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THE RELATIONSHIP BETWEEN REGIONAL TRADE AGREEMENTS AND THE MULTILATERAL TRADING SYSTEM:

INTELLECTUAL PROPERTY RIGHTS

This paper forms part of a broader study on the relationship between Regional Trade Agreements and the Multilateral Trading System. Together with other chapters and an overall assessment it will be incorporated into a consolidated document to be submitted to the Trade Committee on 28-30 October 2002.

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INTELLECTUAL PROPERTY RIGHTS

I. Key points emerging

1. The purpose of this chapter is to survey provisions concerning intellectual property rights (IPRs) in a selection of regional trade agreements (RTAs) and to highlight how these provisions compare with IPR provisions under the multilateral trading system as embodied in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS Agreement).¹ Given the on-going debate across countries concerning some aspects of the implementation of the TRIPS Agreement, it is timely to consider how these issues have been treated in RTAs. In moving beyond the minimum requirements of the TRIPS Agreement, which RTAs address IPRs? Have they tended to simply make reference to the TRIPS Agreement? Do they include provisions that differ from the TRIPS Agreement or go beyond it in terms of protections afforded to holders of IPRs? The study is not intended to be a comprehensive review of the individual legal provisions, but rather an illustrative presentation of the nature of IPR provisions in 15 selected RTAs.²

2. In recent years, the tendency has been for new RTAs to extend beyond tariff-cutting exercises (as many traditionally were), to include a much broader range of products and issues, including intellectual property [Crawford and Laird (2001)]. According to the TRIPS Agreement, the Members of the WTO may implement in their law more extensive IPR protection than the minimum required under the agreement, provided that this does not contravene the agreement.³ Already in 1997, Maskus (1997) found that the strengthening and harmonisation of IPRs under such regional groupings as NAFTA and the EU substantially exceeded the new IPR requirements resulting from the Uruguay Round.

3. Based on the review of the selected RTAs, a few preliminary observations can be made concerning the treatment of IPR issues in the various agreements. These RTAs generally affirm provisions of the TRIPS Agreement, either by explicit reference or implicitly by echoing at least some of its content. While varying in the extent of their coverage of IPR issues, the RTAs often include one or more provisions going beyond the strict requirements the TRIPS Agreement. Table 1 provides an illustrative list of requirements not embodied in the TRIPS Agreement and examples of RTAs that include such requirements.⁴ Often these additional requirements concern conformity with, or accession to, other relevant international agreements. Also, the table provides examples of RTAs that have special provisions

¹ IPR provisions are also sometimes included in other types of agreements such as bilateral investment treaties, bilateral co-operation agreements, science and technology agreements, and other international arrangements. While these agreements are beyond the scope of this paper, it should be noted that in some cases they clearly contribute to the implementation of more specific IPR requirements than are found in the TRIPS Agreement.

² The RTAs reviewed in preparing this paper include: ANZCERTA, APEC, Canada-Chile, CEFTA, COMESA, EFTA, EU, EU-Mexico, Euro-Mediterranean Partnership Agreements (Co-operation Agreements: EU-Algeria, EU-Egypt; Association Agreements: EU-Morocco, EU-Palestinian Authority, EU-Tunisia), FTAA-draft, JSEPA, MERCOSUR, NAFTA, SADC and US-Jordan.

³ This is stated in the Uruguay Round Final Act, Annex 1c (TRIPS), Article 1.1, available at: http://www.wto.org/english/docs_e/legal_e/27-trips.pdf.

⁴ Table 1 highlights examples from 11 of the 15 RTAs covered in this IPR review as going beyond the TRIPS Agreement requirements. (For the purposes of this tabulation, the Euro-Mediterranean Partnership Agreements are counted as a single RTA.)

going beyond the TRIPS Agreement in the manner in which they address transition periods (*e.g.* defining periods that are shorter than similar periods under the TRIPS Agreement), enforcement or co-operation, or they include forward-looking clauses concerning potential future revisions to the RTAs.

4. To the extent RTAs include these additional aspects, they are pushing harmonisation forward at a pace that is greater than is apparently possible within the framework of the WTO. Such a result is not surprising because, as Maskus noted “it is often possible to achieve broad consensus on standards on the basis of commonality of interests associated with regional integration, while in [multilateral approaches] economic interests are more divergent [...]”. The spread of requirements for IPR protection in RTAs has provided a means to move beyond the provisions of the TRIPS Agreement [GRAIN (2001)]. However, this has not necessarily led to a greater divergence in requirements. To the extent that these requirements are centred on widely accepted international accords, they may facilitate greater harmonisation in the treatment of IPRs. At the same time, certain RTA provisions are tailored for application internally among the member states. While increasing the degree of harmonisation and, potentially, IPR protection in the RTA area, the RTA specific provisions may diverge in their content *between* RTAs. For example, IPR provisions under NAFTA or the EU reduce variation among their respective member states, but the two trade areas are not necessarily converging with respect to procedural issues.

