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## **CHAPTER 3: Intellectual Property Protection in International Trade: The TRIPS Agreement**

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### 3.1 Introduction

Uruguay Round, the largest trade negotiation round which led to the establishment of WTO involved discussions on broadening the concept of trade. It was then deliberated amongst the Members to extend the definition of Trade to include Intellectual Property among many other things which were incorporated. The insertion of TRIPS Agreement introduced substantive and comprehensive disciplines on intellectual property rights into the multilateral trading system.<sup>141</sup> Being a part of WTO Agreements, it mandated all the Members to comply to its requirements, however, significant changes have been experienced in the developing countries<sup>142</sup>. The TRIPS Agreement has set up legal framework for the Member Nations, that they are required to follow in order to provide protection to Intellectual Property. The adoption of TRIPS Agreement within the WTO framework has led to setting of similar IP laws has eventually alleviated protection across borders. The TRIPS Agreement thus has emerged as the most comprehensive and far-reaching international treaty on IP to date, covering as it did a wide sweep of substantive subject matter, as well as the administration and enforcement of IP, and the settlement of disputes between trading partners over IP.<sup>143</sup>

The thrust of the Agreement can be gathered from the Preamble itself that creates three pillars upon which the TRIPS Agreement is based on, first is the intention of the Members to use the TRIPS Agreement to reduce distortions and impediments to international trade; second, promotion of effective and adequate protection for intellectual property rights and third, the intention that the regulation of IPRs should further be regulated in such a manner that the IPRs themselves do not form barriers to international trade.<sup>144</sup> Further, the Agreement provides minimum standards for all types of intellectual property and also provides a mechanism to ensure enforcement of IP Rights amongst the Member Nations. An analysis of the TRIPS Agreement is provided in this chapter, reflecting the basic principles of the Agreement, the substantive minimum standards relating to Patents, Trademarks and Designs and other important provisions.

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<sup>141</sup> The Making of the Trips Agreement : Personal Insights from the Uruguay Round Negotiations edited by Jayashree Watal and Antony Taubman, WTO, 2015, *available at* [https://www.wto.org/english/res\\_e/booksp\\_e/trips\\_agree\\_e/history\\_of\\_trips\\_nego\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/trips_agree_e/history_of_trips_nego_e.pdf) (last visited on February 2 2020)

<sup>142</sup>Ibid

<sup>143</sup> The Making of the Trips Agreement : Personal Insights from the Uruguay Round Negotiations edited by Jayashree Watal and Antony Taubman, WTO, 2015, *available at* [https://www.wto.org/english/res\\_e/booksp\\_e/trips\\_agree\\_e/history\\_of\\_trips\\_nego\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/trips_agree_e/history_of_trips_nego_e.pdf) (last visited on February 2 2020)

<sup>144</sup>Andrew Law, "*An Analysis of the TRIPS Agreement*" *available at* <https://www.jstor.org/stable/j.ctv941vg7.7> (last visited on February 2 2020)

### 3.2 Nature and Scope of Obligations under TRIPS

The Agreement provides in its initial provisions the foundational principles on which the entire idea of TRIPS Agreement is based upon. Since the basic aim of the Agreement is to bring uniformity of laws amongst Member Nations as far as possible, Article 1 elaborates that greater protection than is provided in the Agreement may be enforced in the domestic laws of the Members so long as it does not contradict the terms of Agreement. It provides a liberty on the part of the Members to in determining the method of implementing the provisions within their own legal system, custom and practice.

Before the TRIPS Agreement, there already existed a number of IPR Treaties of which some were taken care by WIPO too. However, the principles of some of the foundational treaties on IPR were adhered while preparing the Agreement. These were Paris Convention (1967), Berne Convention (1971), Rome Convention (1961) and Treaty on Intellectual Property in Respect of Integrated Circuits (1989). The Paris and Berne Conventions were the first amongst the IPR treaties mainly negotiated to ensure protection beyond the boundaries and led to bring economic integration. The treaties were amended over a period of time to meet the changing needs, still are considered to be the cornerstone in regulation international IP trade. The TRIPS Agreement to an extent can be considered to be an addition to these treaties as it both reaffirmed the multilateral law of IP and fundamentally restructured its base.<sup>145</sup>

It is ordained that Members shall accord the treatment provided for in this Agreement to the nationals of other Members. The criteria for understanding the terms ‘natural or legal persons’ is kept same as it is provided in the aforementioned treaties for considering protection to respective IPRs.<sup>146</sup> Further, the Agreement specifically mentions that nothing in Parts I to IV of this Agreement shall derogate from existing obligations that Members may have to each other under the aforementioned Conventions. This is to ensure that the Agreement does not come in contradiction with any of the earlier IPR treaties on industrial property, copyrights, performers and broadcasting organisation’s rights and for the integrated circuits. Article 2 of the Agreement obligates the Members to comply with Articles 1 through 12 and Article 19 of the Paris Convention with respect to Parts II, III and IV of this Agreement.

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<sup>145</sup> The Making of the Trips Agreement : Personal Insights from the Uruguay Round Negotiations edited by Jayashree Watal and Antony Taubman, WTO, 2015, *available at* [https://www.wto.org/english/res\\_e/booksp\\_e/trips\\_agree\\_e/history\\_of\\_trips\\_nego\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/trips_agree_e/history_of_trips_nego_e.pdf) (last visited on February 2 2020)

<sup>146</sup> Introduction to TRIPS Agreement Module I , *available at* [https://www.wto.org/english/tratop\\_e/trips\\_e/ta\\_docs\\_e/modules1\\_e.pdf](https://www.wto.org/english/tratop_e/trips_e/ta_docs_e/modules1_e.pdf) (last visited on February 2 2020)

### 3.3 The Essence of the Agreement

The expansion of the concept of International Trade with the inclusion of TRIPS within the WTO framework was done with a specific objective to reduce distortions and impediments faced in international trade. The participants of Uruguay Round had recognized the need for a multilateral framework of principles, rules and disciplines dealing with international trade in counterfeit goods. The understanding that different national regimes have their own mechanisms for protection and enforcement of IPRs, it was needed to bring down standards concerning IPR so that effectively they can be implemented within the jurisdiction of domestic framework. Not only this, the existing trade barriers, the needs of the least-developed nations and the trade practices amongst developed nations to the detriment of other economies was also taken into consideration while negotiating the TRIPS Agreement. In no way, the Members aimed that the Agreement be a barrier to the protection and enforcement of IPRs across the world. Articles 7 and 8 of the Agreement echoes the intention that the negotiating parties had in their mind and spells out the principles that balances public interest vis-à-vis private interests. The objective of the Agreement as specified in Article 7 of the Treaty reflects more so for a balanced development of IPR laws across boundaries and to ensure transfer of technology. It states the intended goal of the TRIPS agreement in respect to the promotion of innovation and the transfer of technology.<sup>147</sup> It reads as: “The protection and enforcement of IPRs should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.”

