



WIPO-WTO COLLOQUIUM PAPERS

RESEARCH PAPERS FROM THE WIPO-WTO COLLOQUIUM
FOR TEACHERS OF INTELLECTUAL PROPERTY LAW 2018





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Compiled by the WIPO Academy and

the WTO Intellectual Property, Government Procurement and Competition Division

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FOREWORD



Mr Francis Gurry



Mr Roberto Azevêdo

This volume represents the ninth edition of a peer-reviewed academic journal published jointly by the World Intellectual Property Organization (WIPO) and the World Trade Organization (WTO). Drawing on papers presented to the annual WIPO-WTO Colloquium for Teachers of Intellectual Property, this publication makes an important contribution to international scholarship in the field of intellectual property (IP). In particular, it responds to the vibrant diversity of academic work in this field in the developing world. Today we witness ever-increasing, more diverse forms of international interaction on IP, yet equally we see growing attention to differing national policy needs and social and developmental priorities. The *Colloquium Papers* series highlights the importance of fostering scholarship in emerging IP jurisdictions, harvesting insights from global policy and academic debates, and promoting mutual learning through the sharing of research and scholarship.

The annual WIPO-WTO Colloquium itself has played a central role in the joint capacity building programmes of WIPO and the WTO since their inception in 2004. This cooperation seeks to enrich dialogue on IP issues and to address the developmental and wider policy considerations that form an integral part of IP law and policy today. The Colloquium responds to the recognition that developmental benefits from the IP system can be reaped only if the system is adapted to national circumstances and judiciously used by informed practitioners. Equally, effective policy development at the national level needs to draw upon skilled, informed and sophisticated policy analysis. The Colloquium aims to enhance the capacity of those best placed to ensure sustainable, long-term benefits from the adept use of the IP system – those who teach the IP practitioners of the future, and those who conduct research on IP law and policy.

The programme has produced more than 380 alumni, who now comprise an active network of highly engaged teachers and researchers. It is heartening to see the contributions of these scholars through academic publications, participation in national and international policy debates, teaching, and capacity building in the developing world.

The *Colloquium Papers* epitomize the trend towards more diverse and yet more rigorous capacity building in IP law and policy. Since 2010, the annual editions in this series have drawn together participants' insights into IP issues in their countries and given greater substance to the network of mutual learning and intellectual exchanges the Colloquium programme represents. These annual publications have been supplemented by regional editions, focussing so far on African and Asian scholarship.

The latest edition, a selection of papers from the 2018 Colloquium, offers a close look at the diverse legal and policy contexts of individual developing countries together with thoughtful analysis of issues such as access to medicine, artificial intelligence, traditional knowledge and plant breeder's rights. The range of scholarship and the focus on concrete challenges faced by emerging IP jurisdictions confirm this journal's distinctive contribution to scholarly discourse.

In today's changing global economy, IP significantly influences the everyday lives of all citizens around the world. An international IP system that can adjust to the shifting global economic landscape, while also stimulating innovation and furthering development, demands the understanding, participation and cooperation of all peoples across the societal spectrum. Initiatives such as the Colloquium play an important role in building capacity, raising awareness, and engaging all societies affected by the evolution of the international IP system.

We congratulate the contributing scholars for their first-rate research, and we thank the Editorial Board – a highly distinguished group of senior IP scholars – for their invaluable support and engagement, which has helped establish the *Colloquium Papers* as a credible academic publication. We should also record our appreciation for the work of our colleagues in the WIPO Academy and the WTO Intellectual Property, Government Procurement and Competition Division in organizing the Colloquium and facilitating the publication. Finally, we commend the *Colloquium Papers* as an important source for academic research to what we trust will be a wide and ever more diverse readership.



Francis Gurry
Director General
World Intellectual Property Organization



Roberto Azevêdo
Director-General
World Trade Organization

PREFACE

This volume is the ninth in the journal series of peer-reviewed academic papers resulting from the WIPO-WTO Colloquium. It serves as a tangible reminder of the vitality and richness of collaboration between the two organizations since the conclusion of a bilateral agreement in 1995, shortly after the WTO was established. The content of this journal, representing emerging scholarship from across the developing world, encapsulates much that is challenging, significant and fascinating in the field of intellectual property (IP) today, and underscores why this bilateral cooperation is as valuable as ever.

Always with a strong international dimension, the IP system is undergoing an unprecedented phase of globalization and a building of international institutions, bringing with it a deepened understanding of the centrality of a balanced and effective IP system in economic and social development. Yet this same period has precipitated an intensive, wide-ranging process of inquiry about how to adapt and apply IP principles to ensure economic growth, sound public policy, and sustainable development in diverse settings across the globe, recognizing the diversity of economic, social and technological settings, national developmental priorities, and legal and commercial systems.

Intellectual property is seemingly ubiquitous in contemporary life, but its role and impact are both highly diverse and in need of careful analysis and informed debate. An IP dimension is present in many challenging public policy issues today. For instance, we see growing attention to its role in promoting public health, addressing climate change, and achieving food security, as well as its interaction with human rights and social and economic development. The impact of new technologies poses additional challenges for law and policy. And IP has been the subject of complex, multifaceted debates at the multilateral, regional and national levels over such matters as the rights of indigenous people, the conservation of biodiversity, the ethics and use of genetic resources, Internet governance, climate change technology, access to education and medicine, cultural policy and support for the disabled. Behind these debates lay essential questions: how to come to grips with the significant responsibility of IP systems in the current world economy, in international trade, and in national policy environments; and how should IP systems be designed or adapted to promote economic development, stimulate innovation, and disseminate knowledge in a manner that balances the rights of all stakeholders?

The contemporary field of IP is therefore characterized by profound and searching debates on questions of essential public policy; an approach to policy-making that emphasizes empirical research, theoretical clarity, and achieves coherence with other areas of law; and the harvesting of practical experience from an ever-widening base of national IP systems and participants in the policy and practice of IP. It is, therefore, a field in need of deeper and wider research efforts; sophisticated, informed and carefully tailored approaches to education and practical capacity building; and, above all, dialogue and debate founded on a richer base of information, theoretical understanding, practical experience, and knowledge of its implications in other areas of law and policy.

Both WIPO and the WTO have been called upon to play a role in strengthening capacity to deal with the intellectual challenges of these policy debates. This increasing diversity of demand for capacity-building support has had a profound impact on programme design and delivery. The WIPO Academy has developed a wide range of specialist courses and training activities to respond to this evolving pattern of demand, and to reach out to and support an ever-widening range of stakeholders.

The WTO Intellectual Property, Government Procurement and Competition Division (IPD) continues to broaden and tailor its technical cooperation and policy support activities, developing a wider engagement with current international issues and with a broader base of stakeholders, exemplified by work on public health issues. However, none of these outcomes can be possible without partnerships – the sharing of ideas, pooling of resources, and coordination of practical activities – so that the necessary wide range of experience and expertise can be drawn on to meet diverse needs.

Both the WIPO Academy and the WTO IPD therefore enjoy many valuable partnerships as a central strategy in ensuring programme delivery. The Colloquium has exemplified and promoted current trends in technical assistance and capacity building, and builds upon and extends the existing partnership between WIPO and the WTO. It responds to the need for stronger, broader dialogue and a greater involvement of voices from all perspectives in contemporary debates. It recognizes the central role of indigenous capacity building and of the key contribution of IP teachers and researchers as the mainstay of sustainable development of the necessary IP expertise in developing countries. The Colloquium transcends traditional boundaries between regions and between 'north' and 'south' to allow fruitful discourse on the future of IP systems. Most importantly, it recognizes the importance of extending beyond an educational function to one of bringing together a diverse group with the aim of reviving and refreshing dialogues on IP and its cognate fields.

The Colloquium has in particular, laid emphasis on the role of participants as active players, as informed, stimulating teachers and researchers who bring to the two-week dialogue as much as they take away from it. Past feedback from participants

stressed the need to capture many insights gleaned from these few days of intensive and vigorous discussion, in more permanent form. Participating teachers and researchers expressed important new ideas and insights to global debates that could enrich and inform the exchange among policymakers, the academic community, and the public at large.

These thoughts, guided very much by the participating teachers and researchers themselves, are what gave rise to the present publication, which is in a way a tribute to the intellectual energy and curiosity of the many alumni of the past Colloquia, with whom we continue to enjoy a range of partnerships and dialogue. Participants, too, have provided valuable peer review input to the papers published in this journal, which are presented to the Colloquium at an earlier stage in their development.

WIPO and the WTO both host numerous meetings every year, in Geneva and in many locations elsewhere, and under numerous headings: committees, seminars, workshops, roundtables, symposia, and so on. But amidst all this activity, the idea of a 'colloquium' has a special ring to it – for the WIPO-WTO Colloquium, it connotes a spirit of academic enquiry; a search for new ideas and new ways of analysing IP and related fields, through open debate, rigorous research, and new ways of communicating the complexities of IP law, practice and policy, and providing a vibrant forum for peer review of current research. We trust that this publication will bring to a wider community of researchers, policymakers and teachers some of the colloquium spirit that we have valued so much in this unique programme.

All of us who have participated in the Colloquium have benefited from the hard work and dedication of many colleagues within WIPO and the WTO Secretariat – notably, the WIPO Academy and the WTO IPD. All have contributed valuably to the design and delivery of this programme, and their spirit of collegiality makes a demanding programme a pleasurable one.

We owe a particular debt of gratitude to the Editorial Board and the editors of the *Colloquium Papers*: they have been indispensable in ensuring that the Papers can be used as a trusted, academically sound and readable source of cutting-edge IP scholarship from an impressive group of emerging scholars from across the developing world. Finally, we record our deep appreciation for the contributions made by individual scholars to this, and the preceding, volumes. We have come to know and respect their contributions to policy and legal scholarship, and we are sure that this active, informed and thoughtful participation in many of the key public policy debates of today will continue, exemplifying the important public service role performed by the scholarly community today.



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We thank the staff of the WIPO Academy and the WTO Intellectual Property, Government Procurement and Competition Division for their strong support for the project, and in particular to Martha Chikowore and Xiaoping Wu for their work in organizing the Colloquiums annually from 2010 to 2019, and coordinating this publication. Thanks are extended to Irene Calboli and her team Lee Chedister, Megan Pharis, Victoria Gonzales, Harrison Davis, and John Yoon, and Carolina Tobar Zarate, Ali Akbar Modabber and Nishant Anurag for the editorial work they have conducted. Gao Hang and Jayashree Watal played a key role in the conception and development of the Colloquium initiative. We extend strong appreciation to all for their contributions, and to the many other colleagues not mentioned here, who have done so much to make the Colloquium initiative a success.

DEDICATION

This publication is dedicated to Professor Shamnad Basheer, who was a hard-working and active member of the Editorial Board for the WIPO-WTO Colloquium Research Papers from 2017 to 2019. Professor Basheer's deep knowledge, intellectual openness and engaging personality left warm memories for all who encountered him. He was a bright light at the 2011 WIPO-WTO Colloquium for Teachers of Intellectual Property. Professor Basheer made unique and lasting contributions to the international intellectual property community and was recognized as a leading international expert from his home country. He will be sorely missed.

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WIPO-WTO COLLOQUIUM FOR TEACHERS OF INTELLECTUAL PROPERTY LAW

Class of 2018



Participants of the WIPO-WTO Colloquium for Teachers of Intellectual Property (2018) with Mr. Yoshiyuki Takagi, Assistant Director General, Global Infrastructure Sector of the World Intellectual Property Organization (centre right), Mr. Antony Taubman, Director, Intellectual Property, Government Procurement and Competition Division of the World Trade Organization (to the left of Mr. Takagi). Also pictured are Mrs. Xiaoping Wu of the WTO Intellectual Property, Government Procurement and Competition Division; and Mr. Tshimanga Kongolo and Mrs. Martha Chikowore of the WIPO Academy.

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1. CHALLENGES FOR 'JAMDANI SAREE' AND 'BANGLADESH Ilish', THE TWO REGISTERED GEOGRAPHICAL INDICATIONS FROM BANGLADESH IN THE POST-REGISTRATION EPOCH

Mahua Zahur*

ABSTRACT

Bangladesh enacted the 'Geographical Indications of Goods (Registration and Protection) Act' in 2013 to protect the exclusive goods of Bangladesh. The enactment is seen as an important implementation on the demand of the traditional knowledge-holders of Bangladesh. After the enactment of the Act, three products have been registered as geographic indications (GIs) from Bangladesh. This paper examines challenges faced by the first two registered GIs: namely, the *Jamdani Saree*, (a woven fabric), and *Bangladesh Ilish* (a fish variety) in the post registration epoch. The economic potential of these two registered GIs depends on efficient post-registration mechanism, namely quality management, price control, fair competition, etc. Factors like industrialization, responsible for declining the handloom *saree* industry, increase of prices, widespread generic use, and the influence of intermediaries etc., have reduced the success of the *Jamdani Saree* and increased its vulnerability. A similar fate is apprehended for *Bangladeshi Ilish* due to factors such as environmental degradation, absence of quality surveillance, construction of development works, etc. The paper critically analyzes steps taken by Bangladesh to combat the challenges mentioned above. Successful GIs contribute to a country's economy, culture, and community development. The apathy of a state in constructing an effective ecosystem for fostering GIs on a national level may reduce the GIs' benefits to mere theoretical rhetoric. This paper concludes with the view

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¹ "GI" includes Geographical Indications as defined under the Agreement on Trade-Related Aspects of Intellectual Property

that, in the overall reality of Bangladesh, the success of the two registered GIs that are examined in this paper, will be a challenge.

Keywords: *geographical indications, registration, Jamdani Saree, Bangladesh Ilish, challenges*

1. INTRODUCTION:

A geographical indication (GI) is a sign that denotes the distinctive characteristics of a product it refers to, in terms of the place of origin.¹ The protection of GIs in Bangladesh is through the adoption of a specific statute or sui generis law, following obligations in the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS). The journey of GI protection began in Bangladesh through the adoption of the *Geographical Indications of Goods (Registration and Protection) Act* in November 2013 (GI Act of 2013). The GI Act of 2013 was the first legislative effort of the country to provide specific protection to signs connoting a place's essence in the product's quality. Section II of this chapter discusses briefly the background of the GI Act of 2013, which is in my opinion, in a context typical to Bangladesh. In this section, I personally hold the view that the enthusiastic response of a country like Bangladesh is not a realistic approach, keeping in mind the global GI scene. However, this position might have lost its relevance after the adoption of the GI Act of 2013. This section also provides a brief reflection upon the GI Act of 2013. This section draws the view that the GI Act of 2013 mostly replicates the TRIPS setting to protect GI with some provisions added to widen the scope of GI protection. The adoption of the GI Act of 2013 was followed by the registration of three products, namely, *Jamdani Saree* (a woven fabric), *Bangladesh Ilish* (a fish variety) and *Khirshapat* Mango (a mango variety). All these products

Rights - "Geographical indications are, for the purpose of this Agreement, indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin", Agreement on Trade-Related Aspects of Intellectual Property Rights (Apr. 15, 1994) 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994), art. 22.1 (TRIPS Agreement)

have economic importance in Bangladesh. The central focus of this paper is to assess the GI law of Bangladesh in the post registration regime of the first two registered GIs. The *sui generis* system, the path that Bangladesh has followed to comply with its TRIPS obligations, has now been characterized as a scheme to bring GI related benefits. To that end, the state's involvement — from taking initiatives for pursuing registration to build up a GI friendly environment — is largely commendable. However, the achievement of GI related benefits is subject to some extraneous factors that may decide the destiny of a given GI. Section III addresses the challenges that are being faced by *Jamdani Saree* and *Bangladesh Ilish*, the two registered GIs. This section reviews the policies and initiatives taken by different stakeholders and the government, before and after registration. The paper believes that, if implemented, these initiatives and steps may contribute to the ecosystem building for GIs in Bangladesh. However, the fate of these two registered GIs is still uncertain and remains a challenge. The paper concludes with the view that the state's failure to build up a good ecosystem may limit the economic potential of the registered GIs of Bangladesh.

2. JOURNEY OF GI PROTECTION IN BANGLADESH

A. THE BACKGROUND AND RATIONALES OF GI PROTECTION IN BANGLADESH

Trade implications of GI has made it one of the most contentious among all the different types of intellectual property comprised in the TRIPS Agreement. It reflects the circumstances before and after a GI's incorporation within TRIPS.² The European Union (EU) pushed for GIs' inclusion

in the TRIPS Agreement to create an evocative market of European GIs worldwide.³ The scheme under which GIs are protected in the TRIPS Agreement is a trade-related compromise among the developed nations of the TRIPS membership. More specifically, the TRIPS provisions for GI protection reflect the interests of the wine and spirit producing western nations.⁴ The discussion to equalize the level of protection to GIs for all goods has become dormant at the international level. The practice of protecting GIs without product discrimination is done in domestic statutes adopted in the post TRIPS era. In this regard, the drive of Asian countries is noteworthy.⁵ At its inception, the EU also included arguments of community development and revival of cultural identity of small communities to push the agenda of GIs. Asian countries, mostly in the decades following the adoption of TRIPS, made efforts within their own domestic system of GI protection to bring home the benefits of GIs. It is also to be noted that, many Asian GIs have become internationally prominent and witnessed economic success. Thus, the rationale for protecting GIs in Asia can now be appreciated as a trade tool.⁶ In recent times, the tendency to extend TRIPS-plus protection to all GIs denominated products is considered under the scheme of bilateral Free Trade Agreements (FTA) arranged between the European Union (EU) and other countries.⁷ This advent of GI protection is considered to find suitability of either of the rationales in context of Bangladesh. A piecemeal study (reported from newspaper publication) has reflected that the GI movement in Bangladesh stemmed from the fear that traditional goods having GI implication may be misappropriated if not protected in the country of origin. At

² Kal Raustiala and Stephen Munzer, 'The Global Struggle over Geographical Indications' (2007) 18 Eur J Int Law 337-65

³ Justin Hughes, 'Champagne, Feta, Bourbon: The Spirited Debate about Geographical Indications' (2006) 58 Hast Law J 299-386

⁴ TRIPS Agreement, art 23

⁵ See Geographical Indication of Goods (Registration and Protection) Act, 2013 (Bangladesh) (GI Act 2013); See also the *sui generis* protection system adopted by India, Malaysia, Thailand and Vietnam

⁶ Jeongwook Suh and Alan Macpherson, 'The Impact of Geographical Indication on the Revitalization of a Regional Economy: A Case Study of "Boseong" Green Tea' (2007) 39 Area

518-27; Darjeeling Tea Association, 'Darjeeling Tea – A Geographical Indication (GI)'

<http://www.wipo.int/edocs/mdocs/geoind/en/wipo_geo_lim_11/wipo_geo_lim_11_11.pdf> accessed October 2, 2018

⁷ Susy Frankel, 'Geographical Indications and Mega-Regional Trade Agreements and Negotiations' in Irene Calboli and Wee Loon Ng Loy (eds), *Geographical Indications at the Crossroads of Trade, Development and Culture: Focus on Asia Pacific* (Cambridge University Press 2017) 147-67

this point, the GI scheme was seen, by all means, as a tool to protect national pride.⁸ This position has failed to appreciate the potential of GIs to create niche markets for GI denominated goods. Moreover, Bangladesh is not a party to any bilateral or multilateral agreement to date, under which Bangladesh might have any reciprocal obligation to extend protection to GIs from other countries. Currently, the future of GIs from Bangladesh in international trade is difficult to judge.

In some instances, both from Europe and beyond, GIs have proved to bring a price premium for some GI-denominated goods. This economic incentive may contribute towards the survival of communities that preserved the necessary knowledge for building the 'reputation' of GI-denominated products.⁹ Hence, the culture driven benefits of GIs depend on the successful market capture of the GI goods against similar goods not equally reputed.

At the outset of GI talks during the negotiation of TRIPS, Bangladesh did not take any position of either supporting or opposing its inclusion. The realization to introduce the GI scheme is influenced by the drive of other neighboring Asian countries two decades after the adoption of the TRIPS Agreement. However, many developing countries opposed GI systems, out of fear that the maintenance of GIs is a costly process. The establishment of legal framework, maintenance of administrative processes and monitoring compliance of GIs from home and abroad, indeed, involve a considerable economic pressure.¹⁰ After the introduction of GI scheme in Bangladesh, the Department of Patent,

Designs and Trademarks (DPDT) has established a new unit responsible to grant GI registration. This unit is manned by necessary experts and is equipped with necessary infrastructure to execute its tasks. It goes without saying that, the new set up has brought additional costs. However, the probable cost of maintaining a GI system had never been assessed before the system was introduced. Hence, whether a GI scheme will be beneficial or burdensome over the course of time cannot be appreciated precisely at this point. At present, Bangladesh is left with the only option of maximizing GI-related benefits, as the scheme is already in place.

B. SUI GENERIS PROTECTION REGIME OF GIs IN BANGLADESH

The journey of protecting GIs began in Bangladesh under a *sui generis* scheme through the adoption of the GI Act of 2013. The Act provides the definition of GI in the paradigm of the TRIPS definition. However, the Act has widened the possibility of protection to a wide range of products including agricultural and natural foodstuff, handicrafts and manufactured goods.¹¹ This section is a brief exposition of the features of the GI scheme of Bangladesh. Any product, on proof of its nexus to a given territory, can secure registration under the GI Act of 2013 upon submission of an application by any association, institution, government body, or authority representing the interest of persons producing geographical indication of goods.¹² The GI Act of 2013 provides certain criteria as preconditions for

⁸ABM Hamidul Misbah, 'Time to Enact Geographical Indication Act' *The Daily Star* (London, 6 December 2012) <<http://archive.thedailystar.net/newDesign/news-details.php?nid=260032>> accessed October 2, 2018

⁹ See Anselm Kamperman Sanders, 'Incentives for and Protection of Cultural Expression: Art, Trade and Geographical Indications' (2010) 13 *JWIP* 81-93

¹⁰ Ulrike Grote, 'Environmental Labeling, Protected Geographical Indications and the Interests of Developing Countries' *Estey Centre J. Int'l Law & Trade Policy* 94, 100-102

¹¹ GI Act 2013, s 2(9) defines "geographical indication of goods" as "a geographical indication of agricultural or natural or

manufactured goods which identifies its originating country or territory, or a region or locality of that country or territory, where any specific quality, reputation or other characteristics of the goods in essentially attributable to its geographical origin and in case where such goods are manufactured goods, one of the activities of either production or processing or preparation of the goods concerned conceivably takes place in such territory, region or locality as the case may be"; GI Act 2013, s 2(8) of defines "goods" as "any natural or agricultural product or any product of handicraft or industry, and shall also include foodstuff"

¹² GI Act 2013, s 9

registration.¹³ An applicant is required to produce necessary documents as proof to be eligible for securing registration, the details of which are provided by the Geographical Indications of Goods (Registration and Protection) Rules 2015 (the GI Rules of 2015). However, unregistered GIs are also given protection under the GI Act of 2013 in order to prevent misleading use of a given GI.¹⁴ The GI Act of 2013 criminalizes certain activities as infringement of registered GIs, such as misleading use of registered GIs, acts constituting unfair competition, false representation of registered GIs, use of the expressions “kind,” “style,” “imitation,” etc. with the registered GIs.¹⁵ The GI unit of DPDT is empowered to grant GI registration to products complying the given standard.¹⁶

3. THE CHALLENGES OF THE TWO REGISTERED GIs: JAMDANI SAREE AND BANGLADESH ILISH

To date, no credible empirical research has been conducted to articulate the realities faced by the registered GIs of Bangladesh in recent times, more specifically in the aftermath of registration. For this paper, a small-scale survey has been conducted among consumers and other stakeholders (weavers, proprietors of shops and fashion designers related to the *Jamdani* industry) to identify some of the challenges that are being faced by the *Jamdani* industry. They have pointed out many problems that have emerged in their practical experience. These problems, along with others, are liable to reduce the expected commercial benefits for the first registered GI of the country. The aim of conducting the survey among consumers was to identify, *inter alia*, the role of GI in consumers' decision making while purchasing the GI denominated product. The age of the respondents ranges from 20 to 60 years who are involved in different occupations. They are inhabitants of Dhaka and have been selected from an economic class who can purchase luxury goods once or twice a year.

So far, a handful of researchers have embarked upon efforts to find problems and challenges faced by *Bangladesh Ilish*.

They mostly address natural and man-made perils threatening the natural habitats of this fish variety. Some of these researchers have appraised the measures and initiatives taken by government agencies to ameliorate the vulnerabilities of *Ilish* industry. However, these researches did not include some important considerations that might impede the successful commercial exploitation of this fish variety. For example, preservation of consumable food quality, packaging and marketing remain difficult challenges in the way of achieving economic benefits after registration. These factors are not addressed by any comprehensive research endeavour. Hence, the paucity of coherent research itself is a challenge to identify the challenges in precise terms. Though not to be treated as representative of the overall realities, the ongoing paragraphs attempt to shed light on some of the challenges currently rampant in reducing the desired commercial benefits of these two registered GIs.

A. REGISTRATION OF JAMDANI SAREE AND BANGLADESH ILISH: THE REFLECTION OF INEXPERIENCE

'Jamdani Saree' was registered as the first GI of Bangladesh in November 2016. The registration of *Jamdani Saree* was granted to Bangladesh Small and Cottage Industries Corporation (BSCIC) on the basis of their application. BSCIC submitted necessary documents to establish the link of the territory with the product. These documents mainly revealed the natural and human factors — the two elements of GI protection — responsible for the characteristics of *Jamdani Saree*. The name *'Jamdani saree'* is registered in class 25 for clothing and is used mostly for making *'saree'*, a traditional garment of Bangladeshi women. Generally, *'Jamdani'* is a woven fabric known and adored for its intricacy. From time immemorial, its name and fame are associated with a defined territory of Bangladesh. This territorial linkage of *Jamdani* forms the basis for getting GI registration.¹⁷

¹³ GI Act 2013, s 8

¹⁴ GI Act 2013, s 6

¹⁵ GI Act 2013, s 28

¹⁶ GI Act 2013, s 4

¹⁷ Department of Patents, Designs and Trademarks, 'Geographical Indication Authorized Users Journal' no. 01, February, 2017 (Jamdani Saree GI)

'Bangladesh Ilish' (scientific name: *Tenulosailisha*), a fish variety, was registered as the second GI of Bangladesh in 2017, in classes 29 and 31. In Bangladesh, *Tenulosailisha* comes in three different genus and four different species. Currently this fish variety is found in around 100 rivers of Bangladesh. This fish variety, although found in the different locations around the world, is most abundant in Bangladesh. Its rich food value and distinctive characteristics have made it unique among other varieties of the world. Its contribution is also significant in the national economy of Bangladesh. Among the various species of fish found in riverine Bangladesh, *Hilsa* is most important for its contribution in the total national fish production. *Hilsa* is the source of livelihood for millions of fishers. The livelihoods of 2 to 2.5 million people are directly or indirectly dependent upon different activities of fishing *Hilsa* - selling, processing, exporting, manufacturing of fishing boats, etc. *Hilsa* is the national fish of Bangladesh. The cultural importance of this fish variety can be established from the analysis of historical documents. The cultural acquaintance of *Hilsa* with Bangladesh is reflected in Bengali literature and in beliefs of the community historically associated with *Hilsa* fishing.¹⁸ Facts, figures, statistics and documentation provided by the Department of Fisheries of Bangladesh (DoF) and examined by the GI wing of the DPDT have successfully secured the registration of GI for this fish variety.

Countries with experience of protecting GIs have developed certain mechanisms and practices for the management and commercialization of GIs alongside the legal regime. This trend was largely seen among European nations even before the introduction of GIs under the TRIPS Agreement.¹⁹ The legacy is now followed among members who introduced GI schemes after the TRIPS Agreement came into being. These mechanisms involve quality control mechanisms, strategy for promotion, marketing, etc. The

degree of success of GIs depend largely on the good management of GIs.

In most cases, GIs are registered with a logo that is visually significant. A logo having a visual impression can draw the attention of unwary consumers instantaneously and is also useful when GI denominated products are sold to regions beyond language boundaries.²⁰ At the time of registration of the two GIs, this aspect was not given any regard. There is no legal barrier, in registering the name having geographical significance as per the provision of the GI Act of 2013, as well as in the international instruments containing provisions for GI.²¹ However, the inclusion of a logo with other marketing strategies could have brought better access to market.

'Jamdani' fabric is used mostly to produce *saree*. However, its use is not confined to '*saree*' and it can be used for dress material, accessories and home décor items. It has been noted from historical documents that from ancient times, the *Jamdani* fabric was used to make different items. This trend is still seen, and the use of *Jamdani* fabric to make different items is increasing and has been noted in the relevant journals.²² It generates confusion whether the protection extends to any item using *Jamdani* fabric or whether a registered GI can be used only for *saree*. This position cannot be answered precisely, as this issue was never clarified by making any specific note in the relevant journal regarding the products for which the registered GI can be used. The class in which the registration is granted is generally clothing (class 25 of the Nice Classification). However, the registered GI contains the reference of a particular product, namely '*saree*', which refers a type of garment. Now, the question is whether the registered GI, i.e. '*Jamdani Saree*', can denote, for example, a home décor item which is not used as a garment? These issues, if not clarified, may give rise to ambiguity while defining the acts

¹⁸ Department of Patents, Designs and Trademarks, 'Geographical Indication Authorized Users Journal' no.02, May 2017 (Bangladesh Ilish GI)

¹⁹ See for example, Law of 6 May 1919 relating to the Protection of Appellations of Origin

²⁰ See for example, case of Darjeeling Tea (n 6)

²¹ GI Act 2013 (n 11), TRIPS Agreement (n 1) art. 22

²² Jamdani Saree GI (n 17)

which might constitute infringement regarding the use of registered GI on products beyond *saree*.

Saree has a very small international market, as this is used as a traditional wear by only a few countries. Moreover, the survey result, conducted among consumers, has established that the overall *saree* market is declining gradually at the local level for the reasons like comfort, convenience, wake of modernization etc. Against this backdrop, the potential market for *saree* bearing the GI denomination is at stake. The stakeholders, including BSCIC have not yet determined the possible use of the registered GI. The paper at this point takes the position that if the registered name was used for the *Jamdani* fabric, used for making any kind of product, it could have achieved a wide market as far as product range is concerned. This paper urges the attention of stakeholders to take a pragmatic stance to achieve good trade opportunities at home and abroad.

Most food products protected as GIs are processed and crafted products, such as wine (Champagne), cheese (Parmigiano Reggiano), and fish sauce (Phu Quo). Processed or manufactured foods contain both the elements of *terroir*, namely – natural factors and the skill of artisans in processing such foods. However, as the GI journal suggests, only fish variety found in natural conditions come under the protective umbrella of the GI. The distinctiveness of this fish variety is the outcome of nature alone. Human intervention, namely the fishermen, is the channel towards consumers and does not contribute directly to ‘reputation’ – a criterion that is gradually becoming prominent in the GI domain. It has been established from different studies that the knowledge of the traditional fishermen can best preserve the conditions of natural breeding.²³ However, this aspect does not contribute to the characteristics of the

product. Maybe, in the future, if the Ilish industry extends to produce processed food from Ilish using traditional culinary recipes and art, the registration can be extended to processed products based on reputation, along with the natural conditions as an outcome of human intervention, generating greater price in international markets.

B. MARKETING OF REGISTERED GIs: ABSENCE OF STRATEGIC APPROACH

Jamdani is marketed in various manners, such as wholesale and retail sale, home delivery, export etc. Traditionally, *Jamdani* is sold in wholesale markets, locally known as *Jamdani haat*. The weavers sell their products to dealers and shopkeepers from around the country and also to other retailers. Individual customers can also purchase from wholesale markets installed at the area named ‘*Demra*’, situated near the place where *Jamdani* is produced. This age-old marketing strategy is very popular among producers, for they can sell their products directly to consumers, and dealers and individual customers can buy products for a relatively lesser price. The price is fixed by bargain. The producers have expressed, with a dissatisfactory note that products are sold in big stores by dealers sometimes at double price. *Jamdani Sarees* are also exported to foreign markets, especially India. However, as per one source, cross-border black marketing is also rampant.²⁴ Renowned retail shops apply their own marketing strategies as the respondents confirm. They use their trademarks and other branding strategies to reach their customers, and the sarees are sold at a much higher price than those bearing no trademarks. A new trend of marketing and sale through online shops and social

²³ Sushmita Mandal, *et al*, *Conserving Ilish, Securing Livelihoods: Bangladesh-India Perspectives* (International Water Association, 2018) 6

²⁴ Henry Glassie and Mahmud Firoz, ‘Living Traditions in Weaving’ in Firoz Mahmud (ed), *Cultural Survey of Bangladesh, vol 11* (Asiatic Society of Bangladesh 2007) 360; Iftekhar Iqbal, ‘A Research Report on Protection of Jamdani as a Geographical Indication in Bangladesh’ in Centre for Policy Dialogue (CPD) and National Crafts

Council of Bangladesh (NCCB), *Protecting Bangladesh’s Geographical Indication Interests: The Case of Jamdani* (2014) 46; M.H. Haider, ‘Sights and Sound of a Jamdani Haat’ *The Daily Star* (Dhaka, May 26 2015) <<https://www.thedailystar.net/lifestyle/ispick/sights-and-sounds-jamdani-haat-86626>> accessed September 27, 2018

networking sites is getting popular very quickly.²⁵ It has also been noted from the experience of many countries that, additional information provided by vendors, such as the story behind the products, can help immensely to persuade consumers to buy GI labeled goods. As a strategy for better marketing, studies have shown that consumers see GI labels as a quality guarantee and are willing to buy the products in the belief they are supporting the local economy.²⁶ However, no specific strategy is fixed in the case of *Jamdani Sarees* by the authorities concerned. Some private dealers and entrepreneurs, especially those who sell their products through social networking sites, put the history of the fabric in the page as a strategy to sell their own products.

Generally, GIs are symbols or names affixed on the package of a product and are visually perceptible so that consumers can recognize a product before making their purchasing decision. In this case, however, there are no specific mentions in the journal nor other official documents of the conditions and manner of use of the name on the products and packaging. Hence, as of the present date, the consumers see no indication of the registered GI on the product and packaging. Some consumers have expressed that in the absence of any indication, they are confused whether they are purchasing an authentic product or similar subpar product entering markets from beyond the GI delimited territories. Only those who have long prior experience of using the fabric can identify the real one. However, consumers from distant locations having no prior experience of use have no scope of identifying the spurious products if sold through any unscrupulous practice.

Bangladesh Ilish involves different layers of value chain in the market place. They are the fishermen, owners of warehouses (locally known as *aratdar*), wholesalers, retailers and consumers. The fishermen are poor and, in many cases, do not have fishing gear of their own and are crew members on a fishing fleet. Owners of warehouses

usually stock and sell fish to the market. The warehouse owners are middlemen between the fishermen and the market. They provide loans and fishing gear to poor fishermen who in return pay a certain amount as repayment of loan. Wholesalers buy in bulk and sell to retailers. They play the role of intermediaries in the distribution channel. Retailers buy small bulk and sell to consumers.²⁷ Like *Jamdani Saree*, the conditions and manner of using the registered GI, "*Bangladesh Ilish*" is yet to be decided. The relevant journal does not provide any clarification regarding any special marketing strategy for *Bangladesh Ilish*.

C. QUALITY CONTROL OF REGISTERED GIS: ABSENCE OF EFFICIENT MANAGEMENT

One of the purposes of the survey was to find out the perception of GIs among consumers as a marketing tool. Most consumers only appreciate the emblematic value that of *Jamdani*, that is national pride. The consumers lack knowledge that it may serve as a tag of authentication of consistent quality. The other factors that consumers observed are:

- Confusion regarding price and quality.
- Widespread design and trademark infringement.
- Widespread generic use of the name *Jamdani*.

The economic value of GIs lay in consumers taking GI as information and by prioritizing GI labeled goods over other competing goods. However, it is observed that, *Jamdani* has failed to perform its desired role. The destiny of GIs largely depend on efficient quality control mechanisms. 'Quality' means the attributes of a GI, i.e., whether the given GI has the necessary *terroir* to get and renew registration. Any change in *terroir*, i.e. use of raw material not from the designated territory, change in production method (reputation) etc. is devoid of registration. On one hand, quality issues may bring consumers' rejection of authentic

²⁵Md. Saifuddin Khalid and Md Saiful Alam Chowdhury, 'Representation of Intangible Cultural Heritage of Bangladesh through Social Media' (2018) 29 *Anatolia* 194- 203

²⁶ European Commission, 'The Traders: How to best exploit GIs in National, Regional and International Markets', in *Workshops on*

Geographical Indications, Development and Use of Specific Instruments to Market Origin-based Agricultural Products in African-ACP Countries (2013) 22.

²⁷ Mandal (n 23)

goods, demeaning the value of a GI, and on the other hand, widespread use of registered a GI will convert the term into a generic term. This tendency is experienced in case of *Jamdani* as consumers, dealers, and weavers have accounted. Generic use in many cases is not deliberate, but a result of lack of proper knowledge about the use of GIs. Generic terms are disqualified from availing registration²⁸ and registered GIs, if used as a generic term may bring about cancellation of registration.²⁹ Hence, it follows that quality assurance is very crucial to remedy market failure. The GI Rules of 2015 require an applicant to name the body responsible for quality inspection in the application.³⁰ For *Jamdani*, a private body named 'SGS Bangladesh Limited' is named as the body for inspection of quality.³¹

Consumers do regularly complain of the quality. This fact is admitted by the weavers with an aggrieved note that certain unscrupulous weavers either use the actual raw materials or do not comply with actual production methods for lower costs. However, subpar products are sold for high prices in the absence of price fixing mechanisms. The price of *Jamdani* generally depends on the quality of raw material (80–120 count thread at the present) and intricacy of designs. Weaving of fine quality *Jamdani* requires two weavers working for two weeks to six months to make it a luxury item.³² Some fashion houses invest a considerable amount for creation of new designs. New investors attracted by the market response to *Jamdani* are infringing designs to achieve success through short-cut mechanisms, as expressed by some business dealers. The legal remedy for such clandestine activities has been addressed under the Patent and Designs Act of 1911. However, the remedy is rather compensatory in nature to the registered owners of the design and does not speak of anything to remove

consumers' confusion.³³ This practice dilutes the image of reputed sellers and will eventually discourage further investment in innovation and reputation building. Above all, consumers' dissatisfaction as a result of information asymmetry may frustrate the whole purpose of the scheme and producers' benefits will be at stake.

The Bangladesh Agricultural Research Council is named as the quality inspection body for *Bangladesh Ilish*.³⁴ However, the modality as to how these designated bodies will function is not defined. Apart from the GI quality (natural and human factors responsible for distinctiveness), a product, especially foodstuff, must possess consumable quality. To put it simply, for consumers, foodstuff must be safe for consumption. Even after so many mechanisms have been put in place to ensure quality and safety of food in Bangladesh, assurance thereof remains a challenge for food sectors.³⁵ The export market is even more vulnerable. At the international level, market access for GI denominated products largely depend on an importing country's quality standard, namely sanitary, phytosanitary and other quality regulations.³⁶

D. THE VULNERABLE CONDITIONS OF 'TERROIR' OF THE REGISTERED GIS

The rationale for GI protection emanates from the concept of *terroir*. This French concept underpins that a product's distinctiveness results from a combination of natural factors, like soil and other climatic conditions, and human factors, such as the skill and knowledge of the community in producing and manufacturing the products.³⁷ Preservation and protection of these two elements of *terroir* are the preconditions for building an ecosystem for a defined GI. Depending upon necessity and requirement, a

²⁸ GI Act 2013 s 8(g)

²⁹ GI Act 2013 s 23(a)

³⁰ Geographical Indications of Goods (Registration and Protection) Rules 2015 (Bangladesh) (GI Act 2013) rule 9(L)

³¹ *Jamdani Saree GI* (n 17)

³² *Glassie* (n 24) p. 357

³³ The Patents and Designs Act 1911 (Bangladesh) s 53(2)

³⁴ *Bangladesh Ilish GI* (n 18) 46

³⁵ See The Fish and Fish Products (Inspection and Quality Control) Ordinance 1983; The Consumers Protection Act 2009; The Food Safety Act 2013, The Formalin Control Act 2015; See also Md. Kamruzzaman, 'Formalin Crime in Bangladesh: A Case Study' (2016) 2 *European J. Clinical & Biomedical Sciences* 39-44

³⁶ United Nation Economic Commission for Africa, *Innovation, Competitiveness, and Regional Integration: Assessing Regional Integration in Africa VII* (2016) 68.

³⁷ See Justin Hughes (n 3)

given state may adopt suitable initiatives aiming for protection of the climate and people. For a manufactured product, especially in the case of textile goods, reputation as the basis of GI protection follows from human intervention. *Jamdani* is a woven fabric. Historical documents have revealed that the nexus of the fabric with the defined territory is the result of the special skill of a community that is historically associated with the production of *muslin*, another traditional fabric of Bangladesh. At present, the descendants of that community are continuing the traditional ancestral occupation. Scientific analyses revealing *Jamdani's* particular characteristics due to climatic conditions are still dubious and need further scientific research. Reputation is more of a human contribution than natural factors. Historical documents have also shown that the existence of *Jamdani* was at stake following political and economic crises. *Muslin*, the predecessors of *Jamdani*, was obliterated many years ago following the extinction of the community. During the colonial era, the industry declined and witnessed a gradual decline of weavers; but in the post-colonial time, it started increasing again. In the 1990s, the number of the weavers was 1600; and within a decade, the number increased to 15000 from around 3000 families. Production and export increased on a significant scale.³⁸ The expectation is that the engagement of the state will increase to exploit the value of GIs after registration thereof. From drafting of GI applications to economic patronization, the state extended facilitation through Governmental machinery. For example, BSCIC, an autonomous body under the supervision of the Ministry of Industry, secured the GI registration on behalf of the community. The Ministry of Industry has also provided special provisions for overall amelioration of this sector through the adoption of policies, namely the National Craft Policy 2015 and the National Industrial Policy

2016. These policies mention schemes and measures for building good governance in the industrial sector, including the *Jamdani* industry.

Over the course of the survey, members of the community showed their dissatisfaction, especially towards the comparatively lower economic incentives in this industry, the corroboration for which is found vividly in a documentary made by the UNESCO. They also wished their posterity not to take up the ancestral occupation.³⁹ *Jamdani* weaving being time consuming and labour intensive in nature, demands rational economic incentives. However, it is unfortunate that no minimum wage has been fixed for this particular sector yet. This sector does not adhere to other labour standards either. For example, the involvement of child labour is very common in the *Jamdani* industry. The Bangladesh Labour Act, 2006 (BL Act of 2006) prohibits child labour. Adolescent labour is allowed under some special circumstances upon following prescribed procedures.⁴⁰ The BL Act of 2006 provides minimum standards to be followed by the industrial establishments. The possible application of the BL Act of 2006 to the cottage industry is not exactly known in the absence of any specific mention to that effect in the said Act. Moreover, the economic patronizations promised by the policies are still to be executed. The due execution of measures mentioned in the policies involve expenditure and expert institutional capacities. These uncertainties have made the *Jamdani* industry less attractive to new generations of weavers. The preservation of the *terroir*, in case of *Jamdani*, and survival of the weavers depends largely on the overall efficient governance of this industry.

Bangladesh is geographically blessed as a natural habitat for *lilish*. From time immemorial, a traditional fishing community locally known as '*Matsajibi*' preserved the

³⁸ Iftekhar Iqbal, 'A Research Report on Protection of Jamdani as a Geographical Indication in Bangladesh' in Centre for Policy Dialogue (CPD) and National Crafts Council of Bangladesh (NCCB), *Protecting Bangladesh's Geographical Indication Interests: The Case of Jamdani* (2014) 20.

³⁹ International Information and Networking Centre for Intangible Cultural Heritage in the Asia-Pacific Region, 'Jamdani: The Art of Weaving (Bangladesh)' <https://www.youtube.com/watch?v=abf59_sD99w> accessed May 21 2019.

⁴⁰ See The Bangladesh Labour Act 2006 ch. III

natural habitat of *Ilish* with their traditional and keen knowledge of river biodiversity and character of *Ilish*. The community observed their preservation ethics by catching and consuming *Ilish* only in specific months and seasons. After its birth as an independent nation in 1971, Bangladesh became the largest *Ilish* producing and consuming country; being blessed by the two components of *terroir*, namely the nature and its men. The cultural acquaintance of the nation with this fish variety is reflected in its literature and cuisine.⁴¹ However, in the following years, specifically after 1972, Bangladesh witnessed a decline in *Ilish* production. *Ilish* is an anadromous fish that lives in fresh water and estuarine zones during the juvenile stage, and inhabits saline waters as an adult. It moves upstream into rivers for spawning. Hence, the preservation and management of *Ilish* necessitates preservation and management of the entire ecosystem. The natural habitat of *Ilish* had largely been affected by man-made activities. Till the construction of the Farakka barrage in India in 1972, the upstream rivers of Bangladesh were the principal habitat of *Ilish*. After the construction of the barrage, fisheries declined in the upstream areas and now the downstream rivers, estuaries, coastal areas and the sea are the main habitat grounds.⁴² Movement of the fish is also affected by the siltation of riverbeds and construction of infrastructure. Other factors responsible for the *Ilish* decline in the years following are overfishing in the estuarine regions, fishing during spawning time, fishing of juvenile fish by seasonal fishermen, fishing without knowledge of the characteristics of this fish variety and use of fishing gear not conducive to fishing of *Ilish*. Different statistics have shown that during 1980s and 1990s the *Ilish* catch fluctuated. Taking the issue in concern, the Government recently took initiatives to increase *Ilish* production. For example, under the provisions of the Protection and Conservation of Fish Act of 1950, the Government declared certain rivers and coastal areas as *Ilish* sanctuaries. As per the provisions of the Marine Fisheries Ordinance of 1983, the Government bans fishing

in conserved sanctuaries during spawning seasons and movement of all types of fishing trawlers to allow the free movement of *Ilish*.⁴³ The DoF also bans fishing, transportation, marketing and selling of juvenile *Ilish* during the ban periods of the year. The use of certain fishing gear is also declared as illegal. Due implementation of these bans is generally executed through the involvement of law enforcement agencies. The Government also initiates awareness building programs with support and coordination from other stakeholders. In some instances, members of local Governments take part in these awareness building programs.⁴⁴

These banning activities, however, sometimes have adverse effects on fishing communities whose only source of income is fishing. A large number of traditional fishermen migrated to other professions and a new community replaced them. They started indiscriminate fishing during the spawning seasons, lacking proper knowledge. To remedy this position, the Government introduced alternative income generating activities during the ban period. However, the successful coordination of fishing bans and economic support to fishing communities during ban periods has resulted in a dramatic increase of *Ilish* production in the years 2000 - 2017, as reports and statistics show. In the last couple of years, *Ilish* has been sold at exorbitant prices. Nevertheless, consumers have shown their deep affection for *Ilish* by prioritizing *Ilish* over other common varieties of fish in the country.⁴⁵ The national fish gained its glory again and the market boom has brought hope of economic revival for millions of people associated with this fishing industry. Would GI registration of this fish variety accelerate international market access? The answer to this question is left for future days. At this stage, the coordination of various Government agencies is required for building up a GI friendly environment.

However, some recent Government initiatives in the name of development works have again put the *Ilish* industry in

⁴¹ Mandal (n 23)

⁴² Masud Ara Mome, 'The Potential of the Artisanal Hilsha Fishery in Bangladesh: An Economically Efficient Fisheries Policy', *Fisheries Training Programme* (The United Nations University, 2007)

⁴³ Marine Fisheries Ordinance of 1983 (Bangladesh) s 5(2)

⁴⁴ Md. Nahiduzzaman *et al.* 'Impacts of Fishing Bans for Conservation on Hilsa Fishers Livelihoods', in Nishat, B *et al* (eds), *Conserving Ilish, Securing Livelihoods: Bangladesh-India Perspectives* (New Delhi: Academic Foundation Press, 2018)

⁴⁵ Mandal (n 23)

jeopardy. These development works include construction of power stations, seaports, industrial areas and highways near *Ilish* sanctuaries. As per research conducted by the Bangladesh Fisheries Research Institute jointly with United Nations University and International Institute of Environment and Development, proposed development works will bring a huge detrimental effect to the overall climatic conditions of *Ilish* sanctuaries. These locations, being less polluted and replete with food particles for fishes, have become the most important sanctuaries for collection and reproduction of *Ilish*. In recent years, these sanctuaries have become the principal source of supply to meet local demands.⁴⁶ Vast amounts of land have been acquired by local and foreign companies to establish power stations near areas rich in fish and plant bio-diversity. The Environmental Impact Assessment Reports prepared in this backdrop have already reported that harmful waste and effluents from these power companies will endanger the overall biodiversity of the area. The power companies have also proposed the rehabilitation of local communities in these areas to accommodate the new labour force required by these companies.⁴⁷

Almost four decades ago, the construction of barrages, dams and embankments had the consequence of pollution and siltation, destroying the largest natural habitat in the river *Padma* - the principal source of *Ilish* from time immemorial. This experience has driven the Government to adopt measures and steps, as noted in preceding paragraphs. The successful implementation and good governance in this particular sector for the last couple of years has contributed to a dramatic increase in the total

catch of the country. However, recent development works, as reports establish, have put the new abode in danger again.

4. CONCLUDING REMARKS

Some of the problems discussed above have already grabbed the attention of DPDT; and last year, it has passed 13 directives to the two concerned bodies namely, BSCIC and the DoF for maximizing commercial exploitation of the two registered GIs. These directives involve, *inter alia*, the innovation of a logo, invention of appropriate quality control, devising marketing and promotional strategies, adoption of codes of conduct, enforcement of GI registration, etc.⁴⁸ BSCIC has already shown their urge for quick implementation of these directives.⁴⁹ It goes without saying that, in some practical instances GIs have proven beneficial in bringing trade related benefits, community development, and cultural revival of marginalized communities.⁵⁰ However, the contrasting picture is also correct when GIs hardly brought any significant benefits, mostly in developing economies.⁵¹ Countries with a long history of GI protection have experienced different degrees of success for same or similar products for diverse

⁴⁶ Iftekhar Mahmood, 'Ilisher Path Atke Bidyut Kendrer Dhol' *Daily Prothom Alo* (April 16, 2018) 1

⁴⁷ Environmental Impact Assessment (EIA) Study Report for Payra 1320 MW Thermal Power Plant Project, 2015, Environmental Quality and Management System; EIA of 2x660 MW Coal Based Thermal Power Plant to be Constructed at Kalapara, Patuakhali, 2017, CGIS

⁴⁸ DPDT Memo No. 89.00.0000.001.10.376/ 2017/2107

⁴⁹ Meeting Resolution of BSCIC on Actions in the Aftermath of Registration of Geographical Indication *Jamdani* (December 7, 2019)

⁵⁰ See Irene Calboli, 'Of Markets, Culture and Terroir: The Unique Economic and Culture Related Benefits of Geographical Indications of Origin' in Daniel Gervais (ed), *International Intellectual Property: A Handbook of Contemporary Research* (Cheltenham: Edward Elgar, 2015) 433-64

⁵¹ Justin Hughes, 'The Limited Promise of Geographical Indications for Farmers in Developing Countries', in Irene Calboli and Wee Loon Ng Loy (eds), *Geographical Indications at the Crossroads of Trade, Development and Culture: Focus on Asia Pacific* (Cambridge University Press, 2017) 61-86

reasons.⁵² To put it simply, GIs cannot be taken for granted as a development actor. Some of the observations made in this paper show the inexperience of a state in building a good ecosystem for the management and commercialization of GIs. The practice of protecting goods reputed from a territory through statutory mechanism is a new experience for Bangladesh. Due expertise to address aspects of GI are yet to develop. Moreover, factors that are responsible minimizing commercial benefits of GIs are external to the GI scheme. A good ecosystem and governance may accelerate the opportunity for a given GI. Otherwise, GIs' potential benefits would remain a theoretical rhetoric and practical absurdity.

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⁵²Giovanni Belletti, Andrea Marescotti and Jean-Marc Touzard, 'Geographical Indications, Public Goods, and Sustainable Development: The Roles of Actors' Strategies and Public Policies' (2017) 98 World Development
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2. INTELLECTUAL PROPERTY RIGHTS ON THE INTERNET: PRIVATE INTERNATIONAL LAW QUESTIONS IN BELARUS

Elena Leanovich*

ABSTRACT

The territorial character of intellectual property rights is widely recognized in international and national law, making it difficult to apply conflict of laws rules, recognize foreign court judgements and arbitral awards, and use other mechanisms of private international law with respect to intellectual property. However, Internet relationships on intellectual property usually include the so-called 'foreign element'. The article is devoted to the specifics of private international law norms and mechanisms regulating the Internet intellectual property relations with a foreign element. The territorial nature of intellectual property is strictly understood in the Republic of Belarus. There must be solid legal grounds to apply foreign laws on intellectual property and recognize intellectual property rights based on those laws. This article shows the expediency of another approach and methods of gradual transition to the flexible understanding of the territoriality of intellectual property. The author suggests implementing the new material and conflict of laws rules to the Belarusian legislation.

Keywords: *intellectual property rights, Internet, private international law, territoriality of intellectual property, territorial character of intellectual property rights, conflict of laws, ubiquitous infringements, internet service providers.*

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1. INTRODUCTION

Intellectual property rights are crucial for the Internet to function. This global system of connected networks is based on these rights. IT technologies (especially digitalization) allow the wide use of intellectual property in the Internet environment. At least, the works that fill the content of Internet resources and computer programs presenting the complete technical structure and 'modus operandi' of the Internet. Thus, it is not possible to act on the Internet without tackling intellectual property problems. In the present day, issues of protection of intellectual property rights and their enforcement in the virtual dimension, appear quite often.

The Internet challenges traditional private international law methods, which determine the applicable law and proper jurisdiction. The basic factor of localization in private international law is 'loci', meaning a place in a particular country. It cannot always work as an accurate tool for geolocation in the virtual world. In spite of the possibility to point out geographical Internet segments, geographical domain names and other signs of interconnection between the Internet relationships¹ and national jurisdictions, the technical environment of the Internet allows diminishing or even hiding of the real connection of a relationship with a particular country. For example, VPNs can be used to bypass the blocking of websites that infringe copyrights. When we pose two main questions of private international law, where to sue and which law to apply, we mean the real world of national courts and legislation and not its virtual substitute. However, the question is whether this virtual substitute really exists. There are some examples

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¹ Internet relationships arise, exist, change and cease in the information sphere because of the use of IT technologies in processing of isolated information. Internet relationships are a special subject of legal regulation

permitting solution of private international law problems on the internet without the recourse to national law and judicial systems. Today, the Internet has already convincingly demonstrated its self-regulation ability. Largely, this ability concerns technical aspects such as universal unity. From a legal point of view, methods of self-regulation can be seen in the practice of disputes concerning infringement of intellectual property rights in domain names. The WIPO Arbitration and Mediation Center provides flexible mechanisms to resolve Internet domain name disputes without the need for litigation in state courts. Thus, the first question of private international law is omitted. The second question can be missed as well, though not necessarily. The WIPO Overview of WIPO Panel Views on Selected UDRP Questions ('WIPO Jurisprudential Overview 3.0') says: '... a panel shall decide a complaint on the basis of ... any rules and principles of law that it deems applicable.'² It appears that the Uniform Domain-Name Dispute-Resolution Policy (UDRP) system is so broadly accepted that it can operate as a global representation of general trademark law principles and it is not necessary to apply particular national laws.

The main purpose of this article is to outline new tendencies in private international law, including legal grounds and possible obstacles for the development of self-regulation mechanisms of the Internet with respect to intellectual property relations. These problems have significant importance for Belarus. There are prerequisites for the intense development of the Internet intellectual property relations, but there is no relevant practice. On one hand, the absence of disputes can be explained by the 'bona fide' behaviour. On the other hand, the presence in Belarus of a significant number of ICT companies gives grounds to assume that the practice of infringements is latent and

rights holders do not know how to defend their rights, especially on the Internet. The Belarusian legislation does not provide special regulations for Internet relationships, and Internet self-regulation practices have not been developed in the national segment of the Internet, in particular for the domain '.by'. The UDRP mechanisms have not been set up for this type of domain. First, we investigate the issue in the context of existing private international law mechanisms. Second, we set about the task of finding the necessary changes and improvements to these mechanisms.

There are many scenarios in the development of Internet relationships that can cause the need to apply norms and mechanisms of private international law. At the moment, these norms are being carefully studied in the private international law doctrine. In particular, Andrew F. Christie revealed that in most cases, an infringement is at stake and it involves 'a local plaintiff suing a foreign defendant for a foreign action causing local damage to a local IPR (being either a trademark or a copyright)'.³ It is possible to discuss the prevailing foreign elements in relation to one another. Situations where a foreign claimant wants to defend intellectual property rights in foreign infringement cases in the defendant's jurisdiction are vital as well. The assets from which satisfaction can be obtained are usually situated in this country. We agree that the main sphere of interests concern an infringement. The most common association of this type of relation (i.e. infringement) with the problem of intellectual property rights on the Internet is highlighted in the materials of the International Chamber of Commerce.⁴ Sharing this point of view, we also turn our research to the relationships of intellectual property rights on infringements with different kinds of foreign elements.

² World Intellectual Property Organization (WIPO), 'Overview of WIPO Panel Views on Selected UDRP Questions. WIPO Jurisprudential Overview 3.0' (3rd edn, 2017), para 4.15 <<https://www.wipo.int/amc/en/domains/search/overview3.0/>> accessed 2 November 2018

³ Andrew F. Christie, 'Private International Law Principles for Ubiquitous Intellectual Property Infringement – a Solution in Search of a Problem?' (2017) 13(1) J Priv Intl L 152-183

⁴ International Chamber of Commerce, 'The ICC Intellectual Property Roadmap – Current and Emerging Issues for Business and Policymakers' (13th edn, 2017) <<https://iccwbo.org/publication/icc-intellectual-property-roadmap-current-emerging-issues-business-policymakers/>> accessed 12 November 2018

2. UBIQUITOUS INFRINGEMENTS AND TERRITORIALITY OF INTELLECTUAL PROPERTY

The notion of ‘ubiquitous’ is not clear from the legal point of view but tries to express immanent connection of the infringement with several jurisdictions. The term became widely used due to ‘Intellectual property: Principles governing jurisdiction, choice of law, and judgments in transnational disputes’ (ALI principles) of the American Law Institute⁵ and ‘Principles on Conflict of laws in Intellectual Property’ (CLIP principles) of the European Max Planck Group.⁶ Both documents have been prepared by leading specialists in intellectual property and private international law and contain model rules that can be applied to private international law issues in disputes concerning intellectual property relationships with a foreign element.

In particular, CLIP principles contain rules regulating international jurisdiction, applicable law, recognition and enforcement of foreign judgments in the field of intellectual property. This document consists of norms for clarification and adaptation of private international law to the specifics of the Internet environment. CLIP principles Article 2:203:(2) assigns a special characteristic of ubiquity to the Internet. It states and acknowledges relation to ‘ubiquitous media such as the Internet’ that, infringements may occur anywhere. The question, however, is whether ubiquitous infringement is infringement for all targeted or accessed countries, and is it important in the country where protection is sought. Thomas Petz emphasizes that answers lie not in the area of conflict of laws and other mechanisms of private international law, but in the material law of the aforementioned country (*loci protectionis*).⁷ We share this point of view. The rationale for this approach has roots in

the concept of the territorial nature of intellectual property rights. If the legal system of a country proceeds from a strict understanding of the principle of territoriality of intellectual property rights (as in the case of Belarus), the application of a foreign law to recognize a violation, count the amount of damages, etc. is hardly possible.

The territorial nature of intellectual property rights means that protection of these rights is granted in the territory of the country where it is requested and is regulated by that country’s law. National intellectual property laws do not have extraterritorial effect, i.e. they do not apply to the territory of other states and intellectual property rights based on national legislation are not recognized elsewhere. Territoriality is presumed and may be overturned by special provisions of national and international laws. Exemptions of this kind are rare in Belarus and are limited to some intellectual property rights and objects that are carefully described. For example, exclusions from the principle of territoriality are regulated in the following legal sources in force in Belarus⁸:

- Paris Convention⁹
- Madrid Agreement¹⁰
- Berne Convention¹¹
- Copyright Law of Belarus¹²
- Belarusian Law on Geographical Indications¹³

⁵Rochelle Dreyfus, Jane C. Ginsberg and Francois Dessemontet, *Intellectual property: Principles Governing Jurisdiction, Choice of Law, and Judgments in Transnational Disputes* (American Law Institute 2008).

⁶Jurgen Basedow et al., *Conflict of laws in Intellectual Property: The CLIP Principles and Commentary* (Oxford University Press, 2013).

⁷Thomas Petz, ‘Ubiquitous Infringement’ in Toshiyuki Kono, *Intellectual Property and Private International Law: Comparative Perspectives* (Oxford University Press, 2012).

⁸WipoLex, ‘Belarus (69 texts)’

<<http://www.wipo.int/wipolex/en/profile.jsp?code=BY>> accessed 14 November 2018.

⁹ Articles 4 bis (5) and 4A(2).

¹⁰ Articles 4 and Article 6(2)(3).

¹¹ Articles 5(2) and 7(8).

¹² Article 5.2

¹³ Articles 3.2, 3.3, 8.5.2 and 16.2.

The rules of jurisdiction of the Code of Civil Procedure of the Republic of Belarus¹⁴ of January 11, 1999, № 238-3, do not exclude the possibility of filing a lawsuit in Belarus despite the fact an infringement of intellectual property rights took place abroad. It also concerns cases where a place of an infringement is unknown or cannot be associated with one country.¹⁵ The basic rule of international jurisdiction is the place of residence, stay or location of the defendant (provided for in Article 545 of the Code of Civil Procedure). This leads to appearance in the Belarusian judicial practice of disputes arising from intellectual property rights infringements with a variety of foreign elements, including foreign nationality of right holders, infringement of rights abroad, etc. Thus, in the case of Belsat, where identical trademarks belonged to rights holders of different nationalities, the foreign holder could not use the sign for TV-broadcasting reaching Belarusian territory.¹⁶ This case received political publicity in that rights of the foreign rights holder were denied recognition. However, the Belarusian court did not have any legal grounds to recognize intellectual property rights claimed based on registration valid in Poland and other EU Member States.

CLIP principles Article 3:603 provides that in disputes involving ubiquitous infringement, the question of applicable law can be solved based on the rule of close connection. In this case, a court and parties can find many ways to localize a disputed relationship in a particular legal system. In determining which country has a close connection with the infringement, CLIP principles suggest taking into account all relevant factors. In particular, the infringer's habitual residence, infringer's principal place of business, place where substantial activities in furtherance of the infringement in its entirety have been carried out, and the place where harm caused by the infringement is substantial in relation to the infringement in its entirety.

¹⁴Code of Civil Procedure of the Republic of Belarus 1999
<http://etalonline.by/?type=text®num=HK9900238#load_text_none_1> accessed 15 November 2018 (Belarus Civil Procedure Code)

¹⁵Belarus Civil Procedure Code

¹⁶Belarusian Supreme Court Bars Popular TV Channel from Using Name. (September 4, 2014).

There could be other factors considered in the process of localization as well. CLIP principles suggest a logical solution, but they lack goal setting. The conflict of laws of this document is devoted to finding the best linkage with a country. However, it is more important to establish connections of a relationship with a legal order, not a place.

The strict territorial approach that has become widespread in the legislation and practice of Belarus does not allow such a method of localization. Article 1132 of the Civil Code of the Republic of Belarus (Belarusian Civil Code) states that the laws of the country where protection is sought is applied.¹⁷ It is formulated as '*lex loci protectionis*'. However, as a matter of fact, it orders Belarusian courts to apply the Belarusian law and functions as '*lex fori*'. The word 'where' cannot be interpreted by Belarusian courts otherwise (for example, as 'for which'). Moreover, it is quite difficult to imagine the application of this article abroad by another body, including arbitral tribunals. Exclusive jurisdiction for disputes on protection and enforcement of intellectual property is not fixed, but it follows from material norms of the Belarusian intellectual property legislation. The arbitrability of disputes on intellectual property relationships with a foreign element is unclear and hardly possible on questions of protection of intellectual property objects, especially industrial property objects, which demand formalities (patenting, registration). The main inference of the strict territorial approach is that relationships, which are legal according to foreign law, cannot have consequences abroad and rights based on these relationships cannot be exercised.

The Belsat case does not deal directly with the problem of ubiquitous infringements. It shows that although the norms of private international law in Belarus recognize the existence of the intellectual property relationships with a foreign element, these norms do not fulfil their regulative

<http://www.highbeam.com/doc/1G1-381394524.html?refid=easy_hf> accessed 15 November 2018.

¹⁷ Belarus: Civil Code 1998 [Belarus]
<<http://www.refworld.org/docid/4c21c0d62.html>> accessed 15 November 2018 (Belarus Civil Code)

functions since, in their absence, results will be the same. Considering the need for changes in Belarusian private international law, it is necessary to clarify goals and expected results. CLIP principles, ALI principles and other examples of new possible rules give many models to follow. However, in our opinion, the improvement of Belarusian private international law should proceed primarily from the interests of the Republic of Belarus.

It is first necessary to determine the goals of a flexible understanding of the principle of territoriality of intellectual property rights. Then it is possible to identify the means for realizing the new understanding. The specifics of intellectual property relationships on the Internet, in particular ubiquitous infringements, can serve as effective indicators for answering these questions. The territoriality of intellectual property helps to maintain national interest of economic development. It can ensure free access to scientific and technical achievements that have great importance for less developed countries. The supportive function of the principle of territoriality is more apparent for inventions and other intellectual property objects that comprise technologies and innovations.

Lydia Lundstedt conducted a detailed and comprehensive study of the various approaches to territoriality of intellectual property in EU Member States and the United States.¹⁸ She begins her study by indicating that ‘a basic premise of the territoriality principle of IP law is that each state determines whether and the extent to which IP rights exist and are protected within its own territorial borders.’¹⁹ We can also add that such a determination is crucial for the sovereignty of each state. Intellectual property law is essentially based on state measures that regulate private law relations among rights holders, users, competitors and

the general public and form part of the eminent domain of the state to regulate.²⁰ Taking into account the economic, industrial and innovative development needs of the Republic of Belarus, the abandonment of the principle of territoriality is premature, but transition to the flexible understanding of territoriality is desirable.

It is necessary to deal with the problem of territoriality of intellectual property by taking into account the specifics of relationships with a foreign element. These relationships are initially connected with several legal systems. It is unfair to localize them in one of the legal systems in accordance with one criterion and then consider them as national relationships. Foreign elements designate specific legal status of relationships. Friedrich Carl von Savigny advocated focusing on the intentions of parties, their demand to create obligations and to get goals. Instead of a single factor, a combination of factors allows the close connection of relationships with the applicable law to be proven. It is important to note that the connection is established, not with a country, but with the country’s law. Under Savigny’s approach, the main goal is to provide a harmonized and neutral choice of law rules that benefit all stakeholders (states, litigants, judges, etc.) by producing decisional harmony in all courts confronting the same choice of law issues.²¹ This postulate is very important to take into account when formulating the goal setting of conflict regulation of Internet relationships. The goal is to maintain the legitimacy of Internet intellectual property relationships, which are very fragile because of the principle of territoriality.

Thus, the general rule of Article 1132 of the Belarusian Civil Code is not sufficient. It must be supplemented by the conflict of laws rule of close connection in order to not

¹⁸ Lynda Lundstedt, ‘Territoriality in Intellectual Property Law: A Comparative Study of the Interpretation and Operation of the Territoriality Principle in the Resolution of Transborder Intellectual Property Infringement Disputes with Respect to International Civil Jurisdiction, Applicable Law and the Territorial Scope of Application of Substantive Intellectual Property Law in the European Union and United States’ (PhD thesis, Stockholm University 2016).

¹⁹ *ibid*

²⁰ Henning Grosse Ruse-Khan, *The Protection of Intellectual Property in International Law* (Oxford University Press 2017).

²¹ Carolyn A. Dubay, ‘Private International Law Discourse: The Legacy of Friedrich Carl von Savigny’ (2012, Spring Issue). Intl Judicial Academy, ASIL
<www.judicialmonitor.org/archive_spring2012/privateinternationalallawdiscourse.html> accessed 12 November 2018.

deprive parties from the opportunity to rely on the legitimacy of the relationships originating abroad. The rule of close connection must have auxiliary meaning and be applied on demand by an interested party subject to sufficient justifications provided by this party. A combined conflict of laws solution using the criterion of close connection as an additional mechanism of private international law allows taking into account intellectual property relationships that arose abroad. It is inappropriate to support the concept of the Belarusian legal system leaning to the recognition of non-existence of these relationships. It is necessary to begin a gradual transition to a flexible understanding of territoriality of intellectual property and to supplement the Belarusian Civil Code with new conflict of laws rules. These rules will not give rise to the recognition and enforcement of foreign intellectual property rights, and must be decided based on special material norms of the Belarusian legislation and international treaties. Moreover, grounds for the emergence of legal protection of intellectual property rights can be qualified as public order (Article 1099 of the Belarusian Civil Code) or mandatory rules (Article 1100 of the Belarusian Civil Code). The main goal of the proposed changes is to meet current challenges. In the globalized world of intense information and economic exchanges, transnational obligations should not be impaired by the fact that one of the parties in the intellectual property relationship can be deprived of rights based on their jurisdiction (for example, getting compensation or consideration) or otherwise face negative and unfair consequences of the principle of territoriality (for example, trade mark squatting). Furthermore, an analysis of ubiquitous infringements in the domain of private international law shows that the principle of territoriality not only causes these negative consequences, but it simply impedes the application of private international law mechanisms. This is because they are traditionally oriented

to find a precise territory while 'private actors, whether rights holders, users, competitors, or infringers, are largely unable to stop the effects of their activity at the borders.'²²

3. SPECIFIC PRIVATE INTERNATIONAL LAW MECHANISMS FOR UBIQUITOUS INFRINGEMENTS

A global system of connected networks based on technical unity (TCP/IP, HTML) without national borders creates specific conditions for legal regulation and resolution of the intellectual property relationships. This kind of transnational relationship has made significant developments. The majority of cases on the intellectual property relationships online are devoted to the infringements of rights on works, phonograms, and trademarks.

In 2015, Andrew Christie prepared a comprehensive study of quantitative and qualitative indicators of online intellectual property infringement disputes.²³ The author showed the main private international law issues, namely the choice of applicable law, other private international law mechanisms, and special private international law considerations with respect to the online aspects of an infringement. The results obtained lead to the conclusion that private international law rules and mechanisms are taken into account, but they do not play a decisive role and that disputes can be resolved without them. Additionally, the choice of applicable law was not considered in most cases. Christie noted that it was only directly considered in approximately one quarter (29%) of the cases. Reference to the foreign law was made only in two cases and in one case it was not applied because the court declined to accept jurisdiction over the matter. The most popular issue of private international law was the definition of 'jurisdiction', addressed in approximately two-thirds of evaluated cases. However, this question is generally attributed to the presence of a foreign element in the relationship

²² Graeme B. Dinwoodie, 'Developing a Private International Intellectual Property Law: The Demise of Territoriality?' (2009). Oxford Legal Studies Research Paper No. 52/2009. <<http://www.ssrn.com/link/oxford-legal-studies.html>> accessed 12 November 2018.

²³ Andrew F. Christie, 'Private International Law Issues in Online Intellectual Property Infringement Disputes with Cross-Border Elements: An Analysis of National Approaches' (World Intellectual Property Organization, 2015) <www.wipo.int/edocs/pubdocs/en/wipo_rep_rfip_2015_1.pdf> accessed 12 November 2018.

considered by the court. Finally, in 96% of the cases, no local enforcement was sought for the foreign judgments. The demand for the recognition and enforcement was marked in only two cases and was satisfied in both cases. Nevertheless, the revealed lack of demand for this mechanism of private international law shows that in cases of ubiquitous infringements, the injured party does not rely on its ability to defend intellectual property rights abroad. It can be assumed that either rights holders do not trust traditional mechanisms of private international law allowing consideration of a dispute in their domestic jurisdiction, or online alternative dispute resolution procedures are used and these results can be enforced without the national judicial systems.

Christie based his study on materials from the practice of developed countries (56 cases from 19 jurisdictions). These countries have big online markets with significant turnovers. This situation determines the prerequisites for the development of Internet relationships on the use of intellectual property objects and, in turn, may cause an increase in activities addressing these issues in disputes arising from these relationships. However, according to Christie's study, this is not so. If the settlement indicators of Internet intellectual property disputes for developed countries are low, then Belarus must pay more attention to the legal maintenance of these relationships. Otherwise, Belarus may find itself latent and non-existent in an international context (i.e. in several jurisdictions) due to their international nature.

Belarus has an advanced ICT industry sector. According to the International Telecommunication Union, the ICT Development Index of the country ranked 32 out of 176 countries.²⁴ In recent decades, the creation and export of ICT products have received solid government support in Belarus and is one of the top-priority economic sectors. Thus, in 2005, the Hi-Tech Park (HTP) was established with the main goal being to support the software industry.²⁵ HTP

provides a special legal regime for international IT business cooperation and currently 192 companies are registered HTP residents. More than half of these are foreign companies and joint ventures. Consequently, even one particular example makes it clear there are appropriate conditions in Belarus for the development of relationships that can potentially challenge specific private international law mechanisms for ubiquitous infringements.

Cases of intellectual property rights infringements arising from unauthorised use of the intellectual property object on the Internet are not rare in Belarusian judicial practice. However, these cases are considered without specific consideration of the online infringement that can characterise it as ubiquitous and trigger the application of the private international law norms and mechanisms, such as targeting and accessibility. When an intellectual property object (copyrighted work, registered trademark, etc.) is used on a website created outside the jurisdiction of the court or is operating in a way that attracts foreign users, a plaintiff or a court may consider the signs of ubiquitous infringement and raise private international law questions. These questions have not yet been significantly investigated in Belarusian judicial practice. However, current case law shows that courts and parties are eager to deal with technical aspects of the Internet, in particular, evaluating unlawful use of intellectual property objects on the Internet and the assessment of evidence confirming infringement.²⁶ Case law indicates the Belarusian courts have acquired the skills necessary to deal with Internet infringements since there were previous cases where courts appointed expertise to clarify technical aspects of online activity, use of intellectual property objects on websites and other parts of the virtual space.

At the same time, it is remarkable to notice that a specialized arbitration has been created in Belarus to settle information technology and intellectual property disputes. The Arbitration Court for Information Technology and

²⁴ ICT Development Index (2017) <<http://www.itu.int/net4/itu-d/idi/2017/index.html>> accessed 16 April 2019.

²⁵ Hi-Tech Park <www.park.by> accessed 16 April 2019

²⁶ See Supreme Court of the Republic of Belarus, Decision of November 8, 2018, case No. 12-01 / 93-2018 <http://court.gov.by/ru/justice_rb/praktice/intell/foto/d877f7c816e64b7b.html> accessed 14 November 2018.

Intellectual Property Disputes (IT&IP Arbitration Court) is a division of the Association of Information Technology (AKIT). The court was registered in accordance with the decision of the Justice Department of the Minsk City Executive Committee in 2015. It aims to settle disputes between legal entities and individuals in the ICT sphere, including disputes concerning recognition and challenging of authorship; recovery of compensation under license, sublicense, or other agreements; compensation and damages arising from illegal use of intellectual property and suppression of intellectual property rights infringements.²⁷

There are factual and institutional grounds for the rapid development of Internet relationships on intellectual property in Belarus, leading to the high probability of ubiquitous infringements disputes. However, there exist the necessary means for resolving such disputes. There are two main options, either to sue in national courts and rely on private international law rules and mechanisms of *lex fori*, or to use alternative dispute resolution and choose the applicable law. From a practical point of view, legal instruments in both options are quite complex and require a certain strategy to meet the risks associated with recognition and enforcement of foreign judgments and arbitral awards. From the standpoint of legal technique, current Belarusian private international law demands modifications to make conflict of laws norms transparent and functional. The main problem is these norms can be interpreted in different ways and do not regulate many aspects. For example, arbitrability and exclusive jurisdiction for intellectual property disputes and restrictions on party autonomy to choose applicable intellectual property laws are not regulated by these norms. The problem of modernization of the Belarusian legislation is rather complex. To emphasize the specifics of a flexible understanding of the territoriality of intellectual property, we dwell upon the necessary changes to conflict of laws rules.

²⁷ IT&IP Arbitration Court

<http://www.akit.by/index.php?option=com_content&view=article&id=16&Itemid=10> accessed 10 November 2018.

²⁸ Lilian Edwards, 'The Role of Internet Intermediaries in Advancing Public Policy Objectives Forging Partnerships for Advancing Policy

A. SELF-REGULATION ABILITY OF THE INTERNET

The second of the two options mentioned above is based on self-regulation mechanisms. To a certain extent, the Internet can be viewed as a space where disputes can be resolved without the use of national legal systems, including state legislation, courts and government bodies (for example, patent offices). If the results of an alternative dispute resolution, such as an amicable settlement or an arbitral award, can be enforced without the use of state mechanisms, the problem of territoriality can be avoided and not be taken into account by parties to the dispute and the alternative dispute resolution body.

The ability of self-regulation of the Internet is based on its technical infrastructure and can be provided by the Internet service providers (ISP) and other Internet intermediaries. Almost all actions on the Internet, in particular access to the Internet and placement of information in the virtual space, including content that violates intellectual property rights, are supported or accomplished by ISPs. These persons usually receive allegations of intellectual property rights infringement. Nevertheless, ISPs play a key role in ensuring action to remedy infringements. In particular, ISPs can use their technical facilities to warn users about illegal activities, eliminate unauthorised content from a website, and transfer a domain name to the trademark owner. There is a tendency when developing the ISPs' activity to respect the goals of public policy expressed by states or intergovernmental organizations. This activity is necessary to secure innovative solutions and best practices on the Internet. It is important to note that in carrying out the required actions, ISPs bear the burden of expenses.²⁸ Hence, there are some limits to an ISP's willingness to act as some kind of filter or barrier for unlawful content infringing upon intellectual property rights.

There is a link between *bona fide* behaviour of ISPs and national legislation. However, the question is, which

Objectives for the Internet Economy, Part II' (OECD, 2011) <<https://ssrn.com/abstract=1875708>> accessed 15 November 2018.

country's law is at stake. From the material regulation perspective, it is the law of the country where the ISP has received a permit for professional activities in the corresponding capacity. However, conflict of laws rules do not allow that easy an answer. The established patterns of behaviour of ISPs in different relationships brightly illustrate the problems of conflict of laws for intellectual property relationships because they have private legal nature.

ISPs do not make payments in jurisdictions where activities placed under control or banned, such as Internet gambling transactions. The territoriality of intellectual property does not allow such a simple variant of solution. Ubiquitous infringement of intellectual property rights implies ubiquitous protection of these rights. ISPs cannot check legal status of an intellectual property object, including identity of the rights holder, fulfilment of formalities, compliance with terms and protections, exhaustion of rights, and grounds of free use. Ideally, this should be done in all jurisdictions. The ISPs cannot do it, not only because of lack of necessary skills or facilities, but also because they do not have the authority powers to establish the existence of corresponding legal facts. ISPs make their conclusions based on evidence supplied by a claimant.²⁹

Thus, it is incorrect to discuss the far-reaching possibilities of self-regulation. Instead, we see the formation of practice of active participation from ISPs in various procedures to prevent or eliminate ubiquitous infringements. This practice is supported by legislation in some countries that allow or prescribe blocking of Internet resources based on a presumption of infringement. In Belarus, such legislation has not been adopted. ISPs play an important role in resolving the problem of infringements by providing their premises for alternative dispute resolution. This practice is impressive with regard to the problem of the illegal use of

intellectual property objects in domain names. The features of self-regulation can be seen in the technical actions fulfilled by the ISP as prescribed in decisions delivered by arbitral tribunals (panels according to UDRP).³⁰ For example, transfer of domain name registration to another person is an example of technical actions of ISPs which substitute recourse to remedies under national legal systems. The use of such specific forms of arbitration for the settlement of Internet disputes has not received significant development in Belarus.

B. CONFLICT OF LAWS FOR THE INTERNET RELATIONSHIPS

It is possible to distinguish two main instances that decide the question of applicable law, those being national court and international arbitral tribunal. These entities deal with the question differently and the conflict of laws norms utilized by each of them differ in content. National courts are required to follow their domestic conflict of laws. International arbitral tribunals are free to choose any rules, including rules chosen by the parties. Moreover, international arbitral tribunals can determine applicable law not only on conflict of laws rules that are in force in a particular country, but on any set of rules. It also implies application of conflict of laws rules developed by international organizations or ones that appeared due to the practice of dispute resolution in a certain area of transboundary relationships. The freedom of international arbitral tribunals in determining conflict of laws is provided in Article 36 of the Law of the Republic of Belarus, 'On International Arbitration Court (Tribunal)'.³¹ Such an approach is typical for the international arbitral tribunals considering cases on Internet intellectual property relationships with a foreign element.

Thus, it is possible to formulate optimal conflict of laws rules for the Belarusian legislation, taking into account the

²⁹ WIPO, 'Overview of WIPO Panel Views on Selected UDRP Questions. WIPO Jurisprudential Overview 3.0' (3rd edn, 2017), para. 4.2 <www.wipo.int/amc/en/domains/search/overview3.0/> accessed 12 November 2018.

³⁰ Uniform Domain Name Dispute Resolution Policy <<https://www.icann.org/resources/pages/policy-2012-02-25-en>> accessed 12 November 2018.

³¹ Law of the Republic of Belarus 1999 (amended as of July 1, 2014) <<http://law.by/document/?guid=3871&p0=H19900279e>> accessed 12 November 2018 (Law of Belarus)

importance of the territoriality of intellectual property problem for national interests. Methodologically, the course of reasoning should go from the general to the particular. The general conflict of laws rules for intellectual property must fit into Internet intellectual property relationships. Depending on the concept of territoriality adopted in the country, national courts will allow application, to a greater or lesser extent, of foreign intellectual property law. However, it is difficult to find one solution for appropriate conflict of laws rules in international arbitration. On one hand, international arbitral tribunals are independent bodies for transboundary dispute settlement. They do not belong to state judicial systems and are free to interpret the concept of territoriality of intellectual property. At the same time, territoriality imposes restrictions on the competence of international arbitral tribunals and choice of intellectual property laws in arbitration. The recognition and enforcement of arbitral awards can be impeded by these reasons.³² Thus, international arbitration to settle disputes concerning Internet intellectual property relationships can apply any intellectual property law if recognition and enforcement of the arbitral award does not require recourse to state judicial systems. Otherwise, in particular, if there is a question of compensation for damages and voluntary enforcement is not possible, then it is better for arbitration to follow the concept of territoriality and conflict of laws norms of the country where the enforcement is necessary.

The development of conflict of laws rules' disregard for territoriality leads to rather interesting solutions. For example, choice can be based on the rule of '*lex benenitatis*', meaning the law most favourable for a person's status. In intellectual property practice this rule can work in the following way – the claimant refers to the law of the country for which it has a trademark registration, while the infringement is ubiquitous and the decision calls for measures (for example, domain name transfer) to be

taken in several jurisdictions. Another specific feature is the development of usages and a set of rules designed to regulate Internet intellectual property relationships instead of national law. This is because national laws do not contain provisions suitable for the Internet ('*lex electronica*', 'Netiquette') such as, the three stage test of the UDRP in domain names disputes, open licenses, and other ways to provide legal use of intellectual property on the Internet.

4. CONCLUSION

As of now, new tendencies in legal regulation of Internet intellectual property relationships do not reflect in the development of relevant Belarusian legislation. This situation needs to change. It is desirable to adopt legislation containing material norms, at least on the issues of the legal status of ISPs and other Internet intermediaries as participants of intellectual property relationships, their liabilities, responsible behaviour and blocking illegal use of intellectual property objects on the Internet.

The proposed changes are not the result of a significant number of cases. They are necessary because parties to Internet intellectual property relationships are usually not familiar with the characteristics of these relations (participants, territorial scope, possible remedies) and do not know how to act.

Regarding the conflict of laws, it is necessary to amend the text of Article 1132 of the Belarusian Civil Code from, 'the law of the country where protection is sought' to 'the law of the Republic of Belarus'.³³ Additionally, a rule of close connection should be added to the general rule in order to give parties to a relationship, bearing a foreign element, the possibility of recognition of legal consequences of intellectual property relationships despite principles of territoriality.

The conflict of laws rule of *lex loci protectionis* is imprecise since it does not clarify the correlation between the laws of

³² See Convention on the Recognition and Enforcement of Foreign Arbitral Awards (adopted 10 June, 1958) 330 UNTS 3 (New York Convention)
<http://www.uncitral.org/uncitral/en/uncitral_texts/arbitration/N

YConvention.html> accessed 13 November 2018, arts V.2.a) and V.2.b) respectively

³³ Belarus Civil Code, art 1132

two key places, i.e. the place of litigation and the place of afforded and recognized protection. There are several reasons to abandon this rule. First, ambiguity demands the application of rules of qualification (Article 1094 of the Belarusian Civil Code) and delays case consideration. Second, the localization factor doubles the question of jurisdiction. Finally, the rule contradicts some material norms, in particular norms taking into account foreign intellectual property law.

The rule of *lex loci protectionis* cannot provide flexibility to the territoriality of intellectual property. It is not for conflict of laws to decide whether an intellectual property object is protected or not. This question is considered on material norms of imperative nature. Belarus has a specific interest in access to knowledge for the purposes of innovation as well as scientific and technological development and these norms express the goals of public policy. The economic rationale for *lex fori* (in precise wordings ‘the law of the Republic of Belarus’) is that intellectual property is a monopoly permissible under the prescriptions of national legislation which limits free access to the modern achievements in science, culture, art, etc. Each state correlates the level of its economic development with the rules of intellectual property rights protection. It concerns types of protectable intellectual property objects. At the same time, the territorial character of foreign intellectual property rights does not mean that within Belarusian jurisdictions, relevant circumstances should not be taken into account. Thus, an additional rule in Article 1132 of the Belarusian Civil Code can be introduced with the following wording: ‘on the proved demand of an interested party, the court can take into account the rules of law of another country or countries that have close connection with the considered relationship.’

In the circumstances of a particular case, it will give an opportunity to apply foreign intellectual property laws guided by any localization factor, such as, place of infringement, place of origin protection, place of conclusion or performance of the contract. While parties may try to rely on more favourable laws, the demand for application

of foreign intellectual property law must be proven in such a manner that a court would not consider it as unfair behaviour, an attempt to evade the law or escape liability.