II. An overview of the provisions of the TRIPS Agreement

5. The TRIPS Agreement emerged, in part, as a consequence of concerns about the variability of protection and enforcement of IPRs around the world.⁵ A key product of the Uruguay Round, it represented a breakthrough in inclusion of a broad range of intellectual property under the terms of an agreement under the multilateral trading system.

Foundations of the TRIPS Agreement

6. The TRIPS Agreement built upon the existing framework of intellectual property conventions established under World Intellectual Property Organization (WIPO), drawing in particular on:

- The Paris Convention for the Protection of Industrial Property, 1967, covering such issues as patents, trademarks, industrial designs, and protection against unfair competition,
- The Berne Convention for the Protection of Literary and Artistic Works, 1971, covering copyrights (although the TRIPS Agreement notably did not incorporate its provisions on moral rights),
- The Washington Treaty on Intellectual Property in Respect of Integrated Circuits, 1989, covering the designs of such circuits, and
- The Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, 1961 (although the TRIPS Agreement did not incorporate a general requirement to comply with the substantive provisions of the Rome Convention).

⁵ This overview of the provisions of the TRIPS Agreement draws directly on the text of the actual Agreement and on the summary explanation provided in WTO (1999). It highlights selected issues.

7. The TRIPS Agreement represented an attempt to render the treatment of IPRs more systematic and to improve predictability and dispute resolution with respect to IPRs. The *general provisions* of the agreement mandate national treatment and most-favoured-nation treatment, albeit with some exceptions or exemptions with respect to the pre-existing treaties cited above, certain other international agreements, or certain rights not covered in the TRIPS Agreement. The agreement promotes transparency and calls for a balance between the need to provide an incentive for innovation and the need to foster transfer of technology and economic and social welfare.

8. Key areas covered include copyrights, trademarks and service marks, geographical indications, industrial designs, patents, lay-out designs of integrated circuits, and trade secrets or other undisclosed information (Table 1, column 1).⁶ The scope of the TRIPS Agreement also includes control of anti-competitive practices in contractual licences. The agreement introduced a number of new or augmented standards in its coverage of a number of areas. It specified how the principles of the trading system should be applied to IPRs, how to give adequate protection to IPRs, how to enforce those rights adequately, how to settle IPR disputes among WTO Members, and what the special transitional arrangements would be.

Types of Intellectual Property Covered

9. With respect to *copyrights*, the TRIPS Agreement grants protection for computer programmes as literary works under the Berne Convention. Databases were granted similar protection. Copyright rules were expanded to cover rental rights whereby authors of computer programmes and producers of sound recordings were ensured the right to prohibit the commercial rental of their works to the public and films were granted similar protection. Performers were also ensured of the right to prevent unauthorised recording, reproduction and broadcast of live-performances for at least 50 years. The TRIPS Agreement also clarifies the types of signs eligible for *trademark* protection and the minimum protection for service marks, with well-known service marks eligible for additional protection. The initial period of trademark protection (and an indefinite number of subsequent renewals) shall be for no less than 7 years. Compulsory licensing of trademarks is not permitted.

10. With respect to *geographical indications*, the TRIPS Agreement addresses the use of place names that identify the quality, reputation or other characteristics of a good. Members are required to provide legal means for interested parties to prevent misleading use of these terms or use which constitutes unfair competition. With respect to wines and spirits, a higher standard applies in which the use of such terms is prohibited for goods originating elsewhere, even where there is little risk of consumers being misled. There are some exceptions for geographical indications including those that have become generic terms, such as gouda cheese. Under the TRIPS Agreement, *industrial designs* are ensured protection for at least 10 years with owners of such designs able to prevent the manufacture, sale or importation of articles bearing or embodying a design that is protected.

11. *Patent* protection is to be provided for at least 20 years, for both products and processes with respect to most technologies. Some areas can be excluded such as diagnostic, therapeutic and surgical methods; plants and animals (other than micro-organisms); biological processes for the production of plants and animals (other than microbiological processes); and inventions that threaten public order or morality. Protection is ensured for plant varieties by either patents or *sui generis* systems (i.e. separate recognised systems). For example, the International Union for the Protection of New Varieties of Plants

⁶ In addition to providing for certain rights, the TRIPS Agreement contains articles addressing limitations and exceptions to exclusive rights with respect to *copyrights and related rights*, exceptions to the rights conferred by a *trademark*, and exceptions to the exclusive rights conferred by a *patent*.

(UPOV) is utilised by many countries, but the TRIPS Agreement does not make specific reference to it. Moreover, the TRIPS Agreement allows exclusion of plants and animals from patent protection.

12. The patent rights mandated under the TRIPS Agreement include the ability to prevent third parties from making, using, offering for sale, selling or importing of the products concerned or, in the case of processes, the products directly obtained from those processes. Patent owners also must have the right to assign, license or transfer by succession the patents. Governments are authorised to issue compulsory licenses, albeit within certain constraints. Similarly, the agreement recognises the right of governments to intervene in cases where anti-competitive licensing of IPRs takes place (*e.g.* where it impedes technology transfer or restricts competition), providing for consultations and information exchange between governments of the countries where the concerned parties are domiciled.

