

# Introduction to the International IP Legal Framework



**Intellectual Property Benchbook Series**

Series editor: Justice Stephen Burley

**Introduction to the International Intellectual  
Property Legal Framework**

ISBN: 978-92-805-3495-5

**Intellectual Property Adjudication in  
the Philippines**

ISBN: 978-92-805-3497-9

**Intellectual Property Adjudication in Viet Nam**

ISBN: 978-92-805-3499-3



Intellectual  
Property  
Benchbook  
Series

# Introduction to the International Intellectual Property Legal Framework

Editor: Justice Stephen Burley  
Federal Court of Australia, Sydney, Australia

This work is licensed under Creative Commons Attribution 4.0 International.

© WIPO, 2023

The user is allowed to reproduce, distribute, adapt, translate and publicly perform this publication, including for commercial purposes, without explicit permission, provided that the content is accompanied by an acknowledgment that WIPO is the source and that it is clearly indicated if changes were made to the original content.

First published 2023

World Intellectual Property Organization  
34, chemin des Colombettes, P.O. Box 18  
CH-1211 Geneva 20, Switzerland

Suggested citation: World Intellectual Property Organization (WIPO) (2023). *Introduction to the International Intellectual Property Legal Framework*, Intellectual Property Benchbook Series. Geneva: WIPO.  
DOI: [10.34667/tind.47180](https://doi.org/10.34667/tind.47180)

ISBN: 978-92-805-3494-8 (print)  
ISBN: 978-92-805-3495-5 (online)



Attribution 4.0 International (CC BY 4.0)

Adaptation/translation/derivatives should not carry any official emblem or logo, unless they have been approved and validated by WIPO. Please contact us via the [WIPO website](https://www.wipo.int) to obtain permission.

Cover: Getty Images / © Natali\_Mis,  
© Sefa kart

For any derivative work, please include the following disclaimer: “The Secretariat of WIPO assumes no liability or responsibility with regard to the transformation or translation of the original content.”

When content published by WIPO, such as images, graphics, trademarks or logos, is attributed to a third-party, the user of such content is solely responsible for clearing the rights with the right holder(s).

To view a copy of this license, please visit  
<https://creativecommons.org/licenses/by/4.0>

Any dispute arising under this license that cannot be settled amicably shall be referred to arbitration in accordance with Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) then in force. The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of such a dispute.

The designations employed and the presentation of material throughout this publication do not imply the expression of any opinion whatsoever on the part of WIPO concerning the legal status of any country, territory or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

This publication is not intended to reflect the views of the Member States or the WIPO Secretariat.

The mention of specific companies or products of manufacturers does not imply that they are endorsed or recommended by WIPO in preference to others of a similar nature that are not mentioned.

# Contents

Foreword	6
Editor's introduction to the series	7
Acknowledgments	9
<b>Chapter 1 Trademark</b>	<b>10</b>
1.1 Introduction	10
1.2 What is a trademark?	10
1.3 International sources of law	12
1.4 Obtaining registered trademark protection	12
1.4.1 Filing a trademark application	13
1.4.2 Opposition	13
1.4.3 Examination	13
1.4.4 Registration duration and renewal	14
1.4.5 Appeal procedures	14
1.4.6 R or ® symbol	14
1.5 Requirements for a valid trademark	14
1.5.1 Signs that may serve as trademarks	14
1.5.2 Actual or acquired distinctiveness	14
1.5.3 Exclusion from registration on other grounds	15
1.5.4 Absolute and relative grounds for refusal	15
1.5.5 Use requirement	16
1.6 Rights conferred by trademark registration	16
1.6.1 Right to prevent others from using the trademark	16
1.6.2 Right to prevent others from using well-known marks	16
1.6.3 Right to dispose of the trademark as an object of property	17
1.6.3.1 Assignment	17
1.6.3.2 Licensing	17
1.6.4 Coexistence agreements	17
1.6.5 Restrictions of the exclusive right	17
1.6.5.1 Parallel imports	17
1.6.5.2 Public policy	18
1.7 Revocation or invalidation	18
1.8 Infringement proceedings	18
1.8.1 Likelihood of confusion	19
1.8.1.1 Similarity of trademarks	19
1.8.1.2 Similarity of goods or services	20
1.8.2 Counterfeiting	20
<b>Chapter 2 Patents</b>	<b>22</b>
2.1 Introduction	22
2.2 What is a patent?	23
2.2.1 What is a utility model?	23
2.3 International sources of law	23
2.4 Obtaining patent protection	24
2.4.1 Filing a patent application	24
2.4.2 Examination	25
2.4.3 Opposition systems (pre- and post-grant)	25
2.4.4 Patent grant and term of protection	26
2.4.5 Appeal procedures	26

<b>2.5</b>	<b>Requirements for a valid patent</b>	<b>27</b>
2.5.1	Patentable subject matter	27
2.5.2	Novelty	28
2.5.3	Inventive step (nonobviousness)	29
2.5.4	Capable of industrial application (utility)	30
2.5.5	Disclosure requirements for a valid patent	30
2.5.6	Unity of invention	31
<b>2.6</b>	<b>Rights conferred by patent protection</b>	<b>31</b>
2.6.1	Exclusive right to exclude others from exploiting the protected invention	31
2.6.2	Assignment and licensing	31
<b>2.7</b>	<b>Revocation or invalidation</b>	<b>32</b>
<b>2.8</b>	<b>Infringement proceedings</b>	<b>32</b>
2.8.1	Elements of infringement	33
2.8.1.1	Prohibited acts	33
2.8.1.2	Scope of the claim	34
2.8.2	Exceptions and limitations	35
2.8.3	Defenses to allegations of infringement	36
2.8.3.1	Invalidity	36
2.8.3.2	Exhaustion of rights and parallel imports	36
2.8.3.3	Compulsory licenses and governmental use	36
<b>2.9</b>	<b>Evidence</b>	<b>37</b>
<b>Chapter 3</b>	<b>Copyright</b>	<b>38</b>
<b>3.1</b>	<b>Introduction</b>	<b>38</b>
<b>3.2</b>	<b>What are copyright and related rights?</b>	<b>38</b>
<b>3.3</b>	<b>International sources of law</b>	<b>38</b>
<b>3.4</b>	<b>Obtaining copyright protection</b>	<b>41</b>
3.4.1	No registration requirement	41
3.4.2	Challenges to copyright ownership and subsistence	41
<b>3.5</b>	<b>Requirements for valid copyright protection</b>	<b>41</b>
3.5.1	Copyrightable subject matter	41
3.5.1.1	Computer programs and software	42
3.5.1.2	Databases	43
3.5.1.3	Video games	43
3.5.2	Originality	43
3.5.3	Fixation	44
<b>3.6</b>	<b>Rights conferred by copyright and related rights</b>	<b>44</b>
3.6.1	Economic rights	44
3.6.1.1	Right of reproduction and related rights	45
3.6.1.2	Rights of public performance, broadcasting, communication to the public and making available to the public	45
3.6.1.3	Right of adaptation	46
3.6.1.4	Resale right	46
3.6.2	Moral rights	46
3.6.3	Related rights	47
3.6.3.1	Rights of performers	47
3.6.3.2	Rights of producers of sound recordings	47
3.6.3.3	Rights of broadcasting organizations	48
3.6.4	Limitations and exceptions to copyright	48
3.6.5	Term of protection	49
3.6.6	Ownership of copyright	50
3.6.7	Transfer of copyright	50
3.6.7.1	Licensing	50
3.6.7.2	Assignment	51

<b>3.7</b>	<b>Revocation or invalidation</b>	<b>51</b>
<b>3.8</b>	<b>Infringement proceedings</b>	<b>52</b>
3.8.1	Subsistence of copyright	52
3.8.2	Infringing act	52
3.8.3	Copyright piracy	53
<b>Chapter 4</b>	<b>Remedies</b>	<b>54</b>
<b>4.1</b>	<b>Introduction</b>	<b>54</b>
<b>4.2</b>	<b>Provisional measures</b>	<b>54</b>
<b>4.3</b>	<b>Civil remedies</b>	<b>55</b>
4.3.1	Injunctions	55
4.3.2	Entitlement of the rights owner to information	56
4.3.3	Damages	56
4.3.4	Disposal or destruction	57
4.3.5	Publication of judgments in media	57
<b>4.4</b>	<b>Criminal sanctions</b>	<b>57</b>

# Foreword

The World Intellectual Property Organization (WIPO) is delighted to present this volume as the first title of the *Intellectual Property Benchbook Series*.

The Benchbook series is a unique new resource for judges seeking specialized support as they deal with IP cases appearing before them in their own courts, as well as for readers interested in learning about judicial adjudication of IP disputes across jurisdictions.

Judges play a vital role in ensuring that innovation and creative ecosystems are balanced and effective, and deliver benefits to all. Indeed, in the domain of IP, the forces of technological change are positioning courts as arbiters of technical questions with significant legal, social and economic implications. Courts across the world are increasingly faced with both technical and case management challenges arising from evolving types of IP disputes. Our globalized societies and the transnational nature of IP transactions ensure that this momentum will continue.

Conceived by the WIPO Judicial Institute in response to requests for resources tailored for national judiciaries, particularly on the procedural aspects of IP adjudication, the Benchbook series combines WIPO's global perspective and expert knowledge of the international legal framework for IP, with the insight of experienced members of national judiciaries. As such, it is an unequalled public reference source, both in its scope and focus, and in the authoritative perspectives offered by its authors.

Importantly, each country-specific Benchbook volume is drafted by judges, for judges, of each relevant jurisdiction, filling a gap in practical guides to assist judges at each stage of the IP adjudication life cycle within their specific legal and judicial context. Experienced members of each national judiciary have generously shared their insight and expertise, enabling colleagues who may have had less exposure to IP adjudication to date to benefit from the communal wisdom of their judicial peers.

These volumes are primarily intended to serve as an immediate resource available in court and chambers, for use by judges and other judicial officers in the course of adjudication. Where required, country-specific volumes will be made available in the relevant national language. In addition, they can serve as a general reference, providing comparative information on judicial procedure to inform a broader global audience. Significant laws, regulations and jurisprudence referenced in the volumes are made available in the WIPO Lex database, providing free and open global access to the key legal and jurisprudential developments in IP.

The Benchbook series is a part of the WIPO Judicial Institute's work to build sustainable judicial education programs and to provide more integrated support to Member States. As such, it will be a living and growing set of titles, with further volumes covering other jurisdictions already under preparation. It is our hope that the value of the Benchbook series as a resource for national and regional judiciaries will also continue to grow, both within the jurisdictions addressed and beyond.

**Marco M. Alemán**  
Assistant Director General  
IP and Innovation Ecosystems Sector  
WIPO



# Editor's introduction to the series

This Benchbook series has been designed to help judges in preparing to hear, hearing and then determining intellectual property cases involving the infringement or revocation of trademarks, patents and copyright and related rights.

It is important to start with a confession. These are not substantive textbooks concerning the law of intellectual property, nor is the series a comprehensive work on practice and procedure. In those senses, it is neither fish nor fowl. Rather, each volume is intended to provide practical information that may be useful to judges in the conduct of cases about intellectual property rights in the jurisdictions under focus.

In the universe of legal rights, intellectual property rights are unusual for two obvious reasons.

First, not only are they the creatures of statutory law for a particular sovereign nation, they also arise in the context of an extensive latticework of international treaties to which member countries in the international community adhere. The result is that intellectual property laws in one country are likely to have strong elements in common with equivalent laws in other countries. For that reason, the first volume of this series offers an overview of substantive rights under trademark, patent and copyright law by reference to those rights as they are recognized in various international treaties. This first volume supports the subsequent volumes, each of which is specific to the laws and procedures of a particular country, allowing for the cross-referencing of common substantive rights without undue repetition.

Second, intellectual property laws recognize as intangible property the rights arising from the efforts of human endeavor.

- A **trademark** is a sign (such as a word or symbol) that indicates the trade origin of particular goods or services. It provides a connection in the course of trade between the trademark and a trader.
- A **patent** protects an idea in the form of an invention that can be applied to be useful to the world. The physical manifestation of a patent is a "patent specification", which is the document describing the invention and setting out in its claims the scope of the monopoly asserted.
- In broad terms, **copyright and related rights** generally protect an original form of expression. Examples of copyright works range from books to paintings to computer software to television shows to movies and music.

Each sign, each invention, each form of expression is born as the creation of the human mind and is then turned into something of tangible value, which may be owned, licensed and sold to others. More particularly, it is turned into something of value allowing the owner of the right to prevent unauthorized third parties from reproducing it and to obtain financial compensation for any infringement that has occurred.

But when and how can an owner of an intangible right protect it? The answer to that question is fundamental to any legal system securing intellectual property rights.

In the case of patents and trademarks (leaving aside cases of unfair competition and other unregistered rights), the right must be validly registered. This means that it must be registered according to several internationally recognized requirements. Typically, it must be registered with the administrative body that is responsible for screening and then granting such rights. Only a trademark or patent that is valid may be infringed, and so it is typical in

many cases for an owner alleging infringement of such rights to be met with a defense that not only denies the act of infringement, but also alleges that the registration is not valid.

In the case of copyright and related rights, the position is analogous, although in most countries copyright protection does not require registration, and arises automatically upon the creation of the work. Even so, the same principle applies. A defendant to a case alleging copyright infringement may not only dispute that an unauthorized reproduction of the work asserted has been made, but may also challenge the ownership or subsistence of the right asserted on the basis that no copyright vests in the work.

For many cases alleging trademark, patent or copyright infringement, it is more complex and time-consuming for a court to determine the challenge to the validity of the right than the arguments concerning infringement. For this reason, when considering the conduct of proceedings concerning the infringement of intellectual property rights, it is important to be aware of the essential requirements for the validity of the right under consideration, in addition to the law relevant to the question of the infringement of those rights.

## The structure of the Benchbook series

The first volume in the series, *Introduction to the International Legal Framework for Intellectual Property*, introduces in its first three chapters the subject matter of trademark, patent and copyright law by reference to the international treaties to which most countries are party. Each provides an introduction to the intellectual property right concerned, a description of the process by which the right is registered (in the case of trademarks and patents) and the relevant requirements for validity of the right in question. Each then considers what the owner of the right must establish to demonstrate infringement of that right. Its fourth and final chapter addresses the remedies that may be available to an owner of a right upon proof of infringement.

The subsequent volumes in the series are each devoted to the conduct of intellectual property cases in a specific country. Each volume follows a similar structure to the first, beginning with a chapter entitled “Procedure,” which introduces the domestic sources of relevant intellectual property laws and identifies where intellectual property disputes are typically heard within the national judicial system. The chapter then proceeds to identify in some detail any rules of court that are specifically directed towards the conduct of intellectual property cases in that country. The idea is that a judge may look to this chapter to identify what particular matters they must take into consideration in the courtroom, whether at the point when a case is first commenced or when it is ready for final hearing.

The next three chapters in each volume then proceed to address trademark, patent and copyright, providing details that are relevant for judges in each country considering each type of case.

From time to time, contributing authors have inserted “tips,” with which they add detail or suggest case management approaches that may be of assistance to judges dealing with such cases.

## Reference sources

In seeking to provide an easily accessible guide to judges, the volumes make reference to various sources of relevant rules and legislation governing the conduct of intellectual property cases in each jurisdiction under focus. The sources referred to in the series may be found in the WIPO Lex database, a helpful central repository of not only the legislation identified but also the relevant case law.

**Justice Stephen Burley**

Federal Court of Australia, Sydney Australia

# Acknowledgments

WIPO is grateful to the distinguished judges contributing to this series, as well as to their respective judicial authorities, whose institutional support has been instrumental to enabling the time and work that this publication required.

The launch of the first three titles of the Benchbook series owes a great deal to the leadership of the principal editor of the series, Justice Stephen Burley of the Federal Court of Australia, and to his staff. WIPO also expresses its appreciation to Associate Justice Maria Rowena Modesto-San Pedro of the Court of Tax Appeals, Quezon City, Philippines, and Justice Le Van Minh of the Supreme People's Court of Viet Nam, as the contributing authors of the first two country-specific volumes. The production of these titles were financed by Funds in-Trust provided by the Government of Australia.

The first title in the series, *Introduction to the International IP Legal Framework*, benefitted from the technical expertise of a number of colleagues across WIPO. In particular, the WIPO Judicial Institute wishes to acknowledge and thank the following colleagues for their invaluable input: Ms Marina Foschi (Policy and Legislative Advice Section of the Department for Trademarks, Industrial Designs and Geographical Indications); Ms Tomoko Miyamoto and Ms Nina Belbl (Patents and Treaties Law Section); Ms Michele Woods (Copyright Law Division); and Mr. Xavier Vermandele (Building Respect for IP Division). Within the Institute, Ms Nahal Zebarjadi has driven the creation of this Benchbook series.

## **Eun-Joo Min**

Director, WIPO Judicial Institute

It has been a pleasure to work with a talented group of intellectual property professionals in putting together this Benchbook series. When Eun-Joo Min, Director of the WIPO Judicial Institute and Nahal Zebarjadi, Legal Officer at the WIPO Judicial Institute, first approached me to edit the series, I did not realize what an exciting prospect it offered for interacting in depth with judges from different jurisdictions. After we adjusted for the effects of COVID 19, our regular video meetings became for me a form of lockdown entertainment. They were delightful.

Particular acknowledgement should go to Maria Rowena Modesto-San Pedro, Associate Justice, Court of Tax Appeals, Philippines, and Justice Le Van Minh of the Supreme People's Court of Viet Nam. Without their valuable contributions, the first two volumes in the series would not have been possible.

I have also been assisted a great deal by National Judicial Registrar Susan O'Connor and Judicial Registrar Amelia Edwards of the Federal Court of Australia, and by several of my past and current associates, including Tim Gollan, Joseph Petrie, Veronica Sebesfi, Amelia Van der Rijt and Jessica Wotton.

I should also like to thank the Federal Court of Australia for supplying additional resources to enable the production of this work and, of course, Eun-Joo and Nahal, whose unfailingly diplomatic and valuable contributions kept the project on track.

## **Justice Stephen Burley**

Federal Court of Australia

# Chapter 1

# Trademark

## 1.1 Introduction

Trademark law may be seen to provide a balance between the interests of consumers, on the one hand, and the interests of traders, on the other.

- Consumers recognize a trademark as a badge of origin of goods and services, and it helps them to avoid confusion as to that origin.
- Traders invest in a trademark to protect their goodwill as a species of statutory property – a right – that ought not to be infringed and which they can use, sell or license.

