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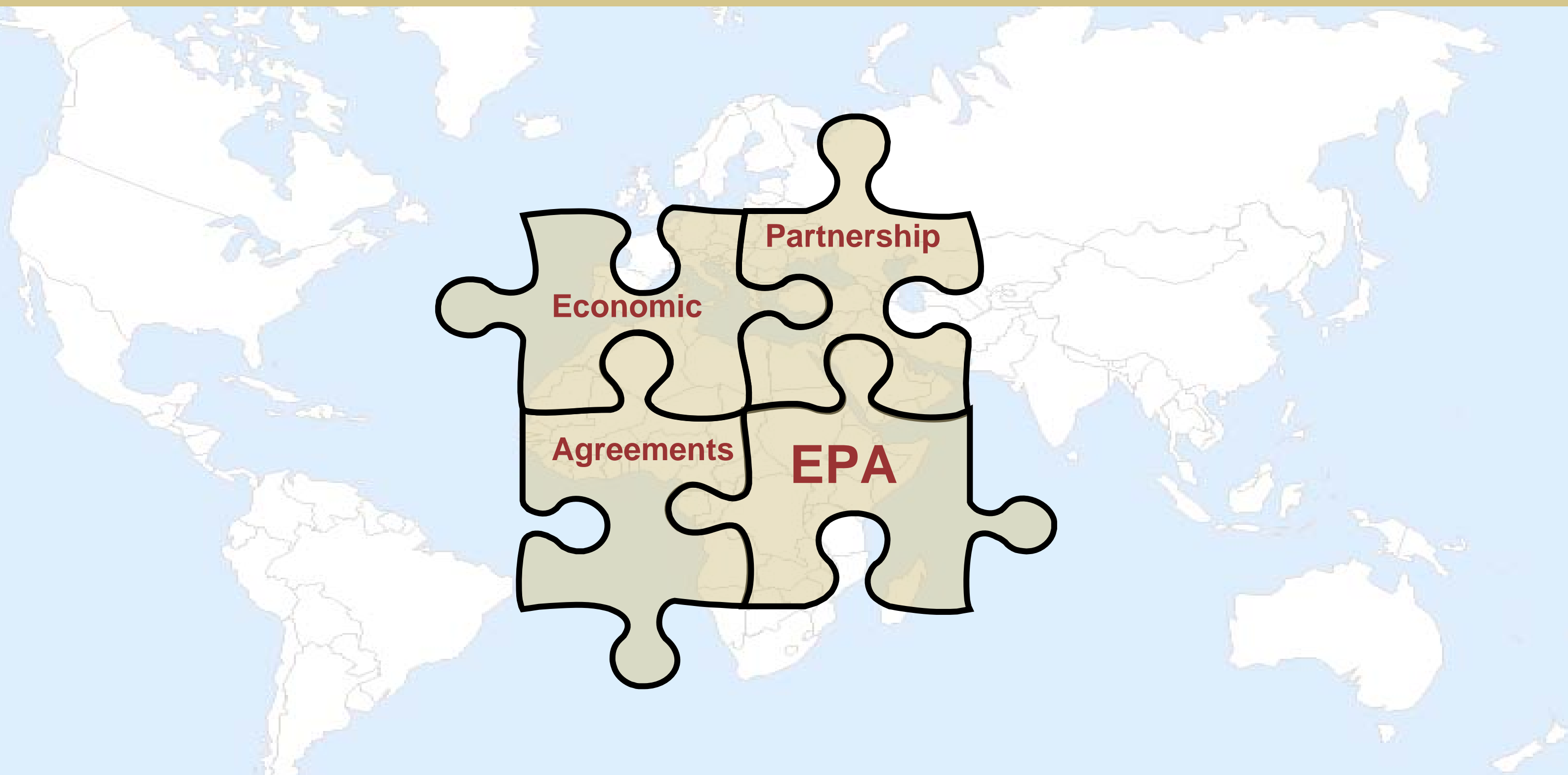

TRIPS Plus and TRIPS Minus in EPAs

An Article-by-Article Analysis of the 2007 Draft SADC EPA

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List of Abbreviations

ACP	African, Caribbean and Pacific Countries
AoS	WTO Agreement on Safeguards
ARO	Agreement on Rules of Origin (GATT 1994)
CARICOM	Caribbean Community
CBD	Convention on Biological Diversity
CEPA	CARIFORUM-EC Economic Partnership Agreement
BTA	Bilateral Trade Agreements
DDA	Doha Development Agenda
EPA	Economic Partnership Agreement
EC	European Community
EU	European Union
FTA	Free Trade Agreement
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GI	Geographical Indication(s)
IPRs	Intellectual Property Rights
LDC	Least-Developed Country
MFN	Most Favoured Nation
MRA	Mutual Recognition Agreement
NAFTA	North American Free Trade Agreement
NT	National Treatment
OECD	Organisation for Economic Co-operation and Development
ORC	Other Regulations of Commerce
PTA	Preferential Trade Agreements
RP	Reference Paper (also: WTO Reference Paper on Basic Telecommunications)
RTA	Regional Trade Agreement
SMEs	Small and Medium-Sized Enterprises
SPS	(Agreement on) Sanitary and Phytosanitary Measures
SSM	Special Safeguard Mechanism

SVEs	Small, Vulnerable Economies
TA & CB	Technical Assistance and Capacity Building
TBT	(Agreement on) Technical Barriers to Trade
TDCA	South Africa Trade, Development and Cooperation Agreement
TRIPS	(Agreement on) Trade-Related Intellectual Property Rights
UPOV	International Union for the Protection of New Varieties of Plants (Union internationale pour la protection des obtentions végétales)
WCT	WIPO Copyright Treaty
WPDR	Working Party on Domestic Regulation (WTO)
WPPT	WIPO Performances and Phonograms Treaty
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

1 Introduction[1]

Intellectual property rights are among the most disputed aspects of modern trade and economic cooperation agreements. While many believe that the effective protection of intellectual property is an indispensable precondition for innovation and growth, and hence for development, many others believe that it is (often) an obstacle to growth and development for developing countries. The latter believe that the conclusion of the TRIPS Agreement[2] as part of the "single undertaking" set of WTO agreements was a big mistake for many developing countries.

The dispute has, not surprisingly, found its way into the negotiations on ACP-EC Economic Partnership Agreements (EPAs), where the EC proposed and proposes the inclusion of extensive chapters on various "trade-related issues," among them intellectual property rights (IPRs). Most ACP States, however, are Members of the WTO, and hence in any case bound by the TRIPS Agreement. The inclusion of provisions on IPRs in EPAs thus would raise *new* concerns primarily[3] if such provisions added to the obligations under TRIPS – so-called "TRIPS plus" obligations.

This paper considers this issue, taking as an example one of the draft EPAs that were under negotiation in 2007 (before "goods-only" interim EPAs were concluded in view of the WTO-imposed 31 December 2007 deadline for tariff preferences). We base our analysis on a draft, dated 5 June 2007, of the EPA between the EC and its Members, on the one side, and the SADC countries (EPA negotiating group), on the other side (hereinafter referred to as the "Draft EPA"). Analysing the relevant provisions one by one we aim to answer the question whether the IPR chapter in the Draft EPA goes beyond the parties' obligations under TRIPS, and if yes, in which points. We conclude that there are, indeed, a significant number of "TRIPS plus" obligations. While many appear to be by and large elaborations of TRIPS principles that do not add significantly to existing TRIPS obligations, many others do.

As indicated, the use of the draft SADC EPA for purposes of this paper is exemplary. The IP chapters discussed in other EPA fora are to a large extent identical or very similar – not surprisingly, as all are based on the same set of demands from the EC. The only full EPA so far negotiated, that between the EC and the CARIFORUM States, contains a Chapter on

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[1] This paper has greatly benefited from discussions with Dr. Henning Grosse Ruse – Khan of the Max Planck Institute for Intellectual Property, Competition and Tax Law in Munich, and from inspiration and information contained in his early draft note entitled "Balance of Interests and Ceiling Rights in International Economic Law: Assessing the New Generation of Comprehensive Trade Agreements of the EC" (on file with the author; the draft note was prepared in the context of a new and ongoing research project at the Max Planck Institute, entitled: *Economic Partnership Agreements of the EU - A Step Ahead in Reforming International IP Law?* For further information, please contact henning.gr-khan@ip.mpg.de.) Errors and omissions remain those of the author.

[2] Agreement on Trade-Related Intellectual Property Rights.

[3] It should be noted that even provisions that are identical to those in the TRIPS Agreement do in fact create additional obligations and exposure for EPA signatories. This is because EPA coverage means that rights and obligations fall under the coverage of EPA institutions and procedures, including the EPA dispute settlement mechanism as well as joint committees etc. This adds a layer of scrutiny and exposure, and may create linkages between IPR protection and other aspects of the agreement, for example technical assistance, that could be used to increase the pressure if desirable.

"Innovation and Intellectual Property" that is, indeed, largely identical with the Draft EPA but reflects just a few variations vis-à-vis the draft SADC EPA analysed here. We refer to these variations below where applicable.