13. Certain flexibility in application of patent rights is available in the case of public health emergencies, a point reinforced at the-WTO Ministerial Conference in Doha. In cases where a government authorises use of a patent without the authorisation of the rights holder, the TRIPS Agreement requires:

- consideration on a case-by-case basis on the merits of the case;
- efforts to be made to obtain authorisation from the rights holder unless it is the case of a national emergency, extreme urgency, or public non-commercial use; and
- limitation of such use to the original purpose for the authorisation.

Such compulsory licensing shall be non-exclusive, predominantly for the supply of the domestic market⁷, linked in duration to the duration of the emergency, include adequate remuneration taking into account the economic value of the authorised use, and be subject to independent review with respect to its legal validity and compensation for the rights holder. With respect to patented processes, the rights of the patent holders extend to products directly obtained from such processes.

14. *Designs for integrated circuits* are protected under the TRIPS Agreement. Protection is extended, for example, by requiring a minimum term of protection of 10 years. Members are required to grant the owner of a protected design the right to prohibit third parties from importing, selling, copying (identically or in substantial part), or engaging in other commercial activity involving a protected layout-design.

15. The TRIPS Agreement requires that *trade secrets and undisclosed information* must be ensured protection in cases where reasonable steps were taken to keep it secret by the owners. Governments must ensure protection of test data related to marketing approvals for new pharmaceutical or agricultural chemicals.

Enforcement and Transition Arrangements

16. The TRIPS Agreement was the first international treaty to address concretely the enforcement of international property rights. Governments are required to ensure legal protection for IPRs with penalties sufficient to deter infringement and with channels for review or appeal, but no separate legal system for IPRs is required. The procedures are to be fair and not too costly or complicated. Courts are to have the

⁷ The Doha Declaration on TRIPS and Public Health mandates that WTO members are to work to find an expeditious solution permitting access to medicines in severe health crisis situations.

right to order the disposal or destruction of pirated or counterfeit goods and the means of their production, without compensation.

17. Members agreed to exchange information on trade in goods infringing, intellectual property rights, with a view to eliminating the trade in such goods. Some trademark and copyright offences are to be considered criminal. The authorities must be available in response to applications from rights holders to prevent import of counterfeit or pirated goods, and to order prompt and effective provisional measures to prevent infringement or preserve evidence. In the case of process patents, the burden of proof is shifted to the alleged infringer who must demonstrate that the product concerned was produced by a process different from that of the rights holder.

18. Judicial authorities are to have the authority to order adequate compensation for the injury suffered. The Council for Trade-Related Aspects of Intellectual Property Rights monitors the working of the agreement and reviews government compliance with it. In order to promote transparency, Member countries are required to provide notification to the WTO of domestic laws concerning intellectual property. Moreover, the TRIPS Agreement emphasises consultation in dispute settlement, as provided for under the GATT.

19. The TRIPS Agreement provided transition periods for WTO Members including one year for developed countries, five years for developing or transition countries, and 11 years for the least developed countries. TRIPS provided a transition period of 10 years for developing countries for pharmaceuticals and agricultural chemicals where the country did not already have product patent protection in place. During the transition periods, pharmaceutical and agricultural chemical product patent applications must be accepted and some rights provided.⁸ Developed country Members are obligated to provide technical co-operation upon request and by mutual agreement to assist developing countries in satisfying the terms of the agreement.

III. Treatment of IPRs in Regional Trade Agreements

20. In this survey of RTAs, the States that are parties to these agreements have often mutually agreed to include IPR provisions in addition to those under the TRIPS Agreement or in advance of the timing foreseen in that agreement. Also, in some cases, the RTAs engage countries that are not yet WTO Members (*e.g.* Vietnam is a party to the APEC discussions but not yet a Member of the WTO). Table 1, column 2, illustrates the types of important additional requirements or features included in selected RTAs.

21. Although the RTAs surveyed are broadly consistent with the TRIPS Agreement, they do not always extensively address IPR issues or make references to the TRIPS Agreement. IPRs are included in different ways, depending on the agreement. For example, the ANZCERTA Agreement makes little reference to IPRs, except to note that the agreement should not interfere with measures for the protection of intellectual property (provided they are not means of arbitrary or unjustified discrimination). Instead, Australia and New Zealand rely on the multilateral agreements of WIPO and WTO for international protection of IPRs.⁹ However, Australia and New Zealand are also exploring “the potential for more

⁸ According to the *Declaration on the TRIPS Agreement and public health* from the WTO Ministerial Conference in Doha, it was agreed that with respect to pharmaceutical products the least-developed country Members would not be obliged to implement or apply TRIPS provisions concerning patents or protection of undisclosed information or to enforce rights under these provisions, until 1 January 2016 (without prejudice to their right to seek other extensions under the provisions of the TRIPS Agreement).