Article 15.1 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)<sup>1</sup> describes the property that is protected by trademarks law thus:

Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.

Article 16.1 of TRIPS describes the rights conferred upon the owner of a registered trademark thus:

The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.

This chapter provides an introduction to trademarks, explains how trademark protection can be obtained and the conditions required for applying for a valid trademark, and explores how trademarks may be invalidated and how trademarks may be infringed.

## 1.2 What is a trademark?

Any sign capable of distinguishing the goods or services of one undertaking from those of other undertakings can be used as a trademark. This includes words, names,

<sup>1</sup> World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights, adopted April 15, 1994 ("TRIPS Agreement," or "TRIPS"), available at <https://www.wipo.int/wipolex/en/treaties/details/231>

letters, numerals, drawings, pictures, shapes, colors, labels or any combination of these. In most countries, taglines, advertising slogans and titles may also constitute trademarks.

This chapter focuses on signs that obtain trademark protection through registration (at the national, regional or international level). Although unregistered trademarks are afforded protection in many countries, registration affords trademarks several important advantages, and therefore registered trademarks play a more prominent role in the area of trademark law.

**Well-known marks** are trademarks that are considered to be well known by the competent authority of the country where protection for the trademark is sought. Any type of trademark can become “well known” over time.<sup>2</sup> Well-known marks generally benefit from additional protection.

Some jurisdictions distinguish between trademarks and **service marks**. Trademarks distinguish the *goods* of one enterprise from those of others, while service marks fulfill the same function in relation to *services*. Services may be of any kind, such as financial, banking, travel, advertising and catering. Legally, there is no difference between the two terms: service marks can be registered, renewed, cancelled, assigned and licensed under the same conditions as trademarks. Service marks are often referred to as trademarks for convenience or because certain countries do not recognize the term “service mark.”

A **collective mark** is generally owned by an association or cooperative whose members may use the mark to market their products. The association generally establishes a set of criteria for using the collective mark (e.g., quality standards) and permits individual businesses to use it if they comply with such standards.

**Certification marks** are given for compliance with defined standards but are not confined to any membership. The defined standards may concern the character or quality of goods or services, working conditions of production of the good or performance of the service, classes of person producing the good or performing the service, or the area of origin. The message conveyed by a certification mark is that the products have been examined, tested, inspected or in some other way benchmarked by the owner of the mark, who is not the producer of the good or performer of the service.

A product can have both a trademark and a collective mark or certification mark.

In many countries, the main difference between a collective mark and a certification mark is that the former may be used only by a specific group of enterprises (e.g., members of an association), while the latter may be used by anybody who complies with the standards defined by its owner. Not every country offers both options, and hence a collective mark in one country may have to be registered as a certification mark in another country and vice versa.

It may not be possible to register a trademark that includes geographic words or signs if it is geographically descriptive. In such instances, a producer may seek a **geographic indication** to mark goods that have a specific geographical origin and possess a given quality, reputation or other characteristic that is essentially attributable to that territory of origin. It may be used by all producers who make their products in the place designated by the geographic indication and whose products share specified qualities.

An **appellation of origin** is a special kind of geographical indication.

It generally consists of a geographical denomination or a traditional designation used on goods that have a specific quality or characteristics that are exclusively or essentially due to the geographical environment in which they are produced, including both natural and human factors.

In some countries, protection of geographical indications and appellations of origin is available only by means of collective or certification marks. Other countries have a separate *sui generis* protection system for this purpose.

2 In September 1999, the WIPO General Assembly and the Assembly of the Paris Union adopted a Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, which provides guidance for determining whether a particular mark is well known and the scope of protection of well-known marks: see [www.wipo.int/edocs/pubdocs/en/marks/833/pub833.pdf](http://www.wipo.int/edocs/pubdocs/en/marks/833/pub833.pdf)

**Trade names** are not trademarks; rather, they distinguish one enterprise from another, independently of the goods or services that the enterprise markets or renders. Trade names may be protected under different legal frameworks in different countries, such as under the laws of unfair competition, personality rights or trademark.

### 1.3 International sources of law

There are several primary sources of international law relevant to trademarks.

The **Paris Convention for the Protection of Industrial Property (1883)**,<sup>3</sup> known as the Paris Convention, applies to industrial property in the widest sense, including patents, trademarks, industrial designs, utility models, trade names and geographical indications, as well as the restraint of unfair competition.

The **Agreement on Trade-Related Aspects of Intellectual Property Rights (1994)**,<sup>4</sup> known as the TRIPS Agreement or simply TRIPS, administered by the World Trade Organization (WTO), binds WTO Members to further rules and obligations for intellectual property rights in general and addresses trademark laws.

The **Madrid Agreement Concerning the International Registration of Marks (1891)**<sup>5</sup> and its **Protocol (1989)**<sup>6</sup> govern the Madrid System for the International Registration of Marks. The system makes it possible to protect a mark in several countries by obtaining a single international registration that has effect in each of the designated Contracting Parties.

The **Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (1957)**,<sup>7</sup> known as the Nice Agreement, provides for an international system of classification of goods and services, known as the Nice Classification (NCL), which is widely used around the world. A trademark application refers to a specific sign in connection with specific goods or services, or an NCL number that indicates a class of goods or services, for which the applicant intends to use the sign.

In countries party to the Nice Agreement, the classification is used to record the classes of goods or services in relation to which a sign is sought or registered. The Nice Classification may be used as a subsidiary classification in some countries.

### 1.4 Obtaining registered trademark protection

Legal protection for a trademark is obtained through registration and, in some countries, may also be acquired through use. Countries adopt either a “first to file” or a “first to use” registration system.

- In **first-to-file** countries, the rights to a trademark belong to the first to file an application for that trademark, even if another party was already using it. There is an exception for well-known trademarks, which may be protected even if they are not registered (or have not even been used) in a given territory.
- In **first-to-use** countries, the owner of the trademark is the person who is the first to use the trademark in the marketplace, irrespective of whether it is registered or not. Although registration is not compulsory in these countries, registered trademarks are afforded much stronger protection.

3 Paris Convention for the Protection of Industrial Property of March 20, 1883, as revised at Stockholm on July 14, 1967, and as amended on September 28, 1979 (“Paris Convention”), available at <https://www.wipo.int/wipolex/en/treaties/textdetails/12633>

4 See n. 1.

5 Madrid Agreement Concerning the International Registration of Marks of April 14, 1891, as amended on September 28, 1979, available at [www.wipo.int/treaties/en/registration/madrid/](http://www.wipo.int/treaties/en/registration/madrid/)

6 Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks of June 27, 1989, as amended on November 12, 2007, available at [www.wipo.int/treaties/en/registration/madrid\\_protocol/](http://www.wipo.int/treaties/en/registration/madrid_protocol/)

7 Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of June 15, 1957, as revised at Stockholm on July 14, 1967, and at Geneva on May 13, 1977, and as amended on September 28, 1979 (“Nice Agreement”), available at <https://www.wipo.int/wipolex/en/treaties/textdetails/12617>

Protection for trade names, which are different from trademarks, does not require registration in countries that are Member States of the Paris Convention or of the WTO.<sup>8</sup>

#### 1.4.1 Filing a trademark application

To obtain trademark protection, an applicant must file a trademark application with an intellectual property office in the relevant country or file an international application designating the countries in which protection is sought in accordance with the Madrid Protocol.

The intellectual property office will typically screen the application for formal validity and then, in many systems around the world, make the application public so that any sufficiently interested third party may oppose the registration sought.

See section 1.5 for the main substantive requirements for validity of a trademark application.

#### 1.4.2 Opposition

Opposition systems offer third parties the opportunity to challenge the registration of a trademark within a period of time defined by the applicable law. Opposition proceedings may be held before a trademark office, or before a judicial or quasi-judicial administrative authority.

In countries where opposition systems exist, they are closely related to the national trademark registration procedure and take a variety of forms. They may be part of the initial registration procedure (i.e., preregistration opposition) or directly follow the completion of the registration process (i.e., post-registration opposition).

- In **preregistration** systems, oppositions may be filed at different stages. In some systems, oppositions may be launched before or during examination of the application for registration; more often, however, oppositions are permitted after examination of the formal requirements or after examination as to substance (giving absolute or relative grounds for refusal).
- In **post-registration** systems, oppositions can be launched after the trademark has been registered.

Frequently, a party filing an opposition must demonstrate a legitimate interest in the registration. In the case of relative grounds for refusal, a person possessing prior rights (e.g., a prior trademark or prior industrial design right) can generally lodge an opposition.

National and regional trademark laws stipulate detailed, and sometimes exhaustive, lists of grounds for opposition. Some, but not all, systems distinguish between absolute and relative grounds for opposition.

#### 1.4.3 Examination

Once an application for registration of a trademark is received, it will be examined as to form, to make sure that it complies with the administrative requirements or formalities (i.e., whether the application fee has been paid and the application form properly filled in). Then, once the formality requirements are satisfied, trademark offices in most countries will also conduct an examination as to substance, in the interests of both the public and competitors.

In some countries, the trademark office performs only a partial substantive examination whereby it verifies whether the proposed trademark is liable to be rejected on absolute grounds – that is, as a sign that is excluded from registration under trademark law (see section 1.5.4). If a full substantive examination is completed, it will also include examination on relative grounds, meaning that the office will also check whether the proposed trademark conflicts with an existing trademark registered in the relevant class or classes (see section 1.5.4).

In many countries, third parties are given the opportunity to object to registration of a trademark by means of post-grant revocation or invalidation procedures. The permissible grounds for objection and ways of presenting evidence may be similar in systems that offer both opposition

8 Paris Convention, Art. 8; TRIPS Agreement, Art. 2.1.

and revocation or invalidation procedures. However, they may serve distinct purposes: opposition proceedings are usually relatively quick, aiming to allow the settlement of a large number of standard cases; revocation and invalidation proceedings, by contrast, may be more comprehensive (see also section 1.7).

#### 1.4.4 Registration duration and renewal

Once it has been decided that there are no grounds for refusal, the trademark is registered, and a registration certificate is issued that is valid for at least seven years.<sup>9</sup> In many countries, the term of registration is 10 years.

It is important to note, however, that the trademark may be renewed indefinitely by paying the required renewal fees each time they become due.

#### 1.4.5 Appeal procedures

Depending on the legal system of the country, the refusal of an application either in part or in full may be appealed to the registrar, to an administrative appeal board or to a court.

The dismissal of an opposition will usually be subject to appeal.

#### 1.4.6 R or ® symbol

The use of a trademark notice on goods to identify trademarks as such may not be made a condition of the right to protection.<sup>10</sup> Only a few countries provide for the use of such notices. The short symbol of a circled R or ® has become a globally recognized notice for a registered trademark. Some businesses use the designation “TM” or <sup>TM</sup> adjacent to unregistered trademarks, or “SM” or <sup>SM</sup> adjacent to unregistered service marks, to indicate that they claim exclusive rights. In some countries, it may be an offence to apply such letters to trademarks that are not registered.

## 1.5 Requirements for a valid trademark

### 1.5.1 Signs that may serve as trademarks

Generally, trademark law does not exhaustively define the types of sign that may serve as trademarks. In principle, signs that can serve to distinguish the goods or services of an enterprise from those of others may include words, letters and numerals, devices (including drawings and logos) or combinations of any of these. They may also consist of colored marks (including color combinations and colors as such), three-dimensional signs, certain sound marks, olfactory (smell) marks and other invisible signs, such as those recognized by touch.<sup>11</sup>

### 1.5.2 Actual or acquired distinctiveness

Generally speaking, a sign must be “distinctive,” which means that it must be capable of distinguishing the products or services of one enterprise from the products or services of other enterprises if it is to constitute a trademark and receive protection.<sup>12</sup> In practical terms, this means that, to function, the trademark must be distinctive in relation to the goods or services covered by the registration. The “distinctiveness” of a trademark refers to its capacity to identify goods or services from a particular trade source, and it therefore depends on the perception of the average consumer of the goods or services covered by the application.

There are different degrees of distinctiveness. Some types of trademark can be considered inherently strong or inherently weak; but this characterization is not static. The level of distinctiveness of a sign can be strengthened as a result of actions of the user or third parties, but distinctiveness can also be lost.

<sup>9</sup> TRIPS Agreement, Art. 18.

<sup>10</sup> Paris Convention, Art. 5D.

<sup>11</sup> Article 15.1 of the TRIPS Agreement contains a non-exhaustive list of examples of signs eligible for registration as trademarks.

<sup>12</sup> TRIPS Agreement, Art. 15.1.



Types of trademark that are generally considered to be among the inherently strongest are:

- **coined trademarks**, which are invented words or signs without any meaning; and
- **arbitrary trademarks**, which are words or signs that have a meaning but no logical relation to the product they advertise.

**Suggestive signs** – which hint at the nature, quality or attributes of the product but do not describe them – possess a low level of distinctiveness and are usually given less protection; in some countries, they may be considered too descriptive and not be eligible for registration at all.

The weakest signs are those that are descriptive or generic.

- **Descriptive signs** are those that merely describe some feature of the product in question, such as the kind, quality, intended purpose, value, place of origin, time of production or any other characteristic of the goods for which the sign is intended to be used or is being used. They are not eligible for protection unless it can be shown that distinctive character has been established over time through extensive use in the marketplace.
- **Generic signs** are those that define a category or type to which the goods belong. These lack distinctiveness entirely and are *not* eligible for protection as trademarks because giving them protection would deprive competitors of the right to refer to their products by name.

In many countries, an objection that a sign is devoid of distinctive character can be overcome if it can be proved that the sign has acquired secondary meaning or distinctiveness through use. It must be proved that the consuming public recognizes the descriptive name as a trademark that refers to the origin of the goods or services. This usually happens as a result of widespread use over time or as a result of significant marketing.

### 1.5.3 Exclusion from registration on other grounds

Trademarks that are **likely to deceive the public** as to the nature, quality or any other characteristics of the goods or their geographical origin are not eligible for registration. Signs that are descriptive or indicative of geographical origin, if used to refer to products that do not come from the described or indicated origin, count as likely to deceive the public.

Signs that are considered **contrary to morality or public policy** are also excluded from eligibility for registration.

Finally, some countries have a **list of specific signs** that are excluded from registration, which includes such signs as the national flag, official country name and the names of official institutions, certain business names, the names of famous people, the signs of Indigenous peoples and foreign words or expressions.

Members of the WTO are also required to prevent certain unauthorized uses of geographic indications and their registration as trademarks.<sup>13</sup>

The notified signs of other Member States and international intergovernmental organizations (such as the United Nations) are also protected from registration or use as trademarks, or as elements of trademarks, without the authorization of the competent authority.<sup>14</sup>

### 1.5.4 Absolute and relative grounds for refusal

**Absolute grounds for refusal** refer to the categories of sign that are excluded from registration by specific provisions of the trademark law, such as those covered in sections 1.5.1, 1.5.2 and 1.5.3.

**Relative grounds for refusal** are those that arise when the proposed trademark conflicts with prior trademark rights or other signs. Some trademark offices check for conflicts with existing trademarks, including unregistered trademarks and well-known marks, as a regular part of the registration process; many others do so only when another business challenges the trademark after its publication.

<sup>13</sup> TRIPS Agreement, Arts. 22–24.

<sup>14</sup> Paris Convention, Art. 6ter.

A proposed trademark may also be prohibited pursuant to another earlier right (e.g., a right to a name, a right to a personal portrayal, a copyright, an industrial property right), unless the owner of the earlier right has consented to the use of the trademark.

In some countries, trademark applications are examined only for absolute grounds, and it is left to the owner of the prior rights to bring an opposition, or a cancellation or infringement action, against the registration or use of a more recent sign.

A number of other countries provide for the office's examination on both absolute and relative grounds before granting protection, as well as for an opposition procedure.

### 1.5.5 Use requirement

In many countries, use of the trademark is required to maintain the registration, although use cannot be a condition precedent for obtaining registration.<sup>15</sup> In some countries, proof of use or a declaration that the company intends to use the trademark in the future is required to register a trademark. If a registered trademark has not been used for a certain number of years (e.g., a minimum of three years under the TRIPS Agreement<sup>16</sup>), the registration may be cancelled, unless the trademark owner shows valid reasons otherwise. Valid justifications for nonuse could include, for example, instances of force majeure, import restrictions or other circumstances unrelated to the mark owner's fault or negligence.

Improper use can also lead to the loss of trademark rights, for example if the registered owner has used (or tolerated use) of the mark as a generic name, resulting in a loss of its significance as a trademark. Such use may include using the trademark as a product designation or noun.

## 1.6 Rights conferred by trademark registration

### 1.6.1 Right to prevent others from using the trademark

The owner of a registered trademark has the exclusive right to prevent all third parties to which it does not grant consent from using, in the course of trade, identical or similar signs for goods or services that are identical or similar to those in respect of which the trademark is registered, where such use would likely result in confusion.<sup>17</sup> In the case of the use of an identical sign for identical goods or services, a likelihood of confusion is presumed.<sup>18</sup>

In countries where an opposition proceeding is provided for by law, the owner of a registered trademark may oppose trademark applications made by third parties that relate to an identical or similar sign for identical or similar products or services. The owner may also take legal action for the invalidation of identical or similar trademarks that have already been registered.

The trademark owner can exercise their exclusive right by means of an infringement action (see section 1.8).

### 1.6.2 Right to prevent others from using well-known marks

In the case of well-known marks, the right to prevent use of the trademark by others may cover not only confusingly similar marks used for identical or similar products but also confusingly similar marks used for dissimilar products, where use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark, and the interests of the owner of the registered trademark are likely to be damaged by such use.<sup>19</sup> In other words, such broader protection is granted where use of the same mark or a nearly identical mark for other, dissimilar goods would take unfair advantage of, or be detrimental to, the distinctive character or the reputation of the trademark. For example, the use of a sign similar to a well-known trademark may "tarnish" its reputation, "dilute" the

<sup>15</sup> TRIPS Agreement, Art. 15.3.

<sup>16</sup> TRIPS Agreement, Art. 19.1.

<sup>17</sup> TRIPS Agreement, Art. 16.1.

<sup>18</sup> TRIPS Agreement, Art. 16.1.

<sup>19</sup> TRIPS Agreement, Art. 16.3, applying Paris Convention, Art. 6bis.

distinctive character of a well-known trademark or “parasitize” the reputation of the well-known trademark to benefit from the attraction of such mark.

