

Chapter 5

Post-TRIPS

and the Enforcement Dichotomy



5.1 Introduction

Having the requisite intellectual property laws, even if they are not fully TRIPS-compliant, is one thing; being able to effectively enforce them and achieve the desired outcomes is another matter. The most challenging element of the post-TRIPS period, as perceived by both the GCC states themselves and the developed industrial countries, is the regional enforcement of the states' intellectual property protection obligations consistent with the standards enshrined in TRIPS, the TRIPS-plus treaties and bilateral agreements to which the states have acceded. Notwithstanding the presence of comprehensive sets of laws and treaty commitments, there exists a dichotomy between the principle of intellectual property protection as enshrined in the various legislative regimes, and its practical application as exemplified by the degree of success of effective enforcement action. On the one hand, the states now enjoy comprehensive statutory regimes and are progressively initiating the consequential structural, judicial, and institutional reforms; on the other hand the effectiveness of enforcement actions against infringing activities, particularly in respect of piracy and counterfeit goods, the nature and frequency of judicial actions and the severity of penalties available have yet to reach the standards required by the developed nations - particularly the United States.

The barriers to the elimination of intellectual property infringements, which lie at the heart of this dichotomy, do not rest solely in the domain of the enforcement authorities or the judiciary; entrenched local societal, cultural and commercial attitudes are also major contributing factors.

The enforcement obligations of TRIPS are addressed in Section III of the Agreement, and apply equally to all areas of intellectual property rights covered in Section II. The principal features of the Section III enforcement regime are the existence of adequate norms and minimum standards

for the protection of intellectual property, the effective enforcement of those norms and standards, both domestically and at state borders, and an effective dispute resolution settlement mechanism to ensure that member states comply with their obligations to provide adequate norms and standards for their effective enforcement.¹

TRIPS Section III requires WTO members to provide under their domestic laws a comprehensive regime that ensures that the intellectual property rights established in TRIPS Part II can be effectively enforced, both by their own nationals and by foreign right holders. As part of that regime, members are required to make provision for:

- fair and equitable civil and administrative procedures;
- independent judicial review of final administrative decisions on appeal;
- provisional measures;
- border control measures on application and *ex-officio*;
- damages and indemnification;
- 1. criminal procedures and remedies.

The GCC states have achieved only partial success in meeting the TRIPS Section III requirements. They have generally succeeded in establishing the necessary legislative regimes and judicial frameworks that address the above TRIPS requirements (although not exclusively within intellectual property frameworks). However, they have not been as successful in creating and bringing to a state of operational effectiveness the essential infrastructural and

¹ The enforcement regime is primarily self-contained, but also based in part on the Paris and Berne Conventions. The Berne Convention provides reference in respect of the right to enforce protected works (art 15), seizure of infringing copies (art 16), and application of the convention (art 36), and the Paris Convention includes articles in respect of seizures (arts 9 and 10) and appropriate remedies (art 10*ter*), but they do not have the detail contained in the enforcement obligations of Part III of TRIPS. Neither the Rome Convention nor the Washington Treaty contain any enforcement or sanction provisions.

administrative strategies and processes. All states now allow for matters relating to intellectual property rights to be pursued in civil and criminal jurisdictions. They also enable aggrieved right holders to seek provisional measures against actual or potential infringements. In some states and in some laws, enforcement provisions have been strengthened by increases in the nature and scale of sanctions, and by the introduction of sanctions which provide for seizure of infringing goods and material, closures of infringing premises, compensation, and increased penalties for repeat offences. In respect of the issue of independent judicial review, the few remaining pre-TRIPS intellectual property laws still tend to allow discretionary decision-making to reside in the hands of government officials. However, the post-2000 laws have moved to reduce such discretion by transferring much of the officials' discretionary powers and functions to the civil courts or by requiring administrative decision-making to be subject to at least semi-independent, quasi-judicial appeal, or final judicial review.

The majority of the intellectual property laws of the GCC states have benefited from an extensive input into their creative development and legislative drafting by WIPO through its International Bureau, and have also been subject to frequent exchanges of views and borrowings from within the states themselves. It is not surprising, therefore, that in most cases the laws generally conform with the thrust of the TRIPS enforcement obligations.

5.2 TRIPS Enforcement Obligations² and the Response of the GCC States

5.2.1 General Obligations and Civil and Administrative Procedures (TRIPS Articles 41-49)

TRIPS Article 41 requires members to have in place enforcement procedures which permit effective action against infringements, and to have available remedies that constitute an effective deterrent to further infringing activity. The enforcement procedures must be equitable and fair; they must not be unnecessarily complicated or costly or involve unreasonable time-limits or unwarranted delays. Nor must their application create a barrier to legitimate trade. However, a member is not obliged to put in place a special judicial system for intellectual property rights enforcement distinct from that for the enforcement of law in general; nor is a member required to make a preferential allocation of resources to intellectual property enforcement at the expense of the law in general. TRIPS Article 41.4 requires members to make provision for parties to a proceeding to have opportunity for judicial review of final administrative decisions and, subject to jurisdictional provisions in a member's law concerning the importance of a case, of at least the legal aspects of initial judicial decisions.

