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EUROPEAN COMMISSION
Directorate-General for Trade

Directorate E - Public Procurement and Intellectual Property, Bilateral Trade Relations
Public Procurement, Intellectual property.

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**NOTE FOR THE ATTENTION OF
THE MEMBERS OF THE INTA COMMITTEE**

Subject: - Information to the Trade Policy (TPC) Committee regarding ACTA

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Purpose: For information and circulation to members of TPC Committee.

This is to reply to written comments submitted by [REDACTED]

Also enclosed as ANNEX I is a document listing the most important innovative aspects of ACTA in comparison with the prevailing international standards, and namely with the TRIPS Agreement.

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ANNEX

PROVISIONS OF ACTA THAT PROVIDE VALUE COMPARED TO EXISTING INTERNATIONAL STANDARDS AND IN PARTICULAR WTO/TRIPS

1. General aspects, applicable to all the treaty:

- 1.1. As requested by the EU, Parties agreed to extend the scope of ACTA to other IPR infringements than copyright and trademarks (in the general sections, as well as in the civil, customs and digital sections). This means also that enforcement of geographical indications (GIs) would be included in these sections, benefiting from several innovative provisions.
- 1.2. recognition of the EU principle of proportionality (article 2.X.3, General Obligations)

2. Civil enforcement:

- 2.1. introduction of provisional injunctions and final injunctions against intermediaries (valuable and based on EU Directive), applying to all IP rights (articles 2.X.1 and 2.5.1.(a)).
- 2.2. clearer measures on provisional enforcement in the case of *inaudita altera parte*: expeditious and without undue delay (article 2.5.2);
- 2.3. clearer provisions on the calculation of damages, with more options given to right-holders and consequent increased chances of being compensated. Some of the provisions apply at least to copyright and/or trademark infringements (article 2.2);
- 2.4. the Right of Information provision becomes mandatory, instead of its permissible status in TRIPS, while introducing and preserving the protection of confidential and personal data (article 2.4);
- 2.5. clearer measures on disposal of goods; putting the accent on destruction – while with TRIPS wording, there were often fake goods returning to the market after being confiscated. Applies at least to copyrights and trademarks (article 2.3).
- 2.6. clearer provisions on provisional measures regarding the seizures of documentary evidences (original or copies) or other taking into custody of suspected infringing goods (article 2.5.3).

3. Border enforcement

- 3.1. obligation to provide for export controls, as well as for import (TRIPS only requires the latter), though provision is nuanced, as there is no mandatory requirement to provide for export controls based upon applications for action. (Article 2.X);
- 3.2. compulsory border measures are no longer restricted to trademarks and copyrights, as is the case in TRIPS. (It should be noted that there is a footnote excluding patents from the ACTA border measures, due to "access to medicines" concerns) This has the very important consequence to establish parallel treatment of GIs and trademarks regarding customs controls, including clause of non discrimination (article 2.X);

3.3. Parties shall provide for ex-officio action, a feature that is not covered by equivalent TRIPS provisions on border measures (article 2.X).

3.4. inclusion of goods of a commercial nature sent in small consignments, into the scope of application of the border measures. Although not specifically excluded in TRIPS, the ACTA language introduces a clear commitment to act on small consignments. This is an important element in the light of the growth in commercial internet sales of IPR infringing products (Article 2.X).

3.5. other less important, but nevertheless useful elements include:

3.5.1. effective detailed rules regarding border measure procedures (including applications for action, *ex-officio* action by customs and the disclosure of information to right holders). In order to fit in with the Parties' diverging systems, the provisions remain general. Whilst it is recognised that the details may be helpful, there is little in the provisions that strengthen enforcement in concrete terms.

3.5.2. obligation to provide authority to order destruction of infringing goods; the provisions concerning remedies are very similar to the equivalent TRIPS provisions. TRIPS refers to the destruction or disposal of goods in the section on border measures (and to the disposal of goods outside the channels of commerce in the section on civil remedies). ACTA border measures refers to the destruction of goods or to their disposal outside the channels of commerce. The nuances are subtle and cannot be considered to be a significant added-value element.

3.5.3. rules regarding fees for border enforcement; the ACTA text on this issue states that any fees should not deter recourse to the procedures. This in a general concept that customs should respect, with regard to fees that are charged to an economic operator, for what might be considered to be services rendered. It does not add significantly to the enforcement of IPR at the border.

4. **Criminal enforcement:** [*comment: this was negotiated by the Presidency on behalf of the Member States and on the basis of a common position unanimously agreed in COREPER*]

[*A paragraph deleted*]

4.2. *ex officio* penal measures – TRIPS did not require this important principle. Valuable element (article 2.17);

4.3. criminal liability for "aiding and abetting" – did not exist in TRIPS (article 2.14.4);

4.4. penalties - obligation for a Party to provide for **both** imprisonment and monetary fines in its national legislation, which was optional in TRIPS (article 2.15);

- 4.5. seizure of assets derived from criminal activity and documentary evidence relevant to the alleged offence – did not exist in TRIPS (article 2.16);
- 4.6. definitive confiscation of assets derived from criminal activity – did not exist in TRIPS (article 2.16);
- 4.7. criminal penalties are clearly provided for the use of labels and packaging identical or similar to a registered trademark, without the authorization of the rightholder – did not exist in TRIPS (article 2.14.2);
- 4.8. penal responsibility for moral persons – important for the EU (article 2.14.5);
- 4.9. clearer measures on disposal of goods, putting the accent on destruction – with TRIPS wording, there were often fake goods returning to the market after being confiscated (article 2.16);

5. Digital enforcement:

- 5.1. the entire section is a novelty, without parallel in any plurilateral or multilateral agreement. TRIPS was entirely silent on the subject (internet not such an issue in 1994);
- 5.2. In detail: innovative provisions on the way to enforce internet infringements (infringements in digital world are not different from infringements in physical world), applicable to all IP rights, including GIs) (article 2.18.1);
- 5.3. general provisions on ISP liability (although we were very close to achieving a more detailed regime, broadly inspired by EU *acquis*), applicable also to trademarks (matters for the EU textile, luxury and cosmetics sectors) (article 2.18.2 and 2.18.4);
- 5.4. consolidation in an Enforcement Treaty of substantive provisions on technical protection measures. This is innovative in such a context. The international framework was negotiated at WIPO¹ through two substantive treaties. The new text clarifies such technical protection including a definition, while preserving access to copyrighted works when limitations and exceptions are applicable (article 2.18. paragraphs 5 to 8).

6. Enforcement practices:

- 6.1. management of risks at the border: establishes provisions for contacts between right-holders and customs, which are not in TRIPS (article 3.2)
- 6.2. environmental concerns in destruction of goods: New concept (article 3.5).

7. International cooperation:

- 7.1. introduction of more detailed provisions on exchange of information.

11 October 2010

¹ World Intellectual Property Organisation (UN)