### 1.6.3 Right to dispose of the trademark as an object of property

The owner of a registered trademark also has the right to assign the trademark to a third party and to grant a license to a third party to use the trademark while retaining ownership of it.

#### 1.6.3.1 Assignment

Assignments are often, but not necessarily, part of a purchase contract, whereby trademarks are sold against payment of a certain amount of money. The owner of a registered trademark has the right to assign the trademark with or without the transfer of the business to which the trademark belongs.<sup>20</sup> In some cases, partial assignments may be allowed where the goods involved are not similar to those remaining with the former owner, to avoid confusion of consumers.

#### 1.6.3.2 Licensing

Trademarks can be licensed to others. In such cases, the trademark owner retains ownership and merely agrees that one or more other companies may use the trademark. This is usually in return for payment of royalties and the trademark owner’s consent is usually recorded in a formal licensing agreement.

Licenses can be exclusive or nonexclusive:

- **exclusive** licenses do not allow the licensor to use the trademark for their own products or services, at least in the territory to which the exclusivity agreement refers;
- **nonexclusive** licenses allow the licensor to retain the right to use the trademark and to grant other licenses to third parties.

Depending on the nature of the agreement and particularly if the license is nonexclusive, the licensor often retains some degree of control over the licensee’s use of the trademark, so that it can guarantee that a certain quality is maintained and remains associated with that mark.

To safeguard the function of the trademark as indicating origin, it is necessary and sufficient for the owner to exercise control over the licensee’s use of the mark, particularly with respect to the quality of the goods and the conditions under which they are marketed. If that control is effective, the registered owner does not risk revocation of the trademark for acquired deceptiveness (where such a possibility exists under the applicable law).

### 1.6.4 Coexistence agreements

The owners of identical or similar trademarks may conclude coexistence agreements, which establish to what extent and under what conditions each trademark can be used by its owner. The legal basis for such agreements lies in the right of the trademark owner to consent to the use of the mark.

### 1.6.5 Restrictions of the exclusive right

#### 1.6.5.1 Parallel imports

The right to prevent use of the trademark by third parties may be limited by the principle of exhaustion of intellectual property rights or the “first sale” doctrine.

There is no international definition of “exhaustion.” The TRIPS Agreement does not lay down minimum standards relating to the exhaustion of intellectual property rights, leaving Members free to adopt their own regimes.<sup>21</sup> As a result, exhaustion regimes vary from country to country.

In systems in which **national exhaustion** applies, once goods have been lawfully put on the domestic market with the trademark owner’s consent, the owner of a registered trademark used in relation to those goods can no longer object to further sales of the product in the course of trade on the domestic market. However, in certain jurisdictions, further commercialization of the

<sup>20</sup> TRIPS Agreement, Art. 21.

<sup>21</sup> Article 6 of the TRIPS Agreement refers to exhaustion of intellectual property rights.

goods is subject to the requirement that the goods' condition has not been notably changed or impaired after they have been put on the market.

In other jurisdictions, **regional exhaustion** or **international exhaustion** may apply. Such countries tend to have different conditions and practices in allowing a trademark owner to object to parallel imports with regard to goods marketed for the first time in a foreign country (i.e., first sale).

#### 1.6.5.2 Public policy

The right of use is subject to other laws and rights, for example what is allowed under trademark law may be prohibited under competition or other law. However, the use of a trademark cannot be unjustifiably encumbered by special requirements, such as use with another trademark, use in a special form, or use in a manner detrimental to its capacity to distinguish the goods or services.<sup>22</sup>

The rights conferred by a trademark may also be subject to limited exceptions, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties.<sup>23</sup> For example, many trademark laws provide that a trademark owner may not preclude third parties from good faith use of identifying terms for their goods and services if these are for information only and do not mislead the public as to the source of the goods. Neither can the trademark owner prevent third parties from referring to their trademark by acts such as the listing of the mark in a compendium of trademarks, or from using it in newspaper articles or in books or other publications.

## 1.7 Revocation or invalidation

Revocation or invalidation procedures provide an avenue for the removal of trademarks from the register. Depending on the country, such proceedings are available at the judicial level.

Revocation or invalidation proceedings may allow the assertion of absolute grounds for refusal, such as the trademark being or becoming descriptive or generic, as well as relative grounds for refusal, such as conflicts with prior trademarks or protected geographical indications.

Since revocation or invalidation procedures take place after the trademark has been registered, a party may seek removal of a trademark in circumstances such as those in which:

- a trademark should not have been registered on account of **nullity** (i.e., because it does not meet the criteria of protectability, such as distinctiveness);
- a trademark has not been used during the prescribed period, and that **nonuse** is unjustified;
- a trademark has lost its distinctiveness and **become generic** because its owner has used it improperly or tolerated its use by third parties;
- a trademark has **become deceptive** as a consequence of the use made by its owner on the market.

Registration may be removed in whole or in part for certain goods or services to which the grounds for revocation or invalidity apply.

In trademark systems that do not provide for opposition procedures, revocation or invalidation procedures offer an alternative avenue for objecting to the registration of a trademark.

## 1.8 Infringement proceedings

Proceedings for trademark infringement are the most common means of enforcing trademark rights.

<sup>22</sup> TRIPS Agreement, Art. 20.

<sup>23</sup> TRIPS Agreement, Art. 17.

A trademark will be infringed if, owing to the use of an identical or similar sign for identical or similar goods, there is a likelihood of confusion.

Infringement can arise under four different scenarios – namely, if the alleged infringer uses:

- an **identical** sign in respect of **identical** goods or services;
- a **similar** sign in respect of **identical** goods or services;
- an **identical** sign in respect of **similar** goods or services; or
- a **similar** sign in respect of **similar** goods or services.

Where a sign that is identical to the earlier registered trademark is used for identical goods or services, likelihood of confusion is presumed to exist and does not need to be demonstrated.<sup>24</sup>

Assessment of the other three forms of infringement requires the decision-maker to evaluate the likelihood of confusion. This will involve consideration of two common variables:

- how similar the allegedly infringing trademark is to the registered owner's trademark; and
- how similar the goods or services of the registration are to those in relation to which the alleged infringement has occurred.

### 1.8.1 Likelihood of confusion

When assessing similarity, what has to be assessed is whether the average consumer of the relevant goods or services would be likely to mistakenly think that the goods or services bearing the allegedly infringing sign originate from the owner of the earlier registered trademark.

This demands analysis of:

- the similarity between the earlier registered trademark and the allegedly infringing sign;
- the similarity between the goods or services for which the earlier trademark is registered and those in respect of which the allegedly infringing sign is used; and
- whether such use of the allegedly infringing sign results in a likelihood of confusion.

To ascertain whether confusion arises, or is likely to arise, the relevant portion of the public must first be identified – that is, the persons who are likely to consume the goods in question.

Answering the question of the likelihood that the impugned use will lead to confusion does not require there to be evidence of *actual* confusion on the part of a particular consumer – although such evidence can help a decision-maker to arrive at their conclusion.

Similarly, although it is not necessary for the trademark owner to establish an *intention* on the part of the infringer to deceive consumers, evidence of such an intention may also support a decision-maker in arriving at a finding of infringement.

The more similar the trademarks and the goods or services, the more likely it is that the average consumer will be confused.

#### 1.8.1.1 Similarity of trademarks

To assess the similarity between an earlier registered trademark and an allegedly infringing sign, regard may be had to some broad principles of interpretation, as follows.

First, the consumer is not likely to encounter the earlier registered trademark and the allegedly infringing sign side by side, such that they are able to make an actual comparison; rather, the consumer will likely encounter the allegedly infringing sign by itself and rely on their recollection of the earlier trademark. Further, the degree of attention the consumer is expected to pay may depend on the nature of the goods or services concerned: their level of attention can be expected to be higher for luxury or unusual items than it will be for commonplace goods. The consumer's first impression is therefore often important.

24 TRIPS Agreement, Art. 16.1.

Second, trademarks should be compared as a whole. Differences that would pass unseen by the average consumer should be considered less significant than common elements that readily may give rise to confusion. The context of those elements within the sign's structure or design is important.

Third, a mark that is highly distinctive or contains a highly distinctive element, so that consumers recognize it as indicating the source of the goods, is more likely to be confused when an infringing sign either exactly or nearly exactly duplicates the distinctive element than a mark with an associative meaning relating to the goods for which it is registered. Conversely, where two signs share an element that is descriptive (e.g., used by different owners), the consumer's attention can be expected to be drawn to the rest of the mark.

Fourth, similarity in more than one aspect of the sign can give rise to confusion – whether in the writing (including in its graphic presentation), the pronunciation (since signs that are written differently can be pronounced similarly when spoken) or the meaning (since very distinct meanings may avoid confusion between signs that would otherwise be confusingly similar). Importantly, similarity in any one of these aspects may be sufficient to create a likelihood of confusion and be infringing.

### 1.8.1.2 Similarity of goods or services

The similarity of goods or services cannot be determined by simple reference to the classes in which the goods or services are registered, since such classification is merely administrative in nature. This is made clear by the fact that very different goods may sometimes be listed in the same class, while similar goods may be enumerated under different classes.

The similarity of competing goods or services is instead to be assessed by having regard to whether, if the goods or services were offered for sale under identical or similar signs, the consuming public would be likely to mistake them as having the same origin. This determination is made on a case-by-case basis, taking into account all the circumstances – not only the nature of the goods, their material composition, the purpose for which they are used and their typical channels of trade, but also their usual origin and point of sale.

## 1.8.2 Counterfeiting

Trademark counterfeiting is a kind of trademark infringement: any trademark counterfeiting is a trademark infringement – but the reverse is not true.<sup>25</sup> Trademark counterfeiting is often assimilated to “primary” trademark infringement (i.e., identity of the sign with the earlier registered trademark and identity of goods and services), in which case the likelihood of confusion is presumed, and distinguished from “secondary” trademark infringement, which requires a likelihood of confusion to be demonstrated (see section 1.8).

Counterfeit trademark goods are generally defined as “any goods, including packaging, bearing without authorization a trademark which is identical to the trademark validly registered in respect of such goods, or which cannot be distinguished in its essential aspects from such a trademark [ ... ].”<sup>26</sup>

For counterfeiting, the likelihood of confusion is generally not enough: the two marks must either be identical or indistinguishable. The counterfeit gives the impression of being the genuine product originating from the genuine manufacturer or trader.

Counterfeit goods are commonly associated with the category of luxury goods that bear a well-known trademark, but in fact counterfeiting occurs across all industrial sectors. Counterfeit goods may also be found in specialized goods and services for which there is only a small group of consumers. Whether counterfeiting is possible when the trademark is used on dissimilar goods or services depends on each country's laws.

25 See the Report of the WTO Dispute Settlement Body (DSB) panel in case DS362 (China – Measures affecting the protection and enforcement of intellectual property rights), para. 7.520, available at: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds362\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds362_e.htm)

26 TRIPS Agreement, fn. 14.

Under the TRIPS Agreement, criminal procedures and penalties must be provided at least in cases of willful trademark counterfeiting on a commercial scale.<sup>27</sup> However, this is a minimum obligation, and WTO Members may elect to apply criminal procedures and penalties in a broader range of cases.<sup>28</sup> The TRIPS Agreement does not require countries to criminalize the counterfeiting of trademarks that are not registered in the jurisdiction into which the goods are imported or in the jurisdiction where the dealing takes place (i.e., the counterfeiting of famous foreign trademarks).

Although the TRIPS Agreement requires not only the protection of goods against counterfeiting but also the protection of service marks, in practice the treatment of counterfeit service marks varies across jurisdictions.

27 TRIPS Agreement, Art. 61.

28 TRIPS Agreement, Art. 1.

# Chapter 2

## Patents

### 2.1 Introduction

Patent protection is a powerful monopoly right granted to a patentee, who is generally an inventor or someone who derives title to the invention from the inventor, for a fixed term as a reward for disclosing an invention to the public. Patents are granted through a process of registration, and applications must comply with strict validity requirements.

Article 27.1 of the TRIPS Agreement refers to patentable subject matter thus:

Subject to the provisions of paragraphs 2 and 3, patents shall be available for any inventions, whether products or processes, in all fields of technology, provided that they are new, involve an inventive step and are capable of industrial application. Subject to paragraph 4 of Article 65, paragraph 8 of Article 70 and paragraph 3 of this Article, patents shall be available and patent rights enjoyable without discrimination as to the place of invention, the field of technology and whether products are imported or locally produced.

Under the TRIPS Agreement, WTO members may exclude from patentability certain inventions where it is necessary to do so to protect *ordre public* or morality, including to protect human, animal or plant life or health or to avoid serious prejudice to the environment.<sup>29</sup> They may also exclude from patentability certain methods for the treatment of humans or animals, as well as plants and other animals.<sup>30</sup>

The rights conferred by a patent are addressed in Article 28.1 of the TRIPS Agreement:

A patent shall confer on its owner the following exclusive rights:

- (a) where the subject matter of a patent is a product, 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;
- (b) where the subject matter of a patent is a process, 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.

The owner of a patent may assign it, transfer it by succession, and/or license some or all of the rights conferred by the patent.<sup>31</sup>

29 TRIPS Agreement, Art. 27.2.

30 TRIPS Agreement, Art. 27.3.

31 TRIPS Agreement, Art. 28.2.



## 2.2 What is a patent?

A patent is an exclusive right (recorded in a document called a “patent” that includes within it a specification and claims), granted by a country’s national patent office, or a group of countries’ regional patent office, for an invention that:

- is **new (novel)**;
- involves an **inventive step**; and
- is **capable of industrial application**.

It gives its owner the legal right to exclude or stop others from making, using, offering for sale, selling or importing a product or process based on the patented invention.

A patent is a territorial right, limited to the geographical boundary of the relevant country or region. It is valid for a limited period of time – generally 20 years from the date of the application’s filing – provided that the required maintenance fees are paid on time.

In return for the exclusive right provided by a patent, an applicant is required to disclose the invention to the public by providing a patent specification: a detailed, accurate and complete written description of the invention in the patent application. The granted patent – and, in many countries, the patent application – is published in an official journal or gazette.

Accordingly, the essential bargain between the patentee and the State is that, in return for the disclosure to the public of something that is new and inventive (rather than keeping it secret), the patentee is rewarded by the grant of a monopoly. The validity requirements referred to below reflect this bargain.

### 2.2.1 What is a utility model?

In some countries, some types of incremental invention or small adaptation of existing products are protectable not as patents but as utility models. Utility models may, in some countries, be limited to certain fields of technology and may be available only for products rather than processes.

The differences between the utility model and a patent depend on the jurisdiction, but the following are generally their key characteristics.

- The “inventive step” requirement may be lower or absent for a utility model application than it is when applying for a patent.
- Procedures for granting utility models are generally faster and simpler than those for granting a patent.
- Acquisition and maintenance fees are generally lower for utility models than they are for patents.
- The maximum duration of a utility model is usually shorter than that of a patent.

A utility model application or a granted utility model may usually be converted into a regular patent application.

In some countries, it is possible to file a patent application and a utility model application for the same invention, and the relative speed of the two applications allows the applicant to benefit from utility model protection pending grant of the patent.

## 2.3 International sources of law

The **Paris Convention for the Protection of Industrial Property (1883)**<sup>32</sup> applies to industrial property broadly, including to patents and utility models. The substantive provisions of the Convention fall into three main categories: national treatment; right of priority; and common rules.

- Under the provisions on **national treatment**,<sup>33</sup> the Paris Convention provides that each Contracting State must grant the same protection of industrial property rights to nationals of other Contracting States as that which it grants to its own nationals. Nationals of non-Contracting States are also entitled to national treatment under the Paris Convention if they are domiciled, or have a real and effective industrial or commercial establishment, in a Contracting State.

<sup>32</sup> See, in this volume, Chapter 1, n. 3.

<sup>33</sup> Paris Convention, Arts. 2 and 3.

- The Paris Convention provides for the **right of priority**<sup>34</sup> in the case of patents (and utility models, in those countries in which they exist). This right means that, on the basis of a regular first application filed in one of the Contracting States, the applicant may – within a certain period of time (12 months for patents and utility models) – apply for protection in any of the other Contracting States. These subsequent applications will be regarded as though they had been filed on the same day as the first application. They will therefore have priority over any applications that others might have filed for the same invention or utility model during the intervening period, and assessment of the priority applications will not be affected by, for example, publication of an invention or the sale of articles incorporating an industrial design during the intervening period.
- Among its **common rules** and with regard to patents, the Paris Convention establishes the independence of patents granted in different Contracting States,<sup>35</sup> the right of an inventor to be named as such in a patent<sup>36</sup> and conditions for the establishment of national legislative measures providing for the grant of compulsory licenses.<sup>37</sup>

The **Patent Cooperation Treaty (1970)**,<sup>38</sup> or PCT, makes it possible to seek patent protection for an invention simultaneously in a large number of Contracting States by filing a single “international” patent application. Anyone who is a national of or resident in such a country may file such an application.<sup>39</sup> They may file it with the national patent office of the country of which they are a national or in which they are resident (known as the receiving office), or they may choose instead to file it with the International Bureau of the World Intellectual Property Organization (WIPO) in Geneva.<sup>40</sup> WIPO does not itself grant the patent so filed and there is no such thing as a “world patent”; rather, the effect of the international application in each designated State is the same as that of a national patent application filed with the national patent office.<sup>41</sup>

The **Agreement on Trade-Related Aspects of Intellectual Property Rights (1994)**,<sup>42</sup> administered by the WTO, binds WTO Members to further rules and obligations specific to intellectual property rights. With respect to patents, the TRIPS Agreement defines the subject matter to be protected, the rights to be conferred, permissible exceptions to those rights and the minimum duration of protection.<sup>43</sup> In addition, it harmonizes the minimum protection that each country has to provide to the nationals of other WTO Member countries.<sup>44</sup> The TRIPS Agreement also incorporates “flexibilities,” designed to permit developing and least-developed countries (LDCs), in particular, to use TRIPS-compatible standards in a way that enables them to pursue their own government policies in accordance with national circumstances. The **Doha Declaration**,<sup>45</sup> adopted by WTO Members in 2001, clarified interpretation of these flexibilities for LDCs regarding pharmaceuticals, including their application to exhaustion of rights, compulsory licensing and the extension of the transition period.

## 2.4 Obtaining patent protection

Patents are granted to the first person to file an application on an invention.

### 2.4.1 Filing a patent application

The applicant must file a patent application either in a national patent office or under the terms of the PCT. The patent application will include:

- a **patent specification**, which discloses the invention; and
- **claims**, which set out the scope of the monopoly protection sought.