Securing the possibility of applying foreign intellectual property laws provides an opportunity to overcome the contradiction between the essential unity of the object of intellectual property and the multiplicity of forms of its legal protection in several jurisdictions. It is suitable for Internet intellectual property relationships with a foreign element, including ubiquitous infringements.

One reason for authorizing the use of foreign intellectual property law based on the criterion of close connection is to reduce the importance of the restricting mechanisms of private international law, namely public order³⁴ and mandatory rules for intellectual property rights relationships³⁵. The new proposed conflict of laws rules have a set of restricting guides with respect of intellectual property relationships on the Internet. It would be an exaggeration to also resort to public order or mandatory rules in addition to the proposed rules. For ubiquitous infringements, it means that the mere fact of their existence cannot be challenged on the basis of these mechanisms of private international law, especially in view of the wording ‘another country or countries.’

³⁴ Belarus Civil Code, art 1099

³⁵ Belarus Civil Code, art 1100

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3. ARTIFICIAL INTELLIGENCE AND A NEW CORNERSTONE FOR AUTHORSHIP

Fredy Sánchez Merino*

*'What is the heart but a spring; and the nerves
but so many strings; and the joints, but so many wheels'*

- Thomas Hobbes, 1651

ABSTRACT

The 20th century's digital technological revolution has transformed our world in ways once thought almost impossible. What was once deemed mere science fiction, has now become reality. Of these developments, one of the most controversial is that of the growing dependence on robots and Artificial Intelligence (AI). AI development has led to a scenario in which non-human entities generate scientific, artistic, and industrial outputs that meet the requirements to be protected as intellectual property (IP). However, it also faces various theoretical and practical obstacles hindering such protection. This paper aims to address the question of the role of art created by AI; and to offer certain theoretical solutions that, in the future, could resolve the legal problem that represents the creation of art by an AI entity.

Keywords: *artificial intelligence, copyright, e-citizen, intellectual property, originality, rationality, legal personhood*

1. INTRODUCTION

To date, a universal definition for Artificial Intelligence (AI) does not exist. Many have tried to define it, such as John McCarthy, who conceptualized it as: 'The science and engineering of making intelligent machines, especially intelligent computer programs.'¹ The

humanitarian thought in the voice of Haugeland, on the other hand, describes it as: 'The exciting new effort to make computers think ... machines with minds, in the full and literal sense.'² Poole, as the representative of rationalism, expresses that 'Computational Intelligence is the study of the design of intelligent agents.'³ While each individual definition has its merits, most, like these three, fall under one of the four historical approaches used in its study: humanist thought, humanist action, rational thought, and rational action. Humanist thought and action have their roots in behaviorism and are sustained in empirical knowledge. Rational thought and rational action, on the other hand, are held on a combination of mathematics and engineering.

Uniting the four approaches is the search for 'autonomous intelligence' in machines. Understanding this key concept is vital to solving AI's intellectual property (IP) problems. One such emerging problem stems from the creation of copyrightable works by automated beings. In turn, answers to the applicable preconceived and new legal mechanisms must be implemented.

AI will soon face the fundamental IP problem of authorship. Authorship and other legal issues, such as the exploitation of AI works and their entry into the public domain, will likely arise soon and are in dire need of legal treatment.

The recognition of authorship rights for non-human entities would mean a significant change in the way we interpret the law. Legal subjects such as personal and fundamental rights, and the creation of new normative structures to allow the coexistence of humans and machines in society would have to be approached in a completely different way. In some legal systems, steps towards the creation of these structures have already been undertaken. The European

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¹ John McCarthy, 'What is AI?/Basic Questions' (Professor John McCarthy, 12 November 2007) <<http://jmc.stanford.edu/artificial-intelligence/what-is-ai/index.html>> accessed 06 May 2019.

² John Haugeland, *Artificial Intelligence: The Very Idea* (2nd edn, MIT Press 1987).

³ David Poole and Allan Mackworth, *Artificial Intelligence: Foundations of Computational Agents* (1st edn, Cambridge University Press 2010).

Parliament, for example, recently proposed a motion with recommendations for the civil regulation of the aptly named ‘electronic citizens’⁵ The proposal is complex, requiring the consonance of other branches of the law. This is a result of the impact of AI on discrete branches of law such as the law of persons in particular legal personality, legal capacity and civil liability, among others. Its proposal presents an opportunity to define areas in IP law that have yet to be regulated.⁶

The purpose of this paper is to provide clarity on the ‘AI-generated work’ dilemma. It will start with some basic concepts of artificial intelligence, for a better understanding of the concept of ‘authoring’. The core of this paper will then focus on the authorship of AI-generated works of art. Some solutions will then be proposed, since current legislation does not cover some of the most important aspects of AI system authorship. Related topics like originality, morality and exploitation will be addressed as well.

Most of this paper approaches its concepts through the perspective of the civil law system, as it is considered to best align with the new required dynamics of IP protection.

2. ARTIFICIAL INTELLIGENCE: 60 YEARS OF DEVELOPMENT

The term ‘Artificial Intelligence’ was coined by John McCarthy during the summer of 1956 at Dartmouth College.⁷ Like all new branches of science, it faced heavy criticism and many obstacles until 1982, after a program called System Trade Expert R1 (STE-R1) began operating at Digital Equipment Corporation.⁸ By 1986, the system was saving the company \$40 million a year, sparking the growth of the AI industry.⁹

After the success of STE-R1 in 1986, interest in AI boomed. Development in neural networks, originally carried out in 1962 by Frank Rosenblatt, was revived. This allowed for the application of the three major learning paradigms: supervised, unsupervised, and reinforced. Reinforced learning incorporates stochastic models, which are implemented into rational agents that are capable of perceiving ‘sensorial’ information of their surrounding environment.¹⁰ This is done for the purpose of developing the optimal outcome to the requested task—or the best possible, when operating under uncertainty.

The rationality achieved by these agents was, and still is, misunderstood by non-experts as infallible. For the purpose of this paper, it must be considered that rationality is not defined as omniscience. It maximizes the expected performance and therefore supports, and in fact conceives,

⁵ European Union Draft Report with Recommendations to the Commission on Civil Law Rules on Robotics [2017] INL 2015/2103 (Robotics Draft Report 2017).

⁶ *ibid.*

⁷ John McCarthy, ‘A Proposal for the Dartmouth Summer Research Project on Artificial Intelligence’ (Professor John McCarthy, 31 August 1955)

<<http://jmc.stanford.edu/articles/dartmouth/dartmouth.pdf>> accessed 11 May 2019: ‘We propose that a 2 month, 10 man study of artificial intelligence be carried out during the summer of 1956 at Dartmouth College in Hanover, New Hampshire. The study is to proceed on the basis of the conjecture that every aspect of learning or any other feature of intelligence can in principle be so precisely described that a machine can

be made to simulate it. An attempt will be made to find how to make machines use language, form abstractions and concepts, solve the kinds of problems now reserved for humans, and improve themselves. We think that a significant advance can be made in one or more of these problems if a carefully selected group of scientists work on it together for a summer.’

⁸ Digital Equipment Corporation, ‘Records’ <https://oac.cdlib.org/findaid/ark:/13030/c8t72p80/entire_text/> accessed May 7, 2019.

⁹ Stuart J Russell and Peter Norvig, *Artificial Intelligence, A Modern Approach* (3rd edn, Prentice Hall 2013).

¹⁰ *ibid.*

the existence of errors in the proceeding.¹¹ It is of vital importance to assume throughout this paper that perfect rationality in complex environments is, to date, unattainable.

In 1988, Judea Pearl coined the term 'Bayesian networks'.¹² This refers to a method that solved many of the problems of probabilistic reasoning of the 1960s and 1970s. To this day, it is the dominant AI research approach in expert systems and uncertain reasoning.¹³ Through the work of many scientists like Allen Newell and John Laird, the emergence of intelligent agents have provided for the continued development of AI.

By 2001, the rapid spread of the internet gave rise to a new issue in AI development — the amount of information received. Modern trends explain that when developing neural networks and intelligent agents, the amount of information these agents perceive must be prioritized over the algorithms to be used on them.¹⁴

Nowadays, the scope of AI stretches into the functions of everyday life. AI can be found in robotic vehicles to self-employed planners, through video games and even intelligent vacuum cleaners.

3. CAN MACHINES BE CONSIDERED AUTHORS?

AI research falls under two main schools of thought: Rationalistic, rooted in logical reasoning and mathematics; and Humanistic, which seeks to emulate the cognitive model of emotional beings - namely, the actual operation of the human brain. This paper addresses the humanistic perspective, and is premised on the idea that the closer the agent creation process is to humans, the easier it will be to extrapolate and apply the current forms of human-structured copyright protection to those agents.

1950 saw the first and most important application of the humanistic approach by Alan Turing. His work resulted in a test to assess the intelligence of machines. It provides that an agent passes the test if after facing a human interrogator, he himself is unable to determine if the answers are from a person or a computer.¹⁵ To do this, the computer must present the following capabilities:

- Natural Language Processing to communicate effectively;
- Representation of knowledge that allows it to store what it hears or knows;
- Automatic reasoning to use the information that it stores and from there, answer questions and reach new conclusions; and
- Machine learning to adapt to new circumstances and extrapolate and detect patterns.

In passing the test, the machine is considered 'capable of thinking'. This test, in turn, provided a new form of classification in AI systems. Per this classification, a weak AI is one where an AI machine acts as if it could 'think', while a strong AI is one where the machine actually 'thinks'. In modern practice, many researchers, prefer a 'weak' AI, only choosing to pursue a 'strong' AI, if the problem is not initially resolved by the former.¹⁶

From a legal standpoint, the determination of a machine's 'thinking capacity' raises a number of questions regarding the recognition of authorship. The ability to think is what often leads to true innovation and creation. Therefore, it follows that authorship is only legally recognized when its creator possesses the capacity to think. It is for this reason that humans were the sole recipients of authorship. Thus, in order to recognize authorship in a machine, it is not enough for it to merely 'act' like it is thinking (having a weak

¹¹ The inclusion of such mathematical models would allow the machines to solve problems with variable factors, in other words, establish conjectures.

¹² Judea Pearl, *Probabilistic Reasoning in Intelligent Systems: Networks of Plausible Inference* (1st edn, Morgan Kaufmann Publishers 1988).

¹³ *ibid.*

¹⁴ Adam Kilgarriff and Gregory Grefenstette, 'Introduction to the Special Issue on the Web as Corpus' (2003) 29 *Computational Linguistics* 333.

¹⁵ Alan M. Turing, 'Computing Machinery and Intelligence' (1950) 59 *Mind* 433.

¹⁶ Russell and Norvig (n 9).

AI), it must 'actually' think (have a strong AI). In a weak AI, authorship belongs to the machine's programmer, rather than the machine itself, as the creation of work is simply a realized expression of the programmer's codes. Thus, in a weak AI, the machine's work is not its own, but rather that of the programmer behind it.

Hence, when looking for attributable copyright for machines, the premise of a strong AI is a *sine qua non* condition. Classifying a machine as a strong AI, however, is difficult, as the capacity to think for oneself is hinged on the premise of being able to perform a task in different ways. For example, certain agents have proven their capacity to create a copyrightable work. Yet, they are often limited to the performance of tasks of specific artistic nature. They lack the necessary ability to create works of arts of a nature different to that for which they were programmed. This raises doubts as to whether the machine truly possesses the capacity to consciously create something.

Those that reject the idea that machines can really think, often turn to the phenomenology of Jefferson.¹⁷ In 'The Mind of the Mechanical Man', Jefferson questioned the direct experience of machines when performing a particular task, asking 'can machines think?'¹⁸ In comparison, to defend his position, Turing pointed to his test of behavioral intelligence (Turing Test), then citing his famous dialog about Mr. Pickwick.¹⁹

¹⁷ Geoffrey Jefferson, 'The Mind of Mechanical Man' (1949) 1 BMJ 1105.

¹⁸ *ibid.*

¹⁹ Alan M. Turing (n 15): HUMAN: In the first line of your sonnet which reads 'Shall I compare thee to a summer's day,' would not a 'spring day' do as well or better?

MACHINE: It wouldn't scan.

HUMAN: How about 'a winter's day.' That would scan all right.

MACHINE: Yes, but nobody wants to be compared to a winter's day.

HUMAN: Would you say Mr. Pickwick reminded you of Christmas?

MACHINE: In a way.

HUMAN: Yet Christmas is a winter's day, and I do not think Mr. Pickwick would mind the comparison.

Some scholars, like Stuart Russell and Peter Norvig, agree with Turing, alleging that answering the question of if a machine can think would 'humanize' the agent.²⁰ They further argue that there is no reason to impose higher standards for machines than we do for humans, as there is no evidence to support the internal state of the human mind.²¹

Dutch AI scholar, Edsger Dijkstra, offers another approach to the question of whether machines can think, arguing that in order to 'think' there is no need for a brain or its parts.²² He explains how the question of 'can machines think?' is equivalent to asking 'can submarines swim?' The Oxford English Dictionary defines the word *swim* as, 'propel the body through water by using the limbs, or (in the case of a fish or other aquatic animal) by using fins, tail, or other bodily movements.'²³ Thus, in applying this definition to submarines, it follows that submarines cannot swim, as they are limbless. Dijkstra's approach thus holds that recognizing 'thinking' attributes to machines, is more attached to the definition of the word, rather than to the real significance of the concept.

The way AI has developed is directly related to the perception of intelligence, as conceived by scientists of this field. Such perception has had a direct impact on the legal treatment AI has received. Since science within the AI field has been directed to emulate the human brain, it is only logical that the law tends to homologate the creation of

MACHINE: I don't think you're serious. By a winter's day, one means a typical winter's day, rather than a special one like Christmas.

²⁰ Russell and Norvig (n 9).

²¹ *ibid.*

²² Edsger Dijkstra, 'The Threats to Computer Science' (Speech at the ACM 1984 South Central Regional Conference, 16 November 1984) <<https://www.cs.utexas.edu/~EWD/transcriptions/EWD08xx/EWD898.html>> accessed 20 October 2018.

²³ 'Swim' (*OED Online*, OUP 2019)

<<https://en.oxforddictionaries.com/definition/swim>> accessed 7 May 2019.

machines as if they were those of humans. However, this is not necessarily right or effective.

Copyright law was designed to protect the works of humans, excluding other beings, regardless of their ability to think. This is most likely a result of the intrinsic characteristics that authorship has in the civil law system.

Delia Lipszyc states that the moral rights embedded in authorship protect the personality of the author in relation to his work.²⁴ This same line of thought stands as the foundation of the civil system, attributing a set of extra-patrimonial rights to the author deeply linked to his personality. That personality is the same one that gives rise to creative abilities and its reflection in the work serves as a measure of the level of originality. Yet it also functions as a barrier so that only human beings can be considered authors, since creativity is an exclusive feature of humanity.

Despite its complexities, the civil law division of rights into moral and economic facilitates the creation of a legal fiction. It follows that a non-human subject holds moral rights while assigning his economic rights over the work to a human being for effective exploitation. Thus, a legal fiction is necessary to restructure copyright law for recognizing non-human authorship. The attribution of legal personality to rational agents is the foundation for further recognition of authorship rights, which is why the law is moving towards this kind of recognition.

4. WHEN LAW REACHES SCIENCE: THE E-CITIZEN

The European Parliament recently passed a motion to regulate the coexistence between robots and humans. Among other issues, the motion includes aspects related to IP and the legal status these robots could acquire.²⁵

The European Parliament's recognition of the legal personality of robots is the first step to universal

acknowledgment of AI authorship. Paragraph 59 of the motion expresses the need for:

... creating a specific legal status for robots in the long run, so that at least the most sophisticated autonomous robots could be established as having the status of electronic persons responsible for making good any damage they may cause, and possibly applying electronic personality to cases where robots make autonomous decisions or otherwise interact with third parties independently.²⁶

This means that the European Parliament aims to recognize robots that meet certain requirements as subjects of the law and consider them as authors.

Law has conferred legal personality in a fictitious way before (e.g., corporations), but the exercise of personality for legal entities is done through natural persons, facilitating the process of creating a legal fiction in such cases. Robots, on the other hand, would have their legal personality vested in an artificial entity and would also be exercised directly by it. This implies a capacity for understanding and awareness, which the Parliament's motion attributed exclusively to 'intelligent robots'. It is to these 'intelligent robots' that the State will grant legal personality. An additional proposition in the motion seeks to create a registry for intelligent robots, similar to the civil registry for natural persons, or to the Mercantile Registry for legal persons.²⁷ This registry will most likely have a constitutive character, given the nature of the entities, so only rational agents registered can be granted legal personhood. For this purpose, these 'intelligent robots' will have to show, in general:

- an autonomous capacity to acquire information through sensors and/or by exchanging data with its environment (inter-connectivity), as well as trading and analyzing such data;

²⁴ Delia Lipszyc, *Derecho De Autor Y Derechos Conexos* (CERLALC 2017).

²⁵ Motion for a European Parliament Resolution with Recommendations to the Commission on Civil Law Rules on Robotics [2017] INL 2015/2103 (Robotics Motion Resolution 2017).

²⁶ *ibid.*

²⁷ *ibid.*

- self-learning ability, from experience and by interaction (optional criterion);
- that it has at least a minor physical support;
- it can adapt its behavior and actions to the environment; and
- absence of life in the biological sense.²⁸

A. ARE ROBOTS WORTHY OF LEGAL PERSONHOOD?

To what extent should legal capacity be conferred to robots? Scholars like Lawrence Solum approach this question from the perspective of the traditional attributes of legal personhood – intelligence and will – and propose two theoretical scenarios to prove such attributes.²⁹

The first scenario explores an attribute of intelligence, the capacity to solve complex issues, by answering the question of ‘Could an artificial intelligence serve as trustee?’ We consider the question to be ill-defined, as entities that are granted a legal personhood do not necessarily exercise all their rights, and in this case, their rights as trustees. For example, humans acquire legal personality as soon as they are conceived, yet most of us do not serve as a trustee during our lifetime. Thus robots could be awarded legal personhood and only use it to the extent of their capacities, just as humans do.

Solum also raises the question of judgment, arguing that AI could not embrace drastic changes and deviate the terms of the trust in case of need.³⁰ Although modern rational agents can receive input from their environment and act consequently, granting legal personhood should not be conditioned on the performance of extremely complex tasks. Under copyright law, that would be the equivalent to only granting authorship to those with highly creative capacities and skills. Not every human can, for instance, paint like Rembrandt, yet all humans have the legal personhood to potentially be recognized as authors for anything they may create. Robots, on the other hand, have

reached a level of deep learning where they are capable of emulating Rembrandt’s work, without being granted authorship recognition.³¹

In his second scenario, Solum discusses the possibility of a robot that demands its constitutional rights, such as the right to freedom of expression, or opposition to involuntary servitude.³² This scenario poses a much more complex issue than the previous one. Constitutional rights are inseparable, and the right to authorship over IP is one of them. A considerable number of constitutions within the civil system include the regulation of this right. Thus, the recognition of the right to authorship would imply the inescapable need to recognize other rights. The proposal of the European Parliament, however, only mentions the issue of constitutional rights by explaining that engineers and robot designers must create and program them so that they demonstrate the maximum respect for the fundamental rights of human beings.³³

The solution for this second scenario appears simple. The law has created legal persons with legal personality before – ‘corporations’, for example, without the need to recognize fundamental rights. The problem is that robots have a particular nature that differentiates them from corporations. While the latter depends on organic representation to attend legal acts, robots may be able to perform such acts perfectly by themselves to the extent that their cognitive development allows it.

Regardless, the potential to solve this problem exists through combining certain situations and legal solutions. Take, for example, the practice of legal representation. A rational agent could hold all the rights that arise from the recognition of legal personality including authorship, and a human – probably the programmer or his employer – would be responsible for the representation and exercise of those rights. Obviously, this would require more exhaustive

²⁸ *ibid.*

²⁹ Lawrence B. Solum, ‘Legal Personhood for Artificial Intelligences’ (1992) 70 *NC L Rev* 1231.

³⁰ *ibid.*

³¹ J Walter Thompson Amsterdam, ‘The Next Rembrandt’ (ING, 24 January 2018) <<https://www.nextrembrandt.com/>> accessed 5 May 2019.

³² Solum (n 29).

³³ Robotics Motion Resolution 2017 (n 25).

legal regulation, but within the current legal parameters and given the separation between moral and pecuniary rights, it is a possible solution.

The primary arguments against granting legal personality to artificial intelligence systems are all anthropocentric based. These arguments revolve around the idea of robots not being human, lacking a soul, or not showing feelings, interests, desires, intentionality, etc. They are all derived from social constructs created by humans, and therefore, are modifiable. It is not the purpose of this paper to exhaust the doctrinal positions regarding the granting of legal personality to robots. However, it is necessary to understand that without such recognition, granting copyright to rational entities seems impossible.

As Dijkstra proposed, perhaps the error lies in the narrowness of the concept. Instead of trying to force reality into a legal concept created centuries ago, we should be expanding the concept so that reality fits on its own. After all, the greatest advantage offered by mental constructs is the possibility of changing them when necessary.

5. THE CREATION OF A CREATION: WHO OWNS IT?

The scenario where non-human entities give rise to creations of artistic or scientific nature has now become a reality. Many doctrinal and practical categories now cover possible scenarios where ‘electronic people’ are involved. However, a direct application of the categories and concepts existing in IP, do not solve all potential conflicts arising from the creation of works of art by robots.

The European Parliament’s motion includes a portion dedicated to IP, covering sections 18-21.³⁴ This includes a call for the specific regulation of the ownership of artistic works created by intelligent agents, the flow of large amounts of data, and protection of personal information. However, this paper will focus exclusively on paragraph 18, which provides that:

18. ... there are no legal provisions that specifically apply to robotics, but that existing legal regimes and doctrines can be readily applied to robotics, although some aspects appear to call for specific consideration; calls on the Commission to support a horizontal and technologically neutral approach to IP applicable to the various sectors in which robotics could be employed.³⁵

In the explanatory statement of the draft for ‘IP rights, data protection and data ownership,’ the Commission is asked to:

... come forward with a balanced approach to IP rights when applied to hardware and software standards and codes that protect innovation and at the same time foster innovation. Moreover, the elaboration of criteria for ‘own intellectual creation’ for copyrightable works produced by computers or robots is demanded.³⁶

When talking about authorship in cases of AI-generated works, there are three possible scenarios:

1. The work belongs to no one (because AIs are not subjects of law), so it falls into public domain, and authorship is lost.
2. The work belongs to the programmer or his/her employer, therefore granting authorship to someone who did not create the work, which is, in short words, a violation of authorship rights regardless of the legal system in which such situation prevails.
3. The work belongs to the rational agent who created it, a division of rights prevents the work from falling into the public domain while still be morally defensible by a human/legal entity with legal capacity to do so.

The third option is the most viable, but it is attainable within the civil system with its better-structured division of author’s rights into moral and pecuniary. But why grant

³⁴ *ibid.*

³⁵ *ibid.*

³⁶ Robotics Draft Report 2017 (n 25).

rights to an agent that is not capable of exercising or defending them? Because by making authorship attributable to ‘someone,’ the work is prevented from falling into the public domain. Should rights be granted to these entities, three questions follow:

1. Once the agent is granted rights, is it going to enforce them?
2. Is it necessary to enforce authorship rights in order to regard such works as worthy?
3. What does this have to do with the ownership of an AI generated work?

In the civil system, moral rights contain two kinds of prerogatives: positive, which allows the owner to use the rights as it sees fit; and negative or *ius prohibendi*, which allows the author to keep third parties from infringement of exclusive rights.

The enforcement of moral rights more often than not is displayed in its negative form because of the ubiquitous character of intangible assets. If no infringement is perpetrated, then there is no need for the enforcement the moral rights. Does this mean that moral rights depend on their exercise to exist? Not at all. The separation of the right’s existence and its exercise is supported by scholar Georg Jellinek, and his theory on AI authorship.³⁷ This theory argues that the ownership and exercise of these rights should rest on different persons. Such a premise is the clearest example that moral rights do not depend on their exercise to exist. They arise once the work is created, can remain dormant without being used even once and are there whenever they are needed, outliving both the author and the work itself.

Agents should not have to exercise moral rights only because they exist. But even if they do, there is a possibility

for such rights to be defended by a third party. This third party can be a person or a legal entity. This is supported by the law of many civil systems that stipulate the defense of moral rights by a legal (often governmental) entity for works which fall into the public domain, and have no author or author’s descendants to protect them.³⁸ The rational agent and the public domain situation are the same. The author in both situations cannot protect their/its own rights, requiring someone do it for them/it.

In the civil system, moral rights are un-renounceable. Thus, there is no authorship without moral rights. This means that in order to grant authorship to agents, moral rights should be detected and enforced by a third party. It is this relationship that bridges the gap between the possibility of exercising moral rights — by a person other than the author — and authorship of rational agents.

Pecuniary rights, on the other hand, are simpler. Since they could be subject to transference, an *ex-lege* cession would be in order so the programmer, or their employer accordingly, may exploit them.

A. GRANTING AUTHORSHIP

In order to transfer rights of any kind to a third party, the relationship between the agent and the third party must be determined. Several authors have expressed the need for awarding protection to AI creations in order to prevent them from falling into the public domain. AI scholar Kalin Hristov, for instance, argues for the necessity of keeping the incentives system that allows innovation to keep growing, without awarding authorship to the AI itself, but rather, to the human behind it. He states, ‘Non-humans are not natural persons and may not be held legally responsible in a court of law’.³⁹ In support of this statement, he cites cases of both *Naruto v. Slater*⁴⁰ and *People v. Frazier*,⁴¹ which entail the pertinence of a non-human, in both cases an

³⁷ Georg Jellinek, *Teoría General Del Estado* (2d edn, Editorial Fondo de Cultura 2012).

³⁸ Italy, Law no. 633 of 22 April 1941 art. 23, 2^o paragraph; Portugal, DL n.o 63/85 art. 57, §3; Perú, DL 822art. 29; Colombia, Law 23/1982 Art. 30, paragraph 3

³⁹ Kalin Hristov, ‘Artificial Intelligence and the Copyright Dilemma’ (2017) 57 IDEA 431.

⁴⁰ *Naruto v. Slater*, No. 16-15469, 2018 WL 1902414 (9th Cir. 2018).

⁴¹ *People v. Frazier*, 2009 WL 1842666 (Cal Ct. App. 2009).

animal, lacking legal standing.⁴² However, animals cannot be compared to rational agents, because the latter's rationality comprises some of the traits scientists have deemed to be essential in the human mental process that distinguishes it from other creatures.

Hristov's solution is based on the premise of inevitably granting authorship to humans alone, so as to not disrupt the current legal stance on authorship. He focuses on using the labour relationship, employing a relative interpretation of the terms 'employee' and 'employer' within the made-for-hire doctrine as a solution for the current problem of authorship in AI.⁴³ This solution has been adopted in the U.K. Copyright, Designs and Patents Act, 1988, c. 48, § 9 (3) as a relatively effective way to transfer AI generated work to humans.⁴⁴ But the comfort of not changing the current legislation may dissipate when AI systems achieve a level of logic that exceeds the precepts of English law.

His approach, however, is contradictory. By stating that the employee-employer dynamic can be reinterpreted to 'accommodate the existing legal limitations of AI,' Hristov argues that an employee, and thus an author, can only be a physical person.⁴⁵ He incorrectly argues for a more lenient definition of an employee/employer instead of a more lenient definition for an author.

If legal personhood were to be granted to machines, two possible scenarios arise: one where the robot creates something with direct influence from humans; and a second one where its programming includes variables that are impossible to foresee by the programmer, and on the basis of these variables it has generated a creation that was not initially 'intended.'

In the first case, authorship should vest in the human author. This is because while the work itself is born from a machine, the composition, structure, and other

characteristics are the result of the intentions and actions of the subject that has programmed, financed or operated the agent for composing such work. Namely, the programmer envisioned and designed a machine with the resultant characteristics, and the software used for this purpose is no more than a tool, lacking the necessary autonomy to modify or alter in any way the results intended by the programmer. So, without the action of the programmer, the machine is unable to generate anything. This is best expressed through AI used in video games, which is the result of a previous program which comprises a series of changing behaviors for each situation. Such artificial intelligence will never get out of the parameters for which it was programmed. Hence, attributing authorship to the software that generates these behaviors for the non-playable characters in a game would be a mistake.

In the second case, it might be possible that two authorships exist: that of the programmer and that of the AI.

In their paper about the copyrightability of works of art made by robots, Yanisky-Ravid and Velez-Hernandez propose that all AI systems capable of creating original works of art, must share, at their core, ten characteristics: (1) innovative, (2) autonomous, (3) unpredictable, (4) independent, (5) rational - intelligent, (6) evolving and capable of learning, (7) efficient, (8) accurate, (9) goal-oriented, and (10) capable of processing free choice.⁴⁶ They allege that such characteristics are what make AI systems inherently intelligent.

While helpful in their determination, the requirement that all ten of these characteristics be satisfied, is flawed. Only some of these characteristics are necessary as an effective filter in the determination of the eligibility of rational agents for legal personhood. For example, although we consider autonomy and rationality enough to generate protectable

⁴² *Naruto*, 2018 WL 1902414; *Frazier*, 173 Cal. App. 4th 613.

⁴³ Hristov (n 39).

⁴⁴ Copyright, Designs and Patents Act 1988 (CDPA 1988).

⁴⁵ Hristov (n 39).

⁴⁶ Shlomit Yanisky-Ravid and Luis Antonio Velez-Hernandez, 'Copyrightability Of Artworks Produced by Creative Robots, Driven By Artificial Intelligence Systems And The Concept Of Originality: The Formality - Objective Model' (2017) 19 Minn J L Sci & Tech 1.

works of art in a non-programmer-dependent way, efficiency is not necessary in the creation of art.

Once the machine is capable of learning at a deep level, one could think that it fulfills the requirements to be an author. However, a gap still exists between being a subject of the law and being an author. According to the Real Academia de la Lengua Española, an author is a 'person who has created any scientific, literary or artistic work'.⁴⁷ A work is defined as any creation that can be included in the parameters referred by article 1, paragraph 2 of the Berne Convention.⁴⁸ Under these terms, there is no doubt that AI creations can be categorized as works of art. However, in order to get protection, it is not enough that the work comes from an author; it must also comply with certain criteria in order to achieve protection, for which the foundations of originality present a problem.⁴⁹

6. THE NEW CORNERSTONE OF AUTHORSHIP

Originality is a concept that has been heavily discussed, yet it still lacks a precise definition. This makes it difficult to apply it to a non-human legal subject. Originality as a *sine qua non* requisite for achieving copyright protection assumes a subjective form within the civil system.

This subjective form within the civil author system, as opposed to the copyright system,⁵⁰ assumes the criteria of originality as the stamp of the author reflected on his work, and the non-requirement of novelty as a requisite for the

works of art.⁵¹ Lipszyc explains that the work, instead of novelty, has to have its own distinguishing characteristics.⁵²

Under the copyright system, originality is directly related to novelty, and lower and higher standards have been placed by the courts for second generation works and original works respectively. This has made AI jurisprudential approaches to originality erratic, which is why the need for a specialized legislation on the subject is crucial. However, given the amount and nature of the factors to be considered, the development of such regulation promises to be an arduous task.

When addressing the issue of originality for AI generated works, both the civil author and the copyright system fall short, because both raise the question of whether we can apply the same criteria of originality to robots and humans. This is because, the 'inspiration' from which many creations are born, is said to derive from emotion. Machines do not have emotions, as their intelligence is rational. Although they can emulate the brain and its operations, it does not involve the chemical processes that generate human emotions. Therefore, any creation born from an AI will be the result of a rational 'thinking' process, understood as the continuous search for the best possible outcome.

Under the civil system, when assessing the originality of human-made works of art, there must be a correlation between the artist's intention and the resulting creation. This is because the closer the intention is to the resulting

⁴⁷ 'Autor' (*Diccionario de la Lengua Española*, Real Academia Española 2019) <<https://dle.rae.es/?id=4UGeohY>> accessed 7 May 2019.

⁴⁸ Berne Convention for the Protection of Literary and Artistic Works (adopted 9 September 1886, effective 5 December 1887) 828 UNTS 221 (Berne Convention 1886).: The terms ' literary and artistic works ' comprise all the productions in the literary, scientific and artistic, whatever the mode or form of expression, such as books, pamphlets and other writings, conferences, speeches, sermons and other works of the same nature; the dramatic or dramático-musical works; choreographic works and pantomimes; musical compositions with or without letter; cinematographic works, to which they assimilate the works expressed by a process

analogous to cinematography; the works of drawing, painting, architecture, sculpture, engraving, lithography; photographic works to which they assimilate the expressed by means of a process analogous to photography; works of applied art; The Illustrations, maps, plans, sketches and plastic works relating to geography, topography, architecture or science.

⁴⁹ 1. The protection of the form and not to ideas. 2. Originality. 3. Merit and destination of the work. 4. No formalities.

⁵¹ Alfredo Vega Jaramillo, *Manual de Derecho de Autor* (DNDA 2010).

⁵² Delia Lipszyc, *Nuevos Temas De Derecho De Autor Y Derechos Conexos* (CERLALC 2004).

work, the better it reflects the personality of the author, and as a result, the attribute of individuality is more clearly evidenced. However, when it comes to rational agents, both the intention and consequently the personality, stop being relevant factors, leaving a huge vacuum, which we believe, can only be filled by rationality.

This is the turning point when acknowledging originality in works of art by AI systems. Conveying art and rationality may sound impossible, but not from a machine learning standpoint. In order to create a new originality standard, the same rules for persons and agents should not apply, and this new originality standard should only be applicable to rational agents.

‘Intention’, under the scope of originality, is a permanent state of the machine programmed to create a work of art. The agent has no real (human) intentions, but at the same time is incapable of performing a task of a different nature than that for which it was programmed. Given that originality is founded on two pillars, intention and the resulting work, the lack of intention may pose an obstacle for meeting the requirement of originality. Intention should be substituted with rationality, a feature that agents not only possess, but which is also crucial when performing complex tasks like the autonomous creation of a work of art.

A rational agent is generally understood as one that does the right thing, not from its codification perspective, but rather, from the consequences of its actions. For this purpose, the agent performs a series of actions based on the perceptions it receives. If the actions are desirable, then the agent has performed well.⁵³ The notion of desirability is captured by a specifically fixed performance measures, created by the programmer, according to the task to be performed, the environment, etc.⁵⁴

Russell and Norvig have outlined four conditions to determine what can be understood as rational at any given time.⁵⁵ An extension of these conditions to authorship allows for the establishment of parameters for an originality

standard exclusively applicable to rational agents that takes rationality instead of intention as a base.

1. A performance measure that defines the criterion of success. This measure is formed by the parameters imputed by the programmer which define whether the agent is performing satisfactorily or not. When applied to the creation of a work of art, such parameters should include limitations regarding the amount and nature of the elements to be reproduced in the works generated by the agent. This way, the situation where the agent uses the essential elements of third parties’ works is avoided. This would pose a huge repercussion not only in the plagiarism field but also when evaluating the originality of the work, where the use of new elements could be used as a determinant.
2. The agent’s prior knowledge of the environment. This means that the more the agent knows, the better it can perform. An agent fed with a substantial amount of information pertaining to IP laws, art concepts, cultural information and so on, is more prone to perform as expected. If the agent understands the requisites of originality, and its performance is deemed as desirable when such requisites are achieved, the chances of adding original elements to the work are greater.
3. The actions that the agent can perform. This factor is dependent on the resulting work. An agent’s previous knowledge of the environment and performance measures can be finely implemented, yet the possibilities of the agent acting accordingly are the ones defining the gap between the agent’s expected performance and the actual performance. In terms of originality, ‘abilities’ of the agent are determinant to fulfill requested tasks according to the performance measures. Thus, failure in achieving a specific objective as a result of a lack of abilities results in the underperformance of actions. This can directly affect the originality of the work if such originality depends on

⁵³ Russell and Norvig (n 9).

⁵⁴ *ibid.*

⁵⁵ *ibid.*

elements that cannot be added, because the agent lacks the required ability to do so.

4. The agent's percept sequence to date. This can be translated as the capability of the agent to change its previous knowledge and consequently take necessary actions. In other words, to show autonomy. Autonomy in agents allows them to adapt to ever-changing scenarios, but more important, to distance them from their initial programming. Hence, autonomy is vital for achieving originality, because it gives agents freedom to operate on their own, separating their creations from the programmer's, and therefore making them more than simple tools but rather creators worthy of authorship acknowledgment.

The proposed originality standard would then be applicable when AI generated work emerges as the reflection of the agent's rationality with the use of novel elements. Novel elements could be manifested in both the composition and/or expression of works. It can be classified as such by using the same procedure as with human creations, through a comparison between the work and the current state of art that evaluates the 'separation degree' between the latter and a generated work.

As for rationality, I make Russell and Norvig's words my own by stating that rationality could be defined as: '... for each possible percept sequence, a rational agent should select an action that is expected to maximize its performance measure, given the evidence provided by the percept sequence and whatever built-in knowledge the agent has.'⁵⁶ If the performance measures are designed in a way that agents must create new works of art based on the state of the art, and its performance desirability is directly proportional to the 'separation degree' of the state of art by using new or additional elements, then the agent should generate a perfectly original work.

Therefore, the originality standard requires that all four criteria must be met, in an inclusive way. They must function cohesively, such that both, rationality and originality can be achieved for the purpose of authorship recognition. This way, the proposed standard also works as a filter, so only the agents with certain capacities will be able to create protectable works of art.

This standard has potential to resolve any discrepancy between the law and the reality of originality in AI works of art. While copyright is conferred exclusively on those works that include originality, the same should not be based on extraordinary character. That is, the level of rupture with the prevailing status of the arts does not necessarily have to be representative of radically different criteria.

The next step should be to implement the new originality standard in legislation. But, in reality, state and country legislation processes significantly differ, making universal implementation more difficult. Paradoxically, copyright law has made a more practical approach to the subject than civil system law. The Andean Decision 351/1993, provides in Article 3 - 'For the purposes of this Decision, an Author is a person who performs the intellectual creation.'⁵⁷ This implies that authorship is exclusive to human beings within our legal system. This provides that only a physical person is capable to generate, under the law, protectable creations.

However, internationally, more subtle and less exclusive definitions are used for the purpose of allowing protection for subjects other than humans. In this sense, WIPO defines IP as referring to 'creations of the mind such as inventions; literary and artistic works; designs; and symbols, names, and images used in commerce', making room for the electronic artificial mind.⁵⁸

This leniency can also be seen in the U.K. Copyright, Designs, and Patents Act, 1988, which (ill) regulates authorship for AI creations under the work for hire doctrine,

⁵⁶ *ibid.*

⁵⁷ Andean Community, 'Decision No. 351 Establishing the Common Regime on Copyright and Neighboring Rights' (21 December 1993) 145 Official Gazette of the Andean Community.

⁵⁸ WIPO, 'What is IP?' (WIPO 2019) < <https://www.wipo.int/about-ip/en/> > accessed 5 May 2019.

and despite all the flaws this solution poses, it takes a step towards the regulation of such matters.⁵⁹

However, the current state of laws is still not sufficiently complete to protect AI creations. A common effort must be made to create specialized laws on the matter. Situations like the attribution of legal personhood to rational agents, subsequent granting of rights relating to authorship and economic exploitation must be regulated with necessary precision. Until then, the legal and economic vacuum surrounding such creations will continue to exist, restraining the development of the AI industry as a result of a lack of economic motivation.

7. CRITICAL ASPECTS DERIVED FROM THE AUTHORSHIP BY AI

Attributing authorship to a rational agent involves addressing profound philosophical questions that would shake the foundations of longstanding legal systems. Doing so implies a deep reform of various legal situations adjacent to the issue of authorship of a work. Some of those situations include the current approach to the legal regulation of the subject in some legal systems: economic exploitation and moral rights exercise; duration of exclusive rights for rational agents; and a considerable amount of ethical issues and fundamental rights related to the acknowledgment of authorship to AI systems. The next section of the paper will address some of those issues and their immediate legal consequences.

a) We will begin by tackling the ‘derivative work’ school of thought which has been developed within the copyright system. It aims to solve the legal regulation of authorship in rational agents by using the current state of law. First, there is no chance for an AI generated work to be considered, *a priori*, a derivative work, because derivative works are those derived from preexisting works, not ‘made’ by a preexisting work. It would be oxymoronic to state that AI generated work is derivative and that AI *per se* is pre-

existing work because by doing so, we would be unfairly denying the AI authorship and granting it to the programmer. This implies that the AI cannot be the author and the work itself at the same time.

When making a derivative work of art, the primal work remains unaltered while a new work is created. Therefore, derivativeness in works of art revolve around origin, not originality. A derivative work can be original or not, though never originative. In this sense, originality in an AI system artwork may be questioned because of its content, but never because it was created by an AI, which in turn was created by a human.

On the other hand, the copyright system uses a double standard for originality. This adds another level of complexity, because if AI generated works were to be taken as derivatives, then an even higher, yet extremely subjective, standard of originality would be applied. It has already been explained, how the concept of originality should be applied differently to AI systems, so no extra standard should be added in order to grant authorship or conferring copyright protection, at least not if the purpose is to ‘save’ AI creations from the public domain.

b) As for the duration of economic rights, Berne’s standard should apply. The division of rights used within the civil system is compatible. Pecuniary rights born from an AI generated work and held by the programmer / employer arise once the work is created. Their duration can be less than that of human authors and can last a term to be counted from the date of publication, creation or communication of the work.⁶⁰ The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), stipulates in Article 12, that pecuniary rights for a subject different than a natural person, will last for a period of 50 years counted from the making of the work, which I believe is perfectly applicable to those works carried out by agents.⁶¹

⁵⁹ U.K. Copyright, Designs, and Patents Act 1988.

⁶⁰ Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, as revised at Paris on July 24, 1971 and amended in 1979 S. Treaty Doc. No. 99-27 (1986).

⁶¹ Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World

As to moral rights, given their *intuito personae* character and the fact that they are virtually perpetual, only their exercise can be transferred to third parties. This works within the scenario where a rational agent lacking the capabilities to understand and defend a violation of moral rights, should leave such defence and exercise to a human being with the capabilities to do so. In these cases, the division of rights of the civil system represents a considerable perk in the authorship attribution process. It allows for the recognition of some rights to the agent, avoiding the work to falling into public domain.

These critical aspects and some others like exhaustion of rights may be further developed in another paper.

8. CONCLUSIONS

In the final section of this text, I explain that there are many aspects to emerge from the recognition of rational agents as subjects of law. The doctrine in IP has a lot of ground to cover *ad portas* in this field which promises to make a significant change to the way in which the industry works and the way it is regulated by law.

We believe that no significant progress can be made in IP, especially regarding the attribution of authorship, so long as the civil regulation of so-called ‘electronic citizens’ is not solved. The categories and concepts that exist today, solve only in a palliative way the problems faced by AI systems.

In this sense, it is necessary to develop specific legislation containing theoretical-legislative solutions for the treatment of these subjects and their creations. Especially considering that globalization prevents it from being an exclusive topic for countries with great technological development and extends it to less developed countries.

With the current state of law, most creations derived from programmable agents fall directly into the public domain

and not into the patrimonial sphere where they can be defended and furthermore exploited.

Thus, rest of the aspects briefly mentioned in this paper should not be overlooked. Issues such as exhaustion of rights, or ethical and moral implications resulting from protecting AI based creations must be carefully regulated. To finalize, the *íter* followed along the paper lead us to the following short conclusions:

1. AI from a humanistic perspective must be taken as a premise in order to recognize authorship of AI systems. Primarily because only within a human perspective can we talk about strong AIs, which are the ones that can truly ‘think’ and therefore carry out meaningful, autonomous creations.
2. Even if human level of thinking is achieved by machines, the law still offers protection only to human-made creations, so the recognition of AI systems as legal subjects—which comply with certain criteria—is also necessary.
3. Legal personhood should be recognized regardless of the form (physical or not) of the AI.
4. Once legal personhood is recognized, the division of rights of the civil system is required in order to concede moral rights to the machine. This avoids the work falling into the public domain, and the pecuniary rights to a (legal) person who can exploit them.
5. Moral rights can still be defended by a third party, probably the programmer.
6. Only an independent human-agent relationship or a combination of this with a labour relationship can work in order to concede and exploit the author’s rights.

Trade Organization, Annex 1C, 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994): ‘When the duration of the protection of a work that is not photographic or applied art is calculated on a basis other than the life of a natural person, such term shall be no less than 50 years

from the end of the calendar year of authorized publication, or in the absence of such authorized publication within a period of 50 years from the making of the work, 50 years from the end of the calendar year of its implementation.’

7. Authorship can only be granted when the AI system creates a work of art containing features intended but not controlled by the programmer.
8. Since originality in its formal concept is unachievable by rational agents because they lack intention, we propose to substitute intention with rationality, a feature that machines not only possess, but that is their *modus operandi*.
9. AI generated works of art should not be considered a derivative work, for that would be contradictory regarding the recognition of authorship towards AI.
10. An analogy as to the duration of pecuniary rights for legal entities can be applied when it comes to rational agents that generated rights which are held by third parties.
11. Ethical aspects must be carefully taken into consideration when contemplating to grant legal personhood to rational agents.
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4. MANAGEMENT AND COMMERCIALIZATION OF INTELLECTUAL PROPERTY DRAWING EXPERIENCE FROM THE FIJI ISLANDS

Amit Prakash*

ABSTRACT

Indisputably, progression of globalization has provided the South Pacific Nations with the framework, protection and tools for safeguarding intellectual property (IP). However, a recurring concern is the effectiveness in managing and commercializing IP, especially in resource constrained nations. Fiji's national development documents fall short in comprehending the importance of Intellectual Property. Nurturing creative industry will drive growth and foster job creation. So why are creative producers hesitant in managing and commercializing their creativity? From an economic standpoint, local producers in resource constrained nations fail to realize the value added by intellectual capital. This research signifies that by doing the basics correctly, to build an empire upon which the IP can flourish, mastering of IP management will lay out a platform or norm for new innovators. This paper will take an exploratory approach by venturing into new areas and factors, but will not peg these variables as paramount. Conclusively, the findings of this research will be instrumental in updating or reshaping the IP policies tailored to enhance socio-economic growth in Fiji.

Keywords: *commercialization, small and medium enterprises, creative industry, Knowledge based capital*

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¹ Organization for Economic Co-operation and Development 'Global Value Chains' (2017) <<http://www.oecd.org/sti/ind/global-value-chains.htm>> accessed 7 December 2017.

² Victor Fung, 'Governance Through Partnership in a Changing World' in Deborah K Elms and Patrick Low (eds), *Global Value Chains in a Changing World* (2013) <https://www.wto.org/english/res_e/booksp_e/aid4tradeglobalvalue13_e.pdf> accessed 23 October 2017.

1. INTRODUCTION

The composition of world economies has been exemplified with unique resource endowment. Thus, this uniqueness limits economies to manoeuvre in isolation and propose international linkages and dependences. Globalization provides a unified platform for economies. Furthermore, the revolution of globalization has been attributed to technological advances in transportation and communication. It can be conceptualized that 'the name of the game today' is collaboration, multi trade agreements, offshore activities and international outreach.

Globalization encourages firms to restructure their production process through international outsourcing and offshore activities.¹ On the production side, globalization has shaped Global Value Chains (GVCs). The disjoint production phase spreads over multiple countries to produce a finished product, where GVC varies from production to production. Through GVCs, products are 'made in world' rather than a single country.² In addition, GVCs enable countries to trade more than just products (sharing the knowhow and making things together).³

Intuitively, access to the global platform induces general equilibrium growth (expansion in economic activity).⁴ On the other hand, openness to global interaction challenges the protection and nurturing of knowledge-based capital, which may be reaped away in light of progress.⁵ Indisputably, there are protections offered by Intellectual Property Rights (IPRs).

³ The World Bank, 'Global Value Chains' (2017) <<http://www.worldbank.org/en/topic/global-value-chains>> accessed 2 December 2017.

⁴ General equilibrium involves interaction among all the markets (goods market, money market, labour market and financial market) in an economy.

⁵ Knowledge based capital is non-physical assets that represents valuable ideas, methods, processes, and other intuitive talents that belong to a company.

This paper takes the standpoint that IPRs are in existence but questions how creative producers are managing and commercializing their creativity. Furthermore, from an economic perspective, it can be argued that local producers in Resource Constrained Nations (RCNs) fail to realize the value added by intellectual capital. Alternatively, local producers unintentionally forgo protecting their creations, presuming that registering a business suffices for the trademark. These are a few concerns in relation to management and commercialization of Intellectual Property (IP) in Fiji; this paper will further plunge into investigating other potential exogenous and endogenous factors. IP is yet to become a pivotal policy in Fiji for economic growth.⁶

This research signifies that correctly doing the basics will build a foundation upon which IP can flourish, whereby mastering of IP management will create a platform or norm for new innovators. This paper takes an exploratory approach, venturing into new areas or factors, but does not peg these variables as paramount. Conclusively, the findings of this research will be instrumental in updating or reshaping the IP policies tailored to enhance socio-economic growth in Fiji.

2. SETTING THE SCENE – FIJI ISLANDS

Fiji Islands is a cluster of approximately 330 islands with a land mass of 18,333 sq.km, of which roughly a third is inhabited. The 2017 census disclosed a 5.7% growth in Fiji's population to 884,887. Fiji was a British colony for 96 years before gaining independence in 1970.

⁶ Salvin Nand, 'The New Economy: Utilizing Creative, Cultural and Innovative Industries for Sustainable Socioeconomic Development in Fiji' (2013) 36 Pacific Studies 94

⁷ Neelesh Gounder, 'Trade Liberalization and Poverty in Fiji: A Computable General Equilibrium – Microsimulation Analysis' (DPhil thesis, Griffith University 2013)

⁸ Gross Domestic Product is the total of goods and services produced in an economy over the given period of time

⁹ The World Bank, 'World Development Indicators' (2016) <<http://data.worldbank.org/country/fiji>> accessed 12 May 2016

A. ECONOMIC PLATFORM

As a British colony, Fiji benefited from; easy access to the London market; revitalization of the sugar industry that was highly capital intensive; an indentured labour system to curb labour shortages; and diversification to copra, banana and gold production to complement diminishing sandalwood, beche-de-mer and cotton production.⁷

In the post-independence era, the service sector dominated the private sector's composition of Gross Domestic Product (GDP) followed by manufacturing and agriculture respectively.⁸ Fiji is an upper middle income country with a Gross National Income (GNI) per capita of \$7590 in US dollars in 2013, calculated as purchasing power parity basis.⁹ Furthermore, Fiji is ranked 101 out of 190 countries for ease of doing business.¹⁰

B. IP PLATFORM

Fiji is party to most of the international IP treaties; however, the signatory serves as a toothless tiger to create international uniformity and to benefit from Free Trade Agreements (FTAs).¹¹ Fiji is a member of the WIPO Convention, the Berne Convention for the Protection of Literary and Artistic Works, the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, and the Geneva Phonograms Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of their Phonograms.¹²

¹⁰ The World Bank, 'Doing Business, Measuring Business Regulation' (2018) <<http://www.doingbusiness.org/en/data/exploreeconomies/fiji#>> accessed 25 October 2018

¹¹ Salvin Nand, 'Gone in Seconds yet Protected for Life Plus 70 Years: Copyright Piracy Experience from Fiji' '(forthcoming)', 4

¹² Munro Leys, 'Memberships Conventions and Treaties' (2018) <<http://www.munroleyslaw.com/intellectual-property/memberships-conventions-and-treaties/>> accessed 23 November 2018

Fiji's Trade Mark Act is based on British trade marks legislation, and goods are classified according to the old British classes, rather than the generally accepted international classes. The Registrar of Trademarks prioritizes existing applications rather than filing of new applications. Furthermore, the records at Fiji's Trade Marks Registry are not computerized therefore, manual searches are undertaken. In addition, the registration process takes from 10 months to several years.¹³

As of 13th December 2017, there were 1292 patents on the Fiji Patents Register. It would be interesting to isolate the 1292 patents in terms of Fijian origination.¹⁴ There is a provision in Fiji's Patent Act for either independent or United Kingdom (UK) based applications. Moreover, all independent applications from Fiji are sent to Australia for examination and are likely to take at least 4 years to be registered. Independent patents are valid for fourteen years from the date of issue of the patent letter while UK based patents are valid for the remaining term of the UK patent.¹⁵ Alternatively, under the Patent Cooperation Treaty (PCT), an applicant may seek international patent protection for their inventions in a very large number of countries.¹⁶ However, Fiji is not a signatory to the PCT.

In a nutshell, budding innovators in Fiji only have the option of patent protection via Australian examination. The dilemmas are: (1) whether budding innovators can pocket the cost for patent protection; and (2) the examination of patent protection consumes a minimum of 4 years - in the

absence of protection, would the innovators survive the pre-protection phase in the market?

In addition, one of the amendments to the PCT Regulations on July 1, 2018 was on the schedule of fees:

The amendment clarified that the 90% fee reduction was intended for persons filing PCT applications in their own right and not those filing PCT applications on behalf of a person or entity which is not eligible for the fee reduction (e.g. the director or employee of a company where the application is made for the benefit of the company).¹⁷

Designs, as such, are not registrable in Fiji.¹⁸ Fiji borrowed the 1999 Copyright Act from the United Kingdom, Australia and New Zealand legislations. However, Fiji has not reviewed the Copyright Act, as opposed to the United Kingdom, Australia and New Zealand.¹⁹ Interestingly, the Fiji Video Library Association applied for an injunction to stop the then government from implementing the Copyright Act.²⁰ The association rationalized on the basis that such law would foreclose the video library business, propagate monopolistic behaviour in the market, and contribute towards domestic unemployment.

In addition, there is a Fiji Intellectual Property Office (FIPO), co-shared in the Office of the Attorney General. Ironically, the website of FIPO only provides a single registration form. Moreover, there are no external links to WIPO and WTO databases or to any of the conventions and treaties.

¹³ Munro Leys, 'Trade Marks and Patents' (2018) <<http://www.munroleyslaw.com/intellectual-property/trade-marks/>> accessed 23 November 2018.

¹⁴ This research article limits the content to management and commercialization of IP drawing on experience from Fiji Islands and recommends future research on composition of patent holders.

¹⁵ Munro Leys, 'Patents' (2018) <<http://www.munroleyslaw.com/intellectual-property/patents/>> accessed 23 November 2018

¹⁶ World Intellectual Property Organization, 'PCT – The International Patent System' (2018) <<http://www.wipo.int/pct/en/>> accessed 23 November 2018

¹⁷ World Intellectual Property Organization, 'Amendments to the Regulation July 1, 2018' (2018) <www.wipo.int/pct/en/texts/ppt/2018changes.pptx> accessed 23 November 2018

¹⁸ Munro Leys, 'Designs' (2018) <<http://www.munroleyslaw.com/intellectual-property/patents/>> accessed 26 November 2018

¹⁹ Salvin Nand, *supra* n 11, 4.

²⁰ *Fiji Video Library Association v Attorney-General* [2000] 2 FLR 46.

3. CREATIVE ECONOMY IN THE FIJI ISLANDS

In the midst of transforming to industrialized economies, at times the decisive component of nourishing and protecting the creative industry is overlooked. The United Nations Conference on Trade and Development (UNCTAD) *Creative Economy Report* of 2010²¹ highlighted that during the global financial crisis of 2008, global trade contracted by 12 percent. On the other hand, trade in creative goods and services grew at an annual rate of 14 percent for the period 2002 to 2008, reaching \$592 billion.²² Succinctly, creative industries are composed of creation, production, marketing, and distribution of products and services generated from human creativity. Thus, knowledge-based economic activities rise from tangible products and intangible intellectual services with economic and cultural value, creative content and market objectives.²³

The potential for escalating socio-economic growth and employment through creative industries in developing countries remains mostly untapped.²⁴ Even though creative industries contribute significantly towards employment, the unstable source of income is a result of unstable work contracts, poor working conditions and lack of social protection.²⁵ UNCTAD documented benefits from creative industries to be as follows: (1) promotes new integration with the global economy through regional cooperation; (2) assists developing countries in achieving 5 out of the 8 Millennium Development Goals; (3) fosters social inclusion; (4) promotes economic diversification, trade and innovation; and (5) promotes cultural sustainability.²⁶

²¹ UNCTAD, *Creative Economy Report 2010*, <https://unctad.org/en/Docs/ditctab20103_en.pdf> accessed 29 October 2018.

²² UNCTAD 'Strengthening the Creative Industries for Development in Mozambique' UNCTAD/DITC/TAB/2009/2 11 2009 <https://unctad.org/en/Docs/ditctab20092_en.pdf> accessed 29 October 2018.

²³ *ibid* 7.

²⁴ *ibid* 7.

²⁵ *ibid* 7.

²⁶ *ibid* 10.

²⁷ United Nations Conference on Trade and Development (UNCTAD), 'Creative Economy Outlook and Country Profiles:

Developing countries' share of creative goods exports are growing faster than that of developed economies, accounting for 57 percent of the world's export of creative goods compared to 42 percent for developed economies in 2012.²⁷ The global creative goods exports in 2012 is composed as follows: 60 percent designs, 9 percent new media, and 31 percent by publishing, visual arts, art crafts, audio visuals, and performing arts.²⁸

The Fiji Islands is a multi-racial community enriched with diverse cultural values and traditional skills. In Fiji, community interest is paramount to self-interest and the reference vocabulary is 'We' and not 'I'. Furthermore, there is a very strong bond among extended family members and as such, traditional knowledge, cultural significance, and skills are passed from generation to generation. Moreover, Fiji is a Melanesian island and there is a forever lasting passion for singing and art work. Fiji has been ranked highly in the happiness index indicator for developed countries and fosters an exemplary environment for brewing creativity.²⁹

The Fiji Performing Rights Association Limited (FPRA) is a non-profit organization established in 1993 to administer the performing rights of local composers and songwriters.³⁰ FPRA has a license agreement with the Australasian

Trends in International Trade in Creative Industries' UNCTAD/DITC/TAB/2015/5 1 <https://unctad.org/en/PublicationsLibrary/webditcted2016d5_en.pdf> accessed 5 November 2018.

²⁸ *Ibid* 2

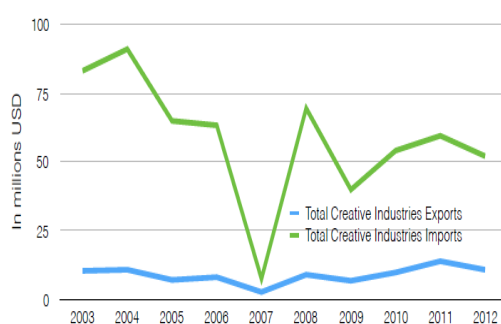
²⁹ ABC News, 'Global Happiness Survey Shows Fijians are the World's most Content' <<https://www.abc.net.au/news/2014-12-31/global-happiness-survey/5994014>> accessed 29 October 2018.

³⁰ 'Fiji Performing Rights Association, Fiji Performing Rights Association' (2018) <<http://www.fpfa.com.fj/index.htm>> accessed 5 November 2018.

Performing Association (APRA). AMOCS and FPRA represent the 2 million foreign composers throughout Fiji.³¹

The creative industry export total for Fiji in 2003 was valued at US\$10.44 million, compared to US\$10.78 million in 2012.³² However, the import bills for 2012 stood around US\$5206 million relative to US\$83.05 million in 2003.³³ Consistently, for the period 2003–2012 Fiji had a trade deficit in creative industry.

Figure 1. Fiji's Creative Industry Trade Performance 2003–2012



Source: United Nations Conference on Trade and Development³⁴

The export trend is smooth in contrast to the import trend. The import trend of the creative industry is very volatile with highs and lows. The import bills of trade may be escorted by the key determinant agent of political instability, which has a direct effect on tourism. This can be confirmed with a slump for 2007's import trade (Figure 1), following the political unrest in December 2006.³⁵

The major markets for Fiji's creative trade in 2012 were the United States, New Zealand, Singapore, Solomon Islands and Australia.³⁶ The creative commodities in trading for Fiji

are art crafts, audio visuals, designs, new media, performing arts, publishing and visual arts. Of the above mentioned, in 2012 the main export was designs (even though the value in 2012 decreased by almost US\$2 million) followed by publishing and art crafts respectively.

4. CREATIVE COMMONS IN THE CREATIVE INDUSTRY

The growth and progress of the global community warrants either revitalizing existing or construction of new policies. For instance, the shortfall of the General Agreement on Tariff and Trade (GATT) in addressing the complex nature of global trade in service was addressed by the formation of the World Trade Organization (WTO). Critics in the creative industry, in particular to copyright protection, challenge the re-creativity of the existing protected work. On the other hand, proponents of copyright protection demand longer protection for creative work so that creators are fully compensated for their efforts. Furthermore, a longer protection term will prompt creators to create new work; in the absence of scientific data, the correlation between the protection term and the creation of new work is open to debate.

Creative Commons (CC) is a concept that originated in 2001 and is complementary to copyright law. The copyright principle is that the default position is 'all rights reserved' for all new works, which continues for the life of the author, plus 50 or 70 years depending on the country.³⁷ Thus, as long as the work is protected by copyright the material cannot be reproduced or reused without the consent of the creator. The rationale of CC licenses is to eliminate the barrier of collaborating in the global commons. Moreover, a CC license enables sharing and reuse of creativity and

³¹ Ibid.

³² Ibid 54.

³³ Ibid 54.

³⁴ UNCTAD, n 26, p 54.

³⁵ See Asian Development Bank Economic Analysis on Fiji, 2014 - 2018 for illustrations of the key chronological events in Fiji from 1970-2013 <<https://www.adb.org/sites/default/files/linked-documents/cps-fij-2014-2018-ea.pdf>>.

³⁶ UNCTAD, n 29, p 55.

³⁷ Miranda Forsyth, 'Creative Commons come to the Pacific Islands' (2014) Australian National University Brief 2014/8, <http://dpa.bellschool.anu.edu.au/sites/default/files/publications/attachments/2015-12/IB-2014-8-Forsyth-ONLINE_0.pdf> accessed 7 December 2018.

knowledge through provision of free legal tools.³⁸ The flexibility with of a CC license extends certain usage rights to the public while creators decide on the extent of relaxation.³⁹

The CC license may be favoured in the Pacific region because enforcement of copyright laws can be difficult due to lack of captivity of the courts, police, and others in the judicial system to effectively deal with new categories of cases.⁴⁰ Thus, CC allows more flexibility than traditional copyright and presents a more practical benefit to the practice of copyright in the region.⁴¹ However, CC is based on copyright laws, and as such in the Pacific region the copyright system does not exist or is not enforced whereby CC licenses are legally ineffective.⁴²

According to Miranda,⁴³ there is a need for reform in copyright law to provide balance between creators and users. Furthermore, such policies should consider:

- The need to ensure access to global sources of knowledge and IP protected goods (computer software and textbooks) with the reality that Pacific Island countries import more IP than they export.
- Limited capacities of most states and divisions to administer and enforce state-based copyright regimes and cost of these regimes.

- The existing local understandings, norms and institutions, which currently regulate intangible property in the region.

In addition, few of the issues identified with Creative Commons for small businesses are as follows: (1) a CC license provides no legal protection as a CC license has no legal significance beyond the license itself; (2) CC licenses are irrevocable once it has been applied to a work; (3) a CC license organization 'disclaims all the liability and ... is not a party to public license'; (4) CC licenses are difficult for a layman to understand as there is a lot of legal language; and (5) anyone can apply CC license to any work-however, license applied by a person other than the creator, invalidates the licenses and use of improperly licensed work may be subject to an expensive copyright infringement lawsuit.⁴⁴ It seems that benefits of CC for South Pacific Counties are diverse, however given the scope of this research, it is not possible to fully investigate the benefits of CC but it is a strong moot point for researchers.

5. KNOWLEDGE BASED CAPITAL (KBC) AND YOUNG ENTREPRENEURSHIP SCHEME (YES)

According to the Organization for Economic Co-operation and Development (OECD), innovation is a strategic factor for today's business success.⁴⁵ Moreover, innovation involves production of new knowledge from complementary assets; not only Research and Development but also software, human capital, and

³⁸ Creative Commons, 'Frequently asked questions' (*Creative Commons*, 29 August 2018)

<<https://creativecommons.org/faq/#what-is-creative-commons-and-what-do-you-do>> accessed 6 December 2018.

³⁹ Laura Brahm and Vera Franz, 'Why We Support Creative Commons' Open Society Foundation (2018)

<<https://www.opensocietyfoundations.org/voices/why-we-support-creative-commons>> accessed 6 December 2018.

⁴⁰ Daurewa (2013) as cited in Miranda Forsyth, 'Creative Commons come to the Pacific Islands' (2014) Australian National University Brief 2014/8, <http://dpa.bellschool.anu.edu.au/sites/default/files/publications/attachments/2015-12/IB-2014-8-Forsyth-ONLINE_0.pdf> accessed 7 December 2018.

⁴¹ Miranda Forsyth (n 36) 2.

⁴² *ibid.*

⁴³ *ibid.*

⁴⁴ Kelly Keller, '5 Expensive Problems with Using Creative Commons for Small Business' (2016)

<<https://smallbiztrends.com/2015/03/using-creative-commons.html>> accessed 6 December 2018.

⁴⁵ OECD, 'Supporting Investment in Knowledge Capital, Growth and Innovation' (OCED Publishing, 2013)

<<https://dx.doi.org/10.1787/9789264193307-en>> accessed 1 December 2018.

organizational structure.⁴⁶ In addition, OECD countries experience a greater comparative advantage by investing in the intangible assets that enhance creation and application of knowledge.⁴⁷

Furthermore, business investment activities have shifted from investment in traditional physical assets to investment in knowledge-based capital (KBC). Barnes and McClure disclosed that in Australia, investment in KBC has been around 1.3 times that of investment in physical assets and business investment in KBC has become a priority in emerging countries.⁴⁸

KBC refers to non-physical assets that create future benefit for firms. Corrado, Hulten and Sichel⁴⁹ subdivided KBC into three types: computerized information (software and database); innovative property (patents, copyright, designs, and trademarks); and economic competencies (brand equity, firm-specific human capital, networks of people and institutions, and organizational know-how that increases enterprise efficiency).⁵⁰ Also, countries that invest more in KBC are more effective in reallocating resources to innovative firms. For instances, USA, Japan, and Sweden invest around 10% of GDP in KBC, compared to 5% by Italy, Portugal, and Spain. Thus, the success from patent firms in the USA, Japan and Sweden raise four times as much capital than in Italy and Spain.⁵¹

The Fijian government, in its effort to nurture and empower youth participation in the innovation process, initiated the Young Entrepreneurship Scheme (YES) with an allocation of FJ\$2 million in the 2017-2018 National budget. The Prime Minister of Fiji stated that the government wanted young people to think outside the box and make Fiji a hub of innovation in the Pacific.⁵² The scheme aims to provide grants to young and budding entrepreneurs' whose ideas are bankable and innovative and for which financial institutions are not providing capital due to lack of collateral.⁵³ The Fiji government is adamant in protecting innovation through IPR in Fiji.

Furthermore, the scheme is targeting Fijians between the ages of 18 and 40. In addition, the grants are up to a maximum of FJ\$20,000, ranging from full funding, partial funding, to equity for loans. The uniqueness of the scheme is the followed up with business mentoring, monitoring, and evaluation of projects, initiated by young entrepreneurs. Moreover, the Minister for Industry, Trade and Tourism reported that as of March 2018, a total of 270 applications had been received for the YES initiative.⁵⁴

6. CHALLENGES FOR FIJIAN SMES IN UTILIZING IP AS A TOOL FOR COMMERCIALIZATION

The agents of creative industry (copyright-based industry) can be tied to Small and Medium Enterprises (SMEs). These enterprises are an important segment of an economy and have the ability to introduce essential innovations.⁵⁵ The

⁴⁶ World Bank & OECD, 'Knowledge based capital and intangible assets' (2013)

<<https://www.innovationpolicyplatform.org/content/knowledge-based-capital-and-intangible-assets>> accessed 1 December 2018.

⁴⁷ *ibid.*

⁴⁸ OECD (n 44), 22.

⁴⁹ *ibid.*

⁵⁰ *ibid.*

⁵¹ *ibid.*, 17.

⁵² Apenisa Waqairadovu, 'We want our young people to think outside the box and make Fiji a true hub of innovation in the Pacific – PM' *The Fiji Village* (1 January 2018) <<http://fijivillage.com/news/We-want-our-young-people-to-think->

[outside-the-box-and-make-Fiji-a-true-hub-of-innovation-in-the-Pacific---PM-2rk59s/](#)> accessed 1 December 2018.

⁵³ YES, 'Welcome to the Young Entrepreneurship Scheme' (2018) <<http://yes.gov.fj/>> accessed 1 December 2018.

⁵⁴ Talebua Kate, '270 applications received for YES initiative' *The Fiji Times* (Suva, 15 March 2018) <<https://www.fijitimes.com/270-applications-received-for-yes-initiative/>> accessed 2 December 2018.

⁵⁵ Harry Bloch and Mita Bhattacharya, 'Promotion of Innovation and Job Growth in Small and Medium Sized Enterprise in Australia: Evidence and Policy Issues' (Discussion Paper 17/16, Monash

entrepreneurial dynamism and internal flexibility to respond to changing circumstances are the major advantages SMEs have to be successful.⁵⁶ However, when compared to developed countries, the extent of innovation is low in developing countries.⁵⁷

Although SMEs are a major engine of growth and job creation, the copyright-based industry is stagnant in Fiji. This is the core of this research paper: why SMEs in the Fijian creative industry fail to manage and commercialize their earnings from IP. UNCTAD disclosed that the nemesis to performance and competitiveness of creative industries in developing countries include weak institutional and political support, low levels of entrepreneurial capability, low added value, over-dependence on foreign firms, and massive copyright infringements.⁵⁸

Fijian SMEs, in particular, are disadvantaged by poor business innovation culture, cultural taboo, lack of access to finance, ownership issues, relatively high labour and capital cost, high energy prices, limited access to the market, weak network, lack of skilled workers and the rigid regulatory environment. These factors are significant impediments to SMEs and it is important to identify specific innovation barriers before policies could be implemented to rectify these impediments.

A. POOR ORGANIZATIONAL CULTURE

The culture of an organization can either limit or foster innovation. According to the OCED, individuals' attitude

towards entrepreneurship, ambition to start again after failure and the probability of choosing entrepreneurship as a career reflects a country's entrepreneurial culture.⁵⁹ Fiji has, relatively, very low innovation performance because of poor business innovation culture and poor management performance compared to other countries with a similar political system and culture.⁶⁰ Thus, in the 2018 Global Innovation Index report, Fiji has not been ranked in the 130 countries. However, Mauritius is ranked as the 75th most innovative country in the world.⁶¹

In addition, the multiple roles, long work hours, occupational loneliness are common characteristics of SMEs, which can put SME owner-managers at risk of 'occupational stresses'. As such, burnout can cause substantial physiological and economical costs, reduce creativity, productivity and innovation.⁶² Therefore, as the Microsoft 2015 report revealed, due to poor workplace culture, seven out of ten SMEs fail to reach their full potential of creating innovative ideas.⁶³

Moreover, Fijian businesses need to change their business culture favouring the 'old economy' and comprehend the significance of the 'new economy'. Compared to their trading partners, Fiji relies heavily on natural resources and has limited national initiatives to foster intellect in the 'new economy'. Moreover, SMEs in Fiji have the following impediments: not being able to draw the line between business and culture; lack of coordination and monitoring of SMEs progress; and lack of coordination between

Business School, 2016), 2; OCED, 'Removing Barriers to SME Access to International Markets' (2008) 13-19.

⁵⁶ James Love and Stephen Roper, 'SME innovation, exporting and growth: A review of existing evidence' (2015) 33.1 Intl Small Business J 20, 29.

⁵⁷ Mike Wright et al, 'Joining the dots: Building the evidence base for SME growth policy' (2015) 33.1 Intl Small Business J 3, 6.

⁵⁸ UNCTAD, n 22, 7.

⁵⁹ OECD 'Entrepreneurship at a Glance' (2015) OCED/2015, 10 <<https://tinyurl.com/y6r815v7>> accessed 1 December 2018.

⁶⁰ Soumitra Dutta, Bruno Lanvin and Sacha Wunsch-Vincent (eds), 'Global Innovation Index 2018: Energizing the World with Innovation' (11th edition, WIPO, 2018)

<https://www.wipo.int/edocs/pubdocs/en/wipo_pub_gii_2018.pdf> accessed 5 November 2018.

⁶¹ *ibid*, xxi.

⁶² Claude Fernet, et al 'The Psychological Cost of Owning and Managing an SME: Linking Job Stress, Occupational Loneliness, Entrepreneurial Orientation and Burnout' (2016) 3 Elsevier 45-53.

⁶³ Microsoft, *Culturing Success: How Workplace Culture Drives Innovation at Australia's Leading SMES* (17 March 2015) Microsoft Corporation <<http://download.microsoft.com/documents/australia/smb/Culturing-success-report.pdf>> accessed 25 June 2015.

donors.⁶⁴ According to the 2015 Global Innovation Index report, countries with no resource base are more innovative.⁶⁵ Another cultural problem is that Fijians are more susceptible to their traditional partners (Australia, New Zealand, United States, and United Kingdom) and have failed to appreciate the growing significance of the Asian market, especially in the high-tech sectors. Furthermore, low employee empowerment, insignificant role of managers to promote innovation, little appreciation for employees' ideas, and lack of building capacity, are notable barriers to SMEs innovations.⁶⁶

To promote long run innovation, educators should create a culture of innovation, an essential element to support research and development. Therefore, to create an entrepreneurial cultural shift, the Fijian government has to invest sufficient financial support in education and implement policies that propel innovation in the 'new economy'.

B. ACCESS TO FINANCE AND INABILITY TO SCALE-UP

Entrepreneurs need significant financial resources to remain competitive when commercializing their product or service to the market. Access to finance and venture capital are very important for firms in particular. As such, the Fijian government has implemented various initiatives for SMEs to innovate and commercialize their product. The National Centre for Small and Micro Enterprise Development (NCSMED) is tasked with supporting and promoting SMEs to generate income, reduce poverty, improve livelihoods,

create employment and contribute to Fiji's economic growth.⁶⁷

The NCSMED research acknowledged that access to finance is a problem for business, but argued that it is not necessarily widespread.⁶⁸ Furthermore, Holmes and Gupta disclosed that difficulty in accessing finance was not common to all SMEs.⁶⁹ However, innovative businesses with limited tangible assets encounter difficulty while accessing finance. The CUASEE study also showed that innovative firms (65 percent) compared to non-innovative business (25 percent) required a greater amount of finance. In the most part, financial service providers often do not understand intangible assets. As a consequence, lack of collateral for loans, lack of equity, unstable revenue streams and lack of a business financial track record, makes it difficult for potential investors or financial institutions to determine the magnitude of business uncertainty and investment returns. Therefore, financial institutions are reluctant to finance SMEs and lack of finance means SMEs are unable to create and commercialize innovation.

C. POOR FINANCIAL MANAGEMENT

SMEs' inability to successfully raise capital is aggravated by their poor financial planning, lack of business management knowledge and limited strategy to manage IP.⁷⁰ SMEs are mostly limited to internal equity finance and the NCSMED report argued that most new businesses do not seek external funding. As such, SME owner-manager's

⁶⁴ Gurmeet Singh, Rafia Naz and Rd Pathak, 'Internationalization of SMEs: A challenge for Fiji' (AGSE conference 2009).

⁶⁵ The Global Innovation index 2015: Effective Innovation Policies for Development.

⁶⁶ David Thorpe and Steven Goh, 'Study of SME Innovation in two Queensland Industries' (2013) 1.3 *Intl J of E-Entrepreneurship and Innovation*, 14, 18.

⁶⁷ Fiji's National Financial Inclusion Taskforce, 'Micro, Small and Medium Enterprise' (2018) <<http://www.nfitfiji.com/for-smes/micro-small-and-medium-enterprise/>> accessed 5 November 2018.

⁶⁸ Robin Nair and John Chelliah, 'Understanding key impediments to small businesses in South Pacific Nations: A Case of Fiji' (2012) 8.1 J of Global Business Management <<http://www.jgbm.org/page/24%20John%20Chelliah.pdf>> accessed 5 November 2018.

⁶⁹ Scott Holmes and Dhruva Gupta, 'Opening Aladdin's Cave: Unpacking the Factors Impacting on Small Business' (presented at Reserve Bank of Australia's Conference, Australia, 2015), 43.

⁷⁰ Belas et al, 'Approach of the SME Entrepreneurs to Financial Risk Management in Relation to Gender and Level of Education' (2015) 8.4 *Economics and Sociology* 32, 38.

knowledge gap on funding opportunity is a notable reason why SMEs have poor working capital.

In addition, a poor finance stream would mean that innovators may not be able to upscale their business to exploit the innovation and may end up selling or licensing their creative work.

D. INTELLECTUAL PROPERTY RIGHTS A BARRIER FOR PROTECTION

The nature of the IP regime, regulatory requirements, and technical standards, are important factors for firms to optimize their innovation processes.⁷¹ SMEs consider IP protection as an important element to establish a strategic alliance and create certainty in business transactions.⁷² However, lack of knowledge, limited finance, high costs and lack of adequate legal, business and technical support can hinder SMEs' ability to effectively use the IP system. According to the Australian Council on Intellectual Property, even if SMEs are able to raise sufficient capital and create novel products, SMEs are particularly vulnerable as they have limited ability to enforce or defend their IP rights.⁷³

Moreover, the business culture is still prohibiting SMEs from changing their behaviour to improve their strategic knowledge of the IP regime.⁷⁴ In addition, studies on OECD countries revealed that SMEs face difficulty in using the IP system due to, possession of restricted knowledge on the ins and out of the IP system; lack of clarity on the benefit of IP in their business strategy and competitiveness; and IP protection warranting too much from already resource constrained SMEs.⁷⁵ Likewise, few IP offices ruled out

reduction of official fees as a significant factor for IP protection by SMEs.⁷⁶ That is, in budgeting for the cost of IP protection, SMEs need not only consider official fees but also the complementary cost of application preparation and prosecution, legal advice, and translation cost.⁷⁷ Furthermore, the application process acts as a disincentive for SMEs to seek IP protection.⁷⁸ In Fiji, patent protection can be sought via the Australian IP office, which takes a minimum of 4 years for registration.

E. LACK OF MACRO FORESIGHT

The national development documents that govern the strategic and timeliness of macroeconomic performances indicators are in absence of IP and intellectual capital. The guiding development strategy documents for Fiji are as follows: Sustainable Economic and Empowerment Development Strategy (SEEDS) 2008 – 2010; Roadmap for Democracy and Sustainable Socio-Economic Development (RDSSSED) 2010 – 2014; and A Green Growth Framework (GGF) 2014.

Table 1. Analysis of Fiji's National Development Documents: Role of IP and Intellectual Capital

	SEEDS	RDSSSED	GGF
Macroeconomic Stability	✓	✓	✓
Intellectual Property	×	×	×
Intellectual Capital	×	×	×

⁷¹ Swanson Reed, 'Innovation in Australia: Building a Prosperous Future through Innovation in Australia' (Discussion Paper, 2015), 12.

⁷² Julio Viana and Lutz Maicher, 'Designing innovative tools for improving literacy on intellectual property among SMEs (2015) 27.3 *Technology Analysis & Strategic Management*, 314, 318.

⁷³ Australian Council on Intellectual Property, Review of Post-Grant Patent Enforcement Strategies (Final report, Intellectual Property Australia, November 2006) 24.

⁷⁴ OECD, *Intellectual Assets and Innovation: The SME Dimension* (OCED Publishing, 2011), 46.

⁷⁵ Esteban Burrone, 'Intellectual Property Rights and Innovation in SMEs in OECD Countries' (2005) 10 J of Intellectual Property Rights <[http://nopr.niscair.res.in/bitstream/123456789/3612/1/JIPR%2010\(1\)%2034-43.pdf](http://nopr.niscair.res.in/bitstream/123456789/3612/1/JIPR%2010(1)%2034-43.pdf)> accessed 7 November 2018.

⁷⁶ *ibid*, 3.

⁷⁷ *Ibid*, 3.

⁷⁸ *ibid*, 4.

7. POSSIBLE POLICY SOLUTIONS TO IMPROVE MANAGEMENT AND COMMERCIALIZATION OF IP FOR SMEs IN FIJI

There have been various initiatives implemented to promote SMEs in Fiji. Few initiatives by the National Center for Small and Micro Enterprise Development (NCSMED) in facilitating growth of SMEs are: business training, business monitoring, business cluster development, market linkage and providing access to financial services.⁷⁹ The Fijian government, through commercial banks, licensed credit institutions and the Fiji Development Bank, coordinate the SME Credit Guarantee Scheme (SMECGS).⁸⁰ A notable point is that at the end of July 2018, 1844 SME loans valued at FJ\$108.5 million were registered under the SMECGS.⁸¹ Furthermore, the Fijian government in late 2014 signed a Memorandum of Agreement (MOA) with the Indian government intended to strengthen SMEs in Fiji and the assistance was valued at approximately FJ\$10.10m to be released in stages.⁸² To recognize and encourage growth of SMEs, in 2004 the Fiji Development Bank inaugurated Small Business Awards and after 12 years the awards were revamped as Fiji Development Bank's National SME Awards.⁸³ Weighing the benefit to SMEs via such initiatives is beyond the scope of this research.

However, it is evident that there is still room for improvement in adopting IPR as a strategic tool for SMEs in Fiji. Additionally, the Fiji Intellectual Property Organization (FIPO) revealed that from 2004 till now, only 4 applications had been received for IP protection. The common theme is that the programs are littered with red tape and regulations. Simply funding SMEs does not encourage

innovation, risk taking or improvement to IP protection knowledge.

A. CULTURAL SHIFT

The cultural shift extends to both the business and the traditional set up. The 'new economy' is a high risk, high reward industry, something Fijians have long been unassociated with. The culture has been of safe investments and protecting what is already owned. Moreover, there needs to be revitalizing of avenues to remove stigma attached to failure.

There is no harm in adopting good policies from other countries; Australia documented two policies: (1) allow SMEs to offset previously accumulated loss from future profit even after new ownership or a change in product direction by the company,⁸⁴ and (2) make insolvency procedures easier for companies to achieve.⁸⁵ Therefore, the above will not deter Fijians' innovative and creative ideas being put to test and smooth the transition to a new economy.

The traditional cultural shift may be very challenging but requires considerable attention. In the native Fijian language there is no vocabulary for business. Whereby, most transactions in SMEs are undertaken with expectation that the payments would be made later. However, there is no urgency in recovering the outstanding debt, which collapses the going concern for substantial number of SMEs. The SMEs are either operated in partnership with family or friends and the implications are on good business practices and internal control.

⁷⁹ Fiji's National Financial Inclusion Taskforce, (n65).

⁸⁰ Fiji Development Bank, 'SME Credit Guarantee Scheme' (2018) <<https://www.fdb.com.fj/sme-credit-guarantee-scheme/>> accessed 6 November 2018.

⁸¹ Reserve Bank of Fiji, 'Annual Report 2018' (2018) <[https://www.rbf.gov.fj/getattachment/Publications-\(1\)/Reserve-Bank-Annual-Reports/RBF-AR-2017-2018-\(1\).pdf?lang=en-US](https://www.rbf.gov.fj/getattachment/Publications-(1)/Reserve-Bank-Annual-Reports/RBF-AR-2017-2018-(1).pdf?lang=en-US)> accessed 6 November 2018.

⁸² DEPFO New, 'Indian government's continued support for Fiji's micro and small businesses' The Fiji Sun (Suva, 14 September 2017)

<<http://fijisun.com.fj/2017/09/14/indian-governments-continued-support-for-fijis-micro-and-small-businesses/>> accessed 2 December 2018.

⁸³ Fiji Development Bank, 'About FDBs National SME Awards' (2018) <<https://www.fdb.com.fj/about-fdbs-national-sme-awards/>> accessed 6 November 2018.

⁸⁴ Tax and Superannuation Laws Amendment Bill (Measure No 2) 2016(Cth).

⁸⁵ Australian Government, 'Improving Bankruptcy and Insolvency Laws' (Proposal paper, Treasury, 2016) 10.

B. IP EDUCATION AND MANAGEMENT

The creation of IP to gain a competitive edge in an SME is often lost as the companies are not aware they have an innovative idea in the first place and that they can protect it. IP education is important for SMEs. Knowing from the outset that rights and protections are available and will allow companies to innovate rather than litigate.

A common misapprehension is that the business registration is sufficient to protect innovation and creativity. There needs to be dissemination of information on the distinction between IPRs and business licenses. The short run approach is integrating basic IPR courses with the YES program initiated by the Fijian government. Apart from business mentoring and training on financial stability, IPR content must also be complementary to the YES program.

Medium term prospects should target incorporating fundamental IP knowledge in primary and secondary schools. Basic knowledge will equip future innovators on taking ownership of who owns what. Moreover, in the long run it would be worthwhile for stakeholders in the education sector to focus on delivering undergraduate and postgraduate courses in IP.

C. CREATING A STABLE AND NURTURING BUSINESS IP ENVIRONMENT FOR SMES

SMEs in Fiji are faced with many legislative, regulatory and financial issues upon start-up. It is a lot to undergo with minimal employees without specialized skills. The stability will be reflected with macro policies addressing IP issues and more so, outlining gradual implementation of IPR in Fiji. The IP factors must not be viewed in isolation but knotted with economic and social variables.

There needs to be more collaborative platforms for Fijians to showcase their creativity. It was in December of 2008 that Fiji held its first ever fashion week at the Hilton Hotel in Denarau. In addition, the government's commitment to

empower Fijian women as entrepreneurs and enhance their economic participation stemmed the program, National Women's Expo in 2014. There is an annual budget allocation through the Ministry of Women, Children, and Poverty, to facilitate the Expo that brings rural women from all over Fiji to showcase their creativity.⁸⁶

Be that as it may, the question is what happens after the fashion show and expo is rounded up. Do the budding innovators and creators get updated on how to protect their work? Are the creators informed on projected revenue gain from IPR? Therefore, the collaborating platforms must nurture the creativity and not expose and abandon creative work. The Fijian government through the FIPO can invite reputed organizations to be available during the expo and could later follow up on protecting creative work, given the limited role played by FIPO.