Members are required to make civil judicial procedures available to rights holders to enforce their intellectual property rights established by TRIPS. Parties are entitled to procedures that will provide:

² The following summaries of the salient features of the requirements of TRIPS Section III are taken from the WTO website description of the TRIPS, Parts I - III, available online at www.wto.int/english/tratop_e/trips_e/intel2_e.htm last accessed 1 December 2005.

2. timely and detailed written notice of the basis of any claims;
3. representation by independent legal counsel;
4. the right to present evidence and to substantiate their claims;
5. protection from “overly burdensome requirements concerning mandatory personal appearances”;
6. protection of confidential information, unless contrary to constitutional requirements.³

Judicial authorities must be given the authority to order parties in control of evidence which may substantiate another party’s claim to produce such evidence.⁴ Where a party refuses or otherwise does not do so, judicial authorities must be empowered to make any preliminary and final determinations, affirmative or negative on the basis of the information presented to them, provided that all parties have had the opportunity to be heard on the allegations and the evidence. Discretion is granted to members to authorize judicial authorities to order the infringer to inform the right holder of the identity of third persons involved in the production and distribution of the infringing goods or services and of their channels of distribution.⁵ The exercise of such authority must not be ‘out of proportion to the seriousness of the infringement’, although no guidance is provided as to the benchmarks for ‘proportion’ or ‘seriousness’.

To militate against the frivolous or abusive use of enforcement provisions, judicial authorities are to have the authority to order a party who has abused enforcement procedures to provide ‘adequate compensation for the injury suffered because of such abuse’ to a party wrongfully enjoined or restrained.⁶ This provision also extends to public officers and government officials,

³ TRIPS art 42.

⁴ Ibid, art 43.

⁵ Ibid, art 47.

⁶ Ibid, art 48.

whose exemption from liability to appropriate remedial measures exists only to the extent that their “actions are taken or intended in good faith in the course of administration of that law.”⁷

The provisions within the GCC states for civil and administrative processes in relation to the enforcement of intellectual property rights as required by TRIPS, tend to be prescribed in statutes other than the states’ intellectual property laws. All states possess longstanding statutes relating to civil and commercial procedures, the judiciary and judicial procedures, and penal codes which include extensive provisions on the conduct of criminal investigation, evidence and prosecution.⁸ The longstanding existence of Islamic jurisprudence, which enjoys a complexity and sophistication that compares favourably with western legal systems, together with a comprehensive codification of the states’ civil and judicial structures and processes, ensured that the states already had in place well established civil and administrative procedures in judicial proceedings prior to TRIPS-related intellectual property laws coming into effect. An element that was conspicuous in the earlier intellectual property laws, and which has been given some attention in the TRIPS-related intellectual property laws, was the degree of discretionary administrative final decision-making. This has been progressively curtailed by the inclusion of

⁷ Ibid, art 48.2

⁸ Some of the major codifications relating to the GCC legal and judicial systems and procedures, and which address in part the above requirements of TRIPS, include the following:

Bahrain: Decree No. 13 of 1971, the Judiciary Act; Civil Procedures Code (1971, as amended 1990), Law of Commerce (1971, as amended 1990), Criminal Code (1987), Code of Criminal Procedure (1966),

Kuwait: Law No. 19 of 1959, the Judiciary Law, as amended by Law No. 19 of 1990; Law No. 16 of 1960, the Penal Code; Law No. 17 of 1960, the Criminal Procedure Code; Law No. 38 of 1980, the Code of Civil Procedure, as amended by Law No. 47 of 1994; Law No. 67 of 1980, the Civil Code; Law No. 68 of 1980, the Commercial Code, as amended by Law No. 45 of 1989.

Oman: Law No. 7/1974, the Penal Code; Commercial Code (1990); Royal Decree 90/99 the Judicial Structure of Oman; Royal Decree No. 91/1999 establishing the Administrative Court; Royal Decree No. 92/ 1999 establishing the Public Prosecution Authority; Royal Decree No. 93 of 1999 establishing the Supreme Judicial Council.

Qatar: Law No. 14 of 1972, the Criminal Code; Law No. 16 of 1971, the Civil and Commercial Code; Law No. 6 of 1999, the Law of the Judiciary.

Saudi Arabia: Royal Decree No. M/64 of 1395 AH (1975), regulating the Judiciary; Ministerial Ordinance No. 109 of 1332 AH (1959), the Administrative Rules of Procedure of Judicial Bodies;

UAE: Federal Law No. 10 of 1973, establishing the Federal Supreme Court; Federal Law No. 6 of 1978, establishing the Courts of First Instance; Federal Law No. 3 of 1987, the Penal Code; Law No. 11 of 1992, the Code of Civil Procedure; Federal Law No. 35 of 1992, the Code of Criminal Procedure.