34 Paris Convention, Art. 4.

35 Paris Convention, Art. 4*bis*.

36 Paris Convention, Art. 4*ter*.

37 Paris Convention, Art. 5A(2)–(5).

38 Patent Cooperation Treaty 1970, done at Washington on June 19, 1970, amended on September 28, 1979, modified on February 3, 1984, and on October 3, 2001 (“PCT”), available at <https://www.wipo.int/wipolex/en/treaties/textdetails/12635>

39 PCT, Art. 9.

40 PCT, Arts. 2(XV) and 10.

41 PCT, Art. 11 (3).

42 See, in this volume, Chapter 1, n. 1.

43 In the area of patents, the relevant provisions of the TRIPS Agreement are Arts. 27–34.

44 TRIPS Agreement, Art. 3.

45 Declaration on the TRIPS Agreement and Public Health, WTO Ministerial adopted in Doha on November 14, 2001 (“Doha Declaration”), available at [www.wto.org/english/thewto\\_e/minist\\_e/min01\\_e/mindecl\\_trips\\_e.htm](http://www.wto.org/english/thewto_e/minist_e/min01_e/mindecl_trips_e.htm)

As discussed later in the chapter, in patent proceedings:

- questions of **infringement** will be tested against the scope of the claims; and
- questions of **validity** will be tested against the specification (the disclosure) and the scope of the claims as at the priority date applicable to those claims.

The broad requirements for a patent specification are set out in Article 29.1 of the TRIPS Agreement:

Members shall require that an applicant for a patent shall disclose the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art and may require the applicant to indicate the best mode for carrying out the invention known to the inventor at the filing date or, where priority is claimed, at the priority date of the application.

The two key dates in patent applications are the filing date and the priority date.

- The **filing date** is the date on which certain periods start, such as the term of the patent.
- Where appropriate, the filing date also determines the **priority date** of any subsequent application in another country under the terms of the Paris Convention (see section 2.3).

The priority date is also relevant to the evaluation of novelty and inventive step.

#### 2.4.2 Examination

The administrative stages of the patent application process are generally as follows.

1. **Formal examination** – The patent office first ensures that the application complies with the administrative requirements or formalities.
2. **Search** – In many countries, the patent office conducts a search to determine the prior art. The search report is used during the substantive examination.
3. **Substantive examination** – The patent office may ensure that the application satisfies the patentability requirements. Not all patent offices do so, however, and some do so only upon request within a specified time. The applicant is given the opportunity to respond and amend the application should any issues be uncovered.
4. **Publication** – In most countries, the patent application is published 18 months after the first filing date. In general, patent offices also publish the patent once it is granted.
5. **Grant** – If the examination process reaches a positive conclusion, the patent office grants the patent and issues a certificate of grant.
6. **Opposition** – Many patent offices provide a further period during which third parties may oppose the grant of a patent. Opposition proceedings may be pre-grant and/or post-grant (see next section).

#### 2.4.3 Opposition systems (pre- and post-grant)

Many countries provide for opposition mechanisms in their patent systems. Opposition systems as such offer third parties an opportunity to oppose a patent.

Opposition procedures are closely related to the granting procedure. An opposition may be requested shortly before the patent is granted (**pre-grant opposition**) or after the granting of a patent (**post-grant opposition**). It is possible to combine pre-grant and post-grant opposition within a single system.

In general, opposition proceedings are between the parties (*inter partes*) procedures conducted before the patent office, not a court. However, opposition proceedings may be conducted before a special opposition board, some or all of the members of which may be judges.

In some countries, an administrative opposition proceeding has an estoppel effect on civil proceedings. In other countries, both administrative and civil proceedings can be pursued independently and in parallel.

An appeal against the final decision of an opposition body is generally possible, either to an appellate body in the relevant intellectual property office or to a court.<sup>46</sup>

The opposition system is complemented by related mechanisms that allow third parties to intervene in the patent examination process before the grant of a patent or to challenge a patent after it has been granted. These other mechanisms include the following.

- **Third-party observations** – In some countries, third parties may submit information about the prior art that is relevant to the determination of patentability.
- **Re-examination** – In some countries, a post-grant proceeding to re-examine the validity of a patent can be conducted by the patent office at the request of the patentee or a third party. The re-examination procedures are conducted in the parties' absence (*ex parte*) in some countries and *inter partes* in others. Where available, the re-examination system often has an estoppel effect, preventing the party requesting re-examination from seeking judicial review on the same grounds.
- **Administrative revocation and invalidation mechanisms** – These provide for an *inter partes* review of the validity of a patent and, in many countries, they are not limited to a certain period after the grant of the patent. Even though such administrative review has quasi-judicial elements in some countries, the procedure is different from a judicial review and takes place outside a court. The panel that conducts administrative review may, however, include administrative judges.

#### 2.4.4 Patent grant and term of protection

Patent rights are effective from the date of grant of the patent. In many countries, a patent application, once published, provides temporary protection to the applicant. However, the applicant becomes a patentee and can enforce the patent right only after the patent is granted.

The current international standard for the term of protection is 20 years from the date of filing of the application,<sup>47</sup> provided that the renewal or maintenance fees are paid on time and no request for invalidation or revocation succeeds during this period. If an invention becomes obsolete or cannot be successfully commercialized, the patent owner may choose not to maintain or renew the patent, leaving the patent to expire earlier.

Once the patent has expired, the invention becomes public property.

In some countries, an extension of protection beyond 20 years may be available for patents should commercialization be delayed by the time required to obtain marketing approval from the appropriate governmental authorities (e.g., for pharmaceuticals or agrochemicals).

In some countries, rather than extending the patent term as such, the intellectual property office may grant a supplementary protection certificate to extend the period of protection. Such certificates are typically available to patents of the sort outlined above, commercialization of which has been delayed by authorization requirements.

Supplementary protection certificates have a limited duration and generally cannot exceed five years.

#### 2.4.5 Appeal procedures

In many systems, a form of administrative appeal procedure against a patent examiner's decision is provided within the patent office, such as through Boards of Appeal. In other systems, the

<sup>46</sup> Article 62.5 of the TRIPS Agreement provides that final administrative decisions in procedures concerning the acquisition and maintenance of intellectual property rights, as well as administrative revocation and *inter partes* procedures, shall be subject to review by a judicial or quasi-judicial authority.

<sup>47</sup> TRIPS Agreement, Art. 33.

courts consider appeals from patent office decisions, whether by way of judicial review or as hearings *de novo*.

Irrespective of these internal arrangements, the courts frequently will play an important role in providing a review of decisions of the patent office, such as those made during the application procedure (e.g., according a filing date), to refuse a patent application or to deny a patent, and when a patentee has not paid a fee properly or promptly.

When disposing of such appeals, the court normally has the following courses of action available to it:

- it may refuse the appeal;
- it may grant the appeal;
- it may refer the case back to the patent office for reconsideration; or
- if the decision appealed against was a decision to reject the application, it may permit the patentee to amend the claims and give directions to the patent office to grant the patent for invention.

If the court refers the case back to the patent office, it may make recommendations for amendment of the claims, description or drawings.

## 2.5 Requirements for a valid patent

To be eligible for patent protection, the claimed invention generally must:

- consist of patentable subject matter;
- be new (known as the novelty requirement);
- involve an inventive step (known as the nonobviousness requirement);
- be capable of industrial application (or be useful);<sup>48</sup>
- be disclosed clearly and fully in the patent application (known as the disclosure requirement); and
- include claims that define the scope of the invention asserted.

It is the claims that define the scope of patent protection. Accordingly, questions concerning compliance with the patentable subject matter, novelty, inventive step (nonobviousness) and industrial applicability (usefulness) requirements focus attention on the claims.

Technical questions frequently arise in patent cases because patents are often directed to areas of science or technology. Courts and patent examiners examining patents for validity or infringement frequently rely on the evidence of experts. In general terms, the purpose of the expert evidence is to put the court or examiner in the position of a person skilled in the relevant art as at the priority date of the claims, so that they can consider the meaning of the claims and questions of validity of the patent from such a person's perspective.

### 2.5.1 Patentable subject matter

The patent system protects "inventions." The scope of the term *invention*, as well as how it is defined in the national legislation, are not uniform.

An invention is usually considered to be a product or a process that is a new way of doing something or offers a new technical solution to a technical problem. Nontechnical items such as designs, literary or artistic works or music are therefore not considered patentable subject matter. Patent protection shall be made available for inventions, whether products or processes, in all fields of technology.<sup>49</sup>

In many jurisdictions, the law does not define the term "invention" but provides a nonexhaustive list of subject matter that shall not be regarded as inventions. While there are considerable

48 See TRIPS Agreement, Art. 27(1).

49 TRIPS Agreement, Art. 27.1.

differences between countries, the following are examples of the type of subject matter that might appear on such a list:

- discoveries of material or substances already existing in nature;
- scientific theories or mathematical methods; and
- schemes, rules or methods for doing business, performing purely mental acts or playing games.

In addition, national laws may exclude the following subject matter from patentability:

- diagnostic, therapeutic and surgical methods for the treatment of humans or animals (but not products for use in such methods); and
- plants and animals other than microorganisms, and essentially biological processes for the production of plants and animals, other than non-biological and microbiological processes.<sup>50</sup>

(Note, however, that, under the TRIPS Agreement, plant varieties must be protected either by patents, or by an effective *sui generis* system, or by any combination thereof.<sup>51</sup>)

The TRIPS Agreement further provides that Members may exclude inventions if their commercial exploitation would contravene ordre public or morality.<sup>52</sup>

#### *Computer programs*

In some countries, mathematical algorithms that are the basis of improved functionality of a computer program may be protected by patents, while in others they are excluded as unpatentable subject matter. In some of the latter countries, software-related inventions may still be patentable, provided that the software is considered to make a technical contribution to the state of the art.

In most countries, the object and source code of computer programs can be protected instead by copyright. Many companies protect the object code of computer programs by copyright, while keeping the source code a trade secret.

#### *Life sciences*

In recent years, there has been a significant rise in the number of patents sought in the life sciences – particularly in biotechnology. Countries differ on what can be patented in this area. While patent protection is to be equally available to inventions in all fields of technology,<sup>53</sup> the application of patent law to inventions in the life sciences gives rise to some specific complexities.

First, the scope of biological subject matter that may be eligible for patent protection has been defined differently across jurisdictions. For example, divergence exists in approaches to determining whether biological materials, isolated or derived from naturally occurring living organisms, are mere “discoveries” or “inventions” and, if so, under what conditions.

Second, in some countries where plants are patentable subject matter but plant varieties are not, a clear distinction between the two becomes important for legal certainty. Preventing the commercial exploitation of certain biotechnological inventions, such as processes for cloning human beings or modifying the germ line genetic identity of human beings, may be considered necessary to protect *ordre public* and morality, and thus these inventions may be excluded from patentable inventions. In countries where diagnostic, therapeutic and surgical methods for the treatment of humans or animals are excluded from patentability, a gene therapy method for the treatment of cancer would likely not be considered a patent eligible invention.

With continuing technological advancement in the life sciences, issues relating to eligibility remain the subject of legal and judicial evolution across a number of jurisdictions.

### **2.5.2 Novelty**

Novelty is not something that can be positively established; only its absence can be proved.

50 TRIPS Agreement, Art. 27.3.

51 TRIPS Agreement, Art. 27.3(b). The International Convention for the Protection of New Varieties of Plants, adopted December 2, 1961 (“UPOV Convention”), provides a *sui generis* system for the protection of new plant varieties that many countries use. The Convention is available at <https://www.wipo.int/wipolex/en/treaties/details/27>

52 TRIPS Agreement, Art. 27.2.

53 TRIPS Agreement, Art. 27.1.

An invention is new (novel) if it does not form part of the prior art. Although definition of “prior art” can differ from country to country, it generally refers to all the relevant technical knowledge available to the public anywhere in the world ahead of the first filing date of the relevant patent application. It includes patents, patent applications and non-patent literature of all kinds.

An invention may become part of the prior art through public disclosure in three ways – namely:

- by a written description of the invention in a publication of any form (such as publication in a scientific journal, including publications in digital format);
- by an oral description of the invention uttered in public (such as presentation at a conference, a lecture or a radio broadcast); and
- by display or through public use (such as use in commerce or its display in a company’s catalogue).

When considering novelty, items of prior art must generally be considered separately (not in combination). In other words, if one document of the prior art is to deny novelty, it must contain *all* the characteristics of the invention’s claim. This is known as anticipating the subject matter of the claim.

A written document may destroy the novelty of any invention claimed if the subject matter is explicitly contained in the document. To make this assessment, the subject matter set forth in a claim of a patent application is compared element by element with the contents of each individual publication. Lack of novelty can be found only if a publication *by itself* contains all the characteristics of that claim (i.e., if it anticipates the subject matter of the claim).

Lack of novelty may also be implicit in the publication if, in carrying out the “teaching” of the publication, a person having ordinary skill in the art (see section 2.5.3) would inevitably arrive at a result falling within the terms of the claim. Lack of novelty of this kind will be raised only where there is no reasonable doubt about the practical effect of the prior “teaching.”

In many circumstances, disclosure of an invention prior to filing of an application can destroy the novelty of the invention, rendering it unpatentable, unless the applicable law provides for a grace period – commonly, six months to one year. In countries providing for such a period, an invention does not lose its patentability as a consequence of pre-filing disclosure by, or with the approval of, the patent applicant provided that they file their application within that grace period. Because the grace period does not apply in all countries, however, relying on it in one country may preclude patenting in other markets of interest.

### 2.5.3 Inventive step (nonobviousness)

Whereas novelty exists if there is any difference between the invention and the prior art, it is not enough for inventive step that the claimed invention is new in the sense that the invention is merely different in some way from the prior art. An invention is considered to involve an inventive step – or to be nonobvious – only when, taking into account the prior art, the invention would not have been obvious to someone having ordinary skill in that art (i.e., in that particular field of technology).

- The expression **ordinary skill** is intended to identify a hypothetical proxy for a person who:
  - has access to and comprehends all relevant prior art information;
  - possesses common general knowledge and skills in the relevant art; and
  - is capable of applying the usual faculties of logic and reason based on this knowledge of a person within the relevant field.
- The **common general knowledge** is broadly considered to be the information known generally to persons in the art (the field) to which the invention is directed as at the priority date of the claims under scrutiny. Such a person is considered to have limited innovative capacity and to exercise no inventive imagination.

As a consequence, inventive step is perhaps the most difficult of the standards to determine in the examination as to substance.

In practical terms, this also means that experts giving evidence on the question of whether or not an invention, as claimed, discloses an inventive step should be treated with caution should they be said to have innovative or inventive capacity. Evidence of obviousness should be compelling

only when it would be obvious to someone with no more than the level of skill in the field that is average among people engaged in that field in the country concerned.

Unlike novelty, evidence of which cannot be considered in combination, and depending on the language of patent law in the country concerned, the examiner can allow the hypothetical ordinarily skilled person to have regard to prior art documents and to combine more than one piece of prior art in arriving at the invention if it is to be found obvious.

In many countries, it is useful to assess inventive step by considering:

- the problem to be solved;
- the solution to that problem presented; and
- the advantageous effects, if any, of the invention with reference to the background art.

If the problem is obvious, the examination will focus on the originality of the solution claimed. If no inventive step is found in the solution, the question becomes whether the result is obvious or whether it is surprising either by its nature or by its extent.

If a person having ordinary skill in the art would have been able to identify the problem, solve it in the manner claimed and foresee the result, inventive step is likely to be found lacking.

#### 2.5.4 Capable of industrial application (utility)

A claimed invention is considered industrially applicable if it can be made or used in any kind of industry.

This means, first, that an invention must be capable of being used for an industrial or business purpose and not be purely theoretical:

- if the invention is intended to be a product or part of a product, it should be possible to make that product; and
- if the invention is intended to be a process or part of a process, it should be possible to carry out that process or to use it in practice.

Second, the term “industrial” should be considered in its broadest sense as anything distinct from purely intellectual or aesthetic activity. It includes, for example, agriculture and fishery.

In some countries, the criterion of “capable of industrial application” is known as utility. Although the exact scope of the utility requirement may be different from one country to another, a claimed invention generally meets the utility requirement if that utility is:

- specific or particular;
- substantial or practical (“real world” utility); and
- credible.

Looking at the general common characteristics of the industrial applicability and utility requirements, an invention that is clearly inoperable in view of well-established laws of nature, such as a perpetual motion machine, complies with neither the industrial applicability requirement nor the utility requirement.

#### 2.5.5 Disclosure requirements for a valid patent

A patent application must disclose the invention sufficiently clearly and fully such that it can be reproduced by a person skilled in the art,<sup>54</sup> meaning a person with ordinary skills in the specific technical field. The definition of “a person skilled in the art” is such that those reading the patent application are expected to have enough background knowledge to understand the invention it discloses without its author describing every basic detail.

The description of the invention claimed should set out at least one mode for carrying it out, with examples where appropriate and with reference to the drawings, if any. In some countries, patent law requires the inventor to disclose the “best mode” for making or performing the invention known to the applicant at the filing or priority date.<sup>55</sup>

<sup>54</sup> TRIPS Agreement, Art. 29.1.

<sup>55</sup> TRIPS Agreement, Art. 29.1.



For patents involving microorganisms that cannot be sufficiently disclosed in written form, many countries require deposit of the microorganism with a recognized depositary institution.

### 2.5.6 Unity of invention

Most patent laws limit the number of different inventions that may be included in a single patent application and require there to be unity of invention among them. In the event that unity of invention is lacking, the applicant may be required to either restrict the claims or divide the application.

While some countries (e.g., the United States) enforce this requirement rather strictly, others (e.g., those that are signatories of the European Patent Convention<sup>56</sup>) permit groups of inventions that are linked to form a single “inventive concept” to be included in a single application. As a result of differences in the applicable law, one patent application may suffice in some countries, while two or more applications may have to be filed to cover the same ground in other countries.

## 2.6 Rights conferred by patent protection

### 2.6.1 Exclusive right to exclude others from exploiting the protected invention

The grant of a patent allows its owner to exclude others from making, using, offering for sale, selling or importing the protected invention.<sup>57</sup> The patentee retains this right for the term of the patent, provided that any necessary renewal or maintenance fees are paid.

The right of the owner is exclusive, as long as others are not authorized by the owner to exploit the invention, for example by way of a license (see section 2.6.2). The exclusive right is the basis of the owner’s protection against infringement (see section 2.8).