Given that negotiations on the treatment of IPRs, if any, in the other EPA negotiating theatres are bound to remain controversial and hence subject to detailed negotiation, however, it will be important to check results and conclusions reached in this paper periodically against any further drafts of the emerging full EPAs.

It should be noted further that this analysis, despite its level of detail, cannot claim to be much more than an overview. The *exact* extent of any deviation from TRIPS, in particular where large segments of international IP conventions are incorporated into the EPA by reference (this is the case, for example, on copyrights/neighbouring rights and patents) may thus require further analysis.

2 Defining "TRIPS plus" and "TRIPS minus"

For purposes of this analysis it is useful to briefly pause to consider and define the different ways the Draft EPA does or may differ from TRIPS, as an intuitive approach may not always bring the needed clarity with it. It should be noted in passing that in particular the interests of developing countries and developed countries, or here the EC and the ACP sides, do not necessarily always neatly fall to one or the other side. For example, while ACP States may generally wish to undertake as few substantive obligations for protection as possible (and thus avoid "TRIPS plus"), the increased protection of traditional knowledge or genetic resources (arguably a "TRIPS plus" element, see below) may be in their immediate interest.

For purposes of this paper we define as "TRIPS plus" all those elements where the Draft EPA diverges from the parties' obligations already assumed under the WTO TRIPS Agreement in a way that increases the protection afforded to intellectual property. Several variations of that increase in protection occur and should be considered:

- Additional IP rights that are not covered by TRIPS.

- Increase of substantive coverage of IP rights vis-à-vis coverage under TRIPS.

- Increase of protection through procedures, either by expanding obligations (e.g. monitoring) of authorities or by strengthening the rights of rightholders and/or their proxies (*e.g.* licensees).

Arguably equally a measure of "TRIPS plus" are

- Provisions in the Draft EPA that limit choices available to the implementing government under TRIPS as to the ways and means of implementation of substantive

or procedural TRIPS/EPA obligations, by deciding between two or more general options and/or by prescribing specific implementation measures.

Whether or not these provisions constitute "TRIPS plus" is a matter of political perspective. As these provisions limit the choice and hence policy space of the parties' governments, they add to the obligations contained in the TRIPS Agreement. However, one possible argument against the "TRIPS plus" classification of these provisions would be that they reflect sovereign choices of the implementing governments which they would otherwise have to make anyway, namely the choice *how* to implement a TRIPS obligation. To the extent that non-implementation is not a possible choice under TRIPS (the government has to implement in one way or another), the said EPA provisions could thus be seen as simply an agreement between a group of WTO Members on one of the choices available to them for their implementation decisions. This collective choice of one option arguably does not *add* any obligation – in terms of degree of IP protection – that is not already contained in the TRIPS Agreement.

In addition, the Draft EPA occasionally contains provisions that could be classified as "TRIPS minus." These are

- provisions that offer reduced IP protection *vis-à-vis* TRIPS, either substantively or with respect to procedure, if seen from the perspective of a rightholder.

It should be noted, of course, that any reduction of protection in an EPA would (if at all) only be valid *inter partes*, and could not reduce rights of other WTO Members (and their rightholders) under TRIPS. It does, however, have the notable effect of removing some the protection gradually from the enforcement mechanisms available under the EPA, which may be non-trivial for governments concerned.

Arguably a measure of "TRIPS minus" – in the sense of strengthening positions other than those of rightholders – are

- Rights and/or principles that either directly or indirectly (*e.g.*, as principles of interpretation) act to limit, or delineate, the protection of IP rights provided for under TRIPS. These may include, for instance, additional exceptions and/or counter-rights such as those for the (relative) protection of traditional knowledge, genetic resources and folklore. One might, as discussed above, equally classify these as "TRIPS plus," however, as they add obligations for the parties' governments and add additional IP rights, or surrogates thereof. Interpretative principles of the said characteristic may also be seen as part of the category discussed further above, as they constitute agreed "choices" as to the implementation of TRIPS.

The classification of EPA provisions as "TRIPS plus" or "TRIPS minus" is, thus, obviously not entirely sharp. As the debate is not of key relevance for this analysis, however, we refrain

from further deepening the above considerations. In the following we thus refer to "TRIPS plus" or "TRIPS minus" for purposes of orientation only, using the above tentative definitions.

3 Analysis: Does the IPR chapter in the 2007 draft SADC EPA contain "TRIPS plus" elements?

3.1 Introduction

In the following we lay out a comparative analysis between Part II, Title IV, Chapter 2 of the Draft EPA and the TRIPS Agreement entitled *Innovation and Intellectual Property* with a view to identifying those aspects where the Draft EPA provisions contain obligations or rights that deviate from, add to or subtract from TRIPS obligations or rights. References to Articles and paragraphs are to the said Chapter in the Draft EPA, except where stated otherwise.

For ease of reference the analysis is couched in the form of direct commentaries to the text (provisions) of IPR Chapter in the Draft EPA, reproduced *verbatim* throughout[4], following the order in the Draft EPA itself. Emphases are added directly in the EPA text where useful. In the hope to ease the reader's possible sense of getting lost in too much legal detail we provide boxes with "Main Aspects at a Glance" where appropriate.

It is worth noting that the version of the draft Chapter analysed here does not (yet) contain common provisions such as those entitled "Context" and "Objectives" in the corresponding chapter in the CARIFORUM-EC EPA,[5] nor the apparently envisaged separate section on innovation, which will likely to focus on forms and aims of cooperation.[6] While both can be legitimately left aside here when considering the specific technical issue of "TRIPS plus" obligations and burdens, they will add texture and colour to the interpretative task later.

The same applies to the general provisions of the overall EPA. In particular a strongly worded commitment to sustainable development principles in Article 3 of the Draft EPA may be of use for interpreters when aiming to contain anti-developmental effects of IPR protection in specific cases.

3.2 Sub-Section 1 - Principles

Article 1: Nature and scope of obligations

1. The EC Party and the Signatory SADC States shall ensure an adequate and effective implementation of the international treaties dealing with intellectual property to which they are parties and of the Agreement on Trade-related Aspects of Intellectual Property, Annex 1C to the Agreement establishing the World Trade Organisation (hereinafter called TRIPS Agreement).

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[4] Except for the 7 pages long section on enforcement.
[5] *See* Articles 131 and 132 of the CARIFORUM-EC EPA.
[6] *See* Articles 133 – 138 of the CARIFORUM-EC EPA.

2. [For the purpose of this Agreement, intellectual property rights embody copyright, including copyright in computer programs and in databases, sui generis rights for non original databases, and neighbouring rights, the rights related to patents, industrial designs, geographical indications, including designations of origin, indications of source, trademarks, service marks, trade names, layout- designs (topographies) of integrated circuits, plant varieties, protection of undisclosed information and the protection against unfair competition as referred to in Article 10 bis of the Paris Convention for the Protection of Industrial Property (Stockholm Act 1967).]

3. In addition and without prejudice to their existing and future international obligations, the EC Party and the Signatory SADC States shall give effect to the provisions of this Section and ensure their adequate and effective implementation as soon as possible taking into account their development priorities, but not later than 1 January 2014. Parties and the Signatory SADC States shall be free to determine the appropriate method of implementing the provisions of this Section within their own legal system and practice.

4. They may, but shall not be obliged to, implement in their law more extensive protection than is required by this Section, provided that such protection does not contravene the provisions of this Section.

5. Notwithstanding paragraph 1, least developed country signatory to this Agreement shall not be required to apply the provisions of the TRIPS Agreement, other than Articles 3, 4 and 5, or the provisions in sections 2 and 3 of this Section, other than on equal pace with what may be required from them with regard to the implementation of the TRIPS Agreement under the relevant decisions by the TRIPS Council under Article 66.1 of the TRIPS Agreement or other applicable decisions by the WTO General Council waiving their obligations under the TRIPS Agreement.

Commentary:

Paragraph 1: All EPA parties agree that they *"shall ensure and adequate and effective implementation"* of the TRIPS Agreement and all the other international treaties dealing with intellectual property *to which they are parties*. It is questionable whether the phrase *"shall ensure…"* constitutes a "hard" inclusion by reference of all relevant agreements into this EPA (we suggest it does not). In any case, however, the resulting obligations would not add to existing obligations of the respective EPA party, including the TRIPS.

Paragraph 2: For purposes of the EPA, "intellectual property rights" embody all categories of intellectual property the TRIPS refers to.[7] But foreshadowing a "TRIPS plus" approach in the operative provisions, Paragraph 2 contains the following additional elements:

[7] Copyright and related rights including computer programs Art. 9 et seqq. TRIPS, trademarks Art. 15 et seqq. TRIPS, geographical indications Art. 22 et seqq. TRIPS, industrial designs Art. 25 et seqq. TRIPS, patents Art. 27 et seqq. TRIPS, layout-designs (topographies) of integrated circuits Art. 35 et seqq. TRIPS, protection of undisclosed information Art. 39 TRIPS. For conclusions concerning the scope of the different rights see the respective commentaries on the individual provisions of the EPA.

- It explicitly mentions *sui generis* rights for non original databases and neighbouring rights

- It specifies that geographical indications include designation of origin and indications of source.