8. CONCLUSION

The global platform is forever revolutionizing and Fiji needs to ensure an environment is present for growth, nurture, and security of IP. With financial policies and initiatives available from government to back innovative changes, this should encourage more innovation and risk-taking by SMEs. The consequence of continuing to support the 'old economy' is the inability to diversify for sustainable growth. However, transiting to 'new economy' warrants synchronized collaboration between the various economic, social and legal actors in the economy.

SMEs face numerous challenges from increasing technology costs, regulatory compliance costs, high costs of innovation, lack of technological and market information, organizational culture, and lack of finance. These impediments are not widespread and equal to all SMEs that create barriers for SMEs to innovate and commercialize their products. As such, the Fijian government has to undertake a national survey to determine the level of innovation barriers specific to domestic SMEs. This paper argues that government can implement targeted policies

⁸⁶ Ashna Kumar, 'Call to give women an equal break' The Fiji Sun (Suva, 22 June 2018) <<http://fijisun.com.fj/2018/06/22/call-to-give-women-an-equal-break/>> accessed 7 December 2018.

that can increase innovation and growth in Fijian SMEs. Therefore, an increase in innovation would lead to wide economic prosperity.

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5. BRANDING OF INTANGIBLE CULTURAL HERITAGE FOR ECONOMIC DEVELOPMENT IN INDONESIA

Dina W. Kariodimedjo*

ABSTRACT

This paper examines efforts of safeguarding and protecting intangible cultural heritage (ICH) in Indonesia from an intellectual property (IP) perspective, especially on trademark protection through branding and co-branding initiatives. The paper discusses Indonesia's IP legal framework relevant to the protection of ICH and the initiative as an economic development tool. The paper also considers the impact of foreign access to Indonesia through specific activities and the paradox of considering the products of ICH as trade commodities and of ICH having a world heritage value. The paper uses and discusses branding and co-branding initiatives by the regional government of the Yogyakarta Special Province, as an example. The discussion covers the concept of safeguarding ICH, the mechanism for trademark license, and attempts by Yogyakarta regional government to implement an initiative for ICH safeguarding and economic development. It focuses on the branding and co-branding initiative of Yogyakarta's products, which constitute traditional knowledge and traditional arts or traditional cultural expressions in the region. The paper examines the benefits and challenges of ICH branding for economic development at regional and national levels, especially for local communities, traditional owners, as well as micro, small, and medium enterprises (MSMEs). Finally, it provides future directions for Indonesia on the issue. This paper constitutes the initial research findings of the author's PhD thesis. It covers the legal frameworks, impetus, administration, and implementation of ICH and IP regime in Indonesia.

Keywords: *branding, co-branding, economic development, intangible cultural heritage, intellectual property, Indonesia, Yogyakarta*

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1. INTRODUCTION AND CONTEXT

Foreign access to Indonesia has positive and negative effects. External influences get into Indonesia through tourism, trade, and cooperation in the form of arts, festivals and other activities. Such activities bring a positive impact as it enriches Indonesian society. Simultaneously, these activities challenge society to be more careful towards all external influences. Foreign access strengthens Indonesian people by demonstrating authenticity. As time goes by, frequent visitors to Indonesia desire to find out about the original work of a respective region.

Besides the positive effects, there are also adverse effects from foreign access to Indonesia. The issue which receives the most concern is value degradation. Generally, younger generations seem to have less concern with traditional works because they are more interested in modern and technology-based cultures. However, a finding in culture-based high schools shows that many teenagers learn traditional music or watch traditional leather puppet performance thoroughly and intensely discuss it.¹ This issue cannot be easily measured, as it might have risen out of the continuous news and posts shared on social media such that people think that their great value in society has declined.

Foreign access to Indonesia's market through international trade activity impact aspects of safeguarding Indonesian intangible cultural heritage (ICH). In this setting, there is a paradox between ICH as a world heritage value and products of ICH as trade commodities. As a world heritage value, ICH should be available to, and accessible by, diverse communities. ICH represents a nation's cultural identity,

¹ Interview with Dian L Pratiwi, Head of Division for Preservation and Cultural Value, Yogyakarta Regional Service Office for Culture (Yogyakarta, Indonesia 31 Aug. 2017).

which is the identity or feeling of belonging to a group.² 'It is part of a person's self-conception and self-perception and is related to nationality, ethnicity, religion, social class, generation, locality or any kind of social group that has its own distinct culture.'³ As trade commodities, products of ICH need legal protection from exploitative international trade activities as a means of generating local and domestic economies.

ICH is universally recognised as a form of intellectual property (IP), but one that does not easily fit into the dominant IP regime. Furthermore, there are legal problems with obtaining IP rights in Indonesia, especially trademark for micro, small, and medium enterprises (MSMEs). Based on this background, it is important to identify positive initiatives and shortcomings and to find strategic solutions to the problems. The solutions aim to utilise the IP regime to protect ICH. The protection aspect of ICH by Indonesia includes preventive efforts and countermeasures of action. The mechanism for trademark registration and its license complies with the above efforts by the government for ICH protection. In addition to the protection aspect, there are development and utilisation aspects as well. All aspects aim to safeguard and protect ICH, and to improve local and domestic economies, in this case through trademark registration and the licensing of co-branding trademarks.

2. THEORETICAL FRAMEWORK

IP and ICH are always interrelated. However, the question remains, whether IP could be a tool to protect ICH, which is

a subject of research and debate at international levels. The debate due to conceptual differences between ICH and IP, and difficulties of imparting legal rights to communities who practising ICH.⁴ The difficulties in protecting IP of ICH results in vulnerability of ICH from unauthorised use, commercialisation and exploitation.⁵ Downes argues ICH might work within an IP system, modified or adapted to protect ICH and gain more benefits from its use.⁶ Geographical indications (GI) and trademarks have been discussed as options to create market incentives for local communities to produce traditional products based on their ICH.⁷ Zografos states Tunisia, in 1966, was the first country to introduce an article in its copyright law which incorporates protection of folklore as part of ICH.⁸ The author's moral rights are also used for protecting ICH.⁹ ICH is affected by the development of industries, thus creating cultural industries based on ICH in respective regions.

Economic development is progress in an economy or the qualitative measure of such, usually referring to the adoption of new technologies, transition from an agriculture-based to industry-based economy, and general improvement in living standards.¹⁰ From a policy perspective, economic development can be defined as efforts seeking to improve a community's economic well-being and quality of life by creating and retaining jobs and supporting or growing income and the tax base.¹¹ The scope of economic development includes the process and policies by which a nation improves the economic, political, and social well-being of its people.¹²

² Moha Ennaji, *Multilingualism, Cultural Identity, and Education in Morocco* (Springer Science & Business Media 2005) 19-23.

³ *ibid.*

⁴ Intangible Cultural Heritage Centre for Asia and Pacific, 'Safeguarding Intangible Cultural Heritage and Intellectual Property: Trends, Tasks, and Challenges' (Oct. 2010) 5 *ICH Courier*, 1.

⁵ *ibid.*

⁶ David R. Downes, 'How Intellectual Property could be a Tool to Protect Traditional Knowledge' (2000) 25 *Columbia J. of Env. L.* 253, 281.

⁷ *ibid.*

⁸ Daphne Zografos, 'The Legal Protection of Traditional Cultural Expressions: The Tunisian Example' (Mar. 2004) 7 *J. of World Intell. Prop.* 2, 241.

⁹ Downes (n 6).

¹⁰ Business Dictionary
<www.businessdictionary.com/definition/economic-development.html> accessed 5 Nov. 2018.

¹¹ *Ibid.*

¹² Arthur O'Sullivan and Steven M. Sheffrin, *Economics: Principles in Action* (Pearson Prentice Hall 2003).

Anholt states there are intertwining notions among IP, nation branding, and economic development,¹³ seconding his argument that cultural capital is one of the intangible assets possessed by every country and, as an asset, this capital needs a capacity to interpret into 'consistent economic performances'.¹⁴ Since the global economy is driven by 'services, intellectual assets, and "virtual" products,' the human capital of nations is an essential feature in economic progress.¹⁵ Intellectual capital has an important role in the modern economy by adding value to the product.¹⁶ The value to the product is performed by a distinctive and attractive brand, and a powerful and positive reputation of 'nation-brand'.¹⁷ For culture and heritage, especially, 'the intellectual capital of the nation's heritage, history, culture and geography is often well known but inefficiently or inadequately channel into "added value" for sellable assets.'¹⁸

Short mentions that 'a brand is the shared system of beliefs and values that define an organisation and attract others to it ... Branding is not just a logo ... It is about discovering what truly makes an area unique ... and then building a platform and strategy around it that nurtures that brand and attracts others who share that value and vision.'¹⁹ Co-branding is used as a marketing strategy aimed at capitalising on brand value.²⁰ More than one brand is linked through a co-

branding arrangement, and the effect of co-branding may give consumer more information on essential attributes and thus make the brands more attractive.²¹ An implementation of Short's statement to inspire economic development can be seen in 'place branding',²² where the motivation behind it is economic development.²³

There is usually a gap between policy and practicality in practice as public authorities do not optimise their place brand strategy, instead focusing too heavily on features unimportant to site selectors and authorities and, therefore, not maximising the brand's utility in attracting businesses, such as where the place brand strategies fail to meet the target audience's expectations.²⁴ The development of narratives, logos, and slogans is the most significant policy gap.²⁵ There are issues on finances and the quality of place.²⁶ Municipalities or regions must optimise their place brands by focusing on assets and reputation.²⁷ In the case of implementing ICH and place brandings, there is a concern about the protection of ICH where regions are defined by and used for the branding's economical operation.²⁸

¹³ Simon Anholt, 'Three Interlinking Concepts: Intellectual Property, Nation Branding and Economic Development' WIPO International Seminar on Intellectual Property and Development (2-3 May 2005) 1-6.

¹⁴ *ibid* 1.

¹⁵ *ibid*.

¹⁶ *ibid*.

¹⁷ *ibid*.

¹⁸ *ibid* 4-5.

¹⁹ Ryan Short, 'Branding is the New Economic Development' (*Forbes.com*, 31 Aug. 2018) <www.forbes.com/sites/forbesagencycouncil/2018/08/31/branding-is-the-new-economic-development/> accessed 5 November 2018.

²⁰ Russell Abratt and Patience Motlana, 'Managing Co-Branding Strategies: Global Brands into Local Markets' *Business Horizons* (Sept.-Oct. 2002) 44.

²¹ *ibid*.

²² The Place Brand Observer, '4 Place Branding Examples to Inspire Economic Development Professionals' <<https://placebrandobserver.com/place-branding-examples-economic-development-professionals>> accessed 5 Nov. 2018.

²³ The Place Brand Observer, 'Economic Development' <<https://placebrandobserver.com/category/economic-development>> accessed 5 Nov. 2018.

²⁴ Evan Cleave, Godwin Arku, Richard Sadler and Jason Gilliland, 'The Role of Place Branding in Local Regional Economic Development: Bridging the Gap between Policy and Practicality' (2016) 3 *Reg'l Studies, Reg'l Sci.* 1, 24.

²⁵ *ibid*.

²⁶ *ibid* 25.

²⁷ *ibid*.

²⁸ *ibid*.

3. INDONESIA'S LEGAL FRAMEWORK ON ICH AND IP-RELATED ICH

Efforts in safeguarding and protecting ICH in Indonesia are carried out from legal protection and preservation perspectives. The background for such efforts is Indonesia has ethnic and cultural diversity, resulting in a range of intellectual works creating an abundance of ICH, which becomes an attraction for commercial use. The use shall, therefore, be regulated for society's interests. Indonesia's ICH legal framework contains safeguarding of ICH from the perspectives of non-IP and IP law. The two perspectives show two current primary systems for safeguarding: ICH protection under an IP system and ICH preservation and promotion under the other system from a cultural perspective. These approaches must be carried out together.

Table 1. Indonesia's Legal Framework on ICH and IP-related ICH²⁹

A.	Non-IP
1.	Ratification of the Convention for the Safeguarding of Intangible Cultural Heritage
2.	Retification of the Convention for the Protection and Promotion of the Diversity of Cultural Expressions
3.	Cultural Advancement Law
4.	Minister of Education and Culture Regulation on the Intangible Cultural Heritage of Indonesia
B.	IP
1.	Copyright Law
2.	Patent Law
3.	Trademark and Geographical Indication Law
4.	Design Law

At the national level, there has been ratification of the 2003 UNESCO Convention for the Safeguarding of Intangible Cultural Heritage (2003 UNESCO Convention), the 2005 UNESCO Convention for the Protection and Promotion of the Diversity of Cultural Expressions, the enactments of the Cultural Advancement Law No. 5 of 2017, and the Minister of Education and Culture Regulation No. 106 of 2013 on the Intangible Cultural Heritage of Indonesia. Furthermore, there is ICH protection in articles of the Copyright, Patent, Trademark and Geographical Indication, and Industrial Design Laws.

The Minister of Education and Culture Regulation on the Intangible Cultural Heritage of Indonesia gives a definition of intangible culture and ICH. Intangible culture is 'everything results from action and thought, manifested in identity, ideology, mythology, concrete sayings in the form of voice, movement, or ideas contained in the thing, behaviour system, belief system, and culture in Indonesia.'³⁰ ICH is 'the result of practice, manifestation, knowledge, and skill expression, within the scope of culture, continuously passed down through generations by way of preservation and recreation, as well as a result of intangible culture after the establishment of intangible culture.'³¹

Both definitions cover the substantial meaning of 'traditional knowledge and traditional cultural expressions.' The Indonesia Bill of Law on Traditional Knowledge and Traditional Cultural Expression drafts a definition for traditional knowledge as an 'intellectual work related to technology, cosmology, value, teaching of art, order of society, taxonomy, grammar, and concept contained in words, produced by creation, creativity, invention, and innovation based on a respective society.'³² 'Traditional cultural expressions have been drafted as an intellectual work in the field of art bearing the element of traditional heritage resulting from, and developed and maintained by a certain community or society.'³³

²⁹ Constructed by the author.

³⁰ Regulation No. 106 of 2013, Intangible Cultural Heritage of Indonesia Minister of Education and Culture, art 1 para 1 (Indonesia).

³¹ *ibid*, art 1 para 2.

³² A Bill of Law version by the Directorate General of Intellectual Property (Indonesia).

³³ *ibid*.

Principally, traditional knowledge and traditional cultural expressions are ICH and fall into coverage of ICH under Article 2 of the 2003 UNESCO Convention. ICH could come from an individual, a group of people, or an *Adat* law (Indonesian customary law) community having the following criteria for depicting cultural identity in society: has an important value for nations and state; can be accepted by all Indonesian citizens; has cultural value which could improve the nation's conscience and unity; and has diplomatic value.

Within the IP regime, Indonesia introduced its first copyright law with Copyright Law No. 6 of 1982 (as amended). The Law was replaced with Copyright Law No. 19 of 2002, which in turn was substituted by Copyright Law No. 28 of 2014. Copyright Law of 2002 contained an essential IP-related ICH protection. Based on Article 10(2) of the Copyright Law of 2002, principally, the State is the copyright holder for folklore or traditional cultural expression and works of popular culture commonly owned as part of ICH. Article 10(3) of the Copyright Law of 2002 stipulated, '[T]o publish or reproduce the works as referred to paragraph (2), any person who is not the citizen of Indonesia shall, firstly, seek permission from the institution related to the matter.'

Article 38 of the current Indonesian Copyright Law of 2014 and its elucidation give a definition and scope of ICH. The Copyright Law of 2014 has both, greater coverage and articles that are more specific by using the term 'traditional cultural expression,' while the Copyright Law of 2002 regulated it under just one article, namely Article 10. However, the detail of Article 10 in the Copyright Law of 2002 was not retained within the Copyright Law of 2014, although there would have been merit in its inclusion. Article 10(2) of the Copyright Law of 2002 dealt explicitly with folklore and traditional creations by authors under communal ownership.

Article 10(3) of the Copyright Law of 2002 required a person who was not a citizen of Indonesia to seek permission from the related institutions to publish or reproduce work mentioned in Article 10(2). This requirement of permission can be an essential step in protecting ICH. Articles 40 and 59 of the Copyright Law of 2014 have additional matters not

stipulated in the Copyright Law of 2002, namely the regulation on modifying and compiling traditional cultural expressions. These articles illustrate one of the improvements in the Copyright Law of 2014 over its predecessor law. There is no discrimination or distinction between Indonesian nationals and foreigners regarding the use of traditional cultural expressions under the Copyright Law of 2014. This is awaiting operational regulation as provided in Article 38(4) of the Copyright Law of 2014.

Furthermore, Article 60(1) of the Copyright Law of 2014 provides that copyright on traditional cultural expressions held by the state as referred to in Article 38, paragraph (1) shall be valid indefinitely, provided the State is the copyright holder for traditional cultural expressions. This article retains validity of copyright as provided by Article 31(1)(a) of the Copyright Law of 2002, that copyright validity pursuant to Article 10(2) the copyright on works held by the State shall be valid without any time limit.

Article 38(2) of the Copyright Law of 2014 stipulates that the State shall preserve and protect traditional cultural expressions and that the State must establish a national inventory for traditional cultural expressions. Article 38(3) states that users of traditional cultural expressions shall consider living values in custodian community, who nurture, develop, and preserve traditional cultural expressions. Inventory obligation to the State is a new provision and awaits an operational regulation to be fully implemented. Regarding this matter, there is the challenge of dual claims by multiple countries for a single traditional cultural expression; therefore, countries shall discuss and compromise on this matter.

There is no provision on benefit sharing in the Copyright Law of 2014. However, Articles 87 to 93 of the Copyright Law of 2014 provide for the formation of the collective management society (CMS). Regarding Article 87(1), to claim economic right, the copyright holder shall become a member of the CMS. Provided the State is the copyright holder of traditional cultural expressions (Article 38(1)), the State shall become a member of the CMS before legally collecting royalties from the traditional cultural expressions' user. The user of traditional cultural expression shall make an agreement on benefit sharing with

its holder or custodian. A current challenge is the existing practice of free use of traditional cultural expressions in Indonesia, without royalties, and changing it will be a challenge.

The protection mentioned above has yet to make its implementation visible due to the absence of implementation regulations. The implementation regulation, as mandated by the Law in the form of government regulation, covers collective IP inventory which aims to provide defensive protection for ICH; classifications of traditional cultural expressions; and collective IP utilisation.

Regarding patents, Indonesia passed its first patent law being the Patent Law No. 6 of 1989. This law was superseded by Patent Law No. 14 of 2001, which in turn was replaced by the current Patent Law No. 13 of 2016. The Patent Law of 2016 gives a basis for the protection of traditional knowledge. There are disclosure requirements and benefit sharing structures under Article 9(b) of non-patentability, and Articles 9(d) and (e) of the Patent Law of 2016. These articles provide negative protection or defensive protection for traditional knowledge. Article 49 contains other relevant stipulations under the Law concerning a complaint against a patent application, as does Article 5(2), which states not all traditional knowledge can be used as prior art.

Although the government has incorporated a disclosure requirement clause in the Patent Law of 2016, it is hard to include substances which have already been agreed to in the international negotiation on ICH into the law. A challenge found that although the Patent Law of 2016 has regulated the disclosure requirement, the government has not been clear in implementing it due to the lack of an institution bearing the authority and responsibility of the Law's mandate.

Based on its primary function to protect IP in Indonesia, the Directorate General of Intellectual Property (DGIP) under the Ministry of Law and Human Rights of the Republic of Indonesia, follows IP international standard protection, which aims is to simplify the administration process. The basis for the rejection of an application is determined by the

substantive matter, and therefore, any administrative requirement which complicates the procedure may be eliminated. The universal requirements on patentability are now added with the disclosure requirement as an ICH protection clause.

From the administrative sector of the patent application, the inclusion of a disclosure requirement creates a further burden for the DGIP. The DGIP is in the process of drafting the Patent Law's implementation regulation regarding the cancellation and rejection of patent applications, which will enforce a disclosure requirement. Therefore, when the application does not contain the disclosure requirement, the application will be rejected; if the patent has already been given, the patent is cancelled.

Trademark law also has several stipulations relevant to ICH. The first trademark law in Indonesia was the Company Marks and Commercial Marks Law No. 21 of 1961 (as amended), which was replaced by the Trademark Law No. 15 of 2001. Recently, the Law was amended by the Trademark and Geographical Indication Law No. 20 of 2016. Article 72(7)(c) of the Trademark and GI Law of 2016 nullify a registered trademark if it is similar in its entirety to traditional cultural expression, ICH, or a name or logo of traditional use. Article 20 excludes ICH from the non-registerable mark, and Article 21 excludes ICH from rejected registration. Under Article 20(a), trademark registration shall be rejected provided registration would be likely to offend the public or a group; however, this is not easy to prove. These articles are not firm on providing preventive protection for ICH. With Article 76, the custodian of traditional cultural expressions should actively submit a claim for nullification of trademark registration.

The Trademark Law of 2001 was the first legal basis for GI protection in Indonesia. As an operational regulation to the Trademark Law of 2001, Government Regulation No. 51 of 2007 on Geographical Indication is still valid. GI contents have been given a significant portion in the current Law, especially for agricultural products which have unique and distinctive characteristics due to geographical conditions or human processing skills. Several ICH may be registered under GI. Despite existing notions for protecting ICH with GI, there is still the question of how far ICH can be protected

with GI in terms of traditional skills and traditional cultural expression elements. Under Article 53(3)(a), ICH in the form of handicraft goods can be protected as registered GI. Article 63 of the Trademark and GI Law of 2016 stipulates an unregistered sign which fulfils GI requirements can be protected as an appellation of origin, meaning such a sign does not have to be registered to get protection. However, this article still awaits an implementation regulation to significantly provide ICH protection under the GI system.

Industrial design protection through the Industrial Design Law No. 31 of 2000 was first introduced after Indonesia ratified the Agreement Establishing the World Trade Organisation in 1994. In the Industrial Design Law No. 31 of 2000, there is a relevant part for ICH, especially traditional cultural expressions. The Consideration part of the Law in paragraph (b) mentions such protection is 'stimulated by the diversity of the cultural and ethnic wealth of Indonesia, which is a source for the development of industrial design,' but there is no further relevant provision which can be used regarding ICH protection under the Law.

Current national and international issues shall be more focused on the recognition of cultural work's origin. The mention of origin can be considered as acknowledging the moral rights of cultural work or ICH holder. A neighbouring country of Indonesia used Indonesian *Reog* and *Pendet* dances in their national tourism promotions; occurrences which might happen again in the future.³⁴ Foreign parties may use Indonesian ICH and obtain economic benefits from such utilisation. The Indonesia Bill of Law on Traditional Knowledge and Traditional Cultural Expressions is supposed to be *sui generis* law in order to protect ICH in the IP realm. Supposing that IP legislation is used, it would not match IP criteria. The Bill of Law is a way to create increased legal protection for ICH; however, the Bill of Law has been pending for some time.

³⁴ Lisa Mapson, 'Reog Ponorogo' (*Inside Indonesia*, 23 Nov. 2010) <www.insideindonesia.org/reog-ponorogo> accessed 13 Nov. 2018. See also Tourism Indonesia, 'Protest over Malaysia's Claim over Old Balinese Pendet Dance' (Aug. 2009) <www.tourismindonesia.com/2009/08/protest-over-malaysia-claims-over-old.html?m=1> accessed 13 November 2018.

4. AN INITIATIVE MODEL IN SAFEGUARDING AND PROTECTING ICH BY THE REGIONAL GOVERNMENT: THE YOGYAKARTA EXAMPLE

The Yogyakarta Special Province is famous for its outstanding traditional and cultural heritage. Examples of Indonesian ICH in the region comprise oral traditions and cultural expressions, including language, performing arts, social practices, rituals and festive events, knowledge and practices concerning nature and the universe, and traditional craftsmanship. The protection of Yogyakarta products is emerging and essential since the products are often used in tourism and international trade.³⁵

The legal framework for safeguarding and protecting ICH in Yogyakarta's context is found in Law No. 13 of 2012 on Special Authority of Yogyakarta Special Province, Yogyakarta Provincial Regional Regulation No. 4 of 2011 on Cultural Value of Yogyakarta, and Yogyakarta Governor Regulation No. 10 of 2015 (Governor Regulation) on Yogyakarta Special Province's Brand/Logo of '*Jogja Istimewa*.' The background of the Governor Regulation of 2015 is that along with the enactment of Law No. 13 of 2012 on Special Authority of Yogyakarta Special Province, it provides the spirit of regional government in accordance with the vision and mission and creates an exclusive image of the region, as *Jogja Never Ending Asia* becomes *Jogja Istimewa*.

To have more concrete and specific implementation, Yogyakarta Governor Regulation of 2015 is followed up with Yogyakarta Governor Regulation No. 21 of 2017 on the Use of *JogjaMark*, *100%Jogja* and *JogjaTradition* Trademark as Local Product Co-Branding (Yogyakarta Governor Regulation on Co-Branding). Consideration of the regulation mentions that to improve the products' competitiveness, ICH of Yogyakarta, there needs to be

³⁵ Christoph Antons and William Logan, 'Intellectual and Cultural Property and the Safeguarding of Intangible Cultural Heritage' in Antons and Logan (eds), *Intellectual Property, Cultural Property and Intangible Cultural Heritage* (Routledge 2018) 1-2.

recognition, support, and legal protection towards the local product. Letter (a) of the regulation intends for there to be a regulation on the use of the trademarks as local product co-branding to manifest recognition and support, as well as legal protection.³⁶ With this regulation, the Governor of Yogyakarta Special Province restates his support towards efforts to protect MSMEs. Governor regulation as a type of legislation is chosen to legitimise support rather than using a regional regulation, which is more complicated and time consuming to pass.

Yogyakarta's concept on IP protection and ICH safeguarding is contained in Yogyakarta Governor Regulation of 2017. Yogyakarta co-branding is a product's sign and/or characteristics as shown together with other signs possessed by a product, and/or traditional knowledge, and/or traditional cultural expression in the Yogyakarta Special Province.³⁷ The sign is attached to 'local products,' which is any kind of product in the form of farming, natural, processed, handicraft, creative industry, and industrial products in the region.

The scope and program for safeguarding ICH by the regional Yogyakarta government consists of three aspects. The protection aspect comprises preventive efforts and countermeasures to actions that may cause damage, loss, or extinction of ICH through registration and establishment, including culture preservation, a culture heritage management program, and a national cultural heritage nominations program. The second development aspect includes efforts in work and expression, thus opening the possibility of ICH perfection constituting ideas, behaviour, and traditions in the form of change, addition, evaluation, replacement and renewal of ICH. This is achieved according to the prevailing values and norms of the owner community

without eliminating the original value contained so that it can, therefore, be adopted and included within the community. These efforts contain a local culture and art development program, and a history and values management program. The final utilisation aspect embraces the effort of ICH utilisation for the interests of education, religion, social, economics, science, technology, culture, and tourism. These efforts involve culture promotion, a partnership program at national and international levels and a safeguarding program. The basis of this concept is to settle the protection of ICH and, thereafter, protect its development. All aspects aim to protect and safeguard ICH in the region.

Regarding these three aspects, Yogyakarta initiates a model of safeguarding and protecting its potential with a concept of co-branding by establishing three co-brands covering local product and ICH in the region, namely:

- a. *JogjaMark* utilises Yogyakarta products, of which a part of or all of the materials come from outside Yogyakarta region, while the production or processing is conducted in the region, for example, t-shirt products and other handicrafts;
- b. *100%Jogja* utilises Yogyakarta products, of which all of the materials originate and the whole production and processing takes place within the region, for example, agricultural products; and
- c. *JogjaTradition* utilises Yogyakarta products which have the characteristics of traditional arts or traditional culture expression distinctive to the region, for example, traditional leather puppet shows.³⁸

Exclusive rights over the co-branding trademarks are held by Yogyakarta's regional government, from whom

³⁶ The rationale of Yogyakarta Governor Regulation No. 21 of 2017 is to build the reputation of local product, legal acknowledgement as well as protection of local product and ICH which are distinctive to a region (art 2(1)). It aims to improve the quality and competitiveness of a product and ICH distinctive to a region, to improve loyalty and trust of consumers or society, to grant legal protection and to prevent unhealthy competition, to give identity to local product and ICH distinctive to a region based on the

region's name, to build independent business in the region and to preserve ICH of the region (art 2(2)).

³⁷ Yogyakarta Governor Regulation No. 21 of 2017, The Use of *JogjaMark*, *100%Jogja*, and *JogjaTradition* Trademark as Local Product Co-Branding Yogyakarta, art 1 and app I (Indonesia).

³⁸ *ibid* art 4(1).

businesspersons, legal entities, or MSMEs receive a license to use the co-branded trademark.³⁹ Local businesses utilise the trademark and receive benefits from it. Users may obtain a license to Yogyakarta products from the Regional Working Unit (RWU), the regional government agency of Yogyakarta's regional government, which manages the field of trade and industry.

Regarding the legal structure of IP ownership by a public legal entity, Indonesian IP laws do not specifically mention the private legal entity as the IP rights owner, meaning the public legal entity can own IP rights. There has been a precedent on the ownership of a trademark by a public higher education institution. The use of a trademark by a higher education institution is, philosophically, a trademark used by a non-commercial institution, as education is a non-profit business. In actuality, many higher education institutions currently have a business unit which conducts business to gain profit.

The ICH protection is especially performed in the use of the *JogjaTradition* co-brand, which utilises local products that constitute or represent ICH of traditional knowledge and traditional cultural expressions in the Yogyakarta Special Province.⁴⁰ Traditional knowledge is 'an intellectual work related to technology, value, principle of art, society rule ... as produced by creation, creativity, invention, and innovation based on the society's tradition, and become the characteristics of the region.'⁴¹ Traditional cultural expressions are 'intellectual work in the field of art which contains the element of traditional heritage characteristics which are produced, developed, and maintained by the community or a respected society, and become the characteristics of the region.'⁴²

The utilisation of *JogjaTradition* co-branding is performed by Yogyakarta Regional Service Office for Culture (the Office for Culture), which determines whether a culture originated

from Yogyakarta in line with the requirements they set. It will only give a recommendation to local communities or traditional owners who apply for already-certified ICH or ICH which has been established, since Indonesia's ICH belongs to Yogyakarta. After obtaining a recommendation from the Office for Culture, the Yogyakarta Regional Service Office for Industry and Trade (the Office for Industry and Trade) will execute the use of *JogjaTradition* co-branding by providing a trademark license to the relevant parties. The product criteria having the characteristics of ICH distinctive to a region are:

- a. constituting cultural value;
- b. having values which improve self-awareness and nation unity;
- c. having a uniqueness, distinctiveness or specialty from a particular tribe and constituting part of a community;
- d. constituting a living tradition and collective memory related to the preservation of nature and environment, as well as giving an advantage to human and life;
- e. giving social, economic, and cultural impact, whose existence is endangered and needs to be preserved due to natural occurrence, natural disaster, social crisis, political crisis, and economic crisis;
- f. inherited and/or developed by one or more generations;
- g. having a particular pattern, whose characteristics can be identified;
- h. related to a particular geographical region and/or social group;
- i. not contrary to human rights and existing conventions; and/or
- j. supporting cultural diversity and natural preservation or sustainability.⁴³

Under this system, *JogjaTradition* co-branding is more transparent since it has clear requirements. In this way, the Office for Culture can supervise the protection and use of

³⁹ *ibid* arts 4(2) and 4(3).

⁴⁰ Daphne Zografos Johnsson, 'The Branding of Traditional Cultural Expressions: To Whose Benefit?' in Peter Dragos and Susy Frankel (eds), *Indigenous People's Innovation: Intellectual Property Pathways to Development* (ANU Press 2012) 147.

⁴¹ Indonesia (n 37) art 1 para 6.

⁴² *ibid*, art 1 para 7.

⁴³ *ibid*, art 7(1).

ICH in the Yogyakarta region. In cases where the ICH has not obtained a certified ICH status and does not have rights to use such co-branding, the office will assist with the process of obtaining ICH status, so long as the ICH fulfils the established criteria and requirements. Therefore, the registration of *JogjaTradition* co-branding trademark synergies with the program safeguarding ICH, as one of the utilisation programs, since the co-branding can only be used as a trademark for ICH that has been declared as Indonesian ICH by the Ministry of Culture and Education.

To utilise co-branding in the market, the Office for Industry and Trade will support co-branding initiatives with the concept of *Bela Beli Indonesia* movement, which aims at economic independence through a synergy between *to support* and *to buy* Indonesian products, especially those produced by MSMEs. Co-branding also becomes an assurance for consumers that the product is original or rooted in Yogyakarta tradition and culture. The Office for Industry and Trade collaborates with the Office for Culture to grant a license on *JogjaTradition* co-branding, thereby refining the procedure of granting license. The approval constitutes a set of certificates consisting of a certificate of domicile, formal declaration as ICH of Yogyakarta and Indonesia, and a letter of recommendation from the Office for Culture.

Despite the average understanding on IP within the regional government of Yogyakarta, there is a basic understanding of the essence of IP and and urge to protect ICH within the region. This understanding covers the improvement of the product's competitiveness and that ICH needs acknowledgement, support, and legal protection. Moreover, in generating such acknowledgement, support, and legal protection, the regional government regulates the use of the local product co-branding of Yogyakarta. *JogjaTradition* intends to build the reputation, recognition, and legal protection of ICH. The objectives of branding are to improve quality and competitiveness of ICH related products distinctive to Yogyakarta, improve loyalty and trust of consumers or society, as well as aim to grant legal

protection and prevent unfair competition. Branding also give identity to local products and ICH distinctive of Yogyakarta in Yogyakarta's name. Finally, it purports to build business independence in Yogyakarta and to preserve ICH.

Yogyakarta Governor Regulation on Co-Branding also anticipates or opens the possibility for use of co-branding in the creation of contemporary work. For example, contemporary *batik* can obtain *JogjaTradition* co-branding on the condition that its author or artist shall be able to explain that their work is still rooted in *batik's* past, with Yogyakarta's standard specialty.⁴⁴ Besides the Governor Regulation, mechanisms to attach a co-branding logo to already-certified ICH, such as ICH in the form of performing art, needs to be regulated.

Dissemination and training on IP for the co-branding initiative's benefit have also been intensified. Furthermore, the Office for Culture is currently preparing a review to integrate the concept of protection, development, and use of traditional work or IP-based ICH. Such a review is essential in answering the question of how IP can protect, maintain, and develop ICH or on how to meet both the IP and ICH concepts. IP has not been well-disseminated among Yogyakarta's regional government. The above-mentioned review will help officers in Yogyakarta regional government understand the requirements, function, and advantages of IP and which concrete form of IP can be proposed for the protection, development and use of ICH. There is a notion that the regional government will assist already-certified ICH to obtain IP protection even at the international level or if it covers wider range of society, such as with GI protection.

The Yogyakarta regional government has already created an ICH Expert Team to support and supervise the application of ICH in the region. The team has provided guidelines regarding the ICH proposal planning by the regional government for the upcoming five years, though the regional government has always checked on the

⁴⁴ As an icon of Indonesian ICH, *batik* has been added to the UNESCO Intangible Cultural Heritage of Humanity list in 2009.

completeness of the requirement, especially academic review. The team has an obligation to assist the Office for Culture to aim already-certified ICH, as every ICH has to be protected continuously. The Office for Culture also makes a roadmap for each ICH; outlining steps to be taken to ensure a certified ICH still lives and develops within society. There are similar offices and technical teams at regency or municipality levels to support all regional government policy on ICH.

With a strategy and system to protect ICH, the regional Yogyakarta government has successfully certified its ICH and formally declared its as Indonesia's ICH. Yogyakarta is, by far, at the top nationally, due to the regional government maintaining the sustainability of personnel and information for cultural affairs when there is a change of structure. Yogyakarta relies on culture, tourism, and education sectors for its resources; however, it is considered to have a lot of human resource experts on culture. In other provinces, the personnel who take care of cultural matters do not have an educational background and experience in the field of culture.

However, it is suggested that the actual problem or obstacle is not due to personnel's inability or limited funds. Instead, it is due to an ineffective system. The system in the government will run well if society understands, appreciates, and follows such a system. Basically, all a society wants to know is that there is only a single government; they do not want to think further. The government should make sure the society understands its program and policy regarding ICH. The government should also have been ready with a more-concrete matrix and action plan.

The biggest challenge in the process of establishing ICH status is review. The Office for Culture collected data in the form of theses and other scientific work to compose an academic review from many libraries and centres of study in higher education institutions. Gradually, Yogyakarta will construct a strategy on academic review composition systems to create a high quality and well-organised review. This is fortunate in that cultural affairs get special attention from the regional government. Meanwhile, other provinces do not always enjoy a similar benefit.

Procedures for trademark license applications are set out in Article 8 of Yogyakarta Governor Regulation of 2017 as follows:

- a. The application of *JogjaMark* and *100%Jogja* shall be addressed to the Head of Regional Working Unit together with following documents: Business Permit, Company Registration Statement, a stamped-statement letter saying that the production process is conducted in the region (for *JogjaMark*), a stamped-statement letter saying that the raw materials and production process are wholly conducted in the region (for *100%Jogja*), the sample of co-branding placement in the products for goods, the sample of co-branding placement in the products for goods (for *JogjaMark*), and the proof of product's standard, among others: Home Industry Product, *Halal* certificate, Indonesia National Standard or similar proof of the standard of the product.
- b. The application of *JogjaTradition* shall be addressed to the Head of RWU together with following documents: Letter of Domicile, Certificate Stipulating as Indonesia Intangible Cultural Heritage, and a Recommendation Letter from a Provincial RWU which manages culture.

Under Article 9 of the Governor Regulation, when the documents are complete, RWU conducts a site visit. When the documents are not complete, the Head of RWU shall return the documents to the applicant to be revised within a maximum of three working days following the receipt of the document. Under Article 10 of the Governor Regulation, the head may decide to reject or grant the license application for a maximum of 12 working days after the documents are complete. When the application is rejected, the head shall send notification and the reason of rejection in written form to the applicant. When the application is granted, the head issues License Approval, which shall be valid for the following three years.

The license extension application under Article 12 of the Governor Regulation shall be addressed to the Head of RWU a maximum of one month before the license expiration date. The application shall be accompanied with documents of License Approval and Periodical Reports from the past three years. The process of license extension shall

be finished in a maximum of six working days after the documents detailed under Article 12(2) are complete.

The provisions as regional legal framework may be sufficient to guarantee a minimum level of effective ICH protection. However, it is suggested that IP enforcement capacities building are not in line with ICH protection challenges in Indonesia. There are still several challenges, namely, limited public awareness and insufficient knowledge on the significance of IP, including local or traditional communities of the respected ICH, government officials, judiciaries, and the general public; inadequacy of the legislation not being drafted effectively; lack of human resources, funding and practical experience in the enforcement of IP for protecting ICH; and systemic problems resulting from insufficient coordination among government departments.

5. BENEFITS AND CHALLENGES

A. FOR THE LOCAL COMMUNITIES AND TRADITIONAL OWNERS

Local communities and traditional owners anticipate benefiting from co-branding initiatives by obtaining legal protection from trademarks licensing, increasing competitiveness, consumer loyalty or trust, enhancing local products reputation, and promoting local cultural industries. Benefits also include domestic and international recognition and support towards ICH protection strategy by the regional government, product acceleration, and prevention of unfair competition in the market. These benefits are expected to lead to economic development. From the perspective of consumer protection, there are also quality assurance and product standardisation. The initiative provides protection to MSMEs in the region.

Article 15 of Yogyakarta Governor Regulation on co-branding mandates society's role as taking part in dissemination, promotion and supervision activities over the use of a trademark as co-branding of the local product by way of conducting exhibition and filing a report of the breach of its use. The report shall be conducted under provisions where the complainant files the report form, complete with at least two pieces of evidence of the alleged

breach of co-branding use. Article 16 of the Governor Regulation includes sanctions under procedures of verbal notification, written notification, and license revocation. Furthermore, supervision and evaluation are conducted by the Regional Working Unit under Articles 16(1) and (2), which include written reports on the implementation of supervision and evaluation on the use of co-branding to the Governor annually (Articles 16(3) and (4)).

However, challenges are identified in obtaining licenses for a co-branded trademark from the perspectives of ICH local stakeholders. Enclosed documents for license application may not be easily fulfilled and validity terms for licenses may be too short. Some of the obligations may be difficult for an MSME, an individual, or a community to perform. These include specifically, requirements for accurate data and information of the requested-product or ICH; maintenance of a product's quality to comply with its standardisation or specialty; and the provision of periodical written reports every six months.

Collecting ICH data in a region may often be a problem. In 2013, the central government instructed the Office for Culture to collect and compile regional cultural work data and found the work was mostly ICH. A technical implementation unit under the Ministry of Education and Culture also collected data, but failed to complete the task due to a limited ministry budget. Besides, the data is being simply passed from one division to another, due to the absence of clarity on which sector should handle the matter.

In 2016, the Office for Culture created a new institution, the Division of Preservation and Cultural Value (the Cultural Division), which works on policy-related matters and performs the function of preparing upstream tools, while downstream function is performed by a technical implementation unit. The Cultural Division manages three sections, namely Cultural Heritage which takes care of tangible cultural heritage or cultural preservation; ICH; and value management. The workload and priority of these sections may be an issue in the practice to give approval or recommendation for co-branding applicants.

There is also a problem regarding the Cultural Division's work target in the form of values. In terms of funding and administration, the target results in something quantifiable. However, the definition of culture is quite extensive depending on the individual subject and culture covers a wide scope. In a discussion forum in Yogyakarta Regional Representative Assembly, extensive definition and cultural coverage becomes a particular problem. Cultural Division often has different perspectives from the assembly. There are also other interests, such as political interest, which may influence the issue.

Within Yogyakarta's local communities and traditional owners, there needs to be a thorough and detailed discussion on ICH criteria and IP protection, which will be applicable for ICH in the region. Supposing the ICH criteria do not fulfil the elements of IP protection, there needs to be a more suitable strategy. The establishment of creative work may be protected under IP regime, however, this is not the case for traditional work or ICH. The misapplication of IP on ICH will eventually bring loss to Yogyakarta. If a work is protected by IP, it is also subject to the duration of protection. After the duration of protection has elapsed, such work will belong to the public. In this scenario, Yogyakarta may lose control of the work's use.

From February to July 2018, there were 120 license applications, with 30 granted for *JogjaMark* and 100%*Jogja* co-brandings. However, since the initiative is relatively new, in terms of economic and social development, it has not been yet demonstrated to improve business profitability and enable net job creation. At least, this shows public awareness and role of the regional government on IP and ICH protection, which has risen from time to time. It is expected in the future that the domestic and local business climate would improve as much a priority as safeguarding and protecting ICH in Indonesia.

There were no applications for *JogjaTradition*. The regional government presumes the public are hesitant to use *JogjaTradition* co-branding, as this is a new initiative, and

remains optimistic by promoting the initiative to MSMEs, local communities, and traditional owners. This dissemination is performed by the Office for Culture and the IP Centre in the Office for Industry and Trade. The office holds events and uses local and social media to provide an information service to society. The offices also facilitate MSMEs regarding funds; using the regional state budget and a thorough selection process, an applicant is exempted from the IP request fee or will receive a discounted fee. The regional government plans to take a proactive step by selecting several ICH to be part of a pilot project on *JogjaTradition* co-branding. However, this awaits further internalisation and coordination between the Office for Industry and Trade and the Office for Culture.

B. FOR THE COUNTRY AND AS AN EXAMPLE TO OTHER COMMUNITIES OR REGIONS

As well as for the local communities and traditional owners, the branding of ICH provides recognition, safeguarding and protection towards Indonesian ICH as a whole nation, and people. It promotes and supports creative industries, especially creative industries owned and operated by MSMEs. The branding of ICH also guarantees consumer's protection through quality assurance and products standardisation in national and international markets.

For the substantial issue, an issue happens when there is a similarity of culture between one province and another. For example, there are differences between Yogyakarta *batik* and Surakarta *batik*, or there are distinctions between Yogyakarta *lurik* and Central Java *lurik* on its history, philosophy, meaning, and ways of use.⁴⁵ This shows the importance of a well-researched ICH academic review in the national ICH examination, because the academic review point out the differences among similar ICH. ICH must fulfil criteria under the 2003 UNESCO Convention by, namely, being more than one generation old, have cultural supporters, and provide special characteristics with a sense of identity and continuity. Even though two cultures may be

⁴⁵ *Batik* and *lurik* are two famous traditional cloths produced in several regions in Java.

similar, they can be considered different as long as they live and develop within a completely different culture.

In 2017, there were more than 62 million MSMEs with more than 116 million workers in Indonesia and this figure contributed 97.02% to employment in Indonesia.⁴⁶ However, in the same year, it only contributed 14.17% to export, 58.18% to investment, and 60% to Gross Domestic Product.⁴⁷ MSMEs lack access to financing and most of them do not meet the legal requirements for business in Indonesia, such as having a business permit, paying tax and so forth. The mentioned shortcomings for the branding of ICH, public's IP awareness, and performances of MSME are similar in all regions across Indonesia. From an IP administration point of view, these facts are problems for IP awareness, registration, and licensing.

Public and government awareness and knowledge in protecting ICH have not spread evenly across all regions, resulting in a lack of cultural policy planning. There is also a limitation of personnel with cultural management and education backgrounds. Therefore, dissemination and capacity building are significant to solving the problem, especially in improving awareness of the region's interest.

Considering the duration of IP protection, there needs to be a review on which IP protection will be most suitable to protect a creation or a product. There should be a balance between individual interests and social interests in the IP system, where the granting of IP as individual rights shall be limited so that it does not create injustice towards social interests. After the IP protection has elapsed, the IP object belongs to the public, meaning that the public can access and utilise such work or invention without having to ask for permission and pay royalties. This is IP's social function.

Cultural owners tend to have ICH protection, which lasts forever. Moreover, it is known that there are several ICH

characteristics which are not suitable for IP protection, since the cultural owner wants to protect the inherent authenticity and meaning.⁴⁸ IP generally has limitations in protecting the meaning of such culture as it usually only protects the appearance of meaning contained in a culture. Nonetheless, the definition and meaning of culture beyond the object cannot be protected by IP. Protection towards the definition and meaning of culture shall be accommodated by other instruments or protection systems. Thus, careful policymaking is important to manage the region's cultural and IP assets.⁴⁹

One problem across all provinces is building the capacity of regional government personnel who administer cultural affairs and MSMEs, including the license approval mechanism for trademark evaluation, and implementation. Based on the Yogyakarta co-branding initiative, as processing time for license application can be rather quick, the system requires competent and experienced supervision of operations and personnel. There is also the challenge of capacity building of other stakeholders in all regions, such as the city branding council who look after the implementation and internalisation of such an initiative.

Another challenge is a major change to regional governments' structure. The officers who have expertise and used to work on cultural affairs have been moved to other divisions, thereby causing a failure in the ICH protection mechanism and showing the weakness of a change of structure and nomenclature in the government. In this instance, the pre-prepared program and policy cannot run well as they do not have sustainability due to the personnel change.

Furthermore, not every regional government has a division of business service and IP management. Such a division usually bears the function as the IP centre within the Office

⁴⁶ Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia (*Sandingan Data UMKM 2012-2017*) 1-2.

⁴⁷ *ibid.*

⁴⁸ Eunju Ko and Seulgi Lee, 'Cultural Heritage Fashion Branding in Asia' in Arch G. Woodside (ed), *Tourism Sensemaking: Strategies to Give Meaning to Experience (Advances in Culture, Tourism and*

Hospitality Research, Volume 5) (Emerald Group Publishing Limited, 2011) 89-109. See also Fan Yang, *Faked in China: Nation Branding, Counterfeit Culture, and Globalisation* (Ind. U. Press 2015).

⁴⁹ Johnsson (n 40) 163.

of Industry and Trade, a technical service unit of the Ministry of Industry in the central government. As the IP centre, it does not have a specific program on IP, since its program follows those of the Office of Industry and Trade. Several regions in Indonesia have a kind of IP centre within different offices; however, this depends on the respective regional governments' will to create nomenclature, as well as having an IP centre within their structure.

Joining the Yogyakarta co-branding initiative, the regional government of Central Java has implied that it wants to follow Yogyakarta's step, while the Directorate General of Intellectual Property of Indonesia has also stated its support. The Temanggung and Surakarta/Solo regions of the Central Java province have taken preliminary steps to initiate the branding of ICH in *Temanggung Tradition* and *Solo the Spirit of Java*.

6. CONCLUSION AND FUTURE DIRECTIVES

Culture has a dynamic nature. The impacts of external access to Indonesian ICH is unavoidable in the digital era of the Internet, information technology, and social media. As a country which nurtures ICH, Indonesia has to give cultural access to the wider community. Creations and innovations arising out of ICH in the future should also be useful to society; however, ICH that generates income should also benefit the society it nurtures. The most important thing is to find a balance between the interests of the ICH owner and public access. This balance can be generated and accommodated under national and regional laws.

Indonesia's legal frameworks on IP regarding ICH provide certain legal protection, especially on copyright, patent, trademark and GI, and industrial design. However, there are still issues and challenges for protection and its implementation. The initiative of using trademarks for local product co-branding to safeguard Indonesian ICH embraces protection, development, and utilisation aspects. ICH branding and co-branding initiative not only provide the IP protection aspect part of ICH, but also preventive efforts through ICH registration and establishment covering development and utilisation aspects. All aspects aim to protect and safeguard ICH in respective regions.

The initiative of using trademarks for local product branding and co-branding to safeguard ICH and for economic development appears achievable, although it is still in the initial stage of implementation. There is a lot more to do, especially in strengthening co-branding strategies to create jobs and generate income. The initiative can provide a good model for Indonesia and other regions in the country to facilitate and show evidence of positive IP to protect and promote cultural assets and cultural industries. The co-branding initiative articulates IP protection for Indonesia's ICH, empowers the respective society, and thus enables society to benefit from the utilisation of IP.

All ICH stakeholders should work collectively to focus on the benefits of the initiatives. The government should increase focus on working operationally on internal challenges. It should conceptualise the construction of local values acknowledged by peoples in respective regions, into branding and co-branding strategies. Likewise, policymakers should also be more critical and thorough in determining policy in respective regions. Policymaking must, therefore, be conducted in a more careful manner and there needs to be a case-by-case approach towards policies to understand the benefits and challenges for every region. Future directives of continuous dissemination are essential elements to accomplish the initiative to increase IP awareness of the public and on how IP protection benefits society and increases good governance.

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6. INTELLECTUAL PROPERTY TEACHING IN IRAN

Mitra Aminlou*

ABSTRACT

In the current century, knowledge is an important source of value; intellectual asset management is of paramount importance. The history of Intellectual Property (IP) dates back to the 15th century, although its legislation dates back to the 19th century.¹ Since IP is not confined to lawyers, and the law belongs to the public, IP education particularly affects the process of law enforcement. However, the history of IP education only dates back to about three decades. These tutorials are based on scattered case education and academic trainings added over time. The history in Iran is nearly two decades. Due to the wide scope of IP, various institutions have been designed their own training. In this research, a collection of units related to the subject of IP and its training in the framework of the WIPO Platform have been extracted for the first time in four categories of general, specialized, distance learning and university academic education. Information is also tailored to the target groups of the training.

In the end, given the variety of training in the field of IP, the type of training and target groups, recommendations for the training of IP have been introduced: standardization of educational resources; provision of educational content in the local language; training of the trainers; requirement for an IP course for all graduate students; an IP major designed for students; and development of education for the public and schoolchildren.

Key Words: *Intellectual Property Training, IP in Iran, Teaching Intellectual Property*

1. INTRODUCTION

Though the history of Intellectual Property (IP) dates back to 15th century, IP legislation began after a few centuries of delay. Over the years, the role of IP in the process of innovation and development of the knowledge-based economy has become more and more evident. The impact of the first industrial revolution and how to protect IP afterwards is an issue of importance in reducing uncertainty, technology development and complementary property.¹ Two major theories have created the basis of IP rules in these years: reward theory and incentive theory.² IP legal systems have been challenged in creating interactions between the needs of innovators for profit, and the community's need to benefit from the results of innovations. This challenge has increased with the growth of digital technology (Withers, 2006). IP laws have attempted to serve as tools for regulating and facilitating trade in knowledge of innovative goods and services.³ Although IP may be a legal concept beyond the technical, commercial, and industrial areas, its fruits appear in all spheres of human life and industry.⁴ Therefore, in addition to IP laws, training is important not only for lawyers, but also for professionals in other areas. IP training has started for more than its legal impact. These trainings have become more important in IP in the past three decades with the growth of new issues and they are academically pursued. The existence of international laws and agreements, such as the TRIPS Agreement, has led to the development of a

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¹ Kenneth Carlaw et al., 'Beyond the Hype: Intellectual Property and the Knowledge Society/Knowledge Economy' (2006) 20 J. Economic Surveys 633
<<https://onlinelibrary.wiley.com/doi/pdf/10.1111/j.1467-6419.2006.00262.x>> accessed on 19 April 2019.

¹ Thomas Fiala, 'Intellectual Property Rights in the Knowledge Economy' (Swiss Re Institute, 15 September 2011).

² David Kappos, John Villasenor and Tiffany Misrahi, 'Intellectual Property Rights in the Global Creative Economy' (World Economic

Forum, Davos, October 2013)

<http://www3.weforum.org/docs/GAC/2013/WEF_GAC_IntellectualPropertyRights_GlobalCreativeEconomy_Report_2013.pdf> accessed on 19 April 2019.

³ *ibid.*

⁴ Jeremy de Beer and Chidi Oguamanam, 'Intellectual Property Training and Education: A Development Perspective' (ICTSD Programme on IPRs and Sustainable Development, 2010).

range of training both in terms of content and development for developing countries.⁵

In a follow-up to the World Intellectual Property Organization (WIPO) Round Table held in 1979 for instructors in industrial property laws, the International Association for the Advancement of Teaching and Research of Intellectual Property was launched in 1981. The organization has annual meetings for members from all over the world, and its director and board are elected every two years.⁶ Considering that in the modern world IP is beyond protection and positive, the teaching of IP at college level, along with case studies, has become increasingly important.⁷ Teaching IP is a challenge in comparison with teaching other areas, both in terms of the fact that IP is an interdisciplinary field, and in addition to theoretical knowledge, it needs practical capabilities.⁸ The application of the IP is different in each of its functional areas. For example, the teaching style for law students differs from the teaching style for students without legal background.⁹ Training in this field is also needed not only at the student level, but also for technical professionals, judges and even the public.¹⁰ Different pedagogic approaches are required in view of the educational audience and the educational objectives. These approaches can be problem-based learning, inquiry-based learning, project based, active learning or experiential learning.¹¹ The issue of IP education

in developing countries has other considerations in addition to determining the audience and educational objectives. WIPO has responded by launching educational and research programs to raise public awareness in these countries.¹²

A preparatory program for the training of WIPO personnel was implemented as part of the WIPO development cooperation programs. Then, educational programs were implemented at universities in some of these countries, which led to the development of IP knowledge.¹³ Due to the limited resources of the organizations in the developing country's government, specialists, IP organizations and WIPO assisted them as well.¹⁴ IP education, therefore, was a critical tool for governments, the industry, the private sector, and in diverse government sectors. Nowadays, IP education has found new dimensions due to the high pace of technological development, social development and economic development.¹⁵ More IP professionals should be trained and empowered on this path. Their expertise in IP and simultaneously application areas should be broadened to overcome business challenges. This issue in some countries is not only subject to the limited number of professors, but it also faces qualitative challenges.¹⁶ On the other hand, the teaching of international rules and procedures is also required with the convergence of international laws along with teaching national laws.¹⁷ An important topic in IP training is to answer the three main

⁵ World Intellectual Property Organization (WIPO), *WIPO Intellectual Property Handbook* (2nd edn., WIPO 2008) available at <http://www.wipo.int/edocs/pubdocs/en/intproperty/489/wipo_pub_489.pdf>.

⁶ Yo Takagi, Larry Allman and Mpazi A. Sinjela, *Teaching of Intellectual Property Principles and Methods* (1st edn., WIPO & Cambridge University Press 2008).

⁷ WIPO Department for Transition and Developed Countries, 'Intellectual Property Teaching in Countries in Transition: Version One' (WIPO, 2013).

⁸ Ruth Soetendorp, 'Approaches to IP Teaching in Different Disciplines' (EIPN July 20, 2009) <https://www.ipmall.info/sites/default/files/hosted_resources/Teaching_IP/Ruth%20Soetendorp.pdf> accessed on 20 April 2019.

⁹ World Intellectual Property Organization, *WIPO Intellectual Property Handbook* (2nd edn., WIPO 2008) available at

<http://www.wipo.int/edocs/pubdocs/en/intproperty/489/wipo_pub_489.pdf>.

¹⁰ Soetendorp (n 9).

¹¹ WIPO (n 8).

¹² *ibid.*

¹³ *ibid.*

¹⁴ Takagi (n 8).

¹⁵ *ibid.*

¹⁶ Peter K. Yu, 'Teaching International Intellectual Property Law' (2008) 52 St. Louis U. L. J. 923 <<http://law.slu.edu/journals/archive/SLULJ/v55-3>>.

¹⁷ Such as the Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994); Paris Convention for the Protection of Industrial

questions of why, what and how. IP lecturers should answer these three questions in setting goals and curricula so that they can achieve educational goals and expected outcomes.

2. INTELLECTUAL PROPERTY HISTORY IN IRAN

IP laws in Iran formally began 93 years ago with the adoption of the first industrial property law, which generally referred to brands at the time. One year later, the trademark registration office was established in Iran. The law on the reform of the subject of inventions entered the law in 1931. The IP laws of Iran were amended in 1959 by joining the Paris Convention and conformed to international law. In 2002, Iran joined the World Intellectual Property Organization (WIPO) treaty and then joined a number of treaties related to this organization.¹⁸ IP training was held in the form of meetings and public speeches before 2003.¹⁹ A course in intellectual property rights (IPR) was established for academic and postgraduate degrees at the University of Tehran for the first time in 2003. This course was for law students, and thereafter, several other universities set up the postgraduate course in the following years. This was the first national experience in educating academic students in this field.²⁰ In 2006, the Iran Nanotechnology Initiative Council launched three infrastructures with the aim of developing nanotechnology; one of them was focused on intellectual property. Thus, 10 national universities and research institutes were selected in terms of high ranked research activities. A representative from each was selected and was trained IP in three stages. Tutorials included elementary, advanced, and supplementary training; the final series of trainings was held in the presence of foreign professors, including from Germany. During these courses, in addition to teaching theoretical foundations, practical activities, especially in the field of patent searches, were taught by teaching specific

software in this field (QPAT). The results of this continuous and ongoing training to a steady target group also had some positive outcomes, which led to the establishment of academic IP offices. In the following years, other IP management organizations gradually developed and structured their organization's education. During these years, several educational courses were organized by the WIPO in cooperation with various executive agencies, in particular with the National Intellectual Property Center (IPC). One of these efforts was the launch of Iran Patent Center under the supervision of the Vice President of Science and Technology which aimed to develop the formation of academic IP offices, to raise the level of awareness and structured IP training and to assist researchers for patent filing abroad. More details will be provided in the relevant section. Another program has been launched jointly with the IPC and WIPO named TISC (HUB & Spoke), with the main objective of the scientific empowerment of a number of leading universities and institutions. These tutorials focus on aspects of IP content, technology development, and commercialization. Finally, leading and trained institutions should also help other institutions to upgrade. The government approved a proposal through the Ministry of Justice in 2016. Accordingly, the Ministry of Justice has the mission of planning and directing IP training. The Intellectual Property Training Center (IPTC) was set up at the Ministry of Justice in line with this bill of the Cabinet of Ministers; its executive activities will be explained in the next section.

If we want to look at the upstream rules on IP, it should be acknowledged that the national comprehensive scientific

Property, March 20, 1888, as revised at the Stockholm Revision Conference, July 14, 1967, 21 U.S.T. 1538, T.I.A.S. No. 6903, 828 U.N.T.S. 305.

¹⁸ Hamid Zaboli, 'An Introduction to Intellectual Property' (*yazdsabt*, 4 September 2017) <<http://yazdsabt.com/?p=3645>> accessed May 2018.

¹⁹ Tarbiat Modares University, 'Intellectual Property Rights' (2018) <<http://www.modares.ac.ir/?siteid=58&pageid=4672&owner=4672>> accessed May 2018.

²⁰ Law No. 48584 of January 4, 2011 on Global Scientific Roadmap, <<http://www.wipo.int/wipolex/en/details.jsp?id=14430>> accessed 20 April 2019.

plan was approved in January 2011.²¹ Its executive policy was approved by the Supreme Council of the Cultural Revolution two years later. In paragraph 3.1 of the Macro strategy 1, there is emphasis on industrial property over all concepts, international laws, and functions of the intellectual property system. Moreover, in paragraph 3.7 of the Macro strategy 1, the issue of education and development of human resources associated with industrial property has been emphasized. Paragraphs 3-8 and 3-9 focus on the strengthening of national research in this field and the development of culture in the field of wealth creation in IP. However, in the 5th Five-Year National Development Plan (2011-2015), Note 2, Clause V and Article 8 of this Law, it is inserted that IP, assets and know-how created from contracts with universities and public institutions belong to the university.²² This case has been repeatedly reiterated in Article 64 of the Sixth Development Plan (2016-2021).²³ Moreover, the government is obligated in Article 4 of the Sixth Development Plan to provide mechanisms for protecting property rights and wealth creation and value creation. The subject of technology education in the same article emphasizes innovation with the aim of developing export markets and technology transfer. Often, laws that are introduced are monitored annually by progress reports. The present study is conducted, based on the assignments mentioned in the master documents with the purpose of drawing up the status of education and teaching of IP in Iran. Though different organizations have done case studies for IP reporting and planning, the collection of information from all IP organizations in a single unit, analyzing the status quo and presenting a policy solution has been done for the first time in this research. However, information from some organizations may not be fully identified and documented. This research is presented in several sections. The next section covers the methodology of current research, followed by a summary of the status of each organization

presented separately. There was no information in some organizations or there was no access to information, but major cases have been identified and reported. In the subsequent section, the results of the organizations are presented in comparative tables and an analysis of the status quo and future policy suggestions for decision makers are presented in the final section.

3. RESEARCH METHOD

Research can be defined as a systematic and organized activity to investigate a specific issue, which requires a solution. Therefore, what has been done in the current research is a set of steps, with the aim to illustrate the state of IP teaching in Iran as well as to analyze findings and present policy suggestions for this area in Iran. The first step is the identification of IP related entities in Iran. Then, extraction of IP teaching data is taken from these entities. Finally, data were examined in several two-dimensional matrices in the areas of type of training provided, and areas covered by IP (including industrial property rights, copyright and related rights). Thereupon, analysis on the results were accomplished and suggestions were made (These suggestions can provide useful information for policy makers and researchers that enable them to make decisions). In the first step, all relevant organizations in the judicial system and government, which had IP-related activities were identified. Official reference for the registration and protection of IP rights lies in the judicial system, which is under the management of State Organization for Registration of Deeds & Properties. This organization, the IPC, is the most important IP entity in Iran. Fifteen institutions were identified in the government, whether in the ministries or in independent organizations that each of them is in some way affiliated with IP issues. The method for collecting information in this step was to interview, in person or by telephone, a manager or expert

²¹ Law for the Fifth Development Plan of the Islamic Republic of Iran, entered into force January 15, 2011 <<http://www.wipo.int/wipolex/en/details.jsp?id=14565>> accessed 20 April 2019.

²² Law on the Sixth Five-Year Economic, Cultural, and Social Development Plan for 1396-1400 (2016 - 2021) (2016) available in

Arabic at <<http://rise.esmap.org/data/files/library/iran,-islamic-rep./Energy%20Efficiency/EE.2.1.4..pdf>> accessed 20 April 2019.

on IP issues. Oral information and data were received in written files.

Based on the Research Onion model which Sanders et al. presented in 2009, this is an applied research with qualitative approach and field strategy and information gathering through semi-structured interviews, and its result analysis is descriptive and qualitative. Information from organizations was gathered at a fixed time. However, the information of each organization has been gathered as much as possible in the past years in line with its historical record.

The WIPO Academy platform was the basis of work in this research to determine a model for data collection. WIPO Academy provides the tutorials in four general categories. Academic education includes master's degrees and Ph.D.; the second category of general education includes workshops and summer schools on the basic concepts of IP; the third category of specialized training includes workshops and training programs in specific fields for specific target groups with advanced concepts; and the final category is virtual and distance learning. During interviews, interviewees were asked to provide their organization training in these four categories based on their target group. The target group could be inside or outside the organization. The following section summarizes the status of each organization. Moreover, the information gathered from all organizations is presented in tables in the results section. Suggestions are provided in the analysis section on policy-making opportunities and gaps.

4. EDUCATIONAL ACTIVITIES OF ORGANIZATIONS RELATED TO INTELLECTUAL PROPERTY IN IRAN

A. STATE ORGANIZATION FOR REGISTRATION OF DEEDS & PROPERTIES (INTELLECTUAL PROPERTY CENTER (IPC)):

The IPC has the official responsibility of registering and protecting industrial property in Iran. This organization plays the most important role in IP and pursues activities in the field of education. According to the rules, 70-100 hours of training will be provided to the examiners of the center by internal instructors. These trainings are tailored to the

field of work of individuals in patents, trade-name/trademark and industrial designs. The examiners of the centre also take distance learning (DL) courses provided by WIPO. These tutorials are provided in four courses for each examiner. In addition, in a few cases, the IPC's examiners, in collaboration with foreign countries, will take courses at the national IP offices of these countries, including South Korea and Italy.

The other part of the IPC training is in partnership with WIPO. These courses, which are held 4-5 times annually, are also for the experts of IPC, which train 40-50 people per course. General courses for researchers are also being held in the number of 100-200 people. In special cases, specialized courses will be held in collaboration with WIPO in industry specific fields for researchers and inventors. These courses are offered at the request of specialized organizations or at the suggestion of IPC. IPC also holds IP training courses for other countries, including Afghanistan, Iraq and the ECO countries.

B. Presidential Deputy for Science and Technology (Iran Patent Center (Patent Center)):

The Iran Patent Center (Patent Center) has also begun serious IP training activities under the supervision of the Presidential Deputy for Science and Technology in the last three years. The Patent Center, which has been established to empower universities and research institutes in areas of IP, especially patents, using the experience of Iran Nanotechnology Initiative Council, has also focused on helping universities to identify inventions and patents abroad, as well as training and empowering organizations to set up and strengthen IP offices. These trainings are planned for universities and research institutes under the supervision of the Ministry of Science, Research and Technology (MSRT) and the Ministry of Health and Medical Education (MOHME) and partner colleges connected to the Patent Center by introducing a representative. The Patent Center offers 1- to 4-day training both at elementary and advanced levels. It also offers specialized training in the field of health, patent analysis, patent drafting and patent-based businesses as well as specialized courses to empower patent examiners. The Patent Center has provided more than 60 training courses for about 2,700 people and under

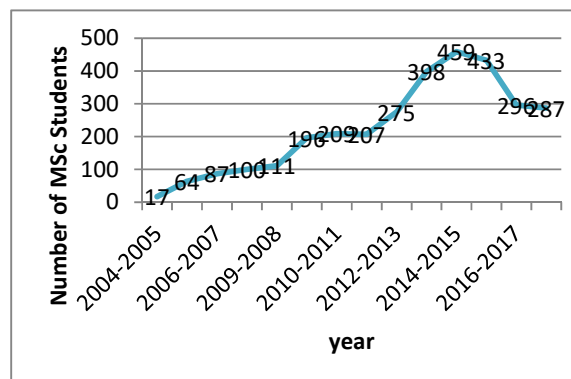
10 educational titles. It is planning to set up virtual education courses through one of the universities and to negotiate with universities in order to incorporate a syllabus for IP into their curriculum.

C. Ministry of Science, Research and Technology

The Ministry of Science, Research and Technology (MSRT) is the only institution responsible for holding academic IP training courses in Iran. The Intellectual Property Law discipline was first launched in 2004 at the University of Tehran at the master's degree level. This discipline for law students was established in leading universities such as Shahid Beheshti University and Allameh University thereafter, allowing students to study this discipline at 5 universities of Iran.

The statistics of enrolment of students in the last 14 years are listed below.

Figure 2. Number of MSc students accepted in universities in IRAN (2004-2017)



Source: Institute of Research and Planning in Higher Education, MSRT, June, 2018

Information on whether the IP lesson was taught as a course in other fields of science and engineering was not available (except for the teaching IP in technology management and entrepreneurship). MSRT also has responsibility for business incubators, and science and technology parks in addition to universities. Approximately 2 to 4 general and specialized workshops on IP are held annually in all universities, parks, and business incubators. Some of them are held in cooperation with IPC. During the research until the writing date of the study, there have not

been any reports of the existence of a system or virtual or distance training program in the field of IP in IPC.

D. Ministry of Health and Medical Education

Ministry of Health and Medical Education (MOHME) is responsible for the universities in the field of health in Iran. Business incubators and science and technology parks also exist in this ministry. MOHME does not have an academic discipline in IP. However, it is taught in very limited courses of innovation and IP as an optional unit in some disciplines, such as pharmacy and biotechnology. Most IP training in these universities is in the format of general and specialized training workshops. 114 general and specialized workshops have been held in 36 universities for 500 researchers, faculty members, students and spin-off companies from 2013 to 2018. These tutorials, in addition to general IP training that emphasizes inventions, have been about how to manage IP, its commercialization, record and protection, and how to search and analyze information on inventions. The ministry has also launched a virtual education platform in 2015 (visit the website www.htdo.tums.ac.ir). There are 134 modules in this platform, each of which has 4-17 subheadings, and training on technology, entrepreneurship, commercialization, intellectual property, and business are presented. Module 15 of this system deals with seven subheadings for general and specialized IP training. The MOHME established an Intellectual Property Policy Council for IP planning at the ministry and universities under its supervision. The ministry intends to focus on the segregation of IP education in the upcoming spatial planning of educational areas of the Ministry of Health and Medical Education (consisting of ten major macro regions, each of which contain three to seven universities).

E. Ministry of Justice

Since the IP Policy & Coordination Council is at the Ministry of Justice, the ministry plays the role of coordinator of IP-related activities in the government. There are representatives from various government agencies in the council. On March 29, 2017, the Ministry of Justice signed a Memorandum of Understanding with the WIPO Academy to set up the National Intellectual Property Training Center.

Based on the terms of the memorandum, IPIC, as the representative of WIPO in Iran, was responsible for providing specialized training in this field. An executive plan was set as the first course. A comprehensive training course for organization representatives was organized in four steps. The first step of this course (called teaching method) was completed. Subsequently, content tutorials including patents, industrial design, brand, GI, SME, TK and some other topics will be presented. The Ministry of Justice also held specialized training seminars for other organizations such as the Cultural Heritage, Handicrafts and Tourism Organization, Islamic Republic of Iran Broadcasting, Islamic Republic of Iran Customs Administration, Ministry of Science, Research and Technology, Ministry of Sport and Youth, and the Ministry of Education. Its cooperation with South Korea has been high on IP. The Knowledge Sharing Program (KSP) project has been defined based on the cooperation, and three courses have been organized for five educational organizations. The fourth training course was held at the Islamic Republic of Iran Customs Administration on June 24, 2016.

F. Ministry of Economic Affairs and Finance

The Islamic Republic of Iran Customs Administration has the most effort and activity in the field of IP in the Ministry of Economic Affairs and Finance. There is an office entitled Office of Research, Studies and Capacity Building and the Regional and International Education Group in the Customs Administration, which are responsible for providing IP training. These tutorials are presented in four categories. In the first category (mainly research activities), the financial and spiritual support of the master's thesis and doctoral thesis is done by the customs. These studies also provide learning and education. The second category is attendance training, where its program is being prepared every year and will be held in the form of general and specialized, short-term, long-term training courses and workshops for customs experts.

The third category is correspondence education, which is generally in the form of specialized and long-term courses. The last category is international or regional education, which is organized in cooperation with other organizations like the judiciary or Islamic Consultative Assembly or foreign

organizations such as the customs of other countries such as South Korea, UAE or non-governmental organizations such as JICA in Japan, KIPA, WIPO and WCO. The trainings started in 2004 and a two-year training course was held by 2015. The number of these courses has increased since 2015, and there are annually 4 to 5 training courses. Although the main target group is customs experts, participants from other related organizations have also participated in these courses. Out of customs courses are planned and implemented at the request of specialized agencies. Though the whole domain of IP is covered in the training courses, most courses have covered trade-name/trade-mark. Almost 50-60 people have been trained in each course. Islamic Republic of Iran Customs Administration has also provided training courses for neighbouring countries such as Azerbaijan, Iraq, Afghanistan and CIS countries.

G. Ministry of Industry, Mine and Trade

The Bureau of Supporting Industrial Ownership is responsible for the training of IP in the Ministry of Industry, Mine and Trade. This bureau is responsible for training provincial offices of 31 provinces. The Ministry of Industry, Mine and Trade has provincial offices, and their experts are required to have training in the field of IP. Training has begun systematically since 2014, and general courses are held annually for experts from the Ministry of Industry, Mine and Trade and provincial offices. Professional training courses are held annually for 100-150 experts in the areas of national and international registration of the brand and industrial designs. Given the importance of brand, brand manuals are provided for all units in addition to continuous training. Educational training sessions have been held in the field of geographic indicators (about 7-8 rounds) since 2015. The holding of these specialized meetings has led to an increase in GI registration of products. It has also begun international cooperation with South Korea in 2017 in the area of technology valuation and commercialization.

H. Ministry of Culture and Islamic Guidance

The Ministry of Culture and Islamic Guidance is responsible for protecting copyright, and is the copyright registration authority in the country. The ministry is engaged in

registration activities by the literary and artistic registration system under the supervision of the Legal deputy. Eight rounds of specialized congress and forum in the field of copyright education have been held for judges, lawyers, artists, academics as well as the general public in the Ministry of Culture and Islamic Guidance in recent years. These courses are held with a focus on literary and artistic ownership on the topics of cinematic works, cyberspace, folklore and literacy and artistic ownership strategies.

I. Islamic Republic of Iran Broadcasting

IP training in Islamic Republic of Iran Broadcasting began in 2011. However, these trainings became systematic and planned from 2015. The trainings are held at four levels. The first level is for managers; these tutorials investigate more the fields of copyright and industrial ownership (mark, name and industrial design) in addition to general IP. Moreover, case studies, bills, and laws are reviewed at meetings and training sessions. The second level is the organization's experts; they get specialized training depending on the type of their job. These courses are on average a workshop in each season. The third level is for the producers of video and radio program to attend a general workshop each season on average. Finally, the fourth level is the external stakeholders and the general public, for which public programs are held in the form of a TV-based dialogue program (generally by Channel 4) and radio programs (generally, Goftogo Radio) with a public addressee. These programs are about 60-70 radio programs and 40-50 television programs annually.

J. Cultural Heritage, Handicrafts and Tourism Organization of Iran

This organization is responsible for registering works in the field of geographic indications and intangible and folkloric heritage. The IP training of this organization is divided into internal and external divisions. In the internal division, given that the organization has a single office in each province, training courses are held for deputies and experts in the provinces. These courses are on general IP, which is a kind of briefing period for service. They are also held in 1- or 2-day workshops with an annual number of one to two workshops with subject matters of registration, technique

registration, geographic indication and intangible heritage registration. National and international laws are also being taught in this area. The professors of these courses are selected within the organization by network method of cultural heritage deputy.

Training courses for craftsmen will be held individually, at a workshop or at exhibitions in the section of external training. These trainings became more serious from 2014, when the courses were organized as one-day workshops and offered about 5 times a year. The structuring of the training increases the quality and quantity of registered applications.

The instructors of these courses are also training themselves. References for these tutorials include WIPO distance learning courses, Ministry of Culture and Islamic Guidance in the literary and artistic section and the IPC in the industrial section. Industry education is mainly done by NGOs and artists' associations, which includes close to 50 organizations.

K. Ministry of defence and Armed Forces Logistics

The ministry is responsible for the registration of defence patents, and this activity is done in one of the units of the Ministry of Defence and Armed Forces Logistics. In this ministry, training is provided to three groups of people. The first group is the staff of the IP centre of the ministry who receives education in two levels. IP general training that has been held in six courses so far and specialized training, such as patent search and patent analysis and evaluation, has been held in four courses so far. The second group is judges and examiners of patents. This group takes specialized patent search and analysis courses; so far, four courses have been completed. The third group is R&D experts and managers who take courses specialized in patent applications and prosecution in addition to general IP courses. The latter courses will also be held at the request of the Ministry's subsidiary organizations. Most of the training is in the field of patents and in other areas of IP, and only general courses are considered sufficient.

L. Ministry of Agriculture Jihad

The Seed and Plant Certification and Registration Institute (SPCRI) is responsible for IP affairs within the Ministry of Agriculture Jihad. The training of this organization, which is managed by the Deputy for Identification and Registration of Herbal Cultivars, is being accomplished in three sections of general education (public IP), registration of herbal varieties and technical education. All staff in this department, about 12-13 people, take UPOV distance courses, including general and advanced courses. The organization has signed a memorandum of understanding with the Naktuinbouw Institute in Netherlands according to which the staff of this institution undergoes apprenticeship periodically for two weeks in Netherlands. These apprenticeships are theoretical and practical in administrative, legal and technical areas. Since the registration of herbal varieties requires numerous and detailed technical evaluations, this activity is taught by the institute to other sub-institutes. General training for these institutions includes technical tests. Institutions outside the SPCRI are also trained, and assist in these matters such as National Institute of Genetic Engineering and Biotechnology and Zanjan University, along with other affiliated institutions. There are currently about 4 to 5 workshops in technical and legal fields. A workshop for 50-70 experts was held in 2017 with the presence of UPOV experts. A training course has been planned for the registration of plant varieties in cooperation with the Netherlands and France in 2019. Usually, general education courses are held with a higher number of participants (50-80) and specialized training courses with a limited number of participants (10-12).

M. Islamic Azad University

Islamic Azad University, along with state universities of the Ministry of Science, Research and Technology, is responsible for teaching students with a large number of branches. The Central Branch of Islamic Azad University has developed a plan for organizing the intellectual property of this university with a focused action over the last two years. Ten branches of this university have been active in this focused program. Moreover, one faculty member has been selected from each of the ten branches as a representative.

These representatives have received the necessary training from the elementary to the supplementary level through professional courses. These individuals are responsible for educating students and faculty members in their respective universities. Promotion courses are held at other campuses of the Azad University in addition to empowering selected branches. These courses are held as one-day workshops to teach graduate students, faculty members and branch directors. The rules and method of support of the Central Branch of Azad University have been taught in these courses along with general education. Almost 30-40 attendants have participated in each workshop.

N. Ministry of Communications and Information Technology

There was no information about IP training in the Ministry of Communications and Information Technology at the date of report compilation.

O. Ministry of Education

There was no information about IP training in the Ministry of Education at the date of report compilation.

5. RESULTS

As described in the second part of the study, various organizations have been identified in the field of IP teaching, and their information was collected in terms of three aspects. It is clear from the previous section that 15 organizations were identified in this regard. However, this does not mean lack of activity in other organizations. Rather, these organizations had the most affinity with IP according to their field of activities and teaching IP were deemed important for them.

The summary of the findings of the previous section is presented in three tables. In the first table, the information of various organizations is summarized by the content of the training (Table 1). Educational content is divided into four sections including copyright and related rights; patent; industrial property; and other rights like folklore and GI. Patent training has been reviewed separate from industrial property due to its importance and prevalence. In the second table, the information of different organizations is

classified according to the type and style of education from academic courses to general and professional education as well as distance educations (Table 2). Finally, in the third table, the information of the organizations is reflected in the table based on what audience and target group they were (Table 3).

We can see in Table 1, the distribution of educational content in different organizations is homogeneous regarding their mission. IP training is not focused solely on a specific field. For example, the Ministry of Culture and Islamic Guidance has had more copyright education in relation to its mission; the IPC focuses more on industrial property according to its field of work. The Ministry of Industry, Mines and Trade has IP training in all areas in this table. This is in line with the scope of the ministry's work ranging from cultural industries and handicrafts to high-tech advanced Industries, as well as Geographical Indications. Therefore, because the Ministry of Science, Research and Technology is the sole reference of academic training in national IP, the scope of its training is vast.

In the Table 2, different organizations are divided according to how they provide training. As is clear in the table, all organizations have provided public and professional education in person. However, academic education is provided only in the Ministry of Science, Research and Technology, and virtual trainings are also provided at the Ministry of Health and Medical Education and the Ministry of Economy and Finance. Virtual tutorials, in addition to the larger range of topics provided, can provide education at a lower cost and more speed to the reader even at distant points. Although virtual education does not have the quality and effectiveness of attentive and interactive tutorials, considering that educational facilities and IP instructors are generally concentrated in the capital of the country, distance learning can be considered as an appropriate alternative. In addition, given that, medical science universities are under the supervision of the Ministry of Health and Medical Education in Iran, but there is no academic intellectual education that leads to a kind of degree in these universities. However, an educational course has been included in some disciplines in recent years.

In the Table 3, the target groups identified by the National Center for Intellectual Property and the Iran Patent Center, as well as the Islamic Azad University, Cultural Heritage, Handicrafts and Tourism Organization, and the Ministry of Defence and Armed Forces Logistics have also trained other experts, in addition to training their own experts. This is while the supervised organizations of the Ministry of Science, Research and Technology and the Ministry of Health and Medical Education provide trainings for researchers and students, but they did not consider any educational system for ministry experts.

Another important point in this section is public education. In the Table 3, we saw that education to the public is seen only in Islamic Republic of Iran Broadcasting, while promoting public awareness in order to protect their own IP and non-infringement of the rights of others, have an important role in promoting IP at the national level. The vacancy of education for the public is evident in the programs of Intellectual Property Center, the Iran Patent Center, the Ministry of Culture and Islamic Guidance and the Cultural Heritage, Handicrafts and Tourism Organization.

Table 1. Training content of different organizations

No	Name of Organization	Copyright & Related rights	Patent	Industrial Property (Other than Patent)	Other (Folklore, GI, Genetic Resources and Plants)
1	Judiciary - National Intellectual Property Center (IPC)		√	√	
2	Vice-Presidency for science and technology affairs – IRAN Patent Center (IPC)		√	√	
3	Ministry of Justice – Intellectual Property	√	√	√	√
4	Ministry of Science, Research and Technology	√	√	√	√
5	Ministry of Health and Medical Education – Health Technology Development Office	√	√	√	
6	Islamic AZAD University	√	√	√	
7	Minister of Industry, Mining and Trade - Office for the Protection of Industrial Property	√	√	√	√
8	Ministry of Economic Affairs and Finance - Islamic Republic of Iran Customs Administration (IRICA)			√	√
9	Ministry of Culture and Islamic Guidance - Law Office and Intellectual Property	√			√
10	Ministry of Agriculture Jihad - Seed and Plant Certification and Registration Institute				√
11	Ministry of Defense and Armed Forces Logistics		√	√	
12	Islamic Republic of IRAN Broadcast	√			
13	Cultural Heritage, Handicrafts and Tourism Organization	√			√
14	Ministry of Communications and Information Technology	NA	NA	NA	NA
15	Ministry of Education	NA	NA	NA	NA

Table 2. Type and style of education

No	Name of Organization	Distance Learning (DL)	Professional Training	General Training	Academic Education
1	Judiciary - National Intellectual Property Center (IPC)		√	√	
2	Vice-Presidency for science and technology affairs – IRAN Patent Center (IPC)		√	√	
3	Ministry of Justice – Intellectual Property Training Center (IPTC)		√	√	
4	Ministry of Science, Research and Technology		√	√	√
5	Ministry of Health and Medical Education – Health Technology Development Office (HTDO)	√	√	√	
6	Islamic AZAD University		√	√	
7	Minister of Industry, Mining and Trade - Office for the Protection of Industrial Property		√	√	

8	Ministry of Economic Affairs and Finance - Islamic Republic of Iran Customs Administration (IRICA)	√	√	√	
9	Ministry of Culture and Islamic Guidance - Law Office and Intellectual Property		√	√	
10	Ministry of Agriculture Jihad - Seed and Plant Certification and Registration Institute (SPCRI)		√	√	
11	Ministry of Defense and Armed Forces Logistics		√	√	
12	Islamic Republic of IRAN Broadcast		√	√	
13	Cultural Heritage, Handicrafts and Tourism Organization		√	√	
14	Ministry of Communications and Information Technology	NA	NA	NA	NA
15	Ministry of Education	NA	NA	NA	NA

Table 3. Audience / target group of different organizations

No	Name of Organization	In-House IP	In house Stakeholders	External	Public
		Experts	(Other than Experts)	Stakeholders	
1	Judiciary - National Intellectual Property	√	√	√	
2	Vice-Presidency for science and technology affairs – IRAN Patent Center (IPC)	√	√	√	
3	Ministry of Justice – Intellectual Property Training Center (IPTC)	√		√	
4	Ministry of Science, Research and Technology			√	
5	Ministry of Health and Medical Education – Health Technology Development Office (HTDO)	√		√	
6	Islamic AZAD University	√	√		
7	Minister of Industry, Mining and Trade - Office for the Protection of Industrial Property	√		√	
8	Ministry of Economic Affairs and Finance - Islamic Republic of Iran Customs Administration (IRICA)	√		√	
9	Ministry of Culture and Islamic Guidance - Law Office and Intellectual Property	√		√	
10	Ministry of Agriculture Jihad - Seed and Plant Certification and Registration Institute	√		√	
11	Ministry of Defense and Armed Forces Logistics	√	√	√	
12	Islamic Republic of IRAN Broadcast	√	√	√	√
13	Cultural Heritage, Handicrafts and Tourism Organization	√	√	√	
14	Ministry of Communications and Information Technology	NA	NA	NA	NA
15	Ministry of Education	NA	NA	NA	NA

6. ANALYSIS AND SUGGESTIONS

All those involved in IP emphasize the importance of training in this area because of its impact. The need for colleges and universities to become familiar with new issues of IP and for those who work in the field of higher education and postgraduate education is certain. Learning, teaching, curriculum design and research strategies reflect these changes by changing expectations of the entry and participation of university graduates in the economy of a country. On the other hand, the growing global trends regarding the knowledge-based economy, as well as the approaches of the Islamic Republic of Iran and the emphasis of these approaches in the upstream laws of the country on changing the approach from an oil-based, resource-based economy to a knowledge-based economy reliant on tangible and intangible assets, points to the importance of IP education.