The patent owner’s legal rights over the invention may, however, be limited in several ways.

- The claims that define the scope of protection may be subject to amendment or invalidation by the courts, if there are defects that were not detected prior to the grant of the patent.
- Where the patented invention is an improvement or development of an earlier subsisting patent and thus cannot be exploited without infringing the earlier patent, the patent owner may need to obtain a license and pay royalties to the earlier patent owner.
- National laws provide some exceptions and limitations to the enforcement of exclusive patent rights in the public interest (see section 2.8.2).

One of these limitations is the “exhaustion” of rights (see section 2.8.3.2).

### 2.6.2 Assignment and licensing

Owners may choose not to exploit a patent themselves; instead, they can sell it or license the rights.<sup>58</sup>

Sale of a patent is effected through **assignment** and will transfer ownership of the patent to another person. Assignment commonly entails an agreed, one-off payment, with no future royalties payable, regardless of the future profitability of the patent.

**Licensing** enables the owner of the patent to grant permission to someone else to use the patented invention for mutually agreed purposes. Licenses that are granted by the owner of the patent are considered “voluntary” (as distinguished from “compulsory” or “nonvoluntary” licenses). In such cases, a license agreement is generally signed between the two parties, specifying the terms and scope of the agreement.

56 Convention on the Grant of European Patents of October 5, 1973, as revised by the Act revising Article 63 EPC of December 17, 1991, and the Act revising the EPC of November 29, 2000 (“European Patent Convention”), available at <https://www.wipo.int/wipolex/en/treaties/details/226>

57 TRIPS Agreement, Art. 28.1.

58 TRIPS Agreement, Art. 28.2.

There are generally three types of license agreement, depending on the number of licensees who will be allowed to use the patent: an exclusive license; a sole license; and a nonexclusive license.

- **Exclusive license** – A single licensee has the right to use the patented technology, with even the patent owner excluded from using it.
- **Sole license** – A single licensee and the patent owner have the right to use the patented technology.
- **Nonexclusive license** – Several licensees and the patent owner have the right to use the patented technology.

Within a single license agreement, provisions may grant some rights on an exclusive basis and others on a sole or nonexclusive basis.

The owner of the right is generally compensated by means of lump-sum payments and/or recurring royalties, which may be based on sales volume of the relevant product (i.e., a per unit royalty) or on net sales (i.e., a sales-based royalty). In many cases, payment under a patent license is a combination of a lump sum and royalties. In some instances, an equity stake in the licensee company may replace a royalty.

Generally, the parties to the royalty agreement can freely set the license rate depending on the particular factors of the underlying business. However, in reaching agreement, parties must be careful not to contravene competition (antitrust) law aimed at avoiding distortion of competition. This is especially the case in the field of technical standardization, where so-called standard essential patents (SEPs) may need to be licensed on fair, reasonable and nondiscriminatory (FRAND) license terms. It should also be noted that for this reason, in some countries, license agreements need to be registered with a government regulatory authority.

## 2.7 Revocation or invalidation

Revocation or invalidation procedures provide an avenue for the removal of patents from the register. Depending on the country, such proceedings are available at the judicial level.

In a patent enforcement action, it is very common that, in addition to any defense of noninfringement, a defendant will usually add a further defense that the patent is invalid and hence not enforceable even if infringed.

In some jurisdictions, issues of infringement and validity are heard together; other jurisdictions have a bifurcated system in which the questions of infringement and validity are each heard separately by a different court (often with legal and technical experts as judges) or referred to the national patent office. Where issues are heard together, a defense of invalidity may be integrated in the infringement proceedings in the form of a counterclaim. Where issues are heard separately, the defendant to the infringement proceedings will generally need to file a separate action of invalidity (also known as a nullity action) at the court of competent jurisdiction and apply for a stay of the infringement proceedings until the invalidity action is decided. The conditions in which infringement proceedings may be stayed depend on the national or regional laws of civil procedure.

The burden of proof for invalidity is generally on the party who claims invalidity of the patent.

## 2.8 Infringement proceedings

There are several ways in which infringement of patent rights may arise.

First, a third party may deliberately infringe a patent without making any attempt to avoid doing so. Such infringement involves either simple copying of the invention, or minor variations or modifications of it, and it may occur because the infringer is unscrupulous or has been advised that the patent (or claim) in question is invalid. In such disputes, the question of whether infringement has taken place may be clear, and the key matter to be resolved is whether the claims of the patent are valid.

Second, infringement may be deliberate, but the third party may have made some attempt to avoid, or “work around,” the scope of the patent claims and thereby avoid infringement. Although third parties may be genuinely trying to design around the patent even as they

make use of the basic idea of the inventor, the result does not always clearly fall outside the scope of its claims. This may be the most common form of infringement faced by patent owners, giving rise to the most litigation.

Third, infringement may be accidental. Given that there may be many actors working to solve a particular problem at the same time, third parties may produce similar ideas to those involved in the patented invention. Although the patent owner may suspect that the invention has been copied, the third party may have arrived at a similar, if not identical, solution via a different route.

### 2.8.1 Elements of infringement

The patent owner must generally prove certain elements to establish infringement – namely, that:

- an alleged infringer carried out a prohibited act;
- the act is with respect to an invention that falls within the claims of the patent;
- the prohibited act was carried out after the patent application was published or the patent was issued, where no early publication occurs; and
- the prohibited act took place in the country where the patent has been granted.

#### 2.8.1.1 Prohibited acts

The most important element in establishing an infringement is that the defendant has engaged in prohibited conduct.

- Where the claimed invention is a **product**, making, using, offering for sale, selling or importing the patented product is typically prohibited.<sup>59</sup>
- Where the claimed invention is a **process**, the use of the patented process, or the making, using, offering for sale, selling or importing the product directly obtained through the patented process, is considered infringement.<sup>60</sup>

In addition, in a number of jurisdictions, indirect infringement – for example, the supply of any of the means, relating to an essential element of the invention, for putting the invention into effect – may also be prohibited.

The exact definitions of the terms of the different infringing actions depend on national or regional law and may differ from one country to another. Nevertheless, the following descriptions may be useful in generally defining an infringing act.

**To make the product** generally means that the product claimed in the patent is carried out in practice. This is often referred to as an embodiment of the invention claimed. Such making is also referred to as manufacturing, especially when the product is produced on a commercial scale. The method of manufacture and the quantity in which the product is manufactured is irrelevant to whether or not infringement of a patented product has taken place.

A **product patent** generally protects all kinds of uses and sales of the patented product.

The **use of a patented product** does not require repetition or continuity. A single use is a prohibited act irrespective of who the user of the patented product is and for what purpose the patented product is used.

**Offering a product for sale** may be considered an independent infringing action.<sup>61</sup>

The offer generally requires an action that objectively makes the product available on demand to someone who acquires the power of its disposal; it is generally not necessary that the offered product is actually produced or ready for delivery. Since patents are territorial rights, the offer needs to have a sufficient domestic connection to be infringing in that jurisdiction. This is generally the case if the action takes place in a country with patent protection. However, offers targeting consumers in another country with patent

59 See TRIPS Agreement, Art. 28.1(a).

60 See TRIPS Agreement, Art. 28.1(b).

61 See TRIPS Agreement, Art. 28.1(a).

protection could be considered infringing actions under certain circumstances and depending on the relevant national or regional law.

**Selling a product** is generally defined as the actual sale following the offering of a product for sale.

**Importing a product** generally means that a product that falls within the scope of the patent claims is brought into a country where protection has been conferred. Importation is a physical act of transporting the product across the border into the protected territory. It is irrelevant from which other country the product is imported. It is also irrelevant whether the imported product enjoys patent protection in the country in which it was made or in the country from which it was imported.

In respect of **patented processes**, in broad terms only the making of products directly obtained through the patented process is a prohibited act. **Directly**, in this context, means “immediately,” or “without further transformation or modification.” One of the difficulties in establishing infringement in such cases is proving that the patented process was used to produce the product. To solve this difficulty, some national laws reverse the burden of proof in respect of patents for processes by introducing the following presumption: if the product resulting directly from the use of the patented process was new on the filing date or priority date of the patent application and in the absence of proof to the contrary, an identical product manufactured by a third party is presumed to have been obtained by the same process. Some other laws stipulate that if there is a substantial likelihood that the identical product was made by the process and the owner of the patent has been unable, through reasonable efforts, to determine the process used, in the absence of proof to the contrary, an identical product manufactured by a third party is presumed to have been obtained by the same process.<sup>62</sup>

#### 2.8.1.2 Scope of the claim

Patent applications follow a similar structure all over the world, comprising a request, a description, claims, drawings (if necessary) and an abstract. The scope of protection of the patent is always determined by the claims. The specification or the description and drawings may be used to interpret the claims, which they must support clearly and in full.

Whether the product or process in relation to which a prohibited act has been carried out falls within the scope of a patent’s claims is normally the decisive point in any patent litigation. This task of “claim construction” falls to the courts, which must construe the meaning of the claims. The manner in which the courts will interpret a claim in turn depends upon the domestic law and, to a certain extent, the rules or regulations. What a claim means will therefore depend upon the jurisdiction in which it is being interpreted.

In attempting to answer the question of whether a particular object infringes a particular patent claim, the claim may be broken down into its individual elements and these compared with the elements of the alleged infringement.

When comparing the individual elements of a claim with the corresponding elements of the alleged infringement, the following questions may be instructive:

- Are all the elements of the claim present in the alleged infringement?
- Do all the elements have the same form?
- Do all the elements perform the same function?
- Do the elements have the same relationship to the other elements?

If the answer to each of these questions is “yes,” then infringement is likely to be established, provided that the claim in question is valid.

An infringing product or process must include each element of the invention defined in a claim.

Establishing infringement is, however, rarely clear-cut. For example, mere differences in form with the same functional result may still be considered infringement. Further, changing the order

62 TRIPS Agreement, Art. 34.

of steps in a process may not avoid infringement if the result of the steps is the same. Moreover, the mere presence of additional elements in an alleged infringing product or process does not avoid infringement if all the elements of the patent claim are also present.

Frequently, it will be difficult to establish whether the actual wording of the claims – interpreted in light of the specification (or the description and any drawings), if necessary – defines an invention that includes the allegedly infringing subject matter. One of the most difficult areas of patent claim interpretation is determining whether there has been a substitution of equivalent elements in the alleged infringement. For example, the claim may include as a feature “a spring”: if the allegedly infringing device does not include a spring but instead has a solid rubber tube that, in some respects, acts like a spring, is that still infringement?

In many countries, a form of “doctrine of equivalents” exists to ensure that an infringer is not allowed to make use of the patented invention while merely substituting an element of the invention contained in the patent claim with a variant that is technically and functionally equivalent to that element, irrespective of whether the variant used by the infringer turns out to be an improvement or otherwise. Different jurisdictions handle this question differently, depending on the applicable methodology for determining the scope of the claims. In some countries, equivalence is restricted to those cases in which the variant(s) used by the infringer function(s) in substantially the same manner, and produce(s) substantially the same result, as the element(s) contained in the claim or claims. Many courts require or expect the assistance of an expert to give them guidance on the technical merit of such an argument – that is, whether a rubber tube can be considered to fall within the term “spring” in the claim.

Most patents contain more than one claim. Where the patent in suit has several claims with respect to which the patentee alleges an infringement, the court will have to consider each claim separately to see if it is infringed. If one claim is held invalid or not infringed, the patentee may still succeed in restraining infringement if it is held that another claim is valid and infringed.

### 2.8.2 Exceptions and limitations

The prohibited acts are subject to exceptions and limitations. Most national laws provide specific instances in which third parties are permitted to undertake certain unauthorized acts in relation to the patented invention that would otherwise constitute infringement.<sup>63</sup> Although the exceptions and limitations vary from one country to another, they commonly include:

- acts for private and noncommercial purposes;
- acts solely for the purposes of research and experiment;
- acts with respect to a patented invention that has been put on the market by the owner or with the owner’s consent;
- use of the patented invention on aircraft, land vehicles or vessels of other countries that temporarily or accidentally enter the airspace, territory or waters of the country in which the patent is in force;
- continued use of a patented invention by a third party if they had used the invention for the purpose of their business in good faith before the filing date (or priority date), or they had made effective or serious preparations for that purpose;
- acts solely for uses reasonably related to the development and submission of information required for obtaining a regulatory approval – in particular, for pharmaceutical products (known as the *Bolar* exception<sup>64</sup>);
- extemporaneous preparation of a patented medicine by a pharmacist for an individual in accordance with a prescription given by a medical practitioner; and
- where the patented product is used under a nonvoluntary license or under an authorization granted by the government on public interest grounds (see section 2.8.3.3).

63 Article 30 of the TRIPS Agreement provides that Members may provide limited exceptions to the exclusive rights conferred by a patent, provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner, taking account of the legitimate interests of third parties.

64 See the decision of the United States Court of Appeals for the Federal Circuit in *Roche Products, Inc. v. Bolar Pharmaceutical Co., Inc.*, 733 F.2d 858 (Fed. Cir. 1984).

### 2.8.3 Defenses to allegations of infringement

In practice, the most common defenses to patent infringement actions include:

- invalidity;
- noninfringement;
- right of prior use;
- exhaustion of rights;
- licensing;
- experimental use and other privileges; and
- non-patent defenses (such as disputes regarding determination of FRAND license terms).

In addition to the issues already covered under sections 2.6.2 and 2.8.1, some of these defenses are further explained here.

#### 2.8.3.1 Invalidity

As noted in section 2.7, in a patent enforcement action it is very common that, in addition to any defense of noninfringement, a defendant will add a further defense that the patent is invalid and hence not enforceable even if infringed. Because of the principle that no invalid patent should be enforceable, the defendant in a patent action is usually allowed to bring in evidence of invalidity at any stage of the proceedings and, in some jurisdictions, even during the trial itself. As a result, the position of the patentee during patent enforcement proceedings may weaken as a defendant conducts searches and may find evidence relevant to validity.

#### 2.8.3.2 Exhaustion of rights and parallel imports

“Exhaustion” refers to one of the limits of intellectual property rights. Once a particular product protected by an intellectual property right has been marketed either by the right owner or by others with the right owner’s consent, the right owner can no longer exercise the intellectual property rights of commercial exploitation over this product: they are said to be exhausted.

Sometimes, this limitation is also called the first sale doctrine, because the rights of commercial exploitation for a given product end with the product’s first sale. Unless otherwise specified by law, the right owner can no longer control or oppose subsequent acts of resale, rental, lending or other forms of commercial use by third parties. There is a fairly broad consensus that this applies at least within the context of the national markets around the world.

There is less consensus, however, regarding the extent to which the doctrine of exhaustion of rights applies internationally – that is, whether the sale of a protected product in one country can exhaust the intellectual property rights in this product in another. The issue becomes relevant in cases of so-called parallel importation, which refers to the import of original or legitimate goods into a country by an independent entrepreneur outside the distribution channels contractually negotiated and controlled by the manufacturer or right owner of the goods.

The effect of exhaustion will depend on whether the country of importation applies the concept of national, regional or international exhaustion.

- The concept of **national exhaustion** does not allow the right owner to control the commercial exploitation of goods put on the domestic market by the right owner or with the right owner’s consent. However, the right owner (or their authorized licensee) could still oppose the import of original goods marketed abroad based on the right of importation.
- In the case of **regional exhaustion**, the first sale of the protected product by the right owner or with the right owner’s consent exhausts any intellectual property rights over the product not only domestically but also within the whole region, and parallel imports within the region can no longer be opposed.
- Where a country applies the concept of **international exhaustion**, the intellectual property rights are exhausted once the product has been sold by the right owner or with the right owner’s consent in any part of the world.

#### 2.8.3.3 Compulsory licenses and governmental use

In many countries, national legislation provides that, under certain circumstances and conditions, the government and/or third parties may use a patented invention without the

right owner's authorization. The provisions of such compulsory, or nonvoluntary, licenses differ from other exceptions and limitations to patent rights: although the injunctive relief is significantly limited, the right owner remains entitled to remuneration for the use of the patented invention.

Several countries also allow the government, under certain circumstances, to exploit inventions, or require third parties to exploit inventions on its behalf, without the patent owner's consent. Such circumstances are typically in the interests of national defense, the national economy and public health.

Like compulsory licenses, use of a patent without the patentee's authorization by a government or authorized agent of the government is subject to procedural safeguards and also accompanied by provisions for compensation to the patent owner.

In practice, in jurisdictions where such provisions are available, they are rarely applied for or granted.

## 2.9 Evidence

Depending on the respective national or regional procedural law and/or patent law, there may be limitations on the types of evidence that are used in patent proceedings. In general, evidence can include documentary evidence, evidence taken by witnesses and evidence taken by experts. All evidence needs to be presented thoroughly in the written and oral pleadings.

- **Documentary evidence** may include the following:
  - The file history of administrative decisions of the patent office may be relevant with regard to interpretation of the claim or assessment of the validity of the claim.
  - If the patent office rejected the application because there is, in the prior art, a publication that destroys the novelty of the invention, its observations will normally include that publication and its commentary on the significance of the publication, as well as the patent office's decision and its reasoning.
  - Reports of experiments conducted on the infringing product may demonstrate infringement and receipts for the purchase of an infringing product may be submitted.
  - Printouts of internet offers of the alleged infringing product or journals will show the alleged infringing offer.
  - With regard to a possible damage calculation, market surveys and sales figures can be introduced as evidence.
- **Real evidence**, such as the visual inspection of purchased alleged infringing products, may be brought before the court or, if not possible because of the product's type (e.g., if it may not be brought there), outside the court. In the latter case, photographs of the alleged infringing product are often a good alternative.
- **Expert evidence** may often be included with regard to complex technical questions that are disputed between the parties and relevant for infringement. In countries where the invalidity defense is decided as part of the infringement proceedings, evidence from expert witnesses is often received on:
  - prior use;
  - the intelligibility and sufficiency of the patent specification to a competent technician;
  - the utility or usefulness of the invention;
  - the state of common general knowledge at material dates;
  - the meaning of technical terms; and
  - the novel or surprising nature of the invention claimed, when considered in the light of prior art and knowledge.
- The expert often performs experiments to answer certain technical questions and will provide their conclusions in a report. The expert may also be heard as witness in court and may, for example, answer questions about their report.

# Chapter 3

## Copyright

### 3.1 Introduction

The copyright system seeks to create a balance between different interests by rewarding authors of original works with limited exclusive rights for their intellectual effort, while at the same time allowing public access to the work to promote science, culture and the arts.

