Rate of Product Innovation" (1998) 55 *J. Dev. Econ.* 133; Lei Yang and Keith Maskus, "Intellectual Property Rights, Technology Transfer and Exports in Developing Countries," (2009) 90 *J. Dev. Econ.* 232.

⁸ Ashish Arora, Andrea Fosfuri and Alfonso Gambardella, *Markets for Technology: The Economics of Innovation and Corporate Strategy* (Cambridge: MIT Press, 2001); James R. Markusen, "Contracts, Intellectual Property Rights and Multinational Investment in Developing Countries" (2001) 53 *J. Int'l Econ.* 189; Yang Guifang and Keith E. Maskus, "Intellectual Property Rights, Licensing and Innovation in an Endogenous Product Cycle Model" (2001) 53 *J. Int'l Econ.* 169.

⁹ Daron Acemoglu, Pol Antras and Elhanan Helpman, "Contracts and Technology Adoption" (2007) 97 *Am. Econ. Rev.* 916.

¹⁰ Lee G. Branstetter, Raymond Fisman and C. Fritz Foley, "Do Stronger Intellectual Property Rights Increase Technology Transfer? Evidence from U.S. Firm-Level Panel Data" (2006) 121 *Q.J. Econ.* 321.

perhaps the biggest part of the picture: how should we think about IPR in the context of encouraging dissemination and deployment of technologies that can help meet public-goods objectives? These questions have either been ignored or treated in a fairly one-sided manner. If economists generally see patents as monopolies, it is natural to think that adopting stronger laws will raise drug prices, diminish access to new medicines, and make it harder for firms in developing countries to acquire and adopt green technologies.

Again, these problems are real, but we have little evidence with which to assess them.¹¹ There are reasons to question this picture, however. First, how IPR and ITT interact in these areas is highly context-specific and broad claims are not particularly helpful. Secondly, economists have barely begun the task of analysing linkages between public-goods externalities and ITT. Finally, as noted above it is possible that transparent and enforced IPR could reduce the costs of ITT.

Transfer of green technologies

Analysis of how IPR may encourage or deter international dissemination of environmentally-sound technologies (ESTs) is still new, with a modicum of empirical papers essentially claiming that patents are not likely to mount a great barrier for various reasons.¹² However, those studies are narrow in scope and do not address fundamental questions that could benefit from serious inquiry.

An important issue is how important patents and other IPR may be in inducing R&D and innovation in new ESTs relative to other factors? It seems evident that there are two primary changes that could encourage massive investments in ESTs. First is a sustained rise in global carbon prices supported either through an internationally co-ordinated carbon-use tax or a co-operative cap-and-trade system. Secondly is a decision by the richer economies, and perhaps some middle-income countries as well, to invest significant public funds in research grants and development projects. Both of these are possible, though politically difficult. Failing such shifts patents take on extra importance as a potential investment inducement, but surveys suggest the incentive effects are not strong.¹³ In this context a reliance on IPR without significant complementary policy reforms seems insufficient to address climate change, but a well-focused study of these interactions is overdue.

Secondly, how likely is it that patents will limit access to new ESTs? Simple rhetorical claims will not answer this question. Rather, we need both analytical models of the diffusion incentives of IPR, particularly if the exclusive rights may be provided at multiple points on the chain from basic research to innovation and product

¹¹ See Shubham Chaudhuri, Pinelopi K. Goldberg and Panle Jia, "Estimating the Effects of Global Patent Protection in Pharmaceuticals: A Case Study of Quinolones in India" (2006) 96 Am. Econ. Rev. 1477, which suggests that prices of patented medicines could rise sharply in India.

¹² John H. Barton, *Intellectual Property and Access to Clean Technologies in Developing Countries: An Analysis of Solar Photovoltaic, Biofuel and Wind Technologies*, International Centre for Trade and Sustainable Development, (Geneva: ICTSD, 2007); and Copenhagen Economics A/S, *Are IPR a Barrier to the Transfer of Climate Change Technology?* (Copenhagen: Copenhagen Economics A/S, 2009).

