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Remedies and Enforcement Procedures of Patent Rights

Master thesis
20 points

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Master of Human Rights and Intellectual Property Rights Law

Autumn 2002.

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Acknowledgement

I am thankful to the World Intellectual Property Organization (WIPO) for sponsoring me to study master of Human Rights and Intellectual Property Rights course. I would like to express that I have greatly benefited from the course administered by the Raoul Wallenberg Institute of Human Rights and Humanitarian Law. It had been a great opportunity to share the experiences and knowledge of both the instructors and visiting professors of the institute and other invited persons. I am very grateful also to Professor Mpazi Sinjela, whose advise and encouragement has been very helpful for the outcome of this thesis.

I would like also to remember my mother Almaz Woldemedhin for creating an ambition of progress in my academic and professional life. I also thank my father Kidanemariam Domenico and all my brothers and sister for their love and encouragement. Finally, the friendliness of my classmates (both Swedish and international students) and my country fellows has greatly helped me in completing my carrier and the memory will always remain with me.

Preface

This thesis is done in partial fulfilment of Master of Human Rights and Intellectual Property Rights at the Raoul Wallenberg Institute of Human Rights and Humanitarian Law. The methodology used to do the research is basically a library-based approach. The method of analysis used is mostly a comparative approach. It has been tried to look in to the legal systems of some of the major exporters of intellectual property rights law. Since such states have a well-developed enforcement law and practice, it is important to comparatively study the pros and cons of such laws so as to come up with an understanding of common trends, which should exist to have an effective enforcement of intellectual property rights. Whereas most of the sources used in the research are domestic and international cases, laws, international conventions, agreements etc. Though most of the cases are acquired from books and journals, they are reliable as they are cited by internationally recognized journals (Universities) and treatise writers. Though most of the articles are available in universities' journals the writer has been unable to cite the page numbers in the foot notes, for he accessed them through internet within the web site of West Law (<http://web2.westlaw.com>).

Abbreviations

ACHPR	African Charter on Human and Peoples' Rights
ACHR	American –convention on Human Rights
ECHR	European Convention on Human Rights
GATT	General Agreement on Tariffs and Trade
ICCPR	International Covenant on Econpmic Social and Cultural Rights
TRIPS	Agreement on Trade-Related Aspects of Intellectual Property Rights
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

Introduction

As the title indicates this thesis basically focuses on the enforcement of intellectual property rights. Hence, it studies the way intellectual property rights in particular patents are meant to be domestically implemented today pursuant to international intellectual property laws, in particular TRIPS Agreement. Especially, it tries to comparatively study the domestic enforcement of some developed countries, which have a strong interest in the protection of the rights.

And this study adheres as its purpose evaluating not only the effectiveness and usefulness but also the equitability and fairness of both the international and domestic enforcement standards. Here it has to be noted that the research does not try to address whether or not intellectual property rights serve mankind a valuable purpose. It rather tries to evaluate whether the prevailing major enforcement systems (either the procedures or remedies) are effective in implementing the interest of the right holders, assuming that granting of intellectual property rights including patents is at least more advantageous to a society. It also discusses the economic repercussions of having an extremely strong beyond being an effective enforcement system. In other words, it discusses the interest considerations involved in deciding the level of enforcement. And one question raised here is whether the enforcement system advocated by international intellectual property rights in particular TRIPS agreement is effectively balanced with the interest of promoting free competition in the developing countries. Again when we talk of equitability and fairness the thesis does not give emphasis to the issue of whether the substantive rights awarded to the holders affect the fundamental interests of a society and other individuals. It rather focuses on the fundamental rights of the persons against whom the rights are enforced. In other words it focuses on how far the rights are enforced with due regard to the fundamental rights and interests of the defendants and other third parties whose rights are affected.

In general, the legal systems of a number of countries recognize the proprietary rights of creators or inventors. And such rights are sanctioned by further granting the right holders the right to seek certain remedies against infringements. The right holders enforce their rights against violations through such remedies, which include compensation, restitution, injunction, criminal punishments and boarder actions by customs authorities etc. Thus the remedies are meant to secure the rights.

However, the rights and the remedies provided by substantive laws are not by themselves fit enough to realize the enforcement of the rights. In other words, the remedies cannot enforce themselves. The right holder has to under go through a certain proceeding and demonstrate the existence of

the infringed rights so as to get the enforcing remedies. And the laws, which govern such a process, are known as adjective laws, which include rules of evidence and procedure. As it is impossible to enforce the remedies without the adjective laws it is not possible to comprehensively discuss about the enforcement of intellectual property rights by ignoring the relevant procedural and evidentiary rules. The adjective laws can either positively or adversely affect the practical enforcement of the remedies. Thus it is important that the thesis deals with both the remedies and enforcement procedures of patent rights.

1 General Features of Intellectual Property Rights

1.1 Copyrights

Intellectual property rights are intangible or incorporeal properties. They are sub divided in to copyright and industrial property rights. Copyright basically protects literary and artistic creations. These include novels, poems, musical compositions, play writes and maps etc. Unlike some intellectual property rights such as patent rights it doesn't protect the ideas contained in the creations from being exploited. It rather give protection to the expressions contained in the creations. The other limitation of copyright is that it doesn't give a monopoly right of protection. In other words if two persons come up with similar creativities in similar expressions both works will be protected. Unlike many of the industrial property rights the first to create will not have priority in so far as the latter creation is genuine too.

Though the right holder's privilege may vary from jurisdiction to jurisdiction there are common protections afforded by various legal systems. Normally the copyright holder is given exclusive right to copy, reproduce, adopt and translate the creation. And any person who commits such acts or authorises others to do the same with out having the license from the real holder of the right will be liable for infringing copyright.¹ However, copyright can be subjected to certain restrictions. The most important one is fair use doctrine and it allows for example the creations be used or copied for personal use, quotations, news reference or teaching.

Though copyright does not grant monopoly rights nor protect ideas, it lasts for a longer period of time as compared to other rights. In most jurisdictions it endures through out the author life plus 50 years.²

The other distinctive characteristic of copyrights is that it confers moral rights on the authors. This is recognized by the Berne Convention under Article 6(1).³ This grants the author inalienable right to be recognized by the

¹ David Bainbridge, *Intellectual Property*, Ashford Colour Press Ltd, Hampshire, fourth edition (1999), P. 121.

² Frederick Abbot, Thomas Cottier and Francis Gurry. *International Intellectual Property Systems: Commentary and Materials*. Part One. 1999. Kluwer Law International. Hague. P. 81.

³ Berne Convention for the Protection of Literary and Artistic Works, Paris Act of July 24, 1971, as amended on September 28, 1979. Art. 6 (1). International Legal Materials on Intellectual Property , Paul Goldstein, 2002ed, Foundation Press, pp. 100. Available at; <http://www.law.cornell.edu/treaties/berne/6bis.html>

work and protect an abusive use of the work, which damages the reputation of the author. On this regard civil law countries are known to give more protection to moral rights.⁴

1.2 Industrial Property Rights

The term industrial property rights refers to the intellectual property rights other than copyright and related rights. These include patents, industrial designs, business goodwill and reputation (trade marks), trade secrets and so on. However the term can be misleading for the rights do not confine themselves to industrial products or activities.

The rights can be grouped in to two based on their social function. The first ones aim at preventing dishonest trade practices by protecting creations of distinctive signs such as trademarks, geographical indications and trade names. The latter ones try to encourage technological creativity by protecting inventions. These include patents, industrial designs and trade secrets.⁵

Patent grants the holder an exclusive right of exploiting an invention. By exploiting we mean to use the fruit of an idea by implementing it in a production process or by realizing it. The patentee can sub lease or sell his/her right. However the law of patent may put certain limitations on patent rights where public interest requires it. On a number of jurisdictions certain inventions such as biological or pharmaceutical nature are not patentable. Also compulsory license of exploiting the invention may be granted irrespective of the will of the patent holder where public interest such as health or security requires it. Though patent secures a wider monopoly right over an idea it endures usually only for 20 years.

Patent is not granted to any kind of innovation. The invention must be novel (unknown) to the professionals in the field. And it must not be obvious to the professionals. In other words, it must be a kind of an invention requiring the concerned professionals some mental effort to come up with the idea. It should not be considered to an apparent improvement in the eyes of a person reasonably skilled in the field. The idea must also be industrially applicable. This criterion has its shortcomings especially with regard to inventions made in biotechnology and chemistry. Scientists can come up with a molecular invention, which can be found to have a use only after sometime. Refusing to grant a patent right to such inventions till their utility is known on the other hand discourages research. Hence, the application of such criteria in the granting of patent is nowadays criticised.

⁴ Ibid. 82.

⁵ WHAT ARE INTELLECTUAL PROPERTY RIGHTS? Excerpts from WTO documents - to be found on the Intellectual Property pages of the WTO. Available at http://www.ukabc.org/TRIPs/intro_WTO.htm.

Finally the inventor is required to meet disclosure criteria so as to get protection. Details of the invention should be described in such a way as to enable a person reasonably skilled in the field practically use it.⁶

Trademarks on the other hand are signs used to identify products including both goods and services. The signs can either be words, letters, figures, numbers or sounds etc. The producer to identify its products from other producer's or its own products can use them. They also enable the consumers to identify the product. Anselm Kampraman Sanders and Spyros M. Mantis have elaborated it in the following words: "A trade mark first of all enhances the ability to conceptualise the abstract notion of a product and consequently enables the individualisation of a product by creating a tie between a product and its mark."⁷ They are important for they are associated with the quality or nature of the product or service. They serve as guarantors of quality. Though it may not be legally sanctioned the market expects the products identified by a certain mark to have consistent quality or taste. And their function of identifying a product and guaranteeing its quality makes them useful in advertisement process.⁸

The other major types of industrial property rights are indications of source. They include indication of source and appellations of origin. Indications of source aim at associating the goods with a certain country and place. They can be name, designation or sign etc.⁹ Unlike trade marks they are usually descriptive (generic). Thus most of them do not qualify to become a trademark.¹⁰ Appellations of origin are special type of indication of sources, which in addition imply that the qualities or peculiar characteristics of the goods are due to the geographical environment.¹¹

Unfair competition laws also give protection to the distinctive marks mentioned above and to other creativities by banning conducts, which affect honest competition. Art 10bis of the Paris Convention¹² defines it to include those acts of competition, which are contrary to honest practices in industrial or commercial matters. In particular three types of conducts are illustrated as acts of unfair competition. The first ones are acts, which create confusion with the establishment, the goods or the commercial activities of

⁶ Ibid. p. 27.

⁷ Anselm Kamperman Sanders and Spyros M. Manitis, *Redings in Intellectual Property, A Consumer Trade Mark: Protection Based on Origin and Quality*, 1998, Sweet and Maxwell, P. 248.

⁸ See also *ibid* pp249, 251-253.

⁹ Collection of Documents on Intellectual Property, WIPO, 2001, p. 42.

¹⁰ Paul Goldstein, *International Intellectual Property Law, Cases and Materials*, New York Foundation Press, 2001, p 436.

¹¹ *Supra* note 7, p. 42.

¹² *Supra* Note 3, Paris Convention for the Protection of Industrial Property of March 20, 1883 as revised at Stockholm on July 14, 1967, pp. 233. Available at; <http://www.tufts.edu/departments/fletcher/multi/texts/BH004.txt>

the competitor. The second ones are allegations, which discredit the establishment, the goods or the industrial or commercial activities of the competitor. The third examples are indications and allegations, which are liable to misled the public as to the nature, the manufacturing process, the characteristics, and the suitability for their purpose or the quality of their goods.

Concerning industrial designs the Paris convention mainly obliges member states to protect leaving the way of protection to be decided domestically. Article 2(7) of the Berne Convention (1971 Paris Act) also leaves it for the discretion of member states to protect industrial designs by copyrights.¹³ Significant numbers of countries protect industrial designs either by a special system of registration or by the grant of patents for industrial designs.¹⁴

¹³ Ibid. PP. 100.

¹⁴ Supra note 7, Ibid. P. 41.

2 Civil Remedies

2.1 Major Protections During the Initial Stage of Civil Suit

A party who claims that his/her intellectual property rights are violated brings a civil suit seeking a relief. And such plaintiff can either demand the infringement be stopped (injunction), compensation be paid or both. But the whole proceeding normally takes some time even in countries where cases are treated expeditiously. Therefore, the complainant seeks protection during this period too. And one way of protecting the complainant can be granting interim injunction. In other words, the defendant can be stopped from the alleged infringement action pending the disposal of the suit.

Though the criteria of granting injunction may vary from system to system, in general it cannot be demanded by the plaintiff as of right. In other words, the mere fact of being a plaintiff does not entitle the claimant for an injunction. Number of interests will conflict whenever injunction or other interim measures are sought. For instance, gross or even irreparable damage might result to the plaintiff if the defendant continues in the alleged infringing act and judgement is finally found in favour of the plaintiff. Even in such a circumstance the evidence or claim might on the other hand be so weak that the plaintiff is unlikely to win the case. Or circumstances might show that such gross damage will instead be caused to the defendant if injunction is granted in favour of the plaintiff. Also, gross damage might equally result to either of the parties whether or not injunction is granted. Such circumstances are considered in deciding injunction issues though the outcome is not uniform among all legal systems.