- It specifically names service marks and trade names next to trademarks.

- The protection against unfair competition named in the Draft EPA is referred to only indirectly by the TRIPS through obliging its members to comply with Articles 1 through 12, and Article 19, of the Paris Convention[8].

Paragraph 3 offers flexibility concerning the implementation of the EPA taking into account the development priorities of the respective party (state) concerned. The notion "as soon as possible" reflects a certain pressure, not only political but also legal (whether or not implementation is already possible regarding a specific IPR could, theoretically, be litigated), to implement before 2014. That said, what is "possible" is to be determined "taking into account [the ACP countries'] development priorities," a phrasing that allows ample space for a defense if need be. However, the provision remains a phase-in with strings attached. It should be noted that paragraph 5 ensures that any additional timelines for implementation granted to LDCs in the WTO apply equally to their obligations under the EPA, i.e., that the obligations under the EPA apply in step with the corresponding TRIPS obligations, not earlier.

The second sentence of paragraph 3 clarifies that under the EPA (as under TRIPS) the parties are free in choosing the appropriate method of implementation[9] The Draft EPA reflects further TRIPS equivalence in paragraphs 4 and 5. Concerning the possibility of more extensive protection of intellectual property paragraph 4 reproduces *verbatim* Article 1.1 TRIPS. As indicated, paragraph 5 extends LDC exemptions under TRIPS to the EPA (both substantive and procedural parts, sub-sections 2 and 3).

Article 3[10]: Regional harmonisation

1. The Parties undertake to continue to consider further steps towards deeper integration in their respective regions in the field of intellectual property rights. This process shall cover further harmonisation of intellectual property laws and regulations, further progress towards regional management and enforcement of national intellectual property rights, as well as the creation and management of regional intellectual property rights, as appropriate.

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[8] Art. 2.1 TRIPS.

[9] Compare Art. 1.3 second sentence SADC EPA and Art. 1.1 second sentence TRIPS.

[10] In the June 2007 Draft EPA analysed here Article 2 is missing. The CARIFORUM-EC EPA fills this slot with a provision (Article 140) on LDCs, which foresees longer implementation periods for LDCs. (TRIPS obligations are to be implemented in line with timelines applicable under TRIPS. Other EPA obligations are to be implemented until 1 January 2021.)

2. The Parties undertake to ensure a <u>homogeneous level of intellectual property protection</u> within their respective regions.

<u>Commentary:</u>

The “soft” obligation to move towards regional harmonization can be considered a "TRIPS plus" element. Per definition agreeing on an international treaty means a certain degree of harmonisation of the participating parties’ principles. Article 3.1 of the Draft EPA, however, clearly names further (regional) harmonisation of intellectual property laws and regulations as an (additional) objective.

The first sentence of paragraph 1 obliges the EPA parties only to *“undertake to continue to consider further steps.”* Taking into account the second sentence, however, it becomes clear that the Agreement aims to foster close cooperation between the EPA parties making only the consideration of a further harmonisation process, meaning just thinking about the possibility, not quite enough. The parties are under a “soft” obligation to work towards such harmonization, with the named elements (underlined) as targets of that process. The objective is further underlined in paragraph 2, according to which a *“homogeneous level of intellectual property protection”* has to be ensured.

While the provision thus provides only a “soft” obligation to discuss, not a “hard” legal obligation to implement any of the elements specifically, its importance as a mandate that cannot be easily disregarded should not be underestimated. The EPA parties bind themselves to a process which, through political dynamics, is likely to lead to further obligations. However, as these obligations relate to harmonization rather than additional actual protection in terms of substantive or procedural rights of rightholders (arguably with the possible exception of regional rights), the "TRIPS plus" content in that sense appears to be rather small. That said, the aim to harmonize between LDCs and Non-LDCs in EPA regions might put an additional burden on LDCs. It could, however, also be understood, conversely, to provide some legal “cover” for harmonization at the lower (LDC) level.

Article 4: Transfer of technology

1. The Parties agree to exchange views and information on their practices and policies affecting transfer and technology, both within their respective regions and with third countries. This shall in particular include measures to facilitate information flows, business partnerships, licensing and subcontracting. Particular attention shall be paid to the conditions necessary to create an adequate enabling environment for technology transfer in the host countries, including issues such as development of human capital, legal framework inter alia.

2. The EC Party and the Signatory SADC States <u>shall</u> take measures, as appropriate, to prevent or control licensing practices or conditions pertaining to intellectual property rights which may adversely affect the international transfer of technology and that constitute an abuse of intellectual property rights by rightholders.

3. The EC Party and the Signatory SADC States shall provide incentives to enterprises and institutions in their territories for the purpose of promoting and encouraging technology transfer to [least developed countries] Parties to this Agreement.

Commentary:

The Draft EPA builds on the TRIPS objective to allow for the dissemination,[11] and with respect to LDCs: further the transfer,[12] of technology. The direction of that transfer is usually (but not necessarily always) from developed to developing countries (*i.e.,* the EC side to the ACP side). Additional obligations in this respect thus should work primarily to the advantage of ACP parties.

Paragraph 1, by specifying (soft) obligations to facilitate technology transfer not contained in TRIPS, constitutes technically a "TRIPS plus" element. While the facilitation, as indicated, is in principle in the interest of the ACP parties, some additional administrative, legislative and managerial burdens may result for their governments.

Similarly, Paragraph 2 constitutes technically a "TRIPS plus" obligation in that it transforms the *option* to prevent anti-competitive licensing practices in Article 40.2 TRIPS (*"nothing…shall prevent Members"*) into an obligation (*"shall",* see underlining). Given that that the aim is to restrain the (ab)use of IPRs, however, and thus limit the exercise of IPRs, it appears more appropriate to qualify this provision as "TRIPS minus". Again, in view of the direction of technology transfer, this element should work largely in favour of the ACP parties.

Paragraph 2, it should be noted, is rather remarkable and may have a significant impact. It contains a binding obligation for the EPA parties – in practice most likely their competition authorities – to control licensing practices that as soon as they have the (1) potential to affect international technology transfer, provided they constitute an (2) abuse of IPRs by their rightholders. It is worth noting that the CARIFORUM-EC EPA goes even one step further here. There, even if there is no case of (demonstrable) abuse of rights, an (3) *"abuse of obvious information asymmetries in the negotiation of licenses"* is sufficient to trigger the obligation to prevent the anti-competitive licensing practice.[13] Such information asymmetries will be present in many cases, creating a large scope of application for this provision.

Paragraph 2 thus creates, first, an obligation to ensure pro-competitive regulation and supervision in the area of IPRs. This provides a powerful counterweight to the potentially anti-competitive effect of IPR exploitation. Second, it links this obligation to the developmental aim of facilitating technology transfer. While this acts also as a limitation (anti-competitive licensing practices that do not have the potential to affect technology transfer are not covered), it at the same time underlines technology transfer as the central concern of the

[11] *Cf.* Art. 40.1 TRIPS.
[12] *Cf.* Art. 66.2 TRIPS.
[13] *See* Article 142 (2) of the CARIFORUM-EC EPA.

provision, and thereby puts authorities (and rightholders) on notice that it is their responsibility to ensure that it can happen.

Further remarkable is the (potential) reach of Paragraph 2. The open formulation could be read as calling upon the authorities not only to monitor and control practices that concern the exercise of IPRs within their own jurisdiction (as a flipside to the IPR protection they grant). They would also seem to be obliged to reign in practices of their companies in the territory of the other EPA party. If so, the EC competition authorities would have to consider (monitor), and take measures to prevent, technology transfer-threatening anti-competitive practices by EC companies in the ACP EPA party's market.

Paragraph 3 corresponds in principle to TRIPS Article 66.2. It does contain a significant "TRIPS plus" element, however, in that it extends the obligation to provide incentives for technology transfer to LDCs from developed countries (TRIPS Article 66.2), which would cover only the EC side, to all EPA parties, thus including the developing (including least-developed!) ACP countries. While a generally supportive approach to technology transfer is in the interest of all net recipients, which at this stage most likely includes all LDCs, this does constitute a significant expansion of obligations for the developing ACP parties as well as, sooner or later, for least developed ACP parties.

Article 5: [Exhaustion

1. The EC Party and the Signatory SADC States shall be free to establish their own regime for exhaustion of intellectual property rights.

2. In determining their exhaustion regime, EC Party and the Signatory SADC States shall take into account, if relevant, the impact of such regime on the supply of medicines at strongly reduced prices by foreign companies.]

Commentary:

Paragraph 1 confirms, and clarifies, Article 6 of the TRIPS which states that *"nothing in this Agreement shall be used to address the issue of the exhaustion of intellectual property rights"* for the purpose of dispute settlement. The parties are thus free to choose their approach.

Paragraph 2 slightly qualifies that freedom, in that it requires the EPA parties to consider the effect on the supply of cheap medicines. While technically a "TRIPS plus" obligation (*"shall consider"*), its significance appears to be purely political, as it "flags" the issue for possible talks if and when a system of exhaustion adopted by an EPA party generates the effect to deter pharmaceutical companies from supplying cheap drugs. This could be the case if a developing country provides, *e.g.*, for regional exhaustion, thereby allowing for the (parallel) import of patented drugs produced and priced for a neighbouring least-developed country

market. This may provide a disincentive to a pharmaceutical company to continue to supply that market at (relatively) reduced prices.