⁹ See, for example: Commonwealth of Australia (1997), *Closer Economic Relations: Background Guide to the Australia New Zealand Economic Relationship*, Department of Foreign Affairs and Trade, Canberra,

closely coordinating the granting and recognition of registered intellectual property rights” under the work programme of a separate accord, the bilateral “Memorandum of Understanding on the Co-ordination of Business Law”.¹⁰

22. Certain RTAs make reference to the TRIPS Agreement with respect to specific issues, but have no separate chapter or section on IPRs. For example, the Canada-Chile Free Trade Agreement briefly cites the TRIPS Agreement in two articles. COMESA includes among its objectives only a reference to the eventual standardisation of “conditions regarding industrial co-operation, particularly on company laws, intellectual property rights and investment laws.” Discussions on IPRs in the context of SADC have focused primarily on strengthening domestic laws to ensure compliance with the TRIPS Agreement.

23. Other RTAs provide more extensive treatment of intellectual property with respect to one or more issues. Under MERCOSUR there is a *Harmonization Protocol of Norms on Intellectual Property*, for which ratification is pending, that addresses primarily trademarks (in some depth) and geographical indications, but touches on other IPR issues only briefly.¹¹ In JSEPA, IPRs are covered in a short chapter on intellectual property plus a number of additional references in other chapters concerning such issues as science and technology co-operation and investment.

24. Coverage on IPRs is much deeper under the NAFTA or EU, which devote substantial attention to a broad range of issues. These RTAs reiterate provisions in the TRIPS Agreement, while pushing beyond in a number of areas. The EU, in particular, is of a different nature than most RTAs in that it includes a focus on harmonisation of IPR regimes and convergence in standards, among other issues. In the view of some EU authorities, the WTO/WIPO intellectual property framework “does not provide an adequate basis for completing the single market.”¹² Thus, the Commission has taken steps through a number of directives to seek greater harmonisation of national laws.

25. While the TRIPS Agreement provides baseline IPR protection, certain RTAs clearly aim to go beyond minimum protection of IPRs. A prime statement of such intentions can be found under the Euro-Mediterranean Partnership agreements.¹³ These agreements incorporate language such as that in the EU-Tunisia, EU-Palestinian Authority and EU Morocco Association Agreements, which state that, “The Parties shall provide suitable and effective protection of intellectual, industrial and commercial property

February.

¹⁰ This Memorandum of Understanding was signed on 31 August 2000 and can be found at: <http://www.mfat.govt.nz/foreign/regions/australia/austlaw.html>.

¹¹ The original MERCOSUR agreement did not explicitly reference IPRs. A subsequent protocol, the Harmonization Protocol of Norms on Intellectual Property in the MERCOSUR Regarding Trademarks, Indications of Source and Denominations of Origin (1996), will -- once it is in effect -- ensure harmonisation in the treatment of certain IPRs issues among the parties to the agreement.

¹² This refers to an overview of EU strategy on intellectual property (as of 19/07/01) posted at: <http://europa.eu.int/scadplus/leg/en/lvb/126021.htm>.

¹³ The Euro-Mediterranean Partnership is based on the 1995 Barcelona Declaration’s objective of establishing a free-trade area by 2010 between the EU (which itself is a customs union with 15 Member States) and 12 Mediterranean Partners. Under the partnership there are: Association Agreements (Tunisia, Israel, Morocco, and an Interim Association Agreement with the Palestinian Authority), Co-operation Agreements (Algeria, Egypt, Jordan, Lebanon, Syria), and First-generation Association Agreements (Cyprus, Malta, Turkey). Negotiations for an EU association agreement with Algeria have recently been completed and others are pending. The agreements cover such issues as suitable measures regarding rules of origin, certification, protection of intellectual and industrial property rights and competition, among others. The specific provisions of the Euro-Mediterranean Partnership agreements vary somewhat depending on the partner (for details see <http://europa.eu.int>).

rights, in line with the highest international standards. This shall encompass effective means of enforcing such rights.”¹⁴ The reference to highest international standards points to IPR provisions additional to those laid out in the TRIPS Agreement.

General provisions

26. As noted above, the TRIPS Agreement includes general provisions concerning national treatment, most-favoured nation treatment and transparency. RTAs such as the Canada-Chile agreement make no separate mention of these issues with respect to IPRs (although they are broadly addressed in the full context of the Canada-Chile agreement). A few agreements, such as NAFTA, the US-Jordan agreement or the MERCOSUR protocol, make explicit reference to national treatment with respect to the protection and enjoyment of IPRs.¹⁵ Proposals in the draft Free Trade Area of the Americas agreement (FTAA-draft) do so as well, although the FTAA-draft also includes bracketed text concerning specific exemptions. JSEPA includes a reference to intellectual property in its definition of assets covered by the chapter on investment and then in a separate article provides for national treatment of investors and investments.¹⁶ Others, including the Central European Free Trade Agreement (CEFTA), also make explicit reference to non-discrimination in the granting and protection of IPRs. In these areas, RTAs broadly parallel the requirements under the TRIPS Agreement.