Regarding such issues the House of Lords in the case of *Software Ltd v Clarke* pointed out that there are no fixed rules in common law as to when to grant injunction and that it's a matter left for the discretion of a court depending on all facts of a case.¹⁵ In this case Mr Justice Laddie J further pointed out that the factors, which the court should take into account, are;

[...the extent to which damages are likely to be an adequate remedy for each party and the ability of the other party to pay, the balance of

¹⁵ Supra note 7, Michael Edenborough and Guy Tritton, *American Cyanamid Revisited*. PP 511-512. Citing Judgement handed down on 19 December 1995.

convenience, the maintenance of status quo and any clear view which the court might reach as to the relative strength of the parties' cases.¹⁶

However, the judgment emphasized that a court should rarely attempt to resolve disputed and complex issues of fact and law in granting interlocutory injunction. In other words if the issue of fact or law requires deep investigation or analysis the court should try to resolve the injunction request by considering the other factors. In particular it is expected to reconsider the uncompensatable disadvantage of each party. But if the parties are still found to be in a similar position the court will be justified in examining complicated issues of fact and law.

When applied to intellectual property disputes considering the relative strength of the positions of both parties might help to control those who institute groundless suit to gain an undue advantage over competitors by hindering them from engaging in a certain activity by way of temporary injunction. But in particular in trademark disputes it may be difficult for the court to take clear view whether or not the marks in dispute create confusion without a deep analysis of fact and law.¹⁷ Hence, the issue can be decided by considering convenience and the uncompensatable damage to each party. On the other hand, in patent and copyright cases even when it is clear that the claim is strong in terms of both fact and law, courts in England do not normally grant injunction for such rights are quantifiable in terms of license fee and can be compensated. Nevertheless, Netherlands's courts grant interlocutory injunction in so far as they form an opinion that there is an infringement even though it's clear that the patentee can be compensated later on. This is for industrial property rights and copyrights are considered to be monopoly rights and qualified monopoly rights respectively.¹⁸ Of course, injunction is normally granted so as to prevent gross or irreparable damage from occurring to the right holder. And if the damage is of such a nature that it can be compensated financially latter on, there is no room for the argument that it is irreparable. But on the other hand, it can be argued that allowing the infringement activity be continued in such cases is like transforming the proprietary nature of the right in to right of damage. Furthermore, the need to discourage infringements of intellectual property rights might call the awarding of interim injunction even in cases of patent or copyright infringements.

However varieties of interlocutory remedies exist in different legal systems. For instance, in Netherlands courts can in addition award recall order, rectification order, the order to pay advance payment on damages and the order to provide information. Meanwhile, in the case of HBS

¹⁶ Ibid. P. 512.

¹⁷ Ibid.

¹⁸ Ibid. P.513.

Danestyle¹⁹ the Supreme Court of Netherlands ordered that the applicant needs to establish an urgent cause so as to get such ancillary remedies. Therefore in a case where only compensation is claimed it would be difficult for the plaintiffs to claim payment be made in the preliminary stage unless they prove to have an urgent cause. For example being in a state of insolvency might prove urgency. Otherwise if the plaintiffs cannot prove what they are going to lose/suffer if the amount is not paid immediately, they cannot claim payment be made in advance.

Finally, it has to be noted that Article 50(6) of the TRIPS agreement requires that the remedies granted during interlocutory stage be provisional only. Hence the successful applicant should be required to institute the main suit (claim) within a certain period. Otherwise the temporary measure (injunction) should lapse. Under Norwegian legal system for example, when injunction is granted, the alleged infringer (defendant) can demand the court to stipulate the period within which the plaintiff has to institute the normal proceeding.

2.2 Anton Piler Order (A Special Kind of Provisional Remedy in England)

In England a special case law has developed to enable in particular intellectual property right holders require the infringer allow them search his/her premises and seize document or good needed as evidence for a suit to be instituted or already brought. In addition to permitting the search, the defendant is required to inform the lawyer (solicitor) of the plaintiff the whereabouts of the items listed in the order or give if under his/her possession. Though, the plaintiff cannot forcefully search the premises of the defendant, failing to comply with an order granted properly may result in liability for contempt of court and adverse inferences being drawn during the trial of the main proceeding.²⁰

But to be endowed with such remedy the plaintiffs must first of all, demonstrate that they have a prima facie case against the defendants. And this cannot be fulfilled unless they establish a cause of action against the defendants. This cannot in turn be fulfilled if at least their claim is found not to have a legal ground. Since the application is entertained ex-parte, the plaintiffs are required at least to produce sufficient evidence as to the infringement of their rights. For instance, if the right in question is patent or trademark, demonstrating some of the evidences which prove the infringement together with the certificates of registration is at least

¹⁹ HR 14 April 2000, NJ 2000, 489, Informatierecht (AMI), 134).

²⁰ Michael Wabwile, Journal of Business Law, 2000 *ANTON PILLER ORDERS REVISITED*, Copyright (c) 2000 Sweet & Maxwell Limited and Contributors

necessary. Secondly, the plaintiffs must enter into an obligation and produce enough security to make good the damage in case it's found out later on that the order ought not be granted. They must also undertake not to inform anyone other than their lawyers about the proceedings. This is done to protect the privacy or other confidential information related to the business of the defendant. Thirdly, the order must be executed by observing the guarantees, which protect the defendant's rights. Hence, the plaintiffs or their solicitors are required to inform the respondents their right to consult a solicitor before executing the order, show them the items listed in the order, keep the items and documents seized safely etc. Also the application requesting such order must contain all the necessary and accurate information about the infringement activity and the materials to be seized. It cannot be an excuse to argue that the plaintiff failed to include important information believing that it is not relevant. If the order is executed without meeting such criteria or if especially it is found out that the order would not have been granted, the court can repeal the order together with requiring the plaintiffs make good the damage. In addition the plaintiffs or their solicitors are required to submit a report as to the execution of the order to the court.²¹

However, though such a remedy is very helpful in preserving evidence and prohibiting the infringers from removing the infringed items and their estates, it needs precaution for its consequences can be hardly reversible once wrongly made. If for example a respondent's business premise is searched, the employees might be embarrassed and their performance affected. Its financial sources or creditors and depending up on the business its customers might lose their trust or interest. Moreover, it's impossible to reverse the unnecessary interference made against the privacy of the defendant (respondent). But in England affidavits, which withhold or misrepresent facts knowingly or unknowingly were found to have contributed for the unnecessary grant of the order.²² The ex-parte nature of the proceeding was found also to have enabled solicitors frame their petition convincingly and win the sympathy of judges.²³ Therefore, it seems a legal system has to establish a mechanism to control the remedy from being manipulated by claimants who do not have a prima facie case. On this regard, Michael Wabwile recommends that establishing a permanent panel of Piller amices curiae counsel (committee of neutral professionals), which help the court by investigating the truth and soundness of the application, and proposing a recommendation, will have an effective screening effect.²⁴ On the other hand it has to be noted that this remedy might interfere with the right to privacy or not to self incriminate of an individual. Such issues are discussed below in the section dealing with human rights and enforcement of intellectual property rights.

²¹ See also Ibid.

²² Ibid.

²³ Ibid.

²⁴ Ibid.

2.3 Protection Granted by Civil Litigations

2.3.1 Major Types of Civil Remedies Available to Intellectual Property Right Holders

Before discussing about which type of remedy best fits each intellectual property rights, it's better to go through the major types of civil protections. In general, a victim of intellectual property rights infringement is awarded a remedy either through the ordinary civil law theory of damage, royalty, receiving the profit made by the infringement (account for profit), injunction, declaration of judgement or a combination of either of them. Each of the remedies has it's own objective. Damage is awarded primarily to replace the loss suffered by the right holder. On the other hand, awarding royalty found its justification in the theory of unjust enrichment. In other words, it is aimed at prohibiting the infringer benefiting from the unlawful act of exploiting another's property with out the necessary authorization. The idea behind delivering the profit made by an infringement to the right holder is basically to prevent the infringing activity from being intensified through the profits made. If it's truly and accurately found it can have an effect of deterring piracy or counterfeiting. Injunction is rather the most effective mechanism in preventing or deterring an infringement activity. And its main objective is "prevention of eminent injustice"²⁵. However, such a remedy does not exist in most civil law jurisdictions. For example, neither Chinese nor Mexican law have such a mechanism. A judgement or decision (declaration of judgement) can also be made without going into the amount of compensation.²⁶ The main objective of this remedy or practice is to help either of the parties continue or refrain from engaging in a certain activity.²⁷

However it does not mean that each of the remedies perfectly meets its objective. To start with the remedy of awarding damage under the ordinary civil law, first of all, the infringer is only liable for the loss caused by the infringement activity. And, it is difficult to prove this causal link,

²⁵ Titia E. Deurvorst Entertainment Law Review,2001 **REMEDIES FOR INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS IN THE NETHERLANDS**,. 2001 Sweet and Maxwell Limited and Contributors.

²⁶ Keshia B. Haskins, *Fordham Intellectual Property Journal*, 1999, *Special 301 in China and Mexico, A policy which fails to consider how politics economics and culture affects legal change under civil law systems of developing countries*.

²⁷ See also *Entertainment Law Review*,2001.

though it may vary among legal systems.²⁸ The other shortcoming of such a remedy is that in many situations and legal systems it can only be achieved at the end of the proceeding not during an interlocutory stage. As we saw above (3.1), though a plaintiff can claim an advance payment of the compensation during an interlocutory stage in Netherlands, this is subject to urgency test. Meaning, the right holder has to show that a gross damage such as insolvency would occur to him if the money is not paid in advance. Similarly, it is a hard task to find out part of the profit of the infringer derived as a result of the infringement in cases where the infringer is ordered to surrender the profit made as a result of an infringement. Though awarding a royalty and giving a declaration as to the existence of infringement have relatively little or no obstacle, they are not enough by themselves to stop the infringement activity. Injunction on the other hand is an effective remedy to stop the infringement, though it has nothing to do in compensating what has been lost as a result of the infringement. All we can observe is that, under the present state of intellectual property rights law, intellectual property right holders have great challenges in getting a compensation for whatever they lost from an infringement and hence, in deterring other infringements. They have relatively fewer obstacles in requiring an infringer to stop those particular infringement activities or to refund the payment escaped by not asking authorization (licence).

2.3.2 The Remedies Vs the Rights

To start with copyrights many legal systems compensate its infringement by applying the normal civil law concept of damage assessment. Under this theory damage is assessed by deducting the monetary value of the person whose right was infringed from the hypothetical state of his or her property had the infringement not occurred. This includes both the actual damage (*damnum emergens*) and lost profits (*lucrum cessans*). The problem with this system is that it is very difficult to demonstrate the causal link between the infringement and the damage resulted to the right holder. For one thing no damage might have resulted at all to the right holder where he/she was not ready to license the right and the infringement has not practically interfered with the market. Even in cases where the infringer's products might have competed with the products of the right holder other market factors might rather have affected the income of the right holder. Therefore such system seems to fit well only where the right holder was willing to license the right and the infringer used the right with out receiving the license.²⁹ Under this framework many rights would not get protection from various infringements.

²⁸ In Netherlands for example, courts would presume the causal link to have proven if evidences are produced as to market link. See also *ibid*.

²⁹ See Paul Goldstein, *Supra* note 10, P. 256.

However there are some methods developed in some legal systems so as to deal with this situation. The first one is the license analogy. The justification of this theory is borrowed from the rules of unjust enrichment. It states that the infringer should not be better off than a lawful competitor or misappropriate the value of the license and argue that it was of no value to the right holder.³⁰ And under this theory the damage is assessed by determining how reasonable parties would have determined the royalty had they entered into a license agreement. The problem with this approach is that it has no deterrent effect than granting the infringer a license (compulsory license). Here it has to be noted that the court can grant similar remedy to the right holder by basing itself on the theory of unjust enrichment.

The other method of compensating is handing over of the infringers' profit. The theoretical justification states that the right holder would have been enriched to the extent of the profit made by the infringer had the infringement not occurred. Of course, the justification is weak in the sense that the right holder might not have profited to that extent even had the infringement not occurred, due to several reasons. Theoretically this remedy seems to have a real deterrent effect for whatever the infringer made is to be expropriated. But in practice it may be difficult to differentiate what part of the profit goes to the infringement activity. In addition, courts may not allow the documents of the infringer to be seen by any one other than a certified public accountant so as to prevent the disclosure of the trade secrets of the infringer to potential competitors. And this minimises the right holders' ability to find out the exact profit. Also normally courts follow the full cost principle of profit determination and since this allows the general expense to be deducted it gives the infringer the opportunity to exaggerate his/her expense.³¹

Regarding patents though TRIPS agreement states some minimum standards of remedies it allows states to adopt their own methodology. Therefore the available remedies are expected to vary from a member state to another. This can affect the treaty's objective of harmonizing intellectual property protection.³² Similarly damage can be computed by assessing the reasonable royalty or by other methods. For example in Japan patentees can in addition be granted their lost profits if they can prove their profit from each product, the number of infringing products and their capacity to make the lost sales.³³

³⁰ Ibid. P.257.

³¹ Ibid. P. 258.

³² Ibid. P.378.

³³ Ibid.

Trademarks and trade names are better protected by border measures for they relieve the right holder from tracing the whereabouts of the goods and litigating with the distributors.³⁴

Trade secrets on the other hand are better protected by injunctions than damages. This is for there are certain competitive advantages, which the right holder loses but which cannot be compensated by damages. These include control over the development and the marketing of the new technology, use of the idea in other fields, appear first to the market, and get reputation for innovation together with customer loyalty.³⁵ In the US, for example, it has been legislated that the right holder can claim injunction. Thus the claimant is no more required to prove on each case that damages are not adequate remedy for him/her. The court can terminate the injunction if it loses its secret status because of intentional or inadvertent disclosure. If the order is not respected the court can hold the defendant liable for contempt especially in common law traditions.³⁶

Even then damages can be used as an additional remedy to injunction for misappropriation of trade secrets. In the US damage is awarded only for the period before the injunction is granted so as to avoid double reward. However the courts can award twice the actual damage as a punishment.