The exploitation of IP is increasing in the world. Therefore, training in this sector should also proceed at an appropriate speed. IP will increasingly be an important tool for the government, private sector, industry and other sections of society. The importance of teaching IP is more evident today. The development of technology and the social and commercial benefits of thereof showcase this need.

The purpose of this study is to provide an overview of the teaching of IP in Iran. Initially, in partnership with the Intellectual Property Training Center (IPTC) at the Ministry of Justice, organizations in which IP played a role in their activities were identified. Then, the responsible person was identified in each organization and through personal interviews or telephone interviews; information about the status of teaching of IP in these organizations was reviewed. Given the extracted condition, a summary of which was reflected in the tables in the previous section, there are controversial points and policy decisions in this regard.

IP is an inter-disciplinary field. Economy, business and management of IP as well as registration and legal aspects are very important. However, more attention has been paid to legal aspects in teaching IP, including training courses and especially in academic courses. The fields related to management and economics and their commercialization

are not defined throughout the country. Therefore, the lack of such an approach is seen for students in science, engineering and medicine. More importantly, it is necessary that students who study law get familiar with the economic and management aspects of IP issues to have a more comprehensive view.

On the other hand, knowledge of the theory of IP is not enough to accomplish practical tasks. As seen from the interviews, major IP training address aspects of problem theory. Although this has somewhat been addressed in areas such as agriculture, herbs, cultural heritage and craftsmanship, enabling and learning skills, mainly learned through apprenticeship and practical courses, were less observed. In this way when a specialized institute hires an IP law expert, they are mainly experts in IP theory and not in the practical needs of that institute. They therefore face challenges to find a common language.

IP is mostly emerging in the technical areas and industrial sectors. Thus, to teach in this area, specialist instructors in engineering, biotechnology and computer science are also required to leverage IP instructors. Teachers' training is also important for standardizing teaching and content of the materials to be presented, which the IPTC has understood and addressed in recent years. Although, just gathering experts from specialized organizations for training programs is not enough, there must also be specialized training regarding to each one.

The field of IP is constantly changing as new issues and challenges arise in this area. Strong bilateral ties are important between legal and technical areas. Although each organization may not have academic students, the strong link between technical sections and universities and the examination of the current challenges in theses can examine various aspects of the subject. On the other hand, the development of technologies also leads to the creation of new issues in IP which need to be considered in an appropriate approach and solution.

Contrary to the past, where IP laws and procedures were more territorial, a new chapter in IP knowledge has been created with approaches to converge and the integrate laws and the conclusion of international treaties, both in

the field of law and in technical fields. Therefore, teaching and learning these new issues requires not only the presence of experienced professors from international organizations, but IP apprenticeship in IP offices of other countries, international organizations or their respective organizations in other countries is also important. Types of training in the form of internship, especially for the National Intellectual Property Center's examiners are more essential. Learning by doing in this respect would be more practical and efficient. To facilitate such training, the Islamic Republic of Iran may benefit from bilateral agreements with other countries and national IP offices and leverage from capabilities of international organizations such as the WIPO.

One of the most important obstacles and challenges in this regard is language. Educational content is rarely found in the national language and most of those limited resources cover legal aspects of IP as opposed to other economic and management aspects. Moreover, the understanding of educational content in a language other than national language (English contents instead of Persian materials) challenges a true understanding of the content and is time-consuming. However, in recent years there have been some attempts for providing content in local languages. However, for more standardized and reliable materials, translation from the WIPO on IP contents may be a better option. Furthermore, the fact that some other countries neighbouring Iran also speak Farsi can be utilized as well.

Despite IP and related laws of Iran having more than 90 years of history, this issue has not yet matured in Iran and it faces a small number of experienced technicians because IP teaching in the country is less than two decades old. However, in the public domain and legal sectors of Iran, there is a relatively high level of knowledge and accumulation of knowledge.

In the results section we mentioned that IP in the academic sector is taught only as a postgraduate degree at universities, and is not taught at the Ph.D. degree level. In the master's period, due to the short duration of study, there is no opportunity for students to deepen their subjects and topics. A four-year Ph.D. program would allow students and professors to study IP issues with greater depth. This will help deepen knowledge, create specialized

knowledge and expand new theories in IP regarding national technological development. Information resources and educational references are advanced in developed countries in a standard form and updated frequently. Although the presence of experienced professors with high knowledge of teaching in the area of IP was seen during the studies, standard educational content was less visible. Educational resources and manuals are provided both at the general and specialized levels by specialized agencies and their integration by the IPTC can help strengthen the IP training system.

Given that any part of IP is within the authority of an organization, it is important to establish a strong network among these organizations for IP knowledge exchanges. Creating a network to receive information as well as editing educational materials will help students and professors. This networking will also help the individual development of researchers in this field as well as policymakers and decision-makers. Both official real network and an unofficial virtual network is necessary and can work in this regard.

The transfer of professors and students as well as the transfer of specialists in the domestic and international industry will be a good way to create this network. By developing electronic communication tools, such as the creation of virtual network infrastructure will also help develop networking and accelerating communications. Last but not least, the importance of IP training should be explained to students early during school. Students' acquaintance with IP in school also helps develop personal creativity from an early age and generates respect for IP rules at a young age, which we did not observe in specialized education or related books in the educational system. IP, in this context should be considered as essential infrastructure for future innovation and creativity in society.

7. CONCLUSION AND POLICY SUGGESTIONS

The significance of IP in today's world is beyond intellectual creativity. Therefore, IP training is important for the development of innovation. According to the findings of this research, policy suggestions for teaching intellectual property in Iran are presented below.

1. Since in Iran, academic education in IP is only offered at universities as a master of arts degree for law students, and students with science and engineering backgrounds have no opportunity to continue their academic studies in the field of IP management or other relevant majors, it is suggested that some majors at masters and PhD level should be introduced for students with technical or medical background, such as biotechnology, nanotechnology and ICT.
2. Develop general IP training for the public and for specific groups such as students through mass media, environmental advertisements and textbooks.
3. Launch extensive training courses for students who study law at universities, in the industry as well as experts in other national offices and related organizations, nationally and internationally.
4. Hold Teaching of Trainers courses and standardize educational methods and contents.
5. Compile information, educational resources and references at various levels in the national language in cooperation with national and international organizations such as WIPO.
6. Develop virtual tutorials, improve their quality, create interactive training systems and motivate audiences by providing credible training certificates.
7. Hold multi-level training courses with a predetermined and proactive target group to deepen education along with broad-based public education.
8. Create virtual and real networks of different IP segments, such as industrial property, copyright and geographical indication through different organizations and institutes for knowledge sharing.
9. Each organization and institute has its own special needs regarding to IP issues. It is suggested that these institutions offer a form of scholarship or bursary for IP students. After the accomplishment of their education, these organizations may exploit their knowledge in their specialized field.
10. As having a general knowledge in IP is a pre-requisite for every student who study in technical or medical fields, it is worthy that university administrators include a general unit on IP for all students, especially post-graduates.

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7. MARRAKESH TREATY: EDUCATION GATEWAY FOR THE VISUALLY IMPAIRED STUDENTS IN KENYA

Daniel Onyango Odhiambo*

ABSTRACT

Visually impaired persons face numerous encumbrances regarding access to educational reading materials. This is attributable to rigid copyright regimes, taxation, logistics and limited return on investments that compel publishers to eschew publishing works in specialized formats for use by visually impaired persons. While normal students are spoiled for choice, students living with disabilities find themselves hemmed in a limited world. However, the ratification of Marrakesh Treaty by the Republic of Kenya on 2nd June 2017 and the subsequent publication of Copyright (Amendments) Bill in September 2017 is a prodigious development. The Copyright (Amendment) Bill seeks to domesticate the Treaty within the Kenyan legal framework. The Treaty limits the rights of authors in recognition of the rights of the visually impaired persons to access information. Once in force, publishers will be at liberty to publish reading materials without seeking reference to original authors. This will in effect open a world of choice for the visually impaired students and hence level the playing ground to enable them to compete favourably with other students. The proposed changes will have a great impact not only on the education sector, but also on the publishing industry, Collective Management Organizations among other entities. The paper

will discuss at length the merits and demerits of domestication of Marrakesh Treaty by Kenya.

Key words: *Marrakesh Treaty; Visually Impaired; Copyright; specialized formats; rights*

1. BACKGROUND PERSPECTIVES ON DISABILITY IN KENYA

According to the World Health Organization (WHO), disability affects 10% of every population (3.5% of the whole population) and an estimated 650 million people worldwide, of whom 200 million are children.¹ A large portion of this population includes people who suffer physical impairment, which is about 413,698 persons. The next largest group is made up of those with visual impairment (331,594).² Globally, an estimated 90% of all written materials published worldwide are unable to be accessed in a format that meets the needs of individuals who are blind or have a print disability.³ Limited access to works in accessible formats is a barrier to participation in public life and restricts employment, educational and recreational opportunities for the estimated 331,594 Kenyans with a print disability.

Lamentably, these Kenyans living with disabilities face insurmountable challenges in form of open discrimination, social and cultural stigmatization, lack of adequate resources, and debasement, among others. For instance, among Agĩkũyũ people, the social stigmatisation is culturally embodied in their language. A closer look at Gĩkũyũ grammar reveals that many rules that are used in assigning meaning to objects and speech acts are dependent on status of items

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¹ National Coordinating Agency for Population and Development, 'Kenya National Survey for Persons with Disabilities – Preliminary Report' (March 2008).

² Kenya National Bureau of Statistics, 'Analytical Report on Disability Volume XIII' (2013)

<<https://www.knbs.or.ke/download/analytical-report-on-disability-volume-xiii-2/?wpdmdl=3754>> accessed 8 May 2019.

³ Report of the Commerce Committee, International Treaty Examination of the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled Report of the Commerce Committee (New Zealand) <https://www.parliament.nz/resource/en-NZ/SCR_74562/51f51fb80a23c95c8c9719a25f31cfc49f42f127> accessed 11 February 2018.

or elements being described. Leakey elucidates how nouns, verbs and other parts of speech are constructed and deployed in speech acts.

In Gĩkũyũ language, Leakey discusses how the first three classes of nouns in Gĩkũyũ represent things that have a spirit. Leakey divides them according to the importance of the category of spirit, which they are deemed, to possess. He illustrates that Class I includes nouns that denote human beings. Humans may be removed from this class to another class (but still retain a spirit) due to scorn or hatred, or otherwise for having 'some special connection with religion, or magic.'

Most large trees and plants fall within Class II. Additionally, epidemic diseases which are viewed as being spirit borne would, according to Leakey, normally go to class III, but for some reason may find themselves in class II. While Class III is used to denote nearly all birds, reptiles, insects, mammals, and many lesser plants, are in this class. Humans in this class have received quite a demotion and social contempt, examples of these terms include: *Ngĩa* – pauper, *Ngombo* – serf or slave, *Ndungata* (servant), *Gĩtumumu* (a blind person), *Gĩtaigua* (dumb), *Kionje* (physically challenged) and *Kirimu* (mentally challenged). Such cultural and linguistic nuances prove that people living with disabilities are principally regarded as 'sub humans' deserving scorn, contempt and mockery.⁴

2. CHALLENGES EXPERIENCED BY VISUALLY IMPAIRED STUDENTS

People living with disabilities in Kenya face a plethora of challenges that prevent them from enjoying the bundle of rights as contemplated in the Kenyan Constitution of 2010 (2010 Constitution), other Kenyan statutes and international

legal instruments. These challenges include legal and institutional framework, lack of adequate supportive institutions such as libraries, special schools and accompanying resources.

Brinkley acknowledges that 'blind people face challenges that most of us cannot even imagine. Without the aid of our eyes, the world would be hostile and unfamiliar.'⁵ Matanga deprecates the poor attitude toward people with disabilities by those not suffering from such conditions, noting that this is a world phenomenon. She adds that discrimination against the disabled takes place daily throughout the world. It does not matter whether disabled individual is a resident of developed or developing country. Such 'discrimination is not based on economic status but rather it is based on negative attitudes and intolerance.'⁶

Suomi & Sachdeva make an interesting observation regarding blindness. They hold that 'blindness is a major accessibility hindrance to various information resources, including paper-based documents, internet, mobile telephony as well as Traditional TV.'⁷ They conclude that visually impaired persons are 'further encumbered with innovating technology, which sometimes enables, and sometimes prevents equal access.'⁸

Additionally, seen from the prism of persons living with visual impairment, copyright law presents discernible challenges. Copyright owners hold what scholars refers to as 'negative rights.' Feather & Sturges explain that copyright is considered a negative right because it does not confer to someone the right to copy items, but rather it gives the owner the right to prevent others from copying without his

⁴ Louis S B Leakey, *First Lessons in Kikuyu* (Nairobi—East African Literature Bureau, 1959).

⁵ Timothy L. Brinkley, *A Disciples Dilemma Series Sermons for Spiritual Growth* 246 (2013).

⁶ Zephania Matanga, 'A Comparison of Institutional Discriminatory Practice against People with Disabilities in North America and Africa: Cases in Zimbabwe and Canada', in *New Directions in Africa*

Education: Challenges and Possibilities (University of Calgary Press edn. 2008).

⁷ Reima Suomi & Neeraj Sachdeva, 'Internet Accessibility for Visually Impaired', in Maria Manuela Cruz-Cunha, Isabel Maria Miranda, Ricardo Martinho, Rui Rijo (eds.), *Encyclopedia of E-Health and Telemedicine* 250-59 (2016).

⁸ *ibid.*

or her permission, to the chagrin of the persons living with disabilities.⁹

Indeed, many jurisdictions fail to recognize special needs of people living with visual impairments. Ouma & Sihanya illuminate that in Kenya, the exceptions and limitations as stipulated in Kenyan copyright regime fail to address issues of visually impaired persons.

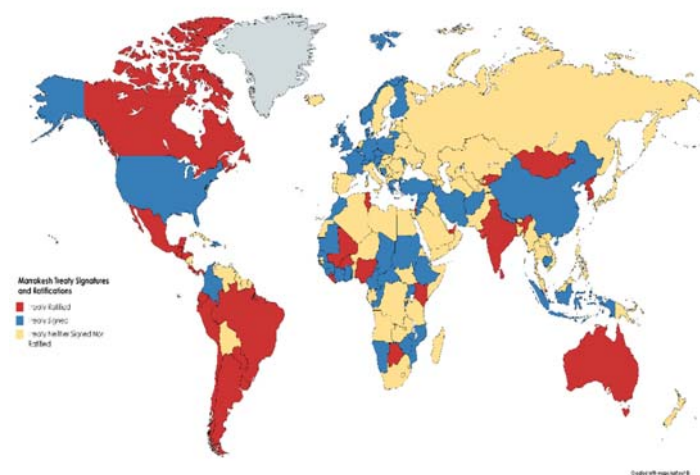
The law makes it clear that the right to control adaptation and translation of any work vests in the rights holder. This means that before any person translates a work into Braille format, for instance, such a person must obtain permission to do so from the rights holder.¹⁰

The majority of world literature has a bias towards sighted persons. Those with visual impairment suffer greatly since most of these works cannot be transformed into specialized formats without prior permission of the copyright owner. Bently & Sherman believe that this need for prior permission contributes to what they call the, 'book famine.' They point to the fact that today a paltry percentage of world literature (between 1 and 7%) is accessible to the blind, visually impaired, and print disabled persons. The death of reading materials in specialized format has come because of publishers eschewing publishing special formats owing to copyright and related logistics.¹¹

Consequently, this has disadvantaged VIPs (the blind, visually impaired and otherwise print disabled) because they are unable to access reading materials in a form that is compatible with their condition. Inability to make these materials accessible is discriminatory and goes against the letter and spirit of the Kenyan Constitution, statutes and international legal instruments. The government has introduced a raft of measures which include promulgation of the 2010 Constitution, enabling legislations and signing or ratification of international legal instruments to help better serve the needs of VIPs.

Article 5 of the Marrakesh Treaty encourages cross border sharing of VIPs materials, but while Kenya has ratified the Treaty, her neighbours have yet to do so. Uganda and Ethiopia have only signed the Treaty while Tanzania, South Sudan, Rwanda, Burundi and Somalia have given the Treaty a wide berth. Because of this, Kenya will be able to produce or import such materials through authorized agents, but beneficiaries in Kenya are constrained in as far as cross border exchange of VIP materials are concerned.

Figure 3. Countries that have ratified Marrakesh Treaty



Source: WIPO

3. DISABILITY: LEGAL AND CONSTITUTIONAL FRAMEWORK IN KENYA

Kenya has made great strides towards promoting and protecting people living with disabilities. The progress is discernible through deliberate legal and institutional frameworks. The Bill of Rights in 2010 Constitution has been hailed as one of most progressive in African continent. Other disability related laws include but are not limited to: Persons with Disabilities Act Cap 133 of Laws of Kenya; Election Act 2011, Social Assistance Act No. 24 of 2013, Sexual Offence Act, and Basic Education Act 2014.

⁹ John Feather and Paul Sturges, *International Encyclopedia of Information and Science* (2nd edn. 2003).

¹⁰ Marisella Ouma & Ben Sihanya, *Kenya, in Access to Knowledge in Africa: The Role of Copyright* 93 (Claremont: UCT Pres ed. 2010)

¹¹ Lionel Bently, Brad Sherman, Dev Gangjee & Phillip Johnson, *Intellectual Property Law* (5th edn. 2018)

The 2010 Constitution recognizes and accepts the rights of people living with disabilities. Article 7 recognizes sign language, braille and other communications accessible to persons with disabilities as part of the official languages. Article 20(5)(b) obliges the court, in applying any rights under Article 43 to be guided by the principle that 'in the allocation of resources the state shall give priority to the widest possible enjoyment of the right or fundamental freedom having regard to prevailing circumstances including the vulnerability of particular groups or individuals.'¹²

Article 21 of the 2010 Constitution requires every state organisation to observe, respect, protect, promote and fulfil the rights and fundamental freedoms in the Bill of Rights and address the needs of vulnerable groups within society, including persons with disabilities.

Article 27(4) on non-discrimination prohibits direct or indirect discrimination against any person on any ground including disability. Article 28 promotes respect and protection for human dignity of every person. Article 43 recognizes economic and social rights including the highest attainable standard of health, housing, sanitation, freedom from hunger, clean and safe water, social security, education and emergency treatment.¹³

Article 97(1)(c) requires the 12 nominees to the National Assembly to include persons with disabilities, while Article 98 (1) requires 2 nominees to the Senate to be persons with disabilities. Article 177(1)(c) specifically outlines how people living with disabilities will be appointed to the County Assemblies.⁴

Article 43 (1) defines economic and social rights to include right to education, while Article 53 (a) pronounces that every child has the right to free and compulsory basic education. Article 54 of the 2010 Constitution lists a plethora of rights to persons with disabilities which includes access to educational institutions and facilities with disabilities that

are integrated into society to the extent compatible with the interests of the person. They are also entitled to access materials and devices to overcome constraints arising from the persons' disability.⁵

This provision raises fundamental issues regarding the access of these materials for visually impaired persons in Kenya, principally because for these materials to be made accessible, they must be transformed from their original formats to special formats accessible to the visually impaired persons. Transformation of such materials into special formats requires appropriation of intellectual property rights. Article 260 defines property to include intellectual property.⁶

Article 11(c) as read together with Article 40(5) obligate the state to support, promote and protect the intellectual property (IP) rights of the people of Kenya. One of these IP rights is copyright.

4. COPYRIGHT LEGAL FRAMEWORK IN KENYA

Development of copyright law can be traced back to 1966 when the country enacted her first *sui generis* copyright law. The copyright law has been revised variously to conform to evolving international laws. The changes that have been incorporated into the copyright law include: 1975 revision that included folklore as copyrightable work following the adoption of the Tunis Model Law on Copyright for Developing Countries; the Copyright 2001 amendments that assimilated the provisions of WIPO Copyright Treaty (1996), the WIPO Performances and Phonogram Treaty (1996) and the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) (1994).⁷

Copyright law gives a copyright owner a bundle of exclusive rights, including the rights to copy, sell, distribute, publish and make other versions of the work in different media. Any person using such works without permission from the

¹² Constitution (2010) (Kenya), art. 7, 20, 43

¹³ *ibid*, art. 27.

⁴ *ibid*, art. 97(1)(c).

⁵ *ibid*, art. 43, 53, 54.

⁶ *ibid*, art. 260.

⁷ TRIPS: Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994).

original owner is an infringer.⁸ However, the Berne Convention provides the ‘three step test’ in which the exception to this rule applies. According to Bently & Sherman such exceptions must be limited to certain cases, should not conflict with a normal exploitation of work and must not unreasonably prejudice the legitimate interests of author.⁹

In Kenya, copyright issues are regulated under the Copyright Act of 2001 (the Act), which Ouma & Sihanya refer to as the only statute that specifically applies to copyright in Kenya.¹⁰ Kamau elucidates that the Act confers copyright upon an author whose work may or may not be registered under the Act.¹¹ Nzomo exemplifies bundles of rights provided in the Act. Under sections 26 and 32 of the Act, copyright protection grants authors and owners a bundle of exclusive rights which are both economic (reproduction, publication, communication to the public, adaptation, performance/display) as well as moral (paternity and integrity). Economic rights may be transferred either by license or assignment from the author to owner, licensee or assignee.¹² Kamau notes that according to this law, any exploitation of these rights without prior authority of the owner constitutes infringement.¹³

In Kenya, just like any other jurisdiction in the world, the successful of application of these rights is attributable to the TRIPS Agreement which came into force in 1994. The agreement covers previous non-binding IP treaties including the Paris Convention (1967); Berne Convention (1971); Rome Convention (1961); the Treaty on Intellectual Property in Respect of Integrated Circuits (1989); the General Agreement on Tariffs and Trade 1994 (GATT 1994) and WTO Dispute Settlement Understanding (1994). The TRIPS

agreement obligates member states to ‘promote effective and adequate protection of intellectual property rights and to ensure measures and procedures to enforce intellectual property rights do not become barriers to legitimate trade meet and enforce minimum standards.’¹⁴

5. KENYA AND INTERNATIONAL LEGAL INSTRUMENTS ON DISABILITY

Kenya has ratified several international legal instruments relating to the rights of people living with disabilities, such as the Universal Declaration of Human Rights of 1948 (UDHR) and the Marrakesh Treaty and UN Convention on Rights on Rights of Persons with Disabilities (CRPD) which was ratified by Kenya in May 2008. These international legal instruments are part of the laws of Kenya in line with Article 2(6) of the Constitution of Kenya 2010, which makes Kenya a monist state. The CRPD Convention obligates state parties to promote the full realization of all human rights and fundamental freedoms for persons with disabilities, without discrimination of any kind based on disability.

Internationally and regionally, Kenya is party to various treaties and protocols relating to the protection and enforcement of intellectual property rights (IPR). These treaties and protocols are key to protection of IPR because they create common rules and regulations for the member states. Kenya is a member of the World Intellectual Property Organization (WIPO), Africa Regional Intellectual Property Organization (ARIPO) and the World Trade Organization (WTO), which implement international treaties related to IP protection and IPR disputes. Kenya is a party to the Convention establishing the World Intellectual Property

⁸ Tad Crawford, *Legal Guide for Visual Artist: A Handbook for Painters, Sculptors, Illustrators, Printmakers, Photographers and all other Visual Artists*. (Hawthorn Books 1977) 8.

⁹ Lionel Bently, Brad Sherman, Dev Gangjee & Phillip Johnson, *Intellectual Property Law* (15th edn. 2018).

¹⁰ Ouma & Sihanya (n 10).

¹¹ Grace Wambui Kamau, ‘Copyright Challenges in Digital Libraries in Kenya from Lens of a Librarian’, in Adeyinka Tella & Tom Kwanya (eds.) *Handbook of Research on Managing Intellectual Property in Digital Libraries* (2017).

¹² Victor Nzomo, ‘E- Commerce and the Law in Kenya: Copyright Implications’ (*Centre for Intellectual Property and Information Technology Law Blog*, Dec. 1, 2017)

<<https://blog.cipit.org/2017/12/01/e-commerce-and-the-law-in-kenya-copyright-implications/>> accessed May 7, 2019.

¹³ Kamau (n 21).

¹⁴ TRIPS Agreement (n 17).

Organization (WIPO), which effectively established WIPO as a global forum for IP policy, services, information and cooperation. So far, WIPO has adopted twenty-six treaties on IP.

Kenya has adopted several WIPO administered treaties including: the Berne Convention for the Protection of Literary and Artistic Works (Berne Convention); the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (Rome Convention)²⁵; WIPO Copyright Treaty (WCT)²⁶; WIPO Performances and Phonogram Treaty (WPPT)¹⁵; and the Beijing Treaty on Audiovisual Performances.¹⁶ The country is a signatory to the UNESCO's Universal Copyright Convention (UCC)¹⁷ and Trade Related Aspects of Intellectual Property Rights (TRIPS) which is managed jointly by WIPO and WTO. The country is also party to Lusaka Agreement that establishes ARIPO.¹⁸

The Berne Convention provides for automatic protection of copyright and prohibits formalities, such as registration, as a prerequisite to the subsistence, enjoyment, exercise, protection and enforcement of copyright.³¹ The Convention provides for seizure of imported copies that infringe on copyrighted works of a copyright holder in accordance with the law of the respective member state. On the other hand, the TRIPS Agreement, which came into force in 1995 upon establishment of the WTO provides for minimum standards about protection of IPR including copyright, patents, geographical indications, industrial designs, trade secrets and trademarks. Member states are required to legislate on

minimum standards regarding enforcement of IPR, including effective border measures and penalties for IPR infractions. The member states are also required to ensure that the border measures are effective, that seizure, forfeiture and destruction of infringing goods are available to IPR holders' where criminal proceedings are filed, the penalties should be deterrent, and the enforcement proceedings should be affordable and prompt.

6. MARRAKESH TREATY

Despite the existence of local and international laws that expound the rights of the disabled, including those living with visual impairment, these persons continue to suffer imbalances and injustices without recourse. Lynette Owen agrees that despite many strides made at the international level, there were inherent challenges in that existing laws that dealt with IP that inhibited full enjoyment of disabled rights.³² This realization moved the WIPO into action. He traces this development to 2008 when he writes:

'In 2008 WIPO established a 'stakeholder's platform' which brought together representatives from the international publishers and the world blind union. This platform implemented practical projects to expand the availability of accessible books in parallel with discussions, under the auspices of WIPO standing committee on copyright, on a new international treaty to enshrine minimum exceptions into international law.'³³

²⁵ The Rome Convention secures protection in performances for performers, in phonograms for producers of phonograms and in broadcasts for broadcasting organizations.

²⁶ The WIPO Copyright Treaty (WCT) deals with the protection of works and the rights of their authors in the digital environment.

¹⁵ The WIPO Performances and Phonograms Treaty (WPPT) deals with the rights in the digital environment.

¹⁶ Beijing Treaty: The Beijing Treaty on Audiovisual Performances was adopted on June 24, 2012. It deals with the intellectual property rights of performers in audiovisual performances.

¹⁷ The Lusaka Agreement was adopted at a diplomatic conference at Lusaka (Zambia) on December 9, 1976 and establishes ARIPO at Article 1 thereof.

¹⁸ The UCC was concluded in 1952 under the auspices of the United Nations Education, Science and Cultural organization (UNESCO) to incorporate a greater number of countries into the international copyright community.

³¹ Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, as revised at Paris on July 24, 1971 and amended in 1979 S. Treaty Doc. No. 99-27 (1986).

³² Lynette Owen, *Clark's Publishing Agreements: A Book of Precedents* (10th edn. 2013).

³³ *ibid.*

These efforts bore fruits when Marrakesh Treaty was mooted, discussed and passed. The Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled (the Marrakesh Treaty/the Treaty) is a multilateral treaty that was concluded on 28 June 2013 and entered into force on 30 September 2016.

The Preamble of the Marrakesh Treaty states that the Treaty was principally conceived in line with principles of non-discrimination, equal opportunity, accessibility and full and effective participation and inclusion in society, proclaimed in the UDHR and the CRDP Convention. The Preamble is mindful of the fact that there is a plethora of challenges that prevent complete development of persons with visual impairments or with print disabilities, limiting their freedom of expression including, the freedom to seek, receive and impart information and ideas of all kinds on an equal basis with others, through all forms of communication of their choice as well as their enjoyment of the right to education and the opportunity to conduct research.

Article 4 expounds on national limitations and exceptions regarding accessible format copies by obligating contracting parties to provide in their copyright laws for a limitation or exceptions to rights of reproduction, distribution, and making available to the public, as provided by the WIPO Copyright Treaty (WCT), to facilitate the availability of works in accessible format copies for beneficiary persons.³⁴ The limitation or exception provided in national law should permit changes needed to make the work accessible in alternative formats.

Article 4(2) allows contracting parties to designate 'authorised entities' who will be permitted, without the authorization of the copyright holder, to make an accessible format copy of a work, obtain from another authorised entity an accessible format copy, and supply those copies to beneficiary persons by any means, including by non-commercial lending or by electronic communication by wire or wireless means.' It aims at addressing the lack of access to copyrightable works in accessible formats by providing an

international legal framework for copyright exceptions that facilitates cross-border exchange of works in accessible formats (such as braille, audio and large print) between countries party to the treaty.

The Treaty allows authorized entities (usually libraries or NGOs) in one country to send accessible format books directly to authorized entities or blind individuals in another country and allows for the unlocking of digital locks on e-books for the benefit of the blind. The Marrakesh Treaty requires member countries to provide exceptions for certain rights protected under copyright. These include the reproduction of works by certain individuals and/or Organizations for the purposes of converting them into accessible format copies exclusively for individuals with a print disability (described in the Marrakesh Treaty as 'beneficiary persons'); distribution of accessible format copies exclusively to individuals with a print disability; export of accessible format copies, for the purposes of making them available to individuals with a print disability in other member countries; and import of accessible format copies from member countries for the purposes of making them available domestically to individuals with a print disability.

To ensure compliance with these obligations, amendments are required to the Copyright Act. Specifically, they must explicitly provide for the import and export of accessible format copies between member countries. The definition of 'works' (to which section 69 exception applies) should be extended to include artistic works; expand the conditions applied to prescribed bodies in the section 69 exception to include the maintenance of due care in, and records of, its handling of copies of works. The Act must also clarify that the definition of print disability includes individuals who have a visual impairment or perceptual or reading disability, which cannot be improved to give substantially similar function as a person without such an impairment.

Article 7 provides that a technological protection measure, such as a copy or access control, cannot prevent a beneficiary person from enjoying the exceptions provided under the Treaty, even when a country prohibits

³⁴ WCT (n 26).

circumvention of technological protection measures in its general copyright legislation.

7. PROPOSED AMENDMENTS TO THE COPYRIGHT ACT

Kenya adopted the Marrakesh Treaty on 27 June 2013 and subsequently ratified the Treaty on 2 June 2017. As per Article 4(1) of the Marrakesh Treaty, this law is applicable and enforceable in Kenya as is, beginning on 2 September 2017 when the Treaty took effect.

Plans are underway to align and modify Copyright Act of 2001 with the Treaty and the Copyright (Amendments) Bill currently before Parliament. Proposed amendments introduce a raft of changes to the current law which in its current form does not adequately address the needs and expectations of visually impaired persons. Kenya's copyright law does not provide for any exceptions, limitations or modifications to the Act of 2001 or its Regulations to allow production of printed works in accessible formats, without requiring permission from the copyright holder in accordance with Article 4(1) of the Marrakesh Treaty.

Article 4(1) of the Treaty obligates contracting parties to align their copyright laws to reflect exceptions that allow production of printed works in accessible formats without requiring permission from the copyright holder. In view of this, Government of Kenya published Copyright (Amendment) Bill of 2017.³⁵

There are substantial changes that will come into force once the Bill comes into law. The Bill seeks to bring into line the Copyright Act with Marrakesh Treaty and other various copyright international standards in various ways.¹⁹ The proposed Copyright Amendment Bill provides amendments that seek to align the Copyright Act with 2010 Constitution as well as domesticate Marrakesh Treaty.³⁷ The Bill seeks to provide accessible educational and instructional materials to persons who are blind. It goes further to define 'accessible

format copy' as a copy of a work in an alternative manner or form which gives a beneficiary person access to the work, including permitting the person to have access as feasibly and comfortably as a person without visual impairment or other print disability.²⁰

Such accessibility will be done by way of producing such materials in specialized formats. 'Specialized formats' are defined to mean braille, audio, or digital text or any other media which is exclusively for use by visually impaired or other persons with disabilities, and with respect to print instructional materials, including large print formats when such materials are distributed exclusively for use by visually impaired or other persons with disabilities. The Bill recognizes the role of 'authorised entity', who will be authorized or recognized by the government to provide education, instructional training, adaptive reading or information access to beneficiary persons on a non-profit basis. This includes government institutions or non-profit organizations that provide the same services to beneficiary persons as one of its primary activities or institutional obligations. The Bill creates several exceptions that permit reproduction and distribution of materials in formats for use by visually-impaired persons. The Bill also introduces an entire schedule to the Act that contains provisions relating to fair dealing, general exceptions and limitations. The amendments introduce a new section 26C. This section has conformed to the requirements of Article 4 of Marrakesh Treaty. The new section explicitly states that notwithstanding the provisions of section 26:

It shall not be an infringement of copyright for— (a) an authorized entity to reproduce or to distribute copies or sound recordings of a previously published, literary work if such copies or sound recordings are reproduced or distributed in specialized formats exclusively for use by visually impaired or other persons with disabilities; or (b) to make, import, distribute, end or share accessible format copies by a beneficiary person or authorized

³⁵ Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled, art. 4(1), June 27, 2013, 52 I.L.M. 1312 (2013).

¹⁹ Spoor & Fisher, 'Kenya: Important Changes to Copyright Law' (Nov. 20, 2017), <<http://www.polity.org.za/article/kenya-important-changes-to-copyright-law-2017-11-20>>.

³⁷ Marrakesh Treaty, (n 35).

²⁰ The Copyright (Amendment) Bill (2017) Cap. 211.

entities or persons acting on behalf of a beneficiary person, including the circumventing any technical protection measures that may be in place, subject to the terms and conditions set out under Regulations. (2) Copies or sound recordings to which this section applies shall— (a) not be reproduced or distributed in a format other than a specialized format exclusively for use by visually impaired or other persons with disabilities; (b) bear a notice that any further reproduction or distribution in a format other than a specialized format is an infringement; and (c) include a copyright notice identifying the copyright owner and the date of the original publication.³⁹

Once these amendments sail through, Parliament will have ‘domesticated’ the Treaty, something that a common law country like Kenya needs to do to ensure that its treaty obligations become law.⁴⁰

8. MERITS OF THE PROPOSED AMENDMENTS

The proposed amendments have clear humanitarian and social development dimensions and its main goal is to create a set of mandatory limitations and exceptions for the benefit of the blind, visually impaired and otherwise print disabled (VIPs). This means that people living with visual impairment have an opportunity to enjoy their inalienable rights within the maxims of equity and principles of human rights, non-discrimination and equal opportunities.

The Treaty creates a new weapon to fight illiteracy among VIPs. Access to knowledge opens the door to education, employment, and a fruitful and independent personal life for the visually impaired persons. The development will enable beneficiaries to fully benefit from technological innovations and user-friendly systems which are revolutionizing the world of Visually Impaired Persons:

such as user-friendly system that offers around-the-clock access to talking books, daily newspapers, weekly magazines and the like...A second generation, web-

based multimedia streaming service, known as TAB2read.com is also under development. TAB2read.com is available via the Internet on computers, smartphones and tablets, and allows ‘people to read through their eyes, ears and fingers one at a time or all at once,’ the legislator explained.²¹

The ratification of the Marrakesh Treaty and subsequent amendment to the copyright act will have positive social, economic and cultural impacts on Kenya. Individuals with a print disability are expected to be the primary beneficiaries. It is likely to improve access to education, enhance participation in public life, provide greater autonomy and independence, and improve health outcomes.

9. RECOMMENDATIONS FOR REVIEW OF LAW AND POLICIES RELATING TO AUDIO-VISUAL SECTOR IN KENYA

The country should create awareness on the proposed Copyright Amendment Bill among the citizenry, particularly the people and organization dealing with welfare of visually impaired persons. The owners of copyrightable works should also be sensitized on the proposed laws to avoid conflict with publishers who may end up being contracted to produce and distribute reading materials in ‘special formats.’

It is important that the government of Kenya consider extending a form of compensation for the owners of copyright through the registered Collective Management Organization (CMO). In line with the economic rights as encapsulated in the 2010 Constitution, Vision 2030 and Jubilee’s government manifesto, it is incumbent to ensure that ‘education for all’ is realized not only by normal students but also by those living with disabilities.

The government should allocate in its annual education budget adequate amount to take care of production of reading materials in ‘special format’ as per the requirements of the Marrakesh Treaty. This role can be carried out by the Kenya Institute of Curriculum Development (KICD) in

³⁹ *ibid*, sec. 26C.

²¹ Catherine Jewell, ‘Removing Barriers to Literacy: How the Marrakesh VIP Treaty Can Change Lives’, *WIPO Magazine* (Feb. 2015).

collaboration with the Kenya Institute of Special Education (KISE).

Kenya should provide a platform with exception to the circumvention prohibition to allow an authorized entity to make and transform copyrightable materials into accessible formats. This will require the rights holders to avail to all authorized entities keys to open the digital lock as per Article 7 of Marrakesh Treaty.

The administration of the tax regime, however well-meaning, could be a big hindrance to the welfare of people living with disabilities such as visually impaired persons. To avert such bottlenecks, the government should give tax incentives as well as tax breaks for importers of materials for the blind. This will encourage and accelerate production of reading materials for the blind in Kenya and beyond.

10. CONCLUSION

Undeniably, the Kenya government has portrayed commitment in terms of ratification of international treaties and conventions. However, the implementation has been hampered by lack of a documented framework for implementation. Sessional paper No. 14 of 2012 cites that one of the challenges related to access and equity in the provision of education and training to children with special needs is the slow implementation of guidelines on SNE policy and inclusive education (GOK, 2012). Article 189(2) of the 2010 Constitution provides that national and county governments should co-operate in the performance of functions and exercise of powers. The national and county governments should work together on initiatives to enhance access to education for visually impaired students. Collaboration and establishment of linkages among stakeholders in the education sector with other service providers is important. It is hoped that this would ensure a conducive environment for learners with disabilities to participate in quality learning. From the foregoing, it is apt to conclude that there are several opportunities that could be tapped by various stakeholders to improve access but there still remain challenges that need to be addressed to enable all children with disabilities benefit fully from free education offered by the government

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8. CHALLENGES OF TRADITIONAL KNOWLEDGE PROTECTION IN THE CENTRAL ASIAN STATES: PERSPECTIVE AND EXPERIENCE OF THE KYRGYZ REPUBLIC

Zhyldyz Tegizbekova*

ABSTRACT

The paper discusses challenges of traditional knowledge protection in the Central Asian region comprising Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. It highlights trends in these countries towards protection of traditional knowledge on international, regional and national levels and gives a brief overview of recent developments in the Kyrgyz Republic. Because Central Asian communities have common traditions, customs, traditional skills and knowledge, their governments should strengthen joint efforts to promote effective protection mechanisms holistically. Unfortunately, there are no special regional tools to protect and preserve genetic resources, traditional knowledge, and expression of culture. Currently, only the Kyrgyz Republic is in the process of developing a legal and administrative structure for the protection of traditional knowledge. This paper provides recommendations for the successful protection and harnessing of traditional knowledge for the benefit of the five Central Asian States.

Keywords: *traditional knowledge, sui generis, local communities, protection, development, the Central Asian States, the Kyrgyz Republic*

1. INTRODUCTION

Central Asia has an ancient history and strong traditional culture. The countries of the region have a common political and economic history, geographical location, and a

predetermined similarity of traditions and customs of the peoples of Central Asia.

Today, protection, conservation, and preservation of traditional knowledge, as well as the support of local communities for commercialization of their products, are one of the most important issues in the region. All five States are members of the United Nations, World Intellectual Property Organization (WIPO), and Commonwealth of Independent States (CIS). All States have ratified the Convention on Biological Diversity (CBD) and UNESCO Conventions; only some have ratified the Nagoya Protocol on Access to Genetic Resources and Benefit-sharing (Nagoya Protocol). Within the CIS, all Central Asian states (except Turkmenistan) have signed the Agreement on Cooperation in the Area of Legal Protection of Intellectual Property and have established the Interstate Council on Legal Protection of Intellectual Property.

However, up till now, there is no joint plan on maintaining traditional knowledge protection policies at the regional level. At the national level, only the Kyrgyz Republic has special traditional knowledge regulations.

2. CENTRAL ASIA'S CULTURE AND TRADITIONAL KNOWLEDGE

Central Asia has a long cultural and economic history, a rich heritage, and many local communities that hold ancient traditional knowledge.

The five Central Asian republics (Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan), gained independence in 1991. The current population of Central Asia is over 72 million people living on around 3,926,790

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km² (1,516,141 sq. miles).¹ Their inland location creates common environmental conditions, such as a continental and arid climate, and leads to similar land use practices. Rich land and mineral resources determine agricultural and industrial specialization of their economies.² The nomadic way of life and agriculture in the dried-up territories has had a strong influence on the development of traditional ways of life of the Central Asian people, as well as on the existing types of traditional knowledge, cultural expression and ways of using local genetic resources.

Central Asia is rich in various forms of traditional knowledge. Kazakhstan is famous for its harness, dombra (Kazakh lute), cradles, traditional treatment methods, zhazhaya shubat (traditional foods) and the methods of making them. Kyrgyzstan has the traditional methods of making soap. Tajikistani traditional knowledge consists of a medicinal herb said to cure 1000 diseases, 'Khazor ispanid', traditional embroidery on women's clothing known as Chakan, and the grape dessert Shirini. Uzbek traditional knowledge consists of recipes of national dishes, issirik (a medical herb), Karakul farming, dried pitted and halved apricots, khanatlas (Silk tissues with the national ornament), and carpets.³ Turkmenistan is famous for the Turkmen carpets with special ornaments and colours, as well as for their traditional knowledge in cultivating a special breed of Turkmen horses.

The five States gained their independence only after the collapse of the Soviet Union. Within the framework of the Soviet Union, some traditional knowledge was lost. However, after its collapse in 1991, the national identity revival of each state, with the process of studying and restoring ancient positive traditions, customs, cultural

expressions and traditional knowledge of the nationalities, has begun. In addition, interest in genetic resources of Central Asia has greatly increased. Today, each Central Asian State rewrites its history again, studies its ancient cultural origins, and engenders its cultural identity. Unfortunately, these processes do not occur within the framework of regional cooperation, but instead have occurred separately.

However, in connection with existing history, geographical location, climate, mixed cultures and nomadic way of life, it is necessary to talk about the common cultural and historical ties of the countries of Central Asia. In addition, it should be noted that due to close contacts between the countries of Central Asia, some traditions, cultural expressions, and traditional knowledge belong to several local communities of the region at the same time, and in the future, it would be hard to determine their identity without corresponding regional agreements and cooperation on this issue.

3. INTERNATIONAL REGULATION OF TRADITIONAL KNOWLEDGE

According to the Draft Agenda of the 38th World Intellectual Property Organization Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (WIPO Committee) session on 10-14 December 2018, the Draft Articles on the Protection of Traditional Knowledge will be discussed again along with the definition and criteria of 'traditional knowledge'.⁴ According to the proposed Draft Articles, the definition has become broader than the previous version of traditional

¹Population of Central Asia' (Worldometers.info, 2018) <<http://www.worldometers.info/world-population/central-asia-population/>> accessed 14 November 2018.

² Gulnur Bekturova and Olga Romanova, *Traditional Land Management Knowledge in Central Asia: Resource Pack* (S-Print 2007) 8.

³ Traditional Knowledge Division and the Department for Transition and Developed Countries, 'Intellectual Property, Traditional Knowledge and Traditional Cultural Expressions/Folklore: A Guide for Countries in Transition' (WIPO 2013)

<https://www.wipo.int/edocs/pubdocs/en/wipo_pub_transition_9.pdf> accessed 15 August 2018.

⁴ Intergovernmental Committee on Intellectual Property, Genetic Resources, Traditional Knowledge and Folklore, 'The Protection of Traditional Knowledge: Draft Articles' WIPO/GRTKF/IC/38/4 (WIPO, 2018)

<http://www.wipo.int/meetings/en/details.jsp?meeting_id=46446> accessed 7 October 2018.

knowledge definition.⁵ The proposed definition contains notions of national and social identity of indigenous peoples or local communities in the creation, support, and preservation of traditional knowledge:

‘Traditional knowledge is knowledge that is created, maintained, and developed by indigenous [peoples], local communities, [other beneficiaries], and that is linked with, or is an integral part of, the national or social identity and/or cultural heritage of indigenous [peoples], local communities; that is transmitted between or from generation to generation, whether consecutively or not; which subsists in codified, oral, or other forms; and which may be dynamic and evolving, and may take the form of know-how, skills, innovations, practices, teachings or learnings.’⁶

In December 2018, the ‘Glossary of Key Terms Related to Intellectual Property and Genetic Resources, Traditional Knowledge and Traditional Cultural Expressions’ will be reviewed. According to this document, traditional knowledge should be considered in both a broad and narrow sense. Traditional knowledge, in a broad sense or *lato sensu*, includes the intellectual and intangible cultural heritage, practices and knowledge systems of traditional communities, including indigenous and local communities.⁷ Traditional knowledge in the narrow sense refers to knowledge as such, in particular, the knowledge resulting

from intellectual activity in a traditional context, and includes ‘know-how, practices, skills, and innovations.’⁸

The experts in the analytical report for the 38th session of the WIPO Committee admit that despite the proposed definitions in the above documents, ‘there is no internationally accepted definition of traditional knowledge’ as such.⁹ ‘The existing and proposed definitions of traditional knowledge derived from other international instruments refer to related concepts’: Art 8(j) of the Convention on Biological Diversity, Art 7 of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity (Nagoya Protocol), Art 9.2(a) of International Treaty on Plant Genetic Resources for Food and Agriculture, Art 31 of the United Nations Declaration on the Rights of Indigenous Peoples, and para 12 of the Interlaken Declaration on Animal Genetic Resources.

While states and international organizations are discussing terminology applicable to traditional knowledge, indigenous people and local communities suffer from knowledge misappropriation and face difficulties for its protection. Today, a sufficient number of international agreements deal with aspects of conservation, preservation and safeguarding traditional knowledge within their specific policy contexts: the Convention on Biological Diversity, the

⁵ Intergovernmental Committee on Intellectual Property, Genetic Resources, Traditional Knowledge and Folklore, ‘The Protection of Traditional Knowledge: Draft Articles’ WIPO/GRTKF/IC/28/5’ (WIPO, 2014)
<http://www.wipo.int/edocs/mdocs/tk/en/wipo_grtkf_ic_28/wipo_grtkf_ic_28_5.pdf> accessed 4 June 2018 (“Traditional knowledge as including ...know-how, skills, innovations, practices, teachings and learnings of indigenous [peoples] and [local communities] that are dynamic and devolving, and that are passed on from generation to generation”).

⁶ The Protection of Traditional Knowledge: Draft Articles Art.1 (n 4).

⁷ Intergovernmental Committee on Intellectual Property, Genetic Resources, Traditional Knowledge and Folklore, ‘Glossary of Key Terms’ WIPO/GRTKF/IC/38/7 (WIPO, 2018)

<http://www.wipo.int/meetings/en/details.jsp?meeting_id=46446> accessed 3 November 2018.

⁸ WIPO Report on Fact-Finding Missions on Intellectual Property and Traditional Knowledge (1998-99), ‘Intellectual Property Needs and Expectations of Traditional Knowledge Holders’ (Wipo.int, 1999)

<<http://www.wipo.int/publications/en/details.jsp?id=283&plang=EN>> accessed 2 November 2018.

⁹ Intergovernmental Committee on Intellectual Property, Genetic Resources, Traditional Knowledge and Folklore, ‘The Protection of Traditional Knowledge: Updated Draft Gap Analysis’ WIPO/GRTKF/IC/38/6 (WIPO, 2018)
<http://www.wipo.int/meetings/en/details.jsp?meeting_id=46446> accessed 5 November 2018.

Nagoya Protocol, the UNESCO Conventions, the UN Convention to Combat Desertification, the World Health Organization Primary Health Care Declaration of Alma Ata, the International Treaty on Plant Genetic Resources for Food and Agriculture, etc.

Since not all States are members of the above agreements, and some States do not create their own conceptual policy on traditional knowledge issues, a creation of a single international instrument to protect traditional knowledge is still a complicated procedure. In order to speed up solutions for traditional knowledge protection at international levels, it is necessary to cooperate at regional levels, as it has been done in African States in the form of the Swakopmund Protocol adoption.

4. HOW TO PROTECT TRADITIONAL KNOWLEDGE IN CENTRAL ASIA: A BRIEF OVERVIEW OF RECENT DEVELOPMENTS

According to WIPO, traditional knowledge can be an important economic component of the market of developing states:

Traditional knowledge and traditional knowledge expressions have economic potential, forming a basis for creation and growth of culture-related enterprises and industries in the holder communities.¹⁰

Scholars also believe that the preservation, protection, and promotion of the traditional knowledge, innovations, and practices of local and indigenous communities are of key importance for the development of a country. The rich endowment of traditional knowledge plays a critical role in health care, food security, culture, religion, identity, environment, sustainable development, and trade.¹¹ Unfortunately, Central Asian governments are very slow to

raise issues of traditional knowledge protection within the framework of official discussions or regional cooperation.

There are numbers of reasons why some Central Asian States have not yet instituted systems for protecting traditional knowledge. Countries may not have seen the need to do so. For instance, because they had not identified any traditional knowledge to protect, because misappropriation did not appear to be a problem, or because it was not clear who would benefit from protection. Traditional knowledge has not been recognized as a subject for intellectual property protection because it is regulated by other legislation on, for example, cultural heritage or biodiversity.

A. TRADITIONAL KNOWLEDGE UNDER THE INTERNATIONAL OBLIGATIONS OF THE CENTRAL ASIAN STATES

The Central Asian states are members of a number of international agreements on the protection of traditional knowledge. All five countries became members of WIPO in 1991. Unfortunately, delegations of the Central Asian countries are trying to follow a 'policy of silence' at sessions and meetings of the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (WIPO Committee). It is difficult to find official notes, speeches or comments of representatives of these countries on traditional knowledge issues. Only the answers of the Central Asian States to the WIPO Survey on the implementation of traditional knowledge in the national legislation have been found.¹²

All five countries of Central Asia are members of the Convention on Biological Diversity 1992 (CBD). In 1995-1996, the Central Asian states ratified the CBD. Member-States are obliged to provide the national reports on the

¹⁰ Intellectual Property, Traditional Knowledge and Traditional Cultural Expressions/Folklore: A Guide for Countries in Transition (n 3).

¹¹ Romesh Kumar Salgotra and Bharat Bhushan Gupta (eds.), *Plant Genetic Resources and Traditional Knowledge for Food Security* (Springer 2015); Janewa OseiTutu, 'A Sui Generis Regime for

Traditional Knowledge: The Cultural Divide in Intellectual Property Law,' (2011) 15 Marq. Intellectual Property Law 147.

¹² WIPO, 'Survey Summary Intellectual Property, Traditional Knowledge and Traditional Cultural Expressions/Folklore: A Guide for Countries in Transition' (WIPO, 2013) <<https://www.wipo.int/publications/en/details.jsp?id=4108>> accessed 15 August 2018.

CBD implementation. The Central Asian states have adopted national biodiversity strategy and action plans on the national level. However, traditional knowledge issues remain unresolved despite international obligations of states under Article 8 (j) of the Convention, which requires Parties to respect, preserve and maintain traditional knowledge.

Some countries, like Turkmenistan, only proclaimed measures to research specific traditional knowledge of local communities. Paragraph 23 of the National Plan on CBD of Turkmenistan refers to the need to revive local traditional pasture management methods. The Fifth Report on the CBD of Turkmenistan declares that the deep traditions and knowledge of the Turkmen people on careful, sustainable nature management are supported. However, the Report does not provide measures as to how traditional knowledge should be preserved and safeguarded.¹³

The Agenda of the National Strategy on CBD of Kazakhstan consists of some points on the usage of indigenous knowledge of the local population in the conservation of biological diversity. Paragraph 2.11 of the National Strategy, regarding traditional knowledge, clarifies the need to study the cultural heritage, customs and traditional knowledge of the Kazakh people, in particular regarding their nomadic way of life and cattle grazing, rather than preserving, protecting or commercializing such knowledge.¹⁴

In 2015, according to the National Report on Target 18 of CBD, the Government of Kazakhstan admitted that:

‘Currently, the national legislation lacks the target support of traditional knowledge, innovations, and practices of indigenous and local communities that are relevant for the conservation and sustainable use of biodiversity, and their customary use of biological resources.’¹⁵

In Tajikistan, the National Report, the National Strategy and the Action Plan on Preservation and Rational Use of Biodiversity until 2020 conduct the same provisions. The 2015 National Report on CBD of Tajikistan defines that the statewide principles of biodiversity development, wherever possible, must be based on local traditions and knowledge. The National Strategy for the implementation of CBD of Tajikistan has identified a number of activities on the development of legal and administrative measures up to 2020.¹⁶

The 2015 National Report on CBD of Uzbekistan does not contain special measures for traditional knowledge protection. However, it indicates the traditions of biodiversity, pasture resources and usage of genetic resources as objects of monitoring for further study.¹⁷

The Kyrgyz Republic is the only country in the region that has implemented Article 8 (j) of the Convention and

¹³ Convention on Biological Diversity, 'Country Profiles: National Plan on CBD on Biological Diversity protection 2018-2023 of Turkmenistan, Fifth Report of Turkmenistan on the implementation of the decisions of the United Nations Convention on Biological Diversity at the national level (CBD 2015) <<https://www.cbd.int/countries/?country=tm>> accessed 25 October 2018.

¹⁴ Convention on Biological Diversity, 'Country Profiles: National Strategy, Action Plan on Conservation and Sustainable Use of Biological Diversity in the Republic of Kazakhstan' (CBD, 2015) <<https://www.cbd.int/countries/?country=kz>> accessed 25 October 2018.

¹⁵ Convention on Biological Diversity, 'Country Profiles: Fifth National Report on Progress in implementation CBD of Kazakhstan'

(CBD, 2015) <<https://www.cbd.int/countries/?country=kz>> accessed 20 October 2018.

¹⁶ Convention on Biological Diversity, 'Country Profiles: Fifth National Report on Biodiversity in Tajikistan, National Strategy and Action Plan on Preservation and Rational Use of Biodiversity until 2020 in Tajikistan' (CBD, 2015) <<https://www.cbd.int/countries/?country=tj>> accessed 20 October 2018.

¹⁷ Convention on Biological Diversity, 'Country Profiles: Fifth National Report of Uzbekistan on Conservation of Biodiversity' (CBD, 2015) <<https://www.cbd.int/countries/?country=uz>> accessed 22 October 2018.

adopted the *sui generis* measure to safeguard traditional knowledge.¹⁸ The National Strategy on biodiversity conservation priorities of the Kyrgyz Republic until 2024 indicates two key actions: (1) review the existing traditional knowledge and technologies; and (2) develop regulatory and administrative measures to protect the rights of local communities.¹⁹

Thus, countries of the region, within the framework of their international obligations under CBD, have created national mechanisms to protect the environment, preserve biodiversity and improve the ecological system. Indeed, the obligations under Article 8 (j) of CBD and the Target 18 of the Biodiversity Strategy are still in the stage of implementation in the States, except the Kyrgyz Republic.

Despite ratification of the Nagoya Protocol, National Strategies and Action Plans for conservation of biodiversity in Kazakhstan and Tajikistan contain only research measures on traditional knowledge and genetic resources. Therefore, the issues of benefits sharing, access to traditional knowledge and genetic resources remain open and unregulated. Tajikistan ratified the Nagoya Protocol in 2013, and Kazakhstan and Kyrgyzstan in 2015. Uzbekistan and Turkmenistan are currently not members to the Protocol.

The Central Asian states are members of the 2003 UNESCO Convention for the Safeguarding of the Intangible Cultural Heritage (UNESCO Convention). Kazakhstan ratified the Convention in 2011, the Kyrgyz Republic in 2006, Tajikistan in 2010, Turkmenistan in 2011 and Uzbekistan in 2008. The duties of traditional knowledge preservation and protection are indicated by the UNESCO Convention. However, the Central Asian countries, except the Kyrgyz Republic, have

not developed domestic instruments on safeguarding traditional knowledge.

All Central Asian States have ratified the 1966 International Covenant on Economic, Social and Cultural Rights (Covenant), which contains an article on the right of indigenous peoples to preserve their traditions and culture. However, the launching of official discussions among the States on traditional knowledge under the Covenant would be considered more as a tool of the collective or cultural rights promotion rather than the protection of local communities' rights within the Intellectual Property system.

B. ADVANTAGES OF TRADITIONAL KNOWLEDGE PROTECTION THROUGH THE COMMONWEALTH OF INDEPENDENT STATES (CIS)

All Central Asian states became members of the Commonwealth of Independent States (CIS) in 1991. Within the framework of the CIS, the States have implemented several agreements, strategies, and programs and have established an Interstate Council on Legal Protection of Intellectual Property (CIS IP Council) in order to cooperate for further Intellectual Property progress.

The Central Asian states are members of the 2010 Agreement on Cooperation in the Area of Legal Protection of Intellectual Property (CIS-IP Agreement). According to Article 1 of the CIS-IP Agreement, participating states must cooperate in the field of legal protection of intellectual property.²⁰ The Agreement does not contain provisions regarding traditional knowledge, although the CIS-IP Agreement has a reference to Article 2 of the WIPO Convention, dated on 14 July 1967, to clarify a definition of 'intellectual property.'²¹

¹⁸ Convention on Biological Diversity, 'Country Profiles: Fifth National Report of the Kyrgyz Republic' (CBD, 2013) <<https://www.cbd.int/countries/?country=kg>> accessed 12 October 2018.

¹⁹ Convention on Biological Diversity, 'Country Profiles: National Strategy on Biodiversity conservation priorities of the Kyrgyz Republic till 2024' (CBD, 2013) <<https://www.cbd.int/countries/?country=kg>> accessed 12 October 2018.

²⁰ Agreement on Cooperation in the Area of Legal Protection of Intellectual Property and on Establishment of Interstate Council of Legal Protection of Intellectual Property of August 13, 2011, art 1, WIPO Lex No. TRT/CISLPIP/001 (2011) <<https://wipo.lex.wipo.int/en/treaties/textdetails/14624>> accessed 24 May 2019.

²¹ *ibid*, art. 2.

The CIS IP Council adopted the Plan of Measures Against Infringements of Intellectual Property; however, neither the decisions of the CIS IP Council nor the CIS Economic Development Strategy until 2020 provides measures on the prospects for safeguarding traditional knowledge in the light of the intellectual property system.

Apparently, the lack of regulation indicates the policy of CIS member-states regarding the place and role of traditional knowledge in the intellectual property system. Although, the possibility of considering issues on traditional knowledge within the framework of the CIS IP Council is stipulated by its Regulation (paragraph 1.1.), which refers to the coordinating role of the IP Council and cooperation among states. It means that cooperation opportunities on traditional knowledge issues are nevertheless envisaged within the framework of the existing CIS agreements and institutional mechanisms.

C. NATIONAL LEGISLATION OF THE CENTRAL ASIAN STATES

The regulations of Tajikistan, Uzbekistan, and Turkmenistan do not reflect ‘traditional knowledge’, ‘traditional cultural expressions’ or other similar definitions.

The national legislation of Kazakhstan does not clarify a definition of traditional knowledge, but there is a term of ‘traditional cultural expressions’. Article 2 of the 1996 Law on Copyright and Related Rights of Kazakhstan defines a term of ‘creations of folk arts’ that can be considered as a synonym of ‘folklore’:

Creations of folk arts mean any creations, including characteristic elements of the traditional artistic heritage (folk tales, folk poetry, folk songs, instrumental folk music, folk dances, and plays, artistic form of folk rituals, etc.).

Domestic legislation of the Kyrgyz Republic provides definitions of ‘traditional knowledge’ and ‘folklore’. For

example, Article 1 of the 2009 Law on Culture of Kyrgyzstan declares:

Folklore is a set of creations based on the traditions of the cultural community, created and preserved by the people of Kyrgyzstan or by individuals, recognized as a reflection of traditional values, worldview, and features of the nature of the artistic heritage of Kyrgyzstan, its cultural and social identity.²²

An analysis of the states’ legal frameworks show that the Central Asian domestic regulations do not consider traditional knowledge or traditional knowledge expressions as a subject matter protected by intellectual property rights system. For example, all five Central Asian countries unanimously state that ‘works of folk art’ are not subject matter protectable by the intellectual property regime.

Article 3 of the 2006 Law on Copyright and Related Rights of Uzbekistan clarifies a definition of ‘works of popular art’:

‘Works of popular art means fairy tales, songs, dances, works of decorative-applied art and other results of art and amateur national creativity, not having a concrete author.’²³

Article 8 of the 2006 Law on Copyright and Related Rights of Uzbekistan defines that works of popular art are not protectable by the copyrights law system.

The 2012 Law on Copyright and Related Rights Copyright of Turkmenistan defines a performer as an actor, singer, musician, dancer or another natural person, who acts, sings, reads, recites, dances, interprets, plays a musical instrument or by other way performs the work of literature or art (including expressions of folklore). Article 7 of the 2012 Law on Copyright and Related Rights of Turkmenistan states that ‘expressions of folklore’ are not within the

²² Law on Culture by the Parliament of the Kyrgyz Republic, art. 1 (2009).

²³ Law of the Republic of Uzbekistan No. LRU-42 of July 20, 2006, on Copyright and Related Rights

<<https://wipolex.wipo.int/en/text/222470>> accessed May 24, 2019.

intellectual property subject matter and are not protectable by its regime.

Article 7 of the 1998 Law on Copyright and Related Rights of Tajikistan, Article 8 of the 1998 Law on Copyright and Related Rights of the Kyrgyz Republic, and Article 2 of the 1996 Law on Copyright and Related Rights of Kazakhstan reflect the same provisions of law that ‘works of folklore are not subject matter of the copyright law protection.’

Most countries of the region do not have any specialized state bodies for protection of traditional knowledge, and IP offices of the Central Asian States do not have a deal concerning traditional knowledge according to their official websites. Only the IP Office of the Kyrgyz Republic has a special division for traditional knowledge.

In Central Asia, legal and administrative frameworks for traditional knowledge preservation and safeguarding are still in progress. Though there is a lack of specialized legislation in the States, there are some regulations addressing certain issues relating to traditional knowledge and traditional knowledge expressions. Unrelated to intellectual property regulations, regulations addressing issues of traditional knowledge and expressions thereof in Central Asian states are as follows: the 2009 Law on the Protection and Use of Objects of Cultural Heritage of Uzbekistan; Article 54 on traditional medicine and people’s medicine of the Code on the health and the health care system of Kazakhstan; the Law on Culture of the Kyrgyz Republic, etc.

D. PROSPECTIVE MEASURES AND RECOMMENDATIONS

Today, Central Asian states have not yet developed a common regional concept of traditional knowledge preservation and safeguarding. However, there are a number of possible mechanisms and frameworks for the regional legal protection of traditional knowledge in Central Asia.

1) Regional political or policy level declaration with guidelines and best practice recommendations. This document would contain a common concept and recommendations for the protection of traditional knowledge in the IP system and within the framework of the

sui generis system. The CIS IP Council could adopt the Declaration in the framework of the States’ cooperation.

2) Model law or other forms of legislative guidance adopted at the regional level. This document may be adopted within the framework of the CIS IP Council or through the states’ cooperation in accordance with the CBD Strategic Plan. The 1967 Tunis Model Law on Copyright for Developing Countries, the 2002 Pacific Regional Model Law for the Protection of Traditional Knowledge and Cultural Expressions, or the 1982 UNESCO-WIPO Model Provisions for National Laws on the Protection of Expressions of Folklore against Illicit Exploitation and other Forms of Prejudicial Action could be used as examples.

3) Regional programs to support local community capacity building relating to traditional knowledge. In order to implement Article 8 (j) of CBD, the states could adopt a number of joint programs for protecting rights of local communities and preserving traditional knowledge in Central Asia. Moreover, the legislation of the states consist of special measures on the need for regional cooperation on traditional knowledge protection. According to the Strategic Plan on CBD of Turkmenistan, one of the goals is to strengthen regional and international cooperation in order to exchange experiences and implement a biodiversity strategy and action plan on CBD.

In Central Asia, the CBD projects have already been implemented. For example, the Central Asian Transboundary project on biological diversity conservation of Tien–Shan has been held among three States: Kazakhstan, the Kyrgyz Republic, and Uzbekistan. Two regional projects were as follows: the project on the development of the National Action Plan to Combat Desertification and the Project on the conservation of biological diversity of the Caspian Sea and its coastal zone.

3.1) Legal mechanisms unrelated to intellectual property development. The Central Asian states could adopt special programs for traditional knowledge protection measures unrelated to the IP system. Appropriate legal mechanisms, not related to IP, could be adapted and supplemented to promote and enhance the protection of traditional knowledge in the region. Such mechanisms could include

legislation on culture, intangible cultural heritage of folk arts and crafts, on local communities, unfair competition, trade practices, and customary law.

4) Regional special agreement including sui generis instruments and IP law. After developing a common concept of the role of traditional knowledge in Central Asia (the Special Agreement on Traditional Knowledge), taking into account specifics of the region and common traditional knowledge of local communities and peoples, should be adopted as the most effective measure of protection. The 2010 Swakopmund Protocol on the Protection of Traditional Knowledge and Expressions of Folklore could serve as an example for binding regional cooperation.

5. PROTECTION OF TRADITIONAL KNOWLEDGE IN THE KYRGYZ REPUBLIC

The Kyrgyz Republic is a member of the WIPO, the World Trade Organization, the Eurasian Patent Organization, the International Union for the Protection of New Varieties of Plants, and the CIS. The Kyrgyz Republic has joined 23 multilateral international treaties in the field of intellectual property, as well as a series of bilateral agreements. The Kyrgyz Republic has acceded to CBD, the Nagoya Protocol, TRIPS, UNESCO Conventions, etc.

The Kyrgyz Republic is the only country in the region that has accepted the *sui generis* mechanism into national legislation. The legislation of the Kyrgyz Republic on traditional knowledge consists of the Constitution of the Kyrgyz Republic, the 2007 Law on the Protection of Traditional Knowledge (Law on Traditional Knowledge),²⁴ and the 2009 Law on Culture and other regulations. Traditional knowledge protection falls within the domain of the State Service of Intellectual Property and Innovation

under the supervision of the Government of the Kyrgyz Republic (IP Office).²⁵

Today, the Kyrgyz Republic actively promotes traditional knowledge protection at regional and international levels. At the 58th series of meetings of WIPO Member States in 2018, Kyrgyzstan presented a stand on the traditional knowledge of the Kyrgyz people. In September 2018, the IP Office of the Kyrgyz Republic organized a regional seminar on the protection of traditional knowledge and traditional cultural expression:

In modern society, along with the latest technologies and inventions, the knowledge that our ancestors have owned since ancient times is increasingly used. For example, traditional folk medicine, the secrets of pet care, knowledge about the healing properties of plants and their use in medicinal or cosmetic purposes.²⁶

According to the IP office data, traditional knowledge could be divided into knowledge related to:

- 1) National cuisine, including traditional cooking methods of horse sausage ‘chuchuk’, fermented mare’s milk ‘kymyz’, soft drink made from cereal grains ‘maxym’, the low-alcohol beverage from cereal grains ‘Bozo’, and others, as well as methods for storage and preservation of food;
- 2) Habitat and household items (construction of the yurt, and child’s cradle ‘beshik’);
- 3) Material culture and decorative arts (interior and exterior yurts, traditional clothes, equestrian equipment, manufacturing felt products);

²⁴ Law on the Protection of Traditional Knowledge of the Kyrgyz Republic, No. 116, adopted on 31 July 2007 (2007) <<http://cbd.minjust.gov.kg/act/view/ru-ru/202149/20?cl=ru->> accessed 29 August 2018.

²⁵ Government of the Kyrgyz Republic, Regulation on the State Service of Intellectual Property and Innovations under the Government of the Kyrgyz Republic, No. 131 of 19 February 2012.

²⁶ Adil Kerimov, ‘At the Third World Nomad Games the Kyrgyz patent will Hold An International Seminar on The Protection of Knowledge (April.kg, 2018) ,<http://www.april-turkmenistan.com/ru/article/na-iii-vik-kirgizpaten-provedet-mezhdunarodniy-seminar-po-ohrane-tradicionnih-znaniy->> accessed 21 October 2018.

4) Pastoral knowledge (biodiversity conservation, pasture rotation, migrations to distant pastures, treatment of animals);

5) Traditional medicine; and

6) National games and folklore (epics, tales, proverbs).

In September 2018, the IP Office of the Kyrgyz Republic stated:

‘From 2009 to the present, 60 applications have been submitted for the registration of traditional knowledge.’²⁷

According to the IP Office’s statistics, 28 traditional knowledge applications were registered, but only eight of them are in public access.²⁸

Table 1. Examples of the registered traditional knowledge in the Kyrgyz Republic

	Traditional knowledge	Year	Applicant
1	‘Bekjan’ (milk product)	2011	Mr. Suleiman Kaiypov
2	‘Kyrgyz Ozolonu’ (traditional method of meat products storage)	2016	Mr. O. Djaanbaev
3	‘Mindaba’ (National Kyrgyz drink)	2014	Mr. Sultek Kobokov
4	‘Oroloo, Shili Orolo, Bogozhuroloo, Aydargaloo’ (traditional methods of horse fixing)	2013	Kyrgyz National Agrarian University

5	‘Ordo’ (traditional national game)	2013	Specialized Children and Youth Sports School
6	‘Shakar’ (traditional method to produce the soap)	2011	Jaamat (community) ‘Bugu ene’
7	‘Tash Cordo’ (traditional method of cooking meat in a special stove)	2011	Mr. Raiymbek Jusupbekov
8	‘Toguz-Korgool’ (traditional national game)	2009	‘Toguz Korgool Republic association’ NGO

A. LEGAL FRAMEWORK OF TRADITIONAL KNOWLEDGE PROTECTION

The Legal Regime on traditional knowledge in the Kyrgyz Republic has two types of protection:

1. Defensive protection, providing a set of rules to ensure that third parties do not gain illegitimate or unfounded traditional knowledge rights; and
2. Positive protection, which concludes the following measures: 1) Acknowledging control of custodians over traditional knowledge; 2) Ability to deny/authorize access and use; 3) Prevention of Misappropriation; and 4) Prior Informed Consent, including the conditions of use Benefit Sharing.

Article 2 of the Law on Traditional Knowledge gives the following definition:

Traditional knowledge shall mean knowledge, methods, including usage of genetic resources in different fields of the human activities, which have

²⁷ *ibid.*

²⁸ Kyrgyz Patent, 'Information on Registered Traditional Knowledge' (Patent.kg, 2018) <<http://patent.kg/en/tradicion-znan/information-trad-znan/>> accessed 1 November 2018.

been transferred from one generation to another eventually in a certain order and meaning.²⁹

The Law on Traditional Knowledge also provides a definition of genetic resources as including:

all fauna and flora of terrestrial, marine and any other origin, which may be used by the owners of traditional knowledge to obtain specific practical outputs in any field of the human activities.³⁰

Indeed, the Law states that the usage of genetic resources and the order of access to genetic resources should be regulated by other domestic acts (Article 1).³¹

The Law on Traditional Knowledge does not regulate 'expressions of folklore' and 'national handicraft arts' (Article 1), and does not provide the definitions. In the 2009 Law on Culture of the Kyrgyz Republic, a definition of 'folk arts and crafts' is unclear and unregulated.

According to Article 7 of the Law on Traditional Knowledge, registration of knowledge is indefinite, but Article 13 defines that the Certificate of Registered Traditional Knowledge is valid for ten years. The traditional knowledge holder must renew the Certificate every ten years. Therefore, the term of traditional knowledge registration and term of the Certificate of a registered knowledge are different, which creates an inconsistency in the provisions of the Law on Traditional Knowledge.

The uniqueness of traditional knowledge regulation in the Kyrgyz Republic lies in a wide range of traditional knowledge holders. Not only the local community, but individuals and legal entities can also be traditional knowledge holders. Moreover, according to this definition, the Law on Traditional Knowledge does not make a distinction between citizens of a country and foreigners, or between local and foreign legal entities.

In the accordance with Article 2 of the Law on Traditional Knowledge:

Local community is a community of citizens of the Kyrgyz Republic permanently residing on the territory of an administrative-territorial unit, united by interests under their responsibility to solve issues of local significance independently through representative and executive bodies of local self-government.³²

In spite of a definition proposed by the Law on Traditional Knowledge, the domestic legislation of the Kyrgyz Republic contains a specific term, 'local community' according to the local specifics, which defines it as 'Jamaat':

Jamaat is a form of local government representing a voluntary association of the members of local communities living within one street, block or any other territorial formation of a village or city to take the responsibility for making common decisions on matters of local importance.³³

A variety of the registered traditional knowledge holders (applicants) is clearly visible in Table 1.

B. PATENT AND TRADITIONAL KNOWLEDGE

Patenting subject matter representing traditional knowledge shall not be allowed in the Kyrgyz Republic. When patenting subject matter created on the basis of traditional knowledge, materials of the application must reveal of the origin of the traditional knowledge used as prior art or as a prototype. The applicant shall indicate the source of making traditional knowledge available to the public.

Traditional knowledge usage with the purpose of invention shall be determined by an agreement between the Traditional Knowledge holder and owner of a patent for an invention. Under the agreement, two key provisions should

²⁹ Law on Traditional Knowledge (n 24), art. 2.

³⁰ *ibid.*

³¹ *ibid.*, art 1.

³² *ibid.*, art 2.

³³ Law on Jamaats (Communities) and Their Associations by the Parliament of the Kyrgyz Republic, art 1 (2005).

be determined: 1) remuneration for traditional knowledge usage to the holder of the registered traditional knowledge; and 2) mandatory payments to the Fund for development of local communities or to the State Fund for development of the system of traditional knowledge usage. The payment to the Funds shall be not less than 20% of the total agreement amount.³⁴ Those Funds should be established by the State, and would be supported by financial transfers collected from the usage of traditional knowledge. However, it is still not entirely clear how the provision of the Law on Traditional Knowledge will be implemented, since the Funds have not been created.

In order to prevent illegal patenting of subject matters created on the basis of traditional knowledge and use of associated genetic resources, the IP Office is creating the traditional knowledge database, which shall be used during examination of subject matter to be patented. In 2018, the IP Office of the Kyrgyz Republic informed:

Around one thousand traditional knowledge were already included into the official database.³⁵

C. CHALLENGES AND PERSPECTIVES

The Kyrgyz Republic adopted the legal framework and effective mechanisms for the protection of traditional knowledge, but some measures have not been implemented. According to the National Report, the Government admitted that the obligations of the Kyrgyz Republic under Article 8 (j) of CBD were only partially fulfilled:

The Law on the protection of traditional knowledge is adopted, but it is poorly implemented, and local communities do not participate in the implementation processes.³⁶

Consequently, the Law on Traditional Knowledge contains a number of unclear or contradictory provisions. For example, a term of traditional knowledge registration is

indefinite, but a Certificate of Registered Traditional Knowledge is issued only for 10 years, which may cause a subsequent litigation. The Law on Traditional Knowledge does not regulate and protect folklore and folk arts and crafts; however, it is often difficult to distinguish traditional knowledge from applied folk art. An extensive range of traditional knowledge holders raises many questions. The provision regarding an agreement between the traditional knowledge holder and owner of a patent for an invention is also in doubt: who will monitor the procedure of concluding an agreement? How will a mandatory payment (20% of an agreement) go to the Funds?

Some provisions of the Law on Traditional Knowledge need adequate financial support for its implementation. For example, two Funds of local communities and traditional knowledge should be established and supervised by the state in accordance with Article 3 of the Law on Traditional Knowledge. However, neither the Intellectual Property Development Program nor other support programs provide measures for the Fund's establishment. Unfortunately, the State Program for the Development of Intellectual Property in the Kyrgyz Republic for 2017-2021 does not contain any measure for the promotion and development of traditional knowledge.

In order to implement the provisions of the Law on Traditional Knowledge, certain mechanisms have been included in the Plan of Measures for the implementation of the State Program for the Development of Intellectual Property and Innovation in the Kyrgyz Republic for 2012-2016:

- 1) A database on traditional knowledge creation;
- 2) Collecting information on traditional knowledge and conducting training among the local communities in the regions of the country; and
- 3) Identification and preservation of traditional knowledge.³⁷

³⁴ Law on Traditional Knowledge (n 24) Art 14.

³⁵ Adil Kerimov (n 26).

³⁶ Country Profiles: Fifth National Report of the Kyrgyz Republic (n 18).

³⁷ Government of the Kyrgyz Republic, 'Plan of Measures on the Implementation of the Objectives of the State Program for the

Unfortunately, the State Program for the Development of Intellectual Property in the Kyrgyz Republic for 2017-2021 does not contain any measure for traditional knowledge protection.³⁸ Despite this, civil society, local NGOs and society centers are involved in traditional knowledge preservation activities. Together with experts, NGOs, institutes and universities, the IP Office conducted several field researches on a medical topic (traditional medicine, physiology), as well as on national games and social traditions of the Kyrgyz people.³⁹

In order to give more legality to traditional knowledge, the Government of the Kyrgyz Republic has to come up with an appropriate and effective framework to implement the adopted *sui generis* instrument.

First, the traditional knowledge regulation should be revised, definitions should be developed, and a term of registration, a creation of two Funds and some other provisions of the Law on traditional knowledge should be amended. All registered traditional knowledge could be open to the public.

Second, the traditional knowledge database (a precautionary protection against biopiracy), and the traditional knowledge digital library development should be completed.

Third, in order to establish coordination and interaction in the State–Science–Business system, national initiatives and programs to support community capacity building relating to traditional knowledge should be adopted.

Fourth, the IP Office of the Kyrgyz Republic, with the support of civil society and scholars, should increase the importance and significance of traditional knowledge

through information campaigns and field research activities.

Fifth, the Kyrgyz Republic has to make an effort to establish a regional legal tool. The regional mechanism is an urgent requirement for providing protection in all five States because domestic measures cannot protect some traditional knowledge due to its widespread nature, leading to trans-boundary misappropriation.

6. CONCLUSION

Presently, the process of globalization has contributed to the disappearance of a lot of knowledge being passed from generation to generation. The growth of population on the planet, climate change, natural landscapes, flora, and fauna made the world's scholars turn to traditional knowledge in search of possible answers to these challenges.

We must consider traditional knowledge, the cultural heritage of our region, as having value, including social, cultural, spiritual, economic, scientific, intellectual, and educational meaning, and recognize that traditional knowledge is the basis for development of innovation and creativity for the benefit of the Central Asian people. The task for all five States is to preserve the valuable knowledge and skills of our ancestors, and to promote their dissemination and application in all areas of life of the Central Asian people, for sustainable development of the region.

Development of Intellectual Property and Innovation in the Kyrgyz Republic for 2012-2016' (2011).

³⁸ Government of the Kyrgyz Republic, 'The State Program of Intellectual Property Development in the Kyrgyz Republic for 2017-2021' (2016).

³⁹ Rural Development Fund, 'Traditional Knowledge' (Rdf.in.kg, 2018) <<http://rdf.in.kg/en/category/traditsionnye-znaniya/>> accessed 1 November 2018 ("Rural Development Fund is non-governmental policy and research organization to conduct research, develop policy recommendations, and implement activities in the field of traditional knowledge").

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9. NIGERIA COPYRIGHT REFORM AND DIGITAL TECHNOLOGY

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ABSTRACT

This article examines the provisions of the Nigerian Copyright Bill currently pending before the National Assembly. The key objective of the reform is to re-position Nigeria's creative industries for greater growth, strengthen their capacity to compete more effectively in the global marketplace, and enable Nigeria to fully satisfy its obligations under various international copyright instruments, which it has either ratified or indicated interest to ratify. The paper provides a historical perspective on the development of copyright law in Nigeria from the introduction of the first indigenous copyright law to the current copyright legislation. Since independence in 1960, Nigeria has had two indigenous copyright statutes: the Copyright Decree of 1970; and the Copyright Decree 47 of 1988, (later codified as Copyright Act, Chapter C28, Laws of the Federation of Nigeria, 2004, following amendments in 1992 and 1999). The paper highlights the challenges of the first indigenous copyright legislation, discusses some of the provisions of the Act, and the subsidiary legislation. It also examines the role of

the Nigerian Copyright Commission as the agency saddled with the responsibility of administering Nigeria's Copyright laws. The paper concludes with thoughts on the future for copyright in Nigeria and urges the National Assembly to pass the Copyright Bill in order to grow Nigeria's creative industries and harness their contributions to the non-oil sector of the economy.

Keywords: Nigeria, Copyright reform, copyright law, international copyright law

1. INTRODUCTION

The emergence of new forms of intellectual property, such as knowledge embedded in new technologies, has brought enormous pressure on existing property rights. These new forms of wealth have not assimilated into dominant property rights' regimes as one would have hoped. As such, problems regarding the appropriateness of those property notions continue to emerge. For instance, developments in information technology have raised questions concerning the capacity of existing copyright laws to protect rights of actors in new technologies, while ensuring that the flow of information is not hampered.¹ As the world experiences greater advancement in technology, more emphasis is placed on innovative and

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¹ John Perry, Barlow. The Economy of Ideas: A Framework for Rethinking Patents and Copyrights in the Digital Age, (1994). 3 Wired 83 and Margaret Jane Radin, Property at the Crossroads: Two Paradigms in Need of Reinterpretation.' Fifth Conference on Computers, Freedom and Privacy, March 1995

knowledge-based products, which have become the new trading commodities. Creative industries are at the heart of these developments.

Nigeria, a nation with large creative capacity is recently witnessing exponential growth in the movie and music industries and is a potential beneficiary of the emerging global economy.² The copyright system provides a framework for generating and managing these innovative products. The process of production and dissemination of creative works involves a considerable amount of financial and human resources. Major recording companies spend millions of Naira on the promotion of artists and their works. Promotion campaigns consisting of events such as music concerts or television shows attract millions of people. These large-scale campaigns would not be possible without the certainty that those who invest in these industries will be able to recoup their investments and be rewarded for their efforts. The orderly acquisition and transfer of rights in various products emanating from the industry guarantees return on investments.

Statistics obtained from studies conducted by the World Intellectual Property Organization (WIPO) on the economic contributions of copyright-based industries in Singapore, Brazil, China and United States indicate that the contributions of copyright based industries to the annual Gross Domestic Product (GDP) of each of the countries range between 5.5 percent and 10 percent.³ Although the Nigerian Copyright Commission in collaboration with WIPO, is still conducting surveys on the contributions of Nigerian Copyright-based industries, preliminary observations indicate that creative industries have the potential to account for at least 5 percent of GDP. The copyright industries also account for significant generation of employment, which cascades from the production sector to the downstream distribution sector.⁴

The Nigerian Copyright Act provides a basic framework for safeguarding rights of creators and ensuring investments in the creative sector are made profitable.⁵ However, it has been a great challenge harnessing this legislation's provisions to the positive advantage of creators and investors in the creative industries. This has made it difficult for Nigerian creative industries to optimize their potential and deliver economic returns on levels comparable to their global counterparts.

Many factors account for this state of affairs, including; non-prioritization of the creative industries in the national economic agenda; inadequate funding of regulatory and enforcement activities in the creative sector; rising level of piracy vis-à-vis the impact of digital and communication technologies; insufficient public awareness of the importance of respecting rights of creators; poverty (leading to patronage of cheap pirate products); unsatisfied demand for copyright works; poor distribution networks for original creative works; high cost of production; and poor organization in the creative sector. To address these lapses and optimize the potentials of our creative industries, a fundamental re-orientation and re-conceptualization of the economic value of our creative assets should be consciously pursued by individuals, groups, and government.⁶ This article examines the Nigerian Copyright Act with the view of identifying the inadequacies which account for the inability of the Act to accord adequate protection to digital inventions in the country. Particular focus is on the lack of rights for innovators of digital technology as well as manifestations of ambiguities and contradictions within the Act. This article also reveals the technological shortcomings which have made it possible for infringers of digital inventions to assail the technology with impunity, and therefore make it impossible for the Copyright Act to live up to its mandate.

² Olufunmilayo B. Arewa, *The Rise of Nollywood: Creators, Entrepreneurs, and Pirates*, University of California – Irvine (2012) p 4

³ Nigerian Copyright Commission, 'Medium Term Corporate Plan and Strategy 2012- 2014' (2012).

⁴ *ibid*

⁵ Section 13, Copyright Act, Cap C28 Laws of Federation of Nigeria (LFN) 2004

⁶ *ibid*

This article evaluates the Copyright Bill and compares it, when relevant, to existing copyright law in Nigeria. In doing so, the article discusses whether the Bill addresses the shortcomings of the current applicable law. Moreover, reference is made to international copyright law to demonstrate whether the Bill is in line with the internationally agreed upon minimum mandatory standards of copyright protection such as the Berne Convention or the Agreement on Trade Related Aspects of Intellectual Property (TRIPS).

In light of the above, this article is divided into five parts. Apart from this introduction, which forms this first part, part two considers the development of Nigerian Copyright law. Part three examines the history of copyright law reform and formation of the Nigerian Copyright Commission (NCC). Part four provides a more substantial overview of the text of the Bill with a focus on main areas of difference between the Bill and the existing law. It also analyzes the current structure in place for protection of copyright in the digital environment, highlights the provisions of the Copyright Bill, makes general observations about the deplorable state of protection of digital inventions in Nigeria, and identifies challenges facing the Nigerian legal system in the fight against piracy. Finally, part five contains the conclusion.