Copyright and related provisions

27. Generally, the RTAs reviewed reflect the TRIPS Agreement with respect to copyrights and related rights or omit specific mention of this topic. Several RTAs go beyond the TRIPS Agreement requirements in mandating accession or compliance with subsequent international accords, particularly the WIPO (1996) Copyright Treaty and the WIPO (1996) Performances and Phonogram Treaty (*e.g.* both are required under EFTA, FTAA-draft, EU-Mexico, US-Jordan and the EU).¹⁷ Among other issues, these treaties take into account issues related to the development of new technologies such as those related to the Internet.

28. Some RTAs go beyond the TRIPS Agreement with respect to specific copyright issues. For example, bracketed text in the FTAA-draft makes reference to respect for moral rights (*i.e.* authors’ rights to object to certain modifications and derogatory actions), which would go beyond the TRIPS Agreement which explicitly excludes article 6bis of the Berne Convention that refers to moral rights. NAFTA clarifies that the use of decoding devices for intercepting satellite transmissions is illegal. Within the EU, the Commission has sought harmonisation and enhanced protection for copyrights through a number of directives dealing with computer programmes and databases, satellite broadcasting and cable transmission, rental and lending rights, and duration of protection, among others¹⁸. The EU has also become party to the

¹⁴ For the full text, see the following references: Article 39 (EU-Tunisia and EU-Morocco) and Article 33 (EU-Palestinian Authority).

¹⁵ Maskus (1997) notes that under NAFTA there are some exemptions, for example concerning cultural industries in Canada.

¹⁶ At the time of drafting, these two WIPO conventions had not yet entered into force. For the full text, see Chapter 8, Articles 72 and 73, JSEPA.

¹⁷ The WIPO Copyright Treaty entered into force on 6 March 2002. The WIPO Performances and Phonograms Treaty entered into force on 20 May 2002.

¹⁸ For more information, see Council Directive 91/250/EEC of 14 May 1991 on the legal protection of

WIPO Copyright Treaty and Performances and Phonogram Treaty. Steps are now underway to further harmonise the national and EU systems.

Trademarks

29. As in the case of copyrights and related rights, the selected RTAs reflect the TRIPS Agreement requirements for trademarks or omit separate discussion of the topic. In addition, some RTAs have mandated conformity with the Madrid Agreement concerning the International Registration of Marks, in order to facilitate the registration of marks (*e.g.* the Euro-Mediterranean Association Agreements). RTAs such as US-Jordan, FTAA-draft and APEC endorse the WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks (1999), which was agreed after the TRIPS Agreement was finalised and which clarifies such issues as the determination of well-known marks and resolution of conflicts concerning Internet domain names. Also, the EU has included requirements to observe the Nice Agreement in several RTAs.

30. The MERCOSUR protocol referenced above provides a more detailed illustrative list of protectable subject matter (*e.g.* by mentioning pseudonyms and portraits) than does the TRIPS Agreement. It offers a longer initial and renewal term than required under the TRIPS Agreement, and relatively detailed procedural requirements.

31. Within the EU, the trademark requirements go into greater detail than those of the TRIPS Agreement. A Commission directive provides for a harmonisation of conditions for registration of a national trade mark and the rights conferred by registration, with a subsequent *Regulation on the Community Trade Mark* providing for the holder of such a trademark to benefit from a single set of rules for protection.¹⁹ Further EU regulations address implementation issues, fees, appeals and institutional arrangements, also going well beyond the implementation details in the TRIPS Agreement.

Geographical indications

32. Among the selected RTAs, some make reference to protection of geographical indications as part of their coverage, but without extensive provisions on the topic. Where they go beyond the TRIPS Agreement, it is to address specific product issues or to extend higher protection to goods beyond wines and spirits. The TRIPS Agreement focuses on misleading or unfairly competitive use of geographical indications with higher protection for geographical indications for wines and spirits.²⁰

computer programmes; Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases; Council Directive 93/83/EEC of 27 September 1993 on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission; Council Directive 92/100/EEC of 19 November 1992 on rental right and lending right and on certain rights related to copyright in the field of intellectual property; and Council Directive 93/98/EEC of 29 October 1993 harmonising the term of protection of copyright and certain related rights

¹⁹ See the Council Regulation (EC) No 40/94 of 20 December 1993 for information on the Community trade mark. Also, see the amendment contained in Council Regulation (EC) No 3288/94 of 22 December 1994.

²⁰ In the case of wines and spirits, the TRIPS Agreement aims to prevent use of a geographical indication identifying wines or spirits not originating in the place indicated by the geographical indication in question.

