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IP Enforcement Under the TPP: Civil and Administrative Procedures and Remedies, Provisional Measures in TPP (Articles 18.71–18.76)

*J. Janewa Osei-Tutu**

I. INTRODUCTION

Vietnam stands out among nations for the rapid pace of its economic growth and development. In the mid-1980s, Vietnam was considered a developing country.¹ However, it was reclassified as a middle-income country in 2010.² Indeed its rapid pace of development has led to Vietnam being declared a “development success story.”³ New trade agreements that Vietnam enters into should be assessed for their impact, if any, on Vietnam’s ability to implement national intellectual property laws and policies suitable to its domestic conditions and which contribute to the nation’s continued social and economic development. This article will discuss the enforcement provisions found in Articles 18.71–18.76 of the intellectual property chapter of the *Trans-Pacific Partnership* (TPP) that were publicly available at the time of writing.⁴ After the United States withdrew from the TPP in January 2017, the remaining countries continued to negotiate a version of the TPP without the United States.⁵ In January 2018, the remaining TPP parties concluded an agreement called the Comprehensive and Progressive Agreement for Trans-

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1. *See About Vietnam*, UNITED NATIONS DEV. PROGRAMME, <http://www.vn.undp.org/content/vietnam/en/home/countryinfo.html> (last visited Jan. 24, 2018).
2. *See id.*
3. *Id.*
4. Trans-Pacific Partnership, OFFICE OF THE U.S. TRADE REP., Feb. 4, 2016, <https://ustr.gov/trade-agreements/free-trade-agreements/trans-pacific-partnership/tpp-full-text> [hereinafter TPP] (TPP concluded at New Zealand, February 2016). The United States withdrew from the TPP in January 2017. *See* Press Release, Office of the U.S. Trade Rep., The United States Officially Withdraws from the Trans-Pacific Partnership (Jan. 2017), <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2017/january/US-Withdraws-From-TPP>.
5. Alexandra Stevenson & Motoko Rich, *Trans-Pacific Trade Partners Are Moving On, Without the U.S.*, N.Y. TIMES (Nov. 11, 2017), <https://www.nytimes.com/2017/11/11/business/trump-tpp-trade.html>.

Pacific Partnership (CPTPP).⁶ While the CPTPP is expected to contain many similar or identical provisions as the TPP, some provisions have changed.⁷

Vietnam joined the World Trade Organization (WTO) in 2007, and has had to comply with the WTO intellectual property obligations since that time.⁸ The TPP intellectual property chapter increases the scope and level of intellectual property protection that was previously prescribed under the World Trade Organization's Agreement on Trade-Related Intellectual Property Rights (TRIPS).⁹ For instance, it extends trademark protection to sound marks,¹⁰ increases the copyright term to a minimum of life of the author plus seventy years,¹¹ and provides protection for undisclosed test data that was submitted for marketing approval.¹² Interestingly, the TPP also addresses other non-traditional subject matter, and includes a provision regarding cooperation on traditional knowledge.¹³ Furthermore, the TPP includes obligations that are similar to those found in other international intellectual property agreements.¹⁴ For example, the TPP contains requirements regarding technological protection measures, which mirror the obligations found in the 1996 World Intellectual Property Organization Copyright Treaty.¹⁵

As the other conference participants will analyze these substantive changes, the discussion here will be limited to the civil enforcement provi-

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6. *Comprehensive and Progressive Agreement for Trans-Pacific Partnership*, GLOBAL AFFAIRS CANADA, <https://international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cptpp-ptpgp/index.aspx?lang=eng> (noting that the agreement was concluded with Canada and ten other countries on January 23, 2018).
 7. *Comprehensive and Progressive Agreement for Trans-Pacific Partnership*, Annex II, GLOBAL AFFAIRS CANADA, <http://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/tpp-ptp/annex2-annexe2.aspx?lang=eng>.
 8. *See Vietnam Joins WTO with Director-General's Tribute for True Grit*, WTO: 2007 NEWS ITEMS (Jan. 11, 2007), https://www.wto.org/english/news_e/news07_e/acc_vietnam_11jan07_e.htm.
 9. *See Agreement on Trade-Related Aspects of Intellectual Property Rights*, Apr. 15, 1994, 1869 U.N.T.S. 299 [hereinafter TRIPS].
 10. TPP, *supra* note 4, art. 18.18.
 11. *Id.* art. 18.63.
 12. *Id.* art. 18.50.
 13. *Id.* art. 18.16.
 14. *See, e.g.*, 1996 WIPO Copyright Treaty, Apr. 12, 1997, S. Treaty Doc. No. 105-17, 36 I.L.M. 65.
 15. *See TPP, supra* note 4, art. 18.68. The Anti-Counterfeiting Trade Agreement (ACTA) may also have some similar provisions, however, as Vietnam is not a party to that agreement, the ACTA will not be discussed here. *See generally* Anti-Counterfeiting Trade Agreement, OFFICE OF THE U.S. TRADE REP., Oct. 1, 2011, <https://ustr.gov/acta> (last visited Jan. 24, 2018).