2. NIGERIAN COPYRIGHT LAW: THE BEGINNING

The history of copyright in Nigeria can be split into two periods: namely; the pre-colonial or aboriginal society period, and the classical intellectual property period featuring colonial law, which has since been maintained by post-independence intellectual property statutes.⁷

The pre-colonial/indigenous society period was a period where customs and practice were the system of governance. It was the period before the advent of colonialism. The customs were unwritten but were well-known by all members of the community and administered by traditional rulers. The different tribes were actively involved in and were well-known for certain activities and particular creations, such as cloth-weaving. Each community had its folk songs, clay pot moulding, sculptures, designs, textiles, bead-making, and tribal marks among other things which would have been eligible for intellectual property protection in the classical period.⁸

The classical intellectual property period can be traced back to the long historical and political connection between Nigeria and Great Britain. Nigeria is a former colony of Great Britain. Thus, a discussion of the development of intellectual property in Nigeria without mention of English influence would be incomplete. The introduction of intellectual property law into Nigeria was through Britain's colonial legal development proliferated in Africa, Asia and Latin America.⁹ The Order-in-Council of 24th June 1912 extended the Copyright Act of 1911 of England to the Southern Protectorate and remained in force after the amalgamation. In 1970, the Copyright Act was enacted as the first post-independence copyright statute, repealing the 1911 Copyright Act. Almost two decades after the enactment of the 1970 Act, there was a great clamour for review by the copyright industry, especially from publishers and musicians. There had been a record of huge losses attributable to growing incidence of piracy. Thus, in 1988, pressure for an amendment to the copyright law brought about the enactment of the

⁷ Adebambo Adewopo, 'According To Intellectual Property: A Pro-Development Vision of the Law and the Nigerian Intellectual Property Law and Policy Reform in the Knowledge Era' (2012) NIALS 12.

⁸ Bankole Sodipo, *Piracy and Counterfeiting: GATT, TRIPS and Developing Countries*, Kluwer International Law (London, 1997) p 20

Bankole Adekunle Akintoye Sodipo, 'Piracy and Counterfeiting: The Freedom to copy v Intellectual Property Rights', Thesis Submitted in the Undertaking the degree of Ph.D. at the University of London Queen Mary and Westfield College, 1995.

⁹ F Shyllon, 'Intellectual Property Law In Nigeria' (2003) 21 IIC Studies in Industrial Property & Copyright Law 27.

Copyright Act 1988 and repeal of the 1970 Act. The 1988 Act was amended in 1992 and 1999.¹⁰

Nigeria is also a signatory to numerous international treaties and conventions such as the Berne Convention; TRIPS Agreement; WIPO Copyright Treaty; WIPO Performances and Phonograms Treaty;¹¹ and the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations.¹²

3. NIGERIAN COPYRIGHT LAW REFORM

The first attempt at IP reform began in the early 80's. Born out of the bane of piracy, the music and book publishing industries led the movement to reform the Copyright Act. In 1988, the Copyright Act was promulgated and amended twice, first in 1992 and later in 1999. There were also efforts, albeit unsuccessful, to review the Trademarks Act of 1965 and the Patents Act of 1970. One of such attempts, the 1991 draft Industrial Property Bill, was made to consolidate the trademarks, patent, and designs laws into one industrial property law under the control of an industrial property office.¹³ The intent was to upgrade the two Acts in accordance with present commercial and technological development as well as intellectual property at the international level. The 1991 Report of the Nigeria Law Reform Commission was produced with the intention of reforming the industrial property law which had become crucial for the trademark and patents regimes to evince the significant changes in commercial terrain as well as the protection of inventions and new technologies respectively.¹⁴

In September 1999, WIPO and the Nigerian government organised a workshop on teaching intellectual property to the African region. At the opening, the Nigerian federal government announced the restructuring of their intellectual property administration with the inauguration of an Intellectual Property Commission. This announcement was followed by creation of a committee comprised of delegates from various agencies governing intellectual property as well as relevant stakeholders. They were saddled with the responsibility of working out requirements for creation of an intellectual property agency. The agency would oversee activities of the Copyright and Industrial Property regimes and carry the responsibility of making recommendations for review of current intellectual property laws. This policy never proceeded beyond pronouncement.¹⁵

In late 2006, the previous Industrial Property Bill was built upon by a draft Nigerian Intellectual Property Commission (NIPCOM) Bill. The NIPCOM bill was made by the executive to compliment the Federal Government's Reform Agenda. In 2007, the NIPCOM Draft bill was prepared to cover all the subject matter of intellectual property rights in Nigeria including copyright, trademarks, service marks, patents and designs; however, the results were unsuccessful. These unsuccessful attempts led to another attempt for the amendment of the Copyright Act by another Copyright Law Reform group. They drafted a Copyright (Amendment) Bill 2010 in an attempt to amend the copyright law to reflect the budding technological and digital environment. However, there has been no passage of the Bill into Law.¹⁶ The Director General of the Nigerian Copyright Commission (NCC) on the 6th of September, 2012, announced that the NCC had set in motion

¹⁰ Which is now contained in Cap C28 Laws of the Federation 2004.

¹¹ WIPO Performances and Phonograms Treaty adopted in Geneva 20 December 1996, entered into force on March 6 2002 36 ILM 76. Hereinafter (WPPT).

¹² "Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations." October 26, 1961. 496 U.N.T.S. 43.

¹³ Draft Industrial Property Decree of 1991, Part 1(1991).

¹⁴ Nigerian Law Reform Commission 'Working Paper on the Reform of Industrial Property Law' (1990) 1.

¹⁵ Adewopo op cit (n 8) p.49.

¹⁶ *ibid* p.50.

machinery tagged 'Copyright System Reform' which aims to reform the nation's copyright system to reposition the copyright sector for increased economic performance. He stated further that this reform had become long overdue and was necessary in order to bring the copyright system up in line with international treaties and also to boost the sector and the economy.¹⁷

In an attempt to combat computer crime related activities, two Draft Bills were drafted entitled Computer Security and Critical Infrastructure Protection Bill 2005 and the Cyber Security and Data Protection Agency (Establishment, etc.) Bill 2008. The Cyber Security and Data Protection Agency (Establishment etc.) has been passed into law while the Computer Security and Critical Infrastructure Protection Bill has not been passed into law. These two, by criminalising activities related to tampering with access codes or passwords used to protect data stored up in a computer, would have been able to combat activities of circumventing technological protection measures. This would have somewhat impacted intellectual property in the digital environment.

Despite all these attempts at reforms, none has yielded any positive returns and it is evident that the present copyright law regime is very much behind. As such, there is an urgent need for a new regime. Although the Copyright Act seems to be the luckiest of the three major intellectual property legislations in Nigeria, with the most recent amendment in 1999, the major technological developments and advancements recorded in the 21st century demands a thorough overhaul of this Act to bring it up to date.

A. THE NIGERIAN COPYRIGHT COMMISSION

(i) Establishment of the Commission and Initial Mandate

The Nigerian Copyright Commission (NCC), as it is currently known, was established as Nigerian Copyright Council under the supervision of the then Federal Ministry of Information and Culture, pursuant to the provisions of Decree No. 47 of 1988.¹⁸ The functions of the Council under the law were at the time, limited to administrative functions as encapsulated in section 34 (3) of the Copyright Act.

(ii) Amendments to the Copyright Act and Expansion of Mandate

The establishing statute of the Commission, the Copyright Act has since undergone two amendments, via the Copyright (Amendment) Decree No. 98 of 1992, and Copyright (Amendment) Decree No. 42 of 1999. By these amendments, the responsibilities of the Commission were expanded to include regulatory and enforcement functions. Section 38 enables the Commission to appoint Copyright Inspectors, whose powers include the prosecution of criminal infringements of copyright law as well as general police powers of investigation and arrests in relation to copyright offences. The implication of this development is that the Commission has transformed from an ordinary administrative agency to a regulatory and enforcement agency.

The commission in exercising its powers and while waiting for this epoch reform of the extant Copyright Act of 1999, issued several regulations to take care and fill the lacuna in the Act. Instances of the regulations are as follows: Copyright (Reciprocal Extension) Regulation 1972; Copyright (Security Devices) Regulation 1999; Copyright (Video Rental) Regulations 1999; Copyright Notification Scheme; Copyright (Optical Disc) Regulation 2006; Copyright (Collective Management Organisation) Regulations 2007; Copyright (Levy on Materials) Order

¹⁷ Nigerian Copyright Commission, 'Nigerian Copyright Commission to Reform Copyright System....DG Seeks Stakeholders' Collaboration' <www.copyright.gov.ng/index.php/news-and-events/117-

[nigerian-copyright-commission-to-reform-copyright-system-dg-seeks-stakeholders-collaboration](http://www.copyright.gov.ng/index.php/news-and-events/117-nigerian-copyright-commission-to-reform-copyright-system-dg-seeks-stakeholders-collaboration)> accessed 18 April 2018.

¹⁸Later codified as Copyright Act, Chapter 68, Laws of the Federation of Nigeria 1990.

2012. To a great extent, these regulations have been integrated into the draft Copyright Bill.

4. REFORMING NIGERIAN COPYRIGHT LAW IN AN AGE OF DIGITAL TECHNOLOGY

The current structure in place for the protection of copyright can be said to be awfully below required standards for this time and age. It has been 20 years since the last amendment of the Copyright Act in 1999. This Act has become outdated and needs to be fine-tuned in order to meet developing technological standards. Some of the major problems of the copyright regime stem from the age of the statute. Furthermore, there is the issue of enforcement of existing copyright legislation, particularly the enforcement of laws in respect of copyright piracy. This problem has made Nigeria a hub of piracy. The nature and scope of rights governed by the law do not reflect contemporary developments of this time and age. It marks failure on the part of the law reforms administration to formulate reform policies and inability to link intellectual property with the environment.¹⁹ Against this backdrop agreement, NCC and stakeholders took the bold step to reform the Copyright Act.

Policy Considerations

The preparation of the draft Copyright Bill was guided by an underlying policy objective, inter alia:

- i. To strengthen the copyright regime in Nigeria;
- ii. To enhance the competitiveness of its creative industries in a digital and knowledge-based global economy;
- iii. To effectively protect the rights of authors to ensure just rewards and recognition for their intellectual efforts while also providing appropriate limitations and exceptions to

guarantee access to creative works, encourage cultural interchange, and advance public welfare;

- iv. To facilitate Nigeria's compliance with obligations arising from relevant international copyright treaties; and
- v. To enhance the capacity of the Nigerian Copyright Commission for effective administration and enforcement of the provisions of the Copyright Act.

The draft Copyright Bill also takes into account the basic objective of the reform initiative, as well as the identified concerns of Nigeria's copyright community, expressed either through written submissions, or through interventions during elaborate stakeholders' consultations between 2012 and 2013.²⁰

A. OVERVIEW OF THE COPYRIGHT BILL

Among other measures introduced, the bill 'domesticated' the anti-circumvention provisions as provided in the Article 11 and 12 of the WIPO Copyright Treaty. These articles of the WIPO Copyright Treaty provide against the circumvention of technological protective measures (TPMs) and rights management information (RMIs) put in place to protect copyright works.

Among other things, the draft provisions set out which works are and are not eligible for copyright protection, and various exceptions. They cover issues of ownership, transfers, and licences for protected works; set out penalties for infringements and provide for criminal liability for copyright offences. Another feature of the draft Bill bars circumvention of technological protection measures and alteration or falsification of electronic rights management information.

The draft Bill, unlike the extant Copyright Act, contains provisions for issuing and carrying out take-down notices

¹⁹ Adewopo (n 7) 16.

²⁰ Nigeria Copyright Commission Draft Copyright Bill (NCC Abuja, 2015) [hereinafter Draft Copyright Bill].

for infringing material as well as suspending the accounts of repeat infringers. It addresses internet service provider liability for copyright breaches and permits blocking of access to content in some cases.

The draft bill also provides protections for performers and folklore rights; provides for the establishment and approval of collective management organisations, including extended collective management; and for levies for private copying.

Another feature of the Bill deals with compulsory licences for public interest. It aims to tackle certain ‘peculiar circumstances’ where government intervention might be needed to curtail an abuse of monopolies or certain unfair practices. Clause 38(9) which creates criminal liability for failure to pay royalties, is intended to deter ‘flagrant’ refusals to pay accrued royalties, particularly in the case of collectively managed rights.

B. HIGHLIGHTS OF THE DRAFT COPYRIGHT BILL

The Draft Copyright Bill has 88 sections divided into eleven parts.

Part I. Copyrightable subject matter

The list of works recognized as copyrightable subject matter in the Bill are largely similar to those of the Copyright Act with a few exceptions. It makes provisions for works eligible for copyright protection; qualification for protection; and the nature of rights conferred on authors of such works. The part also identifies subject matters which are not eligible for protection. The draft Bill repeats the wording of Article 9(2) of the TRIPS Agreement regarding exclusion from copyright protection of ‘ideas’, ‘procedures’, ‘processes’, ‘methods of operation’,

‘concepts’, and ‘principles’, while seemingly venturing into the realm of patent law by also excluding ‘discoveries.’²¹

Part II. Exceptions from Copyright Control

The existing Copyright Act provides for Limitations and exceptions in the Second Schedule of the Act.²² However, under the draft bill it is provided for in the body of the Bill and not as a Schedule.²³ The existing law on copyright allows quotations from published works for ‘literary, scientific, technical, or educational’ purposes and for ‘criticism or praise.’²⁴ Moreover, not-for-profit public libraries, publication archives, and scientific and educational institutions can copy published works for the purposes of their activities in the numbers necessary.²⁵ Furthermore, the Second Schedule of the Copyright Act deems copying for private and non-commercial purposes permissible.

One central and most important suggestion is that the Copyright Bill should have opened its proposed fair dealing clause in Sec. 20 to be applicable to any purpose, for instance by including the words ‘such as’ before the list of approved purposes that may be considered an instance of fair dealing.

Section 20(1)(a) reflects a salutary recognition of the benefits of flexible copyright limitations and exceptions. By ‘flexible,’ it refers to exceptions that apply to multiple purposes based on a generally applicable balancing test (also known as a proportionality test). Such an exception is provided in Sec. 20(1)(a), which enumerates a five-factor test for evaluating the fairness of uses of protected content ‘for purposes of research, teaching, education, private use, criticism, review or the reporting of current events.’

²¹ *ibid*, Clause 2(a).

²² Copyright Act, Cap C28, Laws of Federation of Nigeria, (LFN) (2004) [hereinafter Copyright Act 2004].

²³ Draft Copyright Bill (n 19), Clause 20(1)(a)(i, ii, iii, iv, v) (b, c, d, e, f, g, h, i, j, (i, ii, iii) (k, l, m, n, op, q, r, s, t) - (2)(a, b, c)(i, ii).

²⁴ Copyright Act Cap C28 LFN, 2004

²⁵ Copyright Act 2004 (n 21) Second Schedule

At first glance, this permissible use appears strict and in line with the requirements of the Berne and TRIPS three-step tests regarding flexibilities.²⁶ Flexible exceptions that turn on general balancing tests are useful in allowing the law to adapt to the 'next wave' of developments in culture, technology, and commerce, which often cannot be foreseen. The current formulation of Sec. 20(1)(a) is limited, however, to 'purposes of research, teaching, education, private use, criticism, review or the reporting of current events.' Uses falling outside of this list cannot benefit from the flexible exception even if they are otherwise fair.²⁷

There is a general trend in modern copyright laws providing exceptions that are open as well as flexible. By 'open,' it refers to the ability to apply the flexible exception to purposes not explicitly identified in the statute. Such openness is the hallmark of the U.S. 'fair use' clause, which contains a similar list of illustrative purposes as the Copyright Bill but makes this list open by inclusion of the phrase 'such as' before the explanatory list. Thus, it can be applied in cases of other purposes not foreseen in the original Act, which has been extremely useful in enabling new uses by artists and entrepreneurs alike. Similar open flexible exceptions have been included in recent copyright reforms in the Philippines, Israel, South Korea, Malaysia and Singapore. Open flexible exceptions have also been recommended by the Australian Law Reform Commission and by the South African Department of Trade and Industry, though not yet implemented in either country.²⁸

The most important reason to include an open and flexible exception in the law is to provide a mechanism for the law to adapt to gaps in coverage of users' rights that may be necessary to accommodate unforeseen uses of protected material that benefit society without harming the interests of the copyright owner. An open and flexible exception prevents the copyright law from pre-deciding that all unforeseen uses are prohibited.

The inclusion of an open flexible exception would assist meeting some needs that can be immediately foreseen, based on experiences in other countries. For instance, filmmaking is an industry that is dependent on limitations and exceptions for their creative activity. Documentary filmmakers routinely incorporate brief audio-visual clips (or still images) into their new work as illustrations. Thus, for instance, a documentary about gun violence in Chicago might include excerpts from news broadcast, or headlines from newspapers, to illustrate the extent of the problem. A similar practice might be followed in narrative film production, to illustrate or evoke the real historical setting in which a fictional story takes place. More broadly, contemporary creators of all kinds frequently make highly selective quotations of copyrighted material to illustrate an argument or make a point. In many cases, licenses permitting such uses would be practically impossible or prohibitively expensive to obtain. In the U.S., such uses are routinely analyzed, and frequently approved, as fair uses.²⁹

²⁶ Berne Convention for the Protection of Literary and Artistic Works, art 9(2), Sept. 9, 1886, as revised at Paris on July 24, 1971 and amended in 1979 S. Treaty Doc No. 99-27 (1986) [hereinafter Berne Convention]; Agreement on Trade-Related Aspects of Intellectual Property Rights, art 13, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994) [hereinafter TRIPS Agreement].

²⁷ Peter Jaszi, Michael Carrol and Sean Flynn, 'Comments of US Copyright Schools on Draft Copyright Bill 2015' (Nigeria Copyright Commission, American University Washington College

of Law, Program on Information Justice and Intellectual Property, Washington DC, 2015).

²⁸ See, e.g., Australian Law Reform Commission, 'Copyright and the Digital Economy' <www.alrc.gov.au/publications/copyright-report-122> accessed 28 May 2019.

²⁹ See Peter Jaszi, 'Copyright, Fair Use and Motion Pictures' at <<http://epubs.utah.edu/index.php/ulr/article/viewFile/23/17>> and see, e.g., Anthony Falzone and Julie Ahrens, 'Lennon v. Premise Media' at <[126](http://cyberlaw.stanford.edu/our-</p></div><div data-bbox=)

Likewise, U.S. copyright law has recognized that, within reasonable limits, visual artists, as well as filmmakers, should be permitted to quote one another's protected expression in developing new work of their own. A painter may elaborate an image first drawn or photographed by another, just as a screenwriter may incorporate a well-known line from a novel into a new film script, relying on fair use. No one suffers economic loss as the result of such quotation; instead, but more (and better) work is produced overall, with resulting benefits to both the cultural public and the economy. However, because such creative appropriation falls outside the list of uses subject to fair dealing in the Copyright Bill and is not covered by any specific exception (including that for 'parody, satire, pastiche, and caricature'), it could not be lawful under the Nigeria Copyright Bill.³⁰

Here it is noted that Article 10(1) of the Berne Convention provides:

'It shall be permissible to make quotations from a work, which has already been lawfully made available to the public, provided that their making is compatible with fair practice, and their extent does not exceed that justified by the purpose, including quotations from newspaper articles and periodicals in the form of press summaries.'

Unlike other exceptions provided for in Berne, Article 10(1) generally is considered to impose an obligation to provide an exception for fair quotation. That is, fair quotation is framed as a mandatory provision, as 'something that must be provided for under national laws, rather than as something that may be done at the discretion of national legislators.'³¹

work/cases/lennon-v-premise-media> and *Faulkner Literary Rights v. Sony Picture Classics Inc.*, 952 F.Supp.2d 701 (N.D. Miss. 2013). But in the NCC draft such uses appear to fall between the flexible fair dealing provisions, on the one hand, and its specific exceptions, on the other.

³⁰ Peter Jaszi, Michael Carrol et al (n 28).

In addition to representing questionable copyright policy, the absence of a provision allowing quotation for purposes of illustrative or artistic purposes in the Copyright Bill also may pose a question of Berne compliance, which Nigeria is a signatory to. Flexible and open exceptions also have been key to the development of other industries. Software and hardware industries in the U.S. have thrived, in part, because of court decisions recognizing that copying protected software for the limited purpose of reverse engineering to achieve interoperability constitutes fair use. This kind of pro-competitive activity, which ultimately harms no one, but increases the size of the market for all, is another instance of an activity that the draft Copyright Bill would not cover.³²

An even more contemporary instance, also drawn from the field of technology, is that of mass digitization for new purposes such as search and text or data mining (sometimes referred to as 'non-consumptive' or 'computational' research). New technologies offer consumers, students, researchers, and others the promise of being able to scan large numbers of texts looking for keywords or significant patterns. However, these socially and culturally valuable activities are possible only if the texts in question first have been converted, as a body, into machine-readable digital formats. On account of fair use in the United States, this kind of mass digitization can and does occur, at no cost to rights-holders but enormous benefits to civil society at large.³³

In the United States, libraries and museums make images of documents and artworks in their collections available online for public use. Scholars and students who cannot travel to the places where these materials reside

³¹ See Sam Ricketson and Jane Ginsburg, *International Copyright and Neighbouring Rights: 1 The Berne Convention and Beyond* (2nd ed, 2006) 788–789

³² Peter Jaszi, Michael Carrol et al (n 28).

³³ See, e.g., *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87 (2d Cir. 2014).

physically are nevertheless able to see, read, and analyze them. Again, this practice is enabled by a flexible and open fair use provision and no place for it appears to exist in the Copyright Bill.³⁴

The language derived from the so-called ‘three-step test’ that originated in Article 9(2) of the Berne Convention, has since found its way into other international agreements related to copyright. It represents an intentionally vague, generalized standard for what kinds of copyright limitations are permissible in national legislation – that is, a point of reference in diplomatic negotiations or (rarely) in state-to-state conflicts adjudicated in international tribunals. Whatever the test’s meaning, there is no basis on which to suppose enactment of a flexible copyright exception, when open or closed, would violate it. Thus, the three-step test need not be incorporated into domestic legislation to assure treaty compliance.³⁵

Even in this setting, its proper interpretation is a matter of intense, unresolved controversy. This is, at least in part, because its key terms, including ‘normal exploitation,’ ‘unreasonable prejudice,’ and ‘legitimate interests,’ are undefined. One thing, however, is clear: The three-step test was never intended to be applied, on a case-by-case basis, in private disputes between rights-holders and users, and there are no reliable sources of guidance about how it could be so applied.³⁶ It is recommended that 20(1)(1)(v) be removed.

Part III. Ownership, Transfers and Licenses

This part deals with issues of ownership, transfers and licenses in respect to protected works.

With the exception of a number of additions, the material interests of the creators of copyright - protected works set out by the Bill are similar to those already recognised by the 1970, 1992, and 1999 legislations. The Bill, however, categorises and defines the rights more clearly and, in doing so, combines and integrates the provisions of those Acts. Provision is also made for compulsory licenses. These include compulsory license for translation and reproduction of certain works;³⁷ license to produce and publish works for certain purposes;³⁸ license for domestic broadcasting organisation;³⁹ and compulsory licenses for public interest.⁴⁰

Part IV. Copyright Infringement

This part makes provisions for infringement of rights and remedies to such infringements.⁴¹ The Copyright Bill expands on guarantees and remedies available in the Copyright Act of 1999. Key additions to the law are the introduction of customs enforced measures,⁴² increased fines, longer imprisonment terms,⁴³ and a clear and categorised distinction between primary and secondary infringements.⁴⁴ Therefore, the Bill delivers on stronger enforcement mechanisms for better protection of the interests of right-holders, which is regarded as one of the main rationales for the copyright law reform.

³⁴ See Association of Research Libraries, ‘Code of Best Practices in Fair Use for Academic and Research Libraries’ Principle 19-20, <www.arl.org/storage/documents/publications/code-of-best-practices-fair-use.pdf>

³⁵ See Christophe Geiger, ‘From Berne to National Law, via the Copyright Directive: The Dangerous Mutations of the Three-Step Test (2007) 29(12) E.I.P.R. 486-91 <www.pijip.org/wp-content/uploads/2016/01/geiger2007.pdf>.

³⁶ See Christophe Geiger, Daniel Gervais, and Martin Seftleben, ‘The Three-Step-Test Revisited: How to Use the Test’s Flexibility in National Copyright Law’ (2014) 29(3) *Amer Univ Int’l L Rev* 581

<<http://digitalcommons.wcl.american.edu/cgi/viewcontent.cgi?article=1816&context=auilr>>.

³⁷ Draft Copyright Bill (n 19), S. 27.

³⁸ *ibid*, S. 28.

³⁹ *ibid*, S. 29.

⁴⁰ *ibid*, S. 31.

⁴¹ Draft Copyright Bill (n 19), S.32 to S.37.

⁴² *ibid*, S.32

⁴³ *ibid*, Clause 32 (S.32(1)(a)).

⁴⁴ *ibid*, Clause 38, (S.38).

Part V. Provision for criminal liability.

A new feature of the Bill is that apart from creating liability for principal offenders, there is also liability in respect to aiding and procuring the commission of copyright offences.⁴⁵ It expanded the definition of infringements of copyrights in software and the scope of guarantees and remedies available. Regarding infringements, the Bill recognises criminal liability for legal persons and for those involved in organised infringements of rights.⁴⁶ Both of these concepts are currently absent in the Copyright Act 1999 and there has been previously expressed dissatisfaction in this regard.⁴⁷ The Bill also includes measures such as granting an injunction or an order for the disposal of infringing copies as well as the seizure of infringing copies by custom authorities even in the absence of a plaintiff.⁴⁸

Part VI. Circumvention of Technological Protection Measures

The new feature introduced by the draft Bill provides for anti-piracy measures. In particular, provisions are made to prohibit circumvention of technological protection measures adopted by owners of copyright,⁴⁹ and falsification, alteration or removal of electronic rights management information.⁵⁰ Actions for circumvention of technological protection measures and right management information are also provided for.⁵¹ The bill, like other international copyright instruments, domesticated the anti-circumvention provisions as provided in the Article 11 and 12 of the WIPO Copyright Treaty, which provides

against the circumvention of Technological Protective Measures (TPMs) and Rights Management Information (RMIs) put in place to protect copyright works.⁵²

Part VII. Takedown of Infringing Online Content.

This part includes provision for issuance of Notice for take down of infringing content,⁵³ and procedures for effecting a takedown of such content as well as suspension of accounts of repeat infringers.⁵⁴ The part provides for limitation of liability of Internet Service Providers (ISP) with respect to information residing on systems or networks at direction of users,⁵⁵ and use of information location tools,⁵⁶ and provision for blocking access to infringing content.⁵⁷

Section 47(2)(e) of the Bill can be referred to limitations and exceptions in relation to service provider liability. For instance, in the U.S., the courts have recently clarified the proposition that a copyright owner's obligation in providing a 'takedown notice' to an internet service provider entails a duty to consider whether the unauthorized use of protected material in question may be non-infringing, and therefore lawful, under an application of an exception such as fair use.⁵⁸ This principle helps assure that notices are not employed in ways that will unnecessarily compromise the balance between regulated and permitted uses that is struck in the statute itself.

Similarly, 17 years of U.S. experience with a statutory provision, similar to that proposed in Part VII of the draft,

⁴⁵ *ibid*, SS 38 -41.

⁴⁶ *ibid*

⁴⁷ NCC, 'Roundtable on Evaluation of Copyright Regulations Related to Software in Nigeria's Laws' (September, 2016)

⁴⁸ Draft Copyright Bill (n 19), Clause 38, (S. 38 (2)).

⁴⁹ *ibid*, S. 44.

⁵⁰ *ibid*, S. 45.

⁵¹ *ibid* S. 46.

⁵² WIPO Copyright Treaty, art 11, 12, adopted Dec. 20, 1996, 36 I.L.M. 65 [hereinafter WCT] (to which Nigeria is a party and has domesticated).

⁵³ *ibid*, Clause 47, (S. 47).

⁵⁴ *ibid*, Clause 48 and 49 (S. 48 & S. 49).

⁵⁵ *ibid*, S. 51.

⁵⁶ *ibid*, S. 52.

⁵⁷ *ibid*, S. 54.

⁵⁸ See *Lenz v. Universal Music Corp.*, 815 F.3d 1145 (9th Cir. 2016).

has shown that service providers need legal encouragement to defend user rights of individuals who rely on them for internet access by refusing to take down, or agreeing to restore unconditionally, legitimate postings that nevertheless have been the subject of takedown notices. In these cases, ISP's desire to avoid risk sometimes overwhelms their willingness to stand up for their subscribers. The potential result is that copyright limitations and exceptions are rendered less meaningful in the Internet environment than should be the case as a matter of official copyright policy. Both copyright owners and service providers should be encouraged to take responsibility for assuring that this does not occur.⁵⁹

In this regard, the Copyright Bill, could profit from the U.S. experience. Thus, for instance, Section 47(2)(e), could be extended and clarified to state specifically:

Section 47(2)(e): ' . . . a statement under penalty of perjury that the complaining party has a good faith belief that use of the material in the manner complained of is not authorized by the owner of copyright or his agent, or the law, including by any limitation or exception under this Act.'

Furthermore, the Copyright Bill may improve on its U.S. counterpart by providing a 'good faith' exception to ISP liability at Section 48(6). It could be made clearer and more certain by adding language to the effect that:

Section 48(6): '[a] service provider shall not be liable to any person for any action taken under this section in good faith, including those taken in reliance on limitations and exceptions under this Act.'

⁵⁹ Peter Jaszi, Michael Carrol and Sean Flynn, 'Comments of US Copyright Schools on Draft Copyright Bill 2015' (Nigeria Copyright Commission, American University Washington College of Law, Program on Information Justice and Intellectual Property, Washington DC, 2015).

⁶⁰ Nigeria Copyright Bill, 2015, Clause 56, (S. 56).

⁶¹ *ibid*, Clause 57 (S. 57).

⁶² *ibid*, Clause 58, (S. 58).

⁶³ *ibid*, Clause 60 (S. 60).

Part VIII. Rights of Performers

The Part provides for protected performances,⁶⁰ restrictions on use of performances,⁶¹ moral rights of performers,⁶² and exception to performer's rights, among others.⁶³ A provision on transfer of rights is also available.⁶⁴ Apart from provisions for infringement of performer's rights,⁶⁵ the part also provides criminal liability in respect of infringement of performer's rights.⁶⁶

The performers' rights recognised in Part VIII of the Bill are mostly in line with the requirements of the Rome Convention, TRIPS Agreement and WPPT,⁶⁷ regarding fixation, broadcasting, reproduction, distribution, and renting of performances.⁶⁸

Part IX. Expression of Folklore

This part provides for the protection of expressions of folklore. Provision is made for infringement of folklore rights,⁶⁹ as well as criminal liability in respect of such infringements.⁷⁰

Section 66(2)(A) is on Limitations and Exceptions in Relation to Protection on Expression of Folklore. *Sui generis* protection for expressions of folklore has the potential to chill education, academic commentary, and artist creativity, unless it is appropriately qualified. Therefore, it is important that in addition to providing its own specific limitations and exceptions, Section 66(2) of the draft Copyright Bill imports the flexible provision of Section 20(a)(1) into this new regulatory context – one which falls (strictly speaking) outside the boundaries of copyright.

⁶⁴ *ibid*, Clause 61, (S. 61).

⁶⁵ *ibid*, Clause 63, (S. 63).

⁶⁶ *ibid*, Clause 65, (S. 65).

⁶⁷ Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, October 26, 1961. 496 U.N.T.S. 43; TRIPS Agreement (n 25), and WPPT (n 10).

⁶⁸ Nigeria Copyright Bill, 2015, Clause 56- 61 (S. 56- 61)

⁶⁹ *ibid*, S. 67

⁷⁰ *ibid*, S. 68.

Sec. 66(2)(a) provides that ‘the doing of any of the acts by way of fair dealing for private and domestic use, subject to the condition that, if the use is public, it shall be accompanied by an acknowledgment of the title of the work and its source....’

Although well intended, this wording leaves some confusion in its wake. Specifically, it raises a doubt about whether, so long as the title and source identification requirement are fulfilled, the exception does in fact apply to public commercial uses.

Likewise, unlike Section 20(a)(1), this section fails to specify that the title and source identification requirement applies only ‘where practicable.’ This is a significant omission, since expressions of folklore (or traditional culture) often will be untitled, and in many cases will be associated only conjecturally (if at all) with any group or community.

To resolve these uncertainties, the following revision of Section 66(2)(a) is recommended:

...the doing of any of the acts by way of fair dealing [for private and domestic use], subject to the condition that, if the use is public, it shall be accompanied by an acknowledgment of the title of the work and its source where practicable.

Part X. Administrative Framework

The Part provides for the establishment, membership and functions of the Governing Board of the Nigerian Copyright Commission,⁷¹ and appointment of the Director-General and other staff of the Commission (and Copyright Inspectors).⁷² The part also provides for registration of works,⁷³ establishment and approval of

collective managements organisations,⁷⁴ and levy on copyright materials (also known as private copying levy).⁷⁵

The provision relating to collective management organisations allows for extended collective management.⁷⁶

Part XI. Miscellaneous Provisions

Miscellaneous provisions contained in Part XI include provisions on establishment of a dispute resolution panel;⁷⁷ restrictions on importation of certain works;⁷⁸ powers of the Commission to make regulations;⁷⁹ limitations on suits against the Commission;⁸⁰ the interpretation section;⁸¹ and transitional and savings provisions.⁸²

5. CONCLUSION

For any nation to progress economically, it must not downplay the development of its intellectual resources. The only way to ensure the protection of original intellectual works is by tightening provisions for the safeguard of copyright products and especially, liberalizing provisions in the extant copyright laws of the country to be able to accommodate products derived from the rapidly growing technology in the world. The copyright law of Nigeria is outdated. It does not provide clear and effective enforcement mechanisms to protect the interests of right-holders. This article provides an overview of the Copyright Bill and argues that the Bill is a good basis for reform and reconciliation of the existing laws. The Bill’s clearer and more comprehensive definitions, scope of recognised rights, and remedies for infringement can guarantee a stronger protection of moral and material interests of the author and copyright owners. Furthermore, expanding the permissible uses of copyright

⁷¹ *ibid*, S. 70.

⁷² *ibid*, SS 71 & 72.

⁷³ *ibid*, S. 73.

⁷⁴ *ibid*, S. 74.

⁷⁵ *ibid*, S. 75

⁷⁶ *ibid*, S. 74(10).

⁷⁷ *ibid*, S. 76

⁷⁸ *ibid*, S. 79.

⁷⁹ *ibid*, S. 80

⁸⁰ *ibid*, S. 84

⁸¹ *ibid*, S. 85.

⁸² *ibid*, S. 87

works secures the interests of the users, especially those with disabilities as required by the Marrakesh Treaty to which Nigeria is a party.

The Bill provides a better balance between the interests of right-holders and those of the public. The Copyright Bill, however, requires further analysis and evaluation to ensure its effectiveness if enacted as law. Areas such as the prescribed limitations and exceptions appear to be brief and could benefit from further clarification particularly with regard to permissible acts. The paper thus urges the National Assembly to pass the Copyright Bill in order to grow Nigeria's creative industries and harness their contributions to the non-oil sector of the economy.

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10. PLANT BREEDERS' RIGHTS ACT 2016: AN OVERVIEW OF PAKISTAN'S PLANT VARIETY PROTECTION LEGISLATION

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ABSTRACT

As a member of the World Trade Organization and bound by the TRIPS Agreement, Pakistan is required to provide protection of new plant varieties. Article 27.3(b) of the TRIPS Agreement requires members to protect breeders' rights either by patents or by an effective *sui generis* system or with a combination of both. As a developing country, Pakistan was allowed to defer TRIPS compliance until 2000. In 2000, Pakistan updated its patent laws in order to meet its obligations under TRIPS but excluded plant varieties from the patentable subject matter. A plant variety protection (PVP) legislation in Pakistan remained overdue since 2000. The Pakistan government made several attempts to update its legal and institutional regime in order to be TRIPS compliant, but its efforts failed to achieve the desired result. Adoption of a PVP legislation remained a challenge for the government as Pakistan is an agricultural country where the informal seed sector meets 80% of the annual seed requirements. Pakistan finally adopted the Plant Breeders' Rights Act (PBRA) in December 2016. This paper provides an overview of the PBRA 2016 and discusses the salient features of this PVP legislation in the light of the standards set by the Union for Protection of New Varieties of Plants (UPOV) Convention.

Keywords: *Pakistan, TRIPS, UPOV, plant variety, plant breeders, biodiversity, food security, agriculture, farmers' rights, seed quality*

1. THE PLANT BREEDERS' RIGHTS ACT 2016: SALIENT FEATURES

Pakistan adopted the Plant Breeders' Rights Act (PBRA) in December 2016 in order to comply with its obligations as a WTO member. This section provides an overview of the PBRA 2016 and discusses its salient features.

A plant variety has been defined in the PBRA 2016 as:

A plant grouping within a single botanical taxon of the lowest known rank, which grouping, irrespective of whether the conditions for the grant of a new plant variety are fully met, may be (a) defined by the expression of the characteristics resulting from a given genotype or combination of genotypes; (b) distinguished from any other plant grouping by the expression of at least one of the said characteristics; and (c) considered as a unit with regard to its suitability of the plant grouping for being propagated unchanged.¹

The definition of a plant variety provided in the PBRA 2016 is in complete harmony with the UPOV 1991. A plant variety has been defined under the UPOV 1991 as:

A plant grouping within a single botanical taxon of the lowest known rank, which grouping, irrespective of whether the conditions for the grant of a breeder's right are fully met, can be (a) defined by the expression of the characteristics resulting from a given genotype or combination of genotypes; (b) distinguished from any other plant grouping by the expression of at least one of the said characteristics; and (c) considered as a unit

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¹ Plant Breeders' Rights Act 2016, No. 2(xxii) of 2016, The Gazette of Pakistan, 8 December 2016.

with regard to its suitability for being propagated unchanged.²

The criteria for protection of a new plant variety have been provided under the PBRA 2016. The Act requires a new plant variety to meet 'the criteria of novelty, distinctness, uniformity, stability and designated by an acceptable denomination.'³ The criterion for protection of a new plant variety provided under the PBRA 2016 is fully consistent with the UPOV 1991. UPOV 1991 provides protection to a plant variety that is '(i) new, (ii) distinct, (iii) uniform, and (iv) stable.'⁴ An applicant filing an application for protection for a new plant variety in Pakistan is required to submit 'a statement containing a brief description of the variety bringing out its characteristics of novelty, distinctness, uniformity and stability.'⁵

The new variety is 'novel' under the Act if it has not been sold or marketed by or with the agreement of the applicant for more than one year in Pakistan, for more than six years in the case of trees or vines, and for more than four years in the case of all other plants in a foreign country before filing of the application for the certificate of plant breeders rights under the Act.⁶ The new variety is 'distinct' under the Act if it clearly differs by one or more identifiable morphological, physiological or other characteristics from any other variety whose existence is

a matter of common knowledge on the date of filing of the application for a certificate under PBRA 2016.⁷

For the purposes of the Act, the new variety is 'uniform' if, subject to the variation that may be expected from the particular features of its propagation, it is sufficiently uniform in its essential characteristics.⁸ Under the Act, the new variety is 'stable' if its relevant characteristics remain unchanged after repeated propagation, or in the case of a particular cycle of propagation, at the end of each cycle.⁹ The Federal Seed Certification and Registration Department carries out a technical examination for distinctness, uniformity and stability of a plant variety of an application filed for protection of a new plant variety in Pakistan.¹⁰

The Act requires the Registrar to publish accepted applications for protection in the Plant Breeders' Rights Journal in a prescribed manner.¹¹ The Act allows any person to give written notice of opposition to the grant of rights, along with documentary evidence, to the Registrar within four months from the date of advertisement.¹² The opponent may invoke any of the following grounds: (a) the opponent is entitled to rights for the new variety; (b) the variety does not meet criteria for protection under the Act; (c) the grant of certificate is not in public interest; and (d) the variety may have adverse effects on the environment, human, animal or

² International Convention for the Protection of New Varieties of Plants of 2 December 1961 as Revised at Geneva on 10 November 1972, on 23 October 1978, and on 19 March 1991. (4)(Article 1(vi).

³ Plant Breeders' Rights Act, No. 12.1 of 2016, The Gazette of Pakistan, 8 December 2016.

⁴ 1991 International Convention For The Protection Of New Varieties Of Plants of 2 December 1961 as Revised at Geneva on 10 November 1972, on 23 October 1978, and on 19 March 1991, (6) Article 5(1).

⁵ Plant Breeders' Rights Act, No. 15(i) of 2016, The Gazette of Pakistan, 8 December 2016.

⁶ Plant Breeders' Rights Act, No. 12.2 of 2016, The Gazette of Pakistan, 8 December 2016.

⁷ *ibid.*

⁸ Plant Breeders' Rights Act, No. 12.2 of 2016, The Gazette of Pakistan, 8 December 2016.

⁹ *ibid.*

¹⁰ Plant Breeders' Rights Act, No. 2(viii) of 2016, The Gazette of Pakistan, 8 December 2016.

¹¹ Plant Breeders' Rights Act, No. 18 of 2016, The Gazette of Pakistan, 8 December 2016.

¹² Plant Breeders' Rights Act, No. 19.1 of 2016, The Gazette of Pakistan, 8 December 2016.

plant health.¹³ The Act requires the Registrar to provide an opportunity for both the applicant and the opponent to be heard.¹⁴

The Act has also provided the option of post-grant opposition proceedings. The Act stipulates that:

[a]t any time within twelve months after the grant of a certificate, any person interested who did not oppose the grant of the certificate may make an application to the Registrar for an order revoking the certificate on any one or more of the grounds upon which the grant of certificate could have been opposed.¹⁵

In instances where action for infringement or proceedings for the revocation of a certificate is pending in any court, post-grant opposition proceedings can be initiated only with the prior permission of the court.¹⁶

If the application is successful, the certificate of plant breeders' rights will be issued to the applicant on payment of the prescribed fee.¹⁷ The certificate will be recorded in the Register and made publicly available.¹⁸ Under the Act, the owner of plant breeders' rights 'shall be the breeder or discoverer of the variety' who 'may be a natural or legal person.'¹⁹

The Act grants the following exclusive rights to the owner of a protected variety:

(a) offering for sale or selling or marketing of the reproductive or vegetative propagating material of the protected variety in Pakistan;

(b) importing the reproductive or vegetative propagating material of the protected variety into Pakistan or exporting it from Pakistan;

(c) conditioning or multiplying the reproductive or vegetative propagating material of the protected variety; (d) carrying out of any of the acts identified in clauses (a), (b), and (c) in relation to an essentially derived variety provided the provided variety is not itself an essentially derived variety;

(d) carrying out any of the acts identified in clauses (a), (b), and (c) in relation to an essentially derived variety provided the protected variety is not itself an essentially derived variety;

(e) instigating or promoting any of the acts identified in clauses (a), (b), (c) and (d);

(f) authorizing any person to produce, sell, market or otherwise deal with a protected variety; and

(g) stocking for any of the purposes mentioned in clauses (a) to (d).²⁰

The rights granted to the owner of a protected variety are consistent with UPOV 1991 which stipulates that:

The following acts in respect of the propagating material of the protected variety shall require the authorization of the breeder: (i) production or reproduction (multiplication), (ii) conditioning for the purpose of propagation, (iii) offering for sale, (iv) selling or other marketing, (v) exporting,

¹³ *ibid.*

¹⁴ Plant Breeders' Rights Act, No. 19.4 of 2016, The Gazette of Pakistan, 8 December 2016.

¹⁵ Plant Breeders' Rights Act, No. 27 of 2016, The Gazette of Pakistan, 8 December 2016.

¹⁶ *ibid.*

¹⁷ Plant Breeders' Rights Act, No. 21 of 2016, The Gazette of Pakistan, 8 December 2016.

¹⁸ *ibid.*

¹⁹ Plant Breeders' Rights Act, No. 13.1 of 2016, The Gazette of Pakistan, 8 December 2016.

²⁰ Plant Breeders' Rights Act 2016, The Gazette of Pakistan, 8 December 2016. NO. F. 9(31)/2016-Legis, 1253, s. 22.

(vi) importing, (vii) stocking for any of the purposes mentioned in (i) to (vi), above.²¹

The PBRA 2016 provides disclosure of origin as well as access-benefit sharing requirements. The Act requires applications for protection to contain 'a complete identification data of the parental lines from which the variety has been derived along with the geographical location in or outside Pakistan from where the genetic material has been taken.'²² The Act requires the application to 'be accompanied by written consent of the authority representing the public sector, private sector or the local community in cases where the plant variety is developed from traditional varieties,²³ alongside 'documents relating to the compliance of any law regulating access to genetic and biological resources.'²⁴

The Act entitles the owner of the initial variety to claim benefit sharing in plant varieties that are derived from the initial variety. The Act requires the Registrar to invite claims of benefit sharing from 'any person or group of persons or firm or governmental or non-governmental organization'²⁵ provided that claims are submitted by any '(a) person or group of persons, if such person or every person constituting such group is a citizen of Pakistan; or (b) firm or governmental or non-governmental organization, if such firm or organization is formed or established in or outside Pakistan.'²⁶ The Act requires the Registrar to take into consideration the following factors while disposing of the claims of benefit sharing:

(a) the extent and nature of the use of genetic material of the claimant in the development of the

variety relating to which the benefit sharing has been claimed; and (b) the commercial utility and demand in the market of the variety relating to which the benefit sharing has been claimed.²⁷

Certain exceptions to infringement of exclusive rights have been provided under the Act in an attempt to balance competing interests. These exceptions include:

(a) any act done privately on a non-commercial basis;

(b) any act done for scientific research or plant breeding as an initial source of variety for the purpose of creating other varieties ...;

(c) any act done for the purpose of breeding other plant varieties ...; and

(d) a farmer to be entitled to save, use, sow, re-sow, exchange, share or sell his farm produce provided that the farmer shall not be entitled to sell seed of a variety protected under this Act on a commercial basis without complying with the requirements of Seed Act, 1976.²⁸

Farmers have been provided certain rights under the Act in the form of exceptions. The use of these exceptions is further constrained by the requirements of the Seed Act 1976 and the Seed (Amendment) Act 2015. Pakistan's seed law and regulation have a close relationship with Pakistan's PVP legislation.

²¹ International Convention For The Protection Of New Varieties Of Plants of 2 December 1961 as Revised at Geneva on 10 November 1972, on October 23, 1978, and on 19 March 1991.(10) Article 14.

²² Plant Breeders' Rights Act, No. 15(f) of 2016, The Gazette of Pakistan, 8 December 2016.

²³ Plant Breeders' Rights Act, No. 15(g) of 2016, The Gazette of Pakistan, 8 December 2016.

²⁴ Plant Breeders' Rights Act, No. 15(h) of 2016, The Gazette of Pakistan, 8 December 2016.

²⁵ Plant Breeders' Rights Act, No.32 of 2016, The Gazette of Pakistan, 8 December 2016.

²⁶ *ibid.*

²⁷ Plant Breeders' Rights Act, No. 32(5) of 2016, The Gazette of Pakistan, 8 December 2016.

²⁸ Plant Breeders' Rights Act No. 25 of 2016, The Gazette of Pakistan, 8 December 2016.

Pakistan enacted the Seed (Amendment) Act in July 2015. Sharing and selling of unbranded and unregistered seeds is prohibited under the Act. The Act prescribed fines (up to Rs.200,000) and imprisonment (up to three months) in case of non-compliance.²⁹ Under the Act, the farmers are left with the only choice to purchase registered varieties of seeds from licensed seed companies or their agents. The Seed (Amendment) Act clearly protects the private interests of foreign companies. The Act has redefined the 'basic seed' to include private sector organizations in its definition. Under the Act, the 'basic seed' means 'progeny of the pre-basic seed produced by any public sector or private sector organization and certified by the Federal Seed Certification and Registration Department.'³⁰ One of the main purposes of the Act is to deter the sale of fake and substandard seeds, but it can potentially create a commercial monopoly of profit-driven seed companies and make farmers pay higher prices for protected seed varieties.

The PBRA 2016 provides certain safeguards against potential abuse of exclusive rights. The Act authorizes the Registrar to grant a compulsory license, after providing the owner of the certificate and the interested person an opportunity of being heard.³¹ A compulsory license may be granted only after the expiry of three years from the date of grant of a certificate.³² The Act provides the following possible grounds for the grant of a compulsory license:

(a) the public interest, in particular, the nutrition or health so requires;

(b) the Registrar has determined that the manner of exploitation, by the owner of the certificate or his licensee, is anti-competitive;

(c) reasonable requirements of the public for seeds or other propagating material of the variety have not been satisfied or that the seed or other propagating material of the variety is not available to the public at a reasonable price;

(d) the owner of the certificate refuses to grant a license to a third party on reasonable commercial terms and conditions; or the right under the certificate has not been exploited in a manner which contributes to the promotion, transfer and dissemination of technology.³³

The duration of compulsory license shall be determined by the Registrar, but it shall not exceed five years from the date of grant.³⁴ The Registrar may revoke the compulsory license if the licensee has violated any of the terms and conditions of the license or if the Registrar is satisfied that to continue the compulsory license further is not justified.³⁵

To what extent Pakistan makes effective use of this safeguard is yet to be seen. Likelihood of the actual use of the compulsory licensing safeguard by Pakistan is less. It is important to note that Pakistan has also provided the compulsory licensing safeguard in its patent laws but there is not a single instance when Pakistan considered invoking the compulsory licensing provisions in its patent laws.³⁶

²⁹ Seed (Amendment) Act, No. 12 of 2015, The Gazette of Pakistan.

³⁰ Seed (Amendment) Act, No. 2(4) of 2015, The Gazette of Pakistan.

³¹ Plant Breeders' Rights Act, No. 33 of 2016, The Gazette of Pakistan, 8 December 2016.

³² *ibid.*

³³ *ibid.*

³⁴ Plant Breeders' Rights Act, No. 34 of 2016, The Gazette of Pakistan, 8 December 2016.

³⁵ Plant Breeders' Rights Act No. 35 of 2016, The Gazette of Pakistan, 8 December 2016.

³⁶ Patents (Amendment) Ordinance No. 17 of 2016, The Gazette of Pakistan.

2. CONCLUSION

Though Pakistan is not a member of the UPOV, an effort has been made to make Pakistan's PVP legislation compliant with the standards set by the UPOV Convention. The PBRA 2016 is fully TRIPS-compliant as it is based on the stricter 1991 version of the UPOV Convention. So far, no issues have been raised at any level regarding TRIPS-compliance of the PBRA 2016.

The PBRA 2016 is aimed at promoting healthy competition for improved seed quality in Pakistan. The Act will empower and strengthen private seed companies in Pakistan by disallowing the traditional practice of saving and sharing seeds in the informal seed sector. Exclusive rights granted to plant breeders will result in higher prices of seeds in the regulated market. Access to affordable seeds may be a challenge for resource-constrained small farmers in Pakistan. The farmers have been provided certain rights under the Act in the form of exceptions. The use of these exceptions is further constrained by the requirements of the Seed Act 1976 and the Seed (Amendment) Act 2015.

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11. LEGAL PROTECTION OF VIDEOGAMES IN THE AMERICAS

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ABSTRACT

The objective of this article is to determine the scope of legal protection for videogames in the countries of the American region. The following topics will be analysed: protection regime for videogames, which includes legal nature, type of work, elements protected by intellectual property, authors and right holders; underlying rights in videogames, including moral rights, patrimonial rights, compensation systems for creators, rights in favour of the user, limitations and collective management; assignment of rights and/or licenses in videogames, such as presumptions, applicable transfer regimes, licenses for the organization of tournaments and competitions by third parties; adjacent protection for videogames, including right of publicity, right of privacy and protection of personal data; and other issues related to videogames, establishing additional regulations, and relevant jurisprudence on videogames and intellectual property.

Keywords: *Videogames, Americas, legal regime, intellectual property, copyright, adjacent protection*

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1. INTRODUCTION

The Entertainment Law Committee of the Inter-American Association of Intellectual Property (ASIFI), where I sat as Vice Chair during the 2015-2018 working period, prepared and sent a questionnaire with twenty-six questions covering the most important topics related to legal protection of videogames. This questionnaire was sent first to ASIFI representatives (working committees' members and national delegates) and then to non-ASIFI members (national officials, entertainment lawyers, scholars) of all the countries of the American continent, whose results and conclusions are transcribed below. The study covers issues that relate to the protection regime, assignment of rights/licenses, adjacent protection, and other issues related to videogames. Respondents to our questionnaire were representatives from twenty-four countries: Argentina, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Trinidad & Tobago, United States, Uruguay, and Venezuela.¹

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2. THE LEGAL REGIME FOR PROTECTION

The first issue is related to the possible existence of a special regulation in the country's legislation for the protection of videogames as a specific type of work in the field of copyright. All twenty-four countries replied there is no videogame regulation as a specific type of work listed in their respective legislations. However, many of them consider videogames falling within the definition of works protected by copyright, provided they meet the characteristics of originality and are capable of being disseminated or reproduced. This is complemented by the fact that enumeration of works protected in the different legislations is merely enunciative and not exhaustive. Generally speaking, copyright protects the fixed expression of ideas and easily qualifies as the best tool for protecting game property because of its ease of use, power, and versatility.²

The second question is whether a videogame is protected as software, audiovisual work, multimedia work, or something else. This is where the greatest doubts and different solutions arise. Most countries consider videogames as software,³ others consider they share features both of software and audiovisual works,⁴ some as multimedia work,⁵ another as a compiled work,⁶ and finally others understand that any of the above options are valid, depending on the videogame elements protected.⁷ In the case of assimilation with software, we understand this has its *raison d'être* in the fact that videogames are mostly registered before the respective copyright offices in the forms corresponding to software. It also affects the fact that in criminal cases of piracy, videogames are classified as computer programs.

Regarding the joint comparison of videogame with software and audiovisual work, there is no doubt the software is related to the technical aspects of programming, while the audiovisual work refers to the artistic-literary content of the work—including script, characters, music, animation and other elements that are part of the audiovisual work.⁸

For countries that considered videogame as multimedia work, the proposed solution is more doctrinal than legal since there is no explicit recognition of the type of multimedia work in copyright laws; the countries expressly recognize that several of the individual elements that are part of the multimedia work are separately protectable.⁹ In another case, a videogame is considered a compiled work, or collections of works, which we understand will be protected if said collections are original due to the selection, coordination or arrangement of their content. Finally, others consider that a videogame would fall into any of the previous categories as software, audiovisual work, multimedia work, compiled work and even as an autonomous literary work by the description of the program, design, moving images, etc.

Third, the question arises whether a videogame is protected either as collaborative or collective work. Depending on the way in which the videogame was created and the existing contractual relationship between parties, it could be considered as any of the above options. In general, if a videogame is assimilated as software and/or as an audiovisual work, the common thing to do is to presume that we are in the presence of a collective work. This considers that the contributions of

² David Greenspan, 'Mastering the Game: Business and Legal Issues for Video Game Developers' (2014) 73 WIPO Magazine.

³ Bolivia, Canada, Chile, Costa Rica, Cuba, Haiti, Guatemala, Mexico, Nicaragua, Paraguay, Peru and Uruguay.

⁴ Dominican Republic, Brazil, Colombia and Honduras. In Brazil, software is protected as "copyright", although it is a *sui generis* protection, regulated by autonomous legislation.

⁵ Argentina and United States.

⁶ Canada. The Copyright Law of this country defines as a compiled work the result of the selection or disposition of literary, dramatic, musical or artistic works or parts thereof.

⁷ Ecuador, El Salvador, Panama and Venezuela.

⁸ David Greenspan, 'Video Games and IP: A Global Perspective' (2014) 2 WIPO Magazine.

⁹ Andy Ramos Gil de la Haza, 'Video Games: Computer Programs or Creative Works?' (2014) 4 WIPO Magazine.

each author would be merged into the videogame in its entirety in such a way making it impossible to grant copyright to everyone, corresponding to the producer the exercise of rights. In the case that videogame is considered a collaborative work, the co-authors will jointly be the original holders of the moral and patrimonial rights, having to exercise their rights, if possible, by agreement. The latter would be more suited to the cases of videogames not very complex in which the intervention of the authors is limited in number and the roles are well defined in the sense that you can identify the technical and/or artistic contribution of each author. It also raised the possibility that videogame was the product of a single person, in which case it would be considered as an individual work.

Fourth, which components of videogames are protected by intellectual property (components such as literary, graphic, audio, software, character, benefits, trademarks, patents, trade secrets, etc.)? From what we have seen previously, it became clear there is no comprehensive protection that considers the video game as 'a whole'. Most of the countries responded that as an audiovisual work, literary, graphic, sound, and character elements in their collectivity of graphic sets would be protected, without this preventing them from thinking of autonomous and independent protection for each original aspect.¹⁰ Functional elements such as the technical aspect of programming would be protected by software. In some legislations the title of a work, when it is original, will also be protected as part of the work.

It is possible to protect the title of the videogame, the associated logos and other elements that are sufficiently distinctive to identify products or services, as well as the

¹⁰ As would be the case of a literary work for the argument and the dialogues; a musical work for the soundtrack and other songs of the game; a drawing or artistic work for the models of the characters, sketches, scenarios and other graphics, among others.

¹¹ Mexico also recognizes a *sui generis* protection for characters, in what is known as a reservation of rights and that allows a right

name and figure of certain characters as trademarks.¹¹ In some cases, the possibility of protecting certain peripherals (such as videogame consoles, controls and other accessories) as a three-dimensional mark was mentioned. The latter was also considered valid for protection via industrial design, in which the aesthetic aspect associated with the various peripherals of the videogame console it is considered and acceptable option. In other countries, graphical user interface was also considered protectable under this figure.

For patent protection, all countries (except the United States and Canada) contain an express exclusion regarding software patenting or issues related to game matter, noting they are not considered inventions. Therefore, obtaining a patent on a videogame per se is not allowed.¹² However, for inventions such as a videogame console, a device that captures and reproduces physical movements in the digital domain and virtual reality helmets, among others, legislations in certain cases would allow obtaining a patent for these inventions. In the United States, it is possible to obtain a utility patent for technical inventions used in software engines (included in the game software itself, also inventions related to the underlying architecture, for example, distribution of networks in games, multi-player compatibility, structures security, etc.). Also, in this country, it is possible to obtain a design patent for the display user interfaces and icons.

In the case of trade secrets, the protection would include client lists, monetization strategies, and more recently, the data provided by the beta testers—programmers in charge of looking for bugs or various types of errors in videogames that are still in the testing phase with the

to exclusive use over the physical and psychological characteristics of the character. For example, a character can be protected by such a mechanism and continue to be protected even when the videogame enters the public domain.

¹² Emir Crowne, 'Can You Patent That? A Review of Subject Matter Eligibility in Canada and the United States' (2009) 23 Temple Int'l. & Comp. LJ.

purpose that the developers later improve it. In other cases, the source code of videogame and any data or analysis collected from the users of the videogame may also be included.

The next question has to do with the recognition of authorship and the original holder of the copyright for a videogame. Here we must bear in mind that in almost all legislations—with the exception of the United States and Canada—copyright only recognizes the quality of the author to the natural person who performs the intellectual creation, with the author being the original owner of the copyright, both in the moral and patrimonial order. If we talk about a videogame as an individual work, or as a collaborative work, there is no doubt the authors are simultaneously the original holders of copyright. For collective work, although the authors will always be the individuals who contributed to the creation of the work, these contributions have been merged into a set that no longer makes it possible to individualize the various contributions or identify the respective creators, recognizing a legal presumption of transfer of the original holder of the copyright from authors to the producer as a derivative owner. The producer, whether natural or legal person, assumes the responsibility and discloses the work with his own name, exercising the economic rights and certain moral rights, unless stipulated otherwise. This is common with software and especially in the works created in compliance with an employment relationship or in execution of a contract as work made for hire.¹³

In the United States and Canada, an author can be any person who contributes original authorship to the videogame, or the employer of another person for whom

the work was prepared, as work made for hire, as discussed below. Therefore, corporations can qualify as authors where such an employer-employee relationship or other work-made-for-hire relationship exists. That leads to the conclusion that most employees will never be considered authors, because when they are hired to create a certain work, authorship will always vest with the employer, as per Section 201(b) of the U.S. Copyright Act. In general, because producers and publishers usually assume the commercial risk of a video game project, they are the main stakeholders in the value chain. Consequently, these publishers and producers are typically the holders of the intellectual property rights to the video game; although, it will ultimately depend on the contractual arrangements between them and the authors or entities developing the game.

3. RIGHTS IN VIDEOGAMES

The second part of the questionnaire refers to the recognition and management of the various rights of authors and holders of related rights linked to videogames. Among the people involved in the creation of a video game we have the producer, game designers, artist, programmer or engineer, audio designer, owners of neighbouring rights and other non-creative positions.¹⁴

First, it was asked if moral rights were recognized in favour of the authors of videogames, and if so, which rights are involved. While there is no specific regulation for videogames, in general, copyright laws in the Americas recognize authors as having the following moral rights: right of disclosure, right of paternity, right of integrity and right of withdrawal of the work of

¹³ Art. 14 of Law 1328/98 on Copyright and Related Rights of Paraguay establishes that works created in compliance with an employment relationship or in execution of a contract, the ownership of rights that may be transferred will be governed by the agreement between parties. In the absence of express contractual stipulation, it will be presumed that the economic rights over the work have been assigned to the employer or the principal to the extent necessary for their usual activities at the

time of creation, which also implies that the employer or the principal, as appropriate, has the authorization to disclose the work and exercise the moral rights as necessary for the exploitation of the work.

¹⁴ Ashley Saunders Lipson and Robert D. Brian, *Computer and Video Game Law – Cases, Statutes, Forms, Problems & Materials* (Carolina Academic Press 2009) 54.

commerce. In almost all the legislations of the region, moral rights are perpetual, inalienable, unattachable, inalienable and imprescriptible. In countries like Canada, although moral rights cannot be assigned, the author or performer may waive them in whole or in part, but such waiver of moral rights must be explicit. In the United States, moral rights are limited to works of visual arts (such as a painting or sculpture), which, as defined in Section 101 of the U.S. Copyright Act, do not include ‘motion pictures or other audiovisual works’ or any works made for hire. This implies that the contributors to videogames will not qualify as authors according to the terms of the U.S. Copyright Act and thus will not have moral rights over their contribution to the work.

Likewise, the question arises about which the patrimonial rights are recognized to the original holder of a videogame. Like the previous question, although there is no specific regulation of videogames in copyright laws, in most legislations the authors—and, therefore, original owners—are recognized with the following economic rights: right of reproduction, right of public communication, right of public distribution, right of import, right of translation, adaptation, arrangement, transformation and any other form of use of the work that is not expressly contemplated in the law.

Next, it was asked if fair payment systems have been provided to compensate the creators or authors of videogames. Here, we must first distinguish between countries that do contemplate such mechanisms in their legislation and those that do not. In countries whose legislation applies these mechanisms of remuneration systems, many responded to this that in practice these mechanisms are not applicable, since there is no specific regulation for videogame. However, we understand that an express mention is not necessary from the moment that fair payment system is contemplated for certain

types of works, and videogames, as we have seen, can be assimilated to certain categories of works.

In some legislations, compensatory remuneration is recognized for works published in graphic form, by means of videogames or in phonograms, or in any kind of sound or audiovisual recording. For example, in Uruguay, there is a right of compensatory remuneration for the music contained in audiovisual works, but not for videogames. However, Brazil is an example of a country that recognizes this right for the authors of the musical works inserted in the videogame. In the case of Paraguay, the right of compensatory remuneration for musical and audiovisual works is contemplated, but not for software, which is expressly excluded, so it will have practical effects again the distinction that is made of videogames in their assimilation as audiovisual work, software or other type of work.¹⁵

We believe this express exclusion of compensatory remuneration for software is due to the presumption established in the law, in the sense that unless otherwise agreed, the authors of the computer program have exclusively assigned to the producer the patrimonial rights recognized in the law. In the same way, the United States does not guarantee an employee’s right to compensation for their contributions to works made within the scope of their employment. Works created by an employee as part of their employment duties are generally owned by the employer by default. U.S. Copyright law does not require that a creator/author receive any specific level of compensation for their work. Rather, payment would be covered by the terms of the employment agreement. In many instances, remuneration will simply be salary. Other agreements, such as a lump sum or royalties based on, e.g., distribution, could also be set forth in a specific

¹⁵ Currently in Paraguay, there is a whole discussion about whether the system of compensatory remuneration should be recognized to the authors of the audiovisual work, since the

Paraguayan law establishes that unless otherwise agreed, authors of the audiovisual work have assigned their economic rights exclusively to the producer.

agreement. Likewise, contracts with third party freelancers typically address the terms of payment.

Another issue involves the recognition of any kind of copyright protection to the users or 'players' for the 'contributions' they may make in a videogame (such as the creation and development of new components such as characters, avatars, levels, 'worlds,' and other creative components). Almost all countries responded negatively, simply because their respective legislations do not refer to this issue in an express way. However, it is possible the contents created by the players are eligible for copyright protection provided they meet the requirements to be considered a derivative work.¹⁶ However, videogame players often give up most or all the rights they have to their in-game content when they agree to a Terms of Service or End-User License Agreement to play a game.¹⁷ In the United States, courts typically enforce such agreements. Because these contracts make game companies the owners or licensees of player-generated content, courts have yet to consider whether players can assert copyright protection over their in-game creations, such as where a third party uses the content without permission. The scope of copyrights for player-generated content is limited to the original, creative expression in that added content. Player-generated content is less likely to be original if the creator's choices are tightly constrained by the mechanics of the games he or she plays.¹⁸ So, aspects of player-created game content are eligible for copyright protection, if the originality lies in the adaptation or transformation of the pre-existing work, and the license to use the videogame expressly

authorizes it. Otherwise, like any derivative work, it will require an authorization from the author of the original work.

Regarding neighbouring rights, it was asked whether legislation has accorded any kind of related right protection to users or 'players' equivalent to the rights accorded to artists, performers, or executors for the 'interaction' they have in videogames (think, for example, of the public communication through digital platforms of an extract of a user's or player's 'dance' carried out through a videogame, or of the best goals in a soccer videogame scored by players). Although this is one of the most debated issues, almost all the countries of the American region initially considered this is not possible either simply because there were no specific laws addressing videogame players. Few others considered this would be possible, especially in countries whose legislations establish a broad definition of artist, performer, including the variety and circus artist. These player rights are subsidiary to the copyrights in the images and video from the game held by the game's developer or publisher. The ability to exercise these rights without approval of the owner of the copyrights in the game is uncertain. In some instances, it would be permitted under the doctrine of 'fair use,' which permits limited use of copyrighted material for purposes of comment, criticism, or parody. Because of the ambiguity, this issue is most often addressed in the EULA or a separate agreement with the player.

¹⁶ In Mexico, if a modification or other creation of a user could be a derivative work, the user could not exploit it (charge other players to use it) without the consent of the owner of the economic rights over the videogame.

¹⁷ For example, the terms of service for 'League of Legends' gives Riot games 'a worldwide, perpetual, irrevocable, sublicensable, transferable, assignable, non-exclusive and royalty-free right and license to use, reproduce, distribute, adapt, modify, translate, create derivative works of, publicly perform, publicly display, digitally perform, make, have made, sell, offer for sale

and import Your Content, including, all copyrights, trademarks, trade secrets, patents, industrial rights and all other intellectual and proprietary rights related thereto, in any media now known or hereafter developed, for any purpose whatsoever, commercial or otherwise, including, giving Your Content to others, without any compensation to you.'

¹⁸ Tyler T. Ochoa, 'Who Owns an Avatar? Copyright Creativity and Virtual Worlds' (2012) 14 Vand. J. Ent. & Tech. L. 959.

Following the questionnaire, the next question is about limitations or exceptions applicable to videogames provided in the national legislations. In the case of countries that follow the European continental right system of *droit d'auteur*, exceptions to the works are expressly established in the respective legislations and are generally related to private and non-profit use, academic purposes or teaching, use in public libraries, use in administrative or judicial matters, use in official acts, quotations, among others, provided that the rule of the three steps of Berne is respected: the exceptions must be limited, must not threaten the normal exploitation of the work or cause unjustified damage to the interests of the author. Meanwhile, common law countries adopted the principle of fair use, allowing the limited use of copyrighted material without the permission of the copyright owner 'for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research.'¹⁹ The availability of fair use as a defence to copyright infringement is very fact specific. Again, the distinction discussed above regarding the legal nature of the videogame comes back to practical importance. If we consider videogame as a software, the only exception available in almost all legislations would be that the user can only make a backup copy necessary to use the game (a copy in RAM memory for example) or to replace a copy legitimately acquired by loss or destruction and nothing else, being the other uses an infringing activity. On the

other hand, if we consider a videogame as an audiovisual work, the exceptions would be much broader in the continental European system of *droit d'auteur*.

In Canada, the Copyright Act includes an exception for non-commercial user-generated content.²⁰ While it has not yet been tested by the courts, this section could be applicable in the context of user-generated content relating to videogames, ranging from new user-generated downloadable content to players streaming their gameplay on-line or the creation of 'Let's Play' videos.

To conclude this second part, the questionnaire asks if there is any collective organization that arranges for rights for videogame authors and holders. There is not an official and authorized collective management society specifically dedicated to the management of videogame rights in the American region. However, the Entertainment Software Association (ESA) is the U.S. association dedicated to serving the business and public affairs needs of companies that publish computer and videogames for videogame consoles, handheld devices, personal computers and the Internet. The association represents these industry leaders across the nation and on the global stage. ESA offers a wide range of services to its members, including a global content protection program, business and consumer research, government relations and intellectual property protection efforts. ESA

¹⁹ 17 U.S.C. Sec. 107.

²⁰ Copyright Act, RSC 1985, c C-42, s 29.21, 'It is not an infringement of copyright for an individual to use an existing work or other subject-matter or copy of one, which has been published or otherwise made available to the public, in the creation of a new work or other subject-matter in which copyright subsists and for the individual — or, with the individual's authorization, a member of their household— to use the new work or other subject-matter or to authorize an intermediary to disseminate it, if: (a) the use of, or the authorization to disseminate, the new work or other subject-matter is done solely for non-commercial purposes; (b) the source —and, if given in the source, the name of the author,

performer, maker or broadcaster — of the existing work or other subject-matter or copy of it are mentioned, if it is reasonable in the circumstances to do so; (c) the individual had reasonable grounds to believe that the existing work or other subject-matter or copy of it, as the case may be, was not infringing copyright; and (d) the use of, or the authorization to disseminate, the new work or other subject-matter does not have a substantial adverse effect, financial or otherwise, on the exploitation or potential exploitation of the existing work or other subject-matter —or copy of it— or on an existing or potential market for it, including that the new work or other subject-matter is not a substitute for the existing one.'

also owns and operates E3, the premier global trade show for videogames and related products.

4. ASSIGNMENT OF RIGHTS: LICENSES

The next chapter refers to the analysis for regulation of assignments of rights or licenses applicable to videogames. The first two issues entail the provision in the country's legislation of some regime of presumption of assignment of exploitation rights in favour of the videogame producer and an assignment or licensing regime for videogames. As was clear from the beginning of this article, since a videogame is not regulated as a special type of work, we start from the basis that no legislation expressly provides for an assignment of rights or licenses applicable to videogames, which is why the analysis will be based on the protection we make of them according to the provisions of the works in general and to their assimilation with software, audiovisual work, multimedia work, among others.

If we refer to the questions of the first part of the work (protection regime), we will see the solutions vary in the sense of whether we are in the presence of an individual work, collective work, work in collaboration or in the works created in compliance of a work relationship or commissioned work. Laws provide for general provisions for the assignment of economic rights and the exploitation of works by third parties (licenses), complementing the general assignment regime and the contracts established in the substantive regulations (work made for hire).

Most legislation requires that any assignment of copyright, whether in general or subject to limitations, must be in writing and must be signed by the owner of the right in respect of which the assignment or concession is made. As with all copyright works, in general, there is no need for registration formalities, agreements or contracts that in any way confer, modify, transfer, encumber or extinguish patrimonial rights, or for which modifications to the work is authorized. However, registration shall be admitted as a principle of

certain proof of the facts and acts contained therein, unless there is evidence to the contrary. All registration leaves the rights of third parties safe.

If we consider a videogame as a software, the legislations generally establish it is presumed, unless otherwise agreed, that the authors of the computer program have assigned to the producer, in an unlimited and exclusive manner, the economic rights recognized in the law; In some legislations, the presumption also implies authorization to decide on the disclosure of the program and to exercise moral rights over the work. Likewise, and unless otherwise agreed, authors cannot object to the producer to make or authorize the implementation of modifications or successive versions of the program or programs derived from it. A license may be executed in writing or may be implied by conduct. The scope of a written license (e.g., a click-wrap license) is dictated by the language of the agreement. If there is no written agreement, a license is likely implied by willingly contributing content without written restrictions; in such a case, the player would be providing an implied, non-exclusive license to the contribution for its intended purpose (e.g., use in the game). In any case, under U.S. law, it is highly recommended to obtain the copyrights in such contributions through a written document, like an End-User License Agreement, which is standard for this sector.

In the case of the identification of videogame as an audiovisual work, legislations generally recognize a presumption, unless otherwise agreed, that the authors of the audiovisual work have assigned their economic rights exclusively to the producer, who is also vested of the ownership of the right to modify or alter it, as well as the right to decide about its disclosure. What usually varies in each legislation is the presumption of co-

authorship.²¹ In most cases, the producer is not considered a co-author and in others it is presumed to be one of the main co-authors.²² In the United States, apart from the work made for hire,²³ created by an employee within his/her employment field, an assignment of rights (instead of a license) can occur only through a signed agreement in writing. As mentioned in the beginning of this paper, the assimilation of videogame as a multimedia work refers more to the separate protection of the individual elements.

The last question in the section refers to whether there is a regulation of a regime for the organization of open videogame tournaments, competitions, payment circuits, professional leagues, contests, or championships by third parties. Since the industry and participants of organizations generally regulate themselves with tools, such as Community Competition Licenses with the game owners, all countries responded negatively. However, this could change in the coming years, considering there is a strong worldwide movement that aims to give eSports (electronic sports) a category within Olympic sports, and all organizations, competitions or professional leagues shall be officially regulated by the International Olympic Committee (IOC).

5. ADJACENT PROTECTION FOR VIDEOGAMES

In this section, we will deal with issues closely linked to the legal regulation of videogames. Such issues affecting regulation of videogames are regulations of image rights, publicity rights, privacy rights and the protection of personal data. The first questions refer to whether there is an image right in the legislations and in what way it is regulated.

In general, scholars recognize a private image right that is subdivided into two types of protection: privacy rights and publicity rights. Privacy rights are the protection of the private image of people, honour, personal or family circle. Publicity rights is the protection of the image right of people regarding their commercial exploitation. The first of these rights is recognized in almost all countries and refers to the rights inherent to human personality established in constitutional texts, civil codes and other special regulations. The second one, the right to exploit the commercial image of people, is regulated in some countries and not in others. Countries regulating this commercial image right are subdivided into those that expressly contemplate it as a publicity right,²⁴ others whose legislations refer in general to the protection of

²¹ For example, the Copyright Law of Uruguay, art. 29 of states: 'In the case of an audiovisual work, co-authors are presumed, unless there is evidence to the contrary: the director, the author of the argument, the author of the adaptation, the author of the script and dialogues, the composer if any, and the cartoonist in case of animated designs.'

²² The Argentine Copyright Law of 1933, in the chapter of collaborative works states that 'except for special agreements, the collaborators of a cinematographic work have equal rights, considering as such the author of the plot and the producer.'

²³ In this regard, a work-for-hire is: 'a work prepared by an employee within the scope of his or her employment (regardless of whether a written agreement exists relating to the 'work for hire'); or a work specially ordered or commissioned that falls into one of nine classes: (1) contribution to a collective work, (2) part of a motion picture or other audiovisual work, (3) translation, (4) supplementary work, (5) compilation, (6) instructional text, (7)

test, (8) answer material for a test, or (9) atlas, provided the parties expressly agree in a written agreement that the work will be considered a work made for hire.'

²⁴ In the United States, a person's right of publicity is the right to protect his or her name or likeness from being commercially exploited without consent and compensation, if any. While copyright is a federally protected right under title 17 of the United States Code, there is no federal law protecting publicity rights. Instead, publicity rights are the subject of state laws that vary from state to state. New York has codified the right of publicity as part of the New York 'Right of Privacy' statute, at Article 5 of the N.Y. Civil Rights Law. The statute provides protection for a person's name, portrait, picture, and voice. New York does not, however, recognize a posthumous right of publicity for the deceased. Violation of the New York statute occurs when the use of a person's identity is made in the state

the image right,²⁵ and those who have it established in their copyright legislation as special protection of the portrait or commercial bust of a person.²⁶

Other countries mentioned as a form of additional protection to the image right, what is established in almost all the trademark laws of the region on the prohibition of registering as trademarks the names, nicknames, pseudonyms or photographs that can be related to living people, without their consent, or dead without that of their heirs, or any sign that affects the right of the personality of a third party, except with their consent. In the United States, for use of a person's name or image separate from a game character, one could be sued (even if a person's name, image, or likeness is used in a state where the right of publicity isn't recognized), under the federal Lanham Act, 15 USC § 1125(a), for

of New York, for advertising or trade purposes, and without written consent. California's right of publicity statute, Cal. Civ. Code § 3344, protects a person's name, voice, signature, photography, and likeness. The statute prohibits 'knowing' use of a person's name/likeness/etc., on or in products, merchandise, goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods or services, without such person's prior consent. Unlike New York, California has a separate statute protecting posthumous rights of publicity, found at Cal. Civ Code § 3344.1. The right lasts for 70 years after death. In Puerto Rico, Act No. 139-2011, known as 'The Right to One's Image Act,' protects individuals' rights to undue use of a person's image, particularly for commercial purposes. This Act defines 'image' as the projection or representation of the human figure by means of any procedure or reproduction technique.

²⁵ Argentina, Ecuador and Panama. For example, the Civil and Commercial Code of Argentina, art. 53 of states: 'Image Right. In order to capture or reproduce the image or voice of a person, in whatever way it is done, their consent is necessary, except in the following cases: a) that the person participates in public events; b) that there is a priority scientific, cultural or educational interest, and that sufficient precautions are taken to avoid unnecessary harm; c) that it concerns the regular exercise of the right to report events of general interest. In case of deceased persons, their heirs or the one designated by the deceased can give their consent in a last-will disposition. If there is

unauthorized uses of a person's identity to create a false endorsement.²⁷ If the use is within the game itself, however, a First Amendment balancing test is applied. In general, use of third party trademark within a game is infringement if (i) the trademark is used in a way that has no artistic relevance to the underlying work; or (ii) even if there is some artistic relevance, the use is explicitly misleading as to the source or the content of the work (as opposed to merely likely to cause confusion).

Finally, in legislations where the exploitation of the commercial image right of people is not regulated, there are judicial pronouncements through which the unfair exploitation of the image of a person has been protected, especially in the case of the common law.²⁸

disagreement between heirs of the same degree, the judge solves. Twenty years after death, non-offensive reproduction is free.'

²⁶ Argentina, Brazil, Paraguay, Peru, Mexico and Uruguay.

²⁷ 'Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which: (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.'

²⁸ Colombia, Canada and the United States. In the northern countries, some state legislations refer to protection through unfair competition, as well as legal theories of common law such as misappropriation of personality, false endorsement, and invasion of privacy among others.

The following question refers to what guarantees and actions the country's legislation grants to enforce image rights. In the case of privacy rights, countries contemplate an action for constitutional protection and civil action to prevent and prohibit the use of one's own image, as well as an action for compensation to claim damages. For the publicity right, civil actions for the cessation of the unauthorized reproduction of the image, and the repair of any damages, are also contemplated. Some legislations that regulate the subject from the scope of copyright also provide for an administrative action that can result in heavy fines for the offender.

The next group of questions deals with the existence in legislation of the recognition of the right of privacy and the protection of personal data. These issues are directly linked to the right of privacy and as such, we have seen their protection is given fundamentally in the constitutional texts, also in the civil codes in some countries, and in the regulations that contemplate personal treatment of data. In the United States, we find special regulations such as the Children's On-Line Privacy Protection Act (COPPA), a federal law that governs the collection of information from children under 13 and details privacy policy requirements as well as when and how to seek parental consent before allowing underage children access or collecting information from them.²⁹ It is very common to find references to this regulation in video games intended for children.

The following question was related to guarantees and actions granted by the country's legislation to enforce

²⁹ Children's On-Line Privacy Protection Act (COPPA), 15 U.S.C. §§ 6501–6506.

³⁰ In the United States, an individual can file a lawsuit to enforce relevant laws in the event of a breach. Because of the number of people usually impacted and the cost of a private lawsuit, a class-action lawsuit brought on behalf of a large group of individuals are not uncommon. Depending on the circumstances, a federal or state regulator may also investigate violations of privacy and data protection laws.

privacy right and protection of personal data. The majority agreed to have the constitutional guarantee of *habeas data* - at the judicial level - for accessing information, to know the use that is made of the data and to be able to request updates, rectification, or destruction of both erroneous and right-affecting data. This is complemented with other actions foreseen in the legislation of personal data protection -at the administrative level- before the corresponding national authority that also translate into the establishment of administrative sanctions such as fines, closures or cancellation of the file, registry or database. Civil actions are also available to the affected party, such as the cessation of unlawful acts, the repair of damages and losses caused, and the possibility of requesting precautionary measures if necessary.³⁰ Finally, criminal actions should not be forgotten in cases where violation of the domicile is affected, injury to the privacy of the person, injury to the right to communication and to the image, and violation of the communication secret among others punishable facts.

6. OTHER ISSUES RELATED TO VIDEOGAMES

This section explores issues not covered in the previous questions on additional regulation applicable to videogames and the possible existence of jurisprudence on videogames and intellectual property. First, some countries contemplate regulations related to the operation of videogame establishments,³¹ others contemplate regulations on incentives to the software industry,³² and others have provisions addressing false or

³¹ In Colombia, we have Law No. 1544 of 2012: 'By which rules are issued on the operation of establishments that provide videogame service and other provisions.'

³² In Argentina, Law No. 26.692 of 2004, 'Regime of Promotion of the Software Industry' stipulates that companies which apply to the Registry of Software and Computer Services Producers will enjoy fiscal stability, will receive a tax credit bonus applicable to the cancellation of national taxes, and will be able to make a tax deduction on the Income Tax.

deceptive representations and deceptive marketing practices in association with the promotion or sale of any product, such as videogames.³³ Finally, others establish regulations for the commercialization of violent videogames³⁴ or with sexually explicit content.³⁵

As countries generally do not have additional regulations specifically related to videogames, other regulations on copyright applied. Thus, some countries contemplate in their respective legislation regulations against the circumvention of technological protection measures that are incorporated into a device or means to prevent reproduction, public communication, or distribution without the authorization the copyright or related rights holder.³⁶ It is very common to use mod-chips to modify or deactivate the restrictions and limitations imposed by the companies that manufacture videogame consoles.

Finally, we mention relevant jurisprudence on videogames and intellectual property or videogames and

image rights in the country, region or community. Outside the United States and Canada, we have not identified any jurisprudence in the matter in the countries of the American region. Among the most emblematic cases in the United States, we would like to highlight the following: *Brown v. Entertainment Merchants Association*³⁷; *Tetris Holding, LLC v. Xio*

³³ In Canada, the regulations of False or Misleading Representations and Deceptive Marketing Practices, was enacted on November 5, 2015.

³⁴ In Venezuela, the law on the Prohibition of Video Games and War Toys was approved on December 3, 2009.

³⁵ In the United States, several states, including California, Georgia, Illinois, Maryland, Michigan, and Washington, have passed laws regulating the sale of violent or sexually explicit videogames. Additionally, cities in Indiana and Missouri have passed ordinances that regulate the sale of such videogames. However, in every case, courts have ruled that computer and videogames are protected speech, and efforts to ban or limit access to, or the sale of, such games violate First Amendment rights.

³⁶ Law 3440/08, Subsection 3 of art. 184, which partially modified the Paraguayan Penal Code, punishes with penitentiary of up to three years or with a fine to which, '1. elude, modify, alter or transform, without authorization, the technical measures of protection of the works indicated in the preceding paragraphs; or 2. Produced, reproduced, obtained, stored, transferred to another or offered to the public devices or means specifically designed to facilitate the circumvention, suppression or unauthorized neutralization of technical measures of protection of the works indicated in the preceding paragraphs.'

³⁷ The State of California enacted a law that prohibited the sale or rental of violent video games to minors and required them to be labelled '18'. Respondents challenged the law, claiming it violated the First Amendment rights of the Game publishers and marketers. The district court and appellate court decisions below both concluded that the law violated the First Amendment and enjoined its enforcement. The U.S. Supreme Court affirmed the lower court's decision and held that 'videogames qualify for First Amendment protection. (...) Like the protected books, plays, and movies that preceded them, videogames communicate ideas—and even social messages—through many familiar literary devices (such as characters, dialogue, plot, and music) and through features distinctive to the medium (such as the player's interaction with the virtual world). That suffices to confer First Amendment protection'. The Court acknowledged that many video games had extreme levels of violence but rejected an argument that video games should be treated differently from other media because they are interactive - finding the issue simply one of degree relative to other protected works. The Court concluded that the law did not pass the 'strict scrutiny test' because it was not justified by a compelling government interest and narrowly drawn to serve that interest. *Brown v. Entm't Merch. Ass'n*, 564 U.S. 786 (2011).

*Interactive, Inc.*³⁸; *Kirby v. Sega of America*³⁹; *Keller v. Elec. Arts Inc.*⁴⁰; *Mil-Spec Monkey, Inc. v. Activision Blizzard*⁴¹; *Manuel Noriega v. Activision Blizzard Inc.*, among others.⁴²

³⁸ *Tetris Holding, LLC v. Xio Interactive, Inc.*, 863 F. Supp. 2d 394 (D.N.J. 2012) (Copyright - game cloning), Tetris Holding sued Xio Interactive for copyright infringement. Xio argued that there was no copyright infringement because it 'copied only non-protected elements, in particular the rules and functionality of the game, and not its expressive elements.' The Court held that Xio's version of the game infringed the copyright because XIO copied aesthetic choices that went well beyond the idea of the game, copying piece design and colors, piece movement, playing field dimensions, treatment and display of 'garbage lines' and 'ghost pieces' and that there were large numbers of alternative design choices available to Xio.

³⁹ *Kirby v. Sega of Am*, 144 Cal. App. 4th 47, 50 Cal. Rptr. 3d 607 (2006). Kirby sued Sega alleging that the Ulala character appropriated her look and dress, use of catch phrases, and signature dance moves, and that this violated her rights of publicity, violated the Lanham act by falsely suggesting she sponsored the game, and violated other unfair competition related laws. The court held that the Ulala character, even if it were based on Kirby, was different enough to be a transformative work, and that the First Amendment provided Sega with a complete defense to the claims.