33. The Euro-Mediterranean Association Agreements include designations of origin in their scope. EFTA specifically requires adequate and effective protection of geographical indications including appellations of origin for all products and services. As Chile's obligations under TRIPS were not yet in effect at the time of the signing of the Canada-Chile Free Trade Agreement, that RTA incorporated an article on geographical indications ensuring protection of the designations "Chilean Pisco" and "Canadian Whiskey" on a reciprocal basis. The pending MERCOSUR protocol includes an obligation for the member states to reciprocally protect their indications of source and denominations of origin, and prohibits their registration as trademarks. The US-Jordan agreement is a particular case in that it considers geographical indications as trademarks, subject to certain conditions.

Industrial designs

34. Industrial designs are generally not treated separately under the RTAs or, where they are treated they tend to reflect the requirements of the TRIPS Agreement. EFTA is notable in that it takes as its reference for registration of industrial designs, the Geneva Act (1999) of the Hague Agreement Concerning the International Registration of Industrial Designs.²¹ It extends the duration of potential protection from 10 years under the TRIPS to at least 25 years (5 years plus 4 consecutive renewals). The Geneva Act explicitly seeks to establish a link between the international registration system for industrial designs and regional systems such as under the European Community or the African Intellectual Property Organisation (permitting intergovernmental organisations to become party to the Act).

35. In the EU, using an approach similar to that for trademarks, a Community directive on the protection of designs has been adopted along with a regulation establishing a Community system for the protection of designs²². Community protection is extended to designs registered with the European Union's Office for Harmonisation in the Internal Market in Alicante as well as to unregistered designs, within certain limits. The former benefit from a period of up to 25 years of protection, well beyond the 10 years minimum established under TRIPS.

Patents

36. With respect to patents, many of the RTAs go beyond the TRIPS Agreement, particularly in their requirements to observe international accords beyond those cited in the agreement. Several including NAFTA, the draft FTAA, US-Jordan, EU-Mexico and certain Euro-Mediterranean Association Agreements mandate UPOV as the appropriate vehicle to protect plant breeder rights (with the result that Mexico, Jordan, Tunisia and Morocco engaged to ratify UPOV within specific timeframes). The US-Jordan and the EU-Mexico, EU-Morocco, EU-Tunisia agreements make reference to use of international depository authority as defined in the Budapest Treaty in instances where a written description is not sufficient.

37. With respect to patents within the EU, two key instruments are working to promote additional harmonisation of patent protection. All EU members are now parties to the Munich Convention on the

²¹ The Geneva Act has not yet entered into force; this will occur after 6 states have deposited their instruments of ratification or accession, subject to minimum amounts of foreign or domestic applications filed for each country. As of May 2002, 3 States fulfil these criteria.

²² For more information, see Directive 98/71/EC on the legal protection of designs and Council Regulation (EC) No 6/2002 on Community designs.

European Patent providing for patents for a number of countries to be obtained through a single application to the European Patent Office. Furthermore, work is currently underway to produce an updated version of the Luxembourg Convention on European Patents which did not enter into force, aimed at the creation of a single European Patent valid in the whole of the EU, which would coexist with national patents.²³

38. Several RTAs have provisions dealing with specific patent-related issues, which do not necessarily go beyond the TRIPS Agreement requirements. For example, an article in the Canada-Chile RTA specifies limits on expropriation and nature of compensation with respect to investments. However, it states that this does not apply with respect to compulsory licensing, revocation, limitation or creation of intellectual property rights, provided that any such actions are consistent with the TRIPS Agreement. (*i.e.* they must be TRIPS consistent). On the other hand, certain RTAs have augmented IPRs in certain patent areas beyond the strict minima under the TRIPS Agreement. For example, in the context of NAFTA, Canada removed its compulsory licensing scheme for pharmaceuticals, which enhanced the situation of holders of pharmaceutical IPRs [Maskus (1997)]. EFTA provides for an additional period of protection of five years at the most for pharmaceuticals and plant protection products where the amount of time between the application date of the patent and the authorisation to market such a product exceeds specified time limits.

Other issues: layout-designs of integrated circuits, undisclosed information, anti-competitive practices

39. Some RTAs reference IPR issues with respect to layout-designs of integrated circuits, undisclosed information and anti-competitive practices. These references are not generally requirements for adherence to additional international accords. Some of these references can be quite specific or detailed, but tend to parallel the types of coverage seen in the TRIPS Agreement. For example, NAFTA includes detailed provisions concerning protection of such topographies in line with the Washington Treaty and the TRIPS Agreement. An EU directive addresses legal protection for topographies.²⁴ CEFTA, which predates the TRIPS Agreement, explicitly states that protection of topographies of integrated circuits ensured by any party shall be granted on a reciprocal basis.

Enforcement

40. Some RTAs include specific references to enforcement, usually in general terms that parallel the types of requirements of the TRIPS Agreement. For example, the Euro-Mediterranean Association Agreements include a requirement for the signatories to provide effective means of enforcing intellectual property rights. EFTA requires enforcement provisions of the same level as that provided in the TRIPS Agreement.