3.3 Sub-Section 2 – Standards concerning intellectual property rights

3.3.1 Copyright and related rights

<u>Copyrights and Related Rights: Main Aspects at a Glance</u>
→ "TRIPS plus": Full incorporation by reference of key provisions of the 1961 Rome Convention, the 1996 WIPO Copy Right Treaty and the 1996 WIPO Performances and Phonograms Treaty.
→ "TRIPS plus": Obligation to facilitate the cooperation of collecting societies.

Article 6: Copyright and related rights

Article 6.1 – Protection granted

The EC Party and the Signatory SADC States shall comply with:

a) Articles 1 through 22 of the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations (1961);

b) Articles 1 through 14 of the World Intellectual Property Organization (WIPO) Copyright Treaty (Geneva, 1996);

c) Articles 1 through 23 of the WIPO Performances and Phonograms Treaty (Geneva, 1996).

<u>Commentary:</u>

Paragraph 1 incorporates by reference specified provisions of three international treaties into the Draft EPA. These provisions are thus fully integrated into the EPA and share the legal status of other EPA provisions. The references constitute multiple "TRIPS plus" obligations, as all three treaties are not incorporated into the TRIPS Agreement.

While the Rome Convention of 1961 is referred to several times in the TRIPS Agreement, its provisions on IP (rightholders') *rights*, unlike those of the Berne Convention,[14] are not incorporated into it. In fact, Article 4 (c) TRIPS specifically excludes any rights granted to performers, producers of phonograms and broadcasting organizations (*i.e.,* those protected under the Rome Convention) from the otherwise generally applicable MFN obligation, with

[14] *Cf.* Art. 9.1 TRIPS.

the exception of those rights covered directly by TRIPS. These are primarily those protected by TRIPS Article 14, whose coverage is limited *vis-à-vis* the Rome Convention. Given that the Rome Convention existed when TRIPS was concluded, this reference appears to be a rather noteworthy "TRIPS plus" expansion. (It is worth noting that the CARIFORUM-EC EPA reduces the reference to the Rome Convention to a mere “best endeavour” obligation to accede to the convention.[15] This means not only that the CARIFORUM States remain free to decide whether to actually accede; it also means, perhaps more importantly, that the obligations in the Rome Convention – even if an EPA party accedes to it – do not become part of the EPA itself, and hence are not enforceable through EPA institutions.)

Unlike the Rome Convention, both the World Intellectual Property Organization (WIPO) Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT), were concluded after the TRIPS (both in 1996). One might argue that their (partial) inclusion, while equally "TRIPS plus," is thus somewhat less surprising.

That said, it should be underlined that the WCT and the WPPT (as well as the Rome Convention) contain significant substantive “TRIPS plus” obligations. Their inclusion by reference into the EPA means that these obligations are fully subject to the enforcement mechanisms under the EPA, including its dispute settlement system. Even for signatories of the conventions this means a very significant increase in scrutiny, as the conventions themselves do not provide for comparable dispute settlement.

It is further worth noting that the inclusion by reference explicitly captures only the operative provisions of the conventions, but not their preambles. These preambles, however, contain potentially important language referring to the needed balance of rights and obligations, which normally would be used when interpreting the treaties. The omission here means that this language, arguably,[16] cannot be used when interpreting the provisions here as integral parts of the EPA.

The full substantive comparison of the incorporated provisions of the three treaties with TRIPS obligations goes beyond the scope of this Note. When considering the exact reach of the "TRIPS plus" effect with respect to individual IP rights in the area of copyright and neighbouring rights, however, such a comparison will indeed be necessary.

Article 6.2 – Cooperation on collective management of rights

The Parties shall facilitate the establishment of arrangements between their respective collecting societies with the purpose of mutually ensuring easier access and delivery of content at the regional level between the territories of the Parties.

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[15] Article 143.1 (2) of the CARIFORUM-EC EPA.

[16] It is possible to argue the contrary, namely that the conventions’ substantive provisions incorporated here by reference include or incorporate their limitations as reflected in the preambles. The omission, however, makes this argument a more “uphill battle.”

Collecting societies, while not explicitly mentioned in TRIPS, are recognized in its Footnote 11 to Article 42. The obligation (*"shall"*) to facilitate their cooperation among EPA parties constitutes a "TRIPS plus" specific regional integration obligation. Despite the broad formulation (*"facilitate"*), the extent of the obligation is non-negligible. As a minimum parties will *a fortiori* be under the obligation to revise any legislation, regulation or practice that provides for a purely national focus of such organizations, including financing mechanisms, to allow for the possibility of (effective) cooperation across the EPA parties.

3.3.2 Trademarks

Trademarks: Main Aspects at a Glance

→ "TRIPS plus" obligations regarding TM registration procedures and databases.

→ Best endeavour "TRIPS plus" obligations to apply various WIPO recommendations adopted post-TRIPS regarding well-known trademarks, internet use and trademark licenses. Arguably largely an "update."

→ "TRIPS plus" obligation (best endeavour or hard) to ratify/accede to two treaties (int'l registration, Trademark Law), but no incorporation by reference into EPA.

→ Obligation to establish fair use exception operates as "TRIPS minus" from the perspective of rightholders.

Article 7: Trademarks

Article 7.1 – Registration procedure

The European Community and the Signatory SADC States shall provide for a system for the registration of trademarks in which each final decision taken by the relevant trademark administration is <u>duly reasoned</u> and <u>in writing</u>. As such, <u>reasons for the refusal to register a trademark shall be communicated in writing to the applicant</u> who will have the <u>opportunity to contest such refusal</u> and <u>to appeal a final refusal before Court</u> [Sic!]*. The European Community and the Signatory SADC States shall also introduce the <u>possibility to object to trademark applications</u>. [Such objection proceedings shall be contradictory.] The European Community and the Signatory SADC States shall provide a <u>publicly available electronic database of trademark applications and trademark registrations</u>.*

<u>Commentary:</u>

This provision, in its entirety "TRIPS plus", specifies elements related to the registration procedures and facilities. The specific obligations contained are underlined above. None of these are contained in TRIPS Article 15, with the exception of the possibility (of concerned parties) to object to a trademark registration. While TRIPS Article 15.5 provides that

Members *“may”* foresee that possibility, the Draft EPA requires them to do so. This and the obligations that final decisions be fully reasoned and in writing, to provide for the opportunity to contest refusals (the context – reference to a court procedure in the following – suggest that an administrative procedure must be provided) and to provide for the possibility of a judicial appeal reflect an emphasis on “good governance” principles in administrative procedure, a common theme in many modern trade agreements and applicable with regard to various areas well beyond IP (*e.g.* domestic regulation in services, SPS/TBT regulation, etc.).

Similarly, the specific obligation to establish and maintain a publicly available electronic database of trademark applications and trademark registrations reflects the recognition that electronic tools now available (in contrast to 1995) can significantly facilitate administrative processes and increase transparency, at relatively low and further shrinking costs (especially if compared to alternative physical means).

Notwithstanding these considerations, it should be noted that the above are “hard” "TRIPS plus" obligations that do entail additional administrative and financial burdens for the EPA parties *vis-à-vis* TRIPS “pure.”

Article 7.2 – Well-known trademarks

Article 6bis of the Paris Convention (1967) shall apply, mutatis mutandis, to services. In determining whether a trademark is well-known, the European Community and the Signatory SADC States shall endeavour to apply the Joint Recommendation adopted by the assembly of the Paris union for the Protection of Industrial Property and the General Assembly of WIPO at the Thirty-Fourth Series of Meetings of the Assemblies of the Member States of WIPO September 20 to 29, 1999.

Commentary:

The first sentence corresponds *verbatim* to the first sentence of TRIPS Article 16.2.

The reference in the second sentence reference to the 1999 Joint Recommendation regarding well-known trademarks appears to operate in addition to the guidelines contained in the second sentence of TRIPS Article 16.2. The reference to the Joint Declaration, adopted post-TRIPS, while technically a "TRIPS plus" element, operates largely as a clarification and general understanding regarding well-known trademarks, and appears thus not to raise significant concerns at first sight. In addition, the provision only operates as a weak “best endeavour” provision, and thus does not create “hard” substantive legal obligations.

Article 7.3 – Internet use

The European Community and the Signatory SADC States will introduce provisions providing a clear legal framework for trademark owners who wish to use their trademarks on the

Internet and to participate in the development of electronic commerce. Such provisions will include whether the use of a sign on the Internet has contributed to the acquisition or infringement of a mark or whether such use constitutes an act of unfair competition, and determine the remedies. In this respect, the European Community and the Signatory SADC States shall endeavour to apply the Joint Recommendation concerning the protection of marks, and other industrial property rights in signs, on the Internet, as adopted by WIPO at the Thirty-Sixth Series of Meetings of the Assemblies of the Member States of WIPO September 24 to October 3, 2001.