Besides damages and injunctions, it is possible to learn from other remedies available in some legal systems. If circumstances fit well courts in the US may issue conditional injunction, which allows use of the trade secret by paying a reasonable royalty. On the other hand, courts in Japan can in addition order the defendant make a public apology so as to restore the good will of the complainant.³⁷ Though not a remedy as such requiring an employee to undertake not to establish or work in a competitive enterprise or disclose trade secrets might have a preventive effect. In general such agreements cannot be made contrary to public policy, law or moral of a certain legal system. In the case of *Yugen Kaisha Forsecoco Japan, Ltd. V Okuno* though the employee argued that the agreement was void for it was not geographically limited, restricted his right to work in his profession and didn't allow him compensation for the limited period the court rejected it on the ground that the agreement was to stay only for a limited period (2

³⁴ Ibid. P 519.

³⁵ Ibid, Reference to Holly Emrick Svetz, 26 *George Washington Journal of International Law and Economics, Japan's New Trade Secret Law: We Asked for It- Now What Have We Got?* P. 535.

³⁶ Ibid. PP 535-536.

³⁷ Ibid. P. 539. Note that public apology has a great role or effect in Japanese legal system and society.

years).³⁸ Criminal law can also help to deter misappropriation of trade secrets. But the problem is that punishing only the accused who misappropriated without joining those who use or buy the information is not effective.³⁹

Nevertheless the right holder risks the valuable information being disclosed when demanding remedies from court. To overcome such problem courts in the US grant protective orders during discovery, conduct trial in camera or order the records of the proceedings be sealed. However such protections are not granted as of right. For instance the party who wants the trial be conducted in camera may be required to demonstrate what competitive advantage he/she will lose if protective orders are not given. Resolving disputes through negotiation, reconciliation and arbitration is also another way of securing valuable information from being disclosed. In various legal systems it is legitimate to enter into contract to resolve disputes through arbitration. Though reconciliation is an agreement entered between parties it is a binding and executable form of dispute resolution.⁴⁰

2.3.3 Problems in Accounting for Profit

As pointed out above accounting for profit (delivering the profit made by an infringement to the right holder) is one mode of granting protection to intellectual property rights. However it is not widely used. For one thing it is not clear if the defendant can claim the part of the profit which has rather to do with his own effort or has no direct contact with the infringement act be deducted.⁴¹ Even then, as mentioned above it is difficult to differentiate the part of the profit, which was directly caused by the infringement act. Moreover, since the access of the plaintiff to the account of the defendant is limited his/her role in the assessment is restricted. Case law in the UK shows that whether or not this remedy is available only in cases where injunction is granted is not clear. Neither is it settled whether the plaintiff can claim damages and accounts for profits at the same time.⁴² Therefore right holders tend to claim damages instead of demanding the profits derived through the infringement of their property.

³⁸ Ibid. Citing Teruo Doi, *The Intellectual Property Law of Japan*. PP 91-92. Judgement of Oct. 23, 1970 (Yugen Kaisha Forseco Japan, Ltd v. Okuno), [Nara] Chisai [District Court], 624 HANJI 78 (Japan).

³⁹ Ibid. P.540.

⁴⁰ Ibid. PP 537-539.

⁴¹ Supra note 6. P. 515.

⁴² Ibid.

Regarding whether account for profits of the defendant be made where an injunction is not granted it is normally difficult to think of requiring the defendant to return the benefit made unfairly while on the other hand allowing him/her to continue doing the same activity. However some cases from England demonstrate that there exist exceptions. Such remedy can be granted with out an injunction where circumstances occur which bar the court from ordering such remedy though the case naturally deserve injunction be ordered. Such can be the case for example when the right expires. The same holds true where the protected information is already exposed to the public to such an extent that injunction is unnecessary. Also in cases where the infringement affects only a minor element of the right it may not be fair to order injunction. Instead the profit derived from the infringement can proportionally be restituted. In other words though injunction will not be ordered account for profit can be made so as to bar only part of the profit derived from the infringement.⁴³

The other difficulty associated with account for profits is that it is difficult to assess the exact amount of money, which the right holder deserves. This requires discovering the profit made through a particular activity in general and assessing how much of it is caused by the infringement. In general, costs incurred to come up with a product are deducted, and it's only the net profit, which is taken into account for compensation. However question arises, whether or not only part of the cost, which is properly and necessarily incurred by the defendant, should be deducted. Also question may arise if the infringer can be required to pay potential profits. To illustrate can the infringer be required to pay the difference if he/she could have maximized the profit by searching for a better market or by selling at a higher price? The practice of courts shows that in intellectual property cases the defendants are required to account only for the profit they actually made.⁴⁴ It's also unclear whether unrealised profit can be included as part of the profit. Normally since injunction together with delivery of the unsold goods is ordered, account for profit is made only for the products sold prior to injunction. However problem arises when delivery of the goods cannot be ordered. This happens for example when the good in question is a real property. As Millet J. pointed out in the case of *Patton v Yorkclose* a realisation is unnecessary in such cases as the profit was made when the houses were built, which are capable of being valued.⁴⁵ However as Lionel Bently has pointed out this approach can have a problem where the infringer can in fact make no profit.⁴⁶

⁴³ Ibid. PP. 519-520.

⁴⁴ Ibid. P.524.

⁴⁵ Ibid. Referring to *Potton v Yorkclose* [1990] FSR 11 at 18.

⁴⁶ Ibid.

2.3.4 Rules of Evidence, Procedure and Assessment Applicable in Determining and Computing Damages for Patent Infringement

As pointed out above determining the existence and intensity of damages is a difficult task. For one thing before damages is computed it has to be proved that the damage occurred as a result of the infringement activity. In other words, the theory of damages requires the existence of cause and effect relation be proved between the infringement act and the suffered loss. Here, different legal systems have different answers as to who (right holder or defendant) has the burden of proving such a relation. Also circumstances or presumptions, which are taken into consideration in proving or disproving the existence of the relation, vary among systems. Even if the infringement is proved to have caused some damage ascertaining the exact amount is a big task too.

On this regard studying the contrast between the law and practice of Japan before 1998 with that of America might help. We concentrate on the law before 1998 for the law revision commission of Japan has made some changes in response to criticisms by patent holders. Also since there has been wide difference between the two systems it helps to analyse the merits and demerits of each.

To establish a cause and effect relation both the pre 1998 Japanese law and the US law require a but for and foreseeability test. Meaning it has to be established that had it not been for the infringing act of the defendant the loss would not have been occurred. Besides, it has to be shown that the defendant was in such a situation as to foresee the result of his act. Therefore both systems follow the adequate cause theory in establishing such a relation.

Even if such a relation is proved to exist courts in Japan (before the 1998 revision) used not to resort to damages as a form of compensation in cases where a patent right had not been exploited. Instead the patentee would be granted reasonable royalty.⁴⁷ Whereas in the United States courts assess damages for loss even in cases where the patent right has not been exploited for awarding only reasonable royalty can otherwise encourage others infringe the right and escape the process of negotiation to get license.⁴⁸ It is also possible to argue that awarding reasonable royalty in place of damages indirectly amounts to compulsory license.

⁴⁷ For example see *Hankou Kousan K.K. v Monoreru Kougyou K.K.* . 1078 HANREI JIHO 117 (Osaka Chiho Saibansho 1983). Cited by Toshiko Takenaka, HD. 2 Wash. U. J.L. & Pol'y 309, PATENT INFRINGEMENT DAMAAGES IN JAPAN AND THE UNITED STATES: WILL INCREASED PATENT INFRINGEMENT DAMAGE AWARDS REVIVE THE JAPANESE ECONOMY?

⁴⁸ [King Instruments Corp. v. Luciano Perego](#), 737 F. Supp. 1227 (D. Mass. 1990). Loc. cit note 47.

Also, the pre 1998 Japanese law lays a stringent burden of prove on the right holder to establish both the existence and amount of damage. The Civil Procedure Code requires the plaintiff to prove the existence of the fact through evidences, which remove any doubt.⁴⁹ Although Article 105 of the pre 1999 version of the Civil Procedure Code of Japan allows plaintiffs require the defendant produce documents in his/her hands, it does not give protection to secret information such as business secrets. Hence, courts were forced to accept, for example, the existence of secret proprietary information as a ground to relieve the defendant from producing the documents.⁵⁰ And this further creates a difficulty for the plaintiff to prove the existence of damage. In the United States of America, on the other hand, the right holder is solely required to prove that a probable cause and effect relation exists between the act and the loss. For example, the plaintiff may not be expected to bring evidence to the extent of convincing that the customers of the infringing product might not have bought another alternative (competing) product.⁵¹ Moreover the rules of procedure enables the patentees require the defendant documents necessary for the assessment of the loss. In addition, as the procedural law has a mechanism to protect proprietary or secret of information, there is no ground for the defendant to refuse such a request. Therefore, in contrast to the pre 1998 Japanese procedural law, patent holders in America can easily prove the loss they suffered as a result of an infringement act.⁵²

Besides imposing a higher burden of prove, the pre 1998 Japanese law does not lay what circumstances might prove the existence of cause and effect relation between the act and the infringement. In contrast the courts rather developed case law as to which factors negate the existence of such a relation. Among these include 1) a difference between the infringing goods and the patented ones; 2) Where the good attracted market irrespective of the patented part. 3) Where the infringing products were less expensive than that of the patented ones. 4) Where an alternative product is available in the market. If either of them is proved courts held the infringement not to have caused the damage.⁵³ Here it has to be noted that under the practice before 1998, significant number of patentees in Japan tend to claim the profit of the infringer (account for profits) instead of damages. In such cases the patentee

⁴⁹ Ibid.

⁵⁰ Ibid

⁵¹ [King Instruments Corp. v. Otari Corp., 767 F.2d 853 \(Fed. Cir. 1985\)](#), appeal after remand, [814 F.2d 1560 \(Fed. Cir. 1987\)](#). Loc. Cit.

⁵² *ibid.*

⁵³ *Ibid.*

is not required to prove the existence of cause and effect relation between the act of infringement and the loss for the law presumes that the profit made by the infringement represents the loss suffered by the patentee.

Whereas in the United States such negating factors are rarely accepted. Even when accepted they do not disprove the existence of cause and effect relation than reducing the amount of loss and there by compensation. For example, in the case of *King Instruments Corp. v. Perego*, though the infringing machine used a double-reel loader, was structurally and functionally different and more advanced than the patentee's machine that used single-reel loader, the district court found that the infringement has caused a loss to the protected right.⁵⁴ A related issue is how to assess the amount of damage when the patent covers only part of the product. As elaborated above, the patentee can get protection in the pre 1998 Japanese law only if the patented part has contributed to the attraction of market. However even in such cases the patentee is required to show the apportionment between the patented and the non-patented part. If failed the patentee would not get the lost profit. Nonetheless, courts in the United States do not follow this practice and shift the burden of proof. Hence it is sufficient now for the patentees to show that the value of the entire product depends on the patented part and they will get the lost profit for the entire product.⁵⁵ This relieves them from searching about the defendant's profit.

In addition courts in the United States have rather developed list of circumstances, which, if proved, establish a cause and effect relation between the infringement and the loss. These circumstances are referred to as "Pandaui test" named after the case, which developed them. These four factors are: (1) an existence of demand for the patented products; (2) a presence of patentee's capacity to have met that demand (3) non-existence of legitimate (non-infringing) alternatives; and (4) the amount of profits the patentee would have made.⁵⁶ The existence of demand can easily be proved by showing that the infringed products too had demand. Of course, if the patented product has no market share at all, the patentee cannot obviously have a profit to lose. Also, unlike Japanese law the patentee is not required to prove strictly his/her capacity to exploit the invention. It is sufficient to show that the patentee could sub contract the increased portion of manufacture and hire new sales persons to sell that portion. Similarly if the patentee was not in a position at all to exploit the invention, then he/she has no way to claim that profit could not be made due to the infringement. The difficult thing may be to prove that there were no alternatives (3rd element). However courts in the U.S. have rather eased the burden of prove. This is so

⁵⁴ See supra note 48.

⁵⁵ Supra note 47, Toshiko Takenaka.

⁵⁶ [Pandaui Corp. v. Stahlin Bros. Fibreworks, Inc., 575 F.2d 1152 \(6th Cir. 1977\)](#). loc. cit.

for the circuit court requires that the alternative product have the same function and feature. And, normally it is very difficult to find a non-infringing product fulfilling the same function and having the same feature. Thus the patentee can easily prove the third element by pin pointing the difference between the alleged alternative product and the patented one. On the other hand if the defendant succeeded in proving the existence of alternative products a doubt would be created that the infringement has rather affected the other products than the patented ones. Even in such cases courts in the United States do not conclude that there is no cause and effect relation between the infringement and the loss at all. They would rather use their discretion and calculate the loss based on market share.⁵⁷ Regarding the fourth criterion, it is of course only when there exists an amount of profit, which the patentee could have made that we can talk of a loss let alone cause and effect relationship. And before the courts in the United States all the patentee need to establish is, his/her net profit from each product and the number of infringing products sold by the defendant. Thus the net profit multiplied by the sold infringing products will constitute the profit, which the patentee could have made. But in the pre 1998 law of Japan the patentee is instead required to prove the net profit of the infringer than that of his/her. But it is clear that it is difficult for the patentee to prove or gather evidence as to the net profit of the infringer.⁵⁸

As stated above Japanese practice has been changed since the Patent Office inserted a new provision in its patent law. The provision reads;

“Where a patentee or exclusive licensee claims a recovery of damages to a person who negligently or willfully infringes patent right or exclusive license, provided that said person has assigned products which constitute infringement to a third party, said patentee or exclusive licensee, the patentee may claim to recover damages equal to the amount of the profits per unit of goods that would have been sold but for the infringement multiplied by the number of said assigned goods (hereinafter, "the number of assignment") as long as the amount does not extend to the ability to exploit the patented invention of said patentee or exclusive licensee. However, *347 where circumstances indicate that said patentee or exclusive licensee would have been unable to sell all or some of said assigned goods, courts should deduct the unsold number from the number of assignment.”⁵⁹

From this provision its possible to understand that compared with the American “Panduit” this provision requires only two circumstances to be fulfilled so as to claim damages. Only the lost profit and the patentee’s capacity to produce and supply need to be proved. Of course it is unclear how the patentee has to prove his/her capacity to produce and sell the

⁵⁷ [Radio Steel & Mfg. Co. v. MTD Products, Inc., 788 F.2d 1554 \(Fed. Cir. 1986\)](#). Loc cit.