It is said, “*The TRIPS Agreement is however neither a health nor development aid treaty, it is a treaty set to facilitate the protection and enforcement of IPRs. This is the key objective of the TRIPS agreement and is the founding component of Article 7. The scope of Article 7 is however qualified. The qualification requires that the protection and enforcement of IPRs ‘should’ increase, or at least facilitate the increase, of technological innovation and the transfer and dissemination of technology.*”<sup>148</sup>

Further, the preamble is also characterised by object-driven terminology; ‘desiring’, ‘recognising’ and ‘emphasising’ are words used to reflect the goal the negotiating parties had

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<sup>147</sup>Andrew Law, “*An Analysis of the TRIPS Agreement*” available at <https://www.jstor.org/stable/j.ctv941vg7.7> (last visited on February 2 2020)

<sup>148</sup>*Ibid*

upon conclusion of the TRIPS Agreement.<sup>149</sup> Article 8 on the other hand sets out the fixed policy or moral rule upon which Member States are to implement the TRIPS obligations.<sup>150</sup> Since IP Rights are private rights and may hinder the public goals, it solicits the Members to adopt measures necessary to protect public health and nutrition, and to promote the public interest in sectors of vital importance to their socio-economic and technological development, provided that such measures are consistent with the provisions of this Agreement while formulating or amending IP laws.<sup>151</sup> It further sets down that Members can take appropriate measures to prevent the abuse of IPRs by right holders or the resort to practices which unreasonably restrain trade or adversely affect the international transfer of technology. However, any of such measures should be consistent with the provisions and policy of the Agreement.

Together, the Preamble, Article 7, and Article 8 present the general goals, objectives, and principles of the Agreement which should be taken into account when interpreting the Agreement's specific rules, as recognized by dispute resolution panels within the World Trade Organization. Additionally, the 2001 Doha Declaration on the TRIPS Agreement and Public Health emphasizes that all provisions of the Agreement should be understood in the context of its overall objectives and principles.

### **3.4 National Treatment and Most-favoured Nation Treatment Rule**

Before the Paris and Berne Conventions were negotiated, the National Treatment Principle was included in bilateral friendship and commerce agreements in the 19th century. The MFN treatment principle was present in trade agreements during the 18th century.<sup>152</sup> These two principles served as the basis for liberal market access by prohibiting discrimination against imports and investments from countries that benefit from them. In the intellectual property context, these principles promote market access for foreigners by ensuring that their legal interests receive protection at least equal to those of the host country's nationals.<sup>153</sup> The

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<sup>149</sup> Andrew Law, "*An Analysis of the TRIPS Agreement*" available at <https://www.jstor.org/stable/j.ctv941vg7.7> (last visited on February 2 2020)

<sup>150</sup> *Ibid*

<sup>151</sup> WTO, GATT and Goods Council, available at [https://www.wto.org/english/tratop\\_e/gatt\\_e/gatt\\_e.htm](https://www.wto.org/english/tratop_e/gatt_e/gatt_e.htm) (last visited on December 12, 2019)

<sup>152</sup> Treaty of Amity and Commerce Between The United States and France; February 6, 1778, at arts. 3 & 4. See also Convention to Regulate Commerce between the United States and Great Britain (1815), at Article 2; available at [https://avalon.law.yale.edu/18th\\_century/fr1788-1.asp](https://avalon.law.yale.edu/18th_century/fr1788-1.asp) (last visited on February 2 2020)

<sup>153</sup> The Making of the Trips Agreement : Personal Insights from the Uruguay Round Negotiations edited by Jayashree Watal and Antony Taubman, WTO, 2015, available at [https://www.wto.org/english/res\\_e/booksp\\_e/trips\\_agree\\_e/history\\_of\\_trips\\_nego\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/trips_agree_e/history_of_trips_nego_e.pdf) (last visited on February 2 2020)

principles also aim to guarantee an equal level of protection among trade and investment partners.<sup>154</sup> The principles of National Treatment and "unconditional" MFN do not demand that similar rights or benefits be given in return for non-discriminatory treatment<sup>155</sup>. Nonetheless, it is feasible to bestow national treatment with some limitations and to impose terms on MFN treatment, which means a country may decide to extend equal treatment to all its trading partners, only if they accept to reciprocate the concessions provided by that country. If equivalent or reciprocal treatment is not received, a privilege may be withheld. Some provisions in the WIPO Conventions allow differential treatment of foreign entities based on "material reciprocity"<sup>156</sup>. It is worth noting that the GATT 1947 and WTO trade negotiations are based on reciprocity, while the outcomes of those negotiations are regulated by agreements that operate on the principles of non-discrimination.<sup>157</sup>

Article 3 of TRIPS stipulates that WTO members must give equal treatment to foreign nationals in protecting IPRs, compared to domestic nationals, except for certain exceptions outlined in international conventions. The term 'protection' in this context covers various aspects of IP rights, including availability, acquisition, scope, maintenance, and enforcement, as well as specific issues addressed in the TRIPS Agreement. In summary, the national treatment principle mandates that WTO Members must give equal treatment to nationals of other Members with regards to protecting intellectual property. The principle differs from the national treatment principle as applied in GATT 1994,<sup>158</sup> as GATT has recognized two forms of discrimination i.e. de jure and de facto. De jure discrimination occurs when legal regulations explicitly differentiate between local and foreign nationals without any non-discriminatory justification.<sup>159</sup> Meanwhile, de facto discrimination happens when legal regulations appear

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<sup>154</sup> *Ibid*

<sup>155</sup> The general approach to the preparation of the Resource Book by UNCTAD, "Conditional MFN" means that a country accepts to provide equivalent treatment to each of its trading partners, provided that those trading partners agree to provide equivalent concessions to it ("reciprocity", see below). By way of contrast, it is one of the core elements of unconditional MFN and national treatment to operate on a non-reciprocity basis. *available* at [https://unctad.org/system/files/official-document/ictsd2005d1\\_en.pdf](https://unctad.org/system/files/official-document/ictsd2005d1_en.pdf) 1 (last visited on February 24 2020)

<sup>156</sup> An instance of this is evident in Article 7(8) of the Berne Convention, which restricts the duration of copyright protection to that of the country where the work originated, except if the nation seeking protection permits an extended duration of protection. Similarly, Article 14ter of the Berne Convention imposes restrictions on the duty to safeguard the "droit de suite," which relies on the level of protection granted in the artist's nation of origin.

<sup>157</sup> Chritinia Majaski, GATT available at <https://www.investopedia.com/terms/g/gatt.asp> (last visited on December 12, 2019)

<sup>158</sup> Under the GATS a Member's national treatment obligations are defined by its Schedule of Commitments that may include exceptions and limitations on a sector by sector basis.

<sup>159</sup> Article 7(8), Berne Convention, limits the term of copyright to that of the country of origin of the work, unless the country where protection is claimed authorizes longer protection. Article 14ter, Berne Convention, limits the obligation to protect "droit de suite" depending on the extent of protection in the

neutral but lead to discriminatory outcomes in practice. The National Treatment provisions of the TRIPS Agreement cover both forms of discrimination.

Initially, the WIPO Conventions did not incorporate the MFN principle because it was assumed that WIPO members would not offer foreign nationals greater protection than local nationals. Therefore, a national treatment obligation was considered sufficient to put all foreigners on the same level. However, during the late 1980s, some countries began granting more extensive IPR privileges to foreign nationals, which led to bilateral pressure to increase IPR protection. As a result, TRIPS negotiators decided to include an MFN principle to ensure that all Members receive an equivalent level of protection when foreigners are granted more extensive protection.<sup>160</sup> Hence, the implementation of the MFN for IPRs protection in a multilateral setting is a new and ground-breaking development. Article 4 stipulates that any benefit, special treatment, advantage or exemption given to the citizens of any country (including those outside of the World Trade Organization) regarding IPR protection must be immediately and unconditionally extended to the citizens of all member countries. This Article is based on Article I<sup>161</sup> of GATT Agreement.