Commentary:

The provision obliges EPA parties to address the issue of internet use through legislative means, and provides guidance therefore. As TRIPS does not contain any such specific obligations, this is a "TRIPS plus" element. However, it is questionable whether the provision adds any actually new or extended substantive protection to that contained in the relevant TRIPS provisions on trademarks. It appears largely as a clarification, or concretization, of general trademark protection in view of challenges posed by internet use. The EPA text does not itself clarify the legal situation of trademark owners who wish to use their trademarks on the internet, but obliges its Parties to do so, which thus retain significant policy space as to the implementation of this obligation. Again, it should be noted that the TRIPS was agreed on before the 2001 *Joint Recommendation concerning the protection of marks, and other industrial property rights in signs, on the internet* was adopted by WIPO. The lack of coverage in TRIPS is thus hardly surprising. As a “best endeavour” obligation the reference to the WIPO recommendation remains soft law.

Article 7.4 – Trademark licenses

The European Community and the Signatory SADC States shall endeavour to apply the joint recommendations concerning trademark licenses adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of WIPO at the Thirty-Fifth Series of Meetings of the Assemblies of the Member States of WIPO September 25 to October 3, 2000.

Commentary:

Similarly to the preceding paragraph 3, this provision, while a (soft, best endeavour) "TRIPS plus" obligation, appears primarily to reflect conceptual progress made within WIPO post-TRIPS. According to TRIPS Article 21 the Members may determine conditions on the licensing and assignment of trademarks. The more detailed 2000 Joint Recommendations concerning trademark licenses appear primarily as a (generally legitimate) concretization of that provision.

Article 7.5 – International Agreements

The European Community and the Signatory SADC States shall [endeavour to / ratify or accede] to the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (1989) and shall endeavour to ratify or accede to the revised Trademark Law Treaty (2006).

Commentary:

The *1989 Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks* and the revised Trademark Law Treaty of 2006, are not part of the TRIPS. Any obligation ("hard" or "soft"/best endeavour) agreed here is thus a "TRIPS plus" element. It should be noted that the provision does not envisage any incorporation of these treaties by reference into the EPA itself. The accession by EPA parties to these treaties would thus not alter any substantive or procedural rights or obligations assumed under the EPA.

Article 7.6 – Exceptions to the rights conferred by a trademark

The European Community and the Signatory SADC States shall provide for the fair use of descriptive terms, including geographical indications, as a limited exception to the rights conferred by a trademark. Such limited exception shall take account of the legitimate interests of the owner of the trademark and of third parties.

Commentary:

This provision is technically "TRIPS plus" as it transforms the option (*"may"*) for WTO Members to provide for fair use exceptions in TRIPS Article 17 into an obligation (*"shall"*) for EPA parties to do so. However, as the fair use exception is, of course, a limitation to the trademark rights otherwise conferred, its effect on rightholders is that of a "TRIPS minus" element (they are losing the chance that an EPA party opts not to provide for a fair use exception).

The provision further slightly expands on TRIPS Article 17 by stating that "descriptive terms" that can be the object of a fair use exception may also include geographical indications. As this appears to be already contained in TRIPS Article 17, the provision appears to operate as a mere clarification, thus neither adds nor subtracts to the situation *vis-à-vis* TRIPS. If at all, as for the rest of the provision, the clarification would act as a further limitation on GI rights, thus operate as a "TRIPS minus" element.

It should be noted that in providing for an *obligatory* limitation on trademark protection in the context of fair use (as opposed to a mere *right* of the signatory government to install such limitations, as in TRIPS) the EPA takes a somewhat novel approach by providing not only for a minimum basis for IP protection but also for a maximum "ceiling" for such rights. It

corresponds to other such "ceiling rights" approaches in the draft EPA, for example the obligation to prevent anti-competitive licensing practices (see above Article 4.2 of the Draft EPA). These "TRIPS minus" approaches should be welcome news to those who see an increased need to contain and control the extent and use of IPRs. The explicit inclusion of geographical indications in this provision ensures that these, too, are subject to fair use exceptions.

3.3.3 Geographical Indications

The protection of geographical indications (hereinafter "GIs") – such as in *Roquefort* cheese, *Champagne* or *Parma* ham – is highly controversial. It has been a long-standing policy of the European Community in all available fora, including the WTO DDA and bilateral trade agreements such as EPAs or the EU-South Africa TDCA, to push for its extension. Developing countries in particular, but also some developed countries, harbour significant doubts, fearing overly restrictive effects on their business communities. It is thus noteworthy that the June 2007 Draft SADC EPA here examined did not (yet) offer any content on geographical indications under the heading "Geographical Indications" – possibly a reflection of the opposing views of the EPA parties on whether or not such a provision is desirable in the first place. The CARIFORUM-EC EPA, by contrast, does include an elaborate provision on GIs stretching over three pages.[17]

The background for both is provided by the relevant provisions in the TRIPS, namely Articles 22-24. They provide for the obligation to protect GIs generally, but only to the extent that the wrong use of indicators of geographical origin may either mislead the public (consumers) or constitute unfair competition. Specific, stand-alone protection of GI is only foreseen for wines and spirits.[18] TRIPS further provides a mandate for negotiations on the expansion of that protection to other goods.[19]

Given the explicit positions taken by the EC and its Members in the EPA, WTO and other negotiating fora, it can be expected that they will continue to propose such an extension to other goods (and possibly services) for this EPA. This would constitute a – in view of the potentially vast application and economic significance in particular in the area of food – significant "TRIPS plus" element.

A look at the CARIFORUM-EC EPA could be taken as a proxy for what could be expected. There, the EPA parties agreed to the following:

- They will establish comprehensive national GI protection systems with the possibility to register GIs by 2014.[20] This goes well beyond TRIPS.

[17] Article 145 of the CARIFORUM-EC EPA.
[18] TRIPS Article 23.
[19] TRIPS Article 24.
[20] Article 145.1 of the CARIFORUM-EC EPA.

- They will, with respect to all classes of products, protect generally against the use of GIs if such use is misleading (this is not the case, for example, if the true origin of "Gouda" cheese from Barbados is clearly indicated).[21] This provision corresponds to TRIPS Article 22.2 (a) with, however, a significant difference: Under TRIPS governments need to provide for the legal possibility for interested parties (in particular the rightholders and their licensees) to prevent such abuse of GIs. In the CARIFORUM-EC EPA, by contrast, the governments take on the obligation to pursue any such abuse *ex officio,* meaning: on their own initiative. This significantly increases not only the effective protection, but also the administrative burden on the authorities.

- They will further, with respect to registered products, protect against the use of incorrect GIs for products in the same class (e.g. cheese) *even if* the true origin is clearly indicated, the name is only used in translated form and/or a descriptor such as "like", "type" or even "imitation" is used to clarify that the product is not actually from the respective geographical area – in other words: Even where there is no confusion on the side of the consumer.[22] This extension is arguably the most important "TRIPS plus" element in GI protection under this EPA. Again, the authorities are asked to afford such protection not only by providing a legal avenue for aggrieved rightholders but by pursuing violations *ex officio.*

- Some limitations apply. The parties maintain the option to exclude from such GI protection terms generally used for certain products in common language as well as plant varieties and animal breed names existing in the country at the time the EPA enters into force.[23] These limitations are not only welcome but plainly necessary if absurd effects are to be avoided.

Further aspects include the relationship between GI and trademark protection,[24] the agreement to negotiate expanded GI protection after 2014[25] and the obligation to endeavour to apply to GIs the WIPO joint recommendation on trademark protection on the internet.[26]

3.3.4 Industrial Designs

Industrial Designs: Main Aspects at a Glance

→ The section on industrial designs (Article 9) is the most extensive one in this Chapter after the section on IP enforcement. While it is in some parts an elaboration, or interpretation, of TRIPS Articles 25 and 26, it expands significantly on these articles in several respects.

[21] Article 145.2 (3) (a) of the CARIFORUM-EC EPA.
[22] Article 145.2 (3) (b) of the CARIFORUM-EC EPA.
[23] Article 145.3 of the CARIFORUM-EC EPA.
[24] Article 145.4 of the CARIFORUM-EC EPA.
[25] Article 145.5 of the CARIFORUM-EC EPA.
[26] Article 145.6 of the CARIFORUM-EC EPA.

→ "TRIPS plus": The possibility of registration of industrial designs is obligatory.

→ "TRIPS plus": The protection level for registered industrial designs is higher than foreseen by TRIPS with respect to reach (protection not only against actual copies but also sufficiently similar original designs) and time (25 years, upon request).

→ "TRIPS plus": The rights conferred include protection against offering, using and stocking of violating articles (in addition to making, selling and importing as under TRIPS). They further apply not only against commercial use (as under TRIPS) but also against non-commercial uses that prejudice normal exploitation or are incompatible with “fair trade.”

→ "TRIPS plus": Automatic eligibility of all registered designs for copyright protection.

Article 9: Industrial design

Article 9.1 - Requirements for Protection

1. The EC Party and the Signatory SADC States shall provide for the protection of independently created industrial designs that are new or original, and that have individual character.