⁵⁸ See also, Ibid.

⁵⁹ Tokkyo Ho [Patent Law], Law No. 51 of 1988, art 102, para.1 Cited and translated by Toshiko Takenaka, note 47.

product. Though its also doubtful whether or not the presumption can be rebutted the legislative intent published by a JPO official indicates that the aim of such provision is to create a positive test for claiming lost profits and remove the heavy burden of prove to establish causation.⁶⁰ Hence, it is difficult to argue that once the two factors are established the defendant cannot rebut the existence of the causation by demonstrating other facts. Therefore the negating factors developed by the court namely; a difference between the infringing goods and the patented ones, an attraction of market irrespective of the patented part of a product, the cheapness of the infringing products and the availability of alternative products though can at least reduce the amount of loss to be compensated.⁶¹

It is clear that such a procedural change would result in an increase in the number and amount of reimbursements made to infringements. And this would result in strong patent rights protections. It will also have its own implications. But question arises if such a scheme is economically advantageous and whether states have an international obligation to provide such a strong protection to patent right holders.

3.3.5 Economic Implication of Rules of Procedure and Evidence Applicable in Determining and Assessing Damages for Patent Infringements

In the previous sub-section we have studied two contrary approaches of conducting patent related damages claims. It can be noticed that though a number of legal systems grant patentees a substantive right of claiming compensation for a loss, the amount and circumstances under which the right can be granted vary depending upon evidentiary and procedural rules.

As stated in the previous sub topic, the pre 1998 Japanese Statutes and case laws require the patentee to have exploited his/her product so as to claim compensation for loss. The patentee is also expected to establish the

⁶⁰ Ibid.

⁶¹ See also, Ibid. Case law of Japan indicates that the courts are coming towards awarding a high amount of compensation for damages even as compared to the United States. See also *SmithKline & Beecham French Laboratories Ltd. v. Fujimoto Seiyaku*, 1653 HANREI JIHO 54 (Tokyo Chiho Saibansho 1999). An English summary of this judgement was reported in 5-3 CASRIP NEWSL. 7 (1998). Cited by Toshiko Takenaka, note 47.

loss suffered due to the infringement meeting a higher standard of proof. To prove such fact the patentee needs to show the profit derived by the infringer from each infringing product. Besides the patentee is required to prove that the customers of the infringing goods would have taken the patented products. To make matters worse the patentee's request to access the infringer's documents can easily be refused on the ground that they contain secret information. This is so for the Japanese Civil Procedure Code had no mechanism to protect secret information. Moreover the patentee could not benefit from presumptions, which prove the cause and the loss quite easily. On the contrary there were presumptions, which if proved, not reduce the amount but totally negate the claim for compensation. Its clear that under such a scheme of law significant number of patent right holders, who genuinely suffered a loss as a result of an infringement will not be able to get damages.

In contrast United States and post 1998 laws and practice of Japan lay positive circumstances, which if proved would create a presumption that the loss of the patentee is caused by the infringement of the defendant. The patentee does not undergo into the trouble of producing evidence about the profits made by the infringer from each infringing product. It is enough to show rather his/her profit from each product and the number of sold infringing goods. Neither has the patentee the burden of proving that the customers of the infringing goods would have bought the patented goods. Also establishing the negating circumstances can no more relieve the infringer from liability than reduce the amount of damages to be paid. Especially if the defendant wants to prove the availability of alternative products (substitutes), the court has to be satisfied that they are similar with the patented product as to share the market. However, in the case of *SmithKline & Beecham French Laboratories Ltd. v. Fujimoto Seiyaku*⁶² the Tokyo District Court went to the extent of focusing only on the similarity and ignored the market when it rejected the defendant's defense of substitute products. The court stated that ranitidine and famotidine couldn't be a substitute for cimetidine for they are not the same structurally and have different pharmaceutical effect. The court didn't reconsider if the products could likely attract the market of the patented goods. In such circumstance it is difficult to award the patentee for all of the sold infringing products for at least some of the clients of the infringing products could have bought the other products even though structurally different. Though this might show the determination of Japanese courts to deter infringement activities it might end up in over compensation. The defendant would have succeeded in

⁶² Ibid.

reducing the amount of compensation if the matter was brought before the United States Circuit Court as the “but for” test is not met.⁶³

Though it is a matter left for the states to choose the best mechanism of enforcement for themselves it is clear that adjective laws should not hinder patentees from making a benefit out of the remedies guaranteed by substantive law. But beyond that determining the amount of damages a legal system grants under different circumstances requires reconsidering different economic goals too.

To begin with the disadvantages of over protection, beyond deterring infringement it might end up in discouraging creativities made around the invention. And this will contradict the legislator’s aim of growing creativities by disclosing inventions. Also as witnessed from American experience overcompensating patentees might cause innocent infringers go bankrupt thereby increasing unemployment.⁶⁴ In particular, if compensation for loss is granted for unexploited patent, patentees would in some cases prefer not to input their inventions in their products. And this would contradict the legislator’s aim of advancing technology through exploiting inventions. In addition, the increase in the cost of litigation of patents would have its influence on the cost of patented products as a whole.⁶⁵

In so far as we agree with the common principle that patent contributes to technological development by encouraging inventiveness and allowing free flow of information, then the economic advantage of compensating losses effectively is not arguable. Besides, a proceeding, which disfavors the defendant as to award the patentee more than what he/she deserves, might also have an economic advantage. First of all it will increase the value of patents protected by that particular legal system. For example delays in enforcement and small amount of damages has once led American companies to consider Japanese patents as having lower value.⁶⁶

⁶³ See also [Yamanouchi Pharm. Co. v. Danbury Pharmacal, Inc., 21 F. Supp.2d 366 \(S.D.N.Y. 1998\)](#). Cited by Toshiko Takenaka, note 47.

⁶⁴ [Rite-Hite, 56 F.3d at 1562-63](#) (Nies, J., dissenting). Cited by Toshiko Takenaka, note 47.

⁶⁵ Supra note 47.

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⁶⁶ Daigaku Tou Gijutsu Iten Sokushin Ho [Law for Promoting Technology Transfer from Universities], Law No. 52 of 1998; Sangyou Kassei Saisei Tokubetu Sochiho [Special Provisions for Recovery of Active Industry: Japanese Bayh Dole Act], Law No. 131 of 1999. Cited by Toshiko Takenaka, note 47.

And augmentation of value will make it easier for new undertakings “start up companies” to raise money through stock market and licensing. Also it is possible to argue that it will encourage companies and other institutions fund different research and invention related activities.⁶⁷

In general it is very difficult to choose between having procedural and evidence rules which grant effective damages to the extent of risking over compensation and those which do not. However there is no doubt that it will be self defeating if the proceeding highly bars on the other hand patentees from getting damages for loss.

⁶⁷ See also Ibid.

3 Criminal and Administrative Remedies

3.1 Criminal Remedies

3.1.1 The Interrelation Between Criminal Law and Intellectual Property as a Whole

Intellectual property rights are first of all property rights. And most of them are categorized as incorporeal properties in contrast to corporeal properties. Intellectual property rights law share some characteristics of property law in the sense that they are concerned with protecting the integrity and exclusivity of property as an indicator of value.⁶⁸ As traditional property law aims at maximizing the wealth of a nation by securing exclusive right over property, intellectual property rights law aim at securing free flow of information and developing innovative and creative activities.⁶⁹

However, criminal law basically aims at correcting and preventing unwanted behaviors of offenders in addition to deterring others. By deterring others we mean giving a lesson to others through punishing a convicted person. On the other hand, specific deterrence (prevention) means decreasing a convicted persons chance of repeating the criminal act through punishment.⁷⁰

Therefore when we think of protecting intellectual property rights through criminal law we have to keep in mind the major purposes and goals of punishment. Unlike civil law it cannot give protection against any kind of infringement of the rights. In other words criminal law may not respond simply because an act of infringement has been committed but by taking in to consideration the mental disposition of the actor too.

⁶⁸ Jason M. Schultz, *Taking a Bite out of Circumvention: Analyzing 17 U.S.C. § 1201 as a Criminal Law*, 6 *Mich. Telecomm.* Tech. L. Rev. 1 (2000) available at <<http://www.mttl.org/volsix/schultz.html>>

⁶⁹ Ibid.

⁷⁰ Ibid.

3.1.2 Protecting Patent Rights with Criminal Law

The practice and laws of states show that all of them do not necessarily protect patents through criminal law. However countries like China, Japan and Korea are among the few who give criminal protection to the right. The offence can either be punishable with fine, imprisonment, hard labour or a combination of either of them. In Japan for example, it is punishable up to 5 years of hard labour or v500, 000.⁷¹ Criminal law may also offer other remedies such as confiscation of unlawful products and instrument used in production and suspension from engaging in a certain activity.

Here the question arises if it is advantageous or not to give criminal protection for patent rights in addition to civil one. In so far as patent infringement is an act, which the law wants to deter, and at least some of the perpetrators of the act have ill motive, it is arguable why some countries including the United States do not criminalize the act so as to deter it and correct and rehabilitate the doers.

If we look in to the practice of the United States, case law developed by the Federal Circuit Court, on the other hand differentiates between willful and other kinds of infringements.⁷² If the infringement is found out to have been willful the court can award a punitive damage of up to three times the actual one.⁷³ The act will be considered as willful if the doer was aware that another's patent right was being infringed. On the other hand, relevant laws in countries like Germany and UK show that courts have discretion rather to decrease the damage to be awarded in cases where the infringer is found out to be innocent. Nevertheless, in both situations the mental state of the infringer is taken in to account. But under Japanese and German legal system the act is punishable criminally too.⁷⁴

One disadvantage, witnessed in the United States, of trying to deter willful (deliberate) infringement civilly is that as the award is great amount

⁷¹ Patent Law, Law No. 121 of 1959, amended by Law No. 30 of 1990, art. 105 (Japan) translated in World Intellectual Property Org., 33 Industrial Property Laws and Treaties, WIPO Pub. No. 609(E) (June 1994). Cited by William C. Revelos **George Washington Journal of International Law and Economics** 1995 Note *503 **PATENT ENFORCEMENT DIFFICULTIES IN JAPAN: ARE THERE ANY SATISFACTORY SOLUTIONS FOR THE UNITED STATES?**

⁷² Paul M. Janicke. **Texas Intellectual Property Law Journal** 279 Spring 2000 Symposium: Intellectual Property Litigation in the 21st Century **DO WE REALLY NEED SO MANY MENTAL AND EMOTIONAL STATES IN UNITED STATES PATENT LAW?** See also [Paper *Converting Mach. Co. v. Magna-Graphics Corp.*, 745 F.2d 11, 20, 223 U.S.P.O. \(BNA\) 591, 606 \(Fed. Cir. 1984\)](#). (Cited by the author).

⁷³ See [35 U.S.C. § 284 \(1994\)](#) Cited by Paul M. Janicke, *Ibid.*

⁷⁴ *Ibid.*

in a significant number of cases the mental state of the infringer will be an issue. Besides being an extra burden for the court it will further increase the length and cost of civil litigations. In addition, it is argued that infringers with adequate fund can easily defend themselves with the help of counsels for there are many subjective areas in patent law that the infringement can resemble to be a lawful act even for a legal professional. Hence arguing that the defendant committed the infringement based on a professional's advice can prove good faith or absence of willfulness. Thus, it is argued that such a system rather hurts only infringers with less resource. Further, the state has resources to afford and may better prove the mental status of the infringer through criminal proceedings.⁷⁵

Meanwhile, awarding rather only punitive damages against willful infringers has it's own advantages. It is argued that, though the action is a civil one, the burden of proving the willfulness is very high and the measure taken is not as harsh as a penal sanction. The argument goes to assert that though criminal law may protect patentees, it may at the same time discourage competitiveness for it will make everyone engaged in the field over cautious.⁷⁶

To reach a solution, the issue might have to be reconsidered from the perspective of economic, political, social and cultural point of view. On this respect the Canadian Reports have suggested that in order to make a certain conduct an offence its harmfulness to individuals or society and the unavailability of adequate means of control must be ensured.⁷⁷ But it may require deep research to take a stand on the issue or to suggest common factors, which states should consider in deciding whether or not to grant criminal protection for patent rights. However, it can at least be concluded that in particular willful infringements of patent rights need to be highly discouraged. Especially, it can be asserted that acts which are committed with certainty that another's patent right is being infringed, normally show the harmful disposition of the doers besides affecting the economic interest of the right holders and the society as a whole. Hence, all patent laws should somehow distinctively deal with infringements committed with such a behavior.