¹³ See Wesley M. Cohen, Richard R. Nelson and John P. Walsh, *Protecting Their Intellectual Assets: Appropriability Conditions and Why U.S. Firms Patent (Or Not)*, National Bureau Of Economic Research, (2000) Working Paper no.7552.

development. There may be hundreds of patents on a new solar technology, for example. If a small subset are on basic technologies and their owners can hold up licensing to firms in developing countries, a significant competition issue would be raised. What if some of the components are patented in a technology-importing country but not others? We know relatively little about how these multiple patents interact and how the package might be optimally licensed. Nor do we understand well how effective compulsory licensing or other competition remedies might be in this milieu. Again, environmental technologies are heterogeneous, and the demand for them is context-specific. Specific case studies are important in answering such basic questions.

Another little-studied interaction of great importance is that between patents and trade policy. Developing nations are under pressure to reduce their tariffs on imported ESTs, a generally wise policy in order to promote local diffusion. At the same time, they are bound by WTO rules to patent most new technologies. It is conceivable that trade barriers might have encouraged local competition through imitation under weak patents, while the joint effect of lower tariffs and tighter IPR could be a double penalty on that activity. In this context we have little information about IPR and technology diffusion in the least-developed countries, where specific technologies may be most effective in reducing emissions. It seems likely that globally co-ordinated public funds to subsidise both R&D into development of specific technologies and their transfer and adaptation in poor nations will be a key element of climate change policy.

A final element, among numerous others, to mention is the political economy of IPR in combating climate change. Many developing economies, led by China and India, argue that they must be compensated for the cost of reducing emissions. One form of compensation might be significant limitations on the scope of patents in particular ESTs, perhaps through the use of compulsory licenses. For their part, governments in the richer countries where these technologies are most readily developed are loathe to permit surrender of such rights. This debate transpires in an environment of considerable misinformation and rhetoric. More detailed analysis of the costs and benefits of specific IPR reforms in relation to formal subsidy programmes would be of considerable benefit to policymakers.

“I Wouldn’t Want to Be Starting from Here”, or Why Isn’t Intellectual Property Research Better Than It Is?

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 Intellectual property; Legal research

An old joke features a traveller, lost in rural Ireland, who asks a local villager how he can get to Tipperary. “Well”, muses the villager after a couple of moments deep in thought, “if I were going to Tipperary I wouldn’t want to be starting from here”.¹ Like many jokes, the humour masks, or renders more palatable, a deeper truth. In this case the deeper truth is the answer to the question: “where should a researcher in intellectual property start the quest that reaches its desired destination, and which should be his chosen route?”

I have many reasons for writing this piece. As a former full-time academic researcher I struggled to render my intellectual product consistent both with objective and identifiable matter such as official statistics, enacted laws and published judicial decisions, as well as with my own intuitions and preferences—both conscious and those which went unrecognised—as to how the research should conclude. As a Director of Research with the Intellectual Property Institute, I find myself seeking to balance purity of research with issues such as the real-world feasibility of theoretical recommendations and the stated or implicit preference of funding bodies that the research should lead towards a specific conclusion. Finally, having edited journals in the field of intellectual property for over two decades, I have encountered both extremes: on the one hand, work that is exquisite in both its conception and in its

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¹ Variants of this joke substitute different destinations and indeed countries. The joke may be said to be an example of traditional folklore that is unbounded by national or tribal restrictions, which itself raises interesting questions regarding its legal status.

execution and, on the other, work which is conceptually vacuous, sloppy in its execution and irremediably flawed.

This article does not set out a sort of Ten Commandments, immutable and to be disobeyed only at the researcher's risk. Nor does it seek to provide an exhaustive check-list of points that, once accommodated by the researcher, assures a smooth progression along the path to academic fame and legal celebrity. It merely seeks, by drawing the reader's attention to some of the less attractive aspects of IP research, to provide a means by which those aspects might be better avoided. The Department for Quantitative Assessment of Motes and Beams² will note that I too have transgressed some of these guidelines, but I hope that the reader will forgive the sins of my youth. Better still, I hope that the bright, creative researchers to whom this article is addressed will add further guidance to the small sample of points made below.

"Simon says"

A popular party game for children, "Simon says"³ requires an interlocutor to stand facing a group of children and instruct them to perform a series of physical acts, each instruction being prefaced by the words "Simon says" (e.g. "Simon says 'clap your hands'", "Simon says 'pat your head'"). The players must perform only instructions that are so prefaced. Any child who executes an action that is not so prefaced eliminated from the game at that point, taking no further part in it.