It is not always clear what qualifies as an advantage or concession when it comes to protecting intellectual property. If a country provides more protection to citizens of another member country, that would certainly be considered an advantage that must also be extended to citizens of all other member countries. However, if a country decides to offer more exceptions in areas like fair use of copyrighted materials to citizens of only certain WTO members, other unaffected members may also expect to benefit from these exceptions. This can become an issue when foreign nationals are unable to take advantage of these exceptions, which could have negative commercial consequences.<sup>162</sup> The definition of an advantage in terms of

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artist's country of origin.

<sup>160</sup>UNCTAD, Resource Book on TRIPS and Development, available at [https://unctad.org/system/files/official-document/ictsd2005d1\\_en.pdf](https://unctad.org/system/files/official-document/ictsd2005d1_en.pdf) (last visited on February 24 2020)

<sup>161</sup>Article 1 of GATT (1994) *With respect to customs duties and charges of any kind imposed on or in connection with importation or exportation or imposed on the international transfer of payments for imports or exports, and with respect to the method of levying such duties and charges, and with respect to all rules and formalities in connection with importation and exportation, and with respect to all matters referred to in paragraphs 2 and 4 of Article III,\* any advantage, favour, privilege or immunity granted by any contracting party to any product originating in or destined for any other country shall be accorded immediately and unconditionally to the like product originating in or destined for the territories of all other contracting parties.* available at [https://www.wto.org/english/docs\\_e/legal\\_e/gatt47\\_01\\_e.htm](https://www.wto.org/english/docs_e/legal_e/gatt47_01_e.htm) (last visited on February 24 2020)

<sup>162</sup>Let's take the example of television broadcasters, where some foreign broadcasters are allowed to rebroadcast newsworthy events, while others are not. In the case of those who are not allowed to do so, they may experience a decline in their audience, resulting in an economic loss. Therefore, an "exception" in this case can be seen as providing a benefit.

intellectual property protection and the extension of MFN treatment becomes particularly significant when Article 4(d) exemption is considered, especially in the context of regional markets. It is important to note that the MFN obligation only applies to matters related to intellectual property. The exceptions to MFN treatment listed in Article 4 are intricate, with Article 4(d) providing considerable leeway for interpretation. Article 4(d) tackles one of the most challenging topics covered by TRIPS, but it doesn't offer clear or definite guidance. Nonetheless, two factors help to minimize the ambiguity. Firstly, the exception is restricted to agreements that were established before the TRIPS Agreement, and secondly, Members have an obligation to inform the TRIPS Council about these agreements.

Article 5 of the TRIPS agreement allows for an exception to National and MFN treatment obligations for agreements related to the acquisition and maintenance of IPRs that are established under WIPO. These agreements may require authorities in each member state to accept certain forms of registration, certification, and other data from applicants in other member states. However, these requirements typically do not apply to applications that originate from non-member states, although individuals who have a sufficient connection to a member state but are not its Nationals may still be entitled to certain rights. If there were no exemption from national treatment and MFN obligations, then rights under WIPO acquisition and maintenance treaties would automatically be extended to all WTO members and their nationals without corresponding obligations.<sup>163</sup>

Under Article 5, the acquisition and maintenance agreements established by WIPO include various treaties such as the Madrid Agreement and Protocol for International Registration of Marks, the Hague Agreement for International Deposit of Industrial Designs, the Patent Cooperation Treaty, the Patent Law Treaty, the Trademark Law Treaty, the Budapest Treaty for International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure, and specific provisions of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration. This is not a fixed list, and any new multilateral acquisition and maintenance agreements established under WIPO would also be exempt from national and MFN treatment obligations as per Article 5.

Further, the Paris and Berne Conventions, along with the IPIC Treaty, are multilateral agreements that were established under the auspices of WIPO, and they contain provisions that pertain to the acquisition and maintenance of IPRs like patents, trademarks, industrial designs,

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<sup>163</sup> *Resource Book on TRIPS and Development* by Cambridge University, 2004 UNCTAD,

copyright, and integrated circuit layout designs.<sup>164</sup> While it could be argued that these agreements should be exempt from national and MFN treatment obligations under Article 5, given their provisions regarding acquisition and maintenance, it seems inconsistent with the intention of the TRIPS Agreement drafters, as these agreements are specifically referenced in TRIPS.

To summarise Article 5, the procedures outlined in WIPO agreements related to the acquisition and maintenance of IPRs are exceptions to the principles of national treatment and MFN treatment. Therefore, if a country is not a party to an agreement like the Patent Cooperation Treaty (PCT), they cannot benefit from national treatment or MFN under the PCT, even if they are a member of the TRIPS Agreement.<sup>165</sup>

### **3.5 The Principle of Exhaustion**

The TRIPS Agreement is silent on the applicability of the principle of Exhaustion nor does it have any provisions for parallel imports.<sup>166</sup> The principle of exhaustion in IP law states that a right holder's control over the distribution of a protected item ends after the first distribution. Once the item has been sold or otherwise distributed with the right holder's consent, they can no longer control its further circulation. This means that if someone legally obtains a protected item, such as a copyrighted DVD or patented phone, they can sell or distribute it without needing further authorization from the right holder. However, this does not affect other exclusive rights the right holder may have, such as the right to authorize reproduction or public performance.

An important topic in international trade is parallel importation, which is the ability to import IP-protected goods that have been legally sold in another country. IPRs are granted, enforced, and applied differently in each jurisdiction.<sup>167</sup> While it is generally accepted that IPRs are exhausted within the jurisdiction where the first sale occurred, the question arises as to whether these rights are exhausted when the first sale takes place outside of the jurisdiction and the protected goods enter foreign markets. The answer to this question depends on the rules

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<sup>164</sup> TRIPS Article 2.1 for the Paris Convention; Article 9.1 for the Berne Convention and Article 35 for the IPIC Treaty.

<sup>165</sup> Japan Patent Office, Introduction to the Patent office, *available at* [https://www.jpo.go.jp/e/news/kokusai/developing/training/textbook/document/index/TRIPs\\_Agreement.pdf](https://www.jpo.go.jp/e/news/kokusai/developing/training/textbook/document/index/TRIPs_Agreement.pdf) (last visited on February 24 2020)

<sup>166</sup> Japan Patent Office, Introduction to the TRIPS Agreement,, *available at* [https://www.jpo.go.jp/e/news/kokusai/developing/training/textbook/document/index/TRIPs\\_Agreement.pdf](https://www.jpo.go.jp/e/news/kokusai/developing/training/textbook/document/index/TRIPs_Agreement.pdf) last (last visited on February 24 2020)

<sup>167</sup> *Resource Book on TRIPS and Development* by Cambridge University, 2004 UNCTAD,

established by each jurisdiction and the category of IP in question, specifically whether the jurisdiction has a national or international exhaustion regime and whether it allows parallel importation. In a national exhaustion regime, the distribution rights of right holders are only considered exhausted once they put the protected item on the market within that jurisdiction, and they can still control the sale or import of such items from other countries. For example, in a country with a national exhaustion regime, copyright and related rights holders can prevent the importation of DVDs that they have sold in other countries, making parallel imports of products first sold on other markets illegal.

### **3.6 Minimum Standards on Industrial Design**

#### **3.6.1 Requisites for Protection of Industrial Designs**

Article 25 provides that Members should provide protection of independently created Industrial Designs which are new or original. It is important to note that the TRIPS Agreement has not defined what is Industrial Designs. But it generally means it refer to an ornamental or aesthetic aspect of a product rather than its technical features.<sup>168</sup> Members may specify that such protection does not apply to designs that are primarily influenced by technical or functional reasons. Secondly, there is a special provision in regards to textile designs. Textile designs should not face any obstacles arising from the cost, examination or publication in gaining protection. The provision stated in the sub clause deals with textile sector's short life cycle and sheer number of new designs requirements for securing protection of such designs, particularly in terms of any cost, examination, or publication, must not unreasonably impair the opportunity to seek and obtain such protection. Members have the option of carrying out this responsibility through industrial design law or copyright law.