⁷⁵ Ibid.

⁷⁶ Ibid.

⁷⁷ Allison Coleman, *European Intellectual Property Review, TRADE SECRETS AND THE CRIMINAL LAW* 1988 Sweet & Maxwell Limited and Contributors.

3.1.3 The Criminal Liability of Contributory Infringers

Before treating the question whether contributory infringers of a patent right are liable, it is important to briefly elaborate the concept of contributory infringement. First of all a patent is said to be directly infringed, in contrast to contributory infringement, when the protected right as specified in the claim is exploited without the authorization of the right holder. Though the scope may vary from legal system to system, when however, the components of the patented goods are instead produced by third persons without authorization, their act is considered to be contributory infringement.

One issue that is raised in relation with contributory infringement is whether the act can be constituted irrespective of direct infringement. In other words, it is arguable if the so-called “contributory infringers” can be held civilly and criminally liable in cases where the main patented product is not produced.

In the case of *Samsung Electronics, Inc. V. Sung-Kyu Cho*,⁷⁸ one of the grounds of the suit was that the respondent had made a contributory infringement by producing cartages which were essential to make use of the plaintiffs patented laser printer. The Supreme Court of the Republic of Korea concluded that though the cartages are replaceable parts of the patented invention, the act is considered as a contributory infringement for they are considered as articles used for producing the patented products. The court reasoned out that as the patented product requires the frequent replacement of the cartages, they are not used for any other purpose, their replacement is foreseeable during the purchase of the printer and they are an essential part of the patented invention, they can be considered as articles used for producing the patented invention. And hence, the respondent’s act of manufacturing can be considered as contributory infringement.⁷⁹ But in this case the court did not raise if the respondent’s product’s have been used to produce infringing products.

On the other hand, Section 271(b) of the US Patent Act provides that a person who actively induces another to infringe a patent is jointly liable with a direct infringer.⁸⁰ Though many countries do not require the active inducement of the contributory infringer, the patentee has to establish the

⁷⁸ Supreme Court Case No. 96 Ma 365 (Nov. 27, 1996). Cited by Sang-Jo Jong, *infra* note 79).

⁷⁹ Sang-Jo Jong, *Washington University Journal of Law and Policy*, Patent Law and Policy Symposium Reengineering Patent Law: *The Challenge of New Technologies Part III: International and Comparative Law Issues CONTRIBUTORY PATENT INFRINGEMENT IN KOREA* 2000. Not also that the writer has criticized the approach of the court for not meeting the purpose of the law.

⁸⁰ [35 U.S.C. § 271\(b\) cites by](#) Sang-Jo Jong, *Supra* note 79.

direct infringement or the substantial possibility of direct infringement by another person. In addition, most of these countries require the contributory infringer know the use of the components for infringement of the patent.⁸¹ Hence, we can observe that unless the components produced by a certain person are used to infringe a patent, he/she cannot be held civilly liable for contributory infringement under the laws of many countries. It has to be noted that even the decision of Korean Republic Supreme Court has been criticized for being contrary to the intent of the legislator.⁸² The primary objective of having such a law is to give effective protection to patent rights by discouraging those activities, which assist direct infringements of patent. Moreover, if patentees are given the right of bringing an action without there being the use of the components for infringement purposes, their exclusive right will extend to each parcel beyond the product as a whole. This will rather give them a monopoly right over the non-patented and probably obvious parts or components of their product contrary to patent law's purpose of protecting only novel inventions.⁸³ Hence, if we conclude that contributory infringers are civilly liable only if their products are used to infringe the patent, then question arises as to their criminal liability.

Nevertheless, in a criminal case the Supreme Court of Korea Republic decided that as contributory infringement requires the direct infringement of the product and does not stand by itself, the accused couldn't be convicted for infringing patent.⁸⁴ Also, Sang-Jo Jong further argues that contributory infringement is not a separate patent infringement. It is just a provision, which creates effectiveness of patent protection by prohibiting preliminary acts, which assist or create possibility of infringement. Hence, the author concludes that contributory infringement does not necessarily come with in the Korean Criminal Provision punishing patent infringement.⁸⁵

However the author mentioned above does not rise if there is a possibility that the contributory infringers be held criminally liable for patent infringement. Though the author of this thesis is not familiar with Korean law certain comments can be made from the perspective of criminal law as a whole. Similarly under criminal law there is a concept of accomplice. Besides the main perpetrator/s of the criminal act a person who knowingly and intentionally assists the commission of a criminal act can be held liable for the main offence. This strikingly corresponds with the concept of contributory infringement in the sense that the contributory infringer is required to have knowledge that the product is used at least for

⁸¹ See also, Supra note 79. Recent statutes require that the knowledge be not necessarily as to the infringement but as to the exploitation of the patent.

⁸² See Ibid.

⁸³ See Ibid.

⁸⁴ Supreme Court Case No. 92 Do 3350 (Feb. 23, 1993). Cf. Seoul District Court Case No. 90 Gahab 12107 (Oct. 22, 1993. Cited by Sang-Jo Jong, supra note 79.

⁸⁵ Supra note 79.

the exploitation of the patented product if not for the infringement.

Therefore, in a legal system where the concept of accomplice is recognized, the contributory infringer too hardly escapes criminal liability for patent infringement in particular in cases where he/she had the knowledge that the components were used for infringement purposes. Hence, though the mere act of producing the component of a patented product creates neither criminal liability for patent infringement nor civil responsibility for contributory infringement too, such would be the case in situations where it is committed knowing that an infringement activity is being assisted.

3.2 Administrative Remedies

3.2.1 Hearing of Opposition to Registration

One of the administrative enforcement mechanisms available in most states is that of hearing of opposition against registration of intellectual property rights such as patents, trade marks, trade names etc. And the opposition petition is normally filed to the organ responsible for registering the rights. Such complaint can either be filed prior or after registration. The remedy to be acquired through such complaint can either be refusal of registration or cancellation from registry depending up on the time of the application. In other words the mechanism enables lawful right holders (in our case patentees) protect their rights from being unlawfully granted to another person.⁸⁶

The procedure followed by such administrative bodies can allow a formal petition for opposition to be lodged before patent is granted. Though such system minimizes the possibility of patent being granted wrongly, it can delay some true inventors from taking an action against infringements, which are going on. But in some countries such as the United States any interested person can only inform the registering authority the defects behind a granted patent only. For instance, he/she can indicate a prior art, which should have been looked during the investigation stage. However, such third party cannot become a party to the administrative proceedings.⁸⁷

On the other hand, the right registration process normally invites opposing persons for the application to get be it a patent or trademark etc. is publicized before registration. Thus, this in a way helps patentees or their right holders to keep an eye in possible infringements for all they need to do is scrutinize such publications. Patentees and companies must look not only for applications which may overlap with their patents but for those which try to acquire exclusive right over ideas which are obvious. Otherwise they

⁸⁶ Intellectual Property Reading Material, WIPO 1998, second ed. PP 200.

⁸⁷ Ibid.

will be barred from benefiting from the obvious ideas and may be wiped out from competition.⁸⁸

However, it has to be noted that some countries like France do not allow opposition before administrative organs at all. This is for no substantive examination is taken during registration due to lack of experts.⁸⁹ In such situations the matter has to be brought before courts. Provided that the right holders are aware of their rights and have easy (not very costly) access to the courts and the cases are handled expeditiously, such contestation of rights may also be handled by courts. But it cannot be denied at the same time that in so far as the administrative organs have the necessary expertise they can be in a better position to reconsider if patentability criteria are met. Unlike courts, which require the case to be brought by only a person who has a vested interest, administrative organs can also respond to petitions of any concerned person so as to protect individual right holders and the society as a whole from unlawful monopolization of ideas.

3.2.2 Enforcing Patent Rights Using Administrative Agencies

Administrative organs can have various forms of enforcement roles depending up on the legal system on which they operate. For instance China is typical for broadly empowering administrative organs to enforce and adjudicate intellectual rights. This is for the government is structured to fit socialist economy and hence, each administrative organ is given full power in it's sector to the extent of enforcing laws.⁹⁰ Thus, a patent enforcement action can be brought against an infringement to the Technical Supervision Bureau (if the infringing products involve a quality issue)⁹¹ or the Patent Administration Office⁹². It is rarely that right holders bring a civil action to courts or a criminal action through the Public Security Bureau (PSB) or the principal police organization.

However, it is argued that civil action offers the parties a wide opportunity of choosing the kind and amount of remedy they want. Also it gives the plaintiff the opportunity to settle the matter with the defendant. But, in particular under the Chinese system once an administrative action is started it may not be possible for the complainant to withdraw for it is a

⁸⁸ Ibid.

⁸⁹ Ibid.

⁹⁰ Daniel C. K. Chow, *A Primer on Foreign Investment Enterprises and Protection of Intellectual Property in China*, 2002 Kluwer Law International, P. 206.

⁹¹ See Protection of the Rights and Interests of Consumers Law of the People's Republic of China, Art.34 (promulgated on Oct. 31,1993, and effective as of Jan. 1, 1994). Cited by, Daniel C. K. Chow, Ibid.

⁹² See PRC Patent Law, Art. 60; PRC Patent Law Implementing Regulations, Art. 77. Cited by Daniel C. K. Chow, Ibid.

public concern too. In addition, the procedure of civil action is advantageous for it allows a plaintiff join a number of claims against a defendant or same defendants too. Or it may allow joining of different actions against different persons acting in different capacity, such as producer, distributor and retailer. And some of the claims may be brought under copyrights, trade secret or laws, which are unrelated to intellectual property rights such as contract of employment. Besides blurring of power might occur as in the example given in the previous paragraph.⁹³

But it cannot be denied that administrative action has an advantage of expeditiousness for the agency does not need to follow rigid procedures. Also, the administrative agency is usually staffed with experts who are normally acquainted with the technicalities. And the fact that parties cannot reconcile once an administrative action is started, might be peculiar to China. Rather, it is possible to remedy the situation by allowing the parties withdraw the litigation through conciliation. Thus, it may require deep investigation and is difficult to come to the conclusion that administrative agencies are necessarily ineffective to enforce actions brought against infringements. However, what can be observed from Chinese system is that in such systems precautions should be taken so as to avoid overlapping of authority. And it might be recommendable to have an administrative tribunal having a power to hear claims based on different intellectual properties.

⁹³ Daniel C. K. Chow, *supra* note 86, pp. 206-208.

4 Minimum Remedies and Enforcement Procedures Guaranteed Under International Law

4.1 International Protection of Patent Rights

Though patent rights is protected by a number of international and regional treaties this thesis gives emphasis to TRIPS agreement for it is the most relevant document as it is the only international treaty so far which regulates the domestic enforcement of intellectual property rights. Besides it is considered as the most comprehensive instrument for it addresses the major types of intellectual property rights and uses the dispute settlement mechanism of the WTO (World Trade Organization) in addition to having domestically applicable remedies and enforcement procedures. And also, the agreement incorporates substantive provisions of WIPO Conventions, the Paris Convention and Berne Convention, in their most recent versions in addition to setting its own standard.⁹⁴ In this respect the agreement is known as Berne and Paris plus agreement.⁹⁵ Also, it is expected that the obligations it lays will get universal acceptance for a state has to be bound by all the agreements of WTO including TRIPS in order to be a member and benefit from the market access the organization provides.⁹⁶ Moreover unlike regional treaties such as NAFTA it is not confined to one region and has members from both developed and developing countries.

Some of the salient features of substantive rights granted to patent holders under TRIPS agreement include the broadening of the subject matter protected by patent right as to necessarily cover any technological invention of product or process nature other than plants and animals and biological process for the production of them.⁹⁷ Also, diagnostic, therapeutic and surgical methods for the treatment of humans and animals may be excluded from patentability by member states.⁹⁸ However, the same Article 27(3)(b) of the agreement obliges states to introduce a sui generis method of plant variety protection in such cases.

⁹⁴ See **Agreement on Trade-Related Aspects of Intellectual property rights, Including Trade in Counterfeit Goods** (TRIPS) (A Portion of the Agreement Amending the General Agreement on Tariffs and Trade and Creating the World Trade Organization, Signed by the Members of GATT, April 15, 1994 at Marrakesh, Morocco.) Articles 2(1) and 9(1).

⁹⁵ J.H. Reichman, Vanderbilt Journal of Transnational Law, May 1996, *Nature and Scope of the Agreement COMPLIANCE WITH TRIPS: THE EMERGING WORLD VIEW.*

⁹⁶ Ibid.

⁹⁷ Supra note 90, Art. 27(1) &3(b).

⁹⁸ Id, Art. 27(3)(a).