The IP researcher's modern version is more subtle. Depending on the subject and the researcher it might be called "Laddie says", "Lessig says", "Schechter says" and even "Phillips says". The art is to secure an appealing quote and to deploy it in one's own text, a portentous parable of a truth that is unchallenged because of its impeccable authority. The problem is that it may have been taken out of context and that the venerable authority whose name was invoked might, if asked, have disagreed entirely with the point that the writer is making or at least have wished to qualify his support for it. For example, Jacob L.J. said in 2008:

"Most pharmaceuticals cost very little to make. All you need per dose is a very small amount (typically, say, 10 mg) of a chemical itself fairly easy to make. A kilogram of active material will be enough for 100,000 doses. Putting it in picturesque terms: drugs cost tuppence a bucket and a bucket is enough for a nation. So the selling price of a patented medicine is way, way, above its manufacturing cost."⁴

² "And why beholdest thou the mote that is in thy brother's eye, but considerest not the beam that is in thine own eye? Or how wilt thou say to thy brother, Let me pull out the mote out of thine eye; and, behold, a beam is in thine own eye? Thou hypocrite, first cast out the beam out of thine own eye; and then shalt thou see clearly to cast out the mote out of thy brother's eye" (Matthew 7:3-5). This footnote typifies the sort of cultural allusion which is deployed as a means of making the reader feel educationally inferior to the writer.

³ The game is known by many other names, particularly in non-Anglophone jurisdictions: see http://en.wikipedia.org/wiki/Simon_says [Accessed August 24, 2009].

⁴ "Patents and Pharmaceuticals", a Paper given on November 29, 2008 at the Presentation of the Directorate-General of Competition's Preliminary Report of the Pharma-sector inquiry, available at <http://ipkitten.blogspot.com/2008/12/that-pied-piper-speech-full-text-now.html> [Accessed August 24, 2009].

This quote comes from one of the finest pieces of rhetoric in support of strong patent protection for medicines to be delivered in recent years, but it would take little effort to tuck it, together with a correct attribution, into an anti-pharma-patent diatribe and create the impression that the speaker was railing against disproportionate protectionism for pharma fat-cats.

In our game the reader who, when faced with the phenomenon of the authoritative power-quote, accepts it at face value and assumes a meeting of minds between the writer and the cited source is "out". But that is the sad fate of most of us since life is short, footnoted citations are long and the appreciation of the context of a disembodied quote is a luxury which cruel time rarely permits the reader.

"It must be true because I read it!"

Earlier this year, when peer-reviewing an article for a journal of good repute, I came across a statement by its author that the duration of the patent term was 20 years. This statement, an important premise upon which much of his thesis was based, was not qualified (i) by jurisdiction; (ii) by reference to the renewal procedures in many jurisdictions which result in the majority of patents having lapsed within 10–12 years of their date of application; or (iii) by reference to any commercial or industrial sector—which is also significant since innovations and the patents that support them become speedily obsolete in some fields but less so in others.

I drew the attention of the editor of the journal to this deficiency. He properly forwarded it to the author, who responded with anger that it was "common knowledge" that patents lasted for 20 years, furnishing me with a list of authors who had stated that this was indeed the case, together with the books or articles in which they had said so. At least I had the comfort of knowing that the author was an attentive reader who kept a record of what he had learned and from whom, but I wonder what he would have made of the imperfect real world in which patent term so frequently fails to match the term prescribed by these wise and influential experts.

"It must be true because I wrote it!"

In the determination of legal disputes, the need to achieve justice must be balanced against the values of certainty and predictability of the legal system. Accordingly, as common law systems so well reflect in their operation of the doctrine of precedent, an erroneous decision of a court remains binding on lower courts until it has been rectified by a higher court.

This same need does not exist in the realms of academic research and scholarly writing, where the quest to identify, analyse and explain the truth is a higher value. No principle of estoppel operates so as to bar the researcher from adopting, as a result of further research, a position that differs from an earlier one which was based on prima facie assumptions, smaller statistical bases or the absence of subsequently-available empirical data.