Copyright law gives an author or creator of a work a diverse bundle of exclusive rights over their work for a period of time. These rights enable the author to control the economic use of their work in a number of ways and to receive payment. Copyright law also provides “moral rights,” which protect, among other things, an author’s reputation and integrity.

Copyright law provides a species of property that may be assigned and licensed to third parties. In most countries, where an employee creates a copyright work in the course of their employment, the first owner of the copyright in that work will be the employer.

### 3.2 What are copyright and related rights?

Copyright law grants authors, composers, computer programmers, website designers and other creators legal protection for their literary, artistic, dramatic and other types of creation, which are usually referred to as works. It protects a wide variety of original works, such as books, magazines, newspapers, music, paintings, photographs, sculptures, architecture, films, computer programs, video games and original databases. (For a more detailed list, see section 3.5.1.)

Related rights, also known as neighboring rights, are a category of rights granted to certain people or businesses that play an important role in performing, communicating or disseminating content to the public, whether or not that content is protected by copyright. In many countries – especially those in which copyright developed from a civil law tradition – related rights is an area of law that is different from, although connected to, copyright. In other countries – especially those in which copyright developed from a common law tradition – all or some of these rights are treated as part of copyright.

Traditionally, at least three categories of related rights owner have been recognized:

- performers (e.g., actors, musicians);
- producers of sound recordings; and
- broadcasting organizations.

For more detail, see section 3.6.3.

### 3.3 International sources of law

The **Berne Convention for the Protection of Literary and Artistic Works (1886)**<sup>65</sup> deals with the protection of works and the rights of their authors. It provides creators such as authors,

65 Berne Convention for the Protection of Literary and Artistic Works of September 9, 1886, as revised at Paris on July 24, 1971, and amended on September 28, 1979 (“Berne Convention”), available at <https://www.wipo.int/wipolex/en/treaties/textdetails/12214>



musicians, poets and painters with the means of controlling how their works are used, by whom and on what terms.

The Berne Convention is based on three broad principles.

- The principle of **national treatment** provides that works originating in one of the Contracting States must be given the same protection in each of the other Contracting States as the latter grants to the works of its own nationals.<sup>66</sup>
- The principle of **automatic protection** provides that protection must not be conditional upon compliance with any formality.<sup>67</sup>
- The principle of **independence of protection** provides that protection is independent of the existence of protection in the country of origin of the work.<sup>68</sup>

The Convention also contains a series of provisions determining the minimum standards of protection relating to the works and rights to be protected, and to the duration of protection.

- **Economic rights** – Subject to certain allowed reservations, limitations or exceptions, the economic rights that must be recognized as exclusive rights of authorization include the right of:
  - translation of a work;<sup>69</sup>
  - reproduction of a work in any manner or form;<sup>70</sup>
  - public performance or recitation of a work and communication of such performance or recitation to the public;<sup>71</sup>
  - broadcasting, or other wireless communication, of a work to the public;<sup>72</sup>
  - adaptation and arrangement of a work;<sup>73</sup>
  - cinematographic adaptation and reproduction of a work and distribution, as well as public performance or communication to the public by wire thereof;<sup>74</sup> and
  - in some countries, receiving an interest in resale of certain works.<sup>75</sup>
- **Free uses** – The Convention requires or allows certain limitations and exceptions to these rights, allowing for certain circumstances in which protected works may be used without the authorization of the owner of the copyright and without payment of compensation.<sup>76</sup> These limitations and exceptions are commonly referred to as the free uses of protected works.
- **Moral rights** – The Convention also provides for the right to claim authorship of the work and the right to object to any mutilation, deformation or other modification of, or other derogatory action in relation to, the work that would be prejudicial to the author's honor or reputation.<sup>77</sup>

The Convention also makes available to developing countries special provisions relating to the translation and reproduction of works in connection with educational activities.<sup>78</sup>

The **International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (1961)**,<sup>79</sup> known as the Rome Convention, extends protection to related rights:

- performing artists enjoy rights over their performances;
- producers of phonograms, over their sound recordings, and
- radio and television organizations, over their broadcast programs.

66 Berne Convention, Art. 5(3).

67 Berne Convention, Art. 5(2).

68 Berne Convention, Art. 5(2).

69 Berne Convention, Art. 8.

70 Berne Convention, Art. 9.

71 Berne Convention, Arts. 11 and 11*ter*.

72 Berne Convention, Art. 11*bis*.

73 Berne Convention, Art. 12.

74 Berne Convention, Art. 14.

75 Berne Convention, Art. 14*ter*.

76 Berne Convention, Art. 9(2).

77 Berne Convention, Art. 6*bis*.

78 Berne Convention, Appendix, Arts. II and III.

79 International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, done October 26, 1961 ("Rome Convention"), available at <https://www.wipo.int/wipolex/en/treaties/textdetails/12656>

The **Agreement on Trade-Related Aspects of Intellectual Property Rights (1994)**<sup>80</sup> binds WTO Member States to further rules and obligations for intellectual property rights in general. With respect to each area of intellectual property rights, the TRIPS Agreement defines the subject matter to be protected, the rights to be conferred and permissible exceptions to those rights, and the minimum duration of protection.<sup>81</sup> In addition, it elevates the minimum protection that each country has to provide to the nationals of other member countries.

In the area of copyright, the TRIPS Agreement incorporates the protections available under the Berne Convention for all WTO Members.<sup>82</sup> In addition to requiring compliance with the basic standards of the Berne Convention, the TRIPS Agreement clarifies and adds certain specific points – namely, it:

- confirms that copyright protection shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such;<sup>83</sup>
- provides that computer programs, whether in source or object code, shall be protected as literary works and that the form of the program, whether in source or object code, does not affect the protection;<sup>84</sup>
- clarifies the protection due to databases and other compilations of data or other material;<sup>85</sup>
- sets a minimum term of protection applicable whenever the term of protection of a work is calculated on a basis other than the life of a natural person;<sup>86</sup> and
- requires that limitations or exceptions to exclusive rights be confined to certain special cases that do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right owner.<sup>87</sup>

The **WIPO Copyright Treaty (1996)**<sup>88</sup> and the **WIPO Performances and Phonograms Treaty (1996)**<sup>89</sup> – known as the WCT and WPPT, respectively, and collectively as the **WIPO Internet Treaties** – are international norms aimed at preventing unauthorized access to and use of creative works on the internet or other digital networks.

- The WCT deals with protection for authors of literary and artistic works, including computer programs and original databases.
- The WPPT deals with the rights of performers and producers of phonograms.

The purpose of the two treaties is to update and supplement the major existing WIPO treaties on copyright and related rights, primarily to respond to developments in technology and in the marketplace.

The **WIPO Beijing Treaty on Audiovisual Performances (2012)**<sup>90</sup> addressed the rights of audiovisual performers in the international copyright framework by extending the economic and moral rights of actors and performers in audiovisual performances, including films, videos and television programs.

The **Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled (2013)**<sup>91</sup> is the latest addition to the body of international copyright treaties administered by WIPO. It has a clear humanitarian and social development dimension, and its main goal is to create a set of mandatory limitations and exceptions for the benefit of persons who are blind, visually impaired and otherwise print disabled.

A large number of countries are contracting parties to several important international treaties that have helped to harmonize, to a considerable extent, the level of copyright and related

80 See, in this volume, Chapter 1, n. 1.

81 In the area of copyright, the relevant provisions of the TRIPS Agreement are Arts. 9–14.

82 TRIPS Agreement, Art. 9(1). However, no rights or obligations are imposed in respect of Art. 6bis of the Berne Convention (moral rights).

83 TRIPS Agreement, Art. 9(2).

84 TRIPS Agreement, Art. 10(1).

85 TRIPS Agreement, Art. 10(2).

86 TRIPS Agreement, Art. 12.

87 TRIPS Agreement, Art. 13.

88 WIPO Copyright Treaty, adopted on December 20, 1996 (“WCT”), available at <https://www.wipo.int/wipolex/en/text/295166>

89 WIPO Performances and Phonograms Treaty, adopted on December 20, 1996 (“WPPT”), available at <https://www.wipo.int/wipolex/en/treaties/textdetails/12743>

90 Beijing Treaty on Audiovisual Performances, adopted on June 24, 2012 (“Beijing Treaty”), available at <https://www.wipo.int/wipolex/en/treaties/textdetails/12213>

91 Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled, adopted on June 27, 2013 (“Marrakesh Treaty”), available at <https://www.wipo.int/wipolex/en/treaties/textdetails/13169>

rights protection among countries.<sup>92</sup> However, there are important differences in the process of obtaining protection for a work under the national laws of different countries.

## 3.4 Obtaining copyright protection

### 3.4.1 No registration requirement

Unlike trademark and patent law, subsistence of copyright does not depend on formalities such as registration.<sup>93</sup> This can lead to disputes over questions of ownership and subsistence of the rights, which are often avoided in the case of registered intellectual property rights.

Many countries have a system in place to support the voluntary registration of works. Such voluntary registration systems can help to solve disputes over ownership or creation, as well as facilitate financial transactions, sales, and the assignment and/or transfer of rights: there is a presumption that the registration is valid and that the registered owner does indeed have copyright in the work deposited or described. In some countries, remedies to infringement – and even the filing of infringement suits themselves – may be tied to the registration of, or attempts to register, a work.

Other countries have taken steps to ameliorate the difficulties that arise because of a lack of registration requirements by providing for presumptions of ownership in certain circumstances.

An author has a separate copyright in the same work in each country, and the expiration of the author's rights in their work in one country does not necessarily mean the same for their copyrights in other countries.

Under the Berne Convention, a copyright notice is not required for protection. However, in some jurisdictions, a valid copyright notice may be relied upon for other purposes, such as to deem that an infringer had knowledge of the copyright status of the work.

### 3.4.2 Challenges to copyright ownership and subsistence

Although copyright protection is automatic and requires no registration, where an owner wishes to enforce that right in the courts, they must successfully demonstrate that they meet the requirements for valid protection. In legal proceedings, an alleged infringer of copyright may challenge the allegation on the basis that the person bringing the suit has no right to assert copyright, either because they do not own the work in question or because they cannot establish subsistence of copyright.

## 3.5 Requirements for valid copyright protection

### 3.5.1 Copyrightable subject matter

To be granted copyright protection, a work should constitute copyrightable subject matter within the meaning of the concept of “literary and artistic works” of Article 2 of the Berne Convention, which includes “every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression.”

While national copyright laws rarely provide a closed or exhaustive list of works, they do list a number of categories of work that are often broad and quite flexible. The categories, or types, of work protected in most countries include:

- literary works (e.g., books, magazines, newspapers, technical papers, instruction manuals, catalogues, tables and compilations of literary works);
- musical works or compositions, including compilations;
- dramatic works (e.g., plays for theatre, cinema, television or radio, and other works, such as a sales training program captured on video);
- artistic or visual art works (e.g., drawings, paintings, sculptures, architectural designs, cartoons and computer artwork);
- photographic works (both on paper and in digital form);
- choreographic works (works of dance);

<sup>92</sup> For example, the Berne Convention is near-universal, with 181 Contracting States as at August 2022.

<sup>93</sup> Berne Convention, Art. 5(2).

- computer programs and software (see section 3.5.1.1);
- some types of database (see section 3.5.1.2);
- maps, globes, charts, diagrams, plans and technical drawings;
- advertisements and commercial prints;
- audiovisual works, including films, television shows and webcasts; and
- video games (see section 3.5.1.3).

Works of applied art are artistic works used for practical purposes as everyday, useful products (such as artistic jewelry, wallpaper and carpets). As a result of this dual nature, they fall at the border between the laws of copyright and industrial design.

The protection given to works of applied art and the conditions for that protection depend on national legislation,<sup>94</sup> and it differs from one country to another. In some countries, copyright protection is not available to works of applied art; instead, copyright protection may extend to the pictorial, graphic or sculptural features that can be identified separately from the utilitarian aspects of the article. Further, the ornamental aspects of the work might be protected under the law of industrial design. In other countries, copyright and industrial design protection might apply cumulatively.

Copyright protects works that are created or stored in electronic or digital media, as well as those expressed in print. The fact that a work, in its digital form, can be read only by a computer – because it consists only of binary code (i.e., 1s and 0s) – does not affect its copyright protection.

Copyright *does not* protect the following.

- **Ideas or concepts** – Copyright law protects only the way in which ideas or concepts are expressed in a particular work. It does not protect the underlying idea, concept, discovery, method of operation, principle, procedure, process or system, regardless of how it is described or embodied in a work. While a concept or method of doing something is not subject to copyright, written instructions or sketches explaining or illustrating the concept or method *are* protected by copyright.
- **Facts or information** – Copyright does not protect facts or information – whether scientific, historical, biographical or news – but only the manner in which such facts or information are expressed, selected or arranged (see also section 3.5.1.2 on databases).

Copyright *might not* protect the following.

- **Names, titles, slogans and other short phrases** – These are generally excluded from copyright protection, but some countries allow protection if they are highly creative. The name of a product or an advertising slogan will usually be protected instead under trademark law or the law of unfair competition. A logo, however, may be protected under copyright, as well as by trademark law, if the respective requirements for such protection are met.
- **Official government works** – In some countries, these works, such as statutes or judicial opinions, are not protected by copyright.

### 3.5.1.1 Computer programs and software

Copyright protects an author's original expression in a computer program as a "literary work." Source code can thus be viewed as a human-readable literary work, which expresses the ideas of the software engineers who authored it. Binary machine-readable instructions (object code) are also considered to be literary works, or "written expressions," and are therefore protected by copyright. However, some elements of software, such as ideas, procedures or mathematical concepts, cannot be copyrighted. Methods of operation (e.g., menu commands) or functional aspects of a graphical user interface (GUI) are generally not copyrightable, unless they contain some truly expressive elements.

Copyright law therefore grants limited protection for computer programs, covering only the particular way in which the ideas, systems and processes embodied in software are expressed in a given program. The idea, system or process itself may sometimes be protected by patent, or by keeping the program a trade secret.

94 Berne Convention, Art. 2(7).

The issue of patentability of software is still not harmonized internationally, but most countries have either embraced the patentability of computer software or adopted approaches that recognize inventions assisted or implemented by computer software.

### 3.5.1.2 Databases

A database is a collection of information that has been systematically organized for easy access and analysis. It may be in paper or electronic form. Copyright law is the primary means of legally protecting databases. However, not all databases are protected by copyright, and even those that are may enjoy very limited protection.

In some countries (e.g., the United States), copyright protects a database only if it is selected, coordinated or arranged in such a way that it is sufficiently original. Exhaustive databases and databases in which the data is arranged according to basic rules (e.g., alphabetically, as in a phone directory) are rarely protected under copyright law in such countries.

In other countries – commonly, in Europe – non-original databases are protected by a *sui generis* right known as the database right. This allows makers of databases to sue competitors if they extract and reuse substantial (measured quantitatively or qualitatively) portions of the database, provided that there has been a substantial investment in either obtaining, verifying or presenting the data contents. If a database has a sufficient level of originality in its structure, it is also protected by copyright.

When a database is protected by copyright, this protection is likely to extend only to the manner of selection and presentation of the database and not to its contents.

### 3.5.1.3 Video games

Video games generally combine several types of work, such as software, text, a story and characters, animation and other artwork, graphics, video and music. Each of these elements may be entitled to copyright protection in its own right if the conditions for such protection are met. The result is what can be described as “distributive” copyright protection: separate protection for each of the different elements comprising a video game. This is recognized in the legal treatment of video games in many jurisdictions. Related rights may also protect the contributions made by any performers appearing in sound recordings or films used in a video game.

In addition, the video game itself may also receive copyright protection in jurisdictions that rely on open-ended definitions of the notion of a “work.” Such protection is more challenging in countries with copyright laws that establish closed lists of protected categories of work.

In almost all jurisdictions, the software underlying a video game will be protected as a literary work.

## 3.5.2 Originality

To qualify for copyright protection, a work must be original. An original work is one that “originates” in its expression from the author – that is, a work that was independently created and not copied from the work of another or from materials in the public domain. Originality relates to the form of expression and not to the underlying idea.

The exact meaning of “originality” under copyright law differs from one country to another, and it has been formed by case law.

- Among **common law** countries, the standard of creativity necessary for a work to qualify for copyright protection may be expressed as a minimum “skill and labor” requirement.
  - In the United Kingdom, copyright recognizes the labor, skill, time, ingenuity, selection or mental effort that goes into the creation of a work through the “sweat of the brow” doctrine.
  - In other jurisdictions, such as the United States, courts require a minimal modicum of creativity regarding copyright works.
- In **civil law** countries, a work normally needs to show that it has the imprint of the author’s personality to be afforded copyright protection.

Originality is concerned with the way in which a work comes into existence rather than with its quality. A work enjoys copyright protection irrespective of the quality or value of its artistic or creative elements.

Depending on national legislation, copyright might apply to the creative elements of functional works such as packaging labels, recipes, technical guides, instruction manuals or engineering drawings.

### 3.5.3 Fixation

Some countries additionally require that a work be fixed in some material form to be afforded protection. Fixation is a requirement for protection only in those countries that expressly provide for it.

Fixation can take various forms, including, for example, that a work is written on paper, stored on a disk, painted on canvas or recorded on tape. Choreographic works, improvised speeches or music performances that have not been notated or recorded are not protected.

The definition of fixation usually also excludes transient reproductions such as those projected briefly on a screen, shown electronically on a television or a similar device, or captured momentarily in the “memory” of a computer.

A work may be fixed by the author or under the authority of the author.

Transmission of a work containing sounds or images, or both images and sounds, is deemed “fixed” if a fixation of the work is made simultaneously with the transmission. Works containing sounds and/or images could be fixed in phonograms (sound recordings) and audiovisual fixations.

Both types of fixation may be physical (in print or nonprint medium, such as a computer chip) or digital (computer programs and database compilations).

In countries without a fixation requirement, all works are protected, whether they are recorded or oral and whether they are in a tangible or an intangible format.

## 3.6 Rights conferred by copyright and related rights

Copyright provides two bundles of rights.

- **Economic rights** protect the author’s or owner’s economic interests in possible commercial gain.
- **Moral rights** protect an author’s creative integrity and reputation as expressed through the work.

### 3.6.1 Economic rights

Economic rights give the owner of copyright the exclusive right to authorize or prohibit certain uses of a work. “Exclusive” means that no one may exercise these rights without a copyright owner’s prior permission. The scope of these rights, and their limitations and exceptions, differ depending on the type of work concerned and the relevant national copyright law.