Regarding the right conferred, Sub Article 1(b) of 28 of TRIPS extends the protection given to processes to products made by them.⁹⁹ Though, Article 31 of the agreement allows free use by government or other third party of the subject matter of the invention without the authorization of the patentee, it is subject to fifteen conditions listed under the article.¹⁰⁰ In particular unsuccessful effort must have been made to obtain authorization from the right holder on reasonable commercial terms and conditions.¹⁰¹

4.2 Enforcement Procedures Under TRIPS

The cardinal principles of the enforcement procedures of TRIPS agreement are provided under article 41 of TRIPS agreement.¹⁰² Sub Article 1 of Article 41 provides that the enforcement provisions of the agreement as a whole should be applied so as to permit an effective action be taken against any act of infringement.¹⁰³ Whereas Sub Article 2 states that the procedures should be fair and equitable. It further elaborates that they should not be costly, time taking or complicated.¹⁰⁴ Also Sub Article 3 further provides that the decisions on the merits should be reasoned, based on evidences on which the parties had the opportunity to be heard and written.¹⁰⁵ Sub Article 4 further adds that the judiciary shall review these decisions if they are final administrative decisions. And if they are handled by a court on a first instance basis the legal aspect should at least be reviewed.¹⁰⁶ However, states are not under an obligation to place a special judicial system for the enforcement of intellectual property rights as stated under Sub Article 5.¹⁰⁷

Regarding equitability Article 42 states that state parties have to make available civil judicial procedure concerning the enforcement of intellectual property rights. It also guarantees the right of the parties to be represented by counsel together with the defendant's right of a written announcement of the claim.¹⁰⁸ In the same way Article 43(1) of the agreement guarantees a party's right to access evidence, which is available in the possession of the opposite party. But the party is required to have substantial evidence, which prove his/her case. However, at the same time it

⁹⁹ Id. Art. 28(1)(b).

¹⁰⁰ Supra note 91.

¹⁰¹ Supra note 90, Art. 31(b).

¹⁰² J.H. Reichman, *Virginia Journal of International Law*, Comment *335

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¹⁰³ See supra note 90, Art. 41 (1).

¹⁰⁴ Id. Art. 41(2).

¹⁰⁵ Id. Art. 41(3).

¹⁰⁶ Id. Art. 41(4).

¹⁰⁷ Id. Art. 41(5).

¹⁰⁸ Id. Art. 42.

requires courts to have regard to confidentiality of the evidences.¹⁰⁹ In addition Sub-Article 2 sanctions it by allowing states to empower their courts to make a determination against a party who creates impediments to proceedings.

On the other hand, the agreement tries to give effective protection for the rights by providing under Article 44 that injunction shall in principle be applicable to any kind of infringement. In addition, Article 45(1) dictates that the right holder shall have the right to get adequate compensation for the injury suffered together with expenses made for litigation.¹¹⁰ Sub Article 2 further extends it by allowing states authorize judicial authorities order recovery of the infringer's profit irrespective of the infringer's knowledge when committing the act. Besides effectively protecting the interest of the wronged right holder it tries to deter further infringement activities by requiring the authorization of courts to order the infringing goods be destroyed or disposed of outside the channels of commerce. It also permits the authorization of courts to require the infringer inform the where about of third persons involved in the distribution or production of the infringing goods.¹¹¹

Provisional measures provided under Article 50 grant also effective protection either by stopping further infringement or preserving evidence.¹¹² Especially if irreparable damage is likely to occur to the right holder due to the continuation of the alleged infringement activity, courts have to take provisional measures. But this criterion might not work for patent infringements for they can usually be made good by payment of compensation for loss. Similarly if there is a likelihood that evidences be destroyed by the defendant courts have to apply provisional measures too.¹¹³ But all these are subject to the availability of sufficient evidence that the applicant is the right holder and an infringement of such right is at least imminent. The judicial authorities should also be granted the authority to require the applicant to post a security for the damage, which may occur to the defendant as a result of such measure.¹¹⁴ Hence, in case it is found out that there was no infringement or the provisional measures fail due to the act or omission of the applicant himself/herself the applicant shall make good the damage occurred to the defendant as a result of these measures.

The agreement gives protection in particular to trade marks and copyrights by providing the use of boarder measures against counterfeited trademark or pirated copyright goods. Hence, Article 51 of the agreement obliges states to provide a procedure for such right holders to apply to the authorities to suspend the release in to circulation of the counterfeited or pirated goods by the custom authorities. It also gives states the discretion to

¹⁰⁹ Id. Art.43(1).

¹¹⁰ On the contrary see also Article 48 of the same agreement for it provides that a party who wrongfully brought an action should pay damage to the other one.

¹¹¹ Supra note 90 Art. 45(2).

¹¹² Id. Art. 50(1) (a) and (b).

¹¹³ Id. Art. 50 (2).

¹¹⁴ Id. Art. 50(3).

apply such procedure to products of infringements of other intellectual property rights such as patent rights. Subject to judicial review the authorities are granted the power to order the disposition or the destruction of the infringing goods.¹¹⁵ If boarder measures are really enforced they could help as "a safety net in the event that enforcement at the source has not taken place."¹¹⁶ J.H. Reichman has further elaborated the purpose and implementaton of boarder measures as follows;

“They could become the most promising feature of the TRIPS enforcement exercise, provided that states implement them in a genuinely non discriminatory fashion and do not erect disguised barriers to trade. For these controls to remain effective, however, all the participating states must enforce border controls vigilantly, without allowing any weak links to appear in the chain, and this requires both developed and developing countries to curb powerful vested interests.”¹¹⁷

However the applicant is required to have a sufficient prima facie evidence showing the occurrence of infringement. In addition, the application must sufficiently describe the goods in such a way as to make them easily recognizable by custom authorities.¹¹⁸ The authority may in turn require the applicant to post a security before ordering the suspension of the release.¹¹⁹ In addition, such suspension may lapse if within 10 working days the applicant does not bring an action on the merit or the duly empowered authority does not grant a provisional measure prolonging the suspension.¹²⁰ Moreover, the agreement further limits the right of the applicant by requiring that the owner or importer be indemnified if damage occurs due to a wrongful detention of the goods.¹²¹ Though article 57 orders member states to allow the right holder inspect the goods detained by customs authorities so as to substantiate the main claim the same protection is granted to the importer or the owner.¹²² Therefore, the section on boarder measures demonstrates that the agreement tries to achieve both effectiveness and equitability by providing boarder measures against copyright piracy and trademark counterfeiting on the one hand, and by protecting importers and owners from unfounded claims or negligent litigations on the other hand.

Furthermore, the aim of granting effective protection is reflected in Article 61 of the agreement, which obliges states to criminalize wilful copyright piracy and trademark counterfeiting, conducted on a commercial scale.¹²³ The remedies should include imprisonment and/or fines sufficient

¹¹⁵ Id, Art.59. Regarding counterfeit trade mark goods it further dictates that the authorities shall not allow the reexportation of them in an altered state except in exceptional circumstances.

¹¹⁶ [Adrian Otten & Hannu Wager, Compliance with TRIPS: The Emerging World View, 29 Vand. J. Transnat'l L. 391, 407-09 \(1996\)](#). Cited by J.H. Reichman, supra note 98.

¹¹⁷ Supra note 98.

¹¹⁸ Supra note 90, Art. 52.

¹¹⁹ Id. Art. 53(1).

¹²⁰ Id. Art. 53(2).

¹²¹ Id. Art. 56.

¹²² Id. Art. 57.

¹²³ Id. Art. 61.

to deter the act and consistent with penalties applied for crimes of a corresponding gravity. However states have the right to apply criminal procedures and penalties to a similar infringement of other intellectual property rights. Therefore, though it is not obligatory countries have the discretion to apply criminal law against patent infringements.

There are other provisions of TRIPS agreement, which help to enforce the rights or implement the enforcement procedures of the agreement. Article 62 (2) of the agreement provides that if the acquisition of the right is subject to the right being granted or registered, members shall ensure that the procedures enable the granting or registration be accomplished within a reasonable period so as to avoid unwarranted curtailment of the period of protection.¹²⁴ This enables, for example, a patentee to benefit from the period of protection (20 years) in as much as possible.¹²⁵ It also helps the right holder to take an early action in case an infringement has already occurred before a right is granted. Also, Article 63(1) of the agreement obliges states to publish final judicial decisions and administrative decisions of general applications as well as laws and regulations pertaining to the subject matter of the agreement in such a way as to enable governments or right holders become acquainted with them.¹²⁶ Besides enabling right holders know about their rights it helps TRIPS Council monitor the implementation of the agreement.¹²⁷ Further more Article 69 of the agreement states that member states have to cooperate against infringing goods by establishing contact points in their administration and exchanging information on trade in infringing goods.¹²⁸ Finally, the dispute settlement provision of the agreement reinforces both the substantive and procedural (including the enforcement procedures) part of it.¹²⁹

4.3 Implementation Mechanisms of Trips Agreement

TRIPS agreement has about four major mechanisms to secure its application over the territories of member states.¹³⁰ It tries to create a domestic mechanism for individual right holders to complain. In other words, by requiring the authorities of member states to apply the minimum

¹²⁴ Id. Art. 62(2).

¹²⁵ Id. Art. 33. It dictates that the period of protection for patent rights shall not end before the expiration of 20 years counted from the date of filing.

¹²⁶ Id. Art. 63 (1).

¹²⁷ See also Id, Art. 63(2).

¹²⁸ Id. Art. 69.

¹²⁹ Id. Art. 64. See also J.H. Reichman, *supra* note 98

¹³⁰ Gail E. Evans., **International Trade Law & Regulation, ISSUES OF LEGITIMACY AND THE RESOLUTION OF INTELLECTUAL PROPERTY DISPUTES IN THE SUPERCOURT OF THE WORLD TRADE ORGANISATION** Copyright (c) 1998 Sweet & Maxwell Limited and Contributors.

enforcement procedures and remedies in an action before courts or other authorities, it arranges a system for individuals to enforce their rights. Also when it is not possible to deter the infringement from the source border measures can be taken by member states before the goods are imported. The authorities, which enforce such measure, are the other domestic enforcement mechanisms envisaged by the treaty. Thirdly, the monitoring role of the Council provided under Articles 68 and 63(2) of the agreement helps enforce the agreement. Since the agreement requires the state members to comply with the minimum standards of protection, the council will in that respect monitor if the states' law and practice comply with the standard. This encourages and drives states towards implementing all the rights guaranteed by the agreement including the enforcement procedures and remedies too. Lastly, the dispute settlement mechanism of the agreement will enable states to take legal and diplomatic action against a member state, which fails to enforce the rights guaranteed by the agreement. The matter will be heard by the dispute settlement mechanism of WTO.

Here, it should be noted that though all the four mechanisms help in enforcing the agreement as a whole, they might not help at all individual right holders seek relief for infringement of their intellectual property rights. To begin with the monitoring role of the Council though it helps secure the application of the agreement as a whole, it doesn't provide a forum for individuals to complain about violation or infringement of rights. In other words it is not an enforcement mechanism as such from the perspective of individuals. Similarly, though the dispute settlement mechanism provided under WTO can indirectly enforce intellectual property rights of individuals through the complaint brought by their nation state, the agreement does not allow them a standing. Other than securing and monitoring the implementation of the agreement it is not a mechanism to apply the enforcement procedures meant to be followed by the domestic mechanisms such as courts and administrative tribunals. Therefore, it is beyond the scope of this thesis to deal with questions such as how such system should function, what approach the judges should follow or promote etc, though it can have a final say in entertaining the claims of individuals.

Also though individuals can benefit from the remedies and enforcement procedures of intellectual property rights provided by the agreement, it is not clear if it includes those who want to enforce a substantive right which is beyond than what is recognized by the agreement. On this regard, Article 41(1) of the agreement provides that the enforcement procedures specified in the agreement must be available against any act of infringement of intellectual property rights covered by the agreement.¹³¹ In this regard it is not clear whether the term "intellectual property rights" only refers to the intellectual properties themselves such as patents or copyrights or to the substantive rights conferred to the owners too. If we follow the former line of argument, then we will come to the conclusion that the procedures can be effected even when an infringement is made against a

¹³¹ Supra note 90, Art 41(1).

patent, for example, granted for an invention which is not included by the scope of the agreement. To illustrate, patentees of inventions such as plants or animals are to demand the enforcements procedures guaranteed by TRIPS be strictly observed while enforcing their rights. This will lead us to the conclusion that TRIPS requires the application of the enforcement procedures not only to enforce substantive rights recognized by it but by domestic laws too. If we argue that the enforcement procedures are limited to the minimum substantive rights recognized by the agreement then right holders claiming to enforce a right not covered by the agreement will not benefit from the agreement. Though the writer of this thesis was mostly confined to electronic materials while writing this text, he couldn't come across arguments written about such issue. But it is apparent that if states are obliged to apply the enforcement procedures of the agreement even for rights they extend beyond the minimum standards of the agreement, they might be discouraged from granting more rights than what the agreement guarantees. It seems logical to ask how the agreement can enforce the domestic laws of states beyond enforcing itself into the domestic laws of states. Though it may be a matter to be resolved by scholars and the dispute settlement system of WTO the writer of this thesis is of the opinion that the enforcement procedures are not relevant to enforce every intellectual property rights of member states but only those which are covered by the agreement.

4.4 Implementation of the Enforcement Procedures of TRIPS Agreement.

Though TRIPS agreement is the only international intellectual property rights treaty, which prescribes certain standards and procedures of enforcement to be applied domestically, it doesn't mean that intellectual property rights get equal protection in all member states. For one thing most of the provisions are minimum standards. Concerning this, Article 1(1) of the agreement states that members may implement more extensive protections than what is provided in the agreement in so far as it does not contravene what is provided in the agreement.¹³² Thus, it is clearly visible that some member states may apply more protection to intellectual property rights among other members. Also the agreement in nowhere mentions about achieving uniform protection of intellectual property rights or harmonization as its goal. Rather, the preamble of the agreement clearly indicates that the objective of the agreement is to reduce distortions and impediments to international trades by granting adequate and effective protection to intellectual property rights, which are not at the same time trade barriers themselves. Also the enforcement provisions of TRIPS agreement are drafted in ambiguous and general terms. In addition, Article 41(5) of the agreement clearly states that the agreement does not affect the capacity of member states to enforce their law. Neither does it affect the

¹³² Id. Art. 1(1).

distribution of resources to enforce intellectual property rights or other laws in general.¹³³ Thus it prohibits right holders from complaining about judicial or administrative inefficiencies resulting primarily from lack of resources in poor countries.¹³⁴ Such administrative or judicial inefficiencies would practically result in having different degree of protection even among members.