When faced with challenges to the results of one's earlier published research, no-one likes to say "I was wrong", but those of us whose research is infallibly correct are only a little less abundant than the unicorn, and a good deal less easy to spot. It is better to

bury one's errors and move on to the truth than to fight a pointless battle to defend the indefensible. The recognition of one's own error is not a confession of one's lack of ability but a demonstration of one's willingness to rise to a higher level of academic integrity.

“If it's original, then it must be research”

In the late 1990s I was invited to act as an external examiner of a number of doctoral theses, some of which were on a subject described as “Intellectual Property and the Internet”. I read three such theses in all. Each was handsomely presented; the law was accurately explained and referenced; the application of existing legal principles to the then relatively unfamiliar territory of cyberspace was for the most part clear and accurate. To each thesis was appended a note that it was the author's original work, which I had no reason to doubt. What then could be missing?

Each thesis was similarly structured, since the same methodology had been employed. First, there was a chapter that explained what intellectual property was, and which rights governed it. This was followed by a chapter that explained what the internet was. There then followed, in inevitable procession, chapters entitled “The Internet and Authors' rights”, “The Internet and Trade Marks”, “The Internet and Patents” and so on. In some cases the chapters dealt with how the respective rights protected parts of the internet, while in others they explained how the use of the internet might in certain circumstances infringe them. The end was marked by the presence of a chapter called “Conclusion”, which confirmed that intellectual property rights applied in respect of the internet. There was however no thread to bind the disparate central chapters together. The author candidates had offered no thesis within the thesis; they tested no proposition; they constructed no conceptual edifice from their intellectual toil.

This conceptual deficit leads one to ask whether the correct application of existing law to known facts is properly termed “research”. In one sense it can lead to a result that is original. If no-one has previously added A to B, the conclusion that its value is A + B is new, and if this procedure has not been copied from a third party it is original in the sense of copyright law. Does “research” however imply more than this and, if so, what? I do not propose even to begin to answer this question, but do express the hope that those engaging in research will at least ask themselves, before they dig the foundations of their own intellectual property investigation, whether they are likely to reach any original or useful conclusions that add anything to the sum of human knowledge and understanding.

“The do-it-yourself school of comparative study”

Comparisons are odious, runs the proverb.⁵ This is probably the sentiment of many writers in the field of IP who purport to produce comparative studies but do not. The purpose of comparison is well known to intellectual property, since it is the basis for

⁵ “Odyous of olde been comparisonis, And of comparisonis engendyrd is haterede”: John Lydgate,

example on which the disclosure in a patent application is contrasted with the prior art, the similarity of an alleged infringing sign is measured against an earlier trade mark, or on which an inference of copying can be drawn between an earlier and a later author's work. The secret of comparison is that one compares, identifying those elements which are identical, those which are similar or equivalent and those which are found in one subject of comparison but not the other(s).

This is not a harsh and demanding standard of definition for a comparison, but it is one against which published pieces on comparative IP law fail to measure up. The applicable law in two or more jurisdictions is described but the descriptions are not directed from one to another. The result is an article or book which is more akin to an IKEA product than anything else: you read the chapters and you assemble the comparisons yourself.

Who is to blame for this? I suspect that the fault may be laid at the feet of some legal publishers over the years who have termed a book "comparative" in their promotional materials, not out of any wish to mislead prospective purchasers or to dilute the concept of comparative study, but more from reliance on the assumption of writers of advertising copy and jacket-blurbs that the use of this term was an appropriately dignified mode of description for content which addressed the law of two or more jurisdictions on the same area of application. Since the words "international and comparative" are so frequently used together,⁶ a sort of intellectual osmosis may have led to the meaning of the one spreading through to the other. They remain, however, distinct.

"Researchers have feelings too"

For those of us who perform research in order to analyse and to explain, rather than to influence and to effect change, the Holy Grail is a piece of academic research which is written up in such objective and detached terms that the research stands as a monument to its methodology and its subject matter.

In the natural sciences this is easier to achieve. The research of an entomologist studying the life-cycle of the fruitlet mining tortrix (a small British moth which dines on cherries), for example, does not normally reflect issues of personal bias or belief. He can describe the conditions under which the eggs of that particular insect are laid, mature into larvae and feed off their host fruit with relative detachment. Socialist or conservative, free-market or controlled economy, Lockean or Marxist—these positions,

Debate between the Horse, Goose, and Sheep, circa 1440. This footnote is an example of gratuitous historical scholarship, discussed below.