#### **3.6.2 Rights of Owners**

Article 26 states that the Design proprietors have the right to stop third parties from making, selling or importing articles which have an identical design or substantial design to theirs. Further, it states that Members may provide limited exceptions to the protection of Industrial Design. The exceptions so provided should not be in conflict with normal exploitation of protected Industrial Designs. This provision uses similar language to the language found in Articles 13, 17 and 30 of the TRIPS Agreement. There has not yet been a ruling on Article 26.2 by a World Trade Organization DSB, so there is no official interpretation of this provision.

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<sup>168</sup> WTO, Module 6, available at [https://www.wto.org/english/tratop\\_e/trips\\_e/ta\\_docs\\_e/modules6\\_e.pdf](https://www.wto.org/english/tratop_e/trips_e/ta_docs_e/modules6_e.pdf), (last visited on February 24 2020)

However, previous rulings on similar provisions in Articles 13, 17, and 30 may provide insight on how Article 26.2 may be interpreted. It's important to note that each case is decided independently based on its own facts, and that the context of exceptions to design rights is different from other areas of intellectual property law. Some countries' laws include exceptions for private use, experimental or teaching purposes, or prior use of a protected design.

The term of protection for design shall amount to at least 10 years. The wording "amount to" allows countries to have systems where the term is divided into shorter-successive periods of protection that can be renewed at the request of the rights holder. The TRIPS agreement does not mandate that countries have a registration requirement for designs, so the provision does not specify when the protection period begins. This could be the date of creation, similar to copyright law, or the date of application or grant under specific industrial design laws.<sup>169</sup>

### **3.7 Minimum Standards on Patents**

#### **3.7.1 Patentable Subject Matter**

Article 27 specifies patentable and non-patentable inventions. Clause 1 of the Article states that all the Member Nations shall make patent available whether it may be process patent or product patent in all fields of technology without any kind of discrimination in relation to the place of invention, field of technology and whether the products are imported or local. These inventions should be new and involve an inventive step, capable of industrial applications. Hence, Article 27.1 stipulates that patents are to be obtainable and the rights associated with them should be enjoyed without any form of discrimination in terms of the place where the invention was created, the technology field and the country of manufacture of the product. To illustrate, a member cannot set up a different criterion for deciding on the prior art based on the origin of the invention, nor can they grant different levels of treatment according to the type of technology or deny a patent in the event that the product is created in another nation and imported.

Clause 2 of the Article 27 states that Member are free to exclude Patent of an invention in their territory which is in the interest of public at large. This includes those inventions which are against human, or animal or plant life or against the environment. It specifically states such inventions should not be patentable but it is silent if it can be used for Scientific and Research Purpose.<sup>170</sup> The use of this exception is subject to the condition that the commercial

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<sup>169</sup> *Resource Book on TRIPS and Development* by Cambridge University, 2004 UNCTAD, Page 404,406

<sup>170</sup> WTO, Module 6, available at [https://www.wto.org/english/tratop\\_e/trips\\_e/ta\\_docs\\_e/modules6\\_e.pdf](https://www.wto.org/english/tratop_e/trips_e/ta_docs_e/modules6_e.pdf) , (last

exploitation of the invention must be prevented, and that this prevention is necessary for the protection of public order or morality. This provision prohibits countries from excluding inventions from being patented simply because their use is prohibited by law. This means that inventions cannot be excluded from being patented just because they haven't yet received approval from health regulatory authorities, for example. Article 4quater of the Paris Convention, as incorporated into the TRIPS Agreement, also prevents countries from denying a patent or invalidating a patent because the sale of the patented product or process is subject to restrictions or limitations imposed by domestic law. An example of an invention that goes against public order could be a device that is specifically designed to disable speed limit radar on highways. An example of inventions that go against morality could be processes for cloning human beings or for altering human germline identity.

Clause 3 of the Article in which other areas patents can be excluded, such as in field of treatment methods on humans or animals. Further it excludes plants and animal's other micro-organism and essentially biological process for the production of plants and animals. Members should provide protection of plant varieties either by patent or by developing an effective sui-generis system. Countries also have the option of using a combination of patents and sui generis system. The agreement does not provide any specific guidelines on what constitutes an effective sui generis system. The TRIPS Agreement has a provision (Article 27.3(a)) that allows countries to exclude certain medical procedures, such as diagnostic, therapeutic, and surgical methods for humans and animals, from being eligible for patents. In some countries, these types of procedures may not be considered suitable for industrial application. This exclusion applies to the procedures themselves, not to any medical products, such as devices, substances, or compositions used in those procedures. For example, a new method of removing cataracts may not be eligible for a patent, but a tool invented to perform that procedure would be.

Article 27.3(b) of the TRIPS Agreement was called for a review of the provision four years after the implementation of the World Trade Organization Agreement. The TRIPS Council began this review in 1999 by gathering information from member countries through questions prepared by the WTO Secretariat. Countries that were obligated to apply this provision and were asked to provide information on how they treated the matters addressed in the provision in their national laws. As on 2002, the Council had received information from 24 members and

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visited on February 24,2020)

compiled it in a structured summary document(IP/C/W/369/Rev.1.). This document includes tables that show how these members implemented the obligations in Article 27.3(b). Since then, other members have also responded to the questions. The responses are available on the e-TRIPS Gateway website. During the review, members discussed two main issues related to Article 27.3(b): the availability of patent protection for plant and animal inventions and the nature of an effective system for protecting plant varieties.<sup>171</sup>

### **3.7.2 Rights conferred**

Article 28 provides for the rights of patent holder which includes exclusive rights and right to exploit the patent. Exclusive rights for product patent include right to prevent third parties not having the owner's consent from the acts of: making, using, offering for sale, selling, or importing for these purposes that product; whereas for process patent they are to prevent third parties not having the owner's consent from the act of using the process, and from the acts of: using, offering for sale, selling, or importing for these purposes at least the product obtained directly by that process. However, it is important to note that a patent alone does not give its holder the authority to make, use, sell, or import the patented invention, if such invention is subjected to regulatory compliances like drugs and pesticides for which prior permissions as per the respective laws are mandatory.

A Patentee can exploit the patent in various manners as contained in Clause 2 of Article 28 which includes the right to assign, or transfer by succession and right to enter into licensing agreement. According to Article 28.2, patent owners of both products and processes have the privilege to pass on their patents through assignment or succession and make contracts to license the patent. This means that the inventor of the patent can transfer their ownership of the patent - for example by selling it - or pass it on through inheritance, or allow another person to use the patented invention through a license. Depending on the conditions of the transfer or license agreement, the individual may enjoy the same rights as the original patent owner. One of the very basic principles of the TRIPS Agreement as contained in Articles 7 and 8 is with regards to transfer and dissemination of technology. The patentee through licensing agreements can transfer the technology within the boundaries of his own country as well as abroad. Through licensing agreements, the maximum benefits can go to the developing as well as least-

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<sup>171</sup> Dr Pete K Yu, *The objective and principles of the TRIPS Agreement*, available at <http://www.peteryu.com/correa.pdf> last visited (last visited on March 9 2020) see also- Correa, Carlos (2007), *See Also : Trade Related Aspects of IPRs: A Commentary on the TRIPS Agreement*, Oxford and New York: Oxford University Press, p. 102.

developed countries as technology gets introduced in these countries, eventually upgrading the skills of local people.