⁴⁰ *Keller v. Elec. Arts Inc.*, 724 F.3d 1268 (9th Cir. 2013) (In re NCAA Student-Athlete Name & Likeness Licensing Litigation). Concerning the question of whether, for purposes of an anti-SLAPP motion under Cal. Code Civ. Proc. § 425.16(b)(1), a videogame developer had a First Amendment defense against the right-of-publicity claims of a former college football player whose likeness was used in a videogame, the court held that under the "transformative use" test, use of the player's likeness did not qualify for First Amendment protection as a matter of law because it literally recreated the player in the very setting in which he achieved renown; the Rogers test for Lanham Act false endorsement claims did not apply to right-of-publicity claims; California's state law defenses aimed at protecting the reporting of factual information did not apply because the game developer was not publishing or reporting factual data.

⁴¹ *Mil-Spec Monkey, Inc. v. Activision Blizzard, Inc.*, 74 F. Supp. 3d 1134 (N.D. Cal. 2014). In this action arising from claims of copyright and trademark infringement, plaintiff Mil-Spec

The Canadian courts have not yet considered the appropriation of personality in the context of videogames; however, videogames have been at issue in two important cases regarding copyright. The first case, *Entertainment Software Association v SOCAN*,⁴³ was an

Monkey, Inc. ("MSM") argued that the video game Call of Duty: Ghosts, created and published by defendant Activision Publishing, Inc. and Activision Blizzard, Inc. (collectively, "Activision") makes illicit use of MSM's "angry monkey" trademark, among the most popular morale patch designs the company promotes and sells online and through third parties. MSM brought five claims against Activision, alleging (1) copyright infringement; (2) trademark infringement under the Lanham Act; (3) false designation of origin; (4) California statutory unfair competition; and (5) common law trademark infringement. Activision moved for summary judgment on the four trademark-related claims, arguing that its use of the angry monkey design in Ghosts is protected by the First Amendment. The court granted the motion, finding that Ghosts – an interactive video game with compelling narrative, realistic graphics, distinctive music and sound, and distinctive characters, among other things – was an expressive work entitled to First Amendment protection.

⁴² *Manuel Noriega v. Activision Blizzard Inc.*, BC 551747 (Sup. Court of California. 2014). Manuel Noriega filed a lawsuit against Activision stating that Activision was using his image without his consent and would have shown it as "the culprit of numerous atrocious fictitious crimes" in the videogame Call of Duty: Black Ops II, to increase sales of the game. It stated that the company had infringed its image right, while Activision's position was that the use of the character was protected under the right to freedom of expression. The process was dismissed based on the statute of the State of California that seeks to avoid lawsuits that restrict freedom of expression. The judge proclaimed that Noriega's image right was exceeded by the First Amendment's right to freedom of expression for the defendants, and that there was no evidence of damage to Noriega's reputation. "The Court concludes that the marketability and economic value of the work questioned in this case does not come from Noriega, but from the creativity, the ability and the reputation of the accused."

⁴³ *Entertainment Software Association v SOCAN*, 2012 SCC 34 (Supreme Court of Canada).

appeal of the decision of the Copyright Board of Canada, which held the download of a file over the internet constituted a communication to the public. As such, the Society of Composers, Authors and Music Publishers of Canada (SOCAN) was entitled to collect royalties on behalf of its members for musical works in videogames downloaded over the internet. The Entertainment Software Association appealed the decision on the basis that a download of a videogame should be considered only a reproduction of the work and not both a reproduction and communication. In a five to four split decision, the majority of the Supreme Court of Canada held that applying an additional 'communication' tariff to the download of a permanent copy of a videogame would be contrary to the principle of technological neutrality, which requires that the Copyright Act apply equally between traditional and more technologically advanced forms of media. The majority found that there was no practical difference between buying a copy of the work in a store, receiving a copy in the mail or downloading a copy over the internet.

The most recent case, *Nintendo of America Inc. v King*,⁴⁴ was the first decision to consider the circumvention of technological protection measures, contrary to s. 41.1(1) of the Copyright Act. In an application before the Federal Court of Canada, the applicant, Nintendo of America Inc. (Nintendo), alleged the respondent company, Go Cyber Shopping, had circumvented its technological protection measures (TPMs) and these actions allowed users to play unlicensed copies of Nintendo's videogames. The respondent sold devices that mimicked the game cards used on the Nintendo 3DS system and installed mod chips designed to circumvent the copyright protection mechanisms in the Nintendo Wii console. The Court found that the respondent was liable for secondary infringement of Nintendo's copyrighted works and that the respondents had circumvented the technological protection measures put in place by Nintendo. The Court

awarded the maximum statutory damages (\$20,000) for each of Nintendo's works and \$1million in punitive damages, resulting in an award of over \$12.7 million.

7. CONCLUSIONS

After analyzing each of the different answers, we affirm that no country has a specific regulation of videogames as a type of special work recognized in copyright laws. Instead, they are assimilated in many cases as a software, audiovisual, multimedia or other type of works. Although, as mentioned above, the express recognition in the copyright regulations is not necessary to accord the category of work to a videogame, as this is a complex creation involving technical and artistic aspects, it would be desirable to avoid its assimilation with other types of works and establish special provisions in the copyright regulations for videogames (like what happens with software or audiovisual work). Meanwhile, the different copyright offices should take the initiative and provisionally establish a proper form for registration or deposit of videogames as a work in whole, to consign and jointly identify all those characteristic elements that comprise it, avoiding its dismemberment and separately protection.

Regarding videogames protection for other intellectual property rights, such as trademarks, patents, trade secrets, and industrial designs among others, we see that this protection in most countries means, on one hand, an additional safeguard regarding distinctive elements, new technical solutions, list of clients or test results, design and aesthetic appearance of peripherals, characters representation, etc., which in many cases are not subject to copyright protection. While, on the other hand, there is an overlap between what is protected by copyright and these other intellectual property rights (software protection, videogame title and characters representation, functional and aesthetic aspects, etc.). Also, we find other issues related to videogames

⁴⁴ *Nintendo of America Inc. v King*, 2017 FC 246 (Federal Court of Canada).

currently under worldwide discussion as the best way of protecting it (eg. Graphic user interface and icons in a videogame).

On the recognition and assignment of rights, almost all copyright laws have moral and patrimonial rights in videogames, and these latter rights are subject to different types of licenses. However, its scope and exercise will vary depending on the system adopted, creation regime in question, type of work present, quantity and quality of intervening authors, existing contractual relationship, legal presumptions, etc. Issues that are also directly linked are limits or exceptions, compensatory remuneration systems, derivative works, possible related rights in favor of users and the collective management of the rights of authors and game owners. We reiterate that a special regime of videogames will solve all these issues that find different solutions in legislation, and in many cases, are not even contemplated, such as the licensing regime for the organization of tournaments, competitions, among others.

The adjacent protection of videogames in most countries are recognized through the private image of people, subdivided in its aspect of protection of privacy, honor and reputation (privacy rights), as through its aspect of the commercial exploitation of the image of people (publicity rights). However, this last right is not regulated in many of the analyzed legislations, thus, requiring an express acknowledgment for its differentiation from privacy right-- a right that does have constitutional and legislative recognition regarding the privacy and protection of personal data, as well as different actions or guarantees to enforce it are contemplated (especially many countries recognize the figure of *habeas data*).

Among other issues related to videogames, in some countries, there are isolated special regulations on the functioning of certain aspects. In this regard, incentives to the software industry, specific requirements for establishments that offer videogame services, false or deceptive representations in the sale of videogames,

regulations for the sale of violent videogames or explicit sexual content -of doubtful constitutional scope- can be mentioned, and regulations related to copyright in general, but with direct effects on videogames, such as the circumvention of technical security measures.

Finally, we were surprised by the fact that, except for the United States and Canada, there is no case law related to videogames in the American region. There could be many reasons for this, but we can deduce the importance of the videogame industry in those countries to such an extent that the videogame industry has already surpassed in terms of monetization the music and the audiovisual industry together.

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12. INDUSTRY-FRIENDLY REGULATION FOR THE DEVELOPMENT OF A SHARING ECONOMY - FROM THE PERSPECTIVE OF CHINESE COPYRIGHT LAW

Yong Wan*

ABSTRACT

The accelerating pace of technological innovation has important implications for the regulation of the copyright sharing economy, since a number of new business models amass a good portion of their value by depending on an increasing number of consumers' utilization of copyrighted goods. The Chinese government learns from the experience of the United States, which recognizes the important role that the 'innovate first, regulate later' model has played in the innovation policy. It may seem surprising to find that Chinese judiciary and legislature adopt contradictory approaches to interpret the law or introduce new provisions in different times. However, the logic underlying them is coherent: to adopt industry-friendly copyright regulation policy.

Keywords: *Copyright Law; Copyright Exceptions; Safe Harbors; Sharing Economy; Innovation Policy*

1. INTRODUCTION

Historically, copyright law and technological innovation have been closely related. New technology may result in legislative amendments to recognize a new right, thus continuously extending the boundary of the copyright

law. This is evidenced by two new rights available to copyright owners: the technology-broadcasting right and the internet transmission technology-making available right. As the Preamble of the World Intellectual Property Organization (WIPO) Copyright Treaty (WCT) emphasizes, 'the development and convergence of information and communication technologies' has a profound impact on the evolution of the overall environment of the copyright system.

In an analogue environment, there would be no Videocassette Recorder if the United States Supreme Court in *Sony* did not rule that the making of individual copies of complete television shows for purposes of time shifting does not constitute copyright infringement, but is instead fair use.¹ In the digital environment, iPods would not have appeared if Apple could not count on copyright law to permit consumers to copy their existing CD collections.² Similarly, there would be no video sharing websites if the U.S. Congress did not introduce the safe harbour system for online storage in the Digital Millennium Copyright Act (DMCA).³ In contrast, the file-sharing technology pioneers Napster and Grokster were shut down because they were held liable for copyright infringement.⁴ In light of technological developments, the fair use doctrine and safe harbour system appears to play an important role as part of U.S. innovation policy.

If we compare the technological innovation between the United States and Europe, we may conclude that Europe lags behind the United States. This conclusion likely

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¹ *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417 (1984).

² Fred von Lohmann, 'Fair Use as Innovation Policy' (2008) 23 Berkeley Tech. L. J. 1, 8.

³ See Pub. L. No. 105-304, 112 Stat. 2860 (1998) (codified in scattered sections of 17 U.S.C.).

⁴ *A&M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004 (2001); *MGM Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913 (2005).

stems from the fact that Europe has neither the world's largest internet companies nor the world's largest leading digital technology. Perhaps it is because its innovation spirit is not as good as the United States. Two different European directives illustrate how Europeans treat copyrights and developing technology. The first is the European Information Society Directive, which leaves a rather narrow scope of exceptions that is usually subject to restrictive interpretation.⁵ Additionally, the European E-Commerce Directive lacks the safe harbour for information location tools.⁶

In the so-called 'new era of sharing economy,' copyright law will play an increasingly critical role in the innovation industry, since a number of new business models amass a good portion of their value by depending on more consumers' utilization of copyrighted goods. In this regard, policy-makers and courts must strive to balance the interests of copyright holders, the Network Service Providers (NSPs) and the public, in order to give innovators a bit of breathing room without unreasonably prejudicing the legitimate interests of the copyright holders.

The Chinese government views Internet technology as a general purpose technology affecting almost every aspect of the economy and society and recognizes China may be able to use to achieve the so-called 'corner-

overtaking.' In the last decade, the Chinese government has developed many industry-specific development policies, which has caused a spate of outstanding internet firms such as Baidu, Alibaba and Tencent.⁷ In the era of the sharing economy, what is the appropriate regulation strategy for China to adopt in order to achieve greater development? This article suggests China should continue to adopt the approach of industry-friendly regulation for innovation, as before.

2. COPYRIGHT EXCEPTIONS SYSTEM: REFORMING FOR NEW TECHNOLOGIES INDUSTRY

Traditionally, the approach to copyright exceptions and limitations⁸ differs significantly between the civil law system and the common law system: the former provides for a closed category of carefully-defined exceptions, whereas the latter allows for an open-ended fair use system.⁹ Both approaches have specific merits: the advantage of the former approach is legal certainty and the latter is flexibility.¹⁰

A. STATUTORY COPYRIGHT EXCEPTIONS SYSTEM IN CHINA AND THE UNITED STATES

Chinese lawyers take for granted that China belongs to the civil law system and follows the *droit d'auteur* tradition.¹¹ Consequently, Chinese Copyright Law must

⁵ Directive (EC) 2001/29 of 22 May 2001 on the Harmonisation of Certain Aspects of Copyright and Related Rights in the Information Society (hereinafter Information Society Directive).

⁶ Directive (EC) 2000/31 of 8 June 2000 on Certain Legal Aspects of Information Society Services, in particular Electronic Commerce, in the Internal Market (hereinafter E-Commerce Directive).

⁷ Robert D. Atkinson, 'ICT Innovation Policy in China: A Review' (2014) Information and Technology & Innovation Foundation <<http://www2.itif.org/2014-china-ict.pdf>> accessed 17 October 2018.

⁸ In this article, unless expressly specified otherwise, 'an exception' means an unremunerated permitted use: a synonym for 'free use', and a limitation means a remunerated permitted use: a synonym for 'non-voluntary license.'

⁹ Martin Senftleben, 'The International Three-Step Test: A Model Provision for EC Fair Use Legislation' (2010) J Intell. Prop., Info. Tech. and E-Commerce L 67.

¹⁰ *ibid* 68-69.

¹¹ Kangsheng Hu et al., *Zhonghua Renmin Gongheguo Zhuzuoquanfa Shiyi (Interpretations on the Copyright Law of the P. R. China)* (Law Press 2002) 41.

For a detailed analysis of the transplants of intellectual property laws in China, see Peter K. Yu, 'The Transplant and Transformation of Intellectual Property Laws in China', in Nari Lee et al., (eds), *Governance of Intellectual Property Rights in China and Europe* (Edward Elgar Publishing 2016).

balance the purpose of copyright law, 'encouraging the creation and dissemination of works which would contribute to the construction of socialist spiritual and material civilization,' and 'promoting the development and prosperity of the socialist culture and science,'¹² with the exhaustive list of exceptions allowed under copyright law.¹³

Chinese Copyright Law uses the term 'limitations' in a broad sense to cover both free use and statutory licenses. Free use means that 'a work may be exploited without the consent of, and without payment of remuneration to, the copyright owner, provided that the name of the author and the title of the work shall be mentioned if they are available and the other rights enjoyed by the copyright owner by virtue of the copyright law shall not be prejudiced.'¹⁴ Statutory license means the 'user can use certain kinds of works without the consent of the author, on the conditions that the user will pay remuneration.'¹⁵

Article 22 of the Chinese Copyright Law lists 12 types of free uses. In order to provide solutions to the questions raised by Internet technology, the Regulations for the Protection of the Right of Communication through Information Network (RPRCIN) appropriately extend the free uses in Article 22 of the Copyright Law into the digital environment.¹⁶

In addition, Article 21 of Implementing Regulations of the Copyright Law introduces a 'quasi' three-step test, which states the use of published works 'in accordance with the relevant provisions of the Copyright Law' should neither 'conflict with normal exploitation of the work' (the second step) nor 'unreasonably prejudice the legitimate interests of the author' (the third step). It is understood that 'the relevant provisions of the Copyright Law' means Art. 22 of the Copyright Law.¹⁷ The cases covered by the relevant provisions can be regarded as 'certain special cases' in the sense of the three-step test.

Under the literal interpretation of Article 21 of the Implementing Regulations, if an unauthorized use of copyrighted work is permissible, it will not only need to fall under the specific categories of copyright exceptions in Article 22 of the Copyright Law, but also to pass the three-step test. In other words, although copyright exceptions are already defined precisely, their application still depends on compliance with the open-ended three-step test. Consequentially, the attainable degree of legal certainty is reduced. On the other hand, the limited flexibility of the system of precisely defined exceptions is further restricted.¹⁸ In this regard, the current Chinese statutory copyright law offers neither legal certainty nor flexibility.

A prominent example of the common law approach to copyright exceptions is the fair use doctrine in the United States.¹⁹ The fair use doctrine has been developed

¹² Copyright Law of the People's Republic of China, art. 1 (2010) [hereinafter Chinese Copyright Law].

¹³ *ibid* art. 22.

¹⁴ *ibid*.

¹⁵ Qian Wang, *Zhuzuoquan Fa [Copyright Law]* (RUC Press 2015) 370.

¹⁶ See Regulations for the Protection of the Right of Communication through Information Network, 1198 St. Council Gaz. 13 (2006) art. 6 & 7, translated in 86 China Patents & Trademarks 90 (2006) (detailed analysis of the articles of RPRCIN); see Yong Wan, 'China's Regulations on the Right of

Communication through Information Network' (2007) 54 J. Copyright Soc'y U.S.A. 525, 534-36.

¹⁷ Chengsi Zheng, *Banquan Fa [Copyright Law]* 261 (2d edn, RUC Press, 1997); Haochen Sun, 'Overcoming the Achilles Heel of Copyright Law' (2007) 5 NW. J. Tech. & Intell. Prop. 265, 281.

¹⁸ The French Copyright system has the similar problem. See Martin Senftleben, 'Comparative Approaches to Fair Use: An Important Impulse for Reforms in EU Copyright Law' in Graeme B. Dinwoodie (ed.), *Methods and Perspectives in Intellectual Property* (Edward Elgar Publishing, 2013) 71.

¹⁹ *ibid*, 32.

through case law and is codified in Section 107 of the 1976 Copyright Act.²⁰ Section 107 lists four factors for courts to weigh in determining fair use: (1) the purpose and character of the use, including whether such use is of a commercial nature or is for non-profit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work.

The central advantage of the fair use doctrine is flexibility. Within a flexible framework, the courts can adapt the copyright exception infrastructure to new circumstances. There is no need for constant amendments to legislation that may have difficulty keeping pace with the speed of technological development.²¹ Consequently, courts and legal scholars have long sung the praises of the fair use doctrine, which is understood to allow creators to build on the works of their predecessors by permitting a framework for the authorized use of copyrighted works that would otherwise be unlawful.²²

B. CHINESE COURTS LEARN FROM THE U.S.'S FLEXIBLE FAIR USE DOCTRINE: THE GOOGLE CASE AS AN EXAMPLE

In 2004, Google announced the Google Books Project to scan books under agreements with several major research libraries throughout the United States and other countries. Google has provided digital copies to participating libraries, created an electronic database of

books and made 'snippets' of these books available through their search engine. However, millions of the books scanned by Google were still under copyright protection, nor did Google obtain permission from the copyright holders. Since the Google Books Project is a global project, they could be subject to litigation around the world.²³

In the United States, the Supreme Court in 2016 denied the Authors Guild's petition without explanation, meaning that the Second Circuit Court's decision stands.²⁴ The latter affirmed the judgment of the District Court for the Southern District of New York, and concluded that Google's copying is highly transformative and satisfies U.S. Copyright Law Section 107's test for fair use.²⁵

Despite Google's victory in the United States, Google lost in China. However, the Chinese decisions did not close the door for Google to develop its Books Project in China.²⁶

As mentioned above, the current Chinese statutory law model on exceptions to copyright law provides a rather narrow catalogue of specific and exhaustive exemptions. Due to its narrow scope, the Chinese Copyright Law is often not capable of dealing with new technologies, even though the defense of an infringement claim seems reasonable. Obviously, the technologies and activities of Google Books Project was not imagined by the Chinese legislators in 1990,²⁷ and indeed any of the existing free

²⁰ 17 U.S.C. § 101 (2006).

²¹ Pamela Samuelson, 'Justifications for Copyright Limitations & Exceptions' in Ruth Okediji (ed.), *Copyright Law in an Age of Limitations and Exceptions* (2015) <<http://ssrn.com/abstract=2476669>> accessed 17 October 2018.

²² von Lohmann (n 2) 1.

²³ *Authors Guild v. Google Inc.*, 954 F. Supp.2d 282, 285 (S.D.N.Y. 2013).

²⁴ See Supreme Court Order List, 578 U.S. 15-849 (2016) <http://www.supremecourt.gov/orders/courtorders/041816zor_2co3.pdf> accessed 17 October 2018.

²⁵ *Authors Guild v. Google Inc.*, 804 F.3d 202 (2d Cir. 2015).

²⁶ In the first instance, Google lost because the First Intermediate Court of Beijing erred in its finding of fact; in the second instance, Google lost because it had not carried the burden of persuasion to support the free use defence. For a detailed analysis of Google case in China, see Yong Wan, 'Similar Facts, Different Outcomes: A Comparative Study of the Google Books Project Case in China and the United States' (2016) 63 J. Copyright Society U.S.A 573.

²⁷ The free use provisions in 1990 Copyright Law did not change substantially.

uses listed in copyright law cannot exempt Google's activities.

In ordinary interpretation of the text of the copyright law, Google would fail, since copyright infringement is the use of copyrighted works without copyright holder's permission, infringing certain exclusive rights.²⁸ However, both the court of first instance and the appeal court did not stop here: they introduced innovative tests to discuss whether an activity is free use or not.

The First Intermediate Court of Beijing introduced a new reading of the three step test: 'in special cases, use of a copyrighted work without permission from the copyright holder may be considered to be free use, if such a use neither conflicts with a normal exploitation of the work, nor unreasonably prejudices the legitimate interests of the copyright holder.'²⁹ It means there are three conditions to be satisfied before a new exception (not provided for in Article 22 of the Copyright Law) is permissible: (1) it is confined to in special cases; (2) it does not conflict with a normal exploitation of the work; and (3) it does not unreasonably prejudice the legitimate interests of the right holder.

The Chief Judge who wrote the trial court opinion emphasized in an article that: in certain circumstances, when the activities in issue concern public interest, even if they do not fall under any specific category of copyright exceptions in the copyright law, the courts may conclude

that they constitute free use. The Google Books project is considered to be such a circumstance.³⁰

It is also interesting to find that the First Intermediate Court of Beijing used the term 'transformative use,' which is a concept in U.S. case law.³¹ In the court of first instance's view, if a use does not replace the function of the original work and serves a different function from the original work, it is a transformative use.³² If a use was transformative, it would 'neither conflict with a normal exploitation of the plaintiff's work, nor unreasonably prejudice the legitimate interests of the plaintiff'; in other words, if a use is considered to be transformative, that would be dispositive.³³

Google appealed to the Beijing Higher Court, which made the same conclusion as the first instance court, that Google's use was not a 'free use,' but based on different reasoning than the first instance court's analysis.

The Beijing Higher Court found that use of a copyrighted work may be considered to be free use in exceptional circumstances, even if such use does not fall within any enumerative catalogue of exceptions in Article 22 of the Copyright Law. In assessing whether such exceptional circumstances exist, Beijing Higher Court introduced multi-factor test, in which three of the four factors in U.S. fair use provisions and two of three elements in the three step test are covered in a somewhat modified version: (1) the purpose and the character of the use; (2) the nature

²⁸ Qian Wang, *Zhuzuoquan Fa [Copyright Law]* (RUC Press, 2015) 370.

²⁹ *Shen Wang v. Guxiang Info. Tech., Ltd. & Google, Inc.*, No. 1321 Yizhongminchuzi (Beijing 1st Interim Ct. 2011).

³⁰ Songyan Rui, 'Wangzhan Quanwen Fuzhi Taren Zuopin Goucheng Qinquan' ('Copying the Entirety of Copyrighted Works by Websites Constitutes Infringement'), (2014) 20 *Renmin Sifa* 4, 6.

³¹ The concept of transformative use was introduced by Judge Pierre N. Leval in his article, 'Toward A Fair Use Standard' 103 *Harvard L R* 1105 (1990); the Supreme Court of the United States adopted later in its fair use decision in *Campbell v. Acuff-Rose*:

'[t]he central purpose ... is to see ... whether the new work merely supersedes the objects of the original creation ... or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is "transformative."'

See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994).

³² *Shen Wang* (n 30).

³³ *Shen Wang* (n 30).

of the copyrighted work; (3) the character and the amount of the portion used in relation to the copyrighted work as a whole; (4) whether the use has effect on the normal exploitation of the work; (5) whether the use unreasonably prejudice the legitimate interests of the copyright owners.³⁴ The user shall carry the burden of proof as to whether such exceptional circumstances exist. However, in this case, Google failed to provide sufficient evidence to prove that its use constituted exceptional circumstances.³⁵

The Google Books decisions in the United States are based upon the doctrine of fair use. In contrast, such a flexible doctrine does not exist in Chinese statutory copyright law. However, the First Intermediate Court of Beijing and Beijing Higher Court broke out of the usual framework of statutory provisions, introducing innovatory test to determine free use, and Google lost because it had not carried the burden of persuasion to support the free use defense.

C. LEGISLATIVE DEVELOPMENT

It should be noted that the Supreme Court of China, in a policy document, even mentioned the four factors of Section 107 of the U.S. Copyright Act as factors to determine free use:

In the definitely necessary circumstances to stimulate technical innovation and commercial development, an act that would neither conflict with the normal exploitation of the work nor unreasonably prejudice the legitimate interests of

the author, may be considered as free use, provided that the purpose and character of the use of the work, nature of the work, amount and substantiality of the portion taken, and effect of the use upon the potential market and value have been taken into account.³⁶ (Emphasis added)

In addition to the court cases, the Chinese government has attempted to develop relevant legal solutions. The Latest Draft Amendment of the Chinese Copyright Law (hereinafter the Latest Draft) adopted an open-ended approach, and the Latest Draft currently sits with the State Council Legislative Affairs Office (SCLAO).³⁷ It added 'other situations' as subparagraph 13 after the list of 12 categories of exceptions.³⁸ In addition, it introduced a new reading of the three-step test in paragraph 2: '[t]he use of the work in the above situations should neither affect the normal exploitation of that work, nor unreasonably prejudice the legitimate interests of the copyright owners.'³⁹

The copyright exceptions system is an important part of copyright's innovation policy.⁴⁰ From the discussion above, it is clear the Chinese government is serious about attracting high technology investments to encouraging innovation. This is evidenced by the Chinese judiciary and legislature reforming the current copyright exceptions system that currently includes an exhaustive list of very specific exceptions, discouraging businesses from investing in new technologies.

³⁴ *Google, Inc. v. Shen Wang*, No. 1221 Gaominzhongzi (Beijing Higher Ct. 2013).

³⁵ *ibid.*

³⁶ The Supreme Court of China, Opinions on Several Issues on Sufficient Exercise of Intellectual Property Judicial Function to Promote Socialist Cultural Development and Prosperity and to Stimulate Economic Autonomous and Harmonious Development (Supreme People's Court, 16 December 2011).

³⁷ State Council Legislative Affairs Office, 'Circular on Solicitation of Public Comments on the Draft Amendment of the Copyright

Law'

<<http://www.chinalaw.gov.cn/article/cazjgg/201406/20140600396188.shtml>> accessed 17 October 2018.

³⁸ Art. 43(i) (13) of the Latest Draft.

³⁹ Art. 43 (ii) of the Latest Draft.

⁴⁰ Fred von Lohmann, 'Fair Use as Innovation Policy' (2008) 23 *Berkeley Tech. L. J.* 1, 8.

3. SAFE HARBORS SYSTEM: ADOPTING THE U.S. MODEL TO PROMOTE THE DEVELOPMENT OF SEARCH ENGINE INDUSTRY

NSPs provide critical infrastructure support to the Internet allowing millions of people to access online content and communicate with each other. The potential for users to infringe copyright using the Internet could expose NSP to claims of secondary liability, which would deter the NSP from making the necessary investment in the expansion of the speed and capacity of the Internet.⁴¹ In order to attract the substantial investments, the NSP should receive liability protections.

A. SAFE HARBOR PROVISIONS UNDER THE U.S. DMCA AND EUROPEAN E-COMMERCE DIRECTIVE

In 1998, the American Congress enacted the DMCA to update copyright law to keep pace with the internet. The DMCA added 'safe harbor' provisions (codified at 17 U.S.C. § 512) that protect qualifying NSPs from monetary liability in an effort to balance the interests of copyright holders and NSPs in a way that will foster the growth of the internet.

Two years after the enactment of the DMCA, the European E-Commerce Directive was approved. The E-Commerce Directive aims to remove obstacles to cross-border provision of online services in the European Union and to provide legal certainty to businesses.⁴² Although largely inspired by the DMCA safe harbors, the approach of the E-Commerce Directive differs from the DMCA in a number of significant ways.⁴³ The eminent difference is that the DMCA protects four categories of online activity

whereas the E-Commerce Directive protects only three categories. The DMCA protects: transitory digital network communications; system caching; residing information at the direction of users; and the use of information location tools.⁴⁴ The E-Commerce Directive excludes the last category, the use of information location tools. Additionally, there are no notice and take-down procedures in the E-Commerce Directive, since at the time when the Directive was adopted, the European Union determined such procedures should not be regulated in the Directive itself.⁴⁵

B. CHINESE CHOICE

Although the Chinese Copyright Law was amended in 2001, when the American DMCA and the European E-Commerce Directive had been passed, it did not focus on the digital copyright since the primary aim of that amendment was to pave the way for China's accession to the WTO and implementation of the TRIPS Agreement.⁴⁵ It wasn't until May 18, 2006 that the Regulations for the Protection of the Right of Communication through the Information Network (hereinafter referred to as RPRCIN) were adopted by the State Council of the People's Republic of China. The RPRCIN was adopted to respond to the digital technology challenge and to strike a balance between the liability of NSPs and the protection of copyright over the network. The drafters of the RPRCIN absorbed experiences both from the DMCA and E-Commerce Directive on the safe harbor provisions. In general, the Chinese safe harbors system is more like a US-style, instead of an EU-style, since the RPRCIN incorporates all the four safe harbors under the DMCA.⁴⁶

⁴¹ S. Rep. No. 105-190, at 8 (1998) (US).

⁴² Thibault Verbiest *et al.*, 'Study on the Liability of Internet Intermediaries' in *EU Internet Law: Regulation and Enforcement* <<https://tinyurl.com/y49bgubo>> accessed 24 May 2019.

⁴³ Miquel Peguera, 'The DMCA Safe Harbors and Their European Counterparts: A Comparative Analysis of Some Common Problems' (2009) 32 Colum. J. L. & Arts 481, 481.

⁴⁴ 17 U.S.C. § 512(a)-(d).

⁴⁵ Verbiest (n 42).

⁴⁵ Qian Wang, *Zhishichanquan Fa Jiaocheng [Intellectual Property Law]* (3rd edn, RUC Press 2011).

⁴⁶ See Regulation for the Protection of the Right of Communication through Information Network (RPRCIN), China Patents and Trademarks No. 3, 2006, arts. 20-23; Qian Wang, *Wangluo Huanjing Zhongde Zhuzuoquan Baohu Yanjiu*

It is understood the safe harbor provisions encourage Internet Service Providers (hereinafter referred to as ISPs) to cooperate with copyright holders in enforcing their copyright and provide the ISPs with more certainty in order to attract investments to continue the expansion of the Internet. Consequently, the United States has a world-leading search engine company (Google) and China also has a giant search engine company (Baidu), but the EU does not.

Under the DMCA, before a NSP can take advantage of any safe harbor, it must meet the two requirements of Section 512(i). The first is that a NSP must 'adopt and reasonably implement, and inform subscribers and account holders of the service provider's system or network of, a policy that provides for the termination in appropriate circumstances of subscribers and account holders of the service provider's system or network who are repeat infringers.'⁴⁸ The second is that the NSP must 'accommodate and not interfere with standard technical measures... used by copyright owners to identify or protect copyrighted works.'⁴⁹ In contrast, there are no such conditions under the RPRCIN for a NSP to meet before it can enjoy the privileges. In this regard, it is easier for an NSP to enjoy the privileges of the safe harbors in China than in the United States. This might be the reason that China's Internet industry has developed rapidly, although it started later.

4. VIDEO SHARING INDUSTRY: DISPARATE TREATMENT IN DIFFERENT DEVELOPMENT PERIOD

Most of Chinese video sharing websites started around 2005⁵⁰ when the RPRCIN was promulgated and the safe

harbor for the video sharing industry's benefit was introduced.⁵¹ In the early stages of development (2006-2009), Chinese courts preferred to interpret the requirements of the safe harbor broadly, giving the ISPs easier access to the safe harbor. After the video sharing industry developed (after 2009), Chinese courts changed attitudes and adopted a stricter interpretation.

Chinese courts have also changed their attitudes towards deep-linking. Several years ago, there was nearly no online copyrighted content industry in China, and most of the linked content in video-sharing websites was pirated content. However, in recent years, leading video-sharing websites in China have invested a large amount of money to obtain copyright. For example, the largest Chinese video-sharing website, Youku.com, prepared to invest 18 billion RMB (2.3 billion Euro) in 2018 to obtain copyright.⁵² The greatest challenges the video-sharing websites face are deep-linking technologies, especially video aggregation websites, which collect and organize online videos from various popular video hosting sites. In order to protect the content industry, Chinese courts have begun to reconsider the regulation method for deep-linking.

A. INTERPRETATIONS OF NOTICE AND TAKE-DOWN PROCEDURE

Notice and take-down procedures are required to take advantage of the hosting safe harbor. Notice and take down procedures require the NSP to disable access to the material claimed to be infringing upon receiving notification of the claimed infringement.

[*Copyright Protection in the Network Environment*] (Law Press, 2011) 208.

⁴⁸ 17 U.S.C. § 512(i)(1)(A).

⁴⁹ 17 U.S.C. § 512(i)(1)(B).

⁵⁰ The Research Group on Development of the Video-sharing Websites in China, 'Zhongguo Shipin Wangzhan Fazhan Yanjiu Baogao' ['Development of the Video-sharing Websites in China'], (2014) 6 Chuanmei 8. The following division of development

periods of video sharing industry is also originated from this article.

⁵¹ RPRCIN (n 46) art. 22.

⁵² Xiaoman Jiang, 'The Budget of Youku.com to Obtain Copyright in 2018 is 18 Billion' (Beijing, 5 March 2018) <http://www.sohu.com/a/224918888_668372> accessed 17 October 2018.

RPRCIN Article 14 stipulates in great detail the elements that a notification of claimed infringement must contain to be effective. To be effective, a notification must be in writing⁵³ and include a statement of certification of the notification's accuracy.⁵⁴ In addition, the notification must include: (1) the name (appellation), means of contact and address of the right owner; (2) the title and network address of the infringing material which is requested to be removed or to which the link is requested to be disconnected; and (3) the prima facie proofs of the infringement.⁵⁵ Under the literal interpretation, lack of any one of the elements will result in the notification nonbinding, since the RPRCIN does not use the term 'substantially.'⁵⁶

Early on, courts found such a defective notification shall not be considered in determining a NSP has actual knowledge or apparent knowledge.⁵⁷ However, later

court decisions found that a noncompliant notice may be a 'red flag'⁵⁸ if the notice includes necessary information to permit the NSP to locate the infringing material.⁵⁹ This interpretation is confirmed by the Guiding Opinions of Beijing Higher Court.⁶⁰

What if the allegation of infringement relates to several works? Generally, early court decisions were of the view that the notification must clearly state each work.⁴⁷ In contrast, more recent court decisions held that one notification may apply to multiple copyrighted works at a single online site so long as the notification includes a representative list of such works at that site.⁴⁸

B. THE LEGAL REGULATION OF DEEP-LINKING

The term 'deep linking,' used by most Chinese courts is a broader term that includes embedded link and framed link and excludes a simple link.⁴⁹ As simple linking

⁵³ RPRCIN provides no clear guidance on the meaning of a written notification. However, in accordance with the Contract Law, a written notification includes telegram, telex, facsimile, electronic data exchange and electronic mail, etc. which is capable of expressing its contents in a tangible form. See Contract Law of P. R. China art. 11.

⁵⁴ The last sentence of RPRCIN Art. 14.

⁵⁵ RPRCIN art.14. The prima facie proofs of the infringement are the proofs that may prove that the right holder's copyright is prejudiced. Such proofs include the proofs of ownership of a valid copyright, the proofs of unauthorized use or the proofs of breach of contract. "The work papers concerning copyrights provided by the parties in question, originals, and legitimate publications, registration certificate of the copyrights, certificates issued by the authentication institution and the contracts obtained may be taken as" such proofs. See Jianhua Zhang et al., *Xinxi Wangluo Chuanbo Quan Baohu Tiaoli Shiyi [Interpretations of the RPRCIN]* (China Legal Publishing House, 2006) 56; *Ningbo Success Multimedia Communication Co. Ltd., v. Beijing Shi Yue Network Technology Co. Ltd.*, No. 5314 Erzongminzhongzi (Beijing 2nd Interm. Ct. 2008).

⁵⁶ RPRCIN (n 46), arts. 14, 15.

⁵⁷ Shuwen Mei & Bo Wen, 'Tanxi Bifenggang Guize Zhuguan Yaojian' ['Analysis on Subjective Requirements of Safe Harbors'] (2009) 219 *Dianzi Zhishichanquan* 18, 20.

⁵⁸ The "red flag" test is a concept originated from the DMCA. It has both a subjective and an objective element. The subjective element tests the service provider's subjective awareness of the facts or circumstances of infringing activity. The objective element tests whether "infringing activity would have been apparent to a reasonable person under the same or similar circumstances". See S. Rept 105-190, 105th Cong., 2d Sess. (1998) 44.

⁵⁹ See e.g., *Beijing Wangle Technology Co. Ltd., v. Beijing 56.com Information Technology Co. Ltd.*, No. 14734 Chaominchuzi (Beijing Chaoyang Dist. Ct. 2009).

⁶⁰ Point 28 of Notice of the Higher People's Court of Beijing on Issuing the Guiding Opinions (I) on Several Issues Concerning the Trial of Cases Involving Copyright Disputes in Cyberspace (for Trial Implementation).

⁴⁷ See e.g., *Warner Music Hong Kong Ltd. v. Alibaba Information Technology Co. Ltd.*, No. 02630 Erzongminchuzi (Beijing 2nd Interm. Ct. 2007).

⁴⁸ See e.g., *Universal Music Group v. Baidu, Inc.*, No. 1694 Gaominzhongzi (Beijing Higher Ct. 2010).

⁴⁹ In the view of most Chinese courts, there are two forms of linking: simple linking, which delivers the public to the linked website's homepage and deep linking, which delivers the public

contributes to a growth in both traffic and popularity, websites usually do not object to simple linking, and there are no disputes related to simple linking before Chinese courts.⁵⁰ On the other hand, deep linking has involved an ongoing debate, because it circumvents the advertising-rich homepage and may lead to lost revenue.⁵¹

In the EU, the legal regulation of deep-linking is relevant to the interpretation of the right to communicate the work to the public.⁵² China and the EU are contracting parties of the WIPO Internet Treaties⁵³: the WCT and the WIPO Performances and Phonograms Treaty (WPPT). The EU adopted the Information Society Directive to implement, *inter alia*, making available right. Article 3 (1) of the Directive includes language identical to Article 8 of the WCT, requiring member states to protect the right of communication to the public, including the making available right; Article 3 (2) of the Directive aims at implementing Article 10 and 14 of the WPPT with regard to the making available right for related rights holders.⁶⁸ In contrast, China opted for a different statutory

implementation approach, using a standalone right: right of communication through information network.

The WCT was adopted in order to address the challenges of digital technological developments, in addition to filling in some of the gaps in the Berne Convention for the Protection of Literary and Artistic Works (Berne Convention).⁶⁹ In the Berne Convention, the right of communication to the public is regulated in a fragmented manner, leaving gaps both as to subject matter covered by the right, and as to the exclusive rights conferred.⁵⁴ In order to complement the fragmentary set of provisions on the right of communication to the public under the Berne Convention and thereby to fill certain gaps,⁵⁵ and also to cover interactive on-demand acts of communication,⁵⁶ Article 8 of the WCT provides:

authors of literary and artistic works shall enjoy the exclusive right of authorizing any communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them.

to a specific piece of web content on a website, rather than the website's home page. See e.g. *e-linkway Technology Co. Ltd., v. Tencent, Inc.*, No. 143 Jingzhiminzhongzi (Beijing IP Ct. 2016). For a detailed explanation of simple link, deep link, embedded link and framed link, see Alain Strowel & Nicolas Ide, 'Liability with Regard to Hyperlinks' (2000-2001) 24 *Columbia-VLA J. of L. & Arts* 403, 407-409.

⁵⁰ See Qian Wang, 'Lun Tigong Shenceng Lianjie Xingwei De Falv Dingxing Ji Qi Guizhi' ['The Legal Nature and Regulation of Communication through Information Network'] (2016) 10 *Faxue* 23, 24.

⁵¹ *ibid.*

⁵² See e.g., *Nils Svensson, Sten Sj gren, Madel Sahlman, Pia Gadd v Retriever Sverige AB* (Case C-466/12); *BestWater International GmbH v. Michael Mebes and Stefan Potsch* (Case C-348/13); *GS Media BV v. Sanoma Media Netherlands BV and Others* (Case C-160/15).

⁵³ Mihály Ficsor, *The Law of Copyright and the Internet: The 1996 WIPO Treaties, their Interpretation and Implementation* (OUP 2002) ix.

⁶⁸ Michel M Water & Silke von Lewinski, *European Copyright Law: A Commentary* (OUP, 2010) 980.

⁶⁹ Sam Ricketson & Jane C. Ginsburg, *International Copyright and Neighboring Rights: The Berne Convention and Beyond* (2nd edn, OUP 2006) 583.

⁵⁴ *ibid* 717-718; Ficsor (n 67) 494-495.

⁵⁵ Jörg Reinbothe & Silke von Lewinski, *The WIPO Treaties 1996: The WIPO Copyright Treaty and the WIPO Performance and Phonograms Treaty: Commentary and Legal Analysis* (Butterworths 2002) 104.

⁵⁶ WIPO, Basic Proposal for The Substantive Provisions of The Treaty on Certain Questions concerning The Protection of Literary and Artistic Works to be Considered by the Diplomatic Conference (hereinafter Basic Proposal) (WIPO Doc. CRNR/DC/4, Aug. 1996), note 10.11.

From the adopted text, it is clear that Article 8 includes two parts. The first part (before ‘including’) is aimed to supplement the existing provisions of the Berne Convention with respect to the traditional right of communication to the public⁵⁷ and the second part (after ‘including’) is intended to cover interactive digital transmissions which became an important means of exploitation of copyrighted material only after the negotiation of the TRIPS Agreement.⁷⁴ In the framework of the WCT, making available is one of the sub-rights of the right of communication to the public. However, since the WIPO ‘Internet Treaties’ adopt the so-called ‘umbrella solution,’ the making available right’s relation to the right of communication to the public under the Internet Treaties has no bearing on the choice of its systematic classification under national law.⁷⁵ In other words, the contracting parties are free to implement the exclusive right to authorize interactive transmissions into the national law, either as a subset of the right of communication to the public, as a stand-alone making available right, or through the combination of different rights.⁷⁶

The 2001 Copyright Law introduced a concept of ‘right of communication through the information network’ as one of exclusive rights enjoyed by authors.⁷⁷ Article 10 (12) of the Copyright law reads as: ‘right of communication through the information network, that is, the right of

making available to the public of the works, by wire or by wireless means, in such a way that the public may access the works at a time and from a place individually chosen by them.’ Comparing Article 10 (12) of the 2001 Copyright Law with the Article 8 of the WCT, we can conclude that although Chinese Copyright Law uses the term ‘right of communication through information network,’ instead as making available right, the content of them is *de facto* the same.⁷⁸

In early cases regarding the deep linking, Chinese courts usually adopted the server test, which originated from the judgment of the District Court for the Central District of California in *Perfect 10 v. Google*.⁷⁹ However, Chinese courts over-emphasized the importance of the server holding that what counts is the initial uploading of the work into the server. An act of information network communication involves a series of acts of transmissions as well as acts of reproductions (for instance, storage of a work, uploading, caching). The initial uploading is the basis and origin of the other acts. Without initial uploading, other acts are like ‘water without a source,’ and there is no communication. Since there is no uploading of works into the server, deep-linking does not constitute an information network communication/a making available and consequently a direct infringement.⁸⁰

⁵⁷ *ibid*, 107.

⁷⁴ *ibid*, 104.

⁷⁵ Silke von Lewinski, *International Copyright Law and Policy* (OUP 2008) 458.

⁷⁶ United States Copyright Office, ‘The Making Available Right in the United States: A Report of the Register of Copyrights’ (Feb. 2016) 12
<https://www.copyright.gov/docs/making_available/making-available-right.pdf> accessed 17 October 2018.

⁷⁷ Yuping Duan, ‘Xin Zhuzuoquanfa Guangyu Xinxi Wangluo Chuanbo Quan De Guiding Yiji Yu Liangge Xin Tiaoyue Zhi Bijiao’ [The Provisions under the New Copyright Law on the Right of Communication through the Information Network and the Comparison with the Internet Treaties] (2001) 48 Zhuzuoquan

51, 51-52; Hong Xue, *Shuzhi Jishu De Zhishi Chanquan Baohu [Digital Technology and Intellectual Property Protection]* (IP Press 2002) 100.

⁷⁸ Yuping Duan, ‘Brief Introduction to the New Chinese Copyright Law’ in Frank Gotzen (ed), *The Future of Intellectual Property in The Global Market of The Information Society: Who Is Going to Shape the IPR System in The New Millennium?* (Bruylant 2003) 46.

⁷⁹ *Perfect 10, Inc. v. Google, Inc.*, 416 F.Supp.2d 828 (C.D. Cal. 2006).

⁸⁰ See e.g., *Zhejiang Flyasia E-Business Co. Ltd., v. Baidu, Inc.*, No. 1201 Gaominchuzi (Beijing Higher Ct. 2007).

However, recently, more and more courts refused such a test and held that ‘making available’ is not limited to uploading the copyrighted material into the server. With the advent of technological development, activities making copyrighted works available may take many forms. The right of communication through information network ought to protect any independent economic exploitation for financial profit; in other words, copyright holders should be given control over each separate market in which their works are being used. Since the deep-linking plays a *de facto* role in ‘making available’ the videos to the public with a substantial substitution effect and a linker does not pay the license fee to the copyright holder, the deep-linking shall be covered by the right of communication through information network.⁸¹

B. AMOUNT OF DAMAGES

Chinese courts have been criticized for being too conservative and arbitrary when awarding damages.⁸² A report in 2009 revealed the median copyright damages in video sharing cases awarded by Chinese courts is about 21,800 RMB (currently about 2,480 GBP), and the judgments are generally not transparent as to how the damages are actually calculated.⁸³ Although the transparency problem has not been solved, the amount of damages has been increasing.

Article 48 of the Chinese Copyright Law introduces three measures to determine the damages: (1) the copyright holder’s actual losses; (2) the infringer’s unlawful gains; and (3) the statutory damages.⁸⁴ More than 90% court decisions adopted the measure of statutory damages, which is an approach to avoid the difficulties of a precise assessment of actual losses or illegal gains. The Copyright Law allows an award of statutory damages less than 500,000 (RMB). Within that range, the court has discretion to award an amount considered ‘just.’ It is ambiguous from the text whether the maximum level of statutory damages applies to each case or work/episode. In early years, the Chinese courts usually found the maximum limits apply to each case. In consideration of this, many copyright holders chose to bring multiple actions with respect to each infringed work to maximize the potential damages that can be recovered.⁸⁵ The situation has changed recently. For example, a court found the maximum level of statutory damages applied to each episode; the statutory damages are RMB 495,000 per episode and the total damages are RMB 4950,000.⁸⁶

In its early development period, the video-sharing industry was young and lacked funds. In such circumstance, if the amount of damages were too high, it would impede or even stifle the development of this industry. However, currently, the video-sharing industry has developed well, which has attracted a lot of

⁸¹ *Tencent, Inc. v. e-linkway Technology Co. Ltd.*, No. 40920 Haiminzhichuzi (Beijing Haidian Dist. Ct. 2015).

⁸² Kristina Sepetys & Alan Cox, ‘Intellectual Property Rights Protection in China: Litigation, Economic Damages and Case Strategies’ in Gregory K. Leonard & Lauren J. Stiroh (ed.) *Economic Approaches to Intellectual Property: Policy, Litigation and Management* (NERA Economic Consulting 2005) 11.407.

⁸³ Zhenhua Nie, *Shipin Fenxiang Wangzhan Zhuzuoquan Qinquan Wenti Chengan Yanjiu [The Research of Resolved Cases about the Copyright Infringement in the Video-Sharing Websites]* (Law Press 2012) 64-65.

⁸⁴ art. 48 of the Copyright Law states: “Anyone who infringes upon the copyright or a right related to the copyright shall compensate for the actual losses suffered by the right holder, or where the actual losses are difficult to calculate, pay damages

on the basis of the unlawful gains of the infringer. The damages shall include the reasonable expenses paid by the right holders for stopping infringement activities. Where the actual losses of the right owner or the unlawful gains of the infringer cannot be determined, a court shall, in light of the circumstances of the infringement, award damages not exceeding RMB 500,000.”

⁸⁵ Wenjie Tang, ‘Banquan Qinquan Sunhai Peichang Erti’ [‘Two Issues in Copyright Damages’] <http://www.chinalawedu.com/news/20800/213/2005/12/li7626234044192215002113305_180995.htm> accessed 17 October 2018.

⁸⁶ *Zhejiang Radio & Television Group v. MIGU Co., Ltd.* (Hangzhou Internet Ct. 2017).

investment, and accordingly it may bear a high amount of damages.

5. CONCLUSION

The American legislative and jurisprudential experiences recognize the important role the ‘innovate first, regulate later’ model has played in U.S. innovation policy. Copyright holders, the NSPs, and the public have all enjoyed the benefits of this policy, despite the fact that it has not been expressly articulated by the courts or legislators.⁸⁷

At first glance, it seems surprising to find that Chinese judiciary and legislature, on the one hand, introduced a flexible and open-ended copyright exceptions system and, on the other hand, interpret the exclusive right of communication through information network broadly. In addition, in different times, similar cases may yield different results. On its face, it appears to be contradictory or uncertain; however, the logic underlying it is coherent: to adopt industry-friendly copyright regulation policy, instead of simple de-regulation or regulation policy.

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⁸⁷ von Lohmann (n 2) 32.

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13. ARTIFICIAL INTELLIGENCE AND COPYRIGHT: THE AUTHORS' CONUNDRUM

Sik Cheng Peng*

ABSTRACT

In the last few years, the world witnessed the generation of creative works by artificial intelligence (AI). The development of artificial intelligence towards technologies capable of autonomous creation brings to the fore several interesting yet muddled copyright questions. The questions include whether a man-made machine, or intelligent agent, may be regarded as an 'author' in the eyes of copyright law. This question has already sparked debates and differing views. Closely associated with the authorship issue, other issues relating to the duration of copyright in the works and authors' moral rights inevitably arise. In Malaysia, copyright in literary, artistic and musical works is protected during the life of the author plus fifty years after the author's death. If a robot with artificial intelligence is treated as the author of a literary, artistic, or musical work, it has produced a copyright work, and if it subsists, the copyright will be potentially permanent as long as the robot does not 'die'. This paper seeks to examine whether AI-produced works are eligible for copyright protection in view of the non-human author.

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¹ Chloe Olewitz, 'A Japanese AI Program Just Wrote a Short Novel, and it Almost Won a Literary Prize' (*Digital Trends*, 23 March 2016) <<https://www.digitaltrends.com/cool-tech/japanese-ai-writes-novel-passes-first-round-national-literary-prize/>> accessed 1 October 2018.

² Stephen Chen, 'Roses are Red, Violets are Blue; Does AI Poetry Do it for You?' *South China Morning Post* (Hong Kong, 6 June 2017) <<https://www.scmp.com/news/china/society/article/2097044/microsofts-ai-bot-has-published-book-poems-china-it-worth-reading>> accessed 1 October 2018.

Ultimately, this paper aims to determine whether AI-produced works should be protected under copyright law at all.

Keywords: *Copyright law; artificial intelligence; authorship; originality; moral rights; duration of copyright*

1. INTRODUCTION

Lately, the world has witnessed the generation of creative works by artificial intelligence (AI), such as the short Japanese novel, 'The Day a Computer Writes a Novel',¹ and a book of Chinese poems 'The Sunlight that Lost the Glass Window'.² AI is not something new, as it may date from 1950 when a group of researchers commenced a project with the objective of creating machines that are able to accomplish various tasks including learning a language and solving problems.³ Over the years, a subset of AI known as machine learning, the science based on the idea that 'systems can learn from data, identify patterns and make decisions with minimal human intervention,' was developed.⁴ While machine learning involves setting rules into a system to imitate human behaviour, deep learning, a subset of machine learning, supplies data into a model based on a human brain and trains the computer to learn on its own from the data.⁵ Examples of human-like tasks enabled by

³ There is dispute on the origin of AI: see Herbert Bruderer 'The Birth of Artificial Intelligence: First Conference on Artificial Intelligence in Paris in 1951?' in *International Communities of Invention and Innovation* (IFIP Advances in Information and Communication Technology, vol 491, Arthur Tatnall & Christopher Leslie, eds, Springer International Publishing, 2016).

⁴ SAS, 'Machine Learning: What it is and Why it Matters' <https://www.sas.com/en_my/insights/analytics/machine-learning.html> accessed 1 October 2018.

⁵ Examples of human-like tasks enabled by deep learning include speech recognition and image recognition. See SAS, 'Deep Learning: What it is and why it Matters'

deep learning include speech recognition and image processing.

A significant trend to be noted is the increasing autonomy of machines or computers, similar to that demonstrated in Google's self-driving car, which relies on an algorithm teaching itself to drive by observing how a human does it. Instead of being fed with commands to perform a task, an intelligent agent programs itself.⁶ Another example is Google's AlphaGo Zero, which taught itself on playing the Chinese board game 'Go' and wrote an algorithm on its own without any human intervention and defeated the world champion of 'Go' in 2017.⁷ An Intelligent agent is said to have autonomous intelligence if it has the ability to compute information, the ability to learn, and the ability to reason.⁸ The autonomy is the feature which distinguishes AI-produced works from computer-assisted works.⁹ In the latter, human intervention or input is substantial and the computer is merely a tool used to produce a work. In respect of the former, human intervention is minimal or non-existent and the computer is responsible for decision-making in the process where a work is created.

As Bridy commented, we are entering the age of digital authorship where digital works, such as computer software, will autonomously create works

indistinguishable from works of human authorship.¹⁰ It is said that an intelligent agent might not be able to explain every decision or act it makes because some of them may be 'instinctual, or subconscious, or inscrutable', just like many aspects of human behaviour are unexplainable.¹¹ Thus, the creative sparks in the works produced by an artificially intelligent machine may derive wholly from the machine itself. This raises the question whether an intelligent agent may be regarded as the 'author' of works. The issue of authorship in respect of AI-produced works is important as it will in turn determine in whom copyright is vested.

This article examines the authorship issues raised by AI developments by a combination of two approaches: a pragmatic approach by examining whether an Intelligent agent can be taken as an 'author' under the copyright law as it is; and a theoretical approach by asking the question whether an Intelligent agent should be regarded as an 'author' under copyright law. The next section explores the challenges AI-produced works pose to copyright law, namely the concept of 'author.' More specifically, the section studies the questions of originality and non-human creators arising from AI-produced works. This is followed by Section III, which examines the position of the said issues in Malaysia and identifies any peculiar

<https://www.sas.com/en_my/insights/analytics/deep-learning.html> accessed 1 October 2018.

⁶ Will Knight, 'The Dark Secret at the Heart of AI' (*MIT Technology Review*, 11 April 2017)

<<https://www.technologyreview.com/s/604087/the-dark-secret-at-the-heart-of-ai/>> accessed 1 October 2018.

⁷ Sarah Knapton, 'AlphaGo Zero: Google DeepMind Super Computer Learns 3,000 Years of Human Knowledge in 40 Days' (*The Telegraph*, 18 October 2017) **Error! Hyperlink reference not valid.**

<<https://www.telegraph.co.uk/science/2017/10/18/alphago-zero-google-deepmind-supercomputer-learns-3000-years/>> accessed 1 October 2018.

⁸ Matthew L Ginsberg, 'Multivalued Logics: A Uniform Approach to Reasoning in Artificial Intelligence' (1988) 4 *Computational Intelligence* 255, quoted in Amir H Khairy, 'Intellectual Property

Rights for Hubots: On the Legal Implications of Human-Like Robots as Innovators and Creators' (2017) 35 *Cardozo Arts & Ent L J* 635, 640.

⁹ See, for instance, the painting 'The Next Rembrandt' produced by computers after studying thousands of Rembrandt's paintings, using deep learning algorithms. See <<https://www.nextrembrandt.com/>> accessed 1 October 2018. Likewise, 'Bob Dylan', a program developed by a researcher, has created more than 100,000 new folk songs.

¹⁰ Annemarie Bridy, 'Coding Creativity: Copyright and the Artificially Intelligent Author' (2012) *Stan Tech L Rev* 5.

¹¹ Will Knight, 'The Dark Secret at the Heart of AI' (*MIT Technology Review*, 11 April 2017)

<<https://www.technologyreview.com/s/604087/the-dark-secret-at-the-heart-of-ai/>> accessed 1 October 2018.

questions arising under the Malaysian copyright law relating to AI-produced works. Section IV considers the possible approaches to the said issues relating to AI-produced works, particularly whether AI-produced works should be protected at all, and if yes, who should enjoy the rights with the goals of copyright law in mind. This article ends with a conclusion in Section V.

2. ISSUES ON AUTHORSHIP OF AI-PRODUCED WORKS

The discussion in this section is divided into two parts: the first considers the source of AI-produced works and the questions of originality and authorship related to it; the second discusses whether a non-human entity may be treated as an ‘author’ under copyright law, a broader and more general question of which the question whether an Intelligent agent can be an ‘author’ is a subset.

A. THE QUESTION OF ORIGINALITY

A pre-requisite for a literary, musical, or artistic work to be protected by copyright is that it shall be ‘original’.¹² ‘Originality’ under copyright law means ‘the expression of the idea must originate from the author in the sense that the work must not be a copy of another work’.¹³ This reflects the Romantic theory of authorship, which holds the author as the source or origin of a work, one who creates a work out of nothing.⁴

In general, ‘author’ is defined as the creator or maker of a work.⁵ A crucial question to be determined with respect to AI-produced works is the source of the works. This essentially calls into consideration whether ‘originality’, or sufficient effort expended in the making of an AI-produced work, originates from the intelligent agent. If there is human intervention or input from the team of researchers who develop the intelligent agent, the intelligent agent may not be regarded as the ‘source’ of the work and thus could not be the ‘author’. In such a case, it is apt to regard the researchers as the authors instead. If AI-produced work is created by the intelligent agent autonomously, wholly at its own will, it follows that the machine is the ‘source’ of the work.

The Romantic author is perceived as the source of his or her work, which embodies a part of his or her personality.⁶ The subjective choices made in creating a work reflect the author’s personality.⁷ If an intelligent agent acts entirely autonomously and makes all the decisions with regard to the works it produced, such self-will may thus establish its ‘personality.’ As mentioned in section I above, some decisions made by an intelligent agent are instinctual and unexplainable. In such circumstances, it may be argued that the intelligent agent does stamp the works it created with its ‘personality’. Be that as it may, copyright law does not impose ‘personality’ as a requirement for copyright subsistence.¹⁸ For example, the U.S. Supreme Court in

¹² Copyright Act 1987, s 7(3)(a) (Malaysia).

¹³ *University of London Press Ltd v University Tutorial Press Ltd* [1916] 2 Ch 601, 608. This definition was also adopted by the Malaysian courts, see for example *Kiwi Brands (M) Sdn Bhd v Multiview Enterprises Sdn Bhd* [1998] 6 MLJ 38, 46.

⁴ Prior to the emergence of the Romantic theory of authorship, ‘author’ was perceived as a mere craftsman or a vehicle of muse or God. The Romantic theory of authorship departed from this by holding ‘author’ as the source of inspiration for a work. See Woodmansee, Martha ‘The Genius and the Copyright: Economic and Legal Conditions of the Emergence of the “Author”’ (1984) 17(4) *Eighteenth-Century Studies* 425-48.

⁵ Copyright Act 1987, s 3 (the definition of ‘author’).

⁶ Geller is of the view that authors do not personally express themselves all the time and do so to varying degrees. As such, it cannot be assumed that ‘authors need copyright to protect the autonomy of all their purported self-expression’. Paul Edward Geller, ‘Must Copyright be Forever Caught between Marketplace and Authorship Norms?’ in Brad Sherman & Alain Strowel, *Of Authors and Origins* (Clarendon Press Oxford, 1994).

⁷ Jane C Ginsburg, ‘The Concept of Authorship in Comparative Copyright Law’ (2003) 52 *DePaul L Rev* 1063.

¹⁸ See Kim Treiger-Bar-Am, ‘Kant on Copyright: Rights of Transformative Authorship’ 25 *Cardozo Arts & Ent L J* 1059 in

Feist Publications Inc v Rural Telephone Service Co. was of the view that the standard of 'originality' does not require any manifestly personal input from the author.⁸

Martinez raised a question on 'originality' of AI-produced works – whether such works are not copied from other works, in view of how an intelligent agent is fed with humongous amount of data.²⁰ However, copying per se does not deny copyright subsistence in a work. In fact, section 7(4) of the Copyright Act 1987 of Malaysia (CA 1987) states that 'a work shall not be ineligible for copyright by reason only that the making of the work, or the doing of any act in relation to the work involves an infringement of copyright in some other work'. Furthermore, 'originality' under copyright law does not mean originality of idea or thought.⁹ The process of creating works itself is derivative in nature and this is clearly recognized under copyright law which protects derivative works such as translations, or adaptations,²³ provided that the author does not slavishly or mechanically copy from others.²⁴

To expect an 'author' to be the *sole* source of *every* element found in a work is therefore unnecessary. What matters is the effort that constitutes 'originality' should have been expended by the author in making the work. The Romantic theory of authorship may not be able to function at all in the age of digital authorship where, for example, the works produced are getting more collaborative in nature. The theory in perceiving the author as the sole origin of a work has failed in instances

which the author pointed out that some, but not necessarily all, artists personally express their innermost.

⁸ *Feist Publications Inc v. Rural Telephone Service Co.*, 499 US 340, 345 (1991).

²⁰ Nicole Martinez, 'Can an Intelligent agent Hold Copyright Protection over its Works?' *The Art Law Journal* (June, 2007).

⁹ *Lau Foo Sun v Government of Malaysia* [1974] 1 MLJ 28, 30. See also *Kiwi Brands* (n 13).

²³ Section 8 of the Copyright Act 1987 provides that derivative works are protected as original works.

²⁴ *L Batlin & Son, Inc v. Synder*, 536 F 2d 486 (2d Cir. 1976).

which involve works for which the making of involves a high number of contributors, such as films, sound recordings, or broadcasts.²⁵

The determining factor is whether the expression of ideas originates from the intelligent agent or the researchers developing it. If the intelligent agent operates like a mere amanuensis, no question of it as the author should arise.²⁶ An AI-produced work may be 'original' so long as the work is created by the intelligent agent with sufficient effort demonstrated during the process of making the work.²⁷ This is due regardless of the fact that the intelligent agent was fed with data before it created the work, similar to situations where a human author is involved. A human author may have read many copyright works written by others before he or she creates a work, and the author is not denied copyright merely because of the reading, provided that he or she does not copy from those works.

B. CAN A NON-HUMAN ENTITY BE AN 'AUTHOR'?

Assuming the 'originality' requirement is satisfied in respect of an AI-produced work, can the intelligent agent, a non-human being, be regarded as the 'author'? The Romantic theory of authorship holds that authors imbue a part of their personality into their creative works, and thus if a work is attacked or modified, it aggrieves the author's soul. The Lockean theory of copyright, on the other hand, is premised on the view that authors should be rewarded for their efforts spent in creating works.

²⁵ Marjut Salokannel, 'Film Authorship in the Changing Audio-Visual Environment' in Brad Sherman & Alain Strowel, *Of Authors and Origins* (Clarendon Press Oxford, 1994).

²⁶ *Donoghue v Allied Newspapers Ltd* [1938] Ch 106, 109; cf *Walter v Lane* [1900] AC 539.

²⁷ The Romantic view that an author is a remarkable 'genius' has also been downplayed by judges in various instances. For example, Abdul Malik Ishak J, in *Kiwi Brands* (n 13) 47, expressed that the amount of originality demanded for a work to be protected by copyright is 'very minimal'.

Both theories are based on the assumption that authors are human beings.²⁸ In other words, the question to be considered is whether ‘originality’ of a work must be traced back to a human entity.

A reference may be made to the monkey selfie case. The question whether animals could be authors was raised in *Naruto v Slater*, which involved several selfies taken by a monkey named Naruto in Indonesia with the camera belonging to Slater, a wildlife photographer.²⁹ The photos were published in a book by Slater and Wildlife Personalities Ltd., in which both Slater and Wildlife Personalities Ltd. were identified as the copyright owners. However, Slater admitted in the book that the photos were taken by Naruto. In 2015, People for the Ethical Treatment of Animals (PETA), as next friends on behalf of Naruto, filed a complaint for copyright infringement against Slater and Wildlife Personalities Ltd. The district court dismissed the suit on the ground that Naruto does not have the standing to sue under copyright law, and this was affirmed by the United States Court of Appeals for the Ninth Circuit. It was because the United States’ Copyright Act does not expressly authorise animals to file cases for copyright infringement under the statute. Several provisions in the Copyright Act, with reference to ‘children’, ‘grandchildren’, ‘widow’, or widower of an author, and ‘legitimate or not’, imply ‘humanity and necessarily exclude animals that do not marry and do not have heirs entitled to property by law.’³⁰

Chapter 300 of the Compendium of U.S. Copyright Office Practices³¹ makes it clear that the United States Copyright Office will register an original work only if it was created by a human being.³² It explains that copyright protection is confined to original intellectual conceptions of an author and thus the Office will reject a claim if a human being did not create the work.³³ It appears that works created by non-human beings will not be protected in the United States. However, this does not seem to conclusively settle the question of authorship of AI-produced works.³⁴ Indeed, a court of the United States has expressed that ‘as a matter of law, dictation from a non-human source should not be a bar to copyright’.³⁵

In the event where the author is an animal, difficulties arise with respect to determining the rightful representative of the animal, which is illustrated in *Naruto*. The problem does not exist where a corporate entity is taken to be the author. The Copyright, Designs and Patents Act 1988 (‘the CDPA’) of the United Kingdom has special provisions for computer-generated works.³⁶ In the case of a computer-generated work, the author shall be taken to be the person by whom the arrangements necessary for the creation of the work are undertaken.³⁷ ‘Author’ under the CDPA may be an individual or corporate body and thus the company or the team of engineers developing the intelligent agent could be the ‘author’ of a work generated by the intelligent agent.³⁸ However, this approach itself is not free from any problem and this will be discussed further in Section 4.

²⁸ Margot E Kaminski, ‘Authorship, Disrupted: AI Authors in Copyright and First Amendment Law’ (2017) UC Davis Law Review, Vol 51, 589.

²⁹ *Naruto v. Slater*, 888 F.3d 418 (9th Cir. 2018).

³⁰ *ibid.*

³¹ US Copyright Office, Compendium of US Copyright Office Practices § 101 (3d ed 2017).

³² *ibid* s 306.

³³ *ibid.*

³⁴ Kaminski (n 28) 592.

³⁵ *Penguin Books USA, Inc n New Christian Church of Full Endeavor, Ltd* No 96 CIV 4126 (RWS), 2000 WL 1028634 (SDNY July 25, 2000), vacated by 2004 WL 906301 (SDNY April 27, 2004), discussed in Robert C Denicola, ‘Ex Machina: Copyright Protection for Computer-Generated Works’ 69 Rutgers U L Rev 251 (2016), 280-281.

³⁶ See the definition of ‘computer-generated’ in CPDA s 178.

³⁷ CDPA s 9(3).

³⁸ *ibid* s 154(1).

3. THE LEGAL POSITION IN MALAYSIA

The CA 1987 of Malaysia defines an 'author' in relation to the type of work involved.³⁹ 'Author' of a literary work is defined as 'the writer or the maker' of the work while 'author' of a musical work means 'the composer' and 'author' of an artistic work other than photographs refers to 'the artist'.⁴⁰ In respect of photographs, films, sound recordings, or broadcasts, the term 'author' generally refers to the person by whom the arrangements for the making of the work were undertaken.⁴¹ In respect of literary, musical or artistic works, the 'author' appears to be necessarily a human being whereas in respect of photographs, films, sound recordings, or broadcasts, it is possible for a non-human entity be the 'author'.⁴² For example, it was held in *MediaCorp News Pte Ltd & Ors v MediaBanc (Johor Bharu) Sdn Bhd & Ors*⁴³ that the author of a broadcast could be either the person or corporate entity transmitting the program who was responsible for the selection of the contents of the program; while in *Rock Records (M) Sdn Bhd v Audio One Entertainment Sdn Bhd* it was held that the author of a sound recording was the sound recording company, which made arrangements for the recording of the songs in the works.⁴⁴

Hence, it is certain that a corporate body may be an 'author' under the copyright law of Malaysia. This is supported further by the definition of 'qualified person' under the CA 1987.⁴⁵ A 'qualified person' under the CA 1987, in relation to an individual, means a citizen or

permanent resident in Malaysia. In relation to a corporate body, a 'qualified person' refers to a corporate body established in Malaysia, and constituted or vested with legal personality under the laws of Malaysia.⁴⁶ Clearly, 'author' under Malaysian copyright law is not confined to natural persons.

As mentioned earlier, an 'author' of literary, musical, or artistic works should be a natural person. Other than the way 'author' is defined in relation to these types of works, a strong reason to support this view is that the computation of copyright duration in these works is based on the life of the author. Section 17 of the CA 1987 provides that copyright shall subsist in literary, musical or artistic works 'during the life of the author and shall continue to subsist until the expiry of a period of fifty years after his death'.

If a corporate body is taken to be the author of these works, copyright may subsist in the works forever provided that the company is not dissolved. Perpetual copyright in any work is undesirable as it will restrict access to copyright works and may in turn hamper the free dissemination of information and knowledge.

One may point to the case of Sophia, the world's first robot given citizenship, to argue that an intelligent agent bestowed with citizenship may fit the definition of 'qualified person' under the CA 1987, namely a citizen or

³⁹ Section 7(1) of the CA 1987 lists literary work, musical works, artistic works, films, sound recordings, and broadcasts as works eligible for copyright.

⁴⁰ CA 1987 s 3.

⁴¹ *ibid.*

⁴² Khaw Lake Tee & Tay Pek San, *Khaw on Copyright Law in Malaysia* (4th edn, LexisNexis 2017), 167. The authors commented that the definition of 'author' in relation to photographs may cover cases where there is no human input in the making of a photograph.

⁴³ *MediaCorp News Pte Ltd. & Ors v MediaBanc (Johor Bharu) Sdn Bhd & Or* [2010] 6 MLJ 657, para 111.

⁴⁴ *Rock Records (M) Sdn Bhd v Audio One Entertainment Sdn Bhd* [2005] 3 MLJ 552, para 20.

⁴⁵ One of the alternatives for a work to be qualified for copyright protection in Malaysia is that the author is a 'qualified person': CA 1987 s 20.

⁴⁶ CA 1987 s 3.

permanent resident in Malaysia.⁴⁷ Even if an intelligent agent may be regarded as a ‘qualified person’ and thus an ‘author’, it does not resolve the problem with the copyright duration in AI-produced literary, musical, or artistic works.

Another question that may arise with respect to corporate authors is whether they enjoy moral rights like individual authors do. This question was raised in *Aktif Perunding Sdn Bhd v ZNVA & Associates Sdn Bhd*⁴⁸ in which the court first found that the plaintiff’s engineering team was the ‘artist’ of certain mechanical and electrical engineering drawings within the meaning of ‘author’ in section 3 of the CA 1987. However, since the works were commissioned by the main contractor, copyright belonged to the main contractor.⁴⁹ Oddly, the court then went on to consider the question of whether the plaintiff, as a company, instead of the engineers who are natural persons, enjoys moral rights in the drawings.⁵⁰ The court first rejected the argument that moral rights cannot be conferred on engineering drawings which are not purely artistic and/or creative as there is nothing in section 25 which provides for moral rights to so confine moral rights.⁵¹

The court found no Malaysian case law on the question of whether corporate authors enjoy moral rights. The case of *Syed Ahmad Jamal v Dato Bandar Kuala Lumpur*⁵² is the only Malaysian case addressing authors’ moral rights, but it dealt solely with an individual author.⁵³ The court also did not find any case on corporate authors’ moral rights in Singapore, United Kingdom, New Zealand, Canada, and India. It was however found that section 190 of the Australian Copyright Act 1968 provides that only an individual enjoys moral rights.⁵⁴

The court in *Aktif Perunding* proceeded to hold that moral rights are only available to natural persons due to several reasons. First, section 25(2) of the CA 1987, which provides for an author’s identification and integrity rights, expressly states that in the event where an author has died, the author’s personal representative may authorise the acts subject to the author’s moral rights.⁵⁵ In addition, section 25(4) of the CA 1987 states that an author’s personal representative may exercise the author’s moral rights under section 25 after the death of the author despite the fact that copyright is not vested in the author or personal representative at the material time.⁵⁶ Likewise, section 25(5) of the CA 1987 allows an author’s personal representative to take action for any

⁴⁷ See Zara Stone, ‘Everything You Need to Know about Sophia, The World’s First Robot Citizen’ (*Forbes*, 7 November 2017) <<https://www.forbes.com/sites/zarastone/2017/11/07/everything-you-need-to-know-about-sophia-the-worlds-first-robot-citizen/#5c48e4e446fa>> accessed 1 October 2018.

⁴⁸ *Aktif Perunding Sdn Bhd v ZNVA & Associates Sdn Bhd* [2017] MLJU 605.

⁴⁹ CA 1987 s 26(2)(a) states that where a work is commissioned under a contract of service or apprenticeship the copyright shall be deemed to be transferred to the person who commissioned the work, subject to any agreement between the parties.

⁵⁰ *Aktif Perunding Sdn Bhd v ZNVA & Associates Sdn Bhd* [2017] MLJU 605, para 38.

⁵¹ *ibid*, para 39.

⁵² *Syed Ahmad Jamal v Dato Bandar Kuala Lumpur* [2011] 2 CLJ 569.

⁵³ *Aktif Perunding Sdn Bhd v ZNVA & Associates Sdn Bhd*, [2017] MLJU 605, para 40.

⁵⁴ *ibid*, para 42.

⁵⁵ *Aktif Perunding Sdn Bhd v ZNVA & Associates Sdn Bhd*, [2017] MLJU 605, para 43; CA 1987 s 25(2) provides ‘Subject to this section, where copyright subsists in a work, no person may, without the consent of the author, or, after the author’s death, of his personal representative, do or authorise the doing of any of the following acts: (a) the presentation of the work, by any means whatsoever, without identifying the author or under a name other than that of the author; and (b) the distortion, mutilation or other modification of the work if the distortion, mutilation or modification - (i) significantly alters the work; and (ii) is such that it might reasonably be regarded as adversely affecting the author’s honour or reputation’ (emphasis added).

⁵⁶ CA 1987 s 25(4) (emphasis added).

contravention of section 25 as a breach of statutory duty after the death of the author while section 25(6) explains that any damages recovered by a personal representative in respect of any contravention of section 25 shall devolve as part of the author's estate, as if the right of action had subsisted and vested in the author immediately before his death. It was held that the reference to the author's death and personal representative indicates Parliament's intention to confine moral rights to individual authors only.⁵⁷

Another reason for the court's holding that moral rights are only available to individual authors, is the provision in section 25(2)(b)(ii) of the CA 1987 which expressly provides for an author's integrity right in respect of distortion, mutilation or modification of a work that might reasonably be regarded as adversely affecting the author's honour. According to the court in *Aktif Perunding*, 'honour' can only refer to a natural person, not a company⁵⁸. Nonetheless, section 25(2)(b)(ii) of the CA 1987 mentions 'the author's honour or reputation'. It is arguable that even if a company may not have honour, it may have reputation. The third reason for the court's holding is that the entire section 25 of the CA 1987 has no reference to the winding up or dissolution of a corporate author. Such an omission by the legislature is deliberate so as to make moral rights in section 25 available only to individual authors.

While the decision in *Aktif Perunding* has the effect of denying moral rights to corporate authors, it does not address the issue in the event where an intelligent agent is accepted as an 'author'. As discussed earlier, intelligent

agents may be given citizenship, such as Sophia, and would thus fit the definition of 'qualified person' under the CA 1987 under the category of *individual authors*, as opposed to *corporate authors*.⁶⁰

It may be summarized from the discussion that two aspects remain problematic even if an intelligent agent is regarded as an 'author' under the CA 1987: the possible perpetual copyright in literary, musical, or artistic works produced by intelligent agents, and the availability of moral rights to AI authors. In addition, questions would also arise on ownership of copyright, particularly the enforcement of copyright. How would intelligent agents enforce the rights they enjoy? It is thus concluded that, assuming AI-produced works should be protected at all, the existing CA 1987 is not aptly equipped with the provisions to do so. Nonetheless, the crucial question to be considered is whether AI-produced works should be protected by copyright at all, which would be addressed in the next section.

4. A NEW CATEGORY OF AI-PRODUCED WORKS?

The issue of authorship in AI-produced works under copyright law essentially calls for consideration, whether AI-produced works should be eligible for copyright protection at all. One option is to recognize no copyright in AI-produced works on the ground that computers or intelligent agents cannot be regarded as 'authors' under copyright law.⁶¹ Considering the matter under either the natural rights theory or the Lockean theory, it is debatable whether intelligent agents need incentives to create works.⁶² If there is no limit on the quantity of

⁵⁷ *Aktif Perunding Sdn Bhd v ZNVA & Associates Sdn Bhd* [2017] MLJU 605, para 43.

⁵⁸ *Aktif Perunding Sdn Bhd v ZNVA & Associates Sdn Bhd* [2017] MLJU 605, para 43.

⁶⁰ CA 1987 s 3, Paras (a) and (b) of the definition of 'qualified person'.

⁶¹ Ralph D Clifford, 'Intellectual Property in the Era of the Creative Computer Program: Will the True Creator Please Stand Up?' (1987) 71 Tul L Rev 1675, 1682.

⁶² Pamela Samuelson, 'Allocating Ownership Rights in Computer-Generated Works' (1986) 47 U Pitt L Rev 1185, 1199; Shlomit Yanisky-Ravid & Luis Antonio Velez-Hernandez, 'Copyrightability of Artworks Produced by Creative Robots, Driven by Artificial Intelligence Systems and the Originality Requirement: The Formality-Objective Model' (2018) 19 Minn J L Sci & Tech 1.

creative works that may be produced by intelligent agents, it begs the question as to what is the rationale of copyright protection for the works in such circumstances.⁶³

A human author is mortal and thus the number of works he or she may be able to produce during his or her lifetime is limited. A human author may also experience fatigue or even writer's block, which results in a finite number of works he or she may create. All the restraints faced by mortal human authors justify copyright in the works they produce as to reward their efforts. On the contrary, an immortal intelligent agent is not likewise restricted. Therefore, the basis of copyright protection in AI-produced works is equivocal and disputable.

The approach of denying copyright subsistence in AI-produced works will leave all works produced by intelligent agents in the public domain, freely accessible and available for use by the public. The main concern with not recognizing copyright in AI-produced works is whether it will discourage the creation and further dissemination of AI-produced works. However, the AI programmer or the company developing the intelligent agents would, in any event, enjoy protection in the form of either patent or copyright protection for the intelligent agent itself. Thus the worries about the negative impact of not protecting AI-produced works may be unnecessary. This is even more so in view of the fact that human-produced works will still be in existence alongside AI-produced works.

If AI-produced works should be eligible for copyright protection, the next question to answer is who should be

vested with the rights. There are three potential candidates to be vested with copyright: first, the intelligent agent; second, the AI programmer or the company developing the intelligent agent; and third, end users. Apparently, there are serious practical difficulties with vesting copyright in intelligent agents who would not be able to enforce the right on their own. Holding either one of the latter two as the 'author' of AI-produced works gets rid of the need to distinguish between cases where the intelligent agent functions merely as a tool in the creation of the works and where the intelligent agent itself is the creator, which may be extremely difficult to ascertain.⁶⁴ The complication is evident in Australian case law concerned with computer-generated works such as databases and compilations.⁶⁵

Some scholars, particularly in the United States, have proposed to rely on the work made for hire doctrine as the answer to the question of ownership of AI-produced works, since the intelligent agent has no legal personhood.⁶⁶ Under this doctrine, an intelligent agent is regarded as an employee of the company developing it and thus copyright in any work produced by the intelligent agent is vested in the employer, the company. However, the suggested solution has been criticised on grounds including that if an intelligent agent has no legal personhood it may not be treated as an 'employee.'⁶⁷

On the other hand, as mentioned earlier, the CDPA of the United Kingdom provides for computer-generated works.⁶⁸ Copyright protection in computer-generated

⁶³ Shlomit Yanisky-Ravid 'Generating Rembrandt: Artificial Intelligence, Copyright, and Accountability in the 3A Era – The Human-Like Authors are Already Here – A New Model' (2017) *Mich St L Rev* 659, 701-704.

⁶⁴ Denicola (n 35) 283.

⁶⁵ Jani McCutcheon, 'The Vanishing Author in Computer-Generated Works: A Critical Analysis of Recent Australian Case Law' (2013) 36 *Melb U L Rev* 915.

⁶⁶ Bridy (n 10) 21-22; Timothy L Butler, 'Can a Computer be an Author – Copyright Aspects of Artificial Intelligence' (1981) 4 *Comm/Ent L S* 701, 739.

⁶⁷ Butler (n 66) 741; Denicola (n 36) 283.

⁶⁸ CDPA s 9(3).

works shall last for fifty years after it was made.⁶⁹ Moral rights are, however, inapplicable to computer-generated works.⁷⁰ 'Computer-generated' is explained as where a work is generated in circumstances where there is no human author of the work.⁷¹ Clearly, AI-produced works fall within the ambit of computer-generated works. In the case of a computer-generated work, the author shall be taken to be the person by whom the arrangements necessary for the creation of the work are undertaken.⁷² This definition of 'author' in respect of computer-generated works has enlarged the concept of authorship, 'beyond persons who actually create copyrightable expression to persons who originate the process of creating copyrightable expression.'⁷³

However, questions may arise as to what constitutes the 'arrangements necessary for the creation of the work'. If the arrangements refer to the effort expended by the programmer in developing the intelligent agent and equipping it with the tools to create works, the AI programmer seems to be the 'author.' This will result in the programmer being treated as the author of the intelligent agent as well as of the AI-produced works. There is a practical problem with this interpretation since the 'author,' namely the programmer, may be unaware of the existence of works created by the intelligent agent, where the intelligent agent is made available for use by consumers or end users.⁷⁴ This is so especially where a user may take part in the selection of data to be fed to the intelligent agent and it is the user who initiates the process of creating a work. In such case, it may be argued that the user, as opposed to the AI programmer or the company developing the intelligent agent, has made the

'necessary arrangements' for the creation of the work and thus the 'author' of the computer-generated work.

The determination of who should be vested with copyright in AI-produced works may be considered in light of the objective of copyright law to encourage the creation of more works. While an intelligent agent itself needs no incentive to produce works, some scholars argued that the AI programmer or the company developing it would be incentivised if copyright is accorded to the works produced by the intelligent agent.⁷⁵ Entitlement to copyright in AI-produced works may operate as a stimulus for AI programmers or companies to invest in research and development relating to AI and to disseminate the works.⁷⁶ However, it is submitted that the AI programmer or the company developing the intelligent agent already enjoys copyright or patent protection for the intelligent agent itself.⁷⁷ To vest copyright in AI-produced works, the said entities may be criticized as overprotecting them at the expense of the users. In addition, as mentioned earlier, there is a practical problem with vesting copyright in the AI programmers or companies: the programmers or companies would be unaware of the existence of works created by end users. The lack of knowledge about the existence of the works would make the enforcement of copyright impossible and would render the rights meaningless.

Alternatively, the end user of the intelligent agent may be regarded as the author of AI-produced copyright works. Nevertheless, Hristov is of the view that end users make the least contribution to the development of AI and

⁶⁹ CDPA s 12(7) states that, 'copyright expires at the end of the period of 50 years from the end of the calendar year in which the work was made'.

⁷⁰ CDPA ss 79(2)(c) and 81(2) state so with respect to the right to be identified as the author and the right to object to derogatory treatment of a work respectively.

⁷¹ The definition of 'computer-generated' in CDPA s 178.

⁷² CDPA s 9(3).

⁷³ Robert C Denicola, 'Ex Machina: Copyright Protection for Computer-Generated Works' (2016) 69 Rutgers U L Rev 251, 280-281.

⁷⁴ *ibid*, 283.

⁷⁵ Kalin Hristov, 'Artificial Intelligence and the Copyright Dilemma' (2017) 57 IDEA 431, 445.

⁷⁶ Samuelson (n 62) 1227.

⁷⁷ Shlomit (n 63) 702.

copyright should thus not be granted to them.⁷⁸ It has also been noted that the end user has no control over the final output and thus should not be treated as the ‘author’ of a computer-generated work.⁷⁹ Nonetheless, the same may be said of the AI programmer who have little or no control in cases where works are produced autonomously by intelligent agents.

An analogy may be made between photographs and AI-produced works. Consider the role played by an individual user in taking photographs using an AI-powered camera. The AI of such a camera will automatically adjust the settings for a good shot depending on the type of the subject matter and other factors such as the light conditions. It is debatable whether the contribution by the individual user in the creation of photographs justifies the user being treated as the ‘author’ of the photographs. Yet, copyright law clearly does not vest copyright of the photographs in the AI programmer or the company developing the AI-powered camera, but vests it in the individual user. For instance, the ‘author’ of a photograph is defined under the CA 1987 as ‘the person by whom the arrangements for the taking of the photograph were undertaken.’ It appears that it is commonly accepted that the individual user using an AI-powered camera falls within the definition of an ‘author’ despite the little contribution which may be nothing more than aiming the camera on the object and pressing the shutter button.

Returning to the question under discussion, if an intelligent agent is made available to end users to generate creative works, it seems reasonable to vest copyright of AI-produced works in the end users, just like how copyright of photographs taken by an AI-powered camera is vested in the end user. However, the main drawback of this approach is that in the case of AI-

produced works the human user who has expended a trivial contribution would be entitled to copyright protected for a relatively long period of time. The duration of copyright in AI-produced works is fifty years, if a model of protection is based on the CDPA.