It is likely that such uncertainties and generally framed provisions may create controversies either among right holders and defendants or state parties themselves. The council (TRIPS Council) can use its monetary¹³⁵ or dispute settlement power¹³⁶ so as to reconcile such controversies. And reconciling the controversies and developing jurisprudence as to the interpretation of the generally framed enforcement provisions is not that simple as there are conflicting interests between the small scale entrepreneurs of developing countries and the large scale ones of developed ones.¹³⁷ The council has to take in to consideration the developing countries' interest of promoting public interest out of free competition. J. H. Reichman has further elaborated the intermediary role to be played by the council in the following words.

“...The Council should bear in mind, however, that the high substantive standards of the TRIPS Agreement reflect the views of the developed countries' most powerful industrial circles, and not those of most entrepreneurs in the developing countries, who will have to endure them with little consensus or commitment. If the Council for TRIPS allows itself to become primarily an instrument for top-down pressures exerted by strong transnational corporations, it could augment a spirit of resentment and resistance simmering in those developing countries whose entrepreneurs must increasingly seek to defend the public interest in free competition in an integrated world market.”¹³⁸

Of course, it cannot be denied, on the other hand that the application of the agreement in good faith on the part of both developed and developing countries plays a great role too.¹³⁹

¹³³ Id. Art. 41(5).

¹³⁴ J.H. Reichman, Virginia Journal of International Law, Winter 1997 Comment *335 ENFORCING THE ENFORCEMENT PROCEDURES OF THE TRIPS AGREEMENT

¹³⁵ See Id. Art. 68 and 63(2).

¹³⁶ See Id. Art. 64.

¹³⁷ See also J.H. Reichman, cited at note 98.

¹³⁸ Ibid. See the same article for further elaboration on how the Council should fulfil its task of settling disputes and monitoring. But this thesis does not go in to detail on how the Council should work for it merely focuses on how states should enforce intellectual property rights.

¹³⁹ On this respect the Vienna Convention on the Law of Treaties obliges state parties under Article 26 to perform treaties in good faith (*Pacta sunt servanda*). VIENNA CONVENTION ON THE LAW OF TREATIES, SIGNED AT VIENNA 23 May 1969, ENTRY INTO FORCE: 27 January 1980. Available at; <http://www.un.org/law/ilc/texts/treaties.htm>

There are four factors which facilitate compliance with the agreement and hence enforcement of the rights too. First of all as stated above the principle of transparency provided under Article 63 (1) and (2) of the agreement requires states to notify their laws and regulations to TRIPS Council.¹⁴⁰ And this helps the council to monitor the observance of the agreement while at the same time encouraging states to meet their obligations. This process as a whole contributes to the reduction of disputes among member states. Secondly, the implementation of the enforcement procedures in domestic laws through the monitoring system in turn capacitates individuals (private parties) to enforce the rights domestically. And this will to use J.H. Reichman's words "relieve the pressure for "top down" administrative action at the international level."¹⁴¹ In other words states' compliance with the agreement and the private parties capacity to enforce their rights domestically will reduce tensions and disputes among member states. Thirdly, Otten and Wagner mention the technical assistance of developed countries for developing ones, which seek to reform their intellectual property rights as having a political significance. In this respect they recommend the council monitor the fulfilment of this duty by developed countries.¹⁴² Finally, cooperation with organs like WIPO helps in achieving smoother implementation of the agreement. Hence, it can be concluded that there is a possibility that the agreement be implemented smoothly. However, it has to be noted that some scholars are sceptical of the fact that there are conflicting attitudes, among states, towards intellectual property protections and relations.¹⁴³

4.5 Some Problems in Enforcing and Giving Protections to Intellectual Property Rights in Some Developing Countries.

Enforcement of be it patent rights or intellectual right has its own peculiar problems in developing countries. Strong intellectual property enforcement requires having efficient enforcement machinery besides incorporating the necessary law. This requires having trained personnel which can administer and enforce the rights. However, a number of developing countries tend to rely on police forces, which may have little regard for human rights in addition to lacking the necessary expertise.¹⁴⁴ For example, Vietnam's enforcement provisions rely mostly on administrative

¹⁴⁰ Supra note 90 Art. 63(1) and (2).

¹⁴¹ J.H. Reichman, *Vanderbilt Journal of Transnational Law*, Note 91.

¹⁴² [Adrian Otten & Hannu Wager, Compliance with TRIPS: The Emerging World View, 29 Vand. J. Transnat'l L. 391 \(1996\)](#) Cited by J.H. Reichman, *ibid*.

¹⁴³ *Ibid*.

¹⁴⁴ Michael W. Smith, *Case Western Reserve Journal of International Law*, Winter 1999 *BRINGING DEVELOPING COUNTRIES' INTELLECTUAL PROPERTY LAWS TO TRIPS STANDARDS: HURDLES AND PITFALLS FACING VIETNAM'S EFFORTS TO NORMALIZE AN INTELLECTUAL PROPERTY REGIME*.

and criminal channels. The laws of (TRIPS member) developing countries (including the enforcement procedures and remedies) have been identified too, as to require updating in line with the general obligation of TRIPS itself.¹⁴⁵

Nonetheless, it has to be noted that these measures by themselves may not effectively secure compliance with the agreement unless they are adopted to address local problems of developing countries too. Also, there is no doubt that attitudinal change in the developing countries as to the purpose of intellectual property rights is greatly essential. In this regard, Peter M. Gerhart has expressed the importance of peoples' perception as to the substantive validity of intellectual property rights in the following words;

... the substantive validity of TRIPS--whether it is justified instrumentally to improve global welfare (by improving incentives to invest in knowledge) or on some widely accepted rights basis--is likely to shape compliance with TRIPS. Belief that intellectual property is "Western," that its acceptance was coerced, or that its goal is to make the wealthy wealthier (without any societal benefit) is likely to erode compliance. Experience showing that intellectual property brings forth investment of interest to developing countries that would not otherwise be made, or that it enhances national accumulation of knowledge, will support TRIPS compliance by both states and private entities. And belief in the substantive validity of TRIPS will go a long way toward internalizing norms surrounding rights and property that allow intellectual property systems to rely on self-enforcement to bring about compliance.¹⁴⁶

The author mentioned above further elaborates the purpose of peoples' perception of the substantive validity of the law by citing an analogous situation advocated by proponents of compliance theory. That is in the United States when the speed limit was lowered from 65 miles per hour to 55 miles it acquired great obedience for it was felt necessary to conserve oil due to the increase of its cost. However, as the price went down the saving made by conserving the oil, could not out weigh the lost suffered as a result of the time spent due decreasing of speed. As a result, obedience decreased. All that can be observed is that in the developing world, simply updating the laws and improving the enforcement machineries of the state cannot effectively achieve enforcement of intellectual property rights. It has to be supported by attitudinal change, which requires creating awareness among both the authorities and different sectors of the society and adopting the laws as to fit local needs too.

¹⁴⁵ Ibid.

¹⁴⁶ Peter M. Gerhart, *Case Western Reserve Journal of International Law*, *357, **REFLECTIONS: BEYOND COMPLIANCE THEORY--TRIPS AS A SUBSTANTIVE ISSUE** Summer 2000 Symposium Special Introduction.

4.6 A General Overview of the Interrelation Between Human Rights and Intellectual Property Rights

As the thesis focuses on the enforcement aspect of intellectual property rights, it is advisable to limit ourselves in investigating the question whether enforcing intellectual property rights through effective procedures and remedies is welcomed by human rights. However, the answer we give to such question greatly matters on our view of the inter relation between human rights and intellectual property rights. If our view is that intellectual property rights are human rights, then we are in a way concluding that the effective enforcement of intellectual property rights is the business of human rights too. And that might give weight to the interest of enforcing intellectual property rights effectively. Otherwise if it is to be treated as simply an economic interest of individuals the main task would be to determine whether the effective enforcement of it might interfere with the fundamental right of individuals and if so whether or not it can be tolerated

The easiest way to check whether intellectual property rights is human rights is to reconsider the documents which are known as international bill of rights; namely: the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic Social and Cultural Rights. To start with the Universal Declaration of Human Rights Article 27 (1) states that everyone has "the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits."¹⁴⁷ Whereas Sub-Article 2 states "Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author."¹⁴⁸ This Article contains a conflict, which is familiar in the intellectual property rights law regime. That is the contradiction between protecting creators of information and ensuring the use and diffusion of information.¹⁴⁹ Furthermore, Article 17 (1) of the same declaration provides that everyone has the right to own a property. Whereas Sub Article 2 prohibits the arbitrary deprivation of such property.¹⁵⁰ Sub Article 2 implies that states can regulate property in so far as they respect the law.¹⁵¹

¹⁴⁷ The Universal Declaration of Human Rights. Adopted and proclaimed by General Assembly resolution 217 A (III) of 10 December 1948. Art 27(1). Available at; <http://www.un.org/Overview/rights.html>

¹⁴⁸ Id. Art. 27(2).

¹⁴⁹ Peter Drahos, *Intellectual Property Quarterly*, 1999, Case Comment, *INTELLECTUAL PROPERTY AND HUMAN RIGHTS*..

¹⁵⁰ Note 140, Arts. 17(1) &(2).

¹⁵¹ Note 142.

On the other hand, the International Covenant on Economic Social Cultural Rights (ICESCR) and the International Covenant on Civil and Political Rights (ICCPR) do not include the right to property. This is so, for the former Soviet block together with the newly independent African countries gave emphasis on the sovereignty of states over national wealth, the right of self-determination and freedom from national discrimination instead of the right to property. However, Article 15 (1) (a) and (b) of the same covenant recognizes the right of every one “to take part in cultural life” and “to enjoy the benefits of scientific progress and its applications”.¹⁵² Whereas, (c) of the same Sub-Article recognizes the protection of “moral and material interests resulting from any scientific, literary or artistic production” of which one is the author. Here also the right to benefit from a scientific, artistic or literary creation is recognized together with the right to access scientific progress. But the covenant does not explicitly indicate that the author should benefit through acquiring some kind of exclusive proprietary right over his or her creation. Hence this might invoke a question whether states will be considered violating the convention if they protect the material and moral interest of creators through other mechanism instead of granting intellectual property right. Though, the Universal Declaration of Human Rights is considered to be an international customary law by a number of scholars it is difficult to conclude that the right to own a property recognized there in is universally recognized as human rights in a situation where the Covenants, which are in contrast binding instruments deliberately left it out.

Regarding regional treaties the African Charter on Human and Peoples’ Rights (1981) (ACHPR), though guarantees the right to property it provides that it can be “encroached upon in the interest of public need or in the general interest of the community”.¹⁵³ In contrast to the ACHPR, the American Convention on Human Rights of 1969 in Article 21(2) orders the deprivation of property be upon payment of just compensation.¹⁵⁴ Also, Protocol No. 1 to the European Convention for the Protection of Human Rights and Fundamental Freedoms recognizes the peaceful enjoyment of everyone’s possession. But it is subject to the right of the state to control the use of it in accordance with the general interest.¹⁵⁵ Though all the above

¹⁵² International Covenant on Economic, Social and Cultural Rights, adopted and opened for signature, ratification and accession by General Assembly resolution 2200A (XXI) of 16 December 1966, entry into force 3 January 1976, in accordance with article 27 and Art. 15(1)(a)(b); herein after ICESCR. Available at http://www.unhchr.ch/html/menu3/b/a_ceschr.htm.

¹⁵³ The African [Banjul] Charter on Human and Peoples’ Rights, adopted June 27, 1981, OAU Doc. CAB/LEG/67/3 rev. 5, 21 I.L.M. 58 (1982), *entered into force* Oct. 21, 1986. Art. 14. Available at: <http://diplo.diplomacy.edu/africancharter/AC5.asp>.

¹⁵⁴ The American Convention on Human Rights (1969) Signed at the Inter-American Specialized Conference on Human Rights, San José, Costa Rica, 22 November 1969 Art. 21(2). Sub-Article 1 recognizes the right to use and enjoyment of property, which may be subordinate to the interest of society. Available at: <http://www.cidh.oas.org/Basicos/basic3.htm>

¹⁵⁵ Protocol No. 1 to the European Convention for the Protection of Human Rights and Fundamental Freedoms, Article 1.

regional human rights treaties recognize the fundamental nature of enjoyment of property the nature and the scope is not clear.

Similarly, if we reconsider international law as a whole it is a common practice for states to recognize the proprietary right of their and foreign citizens. Otherwise, it is difficult to conduct things like investment, international trade and travel at an international level. The problem is to what extent is the right considered to be fundamental though it may be universally accepted in some respects? To elaborate as proprietary rights can be categorized in to real, corporeal, incorporeal, movable, immovable etc to which of these right does the universal recognition apply? Are they recognized with equal emphasis? Are all of them fundamental? Does the right include acquiring property beyond prohibiting unlawful interference?¹⁵⁶

In arguing whether or not intellectual property rights are fundamental rights Henry G. Schermers asserts that fundamental rights are "human rights of such importance that their international protection includes the right, perhaps even the obligation, of international enforcement."¹⁵⁷ He concludes that except needs based personal property rights which are essential even to exercise other fundamental rights such as the right to life, the rest do not fall in to such category. Moreover, the fact that international law recognizes the sovereign rights of states to regulate property rights to adjust to the prevailing economic and social circumstances further weakens the argument that they are fundamental rights.¹⁵⁸ Though certain fundamental rights such as freedom of speech too, can be restricted to protect public moral, which in turn depend on behavioral trends, they cannot at least be regulated simply to achieve a certain policy. Thus it is very difficult to convince let alone intellectual but proprietary rights are human rights. In other words it is very difficult to argue that a creator has inherent and inviolable right to acquire and not to be interfered with his intellectual property rights.