sions of the TPP. The TPP enforcement provisions are significant not only because of the requirements themselves, but also because the intellectual property obligations under the TPP are consistent with the “upward ratchet” trend in international intellectual property law.¹⁶ The question is whether, at this stage in Vietnam’s development, this agreement will enable the country to implement domestic intellectual property policy that supports Vietnam’s development objectives.

It is worth noting that Vietnam’s existing trade agreement with the European Union also contains an intellectual property chapter.¹⁷ Though the EU-Vietnam agreement is not in force, like the TPP, it builds on the WTO TRIPS Agreement.¹⁸ Thus, Vietnam’s intellectual property may be impacted by both of these trade agreements. The intellectual property provisions of these two agreements have differences that are worth examining. Given the narrow scope of this topic, this article does not provide an analysis of the similarities and differences between these two agreements, but will instead contemplate the language of the enforcement provisions in the TPP’s intellectual property chapter and how these obligations differ from Vietnam’s existing obligations under the WTO TRIPS Agreement.

II. WHAT ARE SOME OF THE ENFORCEMENT OBLIGATIONS?

The TRIPS enforcement provisions are relatively general in comparison to the TPP. TRIPS requires members to ensure that their laws will “permit effective action against any act of infringement of intellectual property rights covered by this Agreement.”¹⁹ The procedures must be fair and equitable, and damages and injunctions must be available.²⁰

The TRIPS Agreement seeks to create effective deterrents to infringement,²¹ while the TPP creates more robust and detailed obligations. Mirroring the language of TRIPS, the TPP requires that member states ensure that

16. See Susan K. Sell, *TRIPs Was Never Enough: Vertical Forum Shifting, FTAs, ACTA, and TPP*, 18 J. INTELL. PROP. L. 447, 449 (2011).

17. See EU-Vietnam Trade Agreement 2016, EUR. COMM’N, http://trade.ec.europa.eu/doclib/docs/2016/february/tradoc_154223.%20institutional%20-%20GIs%206.5a3%206.11wg%20rev2%20-%20for%20publication.pdf (last visited Feb. 21, 2018).

18. See *id.*

19. TRIPS, *supra* note 9, art. 41.

20. *Id.* arts. 42, 44, 45.

21. *Id.* art. 46 (“In order to create an effective deterrent to infringement, the judicial authorities shall have the authority to order that goods that they have found to be infringing be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to avoid any harm caused to the right holder, or, unless this would be contrary to existing constitutional requirements, destroyed.”).

their enforcement procedures effectively prevent the infringement of intellectual property and deter future infringements.²² The footnote to this obligation clarifies that remedies shall be available to both state owned and private enterprises.²³ This requirement prevents member states from engaging in state-sanctioned infringement.

The TPP also includes a requirement of “proportionality,” which weighs the seriousness of the infringement, the applicable remedies, and the interests of third parties.²⁴ This appears to create an additional balancing provision for enforcement of intellectual property rights. It could mean tougher sanctions for more serious infringement, but it leaves room for reduced penalties for infringement that may be perceived as less significant. In addition, the interest of third parties, which could include access to cultural works, for example, could be taken into consideration as part of the balancing test.

The TPP expressly contemplates enforcement in the digital era, stating that the enforcement provisions are equally applicable to trademark infringement and copyright infringement in the digital environment.²⁵ Further, it creates presumptions that benefit rights holders. For instance, it is to be presumed, absent evidence to the contrary, that the author, producer, performer, or publisher is the rights holder.²⁶ In addition, it is to be presumed that copyright subsists in the work, and that a registered trademark is *prima facie* valid.²⁷ Similarly, where a patent has been “substantively examined and granted by the competent authority of a Party,” that Party shall provide that each claim of the patent is *prima facie* valid.²⁸ As such, those seeking to challenge the validity of patents, trademarks and copyrights bear the burden of adducing evidence to rebut the *prima facie* presumption of validity.²⁹

Another interesting aspect of the enforcement chapter is that, in addition to the requirement for reasoned, published judicial decisions, the parties expressly recognize the importance of collecting information and statistical data regarding intellectual property infringement and the best practices for combating infringement.³⁰ Moreover, the member states are obligated to publish information regarding their efforts to effectively enforce intellectual property rights within their borders.³¹ This will force member states to collect and

22. TPP, *supra* note 4, art. 18.71.

23. *Id.* art. 18.71 n.101.