### **3.7.3 Compliance of certain Conditions on filing Patent Application**

Articles 29 talks about the conditions that a Member can impose upon Patent applicant. The first clause, requires that the applicant for the Patent shall have to disclose the invention clearly so that invention can be carried out by a person skilled in same field. The applicant may also indicate the best method known by him in the specifications. It necessitates patent applicants shall have to present their invention in a form that is both explicit and thorough enough for a tech-savvy individual to be able to implement it. This is usually interpreted by domestic regulations to mean that a person knowledgeable about the relevant field should be able to comprehend how to generate the product or utilize the process, based on the information disclosed. Occasionally, this is known as the patent document's 'teaching' or 'enabling' role. Patent Authorities may further require the Applicant should demonstrate the most effective method for realizing the invention that the inventor was aware of at the time of application filing or the priority date of the application. Disclosure is also important from the perspective that it helps in advancement of technology as the competitors know the existing state of art.

The second clause mandates the Application to provide additional information, if the applicant is applying for patent in foreign jurisdictions. The reason behind asking for additional information is to keep the Patent offices updated about the foreign filings so that they can improve their speed and examination process.<sup>172</sup>

### **3.7.4 Rights subjected to limitations**

Article 30 reflects about the exceptions to the rights conferred on the Patent holder. The Article states that a Member can keep certain exception to the rights of the Patent holder so long as they do not conflict with normal exploitation of the Patent. Such exception should not unreasonably interfere with the interest of the Patent owner, but at the same time should provide also protect the interests of third parties. This provision permits the Members to make provision so that there can legitimate uses of patent even without the permission of the patent holder like

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<sup>172</sup>An instance of this is evident in Article 7(8) of the Berne Convention, which restricts the duration of copyright protection to that of the country where the work originated, except if the nation seeking protection permits an extended duration of protection. Similarly, Article 14ter of the Berne Convention imposes restrictions on the duty to safeguard the "droit de suite," which relies on the level of protection granted in the artist's nation of origin.

use of patent for educational and research purposes, distribution of pharma product in government hospitals and dispensaries etc.

### **3.7.5 Restrictions on the Rights of a Patentee through Compulsory licence and Government Use**

Article 31 talks about the concept of Compulsory License granted by government and the use by the government itself in certain circumstances even without the permission from the patent holder. The Paris Convention does recognise this concept of compulsory license under Article 5A (2)<sup>173</sup>, although it is silent what should be compensation of the patent owner or till what time the such compulsory license shall be valid. The concept of compulsory license was also one of the reasons, which initiated the TRIPS negotiations.<sup>174</sup> However, while doing so, the following points are to be taken care of:

- Authorisation for use of patent should be considered on individual merit. This would make the government more cautious, not granting the authorisation so loosely, instead it would require every application to undergo a process and understand the need of such application, and after considering such application on merits, the decision should be drawn upon.
- Before any authorization for use of patent is granted, it is specially required that a fair attempt to obtain a voluntary license with reasonable terms and conditions be made within a reasonable span of time. However, in the event of a national emergency or other circumstances of extreme urgency or public non-commercial use the above requirement is not needed. The Doha Declaration specified that nations have the right to determine what constitutes a national emergency or urgency, acknowledging that public health crises such as HIV/AIDS, tuberculosis, malaria, and other epidemics may warrant such designation.<sup>175</sup> In all the above circumstances, the patent holder should be informed as soon as practicable about the use of his patent.
- Use must be limited to the scope and duration to the purpose for which it was authorized. For instance, if the compulsory license is granted for a specific purpose, its

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<sup>173</sup>Article 5 A(2) of the Paris Convention Each country of the Union shall have the right to take legislative measures providing for the grant of compulsory licenses to prevent the abuses which might result from the exercise of the exclusive rights conferred by the patent, for example, failure to work

<sup>174</sup> Carlos, Correa Intellectual property rights and the use of compulsory licences: options for developing countries by Carlos Correa, *available at* [https://www.iatp.org/sites/default/files/Intellectual\\_Property\\_Rights\\_and\\_the\\_Use\\_of\\_Co.pdf](https://www.iatp.org/sites/default/files/Intellectual_Property_Rights_and_the_Use_of_Co.pdf) last visited on last visited on March 9 2020)

<sup>175</sup> *Resource Book on TRIPS and Development* by Cambridge University, 2004 UNCTAD, page no 432

scope and length must be sufficient only to fulfil that purpose. The compulsory license may be terminated if the circumstances that made it necessary no longer exist, but steps should be taken to protect the interests of the licensee, such as investments made to produce the product.

- Use granted shall be non-exclusive. This creates a risk of market competition as there exists other players with the same invention. However, it is to be remembered as any use granted under this provision is subjected to the terms and conditions ordered by the Authority granting such use.
- License issued shall be non-assignable except with the part of the enterprise or goodwill which enjoys such use. The main motive of this sub clause is to prevent the development of market wherein the compulsory licenses are used as instruments with independent value. This does not prevent the sale or transfer of businesses that have obtained compulsory license and thereby allows investment in the license to be sustained.
- Use granted shall be authorised “predominantly” for the supply of the domestic market. The word “predominantly” suggests that more than that fifty percent of the production by compulsory license should be for the domestic market.<sup>176</sup> A licensee can export the product subject to that there is undertaking clause of predominantly.
- Authorisation for such use is liable to be withdrawn if and when the conditions that led to the grant ceases to exist and are unlikely to reoccur, subject to proper protection of the legitimate interests of the people thus authorised. The competent authority shall have the authority to assess the continuous existence of certain circumstances upon a justifiable request.
- The right holder shall be paid adequate remuneration in the circumstances of each case taking into account the economic value of the authorisation. The term “adequate” indicates something “sufficient” but not more than that. While granting the compulsory license the granting authorities must take in economic value of the authorisation based on which the amount of royalty may be decided.
- Any decision on the granting of use, the legal validity or the remuneration shall be subject to judicial review or other independent review by a distinct higher authority in

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<sup>176</sup>An instance of this is evident in Article 7(8) of the Berne Convention, which restricts the duration of copyright protection to that of the country where the work originated, except if the nation seeking protection permits an extended duration of protection. Similarly, Article 14ter of the Berne Convention imposes restrictions on the duty to safeguard the "droit de suite," which relies on the level of protection granted in the artist's nation of origin.

that Member's Nation. Article 31 does not set out establishment of a specialised court for such circumstances but it is preferable that such cases are dealt in a special court.

- Non-applicability of certain provisions of this Article if the use granted is based on judicial or administrative findings of anticompetitive practices. Further, if the authorities believe that such anti-competitive conditions are likely to recur the authorities may refuse to terminate the license.
- At times, inventions are so interlinked that the exploitation of one patent would not be possible without using another patent. In such conditions, additional conditions like the second patent should involve an important technical advance of considerable economic significance; entitlement of Cross License on reasonable terms and the use authorized in respect of the first patent shall be non-assignable except with the assignment of the second patent shall be imposed.

### **3.7.6 Burden of Proof in cases of process patent**

- In cases involving patent infringement, the defendant must prove that their process for producing a product differs from the patented process. If an identical product is made without the patent owner's permission, it will be assumed to have been made using the patented process unless proven otherwise. This will be the case if: (a) The product made using the patented process is new. (b) There is a strong chance that the identical product was made using the patented process and the patent owner tried but couldn't figure out the actual process used. Also, it is left on discretion of the Members where such reversal of burden of proof system can be applied. Further, the defendant can prove that the process is different than Patent process, but he is not required to prove that there the process has been infringed. In case where in the defendant does prove that the process used by him and that of patent process are not the same, the proof of infringement which would require the application of doctrine of equivalents<sup>177</sup> remains a plaintiff burden as per the general principles of Procedural law.