41. In a few cases, RTAs go beyond the TRIPS Agreement in terms of the detail in procedure. For example, NAFTA includes lengthy enforcement provisions covering such matters as enforcement at the border, provisional measures, and civil and criminal procedures and penalties. The agreement between the United States and Jordan to establish a free trade area was accompanied by a memorandum of

²³ See http://europa.eu.int/eur-lex/en/com/pdf/2000/com2000_0412en01.pdf for information on the Commission Proposal on a European Patent.

²⁴ For more information, see Council Directive 87/54/EEC of 16 December 1986 on the legal protection of topographies of semiconductor products.

understanding (MOU) on issues related to the protection of intellectual property rights.²⁵ This short MOU mandates clarifications in a few points of Jordan's IPR regime and provides for an increase in criminal penalties in Jordan for infringement of copyrights and related rights or trademarks.

Forward-looking provisions and co-operation

42. The TRIPS Agreement provides for a periodic review by the Council for TRIPS. It also opens a limited possibility for amendments to adjust to higher levels of IPR protection that come into force via international agreements accepted by all WTO Members. Based on a consensus recommendation by the Council, the Ministerial Council may take action to amend the TRIPS Agreement accordingly. The agreement also includes provisions for international co-operation in the elimination of trade in goods infringing on IPRs and for technical co-operation between developed countries and least developed countries in implementing the agreement.

43. A number of RTAs have provisions for technical co-operation or future enhancements in the internal harmonisation and levels of IPR protection, in some cases potentially going beyond the requirements of the TRIPS Agreement. Some of the Euro-Mediterranean Association Agreements foresee co-operation in developing the institutions responsible for intellectual property (EU-Tunisia, EU-Morocco, EU-Palestinian Authority) and in helping the partner countries of the EU "to bring their legislation closer to that of the Community", which could potentially go beyond the requirements of the TRIPS Agreement. Moreover, in the EU-Tunisia agreement, Tunisia undertook to "do its utmost to accede in particular to the conventions to which the Member States of the European Community are party." In addition, several of the agreements specify principles relating to data protection (particularly with respect to personal data). The Euro-Mediterranean Co-operation Agreement with Algeria includes references to facilitation of patent acquisitions on favourable terms. The JSEPA underscores the potential of "developing co-operation between the Parties in the field of intellectual property".²⁶ It encourages use of such means as information exchanges, joint training and exchanges of experts with the potential to contribute to a better understanding of each other's policies as well as sharing information and experiences regarding enforcement.²⁷

44. EFTA incorporates a provision for consultations on activities relating to "the identified or future international conventions on harmonisation, administration and enforcement of intellectual property rights". It provides for continual review and updating, leaving open the door to additional requirements such as adherence to future international agreements. Similarly, the JSEPA establishes a Joint Committee on Intellectual Property with the function of "considering and recommending new areas of co-operation".²⁸ CEFTA, as well, provides for consultations with respect "to the existing or to the future international conventions on harmonization, administration and enforcement of intellectual property." CEFTA also called for gradual improvement in IPRs with the requirement to attain within five years the standards in the Berne, Paris and Rome Conventions as well as those of the European Patent Convention. The pending MERCOSUR protocol also obligates the party states "to make efforts to sign, as soon as possible, additional agreements" concerning IPRs.

45. The European and North American RTAs tend to have transition periods in some of their requirements that are shorter than the periods for the kinds of requirements in the TRIPS Agreement with

²⁵ For the full text, see <http://www.ustr.gov/regions/eu-med/middleeast/memopro.pdf>.

²⁶ This is referenced in JSEPA, Chapter 1 (General Provisions), Article 1.a (viii).

²⁷ This is referenced in JSEPA, Chapter 10, Article 96 (3) a-c.

²⁸ This is referenced in JSEPA, Chapter 10, Article 97 (1) c.

respect to developing and transition countries (5 to 10 years). The EU-Tunisia Association Agreement, for example, included accession requirements with respect to a number of international accords with a four year transition period. In another example, under NAFTA, Mexico was permitted a three year period to conform with the Washington Treaty requirements.

46. As under the TRIPS Agreement, most of the RTAs have provisions for consultation as a preferred means for dispute resolution including by implication, or expressly, IPR issues. For example, the pending MERCOSUR protocol includes a requirement to co-operate in IPR issues, citing direct negotiation as the preferred mode for conflict resolution (but where this does not yield agreement, the MERCOSUR conflict resolution system will apply).