24. *Id.* art. 18.71(5).

25. *Id.* art. 18.71(2).

26. *Id.*

27. *Id.* arts. 18.71(2)–(3).

28. TPP, *supra* note 4, art. 18.72(3).

29. *See id.*

30. *Id.* art. 18.73(2).

31. *Id.* art. 18.73(3).

publish the kind of information that the United States Trade Representative uses in its annual Special 301 Report.³² As a result, it will be more difficult for nations to claim to provide effective intellectual property protection if they fail to demonstrate adequate enforcement. This is especially true because nations must include an explanation of their efforts to deter infringement.³³

Like TRIPS, the TPP expressly states that it does not create any obligation regarding the distribution of resources between the enforcement of intellectual property obligations and the enforcement of the law in general.³⁴ Despite this provision, and in light of the nature of the obligations under the TPP, it is inevitable that TPP member states will have to redirect some resources to intellectual property monitoring and enforcement.

As is the case under TRIPS, damages and injunctive relief must be available. The general damages obligation in Article 18.74(3) of the TPP mirrors that found in Article 45 of TRIPS. In addition, the TPP specifies that the measure of value the rights holder submits, including the suggested retail price or market price, can be considered in assessing damages.³⁵ With respect to copyright and trademark, the TPP requires that statutory damages, as well as punitive and exemplary damages, be available to the right holder.³⁶ This provision is significant because it is not common for nations to provide statutory damages for copyright infringement³⁷ and punitive damages are not standard in copyright legislation.³⁸

Like TRIPS, the TPP mandates provisional measures and border measures. TPP parties must ensure that any suspected counterfeit or confusingly similar trademark goods or pirated copyrighted works can be detained at the border. The right holder must supply evidence that there is *prima facie* infringement.³⁹ In line with the objective of deterring infringement, the TPP goes beyond the TRIPS obligation regarding the information that must be made available to the rights holder. Once goods are detained at the border, the rights holder may be informed of the names and addresses of exporters,

32. See 2016 SPECIAL 301 REPORT, OFFICE OF THE U.S. TRADE REP. (Apr. 2016), <https://ustr.gov/sites/default/files/USTR-2016-Special-301-Report.pdf>.

33. TPP, *supra* note 4, art. 18.73(2).

34. See *id.* art. 18.71(4)(b).

35. *Id.* art. 18.74(4).

36. *Id.* arts. 18.74(6)–(7) nn.111–12.

37. See Pamela Samuelson et al., *Statutory Damages: A Rarity in International Copyright Law, But for How Long?*, 60 J. COPYRIGHT SOC'Y U.S.A. 521 (2013).

38. See, e.g., Marketa Trimble, *Punitive Damages in Copyright Infringement Actions Under the US Copyright Act*, 31 EUR. INTELL. PROP. L. REV. 108 (2009).

39. See TPP, *supra* note 4, art. 18.76(1)–(2).

importers, consignors and consignees, the country of origin of the goods, and the description of the goods.

But, this is not a mandatory obligation under the TPP, except with respect to imported goods. In that case, the authorities must be able to provide this information to the rights holder within thirty working days of seizing the goods, or make a determination that the goods are counterfeit or pirated.⁴⁰ According to the United States Trade Representative, the TPP enforcement provisions close loopholes and make it possible to tackle the supply chains.⁴¹ This provision facilitates the ability of rights holders to identify and pursue individuals who are involved in trafficking counterfeit or pirated goods. By comparison, TRIPS requires that the rights holder be notified, but does not obligate member states to advise the right holder of the names and addresses of the importers of the goods.⁴²

Whereas TRIPS provides for the disposal of goods outside the channels of commerce, or their destruction if such destruction is constitutionally permissible,⁴³ the TPP requires that competent authorities have unlimited power to order the destruction of infringing goods.⁴⁴ If they are not destroyed, they can be disposed of outside the channels of commerce.⁴⁵ In addition, the provision on border measures applies to goods of a commercial nature that are sent in small consignments.⁴⁶ This helps to ensure that counterfeiters do not circumvent the border measures by sending the goods in shipments of small quantities. Further, border agents must have the authority to seize infringing goods of their own accord.

Notably, the TPP contains its own dispute settlement procedure. This means that, like WTO member states, the TPP member states can use the TPP process to resolve disputes.⁴⁷ This process gives the TPP obligations “teeth” insofar as members can be penalized for failure to comply with their TPP obligations.⁴⁸

40. *Id.* art. 18.76(4).