2. A design shall be considered to be new if no identical design has been made available to the public.

3. A design shall be considered to have individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design which has been made available to the public.

Commentary to subparagraphs 1-3:

Article 9.1 of the Draft EPA is to be compared to TRIPS Article 25.1. Both provisions state that protection is to be provided to designs which are new or original. This EPA provision, however, adds the additional criterion that designs have to “have individual character.” While this appears as a limitation *vis-à-vis* TRIPS at first sight, a closer look at the remainder of the provision suggests that it acts rather as a clarification, and possibly an extension.

Subparagraph 2 defines new as not identical. This appears as a broadening of the concept *vis-à-vis* the second sentence of TRIPS Article 25.1, which reads as follows:

> *Members may provide that designs are not new or original if they do not significantly differ from known designs or combinations of known design features.*

This formulation appears to suggest, *e contrario,* that a new design is one that *differs significantly* from known designs, rather than being only non-identical. The EPA concept of new thus includes even minor variations, thereby simultaneously broadening the protection

for such new designs ("TRIPS plus") while correspondingly reducing that for the old(er) designs ("TRIPS minus").

This shift, however, appears in turn to be counterbalanced by the additional criterion that in order to qualify for protection designs must *“have individual character.”* This criterion is further elaborated in subparagraph 3, which relies essentially on the criterion of differing *“overall impressions”* produced by new/original designs *vis-à-vis* existing ones. This test thus appears to effectively concretize and interpret the TRIPS criterion *“differs significantly,”* there attached directly to the interpretation of the criterion *“new.”*

To what extent, and in which direction (plus or minus) this provision constitutes a deviation from TRIPS is thus not clear. The effect of the provision appears to be more one of clarification than actual modification of TRIPS Article 25.1.

4. This protection shall be provided by registration, and shall confer exclusive rights upon their holders in accordance with the provisions of this Title. Unregistered designs made available to the public in the manner provided for in this Title shall confer the same exclusive rights, but only if the contested use results from copying the protected design.

Commentary to subparagraph 4:

The specific requirement to provide for the possibility of registration of industrial designs constitutes a procedural "TRIPS plus" obligation. The corresponding TRIPS Article 26 does not specify how the rights shall be provided.

Unregistered designs enjoy in principle the same protection. This protection, however, is reduced in two ways. First, this subparagraph grants such protection only if the contested use results from copying the protected design. This appears to suggest, *e contrario,* that no such qualification applies to registered designs. This would appear to operate as a substantive "TRIPS plus" protection for registered designs, as TRIPS Article 26.1 demands protection only against a *“design which is a copy, or substantially a copy.”* While a broader interpretation is possible, this appears to suggest that the contested design must be the result of copying of the protected design (as opposed to the autonomous development of an original design that just happens to be very similar). *Vis-à-vis* this reading of TRIPS this subparagraph would thus extend protection for registered designs from protection against only copies to protection against both actual copies and accidentally (very) similar designs.

The second difference relates to the term of protection, which is shorter for unregistered designs (see below, Article 9.6 of the Draft EPA).

Article 9.2 - Exceptions

1. The EC Party and the Signatory SADC States may provide limited exceptions to the protection of industrial designs, provided that such exceptions do not unreasonably conflict with the normal exploitation of protected industrial designs and do not unreasonably

prejudice the legitimate interests of the owner of the protected design, taking account of the legitimate interests of third parties.

2. Design protection shall not extend to designs dictated essentially by technical or functional considerations.

3. A design right shall not subsist in a design which is contrary to public policy or to accepted principles of morality.

Commentary:

Article 9.2 (1) recalls *verbatim* Article TRIPS 26.2.

Article 9.2 (2) implements the option provided by the third sentence of Article TRIPS 25.1. By limiting the policy choice provided (or left) to governments by TRIPS, it acts technically as a "TRIPS plus" obligation. As it entails a substantive limitation of IP protection *vis-à-vis* TRIPS (which offers the option to protect even those designs that are dictated by technical or functional considerations), however, it effectively constitutes a "TRIPS minus" provision.

The exception in Article 9.2 (3) does not find any correspondence in TRIPS. While it reflects a general concept found in “General Exceptions” provisions in GATT (Art. XX) and GATS (Art. XIV), no such provision exists in the TRIPS Agreement. This subparagraph thus acts as a “TRIPS minus” element as it reduces/eliminates protection for such designs that run counter to “public policy” or “accepted principles of morality.” While the *possibility* for this exception may, arguably, be found in TRIPS Article 26.2, if read broadly in light of the (weak) general provisions in TRIPS Articles 7 and 8, it is not sure that this reading would prevail before a WTO Panel or the Appellate Body. If such justification were not found in TRIPS Article 26.2, the use of the provision by an EPA party that is also a Member of the WTO would, in fact, technically lead to a violation of its TRIPS obligations, because these are not subject to such an exception. That said, the affected WTO Member as a counterpart EPA party, having signed on to the exception in the EPA, may be legally hindered to raise its stronger TRIPS rights in such circumstances.

Article 9.4[27] *- Textile designs*

Each signatory shall ensure that requirements for securing protection for textile designs, in particular in regard to any cost, examination or publication, do not unreasonably impair the opportunity to seek and obtain such protection.

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[27] In what appears to be a numbering error, the Draft EPA does not contain Article 9.3.

Commentary:

Article 9.4 is equivalent to the first sentence TRIPS Article 25.2. It constitutes a (minor) "TRIPS plus" element in that it appears to limit, in view of the context of the provision, the choice provided by TRIPS to the protection through specific industrial design law rather than copyright law.

Article 9.5 - Rights conferred

1. The owner of a protected industrial design shall have the right to prevent third parties not having the owner's consent from making, offering, selling, importing, or using articles bearing, embodying or stocking [sic!] *the protected design when such acts are undertaken for commercial purposes, or unduly prejudice the normal exploitation of the design or are not compatible with fair trade practice.*

2. For unregistered designs, the contested use shall not be deemed to result from copying the protected design if it results from an independent work of creation from a designer who may be reasonably thought not to be familiar with the design made available to the public by the holder.

Commentary:

Article 9.5 (1) corresponds to TRIPS Article 26.1, but adds three more potential forms of violations, namely offering, using and (apparently) stocking (the text appears to have been misedited). These constitute significant substantive "TRIPS plus" extensions to the coverage *vis-à-vis* TRIPS Art 26.1.

The provision further expands on TRIPS by adding an alternative to the commercial exploitation requirement (underlined: *"or unduly prejudice…"*). As this – rather general clause – may potentially cover a whole range of purely non-commercial uses, this phrase constitutes another significant "TRIPS plus" element.

Article 9.5 (2) reflects and confirms the conclusions reached above with respect to Article 9.1 (4) as to the "TRIPS plus" protection of *registered* designs against original – but accidentally similar – designs (see commentary there).

Article 9.6 - Term of protection

1. The duration of protection available in the EC Party and the Signatory SADC States following registration shall amount to at least [5 years]. The rightholder may have the term of protection renewed for one or more periods of five years each, up to a total term of 25 years from the date of filing.

2. The duration of protection available in the EC Party and the Signatory SADC States for unregistered designs shall amount to at least three years as from the date on which the design was made available to the Public in one of the signatories.

Commentary:

Article 9.6 EPA has to be compared with TRIPS Article 26.3 according to which the protection shall amount to at least 10 years. The minimum terms of protection for both registered and unregistered designs in this provision thus fall short of the TRIPS minimum, and thus appear to constitute (if implemented) a "TRIPS minus" protection.

For registered designs this is, however, fully equalized by the possibility of renewal up to 25 years. This possibility – an obligation for EPA parties – constitutes a significant "TRIPS plus" element of additional protection *vis-à-vis* the minimum prescribed by TRIPS.

Regarding unregistered designs the option to provide only a protection term of three years opens the possibility of a protection below the level prescribed by TRIPS ("TRIPS minus"). Whether or not this would constitute a violation of TRIPS depends on whether the protection for industrial designs demanded by TRIPS is satisfied by the possibility of registering a design and thus obtaining the minimum protection. This may be questionable.

Article 9.7 - Invalidity or refusal of registration

Amongst the possible reasons for invalidity or refusal of registration, each signatory may provide that a design shall be refused for registration or shall be declared invalid if the design constitutes an unauthorised use of a work protected under the copyright law of the signatory concerned.

Commentary:

Article 9.7 has to be considered in connection with Article 9.1 (4) EPA. It appears to be a logical application of the interplay of IP protection mechanisms, and thus appears to be neutral with regard to TRIPS.

Article 9.8 - Relationship to copyright

A design protected by a design right registered in a signatory in accordance with this Title shall also be eligible for protection under the law of copyright of that signatory as from the date on which the design was created or fixed in any form.

Commentary:

This provision extends automatically the eligibility of all protectable designs for copyright protection from the moment of creation or fixation. This obligation, while presumably in most cases a mere reiteration of existing obligations under the copyright provisions of TRIPS and the Draft EPA, may add to this protection, at least in procedural terms. It thus constitutes a "TRIPS plus" element.