⁶ A search for the phrase "international and comparative", conducted on the Google search engine on August 24, 2009, attracted some 505,000 "hits". This score rates only a little lower than "Laurel and Hardy" (566,000 "hits") but many times higher than "mote and beam", for which the same search engine could muster only 2,780 "hits". Apparently significant but in reality useless data such as this is frequently found in published IP research. My favourite example, in an article on the collective enforcement of copyright in 2009, was a little table containing data concerning membership figures for the Performing Right Society in the late 1950s and again in 1983. The researcher is encouraged to avoid footnotes such as these, which ramble from subject to subject and risk distracting the reader from the substance of the research.

however passionately held by the researcher, are unlikely ever to be reflected in his writings.

How different things are within intellectual property. Whether we are lawyers, philosophers, sociologists, economists, social anthropologists, ethnologists, linguistic philologists or whatever, we are apt to come to our subject of research with a set of values which can be identified and applied but which cannot, by virtue of their status as values, be objectively validated and given a specific weighting relative to other values. Visible concepts such as "justice" (which may be individual or collective), "certainty", "freedom of speech/use", "personality", "privacy", "efficacy", "public interest", "incentive" and "competitiveness" are among the best-known of the uncertain building blocks with which we construct our analytical edifices; others, concealed, can only with the greatest difficulty be spotted and neutralised: for example sympathy towards the disadvantaged competitor or consumer, a preference for dividing the pie either in advance of its being baked or only once it has emerged from the oven, or a desire to provide a wider distribution of assets or opportunities than that which the law and the market currently permit.

If it is impossible to eliminate values from our intellectual processes as IP researchers, is it possible to flag them clearly so that the reader, having been advised of them, can make the necessary adjustments to his mental processes? That way, when a researcher employs terms like "just", "fair" or the hopelessly abused "(un)reasonable", readers will more easily know where he stands and what weight they in turn may place upon the writer's judgment.

"To every cow its calf, to every researcher his historical irrelevance"

There is no such thing as intellectual property subject matter that stands free and exists independently of the world in which it has its effects. Plato's theory of forms predicated the existence of an ideal chair, for example, of which all chairs that exist in the real world are but representative samples. The protection of the shape, function or trade reputation that vests in any specific chair, in contrast, is only accorded to it by virtue of its presence in the real world, a world in which it may be copied, improved upon, mass-produced or even occupied. This much is obvious, but its significance may not be.

If a person conducting intellectual property research were to write about, for example, the protection of chairs, we would not normally expect him to furnish the reader with a lengthy history of chairs, references to their form and function in Biblical times and under the early Chinese dynasties, or how they came to spread from the Old World to the New. When it comes to intellectual property writing, however, the reader is frequently treated to an historical account that, even if accurate, is generally irrelevant and unhelpful. An example with which the intellectual property community may be familiar is the prefacing of articles on patent law with a learned note on how the Venetians first enacted patent legislation in 1471. I recently edited a piece on the potential for a European or American model for the protection of databases to be transplanted into an information-rich jurisdiction in the Asia-Pacific and which opened with solemn homage to the birth in England of statutory copyright for books some 300 years earlier.

Every piece of research has to start somewhere, but if the prefacing of the writing up of one's own research with a nod to historical antecedents can be made more relevant to the research itself, it may achieve the aim of empowering the reader to place the research within its legal or economic context. There is scarcely any evidence that the Venetians knew about their patent legislation and little to suggest that it influenced any legislative or commercial developments elsewhere, which means that there is almost always a disjunction between the gratuitous historical reference and whatever follows it. The same is true of evidence of Chinese pottery marks and another occasional favourite of copyright researchers, the *faux*-copyright episode of Saint Columba and Abbott Finian's psalter which culminates with the famously *faux*-copyright utterance: "To every cow its calf, to every book its copy".

What these references do, while not enriching the reader's understanding and appreciation of the research which follows them, is to clothe modern scholarship (and thus the modern scholar) in the garb of an ancient past in which knowledge was a scarce commodity and the means of acquiring it even scarcer. Saint Columba died in 597AD. However, among the confraternity of copyright scholars for whom life after death and even resurrection are not merely items of faith but legislative reality, the interment of this story does not appear overdue.