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<sup>177</sup> The Doctrine provides a grounds on which it can be determined if there is a violation of patent exists when there no literal infringement of patent claims. The doctrine of equivalents is a legal principle in patent law that allows for a finding of infringement even if the accused product or process does not exactly match the claimed invention in the patent. The doctrine states that a product or process that performs substantially the same function in substantially the same way to obtain the same result as the claimed invention may be considered infringing, even if it differs in minor details or insubstantial ways. The purpose of the doctrine is to prevent individuals from avoiding infringement by making slight modifications to the patented invention.

### **3.7.7 Other provisions**

- Opportunity for judicial review be made available when a patent is revoked or forfeited
- Patent to be granted for a period of 20 years from the date of application

## **3.8 Minimum standards on Trademarks**

### **3.8.1 Subject Matter of Trademarks**

A trademark can be in form of any sign or combination of sign with a very important element that it should be able to distinguish the goods or services of one undertaking with that of other. Further, personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, are also eligible for registration as trademarks. Registrability may also depend upon distinctiveness acquired through use. A condition may also be imposed by the Members that the any Trademark applied for registration should be visually perceptible. Apart from this, Members may deny registration on other grounds too, however, they should not be in derogation with the Paris Convention (1967). Registration of a Trademark can also be based on the use of trademark and this is significant in context of developing countries where traders have been using a mark for long without any registration. However, it is not mandatory that use has to be applied before an application for registration is put up as many businesses before they commence also would like to apply for trademark. While granting registration to trademark, Article 17 provides for the procedural requirement of publication which can be done either before it is registered or immediately after. Publication offers an opportunity to interested people to raise objections and if such trademarks are not registrable, they can be cancelled too.

### **3.8.2 Rights of registered Trademark owner**

Article 16 states that an owner of registered trademark shall have the monopoly rights which gives the right prevent the third party to use identical or similar mark for the goods or services which are identical or similar to those in respect of which the trademark is registered. It means that if a trademark is registered for use on electronic devices, any similar or identical use by an unauthorized person for any of the electronic gadget would lead to confusion in the minds of the public and hence would violate the rights of the owner. When identical signs are used for identical goods, the presumption that it will cause confusion becomes stronger.

The provision of Article 6bis of the Paris Convention that deals with well-known trademarks is referred and the TRIPS Agreement too considers protection to be granted to well-known

trademarks. Exclusive rights of a registered trademark owner are in usual circumstance infringed when the identical or similar trademark is applied by infringers on identical or similar goods or services. However, if a trademark is recognised as a well-known trademark, then infringement of such trademark can happen even if they are applied for dissimilar or non-identical goods or services. For example, the sign of a half-eaten apple which is applied for iPhone, iPad and other apple products and the sign is known to public at large and hence is a well-known trademark. If a same or similar trademark is applied in clocks or for automobiles, people may think that these products also belong to Apple company and under this confusion, they may make a decision to buy the product.

### **3.8.3 Other provisions**

- Article 17 provides for limited exceptions to rights of the trademark owner which would be fair and use of descriptive terms, such exception should be provided keeping in mind the interest of the owner and the third parties
- The minimum term of protection that is stated in the Article is seven years and the renewable indefinitely
- Registration of a Trademark may be cancelled if the mark is not used for a continuous period of three years, unless there are valid reasons to justify the same
- Provisions for licensing and assignment of trademarks are included and it would be the owner's prerogative to assign the trademark with or without the transfer of the business to which the trademark belongs.

## **3.9. Enforcement of Intellectual Property Rights**

### **3.9.1 General Obligations**

Article 41 talks about the General Obligations that every member must initiate under their legal system. It states that effective enforcement procedure as well as the remedies against the infringement should be made available for protecting IP Rights. This provision is in line with the Preamble and Article 8.1 which states that while adopting and applying the enforcement procedures, Members must ensure that legitimate interest of IP holders is not jeopardised like in case of giving orders of injunctions without sufficient orders. This typically involves giving the relevant authorities the power to enforce legal measures. The enforcement procedures must be efficient in preventing and deterring infringement, and they must not create obstacles for legitimate trade or be subject to abuse. This is further reinforced by provisions such as

indemnifying the defendant, requiring a security for border measures, and fair and equitable treatment for both the right holder and the accused infringing party.

Further, it states that the principle of fairness and equity shall be applicable to all parties and not to the right holders only. A violation of this sub clause can be claimed if there is unreasonable delay or complications or costly. Decisions made during proceedings must be disclosed to the involved parties promptly, providing transparency to the procedures. Ideally, these decisions should be in writing, well-reasoned, and based only on evidence that both parties have had a chance to review and address. Opportunity should be given to the parties of the case for a judicial review. There are three possible limitations to it, “the legal aspects” of such decision, thereby reflecting that in many jurisdictions appeals do not address the findings of facts. Secondly the right to appeal may be excluded in the case of small monetary remuneration as it is left for the members to decide as per their national laws. According to “jurisdictional provisions in a member’s law the last limitation is that members have no obligations to provide an opportunity for an acquittal in the case of criminal cases<sup>178</sup>. The fifth clause of the Article states that the provisions of enforcement does not create any obligation to put in any individual Judicial system for the enforcement of intellectual property from the general enforcement of law, nor any special treatment to deal with it. This was actually proposal given by the Indian Delegation.<sup>179</sup>

### **3.10 Civil and Administrative Procedures**

#### **3.10.1 Fair and Equitable Procedure**

Article 42 of the Agreement requires Members to provide civil judicial procedures to protect IPRs. Defendants have the right to receive timely written notice that provides sufficient detail on the claims. Parties involved in the procedures can be represented by independent legal counsel and are not obliged to appear in person. All parties have the right to present their claims and evidence. Procedures should have measures to protect confidential information, unless such measures are against constitutional requirements. The procedures should be fair and equitable for all parties involved.

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<sup>178</sup> *Resource Book on TRIPS and Development* by UNCTAD-ICSTD, Cambridge University Press , Page 584

<sup>179</sup> Multilateral Trade Negotiation, the Uruguay Rounds , Paragraph 4(c), *available on* [https://www.wto.org/gatt\\_docs/English/SULPDF/92030116.pdf](https://www.wto.org/gatt_docs/English/SULPDF/92030116.pdf) (last visited on March 29, 2020)

### **3.10.2 Evidence**

Article 43 provides for rules relating to Evidence as under:

- If a party has provided sufficient evidence to support its claims and has identified relevant evidence controlled by the opposing party, the judicial authorities have the power to order the opposing party to produce the evidence. However, such orders may be subject to conditions that safeguard confidential information in appropriate cases.
- In cases where a party unreasonably withholds necessary information or hinders an enforcement procedure, a Member may authorize judicial authorities to make preliminary and final decisions based on the information available, including the complaint or allegation made by the adversely affected party. However, both parties must be given an opportunity to be heard on the evidence or allegations presented.