Article 9.9 - International Agreements

The EC Party and the Signatory SADC States shall [make endeavour to / ratify or accede] to the Hague Agreement for the International Registration of Industrial Designs (1999).

Commentary:

This provision constitutes a "TRIPS plus" obligation (hard or soft, depending on which option in the square brackets is chosen) to ratify/accede to the post-TRIPS Hague Agreement. The Agreement, however, is not incorporated by reference. It hence does not become part of the body of the EPA and thus does not create direct rights or obligations regarding IP protection under the EPA.

3.3.5 Patents

Patents: Main Aspects at a Glance
→ Unlike other Articles, Article 10 on Patents does not contain stand-alone operative provisions.
→ "TRIPS plus" obligations through the incorporation by reference of the main operative articles of the 1970 *Patent Co-operation Treaty*, the 2000 *Patent Law Treaty* and the 1977 *Budapest Treaty on the International Recognition of the Deposit of Micro-organisms for the Purposes of Patent Procedure*
→ Apparently TRIPS neutral clarification that "TRIPS & Public Health" flexibilities apply also to the EPA. The provision (Article 10.2), however, would benefit from further editing to ensure that the envisaged result is achieved.

Article 10: Patents

Article 10.1 - International Agreements

The EC Party and the Signatory SADC States shall comply with:

a) Articles 1 through 52 of the Patent Co-operation Treaty (Washington, 1970, last modified in 1984);

b) Articles 1 through 15 of the Patent Law Treaty (Geneva, 2000);

c) Articles 2 through 9 of the Budapest Treaty on the International Recognition of the Deposit of Micro-organisms for the Purposes of Patent Procedure (1977, amended in 1980).

Commentary:

The mentioned Agreements are not referred to in the TRIPS. The incorporation by reference of their key operative articles thus constitutes a significant "TRIPS plus" element.

Article 10.2 – Patents and public health

1. The EC Party and the Signatory SADC States recognise the importance of the Doha Declaration on the TRIPS Agreement and Public Health adopted on 14 November 2001 by the Ministerial Conference of the WTO. In interpreting and implementing the rights and obligations under this Article, the EC Party and the Signatory SADC States are entitled to rely upon this Declaration.

2. The EC Party and the Signatory SADC States shall contribute to the implementation and respect the Decision of the WTO General Council of 30 August 2003 on paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health, and take the necessary steps to accept the Protocol amending the TRIPS Agreement, done at Geneva on 6 December 2005.

Commentary:

The provision appears to aim to apply all rights provided under special rules commonly referred to under the heading "TRIPS and public health" also to the Draft EPA. To the extent that that aim is achieved, the provision would be "TRIPS neutral."

However, the drafting quality of this provision may raise concerns as to the extent of its coverage. As the IP Chapter of the Draft EPA is lacking a general explicit reference to *rights* of parties under the TRIPS Agreement,[28] it is not entirely clear whether the key TRIPS Articles 30 and 31, without which the various WTO declarations referenced here appear somewhat headless, would actually apply as a matter of law to patent rights conferred under the EPA. Since it seems that that is what the parties want, a corresponding clarification appears advisable.

3.3.6 Plant Varieties

Plant Varieties: Main Aspects at a Glance

→ "TRIPS plus" obligation (best endeavour or hard) to ratify, accede to the 1991 UPOV Convention

→ "TRIPS neutral" explicit exception for farm-saved seeds (so-called "farmers' privilege"), going beyond UPOV in that also the *exchange* of farm-saved seeds is acceptable.

[28] Article 1.1 of the Draft EPA speaks only of the "*adequate and effective implementation"* of the TRIPS Agreement and other international treaties. This would not necessarily seem to provide for the possibility of using TRIPS rights, such as exceptions, *vis-à-vis* substantive EPA obligations.

Article 11: Plant varieties

1. The EC Party and the Signatory SADC States shall provide for the protection of plant varieties. In this respect, they shall make endeavour to / ratify or accede to the International Convention for the Protection of New Varieties of Plants – UPOV (Act of 1991).

2. The EC Party and the Signatory SADC States shall have the right to provide for exceptions to exclusive rights to allow farmers to save, use and/or exchange protected farm-saved seed or propagating material, subject to national law as appropriate and in line with the applicable international rules.

Commentary:

Article 27.3 (b) TRIPS provides that WTO Members may chose to protect plant varieties either through a *sui generis* system or via the patent protection system. The Draft EPA takes that decision for EPA parties in favour of the UPOV system.

The provision at present provides for either a soft (best endeavour) or hard obligation to ratify /accede to the 1991 UPOV Convention.[29] As no such obligation is found in TRIPS, this constitutes a "TRIPS plus" element.

The exception authorization in paragraph 2 contains the so-called farmers' privilege reflected in Article 15 of the UPUV Convention. It may have a significant effect when applied directly to other IPRs that may otherwise interfere with the envisaged use of farm-saved seeds, such as patents. As this exception is arguably compatible with TRIPS Article 27.3 (b), the provision remains in principle "TRIPS neutral."

Remarkably, however, the provision goes beyond UPOV in one very important point: While Article 15 of the UPOV Convention only provides for the farmers' own use of their own farm-saved seeds, paragraph 2, crucially, also allows for the *exchange* of such seeds. This would appear to allow at least for some local barter trade in seeds among farmers, and possibly more, as the reach of the term "exchange" is not clear. In any case, however, the protection for plant varieties is thus "UPOV minus."

3.3.7 Genetic Resources, Traditional Knowledge and Folklore

Genetic Resources, Traditional Knowledge and Folklore: Main Aspects at a Glance

→ Very soft, largely "TRIPS neutral" treatment of the subject.

[29] Act of 1991, International Convention for the Protection of new Varieties of Plants of December 2, 1961, as Revised at Geneva on November 10, 1972, on October 23, 1978, and on March 19, 1991.

→ Soft, conditional commitments to “respect, preserve and maintain” traditional knowledge, but without “hard” limitations on possibly conflicting rights. “TRIPS plus” agreement to work towards an international *sui generis* system of protection.

→ Commitment to “mutually supportive” application of CBD and patent protection under the EPA

→ Very soft commitment to cooperate in relevant international *fora.*

Article 12: Genetic resources, traditional knowledge and folklore

1. Subject to their national legislation the EC Party and the Signatory SADC States respect, preserve and maintain knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity and promote their wider application with the involvement and approval of the holders of such knowledge, innovations and practices and encourage the equitable sharing of the benefits arising from the utilization of such knowledge, innovations and practices.

2. The EC Party and the Signatory SADC States recognise the importance of taking appropriate measures, subject to national legislation, to preserve traditional knowledge and agree to further work towards the development of internationally agreed sui generis models for the legal protection of traditional knowledge.

3. The EC Party and the Signatory SADC States agree that the patent provisions of this Title and the Convention on Biological Diversity shall be implemented in a mutually supportive way.

4. The EC Party and the Signatory SADC States agree to regularly exchange views and information on relevant multilateral discussions:

a) In WIPO, on the issues dealt with in the framework of the Intergovernmental Committee on Genetic Resources, Traditional Knowledge and Folklore; and,

b) In the WTO, on the issues related to the relationship between the TRIPS Agreement and the Convention on Biological Diversity, the protection of traditional knowledge and folklore.

5. Following the conclusion of the relevant multilateral discussions referred to in Article 12.4, the EC Party and the Signatory SADC States agree to, at the request of one of the signatories, review this Article in the light of the results and conclusion of such multilateral discussions.

Commentary:

The protection of genetic resources, traditional knowledge and folklore is a major concern not only, but primarily, of developing countries in the broader debate on the balancing of (individual) IPR protection with (collective) claims to pre-existing knowledge, genetic resources and culture.

Article 12 of the Draft EPA provides for a generally soft, largely “TRIPS neutral” treatment of the subject. It contains soft, conditional commitments to “respect, preserve and maintain” traditional knowledge (Paragraph 1), but without “hard” limitations on possibly conflicting rights. Paragraph 2 contains a “TRIPS plus” agreement between the EPA parties to work towards an international *sui generis* system of protection of traditional knowledge.

Paragraph 3 reflects the parties’ commitment to a “mutually supportive” application of the Convention on Biological Diversity (CBD) and the provisions on patent protection under the EPA. The reach of this provision is not clear – does it allow for restrictions on patent rights in the pursuit of CBD goals, such as benefit sharing in the exploitation of traditional knowledge[30] and genetic resources[31] or access to genetic resources only on the basis of prior informed consent of the state where such resources are found?[32] The phrasing (“mutual supportive”) would suggest that not too much by way of limitations on “hard” IPRs should be expected here. Where there is room for interpretation, however, this provision, read in light of CBD provisions such as Articles 8, 15 and 16, would appear to provide sufficient “cover” for a CBD-friendly design and application of patent regimes in EPA parties, if governments and legislators so choose.

By contrast, the provision does not directly further the cause of a mandatory “disclosure requirement” supported by a large number of countries, including the ACP Group of States and the European Community, in the context of the WTO DDA negotiations.[33] The central demand there is to amend the TRIPS Agreement to *require* patent authorities to demand from patent applicants the disclosure of the source country of genetic resources and/or associated traditional knowledge, and to refrain from processing patent applications that do not comply with the disclosure requirement. The cooperation of ACP and EC parties in the WTO on this matter, however, appears to be a rather strong manifestation of the very loose cooperation (exchange of views and information) agreed in Paragraph 4 of this provision.