This paper would like to put forth an idea to be considered when we deliberate over the legal position of AI-produced works: to protect AI-produced works via a *sui generis* right. With this option, we could do away with the search for an author. In fact, we can thus avoid accommodating the basic principles of copyright law to address AI-produced works. If AI-produced works should be protected at all, a *sui generis* right like that conferred on databases under the European Union’s Database Directive, may be granted over them to prevent outright and unfair exploitation of the works.⁸⁰ There is nevertheless a need to determine who should own the *sui generis* right and this could be contentious. The main benefits of protecting AI-produced works through a *sui generis* right include the possibility to reduce the duration of protection to a term less than fifty years, the minimum period of protection available under copyright law. Also, the scope of protection should be narrower than that under copyright. In relation to those works, human contribution seems too paltry to justify copyright protection, which is relatively long. This would require a further and in-depth study which is beyond the scope of this paper.

It is submitted that the first alternative stated in the beginning of this section seems to be the best: to impose and stress on a general rule that only works produced by human creativity are to be protected by copyright. An intelligent agent without legal personhood cannot be an ‘author’ and thus no copyright subsists in those works. This should not adversely affect the development of AI

⁷⁸ Hristov (n 75) 443.

⁷⁹ Evan H Farr, ‘Copyrightability of Computer-Created Works’ (1989) 15 Rutgers Computer & Tech LJ 63, 74.

⁸⁰ Directive 96/9/EC, of the European Parliament and of the Council of March 11, 1996 on the Legal Protection of Databases, 1996 O.J. (L 77) 20.

since the AI programmer or the company developing the intelligent agent already enjoys copyright or patent protection for the intelligent agent itself.⁸¹

5. CONCLUSION

Copyright law should be slow to protect new types of works where the justification for doing so is far from clear. We should observe whether the absence of copyright protection in AI-produced works will bring any harm to the interested stakeholders. Time will tell whether AI-produced works are indistinguishable from human-created works and whether there is any real demand from the market or the public for such works. With the advancement of AI technology, where creative works may be produced easily and instantly, warrants serious contemplation and deliberation on whether copyright protection for AI-produced works is truly necessary.

We should always keep in mind the option of not recognizing copyright in AI-produced works and refraining from viewing copyright protection as a matter of course. In fact, it is high time to reconsider copyright protection in digital works which involve petty or no human contribution generally. For instance, one may wonder why copyright protects many millions of photographs produced by the use of AI-powered cameras for a very long period, that is to say, during the author's life and fifty years after the author's death. It is highly debatable whether the nominal effort contributed by the so-called author, which may be none other than the mechanical act of pressing the shutter button, gives ground for such a long duration of copyright protection. If the need to protect AI-produced works arises, it may be prudent for the law to make a distinction between AI-produced works and traditional human-created works, with the former being protected by a *sui generis* right and the latter by copyright.

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⁸¹ Shlomit (n 63) 702.

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14. A NEW ERA IN TURKISH INDUSTRIAL PROPERTY LAW

Zehra Özkan*

ABSTRACT

A need for an up-to-date, effective and competent industrial rights system in harmony with international conventions and EU law has arisen in Turkish Industrial Property Law. On these grounds, Law No. 6769 on Industrial Property was prepared and finally legislated in Turkey and was effective 10 January 2017. The code consists of five books: trademark, geographical indications and traditional specialties, design, patent and utility models, and common provisions. Although the industrial property system is preserved in Law No. 6769, many amendments were made in the new Turkish Industrial Property Law. The significant novelties in industrial property law and the potential challenges regarding the implementation of the Law will be introduced and presented.

Keywords: *Law No. 6769 on Industrial Property, Turkish patent law, Turkish trademark law, Turkish design law, Turkish geographical indications*

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¹ Law No. 6769 on Industrial Property, *Official Gazette* 10 Jan. 2017-29944. For the unofficial translation of the law, see Industrial Property Code <<https://www.turkpatent.gov.tr/TURKPATENT/resources/temp/4D59A7D3-A564-40A1-9C96-DB1E3D157E90.pdf>> accessed on 14 November 2018.

² Ottoman Empire was an imperial power which founded in Anatolia in the late thirteenth century. See, Gábor Ágoston, 'The Ottoman Empire and Europe' in Hamish Scott (ed), *The Oxford*

1. INTRODUCTION

Although Turkey is one of the first countries to have legislation on Industrial Property (IP), the first codification initiatives began in the 1930s and all failed until Law No. 6769 on Industrial Property was enacted on 22 December 2016.¹ Although the general structure of the Turkish industrial property system is preserved in the aforementioned law, there are lots of amendments or novelties to provide an up-to date and effective industrial property law in harmony with the international agreements and EU law. The aim of this paper is to introduce the significant novelties in Turkish industrial property law and to present the doctrinal discussions relating to them with a general overview of the law.

2. HISTORICAL BACKGROUND AND OVERVIEW OF LAW ON TURKISH INDUSTRIAL PROPERTY

A. HISTORICAL BACKGROUND

IP regulations date back to the Ottoman Empire.² The first regulation, the Letter Patent Act, was enacted in 1879³ and the Trade Mark Regulation was enacted in 1888. These regulations were still in force after the Republic of Turkey was founded in 1923 and remained in

Handbook of Early Modern European History, 1350-1750: Volume II: Cultures and Power (Oxford University Press 2015) 612. The Grand National Assembly of Turkey was founded in Ankara in 23 Apr. 1920 and abolished the Sultanate on 1 Nov. 1922. For further information see İrfan Neziroğlu (ed), *The Grand National Assembly of Turkey* (GNAT Press 2015) <https://www.tbmm.gov.tr/yayinlar/prestij_kitap_ingilizce_s.pdf> accessed on 21 August 2019.

³ Letter Patent Act was the sixth patent law adopted in the world. Mustafa Ateş, '6769 Sayılı Sınai Mülkiyet Kanunu'na Genel Bir Bakış (An Overview on Industrial Property Law No.6769)' (2017) 128 *Terazi Hukuk Dergisi* (Terazi L. J) 174; Cahit Suluk, '6769 Sayılı Sınai Mülkiyet Kanununun Getirdiği Yenilikler (The New Turkish Industrial Property Code)' (2018) 4 *Ticaret ve Fikri Mülkiyet Hukuku Dergisi* (J. of Comm'l and Intell. Prop. L.) 91.

force until the 1960s.⁴ Although the Ottoman Empire had IP regulations, the Empire did not sign the Paris Convention.⁵ After the First World War and War of Independence, the Ottoman Empire had ended and political, economic and legal independence of the country was declared in the Lausanne Peace Conference⁶. The Treaty of Lausanne, signed after the Conference, obliged Turkey to adhere to the Paris Convention.⁷ Consequently, Turkey acceded to the Paris Convention (as amended in 1911) in 1930. Due to fulfilment of the accession requirements to the Paris Convention, codification initiatives on industrial property law began in 1930s.⁸ However, these initiatives failed and the Letter Patent Act remained valid until 1995 and the Trade Mark Regulation remained valid until 1965.

Decision No.1/95 of the EC-Turkey Association Council of 22 December 1995 on implementing the final phase of the Customs Union was adopted on 6 March 1995

⁴ For further information about the valid Ottoman Laws in the Republic of Turkey, see Seda Örsten Esirgen, *Osmanlı Devletinde Kanun Yapma Geleneği ve Cumhuriyet Döneminde Uygulanan Osmanlı Kanunları (Law Making Tradition in Ottoman Empire and the valid Ottoman Laws in the Republic Period)* (Turhan Yayınları 2017).

⁵ Paris Convention for the Protection of Industrial Property, March 20, 1883, as revised at the Stockholm Revision Conference, July 14, 1967, 21 U.S.T. 1538, T.I.A.S. No. 6903, 828 U.N.T.S. 305.

⁶ Örsten Esirgen (n 4) 234.

⁷ French and Turkish version of Lausanne Peace Treaty of 1923 <<http://www.ttk.gov.tr/wp-content/uploads/2016/11/3-Lozan13-357.pdf>> accessed 14 November 2018.

⁸ The Ministry of Justice sent the Industry Property Law Project to the İstanbul University Faculty of Law to analyze and prepare an opinion on it in 1937. Prof. Ernst Hirsch, who worked at İstanbul University Faculty of Law, in those times was assigned to work on this issue. The proposal was prepared in 1938, however, it was never adopted. See Ernst Hirsch, *Hukuki Bakımdan Fikri Sâ-y (Intellectual Labor in respect of Law)*, vol 1 (V. Çernis tr, Kenan Basimevi ve Kılış Fabrikası 1942) 1-2.

⁹ Decision No 1/95 Of the EC-Turkey Association Council of 22 December 1995 on implementing the final phase of the

(Customs Union Decision).⁹ Turkey undertook to accede and implement the international agreements¹⁰ which EU or its members were already parties to them. Additionally, Turkey had an obligation to harmonize its domestic IP laws with the European IP Law before enforcement of the Decision.¹¹ Turkey fulfilled this obligation in a short period of time, therefore 1995 was a milestone year for Turkish IP law.¹² Decree-laws on patent and utility models, trademark, industrial design and geographical indications were all enacted in the same year. The Government followed a different path regarding the integrated circuit topographies and new plant varieties and regulated these rights under a law. The Law on the Protection of Integrated Circuit Topographies was enacted in 2004 and the Law on Breeder's right regarding the New Plant Varieties was enacted in 2007.

Customs Union (96/142/EC), 1996 O.J. (L 035) 1. This decision is based on the Agreement establishing an Association between the European Economic Community and Turkey was signed at Ankara 12 September 1963. See

Council Decision, of 23 December 1963, on conclusion of the agreement creating an association between the European Economic Community and Turkey, 1964 O.J. (L217), 3687. Association shall comprise three stages; a preparatory stage, a transitional stage and a final stage (Art. 2 of Agreement) and the final stage shall be based on customs union (Art. 5 of Agreement).

¹⁰ See Custom Unions Decision, Annex 8, Art. 2 and Art. 3.

¹¹ *ibid*, Art. 4. Customs Unions is an economic integration between members which involves basically removing the customs tariffs and adopting common customs tariff towards third countries. The final aim is to be a member of EU in Turkey's example. See Emrah Eray Akça, Harun Bal and Mirza Halit Çağlayan, 'The Effects of the Customs Union on Trade Between Turkey and European Union' (2017), 8 LAÜ Sosyal Bilimler Dergisi (LAÜ S.S.J.), 4-6. Because of these reasons Turkey was obliged to approximate its national law to EU law especially in intellectual property and anti-trust law.

¹² Ateş (n 2) 174; Suluk (n 2) 91.

The regulations on patent and utility models, trademark, industrial design and geographical indications were made through decree-laws instead of law.¹³ Decree-Laws had been submitted to the Parliament; however, the ratification process was not completed, meaning the decree-laws have never become a parliamentary act. It should be mentioned that the industrial property decree-laws and many other decree-laws were never ratified during this time.¹⁴ The non-ratification by the Parliament led to the cancellation of some articles of decree-laws by the Constitutional Court of Turkey. Decree-Laws on trademark, patent and utility models and industrial designs provided for criminal sanctions for infringement of these rights. Constitutional Court cancelled these provisions on the ground that crimes and penalties should be regulated by laws and that proportionality principles in criminal law were not observed.¹⁵ Additionally, fundamental rights and freedoms cannot be restricted by the decree-law and IP rights such as trade mark or patent rights are part of property rights. Therefore, the Constitutional Court has started to cancel the articles of the aforementioned decree-laws.¹⁶ Cancellation decisions accelerated the period of the codification.¹⁷ In the end, the new Law on Industrial Property No. 6769 was enacted by the Turkish Parliament on 12 December 2016 and most of the provisions enacted on 01 October 2017.

B. OVERVIEW OF THE LAW ON INDUSTRIAL PROPERTY

In addition to the difficulties arising from the cancellation decisions of Constitutional Court, a need for an up-to-date, effective and competent industrial rights system in harmony with international conventions and EU law arose as well.¹⁸ On these grounds, Industrial Property Code No. 6769 was prepared and finally legislated and enacted on 01 October 2017.

As previously mentioned, patents and utility models, trademark, industrial design and geographical indications were regulated under different decree-laws. All regulations of these rights were combined in Law No. 6769. Thus, the law consists of five books: trademark, geographical indications and traditional specialties, design, patent and utility models, and common provisions. Subjects regulated in different decrees such as periods and notifications, shared agent, legal transactions, infringement of industrial property rights, compensation, loss of profit, exhaustion of rights, the persons whom an action cannot be brought against, requirements for an action for infringement, effect of rights dated on before the application, courts of competent jurisdiction, lapse of time, action by licensee and its requirements, interim injunction, the persons competent for legal transactions, fees, and process of extermination are now regulated in the law as common

¹³ Decree-law was a rule of law issued by Council of Ministers was regulated under Art. 91 of Turkish Constitution which was repealed by the Law on Amendments on Turkish Constitution. Decree-Laws came into effect on the day of its publication in the Official Gazette and should be submitted to the Parliament for ratification on the same day according to the repealed Art. 91.

¹⁴ Ünal Tekinalp, 'Significant innovations in Turkey's Industrial Properties Act' (2018) *Gewerblicher Rechtsschutz und Urheberrecht (GRUR) Int'l.* 297.

¹⁵ Constitutional Court Decision, E. 2005/12, K.2008/2, 3 Jan. 2008, Official Gazette 5 July 2008, 26927 and Constitutional Court Decision E.2005/57, K.2009/9, 5 February 2009, Official Gazette 5 October 2009, 27254.

¹⁶ The last cancellation decision is the cancellation of Art. 14 of Decree-Law on Trade Mark. See Constitutional Court Decision, E.

2016/148, K.2016/189, 14 December 2016, Official Gazette 6 January 2017, 29940.

¹⁷ As a matter of fact, the Law No.6769 wasn't the first proposal submitted to the Parliament. At the beginning of the 2000's, Turkish Patent prepared proposals of Law on trade mark, patent, industrial designs which were submitted to the Parliament. In 2013, Turkish Patent submitted another proposal consisting of 102 articles, however this proposal wasn't enacted either. See Suluk (n 2) 93.

¹⁸ Türkiye Büyük Millet Meclisi (General Justification of Law No.6769)

<<https://www.tbmm.gov.tr/sirasayi/donem26/yil01/ss341.pdf>> accessed 14 November 2018.

provisions. Through these provisions, storage and preservation of goods that are subjects of a crime are easier.

Although the enactment of Law No. 6769 is described as a 'new era' in IP law in the paper, it is worth clarifying at the beginning that the general structure of the industrial property system is preserved in the new law. Novelties and amendments were made to establish an up-to-date, effective and competent industrial rights system which has to be more harmonized with international conventions and EU law.¹⁹ Some institutions of industrial property law, such as the system of patent without examination, were abolished whereas other institutions, such as letter of consent in the trade mark law or protection of unregistered designs, were introduced. Moreover, some amendments in industrial property law principles, such as the introduction of international exhaustion instead of national exhaustion, were made. In addition to the amendments and novelties regarding industrial property rights, some amendments have been made regarding the Turkish Patent Institute; the name of the institution has been amended as Turkish Patent and Trade Mark Office (there after TurkPatent) and the Turkish IP Academy were established in 2017. Therefore, the enactment of long-awaited Law No. 6769 deserves to be described as a new era in IP Law.

3. NOVELTIES IN THE LAW ON TURKISH INDUSTRIAL PROPERTY

A. TRADEMARK LAW

A large part of the trademarks decree-law was integrated into Law No. 6769.²⁰ Some provisions were amended to

provide conformity with the new EU Trade Mark Directive²¹ and Regulation.²² The most important novelties can be summarized as the introduction of new types of trade marks, letter of consent, proof of use claim in trade mark oppositions, and revocation authorization to TurkPatent.

Art. 5 of the Decree-Law on Trade Mark provides:

A trademark, provided that it is capable of distinguishing the goods and services of one undertaking from the goods and services of other undertakings, may consist of all kinds of signs being represented graphically such as words, including personal names, designs, letters, numerals, shape of the goods or their packaging and similarly descriptive means capable of being published and reproduced by printing.

The condition of being represented graphically had raised some difficulties with registering non-traditional marks such as sounds, smells, and position trademarks. Therefore, the condition of graphic representation was amended as follows:

Trademarks may consist of any signs like words, including personal names, figures, colors, letters, numbers, sounds and the shape of goods or their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings and being represented on the register in a manner to determine the clear and precise subject matter of the protection afforded to its proprietor.

¹⁹ Tekinalp (n 14) 298-299.

²⁰ Fatma Özer, '6769 Sayılı Sınai Mülkiyet Kanunu'nun Genel Bir Değerlendirmesi (An Evaluation of Industrial Property Law No.6769)' (2017), 128 Terazi Hukuk Dergisi (Terazi L. J.) 132.

²¹ Directive 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks, 2015 O.J. (L 336) 1.

²² Regulation 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark, 2017 O.J. (L 154) 1.

The new provision is consistent with EU trade mark law as well. Thus, the registration of non-conventional signs as a trademark is now possible.²³

Unlike in European Trade Mark Law, '[s]igns which are identical to or indistinguishably similar to a trademark-relating to identical goods and services or to goods and services of the identical type' are regulated as an absolute ground for refusal both in the decree-law and Law No. 6769. This provision means TurkPatent makes a similarity examination after it receives the application and must refuse it even though the trade mark owner consented to the registration. Therefore, letter of consent was introduced in the Law No. 6769. A letter of consent should be a notarial document indicating the clear consent of the prior trade mark owner according to article 5, paragraph 3 of Law No. 6769. Procedure and rules regarding the letter of consent are regulated in the Regulation on the Industrial Property Law.²⁴ Letter of consent should be unconditional and irrevocable according to article 10, paragraph 5 of this Regulation. In fact, it is more appropriate to regulate this condition under the Law, because restricting the fundamental rights through the Regulation may be brought to the Court for cancellation. In practice, TurkPatent published a standard letter of consent form on its web site and this form should be filled and notarized by the trade mark owner.²⁵ The letter of consent, which is a unilateral declaration, is mostly based on co-existence agreements. It should be stated that the validity of the co-existence agreement does not have any effect on the letter of consent and the registration.

There are also other amendments relating to the relative grounds of refusal, such as the registration of a sign that is identical or similar to a well-known trade mark is

regulated as a relative ground of refusal and bad-faith application is accepted as relative grounds of refusal.

'Proof of use claim' in the opposition proceeding is introduced under article 19, paragraph 2 of Law No. 6769. Proof of use can only be claimed provided two conditions are fulfilled. First, the opposition shall be based on the likelihood of confusion due to identity with or similarity to the earlier trade mark covering the identical or similar goods or services. Second, the earlier trade mark which is the ground for opposition should have been registered for at least five years at the date of application or date of priority application. If these two conditions are met, the applicant can invite the opponent to submit evidence proving the genuine usage of his trade mark for the registered goods and services. If the opponent fails to submit evidence proving the genuine usage or proper reason for not using the trade mark, opposition shall be refused.²⁶ This provision aims to provide the effective use of registered trademarks in the market and prevent the abusive usage of an opposition proceeding.

Law No. 6769 makes a clear distinction between the revocation and nullity of trademarks. The authority of revocation is given to TurkPatent. This amendment completely conforms with EU trade mark law. Pursuant to article 26 of Law No. 6769, lack of usage of a trade mark is accepted as a ground for revocation and TurkPatent has revocation authority. This article becomes effective in 2024 and the authority of revocation shall be exercised by the court until article 26 is enforced according to the provisional article 4. Clear distinction with the revocation and nullity of trade marks is an affirmative development. However, there is a problem arising from the cancellation of art. 14 of Decree-Law which regulated the revocation of trade mark on the ground of lack of usage by the Constitutional

²³ Ateş (n 2) 175; Özer (n 20) 141; Suluk (n 2) 94.

²⁴ Regulation on Implementing the Law on Industrial Property, Official Gazette 24 April 2017, 30047.

²⁵ Turk Patent: Türk Patent ve Marka Kurumu, 'Marka İslm Formlari'

<<http://www.turkpatent.gov.tr/TURKPATENT/forms/informatio>
nDetail?id=100> accessed 14 November 2018.

²⁶ Law No. 6769 (n 1) Art. 19.

Court. This decision was ruled only four days before the Law No.6769 came into effect. Decree-Law shall be applied to the cases already filed before the Law No. 6769 was adopted. So the question is: what should the courts do in those cases where revocation is requested due to the lack of usage? This situation brought the issue up for discussion whether there is a legal gap,²⁷ whether the cases filed before 2017 would be dismissed²⁸ or whether the judges should fill this legal gap through the rule that the judge would make as legislator.²⁹ In addition to these discussions, Tekinalp stated that although the provisional article had determined authority of revocation should be exercised by the courts, courts could not apply this provision because it was not effective.³⁰ As it can be seen, both the wording and silence of the law led to many problems on a very simple issue.

²⁷ Merdivan stated that there is no legal gap. See Fethi Merdivan, 'Tescilli Marka Hakkına Dayalı Tecavüz Davasında Kullanmama Def'i (Non-Use Defense in Infringement of Registered Trademark Cases)' in Feyzan Hayal Şehirali Çelik (ed.), *6769 Sayılı Sınai Mülkiyet Kanunu Sempozyumu (Symposium on Law No.6769 on Industrial Property)* (Banka ve Ticaret Hukuku Araştırma Enstitü 2017) 483,491-492.

²⁸ Hayrettin Çağlar, '6769 Sayılı Sınai Mülkiyet Kanununa göre Tescilli Markanın Kullanılmamasının Hukukî Sonuçları ve Anayasa Mahkemesinin 556 Sayılı KHK M. 14 Hükümünü İptal Eden Kararının Etkileri (Legal Consequences of Non-Use of Registered Trademark pursuant to the Industrial Property Law Numbered 6769 and Legal Effects of the Constitutional Court Decision on the Cancellation of Article 14 of the Decree law no. 556)' (2017) 21 Gazi Üniversitesi Hukuk Fakültesi Dergisi (J. of Gazi Univ. Fac. of L.) 3, 16-17.

²⁹ Ali Paslı, 'Anayasa Mahkemesi'nin MarkKHK m.14'ü İptal Kararı'nın Etkisi: Kullanmama Gereğesine Dayalı Hükümsüzlük/İptal Davaları Düşecek Mi? (The Effect of the Constitutional Court's Cancellation Decision of on article 14 of the Decree-Law on Trade Mark: Will Nullity/Revocation Cases on the ground of Lack of Usage be Dismissed?)' (Ticaret Kanunu Net, 20 January 2017) <<http://www.ticaretkanunu.net/makale-25/>> accessed on 14 November 2018; Arzu Oğuz, 'Markanın

B. GEOGRAPHICAL INDICATIONS

GIs not only protect the goodwill of the producer or producer groups, but also protects the consumers from deception. In addition, protecting GIs are accepted as a valuable tool for economic development of the region or area where products are manufactured³¹. In that sense, GI protection is indispensable for rural development³². All these facts indicate that Turkey needs an efficient GI protection system, considering Turkey's GI richness and the importance given to rural development.

GI is one of the areas where most novelties were introduced through Law No. 6769. Although an efficient GI protection was aimed with the repealed decree-law No. 555 on the Protection of Geographical Indications, there were too many system deficiencies. These deficiencies were very clearly determined in the law's reasoning and all the novelties are adopted to eliminate

Kullanmama Nedeniyle İptal Konusunun Yeni Sınai Mülkiyet Kanunu Hükümleri Çerçevesinde Değerlendirilmesi (An Analysis of Absence of Use as Ground for Cancellation of Trademarks under the New Industrial Property Rights Act)' (2017) 128 Terazi Hukuk Dergisi (Terazi L. J.) 132; Numan Sabit Sönmez, '6769 Sayılı Sınai Mülkiyet Kanununa Göre Markanın Kullanılmaması Neticesinde Ortaya Çıkan Sonuçlar (Consequences of Not Using a Trademark Based on Industrial Property Rights Act Number 6769)' (2018) 76 İstanbul Hukuk Mecmuası (J. of İstanbul Univ. Fac. of L.) 277,283.

³⁰ Tekinalp (n 14) 307.

³¹ For further information, see Michael Blakeney and Getachew Mengistie, 'Geographical Indications and Economic Development' in Michael Blakeney, Thierry Coulet, Gatachew Mengistie and Marcalin Tonye Mahop (eds), *Extending Protection of Geographical Indications* (Earthscan 2012) 94-95; Navin Kumar, *Legal Protection of Geographical Indications* (Lambert 2012) 84, 94-95; Tapan Kumar Rout, 'GIs as Instrument for Sustainable Development: A Case of Pochampally Ikat' in Tapan Kumar Rout and Bidyadhar Majhi (eds.), *WTO, TRIPS and Geographical Indications (GIs)* (New Century Publications 2014) 51.

³² Rout (n 3) 58-59.

them on the basis of international agreements and Regulation (EU) No 1151/2012 of The European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs.³³

First, traditional specialties were introduced in Law No. 6769 in addition to the appellations of origin and indications of source.³⁴ Scope of the traditional specialties is stated under article 34, paragraph 3 as,

'Words that are not covered as appellations of origin or indications of source; but have been used to indicate a product for at least 30 years are named as traditional specialties guaranteed. However, it has to meet one of the criteria below:

- (a) It has to be either originated from a traditional combination or mode of production or mode of processing, or
- (b) manufactured from traditional raw materials.'

While any natural or legal persons had the right to apply for registration under decree-law on GIs, producer groups, public institutions and organizations as well as professional organizations, associations, foundations and cooperatives operating for public interest in relation to the product or authorized to protect the economic interests of their members, and the relevant producer in case the product is produced only by a single producer, have the right to apply for registration under Law No. 6769. Applications shall be published in the Official Trade Mark Bulletin instead of the Official Gazette or national or regional newspaper. With this amendment, it is foreseen the cost of publishing will decrease by

approximately \$1.10-\$1.70.³⁵ The period for publication duration has been shortened to three months and control reports shall be submitted annually instead of every 10 years. Additionally, an emblem shall be used on the product or its packaging together with the appellation of origin and indications of source. Law No. 6769 has been effective for almost two years and these amendments have already given initial results. While there were 112 applications in 2016, 249 applications were filed to the Turkish Patent in 2017.³⁶

C. DESIGN LAW

Protection of non-registered designs and novelty examination was introduced by Law No. 6769 in the field of design law. Furthermore, non-visible pieces of a complex product are removed from the scope of protection which is consistent with EU law. Additionally, a three-year protection for the use of some complex products is exempted from protection according to a list which will be published by the Ministry of Science, Industry and Technology. The period for design publication is shortened from six months to three months, implying a more rapid process for registration. On one hand, partial refusal and partial nullity were introduced both in the opposition proceeding and the cases. On the other hand, bad faith application is accepted as a ground for opposition and nullity. Most of these amendments are consistent with EU design law.

One of the most significant novelties in the design law is the introduction of non-registered design protection in Law No. 6769. Non-registered designs could indeed be protected both by provision on unfair competition and copyright laws before the enactment of the law. However, there were some uncertainties and difficulties

³³ Regulation 1151/2012 of The European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs, 2012 O.J. (L 343) 1.

³⁴ For the criticism on definition and description, see Tekinalp (n 13) 307-308.

³⁵ Özer (n 20) 132.

³⁶ See Turk Patent and Trade Mark Office, 'Statistics of Geographical Indication and Traditional Specialties' <<http://www.turkpatent.gov.tr/TURKPATENT/geographicalRegisteredList/>> accessed 14 November 2018.

in determining whether unfair competition existed in the concrete case or whether the design is considered to be work or not and to what extent the aforementioned provisions would be applied.³⁷ The introduction of a non-registered design protection is of great importance in the industries with a high number of designs such as fashion, textile and packaging.³⁸ Considering these reasons, non-registered designs are granted protection under Law No. 6769. A design shall be protected by an unregistered design right if it is made available in Turkey. The term of protection of a design is three years starting from the date it is made available to public.³⁹ The scope of the unregistered design right is more limited than the scope of the registered design right, which is parallel to the European design law. Although the law was based on the Council Regulation (EC) No 6/2002 of 12 December 2001 on community designs, there are differences between the mentioned regulations.⁴⁰ Unregistered designs confer the right to prevent the acts only if the contested use results from copying the protected design pursuant to article 19 of the Regulation. The right to prevent is accepted only in cases where copies of identical designs or in respect of overall impression copies of indistinguishably similar designs are used according to the article 59, paragraph 2 of Law No. 6769. Hence, the usage of identical design or indistinguishably similar design was preferred in determining the scope of the right in Law No. 6769. This expression is used in the infringement of design rights too. However, the expression 'identical or indistinguishably identical' is

criticized by the doctrine because this terminology is more related to trademark law and it is not consistent with article 58, paragraph 1, which states, 'Design owner may use his rights arising from this Law against designs which have no individual character compared to his own design.'⁴¹

A visibility requirement for the components of complex products is also introduced by Law No. 6769. Decree-Law on Industrial Design was silent on this issue; however, the rule that only the visible components of complex products shall enjoy the protection of design law was developed by case law in accordance with EU design law.⁴² This rule is integrated in article 56 of Law No. 6769.

Article 22 of the Decree-Law on Industrial Designs stated the use of the design of a component part used for the purpose of repairing a complex product so as to restore its original appearance within three years after design is made available would not be deemed as an infringement. This provision was retained in Law No. 6769, however an exception relating to the use of equivalent parts published by the Ministry of Science, Industry and Technology was introduced. This exception has three conditions: equivalent parts should be in the list published by the mentioned Ministry, these equivalent parts should be used for the purpose of repair of a complex product so as to restore its original appearance, and the usage of them should not be misleading the public about the source of these parts. If these conditions

³⁷ Justification of art. 56, p.23. Şehirali Çelik stated that justification of the article 56 is can be described as very detailed. Feyzan Hayal Şehirali Çelik, 'Sınai Mülkiyet Kanununun Tasarım Hukukuna Getirdiği Temel Yenilikler (Basic Novelties in Design Law by the Law on Industrial Property)' in Feyzan Hayal Şehirali Çelik (ed.), *6769 Sayılı Sınai Mülkiyet Kanunu Sempozyumu (Symposium on Law No.6769 on Industrial Property)* (Banka ve Ticaret Hukuku Araştırma Enstitü 2017) 255, 282.

³⁸ Justification of art. 56, p.23.

³⁹ Law No. 6769 (n 1) Art. 69, para.2.

⁴⁰ Council Regulation 6/2002 of 12 Dec. 2001 on Community designs, 2001 O.J. (L 003).

⁴¹ Şehirali Çelik (n 37) 292.

⁴² Tekinalp (n 14) 310; Şehirali (n 37) 264-265; Özgür Semiz and Muazzez Kılıç, 'Tasarımlara Yeni Bir Çerçeve: 6769 Sayılı Sınai Mülkiyet Kanunu Üçüncü Kitap (A New Framework for Designs: The Design Clauses of Industrial Property Law No.6769)' (2017) 128 Terazi Hukuk Dergisi (Terazi L. J.) 163, 66-67; İlhami Güneş, 'Sınai Mülkiyet Kanunu'nda Tasarım Tescili Konusundaki Yenilikler (Novelty on Process of Registering of Designs in the Industrial Property Act)' (2017) 128 Terazi Hukuk Dergisi (Terazi L. J.) 116, 117.

are met, the use of these parts shall not be deemed as an infringement of the design right even though the usage has taken place less than three years after the design is made available.⁴³ This issue is still being discussed in EU law. Although there are some concerns about the scope of the equivalent parts, it can be said this exception will have a positive effect on the economy considering the equivalent/spare part sector in Turkey.⁴⁴

D. PATENTS AND UTILITY MODEL LAW

The aims of patent and utility models amendments can be summarized as harmonization to the international conventions and European patent law, improvement of the patent quality, increasing the commercialization of inventions, and simplification of the registration procedure.

The provision on patentable inventions was revised and 'all fields of technology' expression was added in conformity with article 52 of European Patent Convention (EPC).⁴⁵ Biotechnological inventions were not regulated under the Decree-Law on Patents and Utility Model. However, it should be mentioned that Turkish Patent and case law granted patents to these inventions.⁴⁶ Unlike decree-law, biotechnological inventions were mentioned in the context of exceptions of patentability in article 82 of Law No.6769 as:

- biological processes relating to plant varieties or animal races; or intending to generate plant varieties or animal races with the exception of microbiological processes or products obtained in the result of such processes;
- discovering only one of the parts of human body including human body and a gene sequence or a partial gene sequence in the various phases of their generation and evolution⁴⁷;
- the human cloning processes, the changing processes of genetic identity of human sexlinked inheritance, using human embryos for industrial or commercial purposes, changing processes of genetic identity in a way that may agonize the animals without providing any significant medical avails for human or animals and animals that are obtained in the result of such operations.

It is noteworthy to mention the law maker chose to be silent on secondary medical use patents, although article 54 of the EPC explicitly grants patent for the second medical use by regulating an exception. The minutes of the meeting of the Commission on the Industry, Trade, Energy, Natural Sources, Information and Technology which Law No. 6769 was negotiated can enlighten the reasons of this choice.⁴⁸ While foreign investors demanded the addition of a provision on the secondary

⁴³ Law No. 6769 (n 1) Art. 59, para. 5.

⁴⁴ See Şehirli Çelik (n 37) 272-275.

⁴⁵ European Patent Office, European Patent Convention (2016), <[http://documents.epo.org/projects/babylon/eponet.nsf/0/029F2DA107DD667FC125825F005311DA/\\$File/EPC_16th_edition_2016_en.pdf](http://documents.epo.org/projects/babylon/eponet.nsf/0/029F2DA107DD667FC125825F005311DA/$File/EPC_16th_edition_2016_en.pdf)> accessed on 14 November 2018.

⁴⁶ Suluk (n 2) 97.

⁴⁷ Öztürk stated that law maker should have regulated the patentable biological inventions and their conditions firstly like EPC and Directive 98/44/EC of the European Parliament and of the Council of 6 July 1998 on the legal protection of biotechnological inventions instead of mentioning these in the article justification. Özgür Öztürk, 'Sınai Mülkiyet Kanunu'nda Patent ve Faydalı Modellere İlişkin Düzenlemeler ve Yenilikler (Regulation and Novelty on Patent and Utility Models in the

Law on Industrial Property)' in Feyzan Haya Şehirli Çelik (ed.), *6769 Sayılı Sınai Mülkiyet Kanunu Sempozyumu (Symposium on Law No.6769 on Industrial Property)* (Banka ve Ticaret Hukuku Araştırma Enstitü 2017) 341,345-346. For the Biotechnology Directive, see Directive 98/44 of the European Parliament and of the Council of 6 July 1998 on the legal protection of biotechnological inventions, 1998 O.J. (L 213/13).

⁴⁸ Minutes of the 8th Meeting of Industry, Trade, Energy, Natural Sources, Information and Technology Commission of the Parliament on 5 May 2016, *Türkiye Büyük Millet Meclisi* <https://www.tbmm.gov.tr/develop/owa/komisyon_tutanaklar.i.goruntule?pTutanakId=1626> accessed on 14 November 2018.

medical use, the national pharmaceutical sector opposed this demand. Judge Adem Aslan, a member of the Court of Cassation of Turkey stated the Court of Cassation had given protection for the secondary medical use by interpreting decree-law. Therefore, the lack of any special provisions relating to it did not prevent either national applications or European applications from being registered. He furthermore indicated that instead of having such a very clear provision in the law, courts could evaluate more effectively whether there was a new invention.⁴⁹ Therefore, it can be said law makers were silent to give more discretion to the Turk Patent and courts.⁵⁰

The main novelties regarding patents can be indicated as the abolishment of patent without examination system, acceptance of post-grant opposition, mandatory declaration in the application of 'genetic resources' and of 'traditional knowledge based on genetic resources', introduction of farmer exception and new regulations on reestablishment of rights. Furthermore, the registration process has been simplified and shortened like trademarks, designs and geographical indications. In utility models, mandatory requirement for preparation of a research report is introduced.

Amendments were also made relating to employee and university inventions. In addition, regulation on inventions generated in project supported by State was introduced. One of the most significant and controversial novelties on patent law is the channelling of invention rights by scholars to universities, provided at least one-third of revenue generated by commercialization of the invention will be allocated to the scholar herself. The

system amendment makes sense because of the positive effects of the American Bayh-Dole Act on the commercialization of university inventions. It is worthy to mention that countries like Germany and Japan have changed the regime of university inventions as well.⁵¹

4. CONCLUSION

The decree-laws on industrial property rights enacted in 1995 aimed to harmonize Turkish law to be in accordance with EU law and to fulfil the requirements of international conventions. Therefore, the general structure of IP law in Turkey was established in 1995 and Law No. 6769 preserved this structure. Special courts on IP were founded, case law on new system of industrial property law has been developed and the number of IP experts has increased. The importance of industrial property law was better understood between 1995 and 2016. On one hand, the deficiencies of the Turkish industrial property system were realized. On the other hand, IP law or special industrial property law has continued to improve in line with new technological developments. Therefore, a need for an up-to date IP law emerged and the new law was finally enacted on 22 November 2016.

Law No. 6769 on Industrial Property sometimes brings complete, and sometimes partial, solutions to some of the main problems of Turkish industrial property law. Some important issues such as revocation due to the lack of usage of trademark and university inventions are still under discussion and new problems will arise when applying new legal institutions. However, this long-awaited law is a very positive development in general.

⁴⁹ Ibid 48. On the other hand, Öztürk indicated that without an explicit provision, patent for secondary medical use could be granted only the application through the EPC or PCT. See Öztürk (n 47) 349.

⁵⁰ Aydın Mutlu, 'İkinci Tıbbi Kullanım İstemlerinin Yeni Sınai Mülkiyet Kanunu Işığında Patentlenebilirliği (Patentable of Secondary Medical Use Patents in the Light of the New Law on Industrial Property)' (2017) Ankara Barosu Fikri Mülkiyet ve

Rekabet Hukuku Dergisi (Intell. Prop. and Competition L. J. of Ankara Bar) 91, 106.

⁵¹ Selin Özden Merhacı, 'Amerika Birleşik Devletleri Bayh-Dole Yasası ve Türk Hukukunda Öğretim Elemanlarının Buluşlarına İlişkin Bir Değerlendirme (The Bayh-Dole Act and an Analysis on the Inventions of University Lecturers in Turkish Law)' (2015) 64 Ankara Üniversitesi Hukuk Fakültesi Dergisi (Ankara Univ. Fac. of L. J.) 105.

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15. AN APPROACH TO COMPREHEND THE ACTUAL VENEZUELAN TRADEMARK SYSTEM

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ABSTRACT

Since 2008, the Industrial Property Registry Office (IPRO) of Venezuela decided to fully implement the Industrial Property Law (IPL) 1955, due to Venezuela's exit from the Andean Community of Nations (CAN) on 19 April 2006 under the Hugo Chavez Administration.² The IPL 1955 established an old-fashioned trademark system. Non-traditional trademarks (olfactory, tactile and taste marks) are not protected, as well as three-dimensional marks. The protection of well-known trademarks is limited, besides their exceptional recognition by courts (*Galleries Lafayette* 1993). Notwithstanding, while Venezuela was an active member of CAN, such form of protections were protected under Decision 486 of the Andean supranational communitarian law, except gustative and tactile marks. The procedure for registration is also obsolete. The assignment of a trademark application is permitted once granted. The enforcement of unregistered trademarks is based on previous use and sustained under the principle *in dubio pro signo prior in tempore*. The protection of geographical indications (GIs)

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and collective marks is an administrative practice. This paper aims to update the trends in the Venezuelan trademark protection system in accordance with the IPL 1955, the international industrial property treaties adhered to by Venezuela, and recent decisions taken by the local IPRO and courts in Venezuela, particularly the Supreme Court of Justice.

Keywords: *Venezuela, industrial property, trademark system, trademark protection, trademark enforcement*

1. INTRODUCTION

To comprehend the actual Venezuelan trademark system, requires an understanding of its legal system. Venezuela is a civil law country as a result of its colonization by the Spanish kingdom from 2 August 1498 (date of its discovery by Christopher Columbus) to 5 July 1811 (date of its independence).

The newly born Republic of Venezuela passed a Constitution on 5 July 1811, which established that the ruling laws of the Spanish monarchy up to 17 March 1808, the date of the Mutiny of Aranjuez,³ would apply in the newly-independent country, while the legislative branch approved new legislation. This was established to

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² Industrial Property Law (2 September 1955) [hereinafter IPL], *Official Gazette of the Republic of Venezuela*, 24.873, 14 October 1955. Reprinted *Official Gazette of the Republic of Venezuela*, 25.227, 10 December 1956.

³ This decision relied on the fact that in 1808 the French invaded Spain and Napoleon Bonaparte in Bayonne 5 May 1808 forced to abdicate the Spanish kings Carlos IV and Fernando VII on behalf of him, and designated his brother Jose Bonaparte as King of Spain. The Venezuelan and other Latin-Americans Creole whites as well as local Spaniards authorities did not accept the French invasion and rejected the application of their legislation in support of the Kingdom of Spain. (cf. Lucas Morán (ed), *Enciclopedia de Venezuela* (Editorial Bello, 1973) vol VII, 6-7).

prevent the application of the provisions passed in Spain during the French domination (1808-13).

The Venezuelan Constitution passed in Angostura on 15 August 1819, ratified the application of the governing laws of the Spanish monarchy until 1808.

In 1821, the Republic of Colombia was created and integrated by the actual Colombia (Viceroyalty of Nueva Granada), Ecuador and Venezuela. The Constitution signed in Villa del Rosario de Cucuta 25 September 1821, kept the application of Spanish monarchy legislation up to 17 March 1808.⁴

The Congress of Venezuela passed a new Constitution 22 September 1830, after its secession from Colombia in 1830 and before Simon Bolivar's death 17 December 1830.⁵ This Constitution did not establish the application of the Spanish legal framework applicable until 1808. Nevertheless, the legal framework of Venezuela was mostly compounded by the legislation of Colombia passed up until 1827 and the Spanish Royal Decrees valid up to 1808, which were legally applied by Venezuelan courts and several Administrations during the second half of 19th century. A new legislation would be approved that repealed the old legal provisions, as it would be referred in this paper.⁶

During the period (1830-77), the entire Venezuelan trademark legal framework was compounded by the Spanish colonial legislation;⁷ therefore the trademark system was not influenced by the Spanish Trademark Law of 20 November 1850,⁸ which never became valid neither in the Republic of Colombia (Gran Colombia) nor in Venezuela.

In this context, this research aims to: 1) provide a historical background of the Venezuelan trademark system up until today; 2) give an approach to comprehend the actual Venezuelan trademark system in accordance with the Industrial Property Law (1955) and international industrial property treaties adhered to by Venezuela, such as the Paris Convention for the Protection of Industrial Property, the WTO TRIPS Agreement and MERCOSUR's Protocol on Harmonization of Intellectual Property Norms in the Field of Trademarks, and Indications of Source and Appellations of Origin 1995; and 3) to show the most significant criterion applied by the Administration and the relevant jurisprudence passed by the Supreme Court of Justice related to trademarks.

2. AN OVERVIEW OF THE HISTORICAL BACKGROUND OF THE VENEZUELAN TRADEMARK SYSTEM

A. BEFORE 1955

(i) THE COLONIAL PERIOD (1498-1811)

During the colonial period, some regulations were approved by different Spanish monarchs. However, those provisions were not fully applied in Spanish colonies due to the existence of the Indian law (*derecho indiano*) administered by the Council of the Indies (Consejo de Indias), while regulations related to intellectual property rights were administered by Council of Castilla (Consejo de Castilla).⁹

Some relevant facts related to this period that should be mentioned are: (i) the Governor of the Province of Venezuela, Guillelmi (1787), ordered the use of marks to

⁴ Leonel Salazar, *El Circuito Jurídico-Económico de la Propiedad Intelectual* (Universidad Central de Venezuela, 2010) 97-98.

⁵ Allan Brewer-Carias, *Las Constituciones de Venezuela* (Editorial Jurídica Venezolana, 1985) 333; cf Salazar (n 4) 100.

⁶ Ignacio Oropeza, *Registro de Legislación: Colombiana hasta 1827, Venezolana hasta 1843 y de varias Reales Cédulas hasta 1808* (El Venezolano, 1844).

⁷ Salazar (n 4) 98.

⁸ Hermenegildo Baylos, *Tratado de Derecho Industrial*, (3rd edn, CIVITAS-Thomson Reuters, 2009) 273-274.

⁹ Salazar (n 4) 96.

distinguish bakers and bakeries in Caracas; (ii) The Royal Consulate, created on 3 July 1793, established the Commercial Registry Office where businessmen and their companies were obliged to record their names and trade names, and (iii) the Royal Decrees on Trademarks of 21 September 1789¹⁰ and on the right to Industrial Property of 29 November 1796¹¹ dictated by King Charles IV. Generally, trademarks were granted as a royal concession to prevent counterfeiting of goods and to identify the producers of those goods. Once the Venezuelan Republic was created, a formal process for the granting of trademarks would be implemented only in the second half of 19th century.

(ii) THE INDEPENDENCE PROCESS (1810-30)

Venezuela initiated its emancipation process from Spain on 19 April 1810; when the civilians of Caracas did not recognize the abdication of King Fernando VII on behalf of Jose Bonaparte, removed of office the Major of Caracas Colonel Vicente Emparam, and created a Board for the Protection of the Rights of King Fernando VII. The process of independence formally began on 5 July 1811 with the signing of the Declaration of Independence and the approval of the Constitution of 1811.

The Constitutions of 1811 and 1819 recognised the citizen's right to intellectual property as a freedom for work, culture and commerce. Starting with the Constitution of 1821 (the Colombian Constitution), all subsequent Venezuelan constitutions began to recognise freedom for work, culture and commerce as human rights rather than constitutional fundamental rights.¹² This principle is shown in the Declaration of the Rights of the People (adopted in Caracas on 1 July 1811)¹³ and was inspired by the Déclaration des Droits de l'Homme et du Citoyen (France, 26 August 1789), which recognises the rights of man in society, specifically that all citizens have the right to property, work, culture, industry and commerce.¹⁴

Therefore, in Venezuela, intellectual property rights have been considered as human rights since 1810 and recognised as such in the actual Constitution that was approved by the Constituent Assembly in 17 November 1999.

This period is characterized by the absence of a formal regulation on trademarks, because of the war of independence that devastated the country as well as its economy. It was not until 1877 that a Trademark Law was passed by Congress.

¹⁰ Baylos (n 8) 273.

¹¹ Leopoldo Palacios, *Las Marcas Comerciales en Venezuela* (Universidad Central de Venezuela, 1965) 18.

¹² For the purpose of this paper, the concepts of citizen's rights, human rights and constitutional fundamental rights are handled quite differently. For citizen's rights, also known as civil rights, are understood those rights inherent to any national or citizen from any country since 1787, as established in the USA Constitution 11 September 1877 and the French Constitution 1789, when notion of subject to a Monarchy was abolished. Notwithstanding, this concept has evolved to actual constitutional fundamental rights since the first half of 19th century, when constitutions have recognised them either as human rights or constitutional fundamental rights, as it has been observed in recent studies (cf. Astrid Uzcategui, *Derechos de*

Propiedad Intelectual y Derechos Fundamentales (Universidad de Los Andes, 2015), Gileni Gomez, *El Derecho de Autor en el marco de los Derechos Humanos. Su consagración constitucional en España y demás países iberoamericanos* (Editorial Jurídica Venezolana, 2016)). Human rights are those inherent to any human being recognised or not by any State or its constitutions, determined by the progressiveness of human rights, whether they are recognised or not in an international treaty. Whilst, constitutional fundamental rights are human rights recognised by any constitution.

¹³ Brewer-Carias (n 5) 175-77.

¹⁴ Archives parlementaires, 1^{re} série, t. VIII (France) <<https://gallica.bnf.fr/ark:/12148/bpt6k495230.image.f557.lan.gFR>> accessed 1 November 2018.

(iii) THE REPUBLICAN LONG WAVE (1830 – 1953)

This period covers part of the Fourth Republic (1830-1998).¹⁵ In 1877, the national trademark legal system was established with the approval of the Trademark Law of 24 May 1877, which was completed with the approval of the Trademark Law of 1930.

During this period, Venezuela signed various bilateral trade agreements with countries such as France in 1879, Denmark in 1879, Spain in 1882, Belgium in 1882, Germany in 1883 and El Salvador in 1883. Some of these bilateral trade agreements recognized the protection of marks of their citizens on the basis of reciprocity.¹⁶

Venezuela became part of the Paris Convention in late 20th century (1995). By 1883, Venezuela did not attend the International Diplomatic Conference that adopted the Paris Convention for the Protection of Industrial Property on 20 March 1883, due to the rupture of diplomatic relations between the Republic of France and the Government of President Guzman Blanco in 1882.¹⁷ Besides that, Venezuela participated in the Diplomatic Conference celebrated in Paris on 4 November 1880.¹⁸

(a) CONSTITUTIONS 1830 – 1953

Venezuelan constitutions adopted during this period regulate intellectual property right most commonly either as a right of citizens, a fundamental right, or a human right.¹⁹ Exceptionally, the Constitutions of 1821

and 1953 established that intellectual property right could only be regulated by special law dictated by Congress, on the basis, that it was within the exclusive powers of the Congress of the Republic of Venezuela to legislate to protect people's right to intellectual property (industrial property and author's right).²⁰ The Constitutions of 1864, 1874, 1881, 1891, 1893, 1904, 1909, 1914 and 1922 regulated trademarks under the human right category. Finally, the Constitutions of 1830, 1857, 1858, 1901, 1925, 1928, 1929, 1931, 1936 and 1947 established intellectual property as a right of citizens, a fundamental right or a human right, and at the same time established that its regulation is of the exclusive power of the legislative branch. Importantly, since the approval of the Universal Declaration of Human Rights by United Nations in 1948, it has been assumed that intellectual property right is a human right, a debate that will be argued later in this research.²¹

(b) TRADEMARK LAWS: 1877, 1927 AND 1930

(1) Trademark Law 24 May 1877:²²

The first Venezuelan trademark law of 24 May 1877 substituted all Spanish legislation valid at that point and was a compilation of sixteen rules. It recognized the protection of marks of fabrics and commerce and created equivalents to marks of goods and services. Further, it established a process for the registration of marks of foreign applicants, subject to reciprocity established by treaties between Venezuela and other countries.²³

¹⁵ The Fourth Republic (1830-1998) ends with the instalment of the Fifth Republic (1998), the beginning of the Hugo Chavez's Administration (1998-2013) and its continuity in Nicolas Maduro's Administration (2013-2019).

¹⁶ Mariano Uzcátegui, *Recopilación de Leyes y Jurisprudencia en Materia de Propiedad Industrial* (Universidad de Los Andes, 1960) 32-53.

¹⁷ Morán (n 3) 120.

¹⁸ Salazar (n 4) 127-128.

¹⁹ See n 12.

²⁰ Salazar (n 4) 250-251.

²¹ See n 12.

²² Uzcátegui (n16) 22-25.

²³ Trademark Law 1877, art 1 (Venez): 'Any person or company domiciled in the Republic, and any corporation created by national authority, of the States and of the Territories, as well as any person, society or corporation resident in a foreign country in which by treaty or agreement the Venezuelan citizens are agreed upon same or similar rights to those granted by this Law, may obtain the protection or guarantee of any legitimate trademark for whose use have an exclusive privilege, or to be

Regardless, marks registered in other countries with which Venezuela had not signed trade agreements should still be registered.²⁴

This trademark law recognized counterfeiting as a criminal offence and offender became subject to repair damages caused to legitimate owner.²⁵ It additionally prohibited registration of marks belonging to third parties, because they may cause likelihood of confusion with marks registered or applied for registration and mislead the public.²⁶ Under this law, the exclusive right to use a registered trademark shall remain in force for a period of thirty years, counted from the date of registration²⁷ and subject to renewal for the same period if it is renewed within six months prior to the expiration of each period.²⁸

adopted and used with such character, if it meets the requirements contained in this Law’.

²⁴ *ibid* art 16: ‘Trademarks of foreign products or merchandise registered outside the Republic, may also be registered by the Ministry of Development even if no international treaties or agreements have been concluded on the matter, with respect to the products or merchandise that have accredited their utility in the Republic, according to the Executive Branch’.

²⁵ *ibid* art 12: ‘Any person who reproduces, falsifies, copies or imitates any registered trademark, or fixes it in merchandise of the same descriptive properties and qualities as those referred to in the registry, shall be liable in a civil court by the registrant, for the damages caused for the illegitimate use of such brand, without prejudice, in case of fraud, of suffering the penalties established by the Criminal Code’.

²⁶ *ibid* art 4: ‘The Ministry of Development will not receive or register any trademark that is not or cannot become a legitimate brand, or that is merely the name of a person, society or corporation, not sufficiently distinguishable from that mark when used by other persons, or that the mark is identical to another already appropriate to the same class of products and belonging to a different owner and that is registered or presented to be, or that resembles both the brand mentioned above, that in all probability has to deceive the public’.

²⁷ *ibid* art 7: ‘The right to use exclusively all trademarks registered and certified in the prescribed manner shall remain in

(2) Trademark Law 9 July 1927:²⁹

This version of the trademark law, enacted in 1927, recognized the protection of marks of fabrics and commerce as equivalents to marks of products, services and trade names.³⁰ It introduced the types of signs that constitute marks, aside from the traditional visual perception of marks and its graphical representation as a requisite for registration. It recognised the relief marks (actually, tactile marks) and the three-dimensional marks, which subsequently allowed the registration of wrappers, packages and containers of products. This legislation showed innovation in trademark protection even though it did not yet recognize the registration of sound, olfactory, and taste distinctive signs.³¹

force for a term of thirty years, counted from the date of registration...’

²⁸ *ibid* art 9: ‘During the six months prior to the expiration of the thirty-year term, the renewal of the registration of any trademark may be requested, which will be granted under the terms of the primitive registration, in a sealed Certificate of Renewal. The registration renewal will have the same duration of thirty years as the original registration’.

²⁹ Trademark Law (9 July 1927) *Official Gazette of the Republic of Venezuela*, 16.255, 22 July 1927.

³⁰ *ibid* art 1: ‘Any natural or legal person may obtain the registration of any trademark or industry brand in general, as well as the commercial name that has adopted, complying with the requirements established in this Law’.

³¹ *ibid* art 2: ‘May be used as trademark and agriculture brand, the names of products or names of persons in particular form, emblems, initials and monograms, coat of arms, prints, drawings, prints, vignettes, labels, labels, stamps, bells, reliefs, stripes, girdles, figures, fantasy names, numbers, letters, words, signs, phrases with special drawings, alone or formed in combination or whimsical type, wrappers, packaging, packaging of objects and any other sign that is new and with which distinguish the manufacture of a factory or industry, the objects of a trade or the natural products of the agricultural or extractive industries. May not be registered any trademark that suggests

The law mandated the exclusive right to use a registered trademark shall remain in force for a period of ten years, counted from the date of registration,³² and subject to renewal for the same period if it is renewed within six months prior to the expiration of each period.³³ It established that the transfer of a mark must be registered before the local IPRO.³⁴ Trade names should not be transferred without the transferral of the company whose establishment serves to distinguish and the

immoral ideas or serves to distinguish immoral and scandalous objects; nor to distinguish goods that are not produced or traded with them; that is used in illicit business or on a harmful item; consisting of the flag or coat of arms or other insignia of the Republic, State or Municipality or comprising these elements or a simulation of them; in the emblem or figure of any religious association or charity that by its Statutes or otherwise allowed its use; geographical names, flags, pennants, shields, official badges of legally recognized nations; the shape and colour given to the items or products by the manufacturer; the colours or colour combinations alone; the terms and phrases that have gone into general use and the signs that do not present specialty characters; the designations usually used to indicate the nature of the products or the classes to which they belong; that it is merely the name of a natural or legal person, if it is not presented in a peculiar and distinctive form sufficient to distinguish it from the same name when used by other persons; the trademark already registered for similar products, or that resemble another graphic or phonetically, that already is and may be confusing or misleading, or deceiving; which consists of private domain locations, to which only their owners are entitled unless said names have entered into general use and suitable specifications are adopted to avoid confusion’.

³² *ibid* art 5: ‘The right to exclusively use a legally registered trademark will remain in force for a period of ten years; expired the term the mark will be declared void if not renewed’.

³³ *ibid* art 6: ‘Any trademark may be renewed, provided that it is requested by the interested party or by his legitimate successors during the six months prior to the expiration of the ten year term, verifying that the trademark has been in use and that has been paid the right to renewal. The renewal of the registration will have the same duration of ten years and will be granted in the terms of the primitive registration’.

³⁴ *ibid* art 8: ‘The trademarks may be assigned under the terms prescribed in the Civil Code, but the assignment or sale will not

Ministry of Commerce used to have a special registry for trade names.³⁵ Further, the law established that opposition based on the opponent’s prior right to the mark has to be filed once the mark has been published and the Ministry of Commerce should decide it in fifteen working days.³⁶

This version of the law established that fraud in the registration of a mark³⁷ and counterfeiting of goods are

take effect with respect to the third parties until the corresponding annotation has been made in the corresponding Trademark Registry. For which purpose the interested parties will request it in writing authorized by the transferor and the assignee, accompanying the transfer document and verifying that have been satisfied the transfer rights’.

³⁵ *ibid* art 19: ‘Any natural or legal person may register, by filling out the same formalities and paying the same registration fees for a brand, the word or phrase that uses as business emblem. The Ministry of Development will keep a record for trade names. Commercial names cannot be assigned except with the company whose establishment serves to distinguish’.

³⁶ *ibid* art 13: ‘During the period of the publications, any person who considers to possess a better right to a trademark whose registration has been requested by another, may oppose the registration by means of formal writing, clearly stating the reasons and grounds on which the opposition is based and accompany the supporting evidence. The opposition will be notified to the applicant, in a fifteen days term the applicant must adduce those conducive reasons to its rights, under penalty of having the mark abandoned. Once the opposition is answered, the Minister of Development will decide it by means of a Resolution, in which it will provide the registration or the refusal according to the case; before being able to request *ex officio* or ask the parties for the information they deem necessary. In the decision may impose on the party that appears manifestly reckless, fine from fifty to two hundred bolivars’.

³⁷ *ibid* art 22: ‘Any person who seeks the registration of a trademark by himself or on behalf of another, or who requests from the Ministry of Development any other act related to this matter, making false or fraudulent representations or declarations, in word or in writing or by any other means, will be subject to the penalties established by the Criminal Code, for

criminal offenses punished according to the Penal Code and offenders are subject to damages.³⁸ It also determined, the Minister of Commerce can declare to nullity *ex officio* of the mark on the basis of illegality in the granting of the registration of a trademark.³⁹ Furthermore, any civil action or remedy should be claimed before civil courts, particularly the priority right for the registration of the mark, this is the precedent of the action based on the principle of first-to-use or *in dubio pro signo prior in tempore*.⁴⁰ Finally, the classification of goods was established by the Ministry of Commerce.⁴¹

counterfeiters or scammers as the case may be, without prejudice to the civil liability regarding third parties’.

³⁸ *ibid* art 24: ‘Any person who reproduces, falsifies, copies or imitates any registered trademark for use in merchandise included in the same class as that, will be subject to answer in court for damages caused by the illegitimate use of such brand, without prejudice to suffer the penalties that set the Criminal Code’.

³⁹ *ibid* art 23: ‘Within two years after the registration of any trademark, the Ministry of Development may, in a reasoned Resolution, cancel the registration obtained in contravention of this Law. The interested party shall have a period of three months, counted from its publication in the Official Gazette, to file an appeal before the Federal Court and Appeal’.

⁴⁰ *ibid* art 25: ‘The action on the right of priority of the brand or any other related to this matter, of a civil nature, will be brought before the competent Court. For investigation of the crime in cases of forgery or fraud related to a legitimate trademark or trade name, the denunciation may be made by any person and by the same privileged, if the role of accuser is not assumed, in accordance with the Law’.

⁴¹ *ibid* art 26: ‘The Ministry of Development will establish the classification of products, determining the particular description included in each class’.

⁴² Uzcátegui (n 16) 94-99.

⁴³ Trademark Law (28 June 1930) *Official Gazette of the Republic of Venezuela*, art 1. ‘Any natural or legal person may obtain the

(3) Trademark Law 28 June 1930:⁴²

Under the 1930 law, (1) trade names are protected as commercial designations (this term remains valid at the present time);⁴³ (2) relief marks (actually, tactile marks) and three-dimensional marks remain valid, and visually perceived marks were protected as well as goods and services marks;⁴⁴ and (3) the exclusive right to use a mark is acquired only in relation to the class of products, activities or companies for which it has been registered according to the official classification.⁴⁵

Further, the exclusive right to use a registered trademark shall remain in force for a period of fifteen years, counted from the date of registration,⁴⁶ and subject to renewal for the same period if it is renewed within six months prior

registration of any trademark, trade brand or agriculture brand, as well as the commercial name that has adopted, according to the requirements established in this Law’.

⁴⁴ *ibid* art 2: ‘May be used as trademarks and agricultural brands the names of products, names of persons in particular form, emblems, initials and monograms, coat of arms, prints, drawings, prints, vignettes, labels, stamps, bells, **reliefs**, stripes, figures, fantasy names, numbers, letters, words, signs, phrases with special drawings, alone or formed in combination or whimsical type, wraps, packaging, containers of objects and any other sign with novelty and to distinguish the manufacture of a factory or industry, the goods of a trade or agricultural natural products’.

⁴⁵ *ibid* art 4: ‘The exclusive property of the brand corresponds to the industrialist, merchant or farmer who has obtained the respective Certificate of registration in accordance with this Law; and is only acquired in relation to the goods and merchandise for which it was requested, in accordance with the official classification; however, the industrialist, merchant or farmer who has used a trademark in Venezuela prior to the one that obtained the Registration Certificate may occur before the competent ordinary Courts requesting the annulment of it within two years from the date of the Certificate’.

⁴⁶ *ibid* art 5: ‘The right to use exclusively a legally registered trademark will remain in its force for a period of fifteen years, expired the term the mark will be declared void if not renewed’.

to the expiration of each period.⁴⁷ The law introduced opposition based on the principle of first-to-use or *in dubio pro signo prior in tempore* on behalf of the opponent's prior right on the ground of usage. This opposition is not decided by the local IPRO. Rather, the opposition filed suspends the administrative procedure and the administrative file is sent to a civil court of first instance, which will decide the better right opposition. Once a final resolution is taken either by the Court of Appeal or the Supreme Court of Justice, the case will be sent back to the local IPRO which will finally decide if the mark is subject to registration.⁴⁸

Lastly, the transfer of a mark must be registered before the local IPRO.⁴⁹ However, commercial designations should not be transferred without the transferral of the company whose establishment serves to distinguish.⁵⁰

⁴⁷ *ibid* art 6: 'Any trademark may be renewed, provided that it is requested by the interested party or by his legitimate successors during the six months prior to the expiration of the fifteen-year term, verifying that the trademark is in force and the right of renewal has been paid. The renewal will have the same duration of fifteen years and will be granted in the terms of the primitive registration'.

⁴⁸ *ibid* art 13: 'During the period of the publications, any person who considers to possess a better right to a trademark whose registration has been requested by another, may oppose the registration by means of formal writing, clearly stating the reasons and grounds on which the opposition is based and accompany the supporting evidence. The opposition will be notified to the applicant, in a fifteen days term the applicant must adduce those conducive reasons to its rights, under penalty of having the mark abandoned. In addition to the action that corresponds to the one who used a trademark first, in accordance with article 4 may also oppose the registration of the trademark, claiming priority in the use in Venezuela. For this opposition to be admitted, the opponent must immediately request the registration of his trademark. Once the opposition is answered, the Minister of Development will decide it by means of a Resolution, in which it will provide the registration or the refusal according to the case; before being able to request ex

The Ministry of Commerce used to have a special registry for commercial designations.⁵¹

B. FROM 1955 TO 2006

In 1955 a new Industrial Property Law was passed by the Venezuelan National Congress.⁵² This law merged the Invention Patent Law 1927 and the Trademark Law 1930. The new law was approved under the rule of the Constitution 1953, which did not have a special rule for the protection of intellectual property right as a human right or a fundamental right. However, it did establish that the National Congress has the power to dictate laws on patents and trademarks as well as for literary, artistic and industrial property.

When General Marcos Perez Jimenez was overthrown on 23 January 1958 in a civil-military movement, a new Constitution was passed on 23 January 1961 by the

officio or ask the parties for the information they deem necessary. In the decision may impose on the party that appears manifestly reckless, fine from fifty to two hundred bolivars. When the opposition will see the priority of the use of the trademark in Venezuela, upon receipt of the respective document, the file will be passed to the Federal Court of First Instance of the Federal District, in its federal character, and the procedure will be followed by the ordinary proceedings'.

⁴⁹ *ibid* art 8: 'Trademarks may be assigned under the terms prescribed in the Civil Code, but the assignment or sale will not take effect *ergo omnes* until the corresponding annotation has been made in the corresponding Trademark Registry. For this purpose, the transferor and the assignee shall request it in writing, and shall pay the transfer tax in accordance with article 19'.

⁵⁰ *ibid* art 18: 'Any natural or legal person may register, by filling out the same formalities and paying the same registration fees for a brand, the word or phrase that uses as business emblem. The Ministry of Development will keep a record for trade names. Commercial names cannot be assigned except with the company whose establishment serves to distinguish'.

⁵¹ *ibid*.

⁵² IPL (n 2) 1955.

Congress of the Republic of Venezuela. Afterwards, in 1999, the Constitution that is currently in force was approved by a people's referendum and passed by the Venezuelan Constituent Assembly.

Both, the Constitutions of 1961 and 1999,⁵³ instituted intellectual property rights (IPRs) as a human right, and finally established that regulation is the exclusively within the power of the legislative branch.

(i) Regulations

(a) The Constitutional Debate Amongst Human Right V. Constitutional Fundamental Right

A formal debate about the classification of IPRs as an economic human right, as established in the Constitution 1961⁵⁴ (Article 100⁵⁵) or as cultural and educational human right as recognized in the Constitution of 1999⁵⁶ (Article 98⁵⁷) has not been fully resolved in Venezuelan academia. However, this debate is held more as an ideological issue rather than a juridical position, as it has been argued before. IPRs are a universal human right more than a constitutional fundamental right. The classification of human rights as social, cultural, educational, health, political, environmental and economic rights is a disservice to IPRs and causes an imbalance among these human rights.

The hierarchy of human rights should be abolished from our courts and policymakers and jurists should work on

the equilibrium of its protection. No one category of universal human rights is more important than others. For example, IPR is not more important than public health and vice versa. The right of an author or inventor is as important as the right of the community to access and benefit from the literary, artistic and scientific work or an invention, as well as the right holder of any IPR. As far as trademarks are concerned the protection of the right holder is not stronger than the protection of the consumers to access and benefit from the original product or service distinguished by the mark. A natural equilibrium must be construed to balance the protection of IPRs and the people's right to access and benefit from new technologies, represented in innovative products and services.

In a trademark system, the protection of consumers to access original products could contribute to guaranteeing their health, or at least at providing accurate information about the products the lack of which could impact the health of consumers. In turn, this justifies protection for trademark owners so that the legitimate trademark owners would not suffer harm due to (possibly low-costs) counterfeited products, consumers will be satisfied with control quality products and services and there will not be unpunished counterfeiters.

(b) Industrial Property Law of 1955

As was previously mentioned, the Industrial Property Law of 1955 merged the Patent Law of 1927 with the

⁵³ See n 54, 55, 56 and 57.

⁵⁴ Constitution of the Republic of Venezuela (23 Jan. 1961) *Official Gazette of the Republic of Venezuela*, 662, 23 Jan. 1961.

⁵⁵ The rights over scientific, literary and artistic works, inventions, denominations, trademarks and commercial slogans will be protected by time and under the conditions established by law.

⁵⁶ Constitution of the Bolivarian Republic of Venezuela (17 Nov. 1999) *Official Gazette of the Bolivarian Republic of Venezuela*, 5.768, 24 Mar. 2000. Amendment No. 1 (15 Feb. 2009) *Official Gazette of the Bolivarian Republic of Venezuela*, 5.908, 15 Feb. 2009.

⁵⁷ 'Cultural creation is free. This freedom includes the right to investment, production and dissemination of the creative, scientific, technological and humanistic work, including the legal protection of the authors' rights over their works. The State shall recognize and protect intellectual property over scientific, literary and artistic works, inventions, innovations, denominations, patents, trademarks and commercial slogans in accordance with the conditions and exceptions established by law and international treaties signed and ratified by the Republic in this matter'.

Trademark Law of 1930. This had some worthwhile consequences, such as the opposition to better rights under the basis of the principle of *in dubio pro signo prior in tempore*. But the new law did not recognize the protection of some signs that are commonly used in trade; for example, well-known trademarks, service marks, collective marks, certification marks and geographical indications, amongst others, were not protected under the law 1955.

(ii) The Integration Process and the Supranational Provisions (1973-2006)

1973 was a remarkable year for Venezuela and its integration process in the Americas. This process started with the adherence of Venezuela to the Andean Pact, but unfortunately the Congress expressed an unusual reservation to the treaty. The Congress determined that provisions passed in the Andean Commission that would legislate special legal matters, such as IPRs, must be incorporated to national legislation through the process of approval of a new law. This reservation to the treaty was subject to annulment before the Supreme Court of Justice but they upheld the reservation of the Congress. For years, jurists have commented this was an unconstitutional reservation and created a barrier to the integration process. This would later become the reason Decision 85 on Common Provisions on Industrial Property was never applied in Venezuela.

Almost 20 years later, Venezuela initiated a major proactive process to consolidate its integration processes. By 1991, Venezuela participated in the approval of Decision 311 passed 12 December 1991 regulating common provisions on industrial property.

In 1993, the golden year for IPRs in the Andean region, the Perez's Administration fought for the application of Decision 313, of 6 February 1992, throughout the country by publishing it in the Official Gazette even against the resistance of the local pharmaceutical sector and some

other less relevant sectors. During that year, Decision 344 of 21 October 1993 (industrial property), Decision 345 of 21 October 1993 (plant varieties), and Decision 351 of 17 December 1993 (author's right) were passed. The Group of Three (G3), integrated by Colombia, Mexico and Venezuela, was created in Cartagena de Indias, Colombia 13 Junio 1994; under Chapter XVIII some provisions on IPRs were passed, except rules on patents due to incompatibility with NAFTA⁵⁸ and Andean Pact Provisions on that subject.

It was not until 1996, the same year the Andean Pact was transformed into the Andean Community of Nations (CAN), that Venezuela passed the new treaty without any changes. With that, all supranational provisions adopted inside the CAN were fully applied. The new Constitution, approved by referendum in 1999, recognized the supranationality of the legislative body of CAN and the direct and preferential application of its provisions in all Andean countries. Decision 486 (Industrial Property) approved 19 September 2000, came into force 1 December 2000, and is still valid in CAN.

During the Chavez's Administration other forms of integration were formed, particularly the Bolivarian Alternative for Latin America and the Caribbean Basin (ALBA) and UNASUR. Both models of integration were enacted against the Free Trade Agreement for the Americas (FTAA) and IPRs were not a relevant political issue, therefore there were not special provisions proposed.

On 18 July 2006, Venezuela signed its adherence to MERCOSUR, but it was not until 31 July 2012 that Venezuela became a full member state.

(iii) The Political Decisions: The Disintegration Process (2006)

The Chavez's Administration decided to exit CAN on 19 April 2006 at a meeting of MERCOSUR in Montevideo, Uruguay. This decision was made in response to the

⁵⁸ The North American Free Trade Agreement (NAFTA) a treaty signed by Canada, United States of America and Mexico.

bilateral trade agreements signed by Peru and Colombia with the United States, under prescriptions passed in Decision 598 of 2004.⁵⁹ The exit became effective since 22 April 2006. On 18 May 2006 the Chavez's Administration decided to exit G3, which became effective on 19 November 2006.

C. SINCE 2006 TO PRESENT

(i) Regulations

The current legal framework is based on the Venezuelan Constitution of 1999, the Industrial Property Law (1955) and the legal framework which is listed in the following tables:

Table 1. Venezuela: Trademark National Regulations

S. No.	Regulations
1.	Industrial Property Law 1955
2.	Commercial Code 1955
3.	Law of Chattel Mortgage and Pledge without Possession Displacement 1973
4.	Organic Law of Administrative Procedures 1981
5.	Civil Code 1982
6.	Civil Procedure Code 1986
7.	Regulation of Decision 313 of the Commission of the Cartagena Agreement on the Common Regime of Industrial Property 1993
8.	Regulations for Franchise Contracts 2000

9.	Penal Code 2005
10.	Administrative Providence on the Observance of the Rights of Intellectual Property in the Importation and Customs Transit of Goods 2005
11.	Regulation of the Organic Labour Law 2006
12.	Organic Law of Contentious-administrative Jurisdiction 2010
13.	Organic Labour Law for Workers and Women Workers 2012
14.	Organic Law of Science, Technology and Innovation 2014
15.	Law of income tax 2014
16.	Criminal Procedure Organic Code 2014
17.	Capital Market Law 2014
18.	Organic Law of Customs 2014
19.	Organic Law of Public Goods 2014
20.	Antimonopoly Law 2015, regulates unfair competition
21.	Organic Law of Fair Prices 2015
22.	Bank Law 2015
23.	Insurance Law 2017

⁵⁹ Decision 598 broadened the scope of negotiation to non-member countries of ALADI and expressly established the possibility of forming free trade areas. Also, in this case the possibility of holding non-community negotiations was

established, as long as the Andean legal system is preserved, and the rest of the Andean partners are kept sufficiently informed through the Commission.

Table 2. Venezuela: Trademark International treaties

S. No.	Treaties
1.	Treaty for the Creation of the World Intellectual Property Organization 1967
2.	Paris Convention for the protection of industrial property 1883-1971
3.	Agreement on Trade-Related Aspects of Intellectual Property Rights TRIPS-WTO 1994
4.	Protocol on Harmonization of Intellectual Property Norms in MERCOSUR in the Field of Trademarks, Indications of Source and Appellations of Origin 1995

(ii) The Integration Process (2012-18)

Venezuela became a full member State of MERCOSUR on 31 July 2012. But in 2017, Venezuela was suspended its membership due to lack of restitution of MERCOSUR’s democratic standards established in Ushuaia Protocol on Democratic Commitment of 1998. The decision acted to ‘Suspend the Bolivarian Republic of Venezuela in all rights and obligations inherent to its status as a State Party to MERCOSUR, in accordance with the provisions of the second paragraph of Article 5⁶⁰ of the Ushuaia Protocol on democratic commitment’, and was ruled in São Paulo, Brazil on 5 August 2017.

MERCOSUR’s Protocol on Harmonization of Intellectual Property Norms in the Field of Trademarks, Indications of Source and Appellations of Origin 5 August 1995 ought to have been fully applied in Venezuela prior to its suspension in accordance with its Article 27⁶¹ and the Asuncion Treaty that creates MERCOSUR. But, non-

⁶⁰ This provision is applied on the grounds of rupture of democratic order by a Member State and its resistance to restore and keep in force democratic institutions.

⁶¹ ‘The accession of a State Party to the Treaty of Asunción will imply *ipso iure* adherence to this Protocol’.

perception of its application either by Courts or the IPRO has been determined. Nowadays, due to the remaining suspension of Venezuela, MERCOSUR’s norms on IPRs should be applied as principles of law.

(iii) The Current Position

The actual Venezuelan IPR system should be perceived and construed from three perspectives: that of the Administration, the Courts and the doctrine.

(a) The Administration

The Intellectual Property Autonomous Service (SAPI) decision to fully reinstate the Industrial Property Law 1955 by a resolution published in a major newspaper on 17 September 2008 solved the legal industrial property regime in Venezuela to some extent. The later secession from CAN left this legal system with uncertainty. The IPRO had been applying the Andean Decision 486, as supranational common provisions, jointly with IPL 1955. The National Assembly should have approved a new industrial property law, but it did not do so. Therefore, this legal crisis continues to this day.

(b) The Courts

The Supreme Court of Justice determined ‘the rules adopted in the framework of integration agreements are considered an integral part of the legal system and of direct and preferential application to domestic legislation, while the treaty that gave rise to them is in force.’⁶²

That decision annulled the Andean supranational regulations in Venezuela to resolve intellectual property cases, despite having been applied by the Administration repeatedly from 2006 up to 2008. Some experts have

⁶² Supreme Court of Justice, Civil-Cassation Chamber, *Interpretation Action* (4 July 2012) (Venezuela) <<http://historico.tsj.gob.ve/decisiones/scon/julio/967-4712-2012-06-0823.HTML>> accessed 14 September 2018.

opined this decision ran afoul of the principle of legitimate expectation in administrative law. The Supreme Court of Justice has admitted this principle is a source of the law of obligations.⁶³

(c) Doctrine

Some jurists believe it is lawfully valid to apply the Andean community regulations as well as MERCOSUR's provisions as principles of law, since the National Assembly has not yet passed a new industrial property law. Others believe some provisions established in international treaties are self-executing, while others maintain it must be a matter of special legislation to be passed by the National Assembly. Still, others defend the idea that international conventions are not directly enforceable or applicable in any proceedings before Venezuelan courts because international conventions set only the foundation and minimum standards by which the national laws must be enacted.

3. THE ACTUAL VENEZUELAN TRADEMARK SYSTEM

A. THE PROTECTION OF TRADEMARKS

Besides substantive law, the local IPRO has implanted a *sui generis* mode of protection for the following marks:

⁶³ Hildegard Sansó, *Dos Temas Innovadores: Confianza Legítima y el Principio de Precaución en el Derecho Administrativo* (Ex libris, 2006); Hildegard Sansó, *La Situación Actual de la Propiedad Industrial (Venezuela—noviembre 2008)* (Lito-Formas, 2008).

⁶⁴ IPL (n 2) 1955, art 106.50.

⁶⁵ *ibid* art 33.6. 'There may not be adopted or registered as trademarks:... 6) the shape and colour is given to articles or products by the manufacturer, or the colours or combination of colours per se'.

(i) Class Of Marks Protected By Degree Of Protection

(a) FULLY PROTECTED

(1) Product and service marks

The usage of the Nice International Classification of Goods and Services remains a technical rule for the registration of marks as an administrative requirement. Therefore, applicants are to use both national and international classifications in their requests. However, service marks are classified in the national class 50 which distinguishes 'unclassified goods and commercial denominations.'⁶⁴

(2) Word marks, figurative marks and colour marks, if delimited in a word or figurative mark⁶⁵

(3) Trade name and commercial slogans⁶⁶

Exceptionally, any person may register as a trade name a mark or any sign whether has a commercial or non-commercial interest (Article 28⁶⁷).

(4) Collective marks

SAPI adopted the protection of collective marks to promote the production of goods by local communities and indigenous peoples, such as the case of the collective mark *FIEB*, petitioned by the *Federación de Indígenas del Estado Bolívar* [Federation of Indigenous Peoples of State of Bolivar, Venezuela] to distinguish products and

⁶⁶ *ibid* art 27. 'Trade name is mark to distinguish a commercial, industrial, agricultural or mining company, business, property or establishment. Commercial slogan is the mark which consists of a word or phrase used by a manufacturer, merchant or farmer, to complement a trademark or trade name'.

⁶⁷ 'By way of exception, be registered, like a trade name, any name or mark as a person who has an interest, but that interest is not commercial'.

services in international classes 3, 15, 18, 20, 21, 22, 24, 25, 28, 30, 31, 33, 35, 39, 40 and 43.⁶⁸

The concession was adopted on the grounds of various international treaties⁶⁹ and national legislation,⁷⁰ but omitted other equally important international provisions. For instance, Article 2.1⁷¹ of TRIPS, Article 7bis⁷² of the Paris Convention and Article 5.3⁷³ of the MERCOSUR's Protocol on Harmonization of Intellectual Property Norms in the Field of Trademarks, and Indications of Source and Appellations of Origin 1995 were all omitted.

(5) Geographical Indications of origin

The protection of appellation of origins has been adopted according to international provisions and sustained on the basis of the protection of some products, especially

rum (*Ron de Venezuela*), cocoa (*Cacao de Chuao*) and cocuy (*Cocuy de Pecaya*).⁷⁴

(b) EXCEPTIONALLY PROTECTED

Three-dimensional marks are very well protected in Venezuela. The local IPRO has granted protection for the shape of a product in cases such as the bottles of *Something Special* and *Old Parr*. More recently, they have also granted protection for the image of a bottle in the case of *Artisart* in international class 3.⁷⁵

(c) NON-PROTECTED

(1) Sound, olfactory, tactile and taste marks

These distinctive marks or non-traditional marks are not protected. However, sound marks can be protected as musical works under Author's Rights Law 1993.

⁶⁸ Servicio Autónomo de la Propiedad Intelectual, *Industrial Property Bulletin* [2018] 587; Res No 575 [11 September 2018] X, 65-79.

⁶⁹ Universal Declaration of Human Rights (adopted 10 December 1948) UNGA Res 217 A(III) art 27; United Nations the International Covenant on Economic, Social and Cultural Rights (adopted 16 December 1966) UNGA Res 2200A (XXI); ILO Convention No 169: Convention Concerning Indigenous and Tribal Peoples in Independent Countries (76th ILC Session Geneva 27 Jun 1989); Andean Common Provision on Industrial Property Decision 486 (adopted 14 September 2000) arts 139 & 182; United Nations Declaration on the Rights of the Indigenous Peoples (adopted 13 September 2007) UNGA arts 20.1, 26.1, 30.1.

⁷⁰ IPL (n 2) 1955, arts 27, 34, 35, 42, 47, 71, 76, 83; The Constitution of Venezuela, 1999, arts 7, 19, 23, 98, 123, 124, 153; The Organic Law of Indigenous Peoples and Communities, 2005, arts 87.101 and 103; Law for Development of Artisanal Creation, 2015, art 2.

⁷¹ 'Members shall give effect to the provisions of this Agreement. Members may, but shall not be obliged to, implement in their law more extensive protection than is required by this Agreement, provided that such protection does not contravene the provisions of this Agreement. Members shall be free to determine the appropriate method of implementing the

provisions of this Agreement within their own legal system and practice'.

⁷² '(1) The countries of the Union undertake to accept for filing and to protect collective marks belonging to associations the existence of which is not contrary to the law of the country of origin, even if such associations do not possess an industrial or commercial establishment. (2) Each country shall be the judge of the particular conditions under which a collective mark shall be protected and may refuse protection if the mark is contrary to the public interest. (3) Nevertheless, the protection of these marks shall not be refused to any association the existence of which is not contrary to the law of the country of origin, on the ground that such association is not established in the country where protection is sought or is not constituted according to the law of the latter country'.

⁷³ 'States Parties shall protect service marks and collective marks and may also provide protection for certification marks'.

⁷⁴ *Cocuy* is a spiritual beverage made out of *Agave cocui* grown in the states of Lara and Falcon in Venezuela, particularly in the parish of Santa Cruz de Pecaya in the State of Falcon.

⁷⁵ Servicio Autónomo de la Propiedad Intelectual, *Industrial Property Bulletin* [2018] 582.

(2) Well-known trademarks

Well-known trademarks are not protected either, besides the Supreme Court decision that recognized their protection, as stated in *Galleries Lafayette* in 1993, where the protection of non-registered well-known marks and the reception of the extraterritorial protection of them

⁷⁶ 'Signs may not be registered as trademarks when they:... j) reproduce, imitate, or contain a protected indication of origin that is liable to create confusion or a mistaken association with the indication in relation to the goods themselves or different goods, or that involve taking unfair advantage of the well-known character of that appellation among the public'.

⁷⁷ 'Those signs the use of which in commerce may constitute an impediment to the rights of third parties, may likewise not be registered as trademarks, in particular where:... h) consist of a total or partial reproduction, imitation, translation, transliteration, or transcription of a well-known sign belonging to a third party without regard to the type of product or service to which it shall be applied, the use of which would lead to a likelihood of confusion or mistaken association with that party;; taking unfair advantage of the prestige of the sign; or weakening its distinctive force or its use for commercial or advertising purposes'.

⁷⁸ 'The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from engaging in the following acts:... e) using in the course of trade identical or similar signs to a well-known trademark with respect to any goods or services, where such use, by weakening the distinctive force or the value of that trademark for commercial or advertising purposes or by taking unfair advantage of the prestige of the trademark or of its owner, could unjustly damage the registration owner's economic or commercial interests'.

⁷⁹ 'The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from engaging in the following acts:... f) making public use of identical or similar signs to a well-known trademark, even for purposes that are non-commercial, where such use could weaken the distinctive force or value of that trademark for commercial or advertising purposes or take unfair advantage of its prestige'.

⁸⁰ 'The owner of a trade name may prevent the use in commercial activity by third parties of an identical or similar distinctive sign, where such use would result in a likelihood of confusion or the risk of association of that sign with the owner

was settled. While Venezuela was a full member of CAN, the Andean supranational communitarian provisions establishing the protection of well-known trademarks were broadly applied, in accordance with Articles 135.j⁷⁶, 136.h⁷⁷, 155.e⁷⁸, 155.f⁷⁹, 192⁸⁰ and 224-36⁸¹ of Decision 486 Common Provision on Industrial Property of 2000,

or the products or services belonging to that owner; in the case of well-known trade names, where such use could produce unjust economic or commercial injury to the owner or involve taking unfair advantage of the prestige of the owner's name or business. The provisions contained in articles 155, 156, 157, and 158 shall be applicable to trade names, as relevant'.

⁸¹ 'Title XIII. Well-Known Distinctive Signs. Article 224. A well-known distinctive sign is understood to mean a sign that is recognized as such in any Member Country by the pertinent sector, independently of the way or means by which it was made known. Article 225. A well-known distinctive sign shall be protected from use or registration that is not authorized pursuant to the stipulations of this Title, without prejudice to such other provisions of this Decision as may be applicable and to the provisions of the Member Country in respect of protection against unfair competition. Article 226. Use of all or a part of a well-known distinctive sign or the reproduction, imitation, translation, or transliteration thereof, that may create confusion in respect of identical or similar businesses, activities, products or services to those to which it is applied, shall constitute unauthorized use of that distinctive sign. Also constituting unauthorized use of a well-known distinctive sign is the use of all or of an essential part of that sign, or the reproduction, imitation, translation, or transliteration thereof, even if in respect of businesses, activities, goods, or services other than those to which that well-known distinctive sign is applied, or its use for non-commercial purposes, where such use could be liable to produce any of the following effects: a) the risk of confusion or of association with the owner of the sign, or with the businesses, activities, goods, or services belonging to that owner; b) unjust economic or commercial injury to the owner of the sign by reason of the weakening of the distinctive force or commercial or advertising value of that sign; or, c) unfair exploitation of the sign's prestige or fame. Use of a distinctive sign may be verified by any means of communication, including electronic media. Article 227. The provisions contained in articles 136 h) and 155 e) and f) shall be applicable to this Title.