Table 1. Key requirements or points of reference included under selected RTAs (additional to those in the TRIPS Agreement)

Selected TRIPS requirements	Illustrative list of RTA additions
General obligations	
National treatment Most-favoured nation treatment (prior regional/bilateral accords allowed) Transparency	Adjustment to bring applicable legislation closer into line with EU legislation (EU-Morocco, EU-Tunisia) IPR protection to be assured in accordance with <i>highest international standards</i> (EU-Morocco, EU-Palestinian Authority, EU-Tunisia, EU-Mexico)
Copyrights and related rights	
Berne Convention Rome Convention (performers, phonograms, broadcasts) Minimum 50-year term Computer programmes protected as literary works Databases granted copyright protection "Neighbouring rights" protection for phonogram producers, performers Rental rights	The WIPO (1996) Copyright Treaty (EFTA, EU-Mexico, US-Jordan, EU, FTAA-draft) The WIPO (1996) Performances and Phonogram Treaty (EFTA, EU-Mexico, US-Jordan, EU, FTAA-draft) Geneva Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of their Phonograms (1971)(NAFTA, FTAA-draft)
Trademarks	
Paris Convention (industrial property) Well-known marks better protected requirement of use clarified Prohibits compulsory licensing	Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (Geneva, 1979), (EU-Morocco, EU-Tunisia, EU-Mexico) Madrid Agreement Concerning the International Registration of Marks and the Protocol relating to the Madrid Agreement concerning the International Registration of Marks (1989), (EU-Morocco, US-Jordan) Joint Recommendation Concerning Provisions on the Protection of Well-known Marks (1999), (US-Jordan, APEC, FTAA-draft)
Geographical indications	
Prevents use that misleads public or constitutes unfair competition Provides higher protection for wines and spirits	Some RTAs provide additional protection for a broad range of products, as TRIPS does specifically for wines and spirits (EFTA, EU).
Industrial designs	
Minimum 10 years protection	The Geneva Act (1999) of the Hague Agreement Concerning the International Registration of Industrial Designs (EFTA)
Patents	
Paris Convention (industrial property) Subject matter coverage for products and processes in all fields of technology Biotechnology covered with exceptions permitted for plants and animals Exclusive right of making, using, offering for sale, selling, or importing Minimum 20 years patent protection from date of filing Reversal of burden of proof in process patents (placed on the alleged infringer subject to certain conditions) Plant varieties protected either by patents or by an effective <i>sui generis</i> system or by a combination thereof.	The European Patent Convention (provides for a single application, 1973) (EFTA: only Liechtenstein and Switzerland; CEFTA, EU) The European Economic Area Agreement (EFTA: only Iceland and Norway) The Budapest Treaty (1980) on the International Recognition of the Deposit of Micro-organisms for the Purposes of Patent Procedure (EU-Morocco, EU-Tunisia, EU-Mexico, US-Jordan) Patent Cooperation Treaty (as modified in 1984) (EU-Morocco, EU-Tunisia, EU-Mexico, US-Jordan) Memo item (a <i>sui generis</i> system): International Convention for the Protection of New Varieties of Plants (1991) (EU-Morocco, EU-Tunisia, EU-Mexico, US-Jordan, NAFTA).

Table 1. Key requirements or points of reference included under selected RTAs (additional to those in the TRIPS Agreement), *continued*

Selected TRIPS requirements	Illustrative list of RTA additions
Layout-designs (topographies) of integrated circuits	
Treaty on Intellectual Property In Respect of Integrated Circuits (Washington, 1989) Protection extended to articles incorporating infringed design Minimum 10 years protection	Specifically referenced in some RTAs (<i>e.g.</i> detailed provisions in NAFTA)
Protection of undisclosed information	
Protection extended to articles incorporating infringed design	Generally, not specifically referenced in RTAs with the exception of certain of the more extensive agreements such as NAFTA.
Abuse of IPRs	
Wide latitude for competitive policy to control competitive abuses	Generally, not specifically referenced in RTAs with the exception of certain of the more extensive agreements such as NAFTA.
Enforcement measures	
Requires civil & criminal measures and border enforcement	Specifically referenced in some RTAs (<i>e.g.</i> detailed provisions in NAFTA)
Transitional arrangements	
Transition periods of 5 years for most developing and transition economies; for the least developed WTO Member countries, a period of 11 years (with a possibility of extensions).	US-Jordan provides transition periods of up to three years depending on the issue. EU-Tunisia and EU-Morocco provide up to 4 years for accession to multilateral conventions and open-ended some other areas. EU-Mexico provides for up to three years for accession to Budapest Treaty, "best efforts" for WCT and WPPT accession. CEFTA (1992): provided up to five years to provide protection equal to Paris, Berne and Rome Conventions and European Patent Convention. NAFTA provided Mexico with 2 years to comply with UPOV's provisions, 3 years with the Washington Treaty (1989), and 4 years with respect to border enforcement provisions.
Institutional arrangements	
TRIPS Council Dispute settlement, standard approach with a 5 year moratorium in some cases	Provisions for co-operation or a separate channel for consultations exist under some RTAs (<i>E.g.</i> , JSEPA includes provisions for co-operation activities in the field of science and technology and for consultation on IPR issues arising thereunder; under MERCOSUR, the RTA's separate conflict resolution mechanism may be invoked under certain circumstances with respect to IPR issues).

Sources: OECD Secretariat review of individual RTAs, the TRIPS Agreement text and Maskus (1997).

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