However it does not mean that the view that intellectual property rights are not human rights, leads in to concluding that the two streams have no interrelation at all. Whether or not one favors the argument that intellectual property rights are fundamental human rights, it cannot be denied that they affect other human rights significantly. Although as mentioned in the previous paragraph proprietary rights need constant change so as to fit the prevailing social and economic circumstance, the exercises of

¹⁵⁶ Peter Drahos, *Intellectual Property Quarterly*, Case Comment, *INTELLECTUAL PROPERTY AND HUMAN RIGHTS*, *Intellectual Property Institute and Contributors*. Copyright (c) 1999

¹⁵⁷ Henry G. Schermers, "The International Protection of the Right of Property", in Franz Matscher and Herbert Petzold (eds), *Protecting Human Rights: The European Dimension* (Carl Heymanns Verlag KG, Koln, 1988), pp. 565- 580. Cited by Peter Drahos, *Intellectual Property Quarterly*, supra note 149.

¹⁵⁸ Peter Drahos, *Intellectual Property Quarterly*, supra note 149.

a number of inviolable human rights depend on them. Moreover, intellectual property rights which normally grant a right over certain information has an influence over the enjoyment of variety of rights.¹⁵⁹ These include the right to freedom of speech, education, and health etc. Also peoples' rights or solidarity rights (third generation rights), though their status as a human rights is controversial, they conflict with intellectual property rights in various respects. The right to development, for example, which was recognized in the 1986 declaration, recognizes peoples' right of determining their own path of development and sharing from the common heritage of mankind. On the one hand in so far as intellectual property rights contribute for the development of economy it may be argued that the two regimes are not contradictory. However, since information are also common heritage of mankind, the right to development demands for the existence of access to creations and inventions. Concerning cultural rights, in particular, Article 14 of the Universal Declaration of Peoples (1976) states "every people has the right to its artistic, cultural and historical wealth". But this does not exactly fit in to the present day intellectual property right regime, which is inspired by the western concept of property.

Claiming proprietary right over culture in its entirety is unknown to the prevailing concept of property. Peter Drahos has explained the problem as follows;

"The present international intellectual property regime ... is a western positive law regime that has been shaped by liberal political traditions. National intellectual property systems around the world link the origination of rights to individual persons and maximise the capacity of individual owners to trade in these rights. The sharp divisions, for example, that western lawyers draw between real and personal property rights do not resonate in indigenous cultures where the connections between land, knowledge and art form part of an organic whole. The practical outcome for indigenous groups is that many of their traditional informational resources fail to obtain protection. [FN571](#) Often this means that they can be freely appropriated."

Thus we can observe that although the fundamental rights of indigenous peoples, does not directly contradict, demands intellectual property rights to adjust itself as to give protection to the cultural assets of indigenous people from being freely appropriated.

All we can observe from the above discussion is that it is very difficult to convince that enforcement of intellectual property rights is part of enforcement of human rights. Furthermore, as intellectual property rights can impact a number of human rights, ways should be studied so as to limit the possible negative outcome. Also, both intellectual property rights and human rights lawyers should search so as to design a system to protect the cultural heritage and knowledge of in particular indigenous peoples. Unless a continuous work is done so as to revise intellectual property rights as to

¹⁵⁹ Ibid.

not hamper if not promote the protection of human rights, its enforcement cannot get a strong backing from the human rights community.

4.7 Some Human Rights Issues During the Enforcement of Patent Rights

As we have seen in the previous section (chapter 3) the remedies during the enforcement of intellectual property rights are categorized in to provisional and final. Among the remedies injunction be it temporary (provisional) or permanent is likely to interfere with an individual fundamental right of access to information (freedom of speech). Such right unlike the classical negative obligation of not to be interfered with while expressing ideas, includes “the freedom to seek, receive and impart information and ideas of all kinds.”¹⁶⁰ Thus, such interference appears in particular when injunction (be it temporary or permanent) is granted in favor of a copyright holder against journals or press in general. In such circumstances granting a temporary injunction against the alleged infringement necessarily interferes with the fundamental freedom of expression of the defendant. Thus in such situations question arises if the court has to apply stringent requirements than it normally demands so as to grant injunction. In England, for example, courts normally follow the American Cynamid test in deciding whether or not to grant interim injunction. The test establishes that a claimant has first of all, to show that there is a serious question to be tried or "a real prospect of succeeding in his claim to a permanent injunction at trial" so as to get a temporary injunction. Then the court would consider the balance of convenience so as to decide whether or not to grant interim injunction. However section 12 (3) of the Human Rights Act 1998 which came in to force on October 2, 2000 and made the European Convention on Human Rights (ECHR) directly enforceable through the national courts, provides that when a court is considering whether to grant any interim relief which might affect the defendant's freedom of expression under the Convention it must satisfy itself that the applicant is likely to establish at trial that the publication should not be allowed. The test provided by the act is stronger than that of the American Cynamid, for the claimant has to show that there is a likelihood of winning the case beyond a mere prospect of succeeding. However, such situation is unlikely to be raised in patent infringement cases for patent rights do not interfere with freedom of expression by prohibiting access to information. What patent rights may prohibit is the exploitation of the information (idea), which is not, an interest protected by freedom of

¹⁶⁰ See The International Covenant on Civil and Political Rights (ICCPR) Adopted and opened for signature, ratification and accession by General Assembly resolution 2200A (XXI) of 16 December 1966 entry into force 23 March 1976, in accordance with Article 49. Art. 19(2).

expression.¹⁶¹ But the mentioned human rights act shows us how the procedures meant to ensure the effectiveness of intellectual property rights can be limited so as to enforce human rights.

The other area where a lot of human rights issues are involved is a provisional remedy, which authorizes the patentee to search the premises suspected of containing evidences as to the infringement activity. As we have seen in Chapter 3 Anton Piller is a good example of such remedies developed in the United Kingdom. In this respect TRIPS agreement also requires states to authorize judicial authorities take prompt and effective provisional measures to deter an ongoing infringement or preserve evidence.¹⁶² Anton Piller type of remedy in addition include requiring the alleged infringer answer questions posed by the plaintiff or his/her council. Such measures interfere with fundamental right of privacy. In particular Anton Piller type of remedy may in addition interfere with the fundamental right of not to self incriminate.

Regarding the right of privacy Article 17(1) of the ICCPR prohibits ‘unlawful’ and ‘arbitrary’ interference with privacy and family.¹⁶³ Similarly, Article 8 (1) of the ECHR orders, “every one shall have respect for his private and family life, his home and correspondence.”¹⁶⁴ In addition, Sub-art. 2 of Article 8, provides that such right can be restricted by the law if it is necessary in a democratic society to protect the interests mentioned there. And among the interests protection of the rights and freedoms of others is mentioned. From Art.8 (2) of the ECHR we can understand that a state cannot search the premises of an individual simply to protect the interest of another individual. But there must be a law, which allows such search to be made, and the other right to be protected should in the circumstances necessitate the violation of the right of privacy. To determine this, the European Court of Human Rights applies the principle of proportionality. Using the test of proportionality the court balances the two interest, in our case protection of intellectual property rights with that of right of privacy. It also considers the circumstances and the facts. For example, factors which made the searching of premises urgent and necessary might be considered. Also the extent of the interference with the right of privacy is considered. The more serious the interference with the right the more important and compelling the interest to be protected should be.¹⁶⁵ However, concerning the ICCPR, one might wonder whether states can be held liable for violating the right of privacy of an individual in so far as they do it in accordance with a national law which authorizes them to do. But, it is argued that

¹⁶¹ Timothy Pinto, **European Intellectual Property Review**, *THE INFLUENCE OF THE EUROPEAN CONVENTION ON HUMAN RIGHTS ON INTELLECTUAL PROPERTY RIGHTS*, Copyright (c) 2002 Sweet and Maxwell Limited and Contributors

¹⁶² TRIPS Agreement Art. 50 (1) (a) & (b).

¹⁶³ ICCPR, supra 153, Art. 17(1).

¹⁶⁴ The European Convention for the Protection of Human Rights and Fundamental Freedoms, as amended by Protocol no 11 with Protocoles nos. 1, 4, 6 and 7, Art. 8(1). Available at: <http://www.echr.coe.int/Convention/Convention>

¹⁶⁵ Van Dijk and G.J.H. van Hoof, *Theory and Practice of the European Convention on Human Rights*, 3rd ed, 1998, Kluwer Law International, pp 537.

Article 17 of the ICCPR does not only prohibit unlawful but also arbitrary interference with the right of privacy. And state's act of interfering with the privacy of individuals can be considered arbitrary if it is unjust, unpredictable or unreasonable in spite of being lawful. To determine whether a state's act of violating privacy was or was not arbitrary Manfred Nowak explains;

“...it must especially be reviewed whether, in addition to conformity with national law, the specific act of enforcement had a purpose that seems legitimate on the basis of the covenant in its entirety, whether it was predictable in the sense of rule of law and, in particular, whether it was reasonable (proportional) in relation to the purpose to be achieved.”¹⁶⁶

The Committee on Human Right which is authorized to hear complaints regarding the violation of the ICCPR has also found a violation of right of privacy in the Mauritian Women case for a legislation placed foreign husbands of Mauritian women in a worse situation while protecting foreign wives of Mauritian men. Though it didn't use the word the Committee has held that the state party's interference against family to be arbitrary pursuant to Article 17.¹⁶⁷ Thus similarly it can be argued that regard must be given to the circumstances and the balance of the interest promoted to interfere with the right of privacy in accordance with Art. 17 of the ICCPR too.

Thus, it can be observed that domestic courts have to give due regard to the right of privacy (human rights) before granting an interim remedy which authorizes the patentee or other intellectual property rights holder search the premises of the defendant. Of course on this regard Sub-Article 3 of Article 50 of the TRIPS agreement requires state parties to authorize courts to demand the claimant establish with sufficient degree of certainty for being a right holder and that the right is being infringed or such infringement is imminent. Especially where the remedy sought by the applicant is searching of premises courts should apply a higher standard of proof. It seems courts should not grant such a remedy (that of searching premises) merely because the evidence is relevant as provided in Article 50 (1) of TRIPS Agreement. Though the wanted evidence is relevant, other sufficient evidence might have been collected or be available. Also circumstances like the kind of search to be made, the significance of the evidence, the extent of infringement made against the patent right or other intellectual property rights need to be reconsidered. Of course, if a state is a party (has commitment) to both TRIPS and either of the human rights treaties, question arises from the point of international law, which obligation among the two prevails.

¹⁶⁶ Manfred Nowak, *U.N. Covenant on Civil and Political Rights CCPR Commentary*, 1993, N. P. Engel, Publisher, pp. 292-293.

¹⁶⁷ No 35/1978, & 9.2(b)2(i)8, Cited by , Manfred Nowak, *U.N. Covenant on Civil and Political Rights CCPR Commentary*, Supra note 159, P. 293.

Though it is unclear from TRIPS Agreement whether the provisional remedies include requiring the defendant reply to the question posed by the plaintiff, we have seen that Anton Piller type of remedy includes such measure. There is no doubt that such measure is essential for right holders as counterfeit and piracy acts are usually made in a clandestine way. However question arises if the defendant has the right to remain silent if the answer to be given is to incriminate him/her. Article 14(3)(g) of the ICCPR guarantees everyone's right of not to be compelled to testify against himself/herself, in the determination of criminal charge. Section 72 of the Supreme Court Act address such issue in England.¹⁶⁸ It provides that the evidence acquired in Anton Piller proceeding may not be used to incriminate the defendant. However, the privilege does not extend to other material evidences and documents seized due to the search.¹⁶⁹ Though the ECHR does not explicitly refer to such right nowadays the essence of fair trial which is recognized under Article 6 includes it and is interpreted in such a way.¹⁷⁰ What can be understood is that, human rights requires courts to read human rights in to their procedural laws while enforcing patent rights or intellectual property rights as a whole.

¹⁶⁸ Michael Wabwile. *Journal of Business Law*, Supra note 20.

¹⁶⁹ Ibid.

¹⁷⁰ Van Dijk and G.J.H. van Hoof, *Theory and Practice of the European Convention on Human Rights*, pp. 435-6.

Conclusion

A legal system can make various considerations in determining how it can protect inventors or creators. And it is difficult to assert that a certain community or society should award the creators or inventors a strong proprietary right over their creations. However, once the society decides the level of protection it awards the creators, it is absurd to decide not to enforce such protections at least effectively. But even assuming that all states including developing countries decide to effectively enforce the rights they give to intellectual property right holders, it has to be noted that such task is not simple. It requires adopting laws with effective mechanisms of enforcement, establishing and strengthening machineries of enforcement. On this respect, the developed countries are expected to make some assistance for the developing countries.

On the other hand, as affective enforcement mechanisms cannot be successful unless followed by popular obedience, increasing the awareness of different sectors of a community and ensuring that the substantive part of intellectual property rights law serves the local demands of a community is important. On this regard, there is no doubt that responding to the needs of human rights secures a better compliance to intellectual property rights. Moreover, the need for adopting a strong enforcement of intellectual property rights cannot ignore due process of law and human rights. And this triggers the need to establish and strengthen the cooperation between human rights and intellectual property rights community.

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