Most copyright laws state that authors or other right owners have the right to authorize or prevent certain acts in relation to a work. Right owners can authorize or prohibit:

- reproduction of the work in various forms, such as printed publications or digital files;
- distribution of copies of the work;
- public performance of the work;
- broadcasting or other communication of the work to the public;
- making the work available on the internet for on-demand access by the public;
- translation of the work into other languages; and
- adaptation of the work, such as turning a novel into a screenplay.

Some countries additionally provide authors a right to receive a percentage of the sale price if certain types of work are resold.

### 3.6.1.1 Right of reproduction and related rights

The **right of reproduction** is one of the most important rights granted by copyright. “Reproduction” is the copying or duplication of a work in any manner or form. Examples include copying a CD, photocopying a book, downloading a computer program, digitizing a photo and storing it on a hard disk, scanning a text, printing a cartoon character on a T-shirt, incorporating a portion of a song into a new song or 3D printing a copy of a sculpture. Whether the reproduction of a work is in material form or not is irrelevant. Transient or incidental acts of reproduction, such as the storage of a work in the random access memory (RAM) of a computer, also qualify as reproductions, although they may be covered by a limitation or exception. The author’s authorization, of course, permits reproduction.

The **right to distribute copies of a work to the public** allows the owner of a work to prohibit others from selling, leasing or licensing unauthorized copies of the work – but there is an important exception: in most countries, the right of distribution is subject to exhaustion after the first sale or other transfer of ownership of a particular copy. In other words, a copyright owner can control only the first sale of a copy of a work, including its timing and other terms and conditions. After such first sale, the right is said to have been exhausted, so that the copyright owner has no say over how that particular copy is further distributed in the relevant jurisdiction. Importantly, while the buyer can resell the copy or give it away, they cannot make any copies of it or engage in any other actions that fall within the owner’s exclusive rights (e.g., upload it to the internet). Exhaustion has traditionally applied to physical copies of works, although there is a lot of discussion about how it could be applied to works in digital formats.

The **right to rent copies of a work** generally applies only to certain types of work, such as cinematographic works, musical works or, in some cases, computer programs. “Renting” generally means making copies of a work available to the public for use, for a limited period of time, in exchange for a fee or other economic advantage. As a general rule, the rental right extends only to physical, not electronic, copies.

### 3.6.1.2 Rights of public performance, broadcasting, communication to the public and making available to the public

Under the Berne Convention, authors have the exclusive right to authorize the public performance, broadcasting and communication of their works to the public.

Generally speaking, a work is **performed in public** when it is performed in a place that is open to the public or where a substantial number of persons who are not close family and friends are present. The performance right is usually limited to literary, dramatic, musical and audiovisual or cinematographic works, whether live (e.g., the performance of a play or a concert) or recorded (e.g., the playing of a recording of a musical work in a public space such as a café).

In contrast to the distribution right, the right of **communication to the public** focuses on the intangible dissemination of works and – in contrast to the public performance right – communication at a distance. It therefore covers **broadcasting** by wire (i.e., cable broadcasting, or cablecasting) and by wireless means (i.e., free-to-air). Both terrestrial and satellite transmissions are included, whether analogue or digital. The right extends to radio and television broadcasts, as well as (noninteractive) internet transmissions.

In addition, in most countries, the copyright owner also has the exclusive right to **make the work available to the public** for “on-demand” (interactive) access – that is, in such a way that members of the public may access it from a place and at a time of their own individual choosing.<sup>95</sup> In most countries, uploading a work to the internet will infringe the making available right, as will making works available for the public for on-demand streaming, for example via video-on-demand systems, vlogs or video-sharing platforms. By contrast, live streaming will, in most countries, qualify as a communication to the public but not making available to the public, because the stream is available only for a limited period of time.

95 WCT, Art. 8.

Depending on the country, the making available right may be part of the right of communication to the public or a self-standing right. In certain countries, it may also be incorporated within a different right (e.g., the distribution right).

### 3.6.1.3 Right of adaptation

A copyright owner has the exclusive right to adapt a work, for example to translate an instruction manual from one language into another, to dramatize a novel, to port a computer program into a new computer language, to arrange a piece of music or to make a toy based on a cartoon figure. Other adaptations include parodies, caricatures and other kinds of “rewrite” where the work is altered to suit another purpose.

In some countries, the right of adaptation is a general right to control all derivative works – that is, all works based on a pre-existing copyright-protected work. In others, it is restrictively defined to apply only to certain types of work (i.e., literary, dramatic and musical works) and to cover only certain kinds of transformative uses (e.g., translations or dramatizations). The boundary between the reproduction right and the adaptation right differs from country to country, however, and it may not be clear even within a given country. This means that, depending on national law, the creation of a derivative work may infringe the adaptation right, the reproduction right, both rights or neither right.

Derivative works can also acquire copyright protection themselves on their own merit, separately from the copyright protection of the original work.

The proliferation of technologies and platforms that enable the digital adaptation of works by users has brought a dramatic acceleration in the creation of user-generated content (UGC). With its appeal to online audiences and ability to earn its creators significant sums of money, UGC has developed into its own industry and takes many forms, such as mash-ups, tutorials, covers, unboxing and video gaming. While UGC does not always infringe copyright works, some creators use copyright-protected audio or video that may not be licensed or covered by an exception and may otherwise be considered “infringing.” Some jurisdictions have carved out a specific exception for these types of work, as long as they are intended to be noncommercial.

Discussions surrounding the appropriate balance to be struck between the copyright owner’s adaptation right and the rights of users as part of the normal use of a digital work continue to evolve.

### 3.6.1.4 Resale right

The resale right, also known as *droit de suite*, is the author’s right to a share in the proceeds of subsequent sales of their original work. It is available only in some countries and is usually limited to certain types of visual art work (e.g., paintings, drawings, prints, collages, sculptures, engravings, tapestries, ceramics, glassware, original manuscripts). The resale right covers all subsequent sales after the first sale, irrespective of whether they are public or private sales, or whether there is an increase or decrease in value of the original work at issue.

Many countries that have included a resale right, however, have limited it in various ways, for example by covering only public commercial resale and/or auctions. The right for the creator to receive a share of the profit on resale of a work may depend on the resale occurring in a specified way. The share generally varies from 2 percent to 5 percent of the total sales price.

## 3.6.2 Moral rights

The Berne Convention also provides for protection of two types of moral right, independently of the author’s economic rights.

- **The right to be named as the author of the work** – When the work of an author is reproduced, published, made available or communicated to the public, or exhibited in public, the person responsible for doing so must make sure that the author’s name appears on or in relation to the work, whenever reasonable.
- **The right to protect the integrity of the work** – This prohibits the making of any changes to a work that would tend to damage the author’s honor or reputation.<sup>96</sup>

96 Berne Convention, Art. 6bis(1).



These moral rights offer a minimum standard of protection. Countries can also afford wider protection by adding more moral rights, such as:

- the right of access to the work even after it is disposed of;
- the right of divulgation of the unpublished work (i.e., ability to decide to keep the work unpublished or when and how to publish it); or
- the right of withdrawal of the work in the event of a change of beliefs.

Under the Berne Convention, countries provide moral rights “at least until the expiry of economic rights.”<sup>97</sup>

Unlike economic rights, in most jurisdictions moral rights cannot be transferred to someone else, because they are personal to the creator (although, in some cases, they may pass on to the creator’s heirs). Even when the economic rights in a work are sold to someone else, the moral rights in the work remain with the creator. However, in many countries, an author or creator may waive moral rights by means of a written agreement, whereby the author agrees not to exercise some or all of their moral rights.

### 3.6.3 Related rights

The most common categories of related rights are those of:

- **performers** (e.g., actors, singers, musicians, dancers) in their performances, which includes live performances of pre-existing artistic, dramatic or musical works, and live recitations and readings of pre-existing literary works, and which performance may also be an improvised one, whether original or based on a pre-existing work;
- **producers of sound recordings or “phonograms”** (e.g., record producers) in their recordings (e.g., vinyl records, compact discs or digital files); and
- **broadcasting organizations** in their radio and television programs transmitted over the air and, in some countries, rights in the transmission of works via cable systems.

National copyright laws may also recognize other types of related right.

In all cases, the work performed, recorded or broadcast need not have been previously fixed in any medium or form. It may be protected by copyright or it may be in the public domain.

#### 3.6.3.1 Rights of performers

In most countries, performers enjoy protection against “bootlegging,” i.e., the fixation (recording) in any medium of their “unfixed” (live) performances without their consent, as well as the communication to the public and broadcasting of such performances.

In relation to their “fixed” performances (i.e., performances recorded in a sound recording or film), performers usually enjoy a right to authorize reproduction of a fixation of a performance, distribution or rental of the original and copies, and the making available of fixed performances to the public. Whether, and under what conditions, performers have an *exclusive* right to authorize the broadcasting and communication to the public of their fixed performances varies across countries.

A performer’s rights may be transferred, in whole or in part, to someone else (e.g., a record producer); however, they may enjoy a right to receive royalties or equitable remuneration for any use of a performance independently of such a transfer of rights.

#### 3.6.3.2 Rights of producers of sound recordings

Producers of sound recordings generally enjoy the exclusive right to authorize the reproduction, distribution and rental of their sound recordings, as well as the making available of those sound recordings to the public by wire or wireless means in such a way that members of the public can access them at a place and time of their choosing.

As with performers, producers of sound recordings may also have an exclusive right over the broadcasting or communication to the public of their sound recordings, or they may enjoy a right to an equitable remuneration for the use of their sound recordings in broadcasting or communication to the public. In the latter case, the remuneration may have to be shared with

97 Berne Convention, Art. 6bis(2).

the performer(s). As is the case for performers, in some countries this right may be limited or not apply at all.

### 3.6.3.3 Rights of broadcasting organizations

Broadcasting organizations have, in most countries, exclusive rights to authorize the rebroadcasting (i.e., the simultaneous broadcasting by another broadcasting organization) of their wireless broadcasts, the fixation of their wireless broadcasts and the reproduction of such fixations.

Wireless broadcasts are generally understood to include both terrestrial and satellite broadcasts, whether analogue or digital.

Broadcasters also have the exclusive right to authorize or prohibit the communication to the public of their wireless broadcasts, if such communication is made in places accessible to the public (e.g., by playing them on a television set or other device in a bar) against the payment of an entrance fee.

The rights of broadcasters in relation to the producing and streaming of content online is a rapidly evolving area of law, with important differences among countries.

### 3.6.4 Limitations and exceptions to copyright

To maintain an appropriate balance between the interests of right owners and users of protected works, copyright laws allow certain limitations and exceptions to economic rights – that is, circumstances in which protected works may be used without the authorization of the right owner, with or without payment of compensation.

Limitations and exceptions to copyright and related rights vary from country to country as a consequence of their particular social, economic and historical conditions. International treaties acknowledge this diversity by providing general conditions for the application of exceptions and limitations, leaving national legislators to decide whether a particular exception or limitation is to be applied and, if so, how (i.e., its exact scope).

Under the Berne Convention, two primary forms of such limitations and exceptions are permitted. First, the Berne Convention permits certain specific free uses in the case of:

- quotations;<sup>98</sup>
- use of works by way of illustration for teaching purposes;<sup>99</sup>
- reproduction of newspaper or similar articles and use of works for the purpose of reporting current events;<sup>100</sup> and
- ephemeral recordings for broadcasting purposes.<sup>101</sup>

The Convention also contains a general rule that Member States may provide for free reproduction – extended to apply to other rights in subsequent treaties – in (a) “certain special cases” where the acts (b) do not conflict with a normal exploitation of the work and (c) do not unreasonably prejudice the legitimate interests of the author.<sup>102</sup> These conditions are together known as the three-step test.

Some examples of uses that generally qualify under the three-step test and which are found, to some extent, in many national copyright laws are:

- copying for private use by individuals (although some countries have introduced systems that incorporate a mechanism for payment to right owners, sometimes referred to as private copy levies);
- judicial and administrative use;

98 Berne Convention, Art. 10.

99 Berne Convention, Art. 10.

100 Berne Convention, Art. 10*bis*.

101 Berne Convention, Art. 11*bis*(3).

102 Berne Convention, Art. 9(2).

- use for educational, research and scientific purposes;
- use for teaching purposes;
- use by libraries and archives;
- use for certain humanitarian purposes (e.g., for disabled or blind readers); and
- use of works for cultural purposes (social and religious functions).

In many countries, in addition to (or sometimes instead of) the specific limitations and exceptions explicitly enumerated under national law, broader concepts of “fair use” and/or “fair dealing” may also be used.

The concepts of fair use and fair dealing are distinct from each other. For example, fair dealing laws typically set out defined categories of use to which the exception applies while fair use laws do not. Further, the scope of each varies among the countries in which they apply. In general, however, they allow fact-specific consideration of the reasonability of a use or dealing of a copyrighted work. This may include consideration of the purpose and character of the use or dealing, the nature of the work itself, the amount and substantiality of the use or dealing, alternatives to the dealing and the impact of the use or dealing on the original work.

Second, the Berne Convention recognizes nonvoluntary (compulsory) licenses, which permit use of works in certain circumstances without the right owner’s permission but only against the payment of a remuneration or fee. The Berne Convention allows the provision of nonvoluntary licenses in relation to broadcasting<sup>103</sup> and the recording of musical works.<sup>104</sup>

The Marrakesh Treaty was the first multilateral copyright instrument to center on limitations and exceptions. The Treaty requires its Contracting Parties to introduce limitations and exceptions to permit reproduction, distribution and making available of certain published works in formats designed to be accessible to persons who are blind, visually impaired or otherwise print disabled, and to permit exchange of these works across borders by organizations that serve those persons.

### 3.6.5 Term of protection

For most works and in most countries, protection of the economic rights of the copyright owner lasts for the lifetime of the author *plus* a period of at least 50 years.<sup>105</sup> This is a *minimum* term of protection, however, and hence in some countries the duration of copyright protection is longer.

Once copyright protection over a work has expired, it enters the public domain – that is, the body of works over which no copyright applies.

Special provisions may govern the term of protection for certain categories of work, such as:

- cinematographic works;<sup>106</sup>
- anonymous, pseudonymous or posthumous works;<sup>107</sup>
- photographic works;<sup>108</sup> or
- works of joint authorship.<sup>109</sup>

National laws may provide for further special categories.

Under the Berne Convention, the term of protection of moral rights is required to extend at least until the expiry of economic rights.<sup>110</sup> In some countries, moral rights (whether of authors or performers) are protected in perpetuity – that is, they do not expire after a fixed term.

The duration of protection for related rights is usually shorter than that for works of copyright.

103 Berne Convention, Art. 11*bis*(2).

104 Berne Convention, Art. 13(1).

105 Berne Convention, Art. 7(1).

106 Berne Convention, Art. 7(1).

107 Berne Convention, Art. 7(2).

108 Berne Convention, Art. 7(3).

109 Berne Convention, Art. 7*bis*.

110 Berne Convention, Art. 6*bis*(2).

### 3.6.6 Ownership of copyright

The **author** of a work is the person who created it. The issue of authorship is especially relevant in relation to moral rights (which always belong to the author) and determining the date on which protection expires.

The **owner** of the copyright in a work is the person who enjoys the exclusive economic rights granted by copyright law. While, in many countries, the author has to be a human being, the owner may be a natural or a legal person.

Generally, the author of the work will also be the first owner of that work – but this is not the case in every country and may not be the case in some specific circumstances, such as where the work was created by an employee as a part of their job, or where the work was specially ordered or commissioned. Further, in most countries, contractual agreements may override or clarify the default rules established by the law on the ownership of copyright.

The Berne Convention provides some presumptions relevant to the establishment of ownership.<sup>111</sup>

- Authorship is presumed if the author's name (or pseudonym, if the pseudonym leaves no doubt as to the author's identity) appears on the work in the usual manner.
- The natural or legal person whose name appears on a cinematographic work in the usual manner must, in the absence of proof to the contrary, be presumed to be the maker of the work.
- In the case of anonymous and pseudonymous works, the publisher whose name appears on the work must, in the absence of proof to the contrary, be deemed to represent the author unless the author reveals their identity and establishes their claim to authorship of the work.

Increasingly, in the digital era, works are created or modified by two or more authors. Generally, a work of joint authorship is created when two or more authors create the work together. A person who merely helps other persons to create the work, provides ideas or reviews the final version of the work is not likely to be considered a joint author. Joint authors of a work must exercise their rights by common consent – especially if their respective contributions can no longer be separated. If their contributions can be separated, then each author may exercise the rights in their own contribution.

### 3.6.7 Transfer of copyright

In many jurisdictions, a copyright owner may transfer their economic rights to a third party by licensing or assignment, in exchange for payment. Often, however, moral rights are not transferable.

The copyright owner's exclusive rights can be divided and subdivided, and licensed or assigned to others in many ways. For example, they may be licensed or assigned according to territory, time, market segment, language (translation), media or content. The owner of a novel may decide to license or assign the copyright in the novel to somebody else in its entirety. They may also license or assign:

- the publishing rights to a book publisher;
- the film rights (i.e., the rights to create a film adaptation of the book) to a film company;
- the right to broadcast a recitation of the work to a radio station;
- the right to adapt the work dramatically to a drama society; and
- the right to create a television adaptation to a television company.

#### 3.6.7.1 Licensing

A license is a permission granted to another (an individual or a company) to exercise one or more of the owner's exclusive economic rights over a work that are restricted by copyright. The advantage of licensing is that it allows the rights owner to retain ownership of copyright

<sup>111</sup> Berne Convention, Art. 15.

and related rights, while allowing others to, for example, make copies, distribute, download, broadcast, webcast, simulcast, podcast or make derivative works in exchange for payment.

The rights owner may license some rights and not others. For example, a copyright owner may choose to license the right to copy and use a computer game but retain the rights to create derivative works based upon it (e.g., a motion picture). Normally, the right to authorize others to carry out acts covered by economic rights is not transferred by license.

Depending on the terms of the license agreement, a license fee may be imposed. This is a fee paid by the licensee for the privilege of licensing the use of the work. Such use may additionally or alternatively generate royalties – that is, payments made to the rights owner for the use of a work based on the rate at which it is used.

A license may be exclusive or nonexclusive.