"Disclaimer guaranteed with every proposition"

The capacity of the human mind to perform and write up research is almost unlimited whereas academic institutions, scholarly publishers and other inconvenient real-world factors hedge the output of the productive brain at almost every point. Lack of money to perfect a project, a dearth of available data, the straitjacket of the arbitrary word limit, temporal deadlines—all these things curtail either the research itself or the manner of its communication to the intended audience.

The canny IP researcher will be quick to turn these disadvantages to his benefit and to that of his readers, once he realises that the best way to handle them is to draw them instantly to the attention of his readers in the form of disclaimers. If survey data, for example, is based on a small and unrepresentative sample, it is preferable to show that you recognise this by identifying a need for further data rather than by extrapolating global principles from a handful of individual instances. If the data is elderly, point to the need to collect it afresh rather than, for example, explain the role played by copyright in the internet age by reference to its manner of use just a few short years earlier, when paper ruled and the web was the domain of flies and spiders. If discussing the use of patents in dispute settlement, remember to say that your findings are only based on the visible data of reported litigation—unless you have access to data relating to patent disputes which settle before resort to court.

A disclaimer limits the reader's expectations as to what the researcher can deliver and therefore enables the research to be judged for what it is, not for what in an ideal world the researcher (or his readers) would have liked it to be. It also signals points at which others, through their research, can build on what is already there and see clearly the point at which it attaches to the prior research product. An example of a disclaimer can be found in the third paragraph of this article.

“Where less means more”

The act of research and its subsequent consumption by colleagues and critics might be thought to be complementary, which in an intellectual sense they are. However, in an emotional sense they are not.

The performance of research is an act of creation which is in some ways akin to giving birth. The research product takes one's name and is a monument to one's labours. Just as conception leads to the formation of a foetus which, following a lengthy period of growth and maturation, ultimately sees the light of day, so too does most IP research begin as a private, intimate moment in which a project, fertilised by research funding and nourished by institutional support, emerges fully-formed and glorious to take its rightful place in the sun.

The publication of research is, in a small way, the researcher's guarantee that he will be remembered by subsequent generations, that he will have forged a small link in the chain of human knowledge and understanding that stretches from the dawn of being, through to the launch of the *The WIPO Journal* and even beyond. For this reason the researcher likes his findings to cast a giant shadow. He writes at length and turns his sentences from active to passive in the hope of detaining his reader for that little bit more time.

How very different is the interest of the consumer. While no doubt mindful of the value of the research as a link in the great chain of human knowledge, he has no wish to tarry longer than he need do, in order to extract the essence from it and move on to the next item on his own agenda. He is like the bee which, sucking the nectar from the flower, leaves the rest of the plant behind. For him, the ideal research product is short, clearly-written, user-friendly and portable.

It follows from this that the best strategy for the researcher is to write up his work in such a manner as to leave his reader well-informed, intellectually stimulated and, if possible, thirsting for more. That way, the reader will be better able to cite the work and accord it its rightful place in that great chain of scholarship to which we all aspire.

“All good things must come to an end”

Sometimes the write up gives a clue as to the evolution of a writer's thoughts, since the content of the research conclusions has changed focus or direction from the objective of the research as initially commissioned or stated. For a person who has toiled in a research project for many years, and whose mind has been open to those surprises that come to all good researchers, the position reached at the end of that project represents a theory formed, a hypothesis tested, a myth debunked, a statistical basis furnished for a greater understanding of market conditions, or suchlike.

It is at this point that the oft-made analogy between the IP researcher (or indeed any researcher) and the marathon runner breaks down. The runner, having reached the finishing line, can refresh his aching limbs, rehydrate his parched body and glory in his achievement. He does not however need to go back to the starting line to see where he started from. Not so for the IP researcher: he must wind his way back, to measure his findings and his conclusions against what it was his stated intention to do. If there is no clear congruence between the two, the reader is entitled to ask what happened.

Did the methodology change midstream? Did considerations of available funding, pressure of time or even the composition of a multidisciplinary team require a shift? To put it another way, was he planning to go to Tipperary—and did he get there?⁷

⁷ Readers who are inattentive or who have short memories are referred to the first paragraph of this article.