41. U.S. TRADE REP., *Intellectual Property Executive Summary, TPP Made in America*, <https://ustr.gov/sites/default/files/TPP-Chapter-Summary-Intellectual-Property.pdf> (last visited Jan. 24, 2018).

42. *See* TRIPS, *supra* note 9, arts. 51, 54.

43. *Id.* art. 46.

44. *See* TPP, *supra* note 4, art. 18.76(7).

45. *Id.*

46. *Id.* art. 18.76(9).

47. *See id.* art. 28.3.

48. *See, e.g., id.* art. 28.20 (providing for the suspension of benefits if, following a dispute settlement process, a nation refuses to bring its law into compliance).

III. CONSIDERING THE ENFORCEMENT OBLIGATIONS IN CONTEXT

Article 31 of the Vienna Convention on the Law of Treaties requires international agreements to be interpreted in light of their context.⁴⁹ Thus, the TPP intellectual property enforcement obligations must be interpreted in light of its preamble, its objectives and principles in the intellectual property chapter, and the TPP as a whole.⁵⁰

In some ways, the TPP intellectual property chapter creates space for greater flexibility than what was available under TRIPS, despite the expanded intellectual property protections. For instance, the objectives and principles of the agreement expand the flexibilities under TRIPS to expressly allow member states to take measures to prevent the abuse of intellectual property rights that adversely affect international technology transfer.⁵¹ Article 18.3 of the TPP mirrors the language of balancing rights and obligations currently found in Article 7 of the TRIPS Agreement.

The TPP intellectual property obligations appear to be minimum standards since members can implement higher levels of intellectual property protection than what is required by the agreement.⁵² However, the TPP expressly incorporates and expands the flexibilities that were built into TRIPS and subsequent statements by WTO member states regarding the relationship between intellectual property and public health.

In particular, Article 18.4 sets out the “understandings” in respect of the intellectual property chapter by providing that the parties “recognise the need to: (a) promote innovation and creativity; (b) facilitate the diffusion of information, knowledge, technology, culture and the arts; and (c) foster competition and open and efficient markets.”⁵³ This provision is explicit in recognizing the importance of disseminating information and technology. Article 7 of TRIPS has been widely referenced as the provision that supports a balancing test so that the interests of the rights holder are not necessarily prioritized. Article 7 of TRIPS uses more general language than Article 18.4 of the TPP. Indeed, Article 7 of TRIPS is effectively reproduced in Article 18.3 of the TPP. Articles 18.3 of the TPP and Article 7 of TRIPS speak to a balance of rights and obligations, taking into consideration the mutual benefit of users and producers. However, Article 18.4 provides the scope for greater flexibility with respect to the access issues that concern developing and newly industrialized nations. For example, Vietnam has developed rapidly, but continues to have large income disparities, so the ability to facilitate ac-

49. Vienna Convention on the Law of Treaties art. 31, May 23, 1969, 1155 U.N.T.S. 331.

50. See TPP, *supra* note 4, art. 18.76.

51. *Id.* arts. 18.2–18.3.

52. *Id.* art. 18.5.

53. *Id.* art. 18.4.

cess to information and technology will be important in Vietnam's future development.

The Doha Declaration on the TRIPS Agreement and Public Health was a major achievement for access advocates.⁵⁴ It is significant, therefore, that this declaration is expressly referenced, and its language reproduced in Article 18.6 of the TPP.⁵⁵ As part of the agreement, this provision could give nations greater flexibility in protecting public health than was available under TRIPS. In addition to the provisions discussed above, nations can draw on Article 18.3, which allows member states to implement measures to protect public health and the public interest in sectors that are of vital importance to their socioeconomic and technological development when interpreting their TPP enforcement obligations.⁵⁶

IV. CONCLUSION

Overall, the TPP intellectual property enforcement provisions strengthen the enforcement and deterrence obligations for TPP member states. At the same time, Articles 18.3–18.6 offer flexibility to TPP member states that is equivalent to, if not better than, that found in TRIPS. Whether Vietnam will have adequate flexibility to implement and enforce its TPP intellectual property obligations in a manner suitable to its domestic conditions may depend on how much weight TPP panels give the economic interests of the rights holders *vis a vis* other competing interests such as public health, education, and technology transfer.

The enforcement provisions of the TPP agreement appear to give Vietnam sufficient flexibility to implement its national intellectual property laws in a manner conducive to Vietnam's continued progress.

54. See, e.g., *Doha Declaration on the TRIPS Agreement and Public Health*, WTO (Nov. 20, 2001), https://www.wto.org/english/thewto_e/minist_e/min01_e/min_decl_trips_e.htm.

55. TPP, *supra* note 4, art. 18.6.

56. *Id.* art. 18.3.