3.4 Sub-Section 3: Enforcement of Intellectual Property Rights

Enforcement: Main Aspects at a Glance

→ Very extensive (14 articles, 7 pages!) and detailed coverage of multiple aspects of the enforcement of IPRs.

→ Most provisions appear to be elaborations, or agreed concretized interpretations, of TRIPS provisions on enforcement, rather than extensions of actual procedural IP protection.

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[30] Article 8 (j) of the CBD.
[31] Article 15.7 of the CBD.
[32] Article 15 of the CBD.
[33] *See,* for instance, the joint proposal submitted shortly before the WTO Mini-Ministerial in July 2008 (Trade Negotiations Committee, Draft Modalities for TRIPS Related Issues, Communication from Albania, Brazil, China, Colombia, Ecuador, the European Communities, Iceland, India, Indonesia, the Kyrgyz Republic, Liechtenstein, the Former Yugoslav Republic of Macedonia, Pakistan, Peru, Sri Lanka, Switzerland, Thailand, Turkey, the ACP Group and the African Group, TN/C/W/52, 19 July 2008).

→ But the exercise of TRIPS choices and the administrative burden assumed under these provisions, however, makes this Sub-Section a non-trivial "TRIPS plus" element of the Draft EPA

→ Arguable "TRIPS plus" elements include

- the extension of entitled applicants to licensees (Article 14)
- the presumption of authorship and ownership (Article 15)
- the extensively elaborated and obligatory (TRIPS: optional) right of information Article 18)
- obligatory interlocutory injunctions (Article 19)
- recurring penalty payments for violations of injunctions (Article 21)
- injunctions against intermediaries (Article 21)
- extensive basis for damages (Article 23)
- obligatory (TRIPS: optional) coverage of legal costs by losing party (Article 24)
- border measures: importers' rights and obligations extended to exporters and holders (Article 26)

The Sub-Section 3 of the IP Chapter provides for a rather extensive and detailed coverage of multiple aspects related to the enforcement of IPRs. Over the space of seven pages and 14 articles the EPA parties devise a fine web of provisions that build on their TRIPS counterparts. The sub-section, not surprisingly, appears to be inspired by the EC's own IP Enforcement Directive.[34] A detailed analysis of this sub-section would go beyond the scope of this paper. We therefore restrict ourselves to a few remarks.

Most provisions in this Sub-Section arguably qualify as elaborations – i.e., agreed and concretized interpretations – of TRIPS provisions on IPR enforcement, rather that extensions of actual procedural IP protection *vis-à-vis* TRIPS. That said, it should not be overlooked that the concretization of choices available under TRIPS through EPAs obviously limits policy space for the future, and thus arguably as such leads to "TRIPS plus" obligations.

[34] Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the Enforcement of Intellectual Property Rights, OJ L 157, 30.4.2004, p. 45–86. This approach is explicitly reflected in the European Commission's strategy statement "Global Europe: Competing in the World", available at http://trade.ec.europa.eu/doclib/docs/2006/october/tradoc_130376.pdf (last visited 15 September 2008).

Immediate “TRIPS plus” effects are likely to result from the administrative burden assumed under several of the provisions in this Sub-Section. But also in terms of substantive coverage and procedural rights there are a number of elements that are arguably “TRIPS plus.” Examples of these include the following:

- *Article 14 – Entitled Applicants vis-à-vis* TRIPS Article 42 extends the group of entitled applicants from rightholders only to licensees and other authorized persons.

- *Article 15 – The Presumption of Authorship and Ownership* adds such a presumption, which is not provided for under TRIPS, to the toolbox of enforcement proceedings.

- *Article 18 – Right of Information* provides for extensively elaborated and obligatory rights of the rightholders (and their proxies) to information that is in the hand of infringers. This provision not only exercises the option in TRIPS Article 47 to provide for such access, but also elaborates extensively on it. Because this access to information will involve authorities and courts, it has implications on their resources.

- *Article 19 – Provisional and Precautionary Measures* contains the obligation for EPA parties to provide specifically for interlocutory injunctions, and thereby concretizes the general obligation to provide for effective provisional measures in TRIPS Article 50.

- *Article 21 - Injunctions* further extends the concretization of these TRIPS obligations by requiring EPA parties to provide specifically for recurring penalty payments for violations of injunctions, as well as for injunctions against intermediaries.

- *Article 23 – Damages* contains a detailed enumeration of bases for damages and the specific option to provide for lump-sum indemnification on the basis of hypothetical royalties. This is an elaborate concretization (and, arguably, extension) of TRIPS Article 45 which only provides generally that “damages adequate to compensate for the injury” should be granted.

- *Article 24 – Legal Costs* requires EPA parties to provide for the coverage of the opponent’s legal costs by the losing party. Through this provision the EPA parties exercise their corresponding rights under TRIPS Articles 45.2 and 48.1, which foresee this possibility for Members to provide for the coverage of legal costs, but do not mandate it.

- *Article 26 – Border Measures* extends the right and duties of the importer under Section 4 of TRIPS to exporters and holders of the relevant goods.

3.5 Sub-Section 4 – Cooperation

This Sub-Section, which is "TRIPS neutral," aims to complement horizontal EPA provisions on assistance and cooperation by providing for three specific areas of cooperation in the field of intellectual property rights, namely:

- Cooperation (i.e. technical assistance) with respect to regional initiatives.
- (Joint) identification of products that could benefit from GI protection. This should, where possible, be done with a view to using this tool for the protection of local traditional knowledge and biodiversity.
- Support for national implementation.

3.6 Additional Rules on IP in the Draft EPA

It is worth noting briefly and in passing that the protection of intellectual property rights appears twice within the Draft EPA outside of the actual IP Chapter, namely:

- **Part II, Title IV, Chapter 3 on Public Procurement:** Article 3.11 provides that measures necessary to enforce intellectual property rights are exempted from procurement disciplines, provided they are applied non-discriminatorily.
- **Part IV on General Exceptions:** Article 1, the General exceptions clause, equally exempts all measures that are necessary to secure compliance with laws and regulations, including those relating to the protection of IPRs, from (other) EPA disciplines, provided again they are applied in a non-discriminatory manner.

4 Conclusion: A Summary of the Main Results

The IP Chapter of the Draft EPA contains a significant number of both substantive and procedural "TRIPS plus" obligations. Many of these are of minor importance and/or minimal impact. Some, however, appear potentially significant. The Draft EPA on occasion contains "TRIPS minus" elements.

Key aspects where deviations from TRIPS (in the sense of additional obligations) would arise include the following:

- Obligation relating to regional harmonization (Article 3)

- Copyrights/Neighbouring Rights: Full-scale "TRIPS plus" incorporation by reference of the key operating provisions of three international treaties – pre- and post-TRIPS.

- Trademarks: "TRIPS plus" disciplines on trademark registration procedures/database and "TRIPS plus" “best endeavour” obligations to adopt recent WIPO recommendations on well-known marks, internet use and licenses. Obligatory fair use exemption ("TRIPS minus").

- Industrial Designs: Extensive stand-alone provisions expanding on Articles 25 and 26 TRIPS; partly significant "TRIPS plus" protection for registered designs and generally as to scope of rights conferred.

- Patents: Full-scale "TRIPS plus" incorporation by reference of the key operating provisions of three international treaties – pre- and post-TRIPS; incorporation of “TRIPS and Public Health” rights.

- Plant Varieties: Obligation to ratify/accede to UPOV 1991, with use of farm-saved seeds (“TRIPS neutral”)

- Genetic Resources, Traditional Knowledge and Folklore: Very soft obligations, no limitations to other IPRs.

- Enforcement: Extensive and detailed provisions, technically almost all "TRIPS plus." Many, however, while triggering administrative and financial burdens, appear in essence to be concretizations of enforcement obligations foreseen under TRIPS. While making enforcement more efficient, these provisions do not seem to raise the procedural protection level as such. Some provisions, however, do contain genuine "TRIPS plus" commitments.

The IP chapter in the Draft SADC EPA here examined reflects by and large the European Community's broader international agenda in the area of IPR protection.[35] Specific ACP interests appear to be reflected in a few hard provisions, such as the obligation for EPA parties to prevent anti-competitive abuses of IPRs or the extension of the "farmers' privilege" to the exchange of protected seeds, as well as some soft provisions on traditional knowledge, genetic resources and folklore as well as on cooperation. While the agenda thus appears to be broadly set by the EC's global strategy, the comparison of this Draft EPA with the CARIFORUM-EC EPA, which on occasion reflects softened obligations, may provide some encouragement to ACP parties to negotiate wherever important interests are at stake.

[35] *See* generally and specifically with respect to EPAs Shabalala, D. / N. Bernasconi, The European Approach to Intellectual Property in European Partnership Agreements with the African, Caribbean and Pacific Group of Countries, CIEL Discussion Paper, April 2007.

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