Article 228. In order to determine whether a distinctive sign is well-known, due account shall be taken of the following criteria among a thing : a) the extent to which it is known in the relevant sector of the public in any Member Country; b) the age of the distinctive sign and the size of the geographical area where it is used in and outside any Member Country; c) the age and the size of the geographical area where the distinctive sign is promoted, in or outside any Member Country, including its advertising and presentation at fairs, exhibitions, or other events in connection with the goods or services, the establishment, or the activity to which it is applied; d) the value of all investments made in promoting the distinctive sign or the establishment, activity, goods or services to which it is applied; e) figures for the sales and income of the owner, both at the international level and in the Member Country where protection is being sought, in respect of the distinctive sign whose well-known character is alleged; f) the extent of the inherent or acquired distinctiveness of the sign; g) the book value of the sign as a corporate asset; h) the volume of orders from persons interested in obtaining a franchise or license to the sign in a specific territory; or, i) the existence of significant manufacturing, purchasing, or storage activities by the owner of the sign in the Member Country where protection is being sought; j) the international trade-related aspects; or, k) the existence or age of any registration or application for registration of the distinctive sign in the Member Country concerned or in any other country. Article 229. The well-known nature of a sign shall not be denied solely because: a) it is not registered or in the process of being registered in the Member Country concerned or in any other country; b) it has not been nor is it being used to distinguish goods or services or to identify activities or businesses in the Member Country concerned; or, c) it is not well-known abroad. Article 230. The following, among others, shall be considered pertinent sectors of reference for purposes of determining whether a sign is well-known: a) the real or potential consumers of the type of goods and services to which the sign shall be applied; b) the persons involved in the channels of distribution or marketing of the kinds of goods or services to which the sign shall be applied; or, c) the commercial circles operating in lines of business connected with the kind of establishment, activity, goods, or services to which

the sign applies. It shall be sufficient, for the purpose of recognizing the well-known character of a sign, for it to be known within any of the sectors referred in the previous paragraphs. Article 231. The owner of a well-known distinctive sign may take action to prevent its use by third parties and may bring such action and take such measures as may be appropriate with the competent national authority. That owner may also prevent a third party from engaging in such acts in respect of the sign as are stipulated in article 155, the limitations established in articles 157 and 158 being applicable. Article 232. The right to action against unauthorized use of a well-known distinctive sign shall lapse five years counted from the date on which the owner was informed of that use, except where such use was started in bad faith, in which case that right to action shall not lapse. Such action shall not affect any action for damages that may be brought pursuant to domestic law. Article 233. The competent national authority shall, at the request of the owner or lawful right holder in respect of a well-known distinctive sign, where the said sign has been unlawfully registered by an unauthorized third party in a Member Country as part of a domain name or electronic mailing address, order the cancellation or amendment of that registration of domain or electronic mailing address, provided that use of that name or address is likely to have one of the effects cited in the first and second paragraphs of article 226. Article 234. A competent national authority shall, in making a decision on an action for unauthorized use of a well-known distinctive sign, bear in mind the good or bad faith displayed by the parties in the adoption and use of that sign. Article 235. Without prejudice to any action that may be taken in regard to the grounds for cancellation stipulated in articles 165 and 169, if permitted by domestic legislation, a competent national office shall cancel the registration of a trademark at the petition of the legitimate owner of that trademark where it is identical or similar to one that was well-known, according to the legislation in force, at the time registration was applied for. Article 236. The pertinent provisions contained in this Decision shall be applicable to this Part'.

Article 6bis⁸² of the Paris Convention 1883-1967, Articles 16.2⁸³ and 16.3⁸⁴ of TRIPS 1994 and Articles 9.5⁸⁵ of the MERCOSUR's Protocol on Harmonization of Intellectual Property Norms in the Field of Trademarks, and the Indications of Source and Appellations of Origin of 1995. The MERCOSUR's Protocol in Article 9.6⁸⁶ to some extent recognises the renowned or famous trademark.

Recent research has determined that during early years of application of IPL 1955, the IPRO and courts protected well-known trademarks in accord with articles 33.11⁸⁷

and 33.12⁸⁸ of the IPL 1955, which protected both registered and unregistered trademarks from those that might cause likelihood of confusion and mislead the public.⁸⁹

(ii) Duration of Protection:

The protection of a mark is 15 years from concession for registration,⁹⁰ subject to renewal for similar periods.⁹¹

⁸² '(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith. (2) A period of at least five years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be requested. (3) No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith'.

⁸³ 'Article 6bis of the Paris Convention (1967) shall apply, *mutatis mutandis*, to services. In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark'.

⁸⁴ 'Article 6bis of the Paris Convention (1967) shall apply, *mutatis mutandis*, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use'.

⁸⁵ 'Article 6 bis of the Paris Convention for the Protection of Industrial Property shall apply *mutatis mutandis*, to services. In

order to determine the reputation of the trademark within the meaning of the aforementioned provision, knowledge of the sign in the relevant market sector shall be taken into account, including knowledge in the State Party in which the protection is claimed, acquired by the effect of a sign advertising'.

⁸⁶ 'The States Parties shall ensure in their territory the protection of the marks of the nationals of the States Parties that have achieved an exceptional degree of knowledge against their reproduction or imitation, in any branch of activity, provided there is a possibility of prejudice'.

⁸⁷ 'There may not be adopted or registered as trademark: 11) the brand that looks graphically or phonetically to one already registered for the same or similar goods'.

⁸⁸ 'There may not be adopted or registered as trademark: 12) a sign which can lead to confusion with another mark already registered or misleading to indicate a false origin or quality'.

⁸⁹ Leonel Salazar, 'Los Signos Distintivos Notoriamente Conocidos' (Assistant Professor Thesis, Universidad Central de Venezuela 2016).

⁹⁰ IPL (n 2), 1955, art 30: 'The exclusive right to use a registered trademark shall remain in force for a period of fifteen years, counted from the date of registration'.

⁹¹ *ibid*, art 87: 'The renewal of registration of a mark is made with the same original registration formalities except the following modifications: the publications are omitted, the entry in the record books is replaced by a note that the Registrar stamped on them, making state the renovation completed, and it will be certified by the Registrar in the original certificate of registration itself'.

(iii) Criteria for the Protection of Non-Registered Trademarks

(a) The presumption of ownership based on the first to file principle.⁹²

(b) The principle of *in dubio pro signo prior in tempore* based on the first to use principle.⁹³

B. THE ADMINISTRATION MANAGEMENT OF TRADEMARKS

(i) Administrative Procedure for Registration

The procedure for registration of a mark in Venezuela can be perceived in three phases.

(a) Examination of Form

In this phase, the application for registration of the mark is analysed by an examiner from the IPRO. The examiner then determines whether the requirements for presentation and conditions of form have been met. If the mark surpasses the formal examination, the application is ordered to be published in the Industrial Property Newspaper (an official news media which has

not been regulated by the IPL). The following might occur if the requirements for presentation and conditions of form have not been met:

(1) The applicant is notified the application has not complied to conditions of form, so the petitioner has 30 working days to remedy the defects. If the defects are not properly resolved within the period allowed, the application will be rejected.

(2) Second, the IPRO may deny *ex officio* the mark for contravention of law.⁹⁴ This new criterion sustained by the local IPRO, is based on the lack of novelty, distinctiveness or non-compliance of the mark with requisites for registration, such as applying for protection of a generic word, geographical indications and so forth. The IPRO has established this common motivation criterion for denial of marks in several decisions, as such: 'denied inasmuch as the requested sign does not comply with the ends of Article 27 of the Industrial Property

⁹² *ibid*, art 3: 'It is assumed that owns an invention, improvement or industrial model or drawing, or a brand, commercial slogan or trade name, or introducer of an invention or improvement, the person in whose favor has made the appropriate register'.

⁹³ *ibid*, arts 27, 29, 30, 32, 36. Article 27: Under the trademark designation shall mean any sign, figure, drawing, word or combination of words, legend and any other sign that new magazine, used by an individual or company to distinguish items that occurs, those with which trades or your company. The mark is to distinguish a company, business, farm or commercial property, industrial, agricultural or mining, trade name is called. Commercial slogan is the mark consists of a word or phrase used by a manufacturer, merchant or farmer, in addition to a brand or trade name. Article 29: Any brand may be used to distinguish more than one group of products that are determined in accordance with the classification set out in Article 106. For the purpose of registration of the mark in this case, the applicant must make separately, the corresponding registration for each

class. The trade name may only register for distinguishing the relevant firm or company in one or more branches of certain operations or activities. Article 30: The exclusive right to use a registered trademark shall remain in force for a period of fifteen years, counted from the date of registration. Article 32: The exclusive right to use a mark is acquired only in relation to the class of products, activities or companies for which he has been registered according to the official classification, under Article 106. Article 36: The registration of a trademark is void: a) per person concerned; b) when it has allowed the time referred to in Article 31 without a request for renewal; c) by competent court ruling declaring the annulment issued by prejudice best third party right, or, when promoted a question mark on the validity of a judgment declared that the mark should not have been granted, and, d) when it expires for failure to make use of the mark for two consecutive years.

⁹⁴ *Ibid*, art 27 (See n 93).

Law regarding the requirements to be considered as a mark'.⁹⁵

This denial *ex officio* does not act in accordance with the IPL but has become a common criterion and practice by the IPRO.

(b) Publication

Once the mark has been published in the Industrial Property Newspaper and thereafter in the Industrial Property Bulletin (the official publication), any person holding a legitimate interest may object to the request and oppose the granting of the trademark on grounds of:

(1) Prohibitions of Registration

This is established in Articles 33⁹⁶, 34⁹⁷ and 35⁹⁸ of the IPL 1955.

(2) The better right of the opponent over the applicant

This is on the basis of two principles.

⁹⁵ Servicio Autónomo de la Propiedad Intelectual, *Indus. Prop. Bull.* [2018] 583.

⁹⁶ There may not be adopted or registered as trademarks: 1) the words, phrases, figures or signs suggestive or immoral ideas serve to distinguish objects or goods production immoral or prohibited trade and business are used in illicit or harmful to an article; 2) The flag, coat of arms or other insignia of the Republic of the States or Municipalities and generally, Venezuelan any public entity; 3) signs, emblems and badges of the Red Cross and any other entity of similar nature; 4) The flag, coat of arms or other insignia of foreign nations unless its commercial use is properly authorized by a certificate issued by the appropriate office of the nation concerned; 5) geographical names, as an indication of the place of public or social, decree the expropriation of provenance; 6) the shape and colour is given to articles or products by the manufacturer, or the colours or combination of colours per se; 7) geometric figures that are not of novelty; 8) caricatures, portraits, drawings or expressions that tend to ridicule ideas, people or objects worthy of respect and consideration; 9) the terms and expressions that have passed into general use, and expressions commonly used to indicate the

(i) Opponent's better Right - Based on the Principle of First-to-Use or *in dubio pro signo prior in tempore*.

This opposition is not decided by the local IPRO. In this case, the opposition filed suspends the administrative procedure and the administrative file is sent to a civil court of first instance. This court will then resolve the better right opposition, once a final resolution is taken either by the Court of Appeal or The Supreme Court of Justice. The case is then sent back to the local IPRO which will determine if the mark is able to proceed to registration following the background examination phase.

(ii) Opponent's better Right to Opposition - Based on the Principle of First-to-File.

This opposition is decided by the local IPRO, jointly with any other opposition based on prohibitions of registration. This opposition is mainly used by registered trademark owners or applicants with a priority application.

genus, species, nature, origin, quality or form of products; 10) the full name or surname of a natural person, if not presented in a peculiar and distinct enough to differentiate the same name when used by other people, and even in this case, if this is the name of a third party, no show with his consent. 11) the brand that looks graphically or phonetically to one already registered for the same or similar goods, and, 12) which can lead to confusion with another mark already registered or misleading to indicate a false provenance or quality'.

⁹⁷ 'They may not be registered as trademarks: 1) The trade names merely descriptive of the company it is intended to distinguish, except that in addition to this narrative, contain a feature that serves to distinguish them. In this case the recording protect only the characteristic part, and, 2) commercial slogans that contain references to products or similar marks, or expressions that may harm these products or brands'.

⁹⁸ 'No marks may be stamped on mentions of diplomas, medals, prizes and other signs that suggest the existence of awards won at exhibitions or competitions, unless it can be established the veracity of such awards'.

(c) Examination of Registration Phase: Concession and Registration

The local IPRO determines whether the mark should be granted or not. To make its decision the local IPRO takes into account the background of the mark filed for registration by doing a comparison on similarity and identity of the mark with others registered or filed in the same or similar classes. If the mark passes the exam of concession, the mark is ordered to be registered by the petitioner within 30 working days after the resolution of registration has been published in the Industrial Property Bulletin. Within that time, the applicant must also pay the official taxes of registration. Once this occurs, the IPRO will issue the Certificate of Registration in digital print format with the electronic signature of the Industrial Property Registrar.

If the concession for registration of the trademark is denied, the applicant should file a reconsideration recourse before the IPRO. If the Registrar denies the reconsideration recourse filed, the applicant has the option to appeal before the Ministry of Commerce. In this case, if the Ministry decides against the petitioner, a nullity action has been established, which must be filed before the Political-Administrative Chamber of the Supreme Court of Justice to annul that decision. These subsequent recourses and actions have been established

to guarantee due process in the procedure for concession of registration of a mark in Venezuela.

The applicant can also file a lawsuit before the Contentious-Administrative Courts within a six month term if the local IPRO has not decided the reconsideration recourse in a period of 15 working days, because of the exhaustion of the administrative procedure has occurred due to the lack of decision of the IPRO. In such event, the court would revoke or confirm the decision taken by the IPRO. The plaintiff might appeal before the Political-Administrative Chamber of the Supreme Court of Justice. This decision would be final and the process might end with the revocation or confirmation of the decision taken by the lower court.

(ii) Administrative Practices form the Industrial Property Registry Office (IPRO)

(a) Order the publication of the application for registration of a trademark in a specified newspaper (*Ultimas Noticias, Vea, Diario SAPI*) rather than the legally established news media 'in a newspaper of daily circulation in the capital of the Republic' in accordance with Article 76⁹⁹ of the IPL.

(b) Begin all applications for registration with an official search. This is contrary to what is established in the law as prerequisites for the filing of a trademark application.¹⁰⁰

⁹⁹ 'If the application has been made in accordance with the Law, the Registrar shall order its publication, together with the corresponding printing plate, at the expense of the party concerned, inside a daily newspaper in the capital of the Republic, and later, in the Industrial Property Bulletin upon reception of the previous publication'.

¹⁰⁰ IPL (n 2), 1955, art 71: 'Anyone who claims to have the registration of a trademark must meet the following requirements: 1) submit the appropriate application and a certified copy thereof, to the Industrial Property Registry Office, by itself or through an Industrial Property Agent, which shall contain: a) name, address and nationality of the applicant and

the name and address of the agent if the request is made by proxy; b) a complete description of the mark, which clearly and precisely determine the essential or principal distinguishing and inserted translated into Spanish legends and references containing written in another language; c) goods, products, objects or items that distinguish the brand and the class to which they belong; d) if manufacturing, products, objects or items that distinguishes the brand are domestic or foreign, and whether, in this case, of a trademark in the country of origin; e) the time during which the mark has been in use, if any; f) if the mark is applied to products of a manufacturing or extraction, object of a

(c) Foreign applicants for registration of a trademark are compelled to pay the official taxes in foreign currency.

(ii) The Invalidation of a Trademark

(a) By the will of the interested party. This can occur either by abandoning the request, waiving registration¹⁰¹ or by the lack of renewal of the trade mark registration (Article 31¹⁰²).¹⁰³

(b) Annulment of the trade mark. By competent court ruling declaring the annulment issued by prejudicial best third-party right,¹⁰⁴ or, when there is a question on the validity of a trademark and a court has determined it should not have been granted¹⁰⁵.

(c) Cancellation for lack of use for two consecutive years.¹⁰⁶

B. ENFORCEMENT OF TRADEMARKS

(i) Out-of-Court Actions

(a) Cease and desist letter addressed to the infringer of a registered trademark.

This notification should be addressed to the infringer by post, courier, even by a public notary or a lower court. It can be effective proof of the bad faith on the part of the

trade or agricultural products and, g) that the mark applied for has no similarity to other registered and distinguishing similar items in the same or a similar class, so that might be confused with it and mislead the public. 2) Accompany the application: a) five facsimiles of the mark and the gravure printing plate or the same in dimensions not exceeding 8 x 10 cm. If the mark consists of a word or words, you will not need the cliché or gravure, unless the word or words are written in characteristic form. Facsimile shall not be necessary where the mark consists of a word or words regardless of size, shape, colour and style, and, b) the power legally granted, if the application is filed through an attorney, or indicate the date of submission and the corresponding number in the notebook powers, if it has been previously submitted to the Industrial Property Registry Office occasion of another application’.

¹⁰¹ *ibid*, art 36.a. (See n 93).

infringer and due diligence of the owner to protect the infringed trademark.

(b) Alternative Dispute Resolutions: Arbitration

The arbitration process might be conducted by independent arbitrators or institutional arbitration. In any option, parties must agree to go to arbitration either by signing a contract clause or an independent agreement. The arbitral verdict is subject to nullity before a Civil and Commercial High Court. Mediation is an alternative dispute resolution for IPRs conflicts.¹⁰⁷

(ii) Court Actions

(a) Non-Contentious Actions

As a preventive measure, a judicial notification might be filed before a lower court to persuade an infringer of a registered trademark to continue infringing the mark or refrain from counterfeiting it. This judicial pre-trial notification is used to protect any intellectual property assets.

¹⁰² *ibid*, art 31: ‘The registration of a trademark shall be renewable for successive periods of fifteen years, provided that the person seeking the renewal within six months prior to the expiration of each period. Each renewal period shall run from the date of expiry of the previous period’.

¹⁰³ *ibid*, art 36.b (See n 93).

¹⁰⁴ *ibid*, art 36.c (See n 90).

¹⁰⁵ *ibid*, art 84: ‘The invalidity of the registration of the mark has been granted to the detriment of third party right, may be requested before the competent court, if the person has not made opposition to that provided in Article 77 of this Law. This action can only be attempted in the term of two years, reckoned from the date of the certificate’.

¹⁰⁶ *ibid*, art 36.d (See n 90).

¹⁰⁷ Franklin Hoet, *La Mediación. Administración y Negociación de Justicia Alternativa* (2nd edn, Legis 2007) 223-74.

(b) Contentious Actions

(1) Contentious-Administrative Action

The annulment action is filed against the act of concession of the mark and its certificate of registration, when a question arises over its legal validity as a mark. In this case, the annulment action should be brought against the IPRO and before the Contentious Administrative Court, in accordance with Article 76 of the Organic Law of the Contentious-Administrative Jurisdiction of 2010. The decision should be appealed before the Political-Administrative Chamber of the Supreme Court of Justice, if the Supreme Court of Justice decides to annul the act of concession and the certificate of registration, the IPRO will stamp the annulment in its records, but the plaintiff will not have the right to obtain the mark on his benefit.

(2) Civil and Commercial Actions

In Venezuela, Courts of First Instance have multiple competences to handle conflicts concerning both civil and commercial matters. Therefore, these courts are

judicially competent to deal with trademark infringement and/or unfair competition actions as well as pre-trial procedures to order provisional precautionary measures.

A pre-trial procedure (*sine litis* or *inaudita altera parte*) to order provisional precautionary measures has been implemented to assist with the production of the mandatory evidence of infringement. The court will order an immediate cease of infringement only if the plaintiff files a formal claim of infringement of a registered trademark in 30 working days before a First Instance Civil and Commercial Court, otherwise the action will be rejected and the negligent plaintiff will be subject to civil actions, criminal actions and remedies. This used to be a common action years ago, but since Venezuela exited the Andean Community, the Supreme Court of Justice has revoked *sine litis* procedures to order provisional precautionary measures to prevent and cease trademark infringement, while is fully applied in author's right infringement in accordance with the Author's Right Law of 1993¹⁰⁸ Articles 111¹⁰⁹ and 112.¹¹⁰

¹⁰⁸ Author's Right Law (16 Sep. 1993), *Official Gazette of the Republic of Venezuela*, 4.638, 1 Oct.1993.

¹⁰⁹ 'For the purposes of the exercise of the actions provided for in the foregoing Articles, the judge may order judicial inspections and expert opinion, and also any other form of evidence established in the Civil Procedure Code. The judge may order the sequestration of everything that constitutes an infringement to the exploitation right. The judge may likewise order the seizure of the revenue accruing to the owner of the disputed right of exploitation. Sequestration and seizure shall be ordered only if the request is accompanied by sufficient evidence constituting a serious presumption of the alleged infringement, or if such presumption emerges from the production of any of the evidence mentioned in the first paragraph of this Article'.

¹¹⁰ 'In the event of a dispute between the parties, the evidence and measures provided for in the foregoing Article shall be ordered by the judge hearing the case. However, should the urgency of the matter so dictate, they may be ordered by the parish or municipal judge of the place in which they are to be carried out, regardless of the amounts involved. In such a case, the defendant may protest against the measures to the judge

hearing the case, nevertheless the evidence and measures ordered would be executed prompt and effective. If there is no dispute between the parties, the evidence and the measures shall be ordered *inaudita altera parte* by the parish or municipal judge of the place in which they are to be implemented if the urgency thereof dictates; the owner, possessor, person in charge, administrator or occupant of the place in which they are to be implemented would not be able to oppose to the production or implementation of evidence and measures ordered. The same judge shall lift the measures at the request of the defendant on the expiration of 30 consecutive days after they were ordered if the main proceeding has not been initiated by the applicant. The evidence and measures shall be produced and implemented by the judge that ordered them, by its commissioned judge or by the police authority at his request, with the intervention where necessary of one or more experts designated in the order concerned or by order of the commissioned judge'.

(3) Labour Actions

Labour courts are competent to solve conflicts between employers and employees where a conflict that arises concerns the exploitation and commercialization of intellectual property assets created by workers, like inventions, utility models, industrial designs and trademarks in accordance with the Organic Labour Law for Workers and Women Workers of 2012¹¹¹ (Article 321¹¹²). Conflicts may arise if the employee has been hired to create intellectual property assets,¹¹³ when the creations were made during the workday but they were not specifically contracted to create intellectual property assets for the employer,¹¹⁴ or if the creations are made by the worker outside of their workday¹¹⁵ but the employer could be interested in its exploitation and

¹¹¹ Organic Labour Law for Workers and Women Workers (30 Apr. 2012) [hereinafter OLL], *Official Gazette of the Bolivarian Republic of Venezuela*, 6.076, 5 July 2012.

¹¹² 'Any intellectual production that is generated in the social work process will be governed by the laws that regulate the matter, whether they are: works of the intellect or related activities, inventions, industrial designs or brands. Said intellectual production must be based on solid ethical, scientific, technical and technological principles for the full development, sovereignty and independence of the country'.

¹¹³ OLL (N 111) 2012, art 323: 'Service inventions will be considered those inventions or innovations made by workers hired by the employer in order to research and developed different means, systems or procedures'.

¹¹⁴ *Ibid*, art 327: 'The ownership of the free or occasional inventions will correspond to the inventor. In the event that the invention or improvement made by the worker is related to the activity carried out by the employer, the latter will have the preferential right to acquire it within ninety days from the notification made by the employer to the worker through the Labour Inspector or a Labour Judge'.

¹¹⁵ *Ibid*, art 324: 'Free or occasional Inventions will be considered those inventions or innovations in which the effort and talent of the inventor not especially hired for such purpose predominates'.

¹¹⁶ *Ibid*, art 326: 'The authors of service inventions will maintain their rights in an unlimited way and for their entire duration on each invention, innovation or improvement. The employer is authorized to exploit the invention only for the duration of the

commercialization. Participation has been recognized by the Labour Law in the form of a share in net profits, if remuneration is disproportionate to the profits gain by the employer.¹¹⁶ Unfortunately, all R&D obtained with public funding are considered in the public domain¹¹⁷ and author's will only be recognised its moral rights.¹¹⁸ This discouraged university and public institutions in their scientific and technological R&D projects, exposed public research to chaos and loss of opportunities for private funding for R&D programs as well as technology transfer and cooperation between universities and industry.

(4) Criminal Actions

The trade mark owner can enforce their rights through the criminal courts. The claimant will file the claim before

employment relationship or the license agreement granted by the worker to the employer, but the inventor or the inventors shall be entitled to an economic participation in its enjoyment when the remuneration of the work provided by it is disproportionate to the magnitude of the results of its invention, innovation or improvement. The amount of that participation will be set equitably by the parties with the approval of the Labour Inspector of the jurisdiction and in the absence of agreement will be fixed by the Labour Judge. At the end of the employment relationship, the employer will have the preferential right to acquire it within ninety days from the notification made by the worker or the worker through the Labour Inspector or a Labour Judge'.

¹¹⁷ *Ibid*, art 325: 'The intellectual production generated under a working relationship in the public sector, or financed through public funds that originate intellectual property rights, will be considered in the public domain, maintaining the rights to the public recognition of the author'.

¹¹⁸ *Ibid*, art. 328: 'The worker will always retain the moral rights over his works and inventions. This includes the right to recognition of the authorship of the work or invention and the right to preserve its integrity, that is, to prevent any deformation, mutilation or other modification or attack that causes damage to its honour or reputation. Therefore these rights will be inalienable, inalienable, non-subject to expropriation, not attachable and imprescriptible'.

the 18th Intellectual Property Prosecutor from the General Public Prosecutor Office to initiate an investigation with the cooperation of the Scientific, Penal and Criminal Investigations Police Corps (through the specialised anti-piracy command, *COMANPI*).

(5) Customs Measures on Intellectual Property

Border measures are applied by the National Integrated Customs and Tax Administration (*SENIAT*) in accordance with of the Organic Law of Customs 2014¹¹⁹ (Article 123¹²⁰) and Administrative Providence on the Observance of the Rights of Intellectual Property in the Importation and Customs Transit of Goods 2005.¹²¹

4. THE SUPREME COURT OF JUSTICE: JURISPRUDENCE

The Civil-Cassation Chamber of the Supreme Court of Justice in the case *Anchor Fasteners v Anclajes Powers*, 17 March 2011, established, in Venezuela, the non-application of pre-trial procedure to order provisional precautionary measures for the purpose of preventing or suspending the infringement of a registered trademark.¹²²

In *Vale Canjeable Ticketven v Todoticket and Visa International Service Association*,¹²³ dated 5 June 2013, the Civil-Cassation Chamber of the Supreme Court of

Justice, established some rules of interpretation for the laws of the Venezuelan intellectual property system: i) Fixed the exit date from CAN as of the 22 April 2006 and G3 the 19 November 2006, ii) determine a uniform concept of intellectual property, including both institutions, industrial property and author's right, iii) settle a definition of trademarks, their essential elements (graphic representation, distinctiveness and differentiating function) and the right to exclusive use, iv) agreed on the prohibition of registration of generic and descriptive trademarks, and v) cleared up that trademarks are not copyrighted works, without dismissing the possibility of cumulative protection of an intellectual property asset under trademark provisions and author's right.

In 2016, The Political-Administrative Chamber of the Supreme Court of Justice declared the nullity of the administrative decisions taken by the Ministry of Commerce and ordered the registration of the marks under the basis of non-likelihood with the registered marks, such were the cases: i) *Silikon App. No. 1997-19086 Class 5 v Siliconbond*, ii) *Cy^oZone App. No. 2002-8765 v Eyzone*, iii) *Fenovist App. No. 1997-16984 v Cenovis* and iv) *E Essence App. No.2011-581 v L'Essence*.

¹¹⁹ Organic Law of Customs (13 Nov. 2014), *Official Gazette of the Republic of Venezuela*, 6.155, 19 Nov. 2014.

¹²⁰ 'The customs authorities shall, at the request of the competent body in intellectual property matters, prevent the clearance of goods that allegedly violate intellectual property rights obtained in the country or derived from international agreements to which the Republic is a party. The competent body in the field of intellectual property may request the customs authority, through a reasoned act, to clear the merchandise at any time, after presenting sufficient guarantee to protect the right holder in any case of infringement, which must be fixed by the competent body. The customs authorities shall notify the owner, importer or consignee of the merchandise in question, the retention thereof'.

¹²¹ Administrative Providence on the Observance of the Rights of Intellectual Property in the Importation and Customs Transit of Goods (14 Oct. 2005), *Official Gazette of the Bolivarian Republic of Venezuela*, 38.314, 15 Nov. 2005.

¹²² Supreme Court of Justice, Civil-Cassation Chamber. *Anchor Fasteners v Anclajes Powers* (17 Mar. 2011) <<http://historico.tsj.gov.ve/decisiones/scc/marzo/rc.000092-17311-2011-10-465.html>> accessed 2 Aug. 2018.

¹²³ Supreme Court of Justice, Civil-Cassation Chamber. *Vale Canjeable Ticketven v Todoticket, 2004, C.A. and Visa International Service Association* (5 June 2013) <<http://historico.tsj.gov.ve/decisiones/scc/junio/rc.000292-5613-2013-12-124.html>> accessed 25 Aug. 2018.

5. CONCLUSIONS

A series of Venezuelan Constitutions have regulated intellectual property as a right of citizens, a fundamental right, or a human right until the present days. Some of these Constitutions have excluded the regulation of marks as a citizens' right or a fundamental right and took the position it was the exclusive power of the Congress of the Republic of Venezuela to legislate to protect people's right to intellectual property (industrial property and copyright), as in the Constitutions of 1821 and 1953. Finally, Venezuelan Constitutions have established IPRs as rights of citizens, a fundamental right or a human right, at the same time establishing that its regulation is of the exclusive power of the legislative branch (Congress of the Republic of Venezuela), as has happened with the Constitutions of 1830, 1857, 1858, 1901, 1925, 1928, 1929, 1931, 1936, 1947 and 1961, as well as in the actual Constitution passed 15 February 1999, where all legislative powers shall be vested in the National Assembly of the Bolivarian Republic of Venezuela.

Since the approval of the United Nations Universal Declaration of Human Rights 1948, it should be assumed that IPRs are now considered human rights.¹²⁴ The alleged hierarchy of human rights carried out by the Supreme Court of Justice by superimposing some human rights (health, culture, education) over the right of intellectual property should be abandoned. It is recommended that the Court should seek a just, equitable and rational balance in the protection of human rights, without undermining rights holders.

Venezuela has a deferred attributive system for the protection of marks, because the rights granted by the IPRO can be attacked by anyone claiming an earlier use of the distinctive sign on the grounds of the principle of *in dubio pro signo prior in tempore*, during the two years following that grant. The right of the owner is only consolidated after the expiration of a biennium from the

date on which the Certificate of Registration is issued by the local IPRO. The annulment action must be filed before the Contentious-administrative Court and appeal before the Political-Administrative Chamber of the Supreme Court of Justice. Nevertheless, if Paris Convention provisions should be applied as self-executing rules, the annulment of a mark granted in bad faith must be annulled in accordance with Article 6*bis*.3 and Article 16.3 TRIPS in case of a well-known trademark.

The IPRO, by an administrative practice, has recognized some types of sign even though the actual IPL does not specifically regulate them, such as:

- (i) Collective and service marks
- (ii) Appellations of origins and indications of source, i.e., *Ron de Venezuela*, *Cacao de Chuao* and *Cocuy de Pecaya*.
- (iii) The Nice International Classification of Marks for Goods and Services.

The denial *ex officio* of applications of trademarks on the basis of article 27 of IPL 1955 by a misinterpretation of the provision, which constitutes an abuse of law, contrary to the rule of law principle. A system of collective decisions to deny trademarks represents an abuse of law and contrary to the principle of legality due to the absence of motivation of the administrative act. Enforcement for the protection of a registered trademark has been established to some extent according to international treaties. Nevertheless, the Supreme Court of Justice has decided that international provisions are not self-executed, therefore they must not be applied by lower courts.

Venezuela has been a member of the OMC-TRIPS from 1994 and Paris Convention since 1995. During the years Venezuela was part of CAN (1973-2006), the Venezuelan Trademark system complied with the minimum

¹²⁴ See n 12.

obligations under the Paris Convention and TRIPS, particularly with the application of Decisions 344 (1993) and 486 (2000) which establish Common Provision on Industrial Property. But, since its secession from CAN on 22 April 2006 up until today, the trademark system has stepped backward more than 60 years (1955-2019).

Venezuela requires an urgent reform of its Industrial Property System, in order to comply with international standards, particularly, with regard to the application of the international treaties to which Venezuela has become a member State.

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16. THE PROTECTION OF INTELLECTUAL PROPERTY RIGHTS FOR PHARMACEUTICAL INVENTIONS IN VIETNAM

Le Thi Bich Thuy*

ABSTRACT

Vietnam is a Southeast Asian country with a developing economy. The need for medicine to cure diseases and to enhance general health is among many heated social issues in Vietnam. However, this need faces multiple barriers, including intellectual property rights to pharmaceutical inventions of domestic and foreign owners, which is a requirement of several international treaties in which Vietnam has participated. Striving for balance between protecting intellectual property rights to pharmaceutical inventions and people's right of access to medicines has always been a controversial matter at a worldwide scale, but it is still a new concept in Vietnam.

This paper focuses on analysing the effects of Vietnamese law on the protection of intellectual property rights of pharmaceutical inventions by presenting the international commitments that Vietnam has made

concerning these rights. This paper also presents the current practice of registering and protecting intellectual property rights to pharmaceutical inventions in Vietnam, and possible solutions to improve regulations and cooperation systems while balancing the patent owner's intellectual property rights to pharmaceutical inventions and peoples' right of access to medicines.

Keywords: *pharmaceutical patents, Vietnamese IP law, public health, access to medicines*

1. INTRODUCTION

For ages, pharmaceutical products have been man's indispensable weapon in the fight against diseases. The use of pharmaceutical products, including medicines, is a necessary demand for the existence of humankind. The Universal Declaration of Human Rights 1948, proclaimed by the United Nations General Assembly, asserts that the right to protect health is a basic human right, which includes the right of access to pharmaceutical products.¹ However, with the development of science and technology, another arising problem is the protection of intellectual property (IP) rights to inventions, including pharmaceutical inventions, since an intellectual property

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¹* Universal Declaration of Human Rights (1948) art 25, 'Everyone has the right to a standard of living adequate for the health of himself and of his family, including food, clothing, housing and medical care and necessary social services'.

Similarly, the Constitution of the World Health Organization (WHO), enacted in 1946, stipulates the following:

'The enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without distinction of race, religion, political belief, economic or social condition'.

The content of Article 25 of Universal Declaration of Human Rights 1948 and the Constitution of the World Health Organization (WHO), enacted in 1946 has been further elaborated in many international treaties on human rights, such as the International Covenant on Economic, Social and Cultural Rights (Article 7, 11, 12), articles 11.1 (f) and 12 of the Convention on the Elimination of All Forms of Discrimination against Women, article 24 of the Convention on the Rights of the Child, article 5 (e) (iv) of the International Convention on the Elimination of All Forms of Racial Discrimination, Article 23, 43 (e), 45 (c) of the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families, Article 25 of UN Convention on the Rights of Disabled Persons.

right is also recognized as a basic human right to be respected. Regarding laws on intellectual property rights, the owner of the patent has the right to prevent others from using their invention or selling pharmaceutical products containing the invention because they can sell pharmaceutical products manufactured from a patent-protected method at high prices to fund subsequent research and development, as well as to gain profit. '[Patents] have a direct impact on prices for pharmaceutical products that affect equality of opportunity to access basic life-saving medicines.'² Therefore, the protection of intellectual property rights to pharmaceutical inventions, both under domestic and international legal frameworks, contains an imminent threat of conflicting with the right of access to pharmaceutical products and healthcare of people.

For the aforementioned reasons, many countries in the world do not have any protection, or are still considering protection for subject matter affecting public interest, including pharmaceutical products. This is because the extent to which the 'world's welfare' is influenced by international IP standards ultimately can only depend on choices and actions taken at the municipal level operating under domestic laws and legal measures. Municipalities mediate and interpret the standards in such a way that either delivers or denies the 'articulated standard of welfare.'³ However, in Vietnam, pharmaceutical inventions are always under intellectual property right protection. Because legal regulations for this controversial subject matter are scarce, the research about Vietnamese law on intellectual property rights to pharmaceutical inventions is indeed the research about Vietnamese law on intellectual property rights to inventions in general.

In Vietnam, invention patents began in 1981 by the issuance of Decree No. 31/CP: Regulations on Innovations of Technological Improvement and Rationalization of Production and on Inventions dated 23 January 1981. This is the first legal document in Vietnam regulating the protection of inventions. According to this decree, Vietnam protects industrial property rights in general (including pharmaceutical inventions) under two forms: Copyright or Patent. Several provisions of this Decree were amended pursuant to the Decision of the Council of Ministers No. 92/HDBT. In 1998, the Council of Ministers issued Decree No. 201-HDBT: Regulations on Selling and Purchasing of Use Rights of Inventions, Utility Solution, Industrial Design, Trademark and Technical Know-how (Regulations on Licensing). It can be observed that, during this period, there were only by-law instruments to regulate issues relating to inventions and other subject matters of industrial property rights lacking an official and comprehensive law. These instruments mostly dealt with the administration by related governmental bodies of issues relating to inventions.

In 1989, the Ordinance on Protection Industrial Property Rights (28 January 1989) was passed by the Council of State, replacing the aforementioned Regulations on Innovations of Technological Improvement and Rationalization of Production and on Inventions. After that, in 2000, the Council of Ministers issued Decree No. 84/HDBT to amend a variety of previous decrees, including the aforesaid Decree No. 201-HDBT Regulations on Selling and Purchasing of Use Rights of Inventions, Utility Solution, Industrial Design, Trademark and Technical Know-how. Until this time, the protection of industrial property rights had deviated in nature with that of the previous centrally planned economy. The industrial

² Carsten Fink, *Intellectual Property and Public Health: An Overview of the Debate with a Focus on US Policy - Working Paper 146* (2008)
<<https://www.cgdev.org/publication/intellectual-property-and-public-health-overview-debate-focus-us-policy-working-paper>>
accessed 24 May 2019.

³ Antony Taubman, 'TRIPS Jurisprudence in the Balance: Between the Realist Defence of Policy Space and a Shared Utilitarian Ethic' in Christian Lenk, Nils Hoppe and Roberto Andorno (eds), *Ethics and Law of Intellectual Property. Current Problems in Politics, Science and Technology* (Ashgate 2009) 117.

property rights subject matters were the product of a market economy. At this time, Vietnam adopted legal documents recognizing private ownership of inventions as well as other subject matters of industrial property rights. Unlike the previous period, inventions then could only be protected under the form of 'Patent.'

On 28 October 1995, the Civil Code of the Socialist Republic of Vietnam was passed by the ninth National Assembly at its eighth session, and came into effect on 1 July 1996. Several provisions of this Code regulate the protection of industrial property rights and became the legal source with the highest effect for the protection of intellectual property rights, including intellectual property rights to pharmaceutical inventions. The Civil Code then was the basis for protection of the subject matters of industrial property rights and also an achievement of codification. The legal framework on the protection of intellectual property rights continued to develop, existing principles continued to be finalized. Together with the Civil Code of 1995, a variety of by-law instruments were issued; as Decree No. 63/CP specifying industrial property rights, Decree No. 12/1999/ND-CP on Sanctioning of Administrative Violations in Industrial Property, and the circulars guiding implementation.

From the demands of negotiation for accession to WTO and other objective needs, Vietnam has made great efforts in amending the law on intellectual property, with a view of meeting the minimum requirements of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). At the same time, Vietnam is fully utilizing the exceptions to balance between the benefits

of intellectual property owners and of society. The issuance of the Law on Intellectual Property of 2005 (IP Law of 2005), amidst the integration trend and international commitments of Vietnam including TRIPS, has created a relatively complete legal framework to protect intellectual property rights, including inventions and pharmaceutical inventions. Together with the IP Law, various by-law instruments were also issued to provide instructions on the IP Law of 2005.⁴ Most recently, the IP Law in 2005 has been amended by Law No. 36/2009, with some supplemental provisions, including ones on pharmaceutical inventions.

Besides the IP Law of 2005, a wide array of legal documents in related legal fields also provide a pivotal legal basis for the implementation of intellectual property rights to inventions. These documents include the Civil Code of 2015, the Civil Procedural Code of 2014, the Criminal Code of 2000, the Ordinance on Sanctioning of Administrative Violations of 2002, the Law on Customs of 2001, the Law on Enterprises of 2014, the Commercial Law of 2005, and the Competition Law of 2004. Besides general provisions on the protection of inventions, there are the provisions specialized for pharmaceutical inventions such as the Law on Pharmacy No. 34/2005/QH11, Circular No. 22/2009/TT-BYT on registration of drugs (with the whole Chapter II focusing on intellectual property rights to registered drugs), Circular No. 05/2010/TT-BYT guiding the Confidential Protection of Trial Data in Drug Registration, and Circular No. 09/2010/TT-BYT guiding the Management of Drugs Quality.

⁴ World Intellectual Property Organization (WIPO), decree 103/2006/ND-CP, 22 Sept. 2006, detailing and guiding the Implementation of several Articles of the Law on Intellectual Property regarding Industrial Property:

- WIPO Circular No. 01/2007/TT-BKHCHN guiding the Implementation of the Decree No. 103/2006/ND-CP;
- WIPO Decree No. 122/2010/ND-CP amending and supplementing a number of Articles of Decree No. 103/2006/ND-CP;

- WIPO Decree No. 105/2006/NĐ-CP detailing and guiding the Implementation of a number of Articles of the Law on Intellectual Property on Protection of Intellectual Property Rights and on State Management of Intellectual Property;
- WIPO Decree No. 97/2010/NĐ-CP on Sanctioning of Administrative Violations in Industrial Property.

2. PROTECTION OF IP RIGHTS FOR PHARMACEUTICAL INVENTIONS ACCORDING TO THE INTERNATIONAL COMMITMENTS OF VIETNAM

In many international negotiations on IP protection of pharmaceutical inventions, the main concern of parties revolved around, (i) the enhancement of protection level and the rights of the invention owner; and (ii) the desire for better public health by keeping the availability of drugs at a reasonable price.

The Paris Convention, the first international treaty on industrial property rights protection, is an important guideline for citizens of the contracting parties to ensure IP rights protection in the other member states' territory. Under the Paris Convention, the member states have an obligation to protect inventions in all fields of technology. In the final rounds of discussion and the final draft, participating countries mutually agreed to establish a flexible regulation on a protection regime towards the subject matter of IP protection affecting significantly the public health (including pharmaceutical inventions). It is the regulation on compulsory license.⁵ The countries, particularly developing countries like Vietnam, want to maximize the advantage of this regulation, thanks to its flexibility, the exclusiveness of patent owners in using products bearing IP protection subject matter could be reducing for the reason relating to public health, and for the demand of prevention and cure of diseases.

Turning to TRIPS, inventions in the pharmaceutical industry attracted more attention and became a hot issue when the protection requirements became more specific. For example, there have been several regulations relating to the pharmaceutical industry. Article 27 of TRIPS stipulates that the contracting parties shall have an obligation to grant a patent for any invention in any field of technology; therefore, inventions in the pharmaceutical industry shall not be excluded from this article. By regulating patents available in any field of technology, TRIPS resolved the most controversial issue during the negotiation rounds, the scope of protection for the invention. This regulation of TRIPS seemed to be a concession of the developing countries and a success of the developed ones, especially the United States in the negotiation of TRIPS. The negotiations ended with a regulation that the contracting parties shall commit to protect inventions in all fields of technology provided they fulfil the requirements.

However, during the implementation of TRIPS, regulations with a higher protection standard and a wider protection scope for the pharmaceutical industry caused many difficulties for developing countries. WTO member states therefore had to gather together to discuss and establish the Doha Declaration on the TRIPS agreement and Public Health (Doha Declaration). The Doha Declaration is a solution for concerns on public health in the TRIPS agreement. This declaration affirms the

⁵ Paris Convention for the Protection of Industrial Property, art 5
(2) Each country of the Union shall have the right to take legislative measures providing for the grant of compulsory licenses to prevent the abuses which might result from the exercise of the exclusive rights conferred by the patent, for example, failure to work.
(3) Forfeiture of the patent shall not be provided for except in cases where the grant of compulsory licenses would not have been sufficient to prevent the said abuses. No proceedings for the forfeiture or revocation of a patent may be instituted before the expiration of two years from the grant of the first compulsory license.

(4) A compulsory license may not be applied for on the ground of failure to work or insufficient working before the expiration of a period of four years from the date of filing of the patent application or three years from the date of the grant of the patent, whichever period expires last; it shall be refused if the patentee justifies his inaction by legitimate reasons. Such a compulsory license shall be non-exclusive and shall not be transferable, even in the form of the grant of a sub-license, except with that part of the enterprise or goodwill which exploits such license.'

sovereign right to take measures to protect public health, such as granting compulsory licenses and parallel importation from contracting parties. The Doha Declaration also extended the transition period for Least-Developed Countries for the refusal of patent invention in the pharmaceutical industry to the year 2016.⁶ This declaration seems to be an initial success for developing countries because it provides a clear guideline for such countries to make their own decisions on the implementation of public health policy and reduce the effect of the patent system on their socio-economic conditions.

Since TRIPS was established, there has been no international treaty that draws more attention and is more widely circulated than the Trans-Pacific Strategic Economic Partnership Agreement (TPP) with only 12 contracting parties. After a five-year negotiation, the countries finally gathered together and signed the TPP in New Zealand on 04 February 2016. The TPP agreement is a second-generation trade agreement with an aim of building up a free market for Asia-Pacific countries. TPP covers around 40% of the global economy, and will

establish a new Pacific economy by lowering trade barriers for most commodities such as beef, dairy products and textiles, and will establish new standards and rules on investment, environment, and labour. Thus, this is the largest regional free-trade agreement officially signed. Regarding the pharmaceutical industry, the most controversial issue during the negotiation rounds was that the TPP finally set out a standardized framework for IP rights protection to a high and comprehensive extent. The TPP basically cured some drawbacks in previous international treaties on IP relating to the pharmaceutical industry.

After his inauguration, United States President Donald Trump signed an order withdrawing from TPP; as a consequence, the TPP could not be ratified. However, on the sidelines of the November 2017 Asia-Pacific Economic Cooperation (APEC) Summit in Danang, Vietnam, the TPP Ministerial Meeting was organized. The Ministers negotiated on pushing ahead the TPP deal in a new situation. On the grounds of the negotiations, the Ministers of 11 countries expressed their persistence in pursuing the proposed pathway, they made an

⁶ WTO, Declaration on the TRIPS Agreement and Public Health (2001)

<<http://www.who.int/medicines/areas/policy/tripshealth.pdf>> accessed 24 May 2019

'5. (...) (b) Each Member has the right to grant compulsory licenses and the freedom to determine the grounds upon which such licenses are granted.

(c) Each Member has the right to determine what constitutes a national emergency or other circumstances of extreme urgency, it being understood that public health crises, including those relating to HIV/AIDS, tuberculosis, malaria and other epidemics, can represent a national emergency or other circumstances of extreme urgency.

(d) The effect of the provisions in the TRIPS Agreement that are relevant to the exhaustion of intellectual property rights is to leave each Member free to establish its own regime for such exhaustion without challenge, subject to the MFN and national treatment provisions of Articles 3 and 4.'

...

7. We reaffirm the commitment of developed-country Members to provide incentives to their enterprises and institutions to promote and encourage technology transfer to least-developed country Members pursuant to Article 66.2. We also agree that the least-developed country Members will not be obliged, with respect to pharmaceutical products, to implement or apply Sections 5 and 7 of Part II of the TRIPS Agreement or to enforce rights provided for under these Sections until 1 January 2016, without prejudice to the right of least-developed country Members to seek other extensions of the transition periods as provided for in Article 66.1 of the TRIPS Agreement. We instruct the Council for TRIPS to take the necessary action to give effect to this pursuant to Article 66.1 of the TRIPS Agreement.'

agreement on the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

In comparison to the TPP, around 20 articles of the CPTPP have been temporarily postponed, mainly the articles on intellectual property. For example, regulations relating to inventions in the pharmaceutical industry have been suspended, including patent term extension for patent office delay, patent term adjustments for unreasonable granting authority delay, protection of undisclosed test or other data and so on. The reason for this suspense is that the United States promoted most of these regulations and the other countries, including Vietnam, made concessions to reach a mutual agreement. In the context of the United States' withdrawal from the TPP, the remaining 11 countries stuck to their purpose of establishing a comprehensive agreement in which the benefits of contracting parties will be balanced based on the development ability of each country. Moreover, the TPP-11 will be maintained in a high-standard and comprehensive manner on all fields besides market-opening, trade and economy. With that mindset, regarding the postponement clauses, CPTPP is an innovative step in economic integration for members, especially for Vietnam, which is released from the strict regulations of intellectual property rights protection.

3. PROTECTION OF IP RIGHTS FOR PHARMACEUTICAL INVENTIONS UNDER DOMESTIC LAW OF VIETNAM

A. DEFINITION

The Domestic law of Vietnam does not directly stipulate any definition on 'invention relating to pharmaceuticals (pharmaceutical invention).' In accordance with the provisions of IP law and pharma-related documents, such as the Law on Pharmacy of 2005, the subject matter that is patentable can be defined in the pharmaceutical industry. Accordingly, *pharmaceutical inventions are patentable subject matter, including products or*

manufacturing processes applying to resolve problems in public health.

The pharmaceutical inventions can be divided into 2 categories:

(1) Product inventions include chemical compounds (used to make medicine), new forms of a known compound (isomer, salt, etc.), combined (mixed) compounds of given products/compounds, and special forms of pharmaceutical extract liquid.

(2) Process (method) inventions include chemical compound preparation processes, medicine preparation processes, and pharmaceutical extract process

B. SCOPE AND CONDITIONS FOR PROTECTION

A pharmaceutical invention is a protectable subject matter in Vietnam. Pursuant to IP Law article 59, pharmaceuticals and pharmaceutical manufacturing processes are protected in Vietnam because they do not fall into the list of objects ineligible for protection as invention. The conditions for pharmaceutical inventions are similar to that for the inventions in other fields. For example, a pharmaceutical invention shall be protected as an invention under a patent if it satisfies the worldwide novelty, inventive nature and is susceptible to industrial application.⁷

Firstly, the pharmaceutical invention shall meet the requirement of 'novelty'. Under the law of Vietnam, an invention shall be deemed novel if it has not yet been publicly disclosed. That means, a limited number of people could know and have the obligation to keep secret about this invention, by use or by means of a written description or any other form either inside or outside Vietnam before the filing date or the priority date, as applicable, of the invention registration application.⁸

Secondly, the pharmaceutical invention shall be 'an inventive step.' An invention shall be deemed to be of an

⁷ Law on Intellectual Property No. 50/2005/QH11 (IP Law).

⁸ *ibid* art 60.

inventive nature if, based on technical solutions already publicly disclosed by use or by means of a written description or any other form either inside or outside Vietnam, prior to the filing date or the priority date as applicable of the application for registration of the invention; the invention constitutes an inventive progress and cannot be easily created by a person with average knowledge in the art, and the art herein is pharmaceutical industry. Between the technical solutions already publicly disclosed, the significant progress shall be deemed to be the nature of an invention.⁹

Third, the pharmaceutical invention shall be susceptible of industrial application. An invention shall be deemed to be susceptible of industrial application if the information about the nature of the solution and instruction of required technical conditions is presented in a clear and comprehensive manner, to enable the person having an average level of knowledge in the pharmaceutical industry to be able to generate, produce, or be able to use, exploit, or carry out that invention or repeated application of the invention which is the subject matter of the invention, and to achieve stable results as determined in the application. The production, use, and exploitation of such solutions may be repeated with the same result and in the same manner as the results stated in the application. The law of Vietnam stipulates that an invention shall be deemed to be susceptible of industrial application if it is possible to mass manufacture the product and repeat the application process, which is the subject matter of the invention, and then to achieve stable results.¹⁰

C. TERM OF PROTECTION

Under TRIPS, the term of protection for invention shall not end before the expiration of a period of twenty years from the filing date. Members that do not have a system of original grant may provide that the term of protection shall be computed from the filing date in the system of original grant. The pharmaceutical invention shall apply

this term of protection as inventions in other areas of technology. So, the pharmaceutical invention shall be protected under a patent from the filing date to the end of the 20-year period.

This provision of TRIPS is necessary and suitable in actual context. Due to the inconstant development of technology, the life span of technological devices shortens and most of the devices are developed based on the given technology. When the technology was used for a period utility, the owner collected his necessary investment fee and gained benefits at a certain extent. Therefore, it must be released for everyone to use and enjoy its exceptional features.

Complying with the term of protection under TRIPS, the law of Vietnam, pursuant to Article 93 of the IP Law, states an invention patent shall be valid from the grant date until the end of twenty years after the filing date. Besides, it could be protected as a utility solution from the grant date until the end of ten years after the filing date. Thus, the term of invention protection is twenty years, fixed and not extended (the law does not allow the extension of protection term for the pharmaceutical invention).

D. RIGHTS AND OBLIGATION OF THE PATENTEE

First, the owner of a patent for a pharmaceutical invention shall have the right to use or authorize others to use his inventions. The usage and commercial exploitation of inventions brings many benefits to the owner and it can be seen as a powerful and the most important of the owner's rights. In fact, there are many different ways to exploit the right to use the pharmaceutical invention. The main ways of using a pharmaceutical invention are manufacturing pharmaceuticals: application of a patented process for manufacturing a pharmaceutical product; exploiting the utility of the protected pharmaceuticals or pharmaceuticals produced under the protected process;

⁹ *ibid* art 61.

¹⁰ *ibid* art 62.

the act of circulation, advertising, offering, storing for the circulation of pharmaceutical products; and the importation of pharmaceutical products protected as inventions or pharmaceuticals produced under the protected process in the name of invention.

During the term of protection, on the one hand, the patent owner has the right to use the pharmaceutical invention in his possession, production, or business activities, to benefit from such invention. On the other hand, the patent owner may also transfer the right to use a pharmaceutical invention to another entity by signing a contract for the use of an industrial property object, in writing and in accordance with laws on civil and economic contract.

Second, the owner of the pharmaceutical invention has the right to prevent others from using industrial property objects. During the term of protection, the owner is protected to gain benefits from his invention; it also means the owner has the right to prevent others from using his invention without any prior acceptance. Everybody shall have the obligation to respect and not to commit acts of harassment or infringement when the owner exercises his right to use. If there is an act of infringement of the owner's rights, the law recognizes the owner can take measures to protect his rights, such as self-protection, civil, border control, or administrative measures.

Third, the owner has the right to dispose of industrial property objects. Under the applicable law of Vietnam, the right to dispose of the pharmaceutical invention can be carried out under different ways. For example, this can be done by transferring ownership to others under a written contract; declaring relinquishment of the industrial property rights; inheriting others (by will or by law) after death; and transferring of rights according to the merger, consolidation, division, separation of legal persons.

Besides the provisions on the rights of the owner, the law also states the obligations the owner must comply with.

First, the owner of a pharmaceutical invention has the obligation to respect the regulations and limitations of rights for the pharmaceutical invention's owner. The rights of the invention owner allow them to prevent the others from using and exploiting the protected invention. However, as understood in the characteristics of this type of subject matter, this subject matter has a great influence on the interests of the community, rather than other objects of industrial property rights. So, the limitations imposed on the rights of the owner are generally set primarily for this subject matter. For this reason, the law provides certain exceptions that other persons may use or exploit the protected pharmaceutical invention without the consent of the patent holder or the licensee, by a license agreement, and it does not constitute an illegal action.¹¹ For example: using inventions in service of personal needs, for non-commercial purposes, for purposes of evaluation, analysis, research, teaching, testing, trial production or information collection for carrying out procedures of application for licenses for production, importation or circulation of products, or circulating, importing, exploiting utilities of products which were lawfully put on the market including overseas markets using inventions for maintaining the operation of foreign means of transportation transiting or temporary staying in the territory of Vietnam. Regarding the above circumstances, on one hand, the user does not have to obtain the permission; on the other hand, the law of Vietnam also stipulates that if the use of the invention is not for business purposes, no remuneration shall be paid to the owner of the invention.

Second, the law of Vietnam regulates the other obligations of a pharmaceutical patent holder. The owner shall have the obligation to use the protected invention, specifically, the owners shall be obliged to manufacture

¹¹ *ibid* art 125.12.

protected products or apply protected processes to satisfy the requirements of national defence and security, disease prevention, treatment and nutrition of the people, or to meet other social urgent needs. When the needs stipulated in this clause arise but an invention owner fails to perform such obligation, the competent State body may license such invention to others without permission from the invention owner. Additionally, the invention owner is obligated to authorize the use of original inventions when satisfying the two following requirements: (i) where the owner of a dependent invention can prove his or her invention makes an important technical advance as compared with the original invention and has great economic significance; and (ii) where the owner of a dependent invention negotiates with the owner of an original invention about a reasonable price and commercial conditions.

E. INFRINGEMENT AND ENFORCEMENT OF RIGHTS TO INVENTIONS

The IP laws of Vietnam do not regulate the acts of infringement of IP rights to each industrial property object. The act of infringement on rights to inventions, including pharmaceutical inventions, shall be generally determined pursuant to IP Law, Article 126. This article regulates the infringement of rights to inventions, industrial designs and layout designs. Furthermore, under Decree No.105/2006/ND-CP, the act of infringement of IP rights are the acts of infringement of rights to protected objects. Accordingly, the act of infringement of rights to pharmaceutical inventions are the same as rights to pharmaceutical invention within its protection term. Specifically, the act of infringement of rights to pharmaceutical invention includes two basic components:

- Using pharmaceutical inventions within the valid term of a protection title without permission from the owners.
- Using inventions without paying compensation, according to the provisions on provisional rights.

Based on the determination of acts of infringement of rights to pharmaceutical inventions, the law of Vietnam has established an enforcement system to protect the rights of pharmaceutical inventions' owners against the acts of other persons within the valid term of a protection title, such as civil, administrative, or temporary measures or border control. Moreover, IP laws also note another remedy to infringement - self-protection. Self-protection is regulated by the principles of respect and the protection of the civil rights in the Vietnamese law, recognized in Article 19 of the Civil Code and specified in Article 198 of the IP Law. Accordingly, the owner of the inventions can take action to protect his rights. The specific measures to be carried out are: (1) to apply measures to prevent acts of infringement of its intellectual property rights; (2) to request any organization or individual who commits an act of infringement of the intellectual property rights of the holder to terminate such act, make a public apology or rectification; and (3) to request the competent authority, including courts and arbitrations to protect his intellectual property rights.

4. STATUS OF PROTECTION OF IP RIGHTS FOR PHARMACEUTICAL INVENTIONS IN VIETNAM

A. REGISTRATION AND GRANT OF PROTECTION FOR PHARMACEUTICAL INVENTIONS

As mentioned above, a pharmaceutical invention is always considered protected under Vietnamese law. Thus, compared with other countries in the world, the laws of Vietnam in the field of intellectual property and patent protection is relatively new. It also can be admitted, however, that the protection for pharmaceutical invention was first mentioned when new IP regulations were introduced. On the basis of the first document on invention, the Charter of Technical Innovation - Rationalization of Production and Inventions dated 23 January 1981, the first application for invention was filed on 20 October 1984 with the registration number 1-1984-00064. This invention is called 'Method for preparation of diosgenin' and the applicant is the

National Institute of Medicinal Materials of the Ministry of Health. This application was granted patent No. 22 and was the first patent granted to a pharmaceutical invention.¹² Prior to the Civil Code of 1995, patent protection regulations were not systematically codified, the number of applications for pharmaceutical invention was low (32 applications), mainly submitted by domestic organizations and individuals and most of the applications involved traditional medicine.

The Civil Code of 1995 milestone marked the promulgation of Vietnam's first Civil Code, along with the development of a market economy. When Vietnam joined the Patent Cooperation Treaty (PCT), the number of pharmaceutical invention applications increased sharply. It is noted that applications were filed mainly by foreign companies (accounting for more than 90% of the applications related to pharmaceuticals).

Since the promulgation of the IP Law in 2005, and over a period of more than a decade, the registration of inventions generally progressed positively, despite many fluctuations. The number of patent applications filed to the National Office of Intellectual Property increased steadily from 516 in 2005 to 838 in 2015 (62.4%) and 1,028 in 2017. By the end of December 31, 2017, according to statistics of the National Office of Intellectual Property, the total number of applications for industrial property registration had been 57,962 applications, 1,028 patent applications, increased by 11% compared with 2016 (926 applications). Among these applications, 346 were applications for pharmaceutical inventions, which accounted for about 29% of the total number of patent applications. In particular in 2015, the number of pharmaceutical patent applications rose to a peak of 838 in comparison with 682 applications in 2014,

registering a 22.9% increase. The total number of protection titles issued in 2017 was 20,763 (an increase of 2,022 titles compared to 2016), 409 patents (increase of 33 patents from 2016), in which the patents in the field of pharmaceuticals is 158 patents, representing 38%.¹³

However, out of the total number of applications and patents in the field of pharmaceuticals, the majority of applicants and the number of issued patents, by origin of applicants, are mainly foreigners. Meanwhile, the number of Vietnamese applicants, as well as the number of issued patents for Vietnamese applicants, account for only a small portion of the total granted

Therefore, the pharmaceutical industry in Vietnam is becoming an attractive market for foreign pharmaceutical companies while the R&D capacity of domestic pharmaceutical companies is still very low and their competitiveness is not high.

The pharmaceutical industry in Vietnam is not paid much attention; pharma-chemical technology in Vietnam is classified in the weak group in the world due to backward technology. The Government of Vietnam has a plan to develop the pharma-chemical industry in order to meet 40% of antibiotic material demand for domestic production by 2020. However, according to current statistics, some projects for the Ministry of Industry on manufacturing raw materials for pharmaceuticals (such as Cephalosporin) have been stalled due to inefficient operation.¹⁴ Besides the technology, the pharmaceutical industry of Vietnam has had many other difficulties in developing, in which financial and legal barriers play an important role. The cost of producing a new active pharmaceutical ingredient is very expensive, about 100 billion VND, while the budget for research of the State, as

¹² National Office of Intellectual Property, *Annual Report of Patent Office* No. 2.

¹³ National Office of Intellectual Property, Annual Report 2017, <[http://www.noip.gov.vn/web/noip/home/vn?proxyUrl=/noip/cms_vn.nsf/\(agentDisplayContent\)?OpenAgent&UNID=8B950C5DCA92FB444725830002BB1DF](http://www.noip.gov.vn/web/noip/home/vn?proxyUrl=/noip/cms_vn.nsf/(agentDisplayContent)?OpenAgent&UNID=8B950C5DCA92FB444725830002BB1DF)> accessed 14 August 2018.

¹⁴ Drug Administration of Vietnam, Annual Report 2016 <http://jahr.org.vn/downloads/JAHR2016/JAHR2016_full_VN.pdf> accessed 10 November 2018.

well as that of companies, is very limited. Now the legal framework for researching and testing of drugs in humans in Vietnam has not been fully built, so the testing faces a lot of difficulties. This is a considerable barrier to the establishment of a new drug. Drugs produced by pharmaceutical companies in Vietnam are generic in nature for which patent protection has expired. The issue of protection of IP rights for pharmaceutical invention is not really paid attention to and does not become a matter of urgency because it is not a 'close' benefit of Vietnamese pharmaceutical companies.

In the near future, following the progress of international economic integration after WTO accession, together with the substantial improvement of the legal system on protection and enforcement of IP rights, the number of applications for pharmaceutical inventions is expected to continue increasing. Recently, in September 2018, on the occasion of the 58th Series of Meetings of the Assemblies of the Member States of WIPO, an agreement on the implementation of WIPO Industrial Property Automation System WIPO (WIPO IPAS) was signed by the Vietnamese delegation, led by the Deputy Minister of Science and Technology, Pham Cong Tac and Francis Gurry, Director General of WIPO.¹⁵ Under this agreement, WIPO will provide free of charge and support the deployment of WIPO IPAS at the National Office of Intellectual Property. This project is expected to start in 2018 and end in 2020.

The WIPO IPAS system is said to have many advantages compared to the existing administration system at the National Office of Intellectual Property; for example, more flexible adaptation, a more user-friendly interface, more suitable for international standards, and easy connectivity with other WIPO tools. The deployment of the WIPO IPAS system at the National Office of Intellectual Property is expected to enhance the speed of processing of industrial property registration applications. It will connect the National Office of Intellectual Property's (NOIP's) application system to WIPO as well as facilitate the sharing of data with other intellectual property agencies and provision of industrial property information to the public.

B. ENFORCEMENT OF THE LAW ON IP RIGHTS FOR PHARMACEUTICAL INVENTIONS

The increase in the number of applications and the number of protection titles issued for the above-mentioned inventions show Vietnamese laws have created a solid basic legal framework to carry out registration for protection of intellectual property. To a certain extent, a basic legal framework has contributed to ensure a proper balance between IP rights and the right to access to pharmaceuticals in order to protect basic rights recognized in the Constitution of Vietnam 2013.¹⁶

¹⁵ National Office of Intellectual Property Vietnam (NOIP) signed a Memorandum of Understanding (MOU) on the implementation of the Industrial Property Management System with WIPO
<[http://www.noip.gov.vn/web/noip/home/vn?proxyUrl=/noip/cms_vn.nsf/\(agentDisplayContent\)?OpenAgent&UNID=8170E9F684965B1B47258316004FFB19](http://www.noip.gov.vn/web/noip/home/vn?proxyUrl=/noip/cms_vn.nsf/(agentDisplayContent)?OpenAgent&UNID=8170E9F684965B1B47258316004FFB19)> accessed 14 August 2018.

¹⁶ Constitution of Vietnam (2013)

'Art 38:

1. Everyone is entitled to health care and protection, is equally entitled to medical services and has the duty to comply with regulations with regard to prophylaxis, medical examination and treatment.
2. Any acts threatening the life or health of other people and the community are strictly prohibited.

...

Article 40:

Everyone has the right to carry out scientific and industrial research, engage in literary and artistic creation and enjoy benefits from those activities.

...

Art 62:

1. Development of science and technology is a primary national policy, playing a key role in the country's socio-economic development.
2. The State shall prioritise investment and encourage investment by organisations and individuals in scientific research, development, transfer and effective

However, there are many negative phenomena in the practice of intellectual property concerning pharmaceuticals. It is possible to separate the actual negative situation of exercising the rights over pharmaceutical inventions into two noticeable points.

First, patent holders of pharmaceutical inventions (which mainly are international pharmaceutical companies) overuse their rights to increase the medicine's price in an unacceptable way, directly affecting the citizens in accessing medicine.

Only one year after Vietnam became a member of WTO and TRIPS, the number of foreign pharmaceutical companies registering to trade medicine increased dramatically from 270 companies (2005) to 370 companies (2007). The number of registered foreign pharmaceutical products increased to 8459 products (2007), accounting for nearly 50% of pharmaceutical products circulating in Vietnam.¹⁷ However, whether the liberalization and opening up of the pharmaceutical market can bring benefit to citizens by creating high quality pharmaceuticals and affordable medicine is an still big concern. Imported medicine, most of which are monopolistic, is closely protected by the TRIPS Agreement (despite the removal of trade barriers and the decrease of the trading cost), but there is still no decline in the price. Conversely, in most cases, prices are constantly rising. There are also dozens of foreign pharmaceutical suppliers that cooperated with Vietnamese distributors to simultaneously request to raise the prices of medicine.

The increase in the number of pharmaceutical companies in Vietnam makes the pharmaceutical market become

more active and competitive, giving consumers more choices. However, there is a risk of uncontrolled medicine quality. According to a 2013 statistic from the Drug Administration of Vietnam regarding the quality of medicine, the number of counterfeit and low-quality medicines entering the market increased. In two years, the proportion of foreign medicine that did not meet quality standards increased more than four times, from 1.34% (2005) to 5.75% (2007), whereas, the number of domestic products not meeting the quality standard is on the downward trend, from 3.0% (2007) to 3.5% (2005). The number of counterfeit medicines also increased from 0.17% in 2007 to 0.09% in 2005, 6 times higher than in 2001 (0.03%).¹⁸

Second, other persons who are not owners and not legally allowed, still use inventions illegally. They do not respect rights of patent holders and commit infringement, directly affecting interests of the inventions' owner. In addition to high-tech goods or other goods for essential consumption, medicines and functional drugs are the most common objects being infringed. IP infringement is tending to increase, and although very complicated, this occurs at every stage of the process of producing and selling products. These acts of infringement negatively affect many entities in different economic sectors.

Around the world, it can be seen that the infringement of pharmaceutical invention is intense and this is one of the products most affected by infringement. Not only in Vietnam, but also in developing countries, in general, counterfeit medicine is the most serious problem, for which the legal framework attempting to prevent or limit the situation has not been completed yet. According to a

application of scientific and technological achievements; shall guarantee the right to conduct scientific and technological research and protect the right to intellectual property.

3. The State shall provide favourable conditions for everyone to participate in and enjoy benefits from scientific and technological activities.'

¹⁷ Drug Administration of Vietnam <<http://www.dav.gov.vn/>> accessed 11 October 2018.

¹⁸ *ibid.*

new report of OECD on counterfeit goods, key factors explaining the existence of counterfeit medicine in developing countries are 'poor medicine control and law enforcement; the distribution channel is not controlled; big price gap between real and counterfeit medicine; lack of effective protection of IP rights; lack of respect for quality assurance; and the corruption of the healthcare system.'¹⁹ The World Health Organization estimates that 6% of the world's pharmaceuticals are fake and 70% of all medicine sold in some countries are fake.²⁰

Between the two above-mentioned phenomena, the first is more popular and directly affects Vietnam, a country with many economic difficulties. The poor people have a high demand for medicine to cure fatal diseases; however, such demand has not been fully met. This situation arises from many issues and it is the responsibility of state agencies, businesses, people and society.

Vietnam has a number of practical measures to assure the enforcement of IP rights, including IP rights in the pharmaceutical industry. As mentioned above, Vietnam has recently developed four measures to assure the enforcement of IP rights: civil measures, administrative measures, criminal measures, and border controls. These measures have a full legal basis for implementation, however in practice, administrative measures seem to be the most commonly used. This can be explained by simple procedures, quick processing, prompt responses to requests of IP rights holders, and ensuring not only precautionary effects but also preventive and deterrent effects by the punishment for infringement.

Associated with each measure to enforce intellectual property rights in pharmaceutical inventions, in Vietnam,

there are many authorities cooperating together to deal with infringements of intellectual property rights:

- (i) The Inspectorate of the Ministry of Science and Technology is a specialized authority responsible for inspecting, detecting and imposing administrative penalties on those who commit acts of infringement of intellectual property rights. The penalties range from warnings and confiscation to destruction of products containing signs of infringement.
- (ii) The market surveillance authority is in charge of regular inspection and supervision of pharmaceutical packaging and manufacturing entities, as well as sale agents of pharmaceuticals; closely coordinating with the Public Security and health authority dealing with entities that commit intellectual property infringements related to pharmaceuticals.
- (iii) The customs authority has the responsibility to control, detect, and deal with acts of infringement of intellectual property rights related to importation and exportation at the border-gate.
- (iv) The public security organs (Public Security Department for Economic Management under the Ministry of Public Security) play an important role in investigating, detecting criminal offenses, prosecuting and imprisoning a number of individuals involving in the production of counterfeit goods including pharmaceuticals.

In the regional sphere, together with some South East Asian countries such as Thailand, China, Laos, and Cambodia, Vietnam has participated in setting up an IP working group in the pharmaceuticals field. This IP enforcement team was established with participation of the pharmaceutical management authorities, public

sheets/detail/substandard-and-falsified-medical-products>, accessed 20 October 2018.

¹⁹ Jeong -Yeon Lee and Edwin Mansfield, 'Intellectual Property Protection and U.S. Foreign Direct Investment' 78 *The Rev. of Econ and Stats*, 181-186.

²⁰ World Health Organization, 'Substandard and Falsified Medical Products' <<https://www.who.int/news-room/fact->

security, customs and court authorities, the World Health Organization, United States Pharmacopoeia (USP), and Interpol in the Greater Mekong Sub-region.²¹ This group will strengthen information sharing on counterfeit and low-quality medicines, conduct joint investigation activities, and promote IP law enforcement in the country and among countries in the region. According to USAID (United States Agency for International Development), despite the efforts of many organizations and programs, the manufacturing of counterfeit and poor-quality medicine had a major bad impact on the public health in Southeast Asia. Although the awareness of relevant national and international agencies on counterfeit and low-quality medicines has been improved, the cooperation between organizations and countries is still limited. Therefore, the establishment of a group also aims to build an effective mechanism that encourages and supports the communication, cooperation, and coordination between law enforcement authorities, health agencies, customs, and public security in anti-counterfeit activities in the country, and among countries in the region.

Vietnam has always shown an active role in participating in international institutions and organizations. Currently, the representative of Vietnam is the chairman of the WIPO General Assembly; there are many other prominent aspects to show that Vietnam's position at WIPO and in the international IP arena, is higher. At the opening of the WIPO General Assembly on the morning of 24 September 2018 in Geneva, Switzerland, the Deputy Minister of Science and Technology, Mr. Pham Cong Tac, pledged that Vietnam would be active in

working with other members to develop a fair and comprehensive worldwide intellectual property system. Vietnam has recognized technical assistance from WIPO over the past years and wishes to continue its partnership with WIPO to launch the WIPO IPAS industrial property management system at the National Office of Intellectual Property, and to build an IP National Strategy. These activities of the Vietnam's National Intellectual Property Office show positive signs for the enforcement of intellectual property rights in Vietnam, including the protection of intellectual property rights for pharmaceutical inventions.

5. RECOMMENDATIONS TO IMPROVE VIETNAM'S IP LAW ON THE PROTECTION OF PHARMACEUTICAL INVENTIONS

A number of developing countries have expressed their great concern that implementation of strong IP regimes can 'affect efforts on enhancing public health,' and pharmaceutical patents and treatments 'can hinder governments to work at its best endeavour to address urgent policy issues' with 'reasonable access to health care, which also causes many difficulties for public health programs.'²² High medicine prices create a discrimination between the rich and the poor, in terms of access to medicines. The poor are also the majority in society, especially in middle-income and low-income countries in Europe, Asia, and Latin America.²³ In addition, having to pay large amounts of money for long-term medication can drive patients and their families to poverty.²⁴ Every year, around 150 million people are in financial difficulty,

²¹ Haiquan Online, 'Thành lập nhóm xét tuyển chung: Lợi cho trường và thí sinh' <<http://www.baohaiquan.vn/Pages/Thanh-lap-Nhom-cong-tac-thuc-thi-SHTT-trong-linh-vuc-duoc-pham.aspx>> accessed 12 October 2018.

²² Sarah Rosenbaum, 'The Patient Protection and Affordable Care Act: Implications for Public Health Policy and Practice' (2011) Pub. Health Rep. 130 <<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3001814/>> accessed 12 October 2018.

²³ World Health Organization, (WHO) 'Health and Human Rights' <http://www.wpro.who.int/vietnam/topics/human_rights/human_rights_health_factsheet_2013_final_vn_v2.pdf> accessed 15 April 2018.

²⁴ WHO, 'The World Health Report – Health Systems Financing: The Path to Universal Coverage 2010' (Geneva, 2010) 7.

and 100 million people fall into poverty because of the high cost of medical care.²⁵

In light of international treaties on intellectual property, to which Vietnam is a member, Vietnam protects inventions, including inventions in the pharmaceutical industry. However, the current situation of Vietnam, where poverty plagues the majority of people, leads to one difficult question: how to balance interests of patent owners with the interests of the public in ensuring access to medicines? This question will definitely be the most important issue considered. More specifically, the pathway Vietnam wants to follow to improve the policy-making and enforcement of IP laws over pharmaceutical inventions, is maximizing the flexibility of international commitments to reduce the negative effects of the IP regime. In addition, appropriate policies are needed regarding this type of invention to promote the country's economic development, in particular, it is the development of the nascent Vietnamese pharmaceutical industry. With the mentioned pathway from the independent research, the author strongly recommends some specific ideas.

First, it is necessary to specify more clearly, cases where the owner of an invention is not allowed to prevent others from using the invention.

IP Law article 125.2 lists situations where the owner of an invention is not allowed to prevent others from using the invention, thereby permitting the use of the invention 'to serve personal needs or non-commercial purposes or for purposes of evaluation, analysis, research, teaching, testing, trial production or information collection for

carrying out procedures of application for licences for production, importation or circulation of products'. This regulation is built in an enumerated way and cannot cover all practical cases where pharmaceutical inventions are used appropriately. Such regulations can be regarded as an invisible limit that bring many difficulties for Vietnam's laws. If there are any disputes arising out of the right to use pharmaceutical inventions in practice, but the dispute does not fall within cases set out in the regulation, it will be difficult to come to the decision and resolve, even though the use is appropriate and does not cause any significant damage to the rights owner during the term of protection. It is thought that it would be easy to ascertain whether the use of pharmaceutical inventions is an infringement or not if the regulation states three criteria or requirements for the acts of limiting the right of a patent owner, as stipulated in the TRIPS Agreement, which Vietnam is a member of. For example, such acts must be 'limited'; not 'unreasonably conflict with normal exploitation' of the invention; and not 'unreasonably prejudicial to the legitimate interests' of the patent owner as well as the legitimate interests of the third party.

Second, it is necessary to add typical and specific rules for pharmaceutical inventions an object has a major impact on public interests.

Currently, Vietnam has provisions governing the patent review and licensing process. Regarding the pharmaceutical invention, there is a requirement for additions to applications for registration of inventions concerning pharmaceuticals.²⁶

²⁵World Health Organization, (WHO) 'Health and Human Rights' <http://www.wpro.who.int/vietnam/topics/human_rights/human_rights_health_factsheet_2013_final_vn_v2.pdf> accessed 15 April 2018.

²⁶ Article 100, Article 102 IP Law; Article 6, Article 7, Article 10, Article 11 of Decree 103/2006 / ND-CP; Point 7, Point 10 of Section 1, Section 2 (especially Point 23.10 of Section 2 on additional requirements for SCLQ) of Circular No. 01/2007 / TT-BYT, the application for protection title with the invention of

pharmaceuticals in addition to the general documentation required for the invention, the description of the invention must state the results of the clinical trials and pharmacological effects of the drug, at least including the information. : Substance / mixture used; test method (system) used; test results; the correlation between the results of pharmacological effects obtained in the experiment with the practical application of

From the experiences of India, where the number of conditions and requirements for granting protection titles to the pharmaceutical inventions are both increasing; narrowing the scope of protection for pharmaceutical inventions; and giving third parties the right to oppose the grant of a patent within a specified period of time.²⁷ This requirement further enhances the technical level of the domestic pharmaceutical industry in order to create truly innovative and creative pharmaceutical products compared to previous inventions.

During the period from 1970 to 2005, the Indian Patent Act protected inventions as a process and also protected companies making long-term investments in research and development medicine in India.²⁸ Additionally, the Indian Patent Act of 1970 allowed Indian companies, if they qualify for the manufacture of a pharmaceutical formula, to be licensed by the company that owns the patent to produce under a voluntary license. Article 84 of this Act also permitted a compulsory license, which obliges the company that owns the patent to issue a license to another company manufacturing that drug if (1) the patent owner cannot satisfy the demand for the medicine and access to the medicine; (2) drug prices are too high compared to the affordability of the public; (3) the company is implementing a patented product on Indian territory. Since 1978, India has emerged as the leading center for the production of generic medicine.

Third, the government could consider a plan to build a knowledge database on traditional medicine in Vietnam. Among traditional knowledge, traditional medicine is an

pharmaceuticals in prevention, diagnosis and treatment of diseases.

²⁷ Patent Act of India s 84, '(1) At any time after the expiration of three years from the date of the grant of a patent, any person interested may make an application to the Controller for grant of compulsory licence on patent on any of the following grounds, namely:- (a) that the reasonable requirements of the public with respect to the patented invention have not been satisfied, or (b) that the patented invention is not available to the public at a

important part of human healthcare. It is a combination of knowledge, skill and practice, based on theories, creeds, and indigenous experiences from different cultures, used to promote good health, and to cure disease.

According to statistics of the World Health Organization for Vietnam in 2003, there were 39,381 traditional medicines recognized from 54 ethnic groups. The exportation of traditional medicine reached about 10,000 tons, contributing to export turnover of USD 1-2 million. Commercial value of traditional knowledge is actually much higher than that. In particular, about 80% of the world's population uses traditional medicine for health care.²⁹ It is clear that traditional medicine is a field in which Vietnam has many advantages, from a rich flora and fauna with high quantity and quality, especially medicinal plants, to indigenous knowledge about traditional medicine. This is a strength that Vietnam needs to protect.

The construction of a traditional knowledge database on traditional medicine in Vietnam has particularly important benefits such as:

- (i) Providing a basis for all organizations and individuals to exploit human health protection without having to apply for patents. Because the traditional knowledge of medicine belongs to all people, this database will ensure the right of people to receive medicine and healthcare;
- (ii) A database of patents, so that the reinventing of existing inventions does not happen. This can help avoid the invention losing its novelty, as well as the

reasonably affordable price, or (c) that the patented invention is not worked in the territory of India.' <<http://www.wipo.int/edocs/lexdocs/laws/en/in/in065en.pdf>>.

²⁸ The Indian Patents Act of 1970.

²⁹ Luu Thi Thanh Nga, 'Building and Exploiting a Database on Traditional Medicine to Ensure the Right to Traditional Knowledge in Vietnam' (Master's Thesis, Hanoi National University, 2015).

case that traditional knowledge of Vietnam is used by foreign enterprises and applied for a patent; and

(iii) An effective solution to avoid the loss of traditional knowledge by transferring knowledge about traditional medicine to the people in Vietnam. Accordingly, under the form of electronic digitization, the use, searching, and preservation of ancient knowledge becomes more convenient.

Fourth, the scope of protection should be extended to the new subjects as an effective solution for the research and development of the pharmaceutical industry in a developing country like Vietnam.

Research and development of new medicines costs a lot of time and money, especially in a developing country like Vietnam, where it is difficult to invest in new research and development. Previously, when the IP Law had not yet entered into force (besides protected products and processes), a group of subjects was also protected under patent as is the group (known for active ingredients) used for new purposes. According to the current IP Law of Vietnam, this group is no longer protected. However, it is important to re-establish the patent regime for this group. It can be seen throughout the history of the pharmaceutical industry that many of substances have been found to have new effects, in addition to originally licensed prescriptions. Many active ingredients may be used in new formulations to improve the effectiveness of medicines, such as chewable tablets, oral solution, or transfer from injectable to non-injectable forms; long-acting tablets to reduce the number of daily doses, and to reduce side effects caused by medicine absorption through the digestive tract. Review of medicines circulated is a less risky strategy, which reduces the cost of clinical trials and quickly brings products to the market. Once the pharmacological information and safety of the medicines has been confirmed, clinical trials are implemented in a faster way. Simultaneously, production

processes also becomes simpler and do not require too much financial investment and effort, especially in a developing country like Vietnam, where research funding is still heavily dependent on limited state budgets. This seems to be a more suitable pathway than the research and development of new medicines. Some countries also have a policy of encouraging this kind of research that reviews known medicines. Under the Hatch-Waxman Act in the United States, the government promotes this kind of research by extending the term of protection by up to three years for new indications of licensed drugs.³⁰

In addition to the recommendations to complete specific provisions directly related to pharmaceutical inventions, it is necessary to take synchronous measures:

- (i) To enhance the capacity and performance of competent authorities in the enforcement of intellectual property rights over pharmaceutical patents.
- (ii) To develop the domestic pharmaceutical industry; enhance the manufacturing capacity and the research and development of pharmaceuticals in domestic enterprise while raising the enterprises' awareness on the intellectual property law in general; and the protection of inventions related to pharmaceuticals in particular.
- (iii) To invest in the training of human resources with profound expertise in the field of pharmaceuticals in the relevant authorities involved in the granting of patents to the pharmaceutical invention, as well as the IP rights enforcement authorities for the protection of pharmaceutical invention.
- (iv) To establish the international cooperation in the field of pharmaceuticals

According to Report No. 241 / BC-SHTT of the NOIP, dated 19 January 2017, reviewing the upcoming year's work performance and the direction and tasks of the NOIP in

manufacture of generic drugs by the pharmaceutical industry and established the modern system of government generic drug regulation in the United States.

³⁰ The Drug Price Competition and Patent Term Restoration Act (Public Law 98-417), informally known as the Hatch-Waxman Act, is a 1984 United States federal law which encourages the

2018, a proposed task is to continue to build and complete the legal system on IP rights, as well as the state management of IP rights, in order to meet the requirements of Vietnam's socio-economic development during this period of increasing integration into the global economy. This includes outstanding activities related to the protection of pharmaceutical inventions; it is the development of a draft circular, guiding the transfer of the right to use the invention under compulsory licenses in the pharmaceutical industry. This is good news for Vietnamese pharmaceutical companies to produce medicines during the protection period, and for the majority of poor people in Vietnam to access latest scientific advances in the world to face diseases.

6. CONCLUSION

Considering the specific characteristics of pharmaceutical inventions and their importance to public health, as indicated in this article, prevailing provisions in Vietnamese IP law are not sufficient. As an important treaty on intellectual property, in the new world's economy, TRIPS demonstrates its role in setting out the rules to harmonize countries' IP regimes. However, each country is at different stages of development. TRIPS has left developing countries a great deal of flexibility by allowing those who have a great impact on public interest take advantage of the patent system. This article gives the author's personal opinion on how to develop and orientate in order to improve IP provisions for pharmaceutical inventions. The paper also asserts that new legislation and related policies should be carried out in concert. The goal of achieving a healthy balance between the interests of patent owners and benefit to people in accessing pharmaceuticals should be a high-priority task in a developing country like Vietnam.

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