- Under an **exclusive license**, the licensee alone has the right to use the work in the ways covered by the license. In most countries, this must be set out in writing. Exclusive licenses are often restricted to a specified territory, for a certain period of time and/or for limited purposes or are contingent on some performance requirements.
- Under a **nonexclusive license**, the licensee has the right to exercise the author's exclusive right, but the license does not prevent others from exercising the same rights at the same time. There is no limit to the number of individuals a copyright owner can allow to use, copy or distribute their work. Like exclusive licenses, nonexclusive licenses may be restricted.

A copyright owner may negotiate their own licensing agreements individually with every single licensee or may offer licenses on standard terms and conditions that prospective users must accept without amendment.

The right owner may also entrust the administration of some or all of their rights to a professional licensing agent or agency, such as a book publisher, music publisher or a record producer.

In situations in which individual licensing is impossible or impracticable, rights owners may consider joining a collective management organization (CMO). These monitor uses of works on behalf of rights owners, and they are in charge of negotiating licenses and collecting payments. Rights owners may join a relevant CMO in their own country, if one exists, and/or in other countries. In some cases, the collective management of copyright and related rights may be mandated by law.

Alternatively, a large array of standardized open-source, or public, copyright licenses exist, whereby a copyright owner can grant rights to users to engage in certain or all restricted acts in relation to a work without the administrative burden of negotiating individual licenses. Perhaps the most widely used public copyright licenses are the Creative Commons (CC) licenses. While some public copyright licenses impose conditions on the licensee, such as that the author must be acknowledged or that the use must be noncommercial, the most permissive impose no restrictions at all – in effect, releasing the work into the public domain. Some licenses allow users to distribute and modify works freely but require that any derivative works be released under the same terms.

### 3.6.7.2 Assignment

An alternative to licensing is assignment of the rights to a third party, who then becomes the new rights owner. Whereas a license grants only a right to do something that, in the absence of the license, would be unlawful, an assignment transfers the total interest in the rights. It is possible to transfer either the full bundle of rights or only part of it. As a consequence, there may be multiple right owners for the same or different rights in the same work.

In most countries, an assignment must be in writing and signed by the rights owner to be valid. In a few countries, copyright cannot be assigned at all.

Importantly, only economic rights may be assigned; moral rights always remain with the author or performer, or their heirs (although, in some countries, they may be waived).

## 3.7 Revocation or invalidation

Since subsistence of copyright does not depend on formalities such as registration (see section 3.4.1), it is not subject to revocation or invalidation procedures in the same way as the

industrial property rights. In most countries that have a system in place to support the voluntary registration of works, decisions of a registering authority to accept registration of a work can be challenged by third parties. The procedures for doing so vary across countries: in some countries, a challenge can be instituted at the registering authority, while most countries provide for a challenge to be brought before a court or quasi-judicial body. This topic is not addressed in further detail here.

### 3.8 Infringement proceedings

Copyright infringement occurs when anyone other than the copyright owner, or someone authorized by the owner, engages in an activity that the copyright owner alone is authorized to do or prohibit – in other words, exercises an economic right of the owner (or a moral right, in some jurisdictions) without their consent. This might include the right of reproduction, adaptation, translation, public performance, public display or another right that is set out in national legislation. In some countries, this includes dealing commercially with, or providing the means for making, an infringing work, or importing/possessing an infringing work.

Establishing copyright infringement requires proof of:

- the existence (subsistence) of the right of the claimant; and
- the infringing act.

#### 3.8.1 Subsistence of copyright

The fact that copyright is not necessarily registered means that a person who wishes to assert copyright must prove its subsistence.

The work in question must be copyrightable subject matter (see section 3.5.1) and must meet the requirements for protection under the national legislation (see section 3.5). It must also be shown that the claimant is the owner of the work protected by copyright (see section 3.6.6).

Depending on the nature of the work, proving subsistence of copyright can be arduous. In addition to offering voluntary registration, most national laws include other provisions to enable proof of subsistence, such as presumptions and the possibility of using affidavit evidence.

#### 3.8.2 Infringing act

Copyright is infringed by any person who, without the authorization of the copyright owner, does or causes any other person to do any act that the owner has the exclusive rights to do or to authorize, unless a limitation or exception applies.

Proof of copyright infringement requires proof of lack of authorization or consent. If disputed, the claimant must establish the lack of consent. Consent can be either express or implied. Consent may be presumed from the circumstances. The inference of consent must be clear before it will operate and must come from the person holding the right.

An infringing act need not relate to the entirety of a work; it can also concern a part of the work. In general, it is usually necessary that the part be substantial, but there is no general quantitative rule on how much of a work will amount to a “substantial” part. The question has to be determined on a case-by-case basis, depending on the actual facts and circumstances. In most countries, a part is considered substantial when it shares in, or represents an important part of, the originality of the whole of the work.

### 3.8.3 Copyright piracy

The unauthorized copying of copyright materials for commercial purposes and the unauthorized commercial dealing in copied materials is generally (but not in all jurisdictions) known as piracy. The elements of copyright piracy depend on national law.

Pirating is more than copyright infringement and hence not all copyright infringement is piracy. Piracy, however, cannot occur without copyright infringement.

Under the TRIPS Agreement, criminal procedures and penalties must be provided at least in cases of willful copyright piracy on a commercial scale.<sup>112</sup> However, this is a minimum standard, and WTO Members may elect to apply criminal procedures and penalties in a broader range of cases.

<sup>112</sup> TRIPS Agreement, Art. 61.

# Chapter 4

## Remedies

### 4.1 Introduction

Broadly speaking, the available remedies for infringement of trademark, patent or copyright can be divided into civil remedies and criminal sanctions.

- **Civil remedies** are available in all cases of infringement.
- **Criminal sanctions** must be available at least in cases of infringement that is committed willfully and on a commercial scale, but some countries also make them available in a broader set of circumstances.

Under certain conditions, the rights owner may also seek **provisional measures** directed towards the protection of the status quo pending final determination of an action on its merits.

### 4.2 Provisional measures

Provisional measures are, by definition, temporary remedies that are granted pending the full ventilation of a dispute at trial. They can be sought and granted prior to the commencement of an action on the merits, and they can extend until a final decision on the merits has been rendered.

Article 50.1 of TRIPS provides that:

The judicial authorities shall have the authority to order prompt and effective provisional measures:

- (a) to prevent an infringement of any intellectual property right from occurring and in particular to prevent the entry into the channels of commerce in their jurisdiction of goods, including imported goods immediately after customs clearance;
- (b) to preserve relevant evidence in regard to the alleged infringement.

Provisional measures may therefore be seen to serve two primary purposes:

- preventing infringement and the entry of infringing goods into the market; and
- facilitating the collection and preservation of relevant evidence with regard to the alleged infringement.

Provisional measures are usually significant in dealing with the infringement of intellectual property rights. In addition to preventing or stopping the alleged infringing act and preserving the status quo, they can also be valuable in providing parties with a preview of the case, which may result in the dispute being concluded without the costs and risk of a trial.

For example, measures facilitating the collection and preservation of evidence in the defendant's possession is significant pretrial not only because it allows the party alleging infringement to gather evidence of its existence, but also because evidence of the source (the supplier) or destination of the allegedly infringing goods or services, as well as of the scope of the infringement, may be important in determining the amount of damages to be granted to the right owner in a subsequent action on the merits.



This normally involves measures such as **restrictive injunctions**, prohibiting the defendant from dealing with relevant materials, or **mandatory injunctions**, requiring the disclosure and delivery of all such materials and the details of suppliers. **Search orders** may permit a party or its representative to search relevant locations, such as the premises of the alleged infringer and where the alleged infringement is said to be taking place.

The grant of provisional measures generally involves three elements, which are assessed differently across different jurisdictions.

First, the intellectual property right of the applicant must be established to a sufficient standard to warrant the grant of a provisional measure, such as an interim injunction.<sup>113</sup> This standard will often be a *prima facie* or arguable case in favor of the existence of the intellectual property right.

Second, it must be sufficiently certain that the respondent is infringing, or threatening to infringe, that right.<sup>114</sup>

Third is the question of whether an order would be reasonable in the circumstances of the case, which may include consideration of proportionality issues such as irreparable harm and the balance of convenience. This question must be determined according to law and established facts.

In some jurisdictions, an additional element that may be considered is the impact of the injunction on the public interest.

Provisional measures may be adopted *inaudita altera parte* ("without prior hearing from the other side") where appropriate – in particular, where any delay is likely to cause irreparable harm to the right owner or where there is a demonstrable risk of evidence being destroyed.<sup>115</sup>

When considering applications for provisional measures, courts may order the applicant to provide a security or equivalent assurance sufficient to protect the defendant and to prevent abuse.<sup>116</sup>

Where the provisional measures have been adopted unilaterally, the defendant must be notified without delay after the execution of the measures, at the latest, and they may request a review of the provisional measure, including a right to be heard and to consider modification or revocation of the order.<sup>117</sup> If the later decision on the merits is that there has been no infringement, and the preliminary injunction was not justified and is revoked, the defendant may claim damages from the party alleging the infringement.<sup>118</sup>

Despite its focus on preserving the status quo between the parties, a court may sometimes order that an earlier position be restored or that the parties arrange their affairs in some other way that is more in accordance with the requirements of justice. This is because the court's primary objective in granting orders and making decisions on their merits is to maintain the position that will most easily enable justice to be done when the final determination is made.

## 4.3 Civil remedies

### 4.3.1 Injunctions

Definitive or final injunctions are awarded at the end of an infringement proceeding and order the defendant to desist from infringement,<sup>119</sup> including the commercialization of infringing goods. In particular, injunctions prevent the entry or movement of infringing goods into the channels of commerce in the jurisdiction, including of imported goods immediately after customs clearance. They may also order the seizure or delivery up of any goods suspected of infringement.

113 TRIPS Agreement, Art. 50.3.

114 TRIPS Agreement, Art. 50.3.

115 TRIPS Agreement, Art. 50.2.

116 TRIPS Agreement, Art. 50.3.

117 TRIPS Agreement, Art. 50.4.

118 TRIPS Agreement, Art. 50.7.

119 TRIPS Agreement, Art. 44.1.

In some countries, the grant of injunctions may depend on the defendant's prior knowledge of the infringement. They are usually accompanied by other remedies.

In general, once infringement is established, a claimant will be entitled to a final injunction as a matter of course. Whether this form of relief is considered to be "discretionary," however, varies across jurisdictions. In broad terms, even in systems in which the remedy is discretionary, a final injunction will be refused only in unusual circumstances.

#### 4.3.2 Entitlement of the rights owner to information

In some jurisdictions, the court may order the infringer to inform the right owner of the identity of third persons involved in the production and distribution of the infringing goods or services and of their channels of distribution, unless this would be disproportionate to the seriousness of the infringement.<sup>120</sup>

Further, in some jurisdictions, the right owner may also claim information and accounting with regard to the profits of the infringer to define its claim for damages.

#### 4.3.3 Damages

The infringer may be ordered to pay to the right owner damages adequate to compensate for the injury the right owner has suffered because of the infringement – at least in cases in which the infringer knowingly, or with reasonable grounds to know, engaged in infringing activity.<sup>121</sup> As this is a minimum standard, countries may provide for damages irrespective of the infringer's knowledge or negligence.<sup>122</sup>

The quantification of damages is challenging for both parties and courts, and courts may call upon expert evidence or conduct separate proceedings to determine the quantum of damages. Since the principle is to compensate for the actual damage suffered as a result of the infringement, and actual damage suffered is normally estimated by reference to the right owner's loss of profits, regard will typically be had to the sales of protected goods that the right owner would have been expected to enjoy were it not for the infringing conduct. The determination of such loss requires the right owner to put forth evidence to demonstrate the extent of the infringing activity (such as the volume or number of infringing goods sold), as well as the quantity of goods that the right owner would have sold and the profit the right owner would have made had there been no infringement.

Given the difficulty of proving the sum of lost profits resulting from the infringement, damages may be calculated on alternative bases. For example, damages may be awarded on the basis of a pre-established sum (i.e., **statutory damages**) or on the basis of a **notional royalty** (i.e., payment of a sum that the right owner would have obtained had the infringer taken a license). In some jurisdictions, the right owner may obtain restitution of the profits of the infringer, sometimes referred to as **account of profits**, in which case the defendant is treated as though it conducted its business on behalf of the right owner. The right owner must prove causation, and the maximum amount that can be ordered is the total profit made by the defendant.

In appropriate cases, payment of pre-established damages and/or recovery of profits may be ordered even where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity.<sup>123</sup> Further, the infringer may be ordered to pay the expenses of the right owner, including appropriate attorney's fees.<sup>124</sup>

Some national laws provide also for **punitive damages** (i.e., orders to pay a sum that goes far beyond the actual damage suffered by the right owner).

<sup>120</sup> TRIPS Agreement, Art. 47.

<sup>121</sup> TRIPS Agreement, Art. 45.1. In many jurisdictions, the good or bad faith of the infringer does not have a bearing on the principle that damages are due.

<sup>122</sup> For example, Art. 45.2 of the TRIPS Agreement provides explicitly that, in appropriate cases, payment of pre-established damages and/or recovery of profits may be ordered even where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity.

<sup>123</sup> TRIPS Agreement, Art. 45.2.

<sup>124</sup> TRIPS Agreement, Art. 45.2.

#### 4.3.4 Disposal or destruction

Depending on the country, an order for disposal or destruction may be available as a remedy for a judicial finding of infringement, upon the right owner's application. It can cover not only the goods found to be infringing but also materials and implements predominantly used in the creation of the infringing goods. However, an order for disposal or destruction must be proportionate to the seriousness of the infringement and the interests of third parties.<sup>125</sup>

Such orders for the disposal or destruction of infringing goods are intended to be an effective deterrent, to minimize the risks of further infringement and avoid further harm to the right owner by removing infringing items from circulation.<sup>126</sup> A disposal order should ensure that disposal will be outside of channels of commerce and performed in a way that avoids harm to the right owner. The infringer is not entitled to compensation of any sort for disposal of its infringing goods.

When ordering disposal or destruction, judicial authorities should consider the environmental impact of infringing goods.<sup>127</sup> Some counterfeit goods (e.g., insecticides, pesticides, ozone-depleting substances) present a direct and toxic threat to the environment, and these require careful, environmentally friendly methods of destruction.

In some countries, disposal by donation is permitted, as long as such disposal does not interfere with the principles outlined above – that is, that infringing goods will not be introduced into the channels of commerce and the donation will avoid harm to the right owner. Accordingly, in most countries where disposal by donation is possible, the consent of the right owner is required.<sup>128</sup>

#### 4.3.5 Publication of judgments in media

Another civil remedy that exists in many jurisdictions (although it is not provided for in the TRIPS Agreement) is the publication of judgments in media to alert the public to the infringement. The costs of such publication are borne by the infringer.<sup>129</sup>

### 4.4 Criminal sanctions

Criminal sanctions are intended to punish those who carry out particularly grave infringements and also to deter further infringement.<sup>130</sup>

Article 61 of TRIPS provides:

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

<sup>125</sup> TRIPS Agreement, Art. 46.

<sup>126</sup> TRIPS Agreement, Art. 46.

<sup>127</sup> The work of the WIPO Advisory Committee on Enforcement (ACE) provides further resources on the environmentally safe disposal and destruction of infringing goods. See, e.g., document WIPO/ACE/12 at [www.wipo.int/meetings/en/doc\\_details.jsp?doc\\_id=375396](http://www.wipo.int/meetings/en/doc_details.jsp?doc_id=375396)

<sup>128</sup> See Report of the WTO DSB panel in case DS362 (n. 16).

<sup>129</sup> See, e.g., Article 15 of the EU Enforcement Directive, as set out in the corrigendum to Directive 2004/48/EC of the European Parliament and of the Council of April 29, 2004, on the enforcement of intellectual property rights, June 2, 2004, OJ L 195/16, available at [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32004L0048R\(01\)&from=EN#d1e842-16-1](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32004L0048R(01)&from=EN#d1e842-16-1)

<sup>130</sup> See general obligations under TRIPS Agreement, Art. 41.

It is therefore evident that the minimum requirements are that:

- there must be an act of counterfeiting or piracy;
- the act must be willful; and
- the act must be on a commercial scale.

Countries may provide for criminal procedures and penalties to be applied additionally in other types of infringement – in particular, where they are committed willfully and on a commercial scale.<sup>131</sup> The WTO Dispute Resolution Body (DSB) has interpreted the concept of “on a commercial scale” as comprising a combination of quality (commercial acts, for profit purposes) and quantity (size of the commercial activity), which may vary according to the typical commercial activity concerned.<sup>132</sup>

The available criminal remedies must include imprisonment and/or monetary fines sufficient to provide a deterrent to further infringement.<sup>133</sup> These remedies must also be consistent with the level of penalties applied for crimes of corresponding gravity<sup>134</sup> under the applicable law of each country – particularly for repeat offenses.

In appropriate cases, the competent criminal court may also order the seizure, forfeiture and destruction of the infringing goods, and of any materials and instruments the predominant use of which has been in the commission of the offense.<sup>135</sup> It is for national courts to consider which cases are appropriate for such orders. The TRIPS Agreement provides the policy context, however, by empowering courts to order that infringing goods be disposed of outside the channels of commerce in such a manner as to avoid any harm caused to the right owner, without compensation of any sort to the infringing party.<sup>136</sup>

131 TRIPS Agreement, Art. 61.

132 See Report of the WTO DSB panel in case DS362 (n. 16).

133 TRIPS Agreement, Art. 61.

134 TRIPS Agreement, Art. 61.

135 TRIPS Agreement, Art. 61.

136 TRIPS Agreement, Art. 46.

The Intellectual Property Benchbook Series is a set of practical manuals on IP law and procedure to assist judges in adjudicating IP cases appearing before them in their own courts, as well as for readers interested in learning about judicial adjudication of IP disputes across jurisdictions. This is the first title of the Benchbook series, and introduces the international legal framework for IP, sharing WIPO's expertise and global perspective on the multilateral treaties that shape IP law in the areas of trademark, patent, copyright, and remedies.



World Intellectual Property Organization  
34, chemin des Colombettes  
P.O. Box 18  
CH-1211 Geneva 20  
Switzerland

Tel: +41 22 338 91 11  
Fax: +41 22 733 54 28

For contact details of WIPO's  
External Offices visit:  
[www.wipo.int/about-wipo/en/offices](http://www.wipo.int/about-wipo/en/offices)

WIPO Publication No. 1081.1EN  
ISBN: 978-92-805-3494-8 (print)  
ISBN: 978-92-805-3495-5 (online)