### **3.10.3 Remedies**

#### **3.10.3.1 Injunctions**

- As per Article 44, the Judicial authorities are empowered to order a party to stop infringing IP rights and this includes preventing the entry of imported goods that infringe on an IPR, immediately after customs clearance of such goods.
- Members may restrict the remedies available against the unauthorized use of intellectual property by governments or third parties authorized by a government, provided that they comply with the provisions of Part II that specifically address such use. In such cases, payment of remuneration in accordance with subparagraph (h) of Article 31 shall be the only available remedy. If these remedies conflict with a Member's law, declaratory judgments and adequate compensation shall be available. This Article is inspired by US law practices.<sup>180</sup>

#### **3.10.3.2 Damages**

The Judicial authorities have the power to order the infringing party to pay the right holder adequate damages that can compensate for the loss the right holder incurred due to infringement of their IPRs. This applies when the infringing party has engaged in such activity knowingly or with reasonable grounds to believe they were infringing. Additionally, expenses may also be ordered which may include reasonable attorney fees. In some cases, Members may

authorize the judicial authorities to order the recovery of profits or payment of pre-established damages even if the infringing party did not knowingly or with reasonable grounds to know, engage in infringing activity.

### **3.10.3.3 Other Remedies**

Article 46 deals with other Remedies, which empowers the Judicial authorities to order the disposal, of infringing goods without any compensation so as to prevent any harm to the right holder, or to destroy them, unless this would be contrary to the Constitution. For developing countries, destruction may not be feasible, so in such cases, the infringing goods could be donated to charities or provided to the government.<sup>181</sup> The judicial authorities may also order the disposal, without any compensation, of materials and equipment that have been predominantly used in the creation of infringing goods, in such a way as to reduce the risk of further infringement. In assessing such requests, the proportionality between the seriousness of the infringement and the remedies ordered, as well as the interests of third parties, shall be taken into account.<sup>182</sup> In the case of counterfeit trademark goods, the mere removal of the illegally affixed trademark shall not be sufficient, except in exceptional circumstances, to allow the goods to be released into the channels of commerce. When considering such orders, the court must take into account both the severity of the infringement and the interests of third parties.

### **3.10.4 Other Provisions**

- Article 47 deals with the Right to information according to which the Members may authorize the Judicial authorities to obtain the information from the infringer about the details from the infringer to identify the other persons involved in the production and distribution of the infringing goods and services, the Court can also ask channels of distribution of such third parties. This can help in tracing people and identify channels which are involved in IP infringement.
- Article 48 provides for indemnification of the defendant in case the applicant has abused the enforcement procedures and which may also include fees paid to attorney paid by the defendant. Similar concept is also available in Article 40.2, 41.1, 50.3, 53.2, 63.1, and 67. As in when such abuse happens not only the business of the

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<sup>181</sup> These alternatives to destruction have been utilised by many countries, USA and China are few examples, available at P 1A-109, Licensing of Intellectual Property by Dratler

<sup>182</sup> Dr Pete K Yu, *The objective and principles of the TRIPS Agreement*, available at <http://www.peteryu.com/correa.pdf> last visited (last visited on March 9 2020)

competitions suffer but also in some cases the public suffers as they are deprived of this product or services. Secondly, it states that public authorities and officials shall only be exempted from liability for any remedial measures if they have acted in good faith during the administration of any law related to the protection or enforcement of IPRs.

- Article 49 provides for Administrative Procedure which states that if any civil remedy is awarded through administrative procedures based on the merits of a case, then such procedures must adhere to principles that are similar in essence to those mentioned in this section.

### **3.11 Provisional Measures**

Article 50 deals with Provisional Measures which outlines the authority of Judicial authorities to order prompt and effective provisional measures in cases of IPRs infringement as under:

- The Judicial authorities can order provisional measures to prevent infringement of IPRs from occurring and to preserve relevant evidence.
- In cases of irreparable harm to the right holder or demonstrable risk of evidence being destroyed, provisional measures can be adopted *inaudita altera parte*.
- The applicant must provide sufficient evidence that they are the right holder and their rights are being infringed or are imminent. The applicant may also be required to provide security or equivalent assurance.
- Parties affected by provisional measures must be given notice, and a review must take place within a reasonable period after the execution of measures.
- The applicant may be required to supply other information necessary for the identification of the goods concerned.
- Provisional measures shall be revoked or cease to have effect if proceedings leading to a decision on the merits of the case are not initiated within a reasonable period.
- In cases where provisional measures are revoked or lapse, and there has been no infringement, the judicial authorities may order the applicant to compensate the defendant for any injury caused by the measures.
- Administrative procedures must conform to principles equivalent in substance to those set forth in this section.

## **3.12 Special Requirements Related to Border Measures**

### **3.12.1 Suspension of Release by Custom Authorities**

Article 51 deals with Suspension of Release by Custom Authorities which states that Members must establish procedures that allow a right holder to request the customs authorities to temporarily suspend the release of counterfeit trademark or pirated copyright goods suspected of being imported. These procedures must comply with the following requirements:

- The right holder must have valid grounds for suspecting that the goods are infringing on their IPRs.
- The request for suspension must be made in writing to competent authorities, either administrative or judicial.
- Members may also allow the suspension of infringing goods destined for exportation from their territories.
- Members may also allow the suspension of goods that involve other IPRs infringements, provided the requirements of this Section are met. As such authorities do inspect all imported goods but a randomly small portion.<sup>183</sup>

### **3.12.2 Procedure for invoking border measures and remedies available**

- Article 52 provides that when a right holder wants to initiate the procedures under Article 51, an application with enough evidence to convince the competent authorities that there is a likelihood of their IPR being violated under the laws of the importing country be made.
- Applicant should include a detailed description of the goods, so that they can be easily identified by the customs authorities.
- The competent authorities will inform the applicant in a reasonable period if their application has been accepted and, if so, the duration of the customs authorities' action will be determined by the competent authorities
- Competent authorities may ask an applicant to provide a security or assurance to protect the defendant.
- Where the release has been suspended on the basis of non-judicial decision then the owner, importer, or consignee of such goods shall be entitled to release the goods in

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<sup>183</sup> See Article 58 of the TRIPS Agreement.

question upon the posting of security adequate to protect the right holder from any infringement. This payment of security shall not affect any other legal recourse available to the right holder, and the security shall be returned if the right holder does not pursue legal action within a reasonable time.

- Article 54 states that the importer and the applicant shall be notified of the suspension of the release of the goods, in relation with Article 51.
- If the customs authorities have not been informed of proceedings or provisional measures to prolong the suspension of goods within 10 working days of notice being served to the applicant, the goods shall be released if all other import/export conditions are met. This time limit may be extended for an additional 10 working days if necessary. If proceedings have been initiated, the defendant can request a review to decide if the measures should be modified, revoked, or confirmed. However, if the suspension is carried out or continued based on a provisional judicial measure, the provisions of Article 50, paragraph 6, shall apply
- The applicant is required to compensate the importer, the consignee, and the owner of the goods for any harm brought on by the improper retention of goods or the retention of goods released in accordance with Article 55.
- Competent authorities may be granted the power to provide the right holder with ample opportunities to inspect any goods seized by customs authorities to support their claims. Importers shall also be given a comparable opportunity to have such goods inspected. If a positive decision has been made regarding the case, Members may authorize the competent authorities to inform the right holder of the consignor, importer, consignee's names and addresses, as well as the quantity of the goods concerned.
- Where competent authorities are required to take action on their own initiative to suspend the release of goods if they have evidence that an IPR is being violated. The authorities may request information from the right holder to help them make decisions, and both the importer and right holder must be informed of the suspension. If the importer appeals the suspension, the conditions outlined in Article 55 will apply. Members must hold public authorities and officials accountable for their actions and exempt them from liability only if they acted in good faith.
- To address the infringement of IPRs, competent authorities have the power to order the destruction or disposal of infringing goods, in accordance with the principles outlined

in Article 46. For counterfeit trademark goods, re-exportation of the infringing goods in an unaltered state or subjecting them to a different customs procedure is not allowed by the authorities, except in exceptional circumstances. This is without prejudice to any other rights of action available to the right holder, and the defendant has the right to seek a review by a judicial authority

- Article 60 makes a reference about "De Minimis"<sup>184</sup> rules in different legislatures of the WTO system. It states that Members have the option to exempt small quantities of non-commercial goods carried by individuals or sent in small shipments from the provisions outlined in the preceding articles.

### **3.13 Criminal Procedures**

Article 61 states that Members must have criminal procedures and penalties to deal with commercial scale wilful trademark counterfeiting or copyright piracy. The remedies for these offences can include monetary fines and/or imprisonment, and they should be proportionate to the seriousness of the crime. Members may also allow for the seizure, forfeiture, and destruction of infringing goods and any materials used to commit the offence.

### **3.14 Acquisition and maintenance of IPR**

Article 62 states that Members may require reasonable procedures and formalities to acquire or maintain IPRs as a condition. These procedures should be consistent with the provisions of the Agreement and allow for grant or registration within a reasonable time frame. The Paris Convention's Article 4 will apply to service marks as well. Procedures concerning the acquisition or maintenance of IPRs, administrative revocation, and inter partes procedures should follow the general principles set out in Article 41. Final administrative decisions may be reviewed by a judicial or quasi-judicial authority. However, unsuccessful opposition or administrative revocation decisions do not need to be reviewed, provided that their grounds can be the subject of invalidation procedures.

### **3.15 Dispute Prevention and Settlement**

Article 63 of the TRIPS Agreement requires Members to publish their IPR laws, regulations, judicial decisions, and administrative rulings in a national language so that the right holders

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<sup>184</sup> De Minimis" rule "*Minimal amounts of domestic support that are allowed even though they distort trade — up to 5% of the value of production for developed countries, 10% for developing.*" available on [https://www.wto.org/english/thewto\\_e/glossary\\_e/de\\_minimis\\_e.htm#:~:text=Minimal%20amounts%20of%20domestic%20support,countries%2C%2010%25%20for%20developing](https://www.wto.org/english/thewto_e/glossary_e/de_minimis_e.htm#:~:text=Minimal%20amounts%20of%20domestic%20support,countries%2C%2010%25%20for%20developing) (last visited on May 1 2020)

and governments can access them. If a Member requests it, another Member must provide information on its IPR-related laws, regulations, judicial decisions, administrative rulings, and bilateral agreements. However, Members are not obliged to disclose confidential information that could hamper law enforcement, be against the public interest, or harm the legitimate commercial interests of enterprises (public or private). The Council for TRIPS is responsible for monitoring the operation of the Agreement and can exempt Members from directly notifying it of their laws and regulations if a common register is established with WIPO. Additionally, the Council must consider the obligations under Article 6ter of the Paris Convention (1967).

### **3.16 Transitional Arrangements**

Part VI deals with three things- Transitional Arrangements, Least-Developed Country Members and Technical Cooperation

Article 65 of the TRIPS Agreement outlines the Transitional Arrangements, including provisions for delaying the application of TRIPS provisions. Members are not required to apply the TRIPS Agreement until one year after the entry into force of the WTO Agreement. Developing country Members can delay the application of TRIPS provisions (except Articles 3, 4, and 5) for an additional four years. Members transitioning from a centrally-planned to a market economy and facing challenges in implementing intellectual property laws can also delay the application of TRIPS provisions. Developing country Members can delay applying product patent protection to areas not previously protected for an additional five years. Members using a transitional period must ensure that any changes in their laws do not result in less compliance with TRIPS provisions.

Article 66 of the TRIPS Agreement deals with Least-Developed Country Members, stating that they are not required to apply the TRIPS Agreement (except Articles 3, 4, and 5) for ten years after the application date. Developed country Members are required to encourage technology transfer to least-developed country Members.

Article 67 discusses Technical Cooperation, requiring developed country Members to provide technical and financial cooperation to developing and least-developed country Members upon request. Cooperation includes assistance in preparing laws and regulations on the protection and enforcement of IPRs and support for domestic offices and personnel training.

### **3.17 Institutional Arrangements**

This part deals with Council for TRIPS, International Cooperation, Review and Amendments and Reservations

Article 68 of the TRIPS Agreement establishes the Council for Trade-Related Aspects of IPRs, which is responsible for ensuring compliance with the agreement, offering consultations on trade-related aspects of IPRs, and carrying out other duties assigned by Members. The Council may also seek information from relevant sources to perform its functions, collaborate with appropriate WIPO bodies, and establish cooperation arrangements within one year of its initial meeting.

Under Article 69, Members will work together to prevent international trade in goods that infringe IPRs by establishing contact points in their administrations to exchange information on such goods. They will also promote cooperation and information exchange between customs authorities, particularly for trade in counterfeit trademark goods and pirated copyright goods.

Article 70 outlines the rules for protecting existing intellectual property subject matter, including that the TRIPS Agreement does not apply to acts that occurred before a Member accepted the agreement. Members are also not required to apply certain articles to originals or copies purchased before they accepted the agreement. However, for any acts that have become infringing after a Member adopted the TRIPS Agreement, and that were commenced or made a significant investment before acceptance of the agreement, the Member may limit remedies available to the right holder but must provide equitable remuneration in such cases.

Article 71 requires the Council for TRIPS to evaluate the implementation of the agreement after the transitional period ends, and at regular intervals thereafter, review the implementation of the agreement based on experience gained and any relevant developments that might warrant modification or amendment of the agreement. Amendments proposed to adjust to higher levels of IPRs protection achieved in other multilateral agreements in force and accepted by all Members may be proposed on the basis of a consensus.

Under Article 72, Members of the WTO cannot make reservations about any of the provisions of the TRIPS Agreement without the agreement of other Members. All Members must give their consent for a reservation to be made.

Finally, Article 73 outlines the security exceptions to the provisions of the TRIPS Agreement, including that the Agreement should not be interpreted as requiring a Member to disclose information that it believes is against its national security interests, should not prevent a

Member from taking actions it deems necessary to protect its essential security interests, and should not prevent a Member from taking actions in times of war or emergency

### **3.18 Conclusion**

After conducting a thorough analysis of the TRIPS Agreement, it is clear that this framework has had a significant impact on the global intellectual property landscape. The Agreement has established minimum standards of intellectual property protection that all member countries are required to adhere to, which has created a more level playing field for businesses operating across borders and has facilitated greater investment in research and development. However, there are still some criticisms of the TRIPS Agreement. Some argue that it places too much emphasis on the interests of right holders and can impede access to essential medicines and other vital technologies in developing countries. Others point to the need for effective implementation and enforcement of the Agreement, particularly in countries with weak legal and regulatory systems. Moving forward, it will be essential to continue monitoring and evaluating the effectiveness of the TRIPS Agreement. Policymakers should strive to balance the interests of right holders and the broader public interest while ensuring that the Agreement remains a relevant and effective tool for promoting innovation and creativity around the world.

In conclusion, while the TRIPS Agreement has undoubtedly made a significant contribution to the development of intellectual property law and policy, there is still much work to be done to ensure that it fulfils its potential and benefits all stakeholders. This requires a continued commitment to dialogue and cooperation among member countries, as well as a willingness to adapt to changing circumstances and emerging challenges.