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Intellectual Property Enforcement International Perspectives

Eds. Xuan Li & Carlos M. Correa

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The cover of the book with the “South Centre”¹ logo² itself is indicative of the ideological perspective and approach to the topic “Enforcement of Intellectual Property”. This book, in fact, is the outcome of two international symposiums on enforcement of intellectual property and development held in Geneva in October 2007 and September 2008 respectively.

The book has been edited³ by two IP stalwarts –Xuan Li⁴ and Prof. Carlos M. Correa.⁵ The book consists of ten chapters, each contributed by international experts⁶ in the IP arena, as diplomats and academics with thorough academic orientation and practical insights.

The book is divided into three parts. Part I provides the contextual understanding of the subject, traces the historical evolution to the latest trends of IP enforcement and mainly focalizes on the concomitant challenges for the multiple stakeholders in the global context.

¹ The South Centre is an inter-governmental policy “think tank” for developing countries with reference to diverse areas of discussion and negotiation on policy matters of international trade, intellectual property and governance. For further details, visit <http://www.southcentre.org/>

² There is indeed a disclaimer that the “views expressed are the personal opinions of the authors and do not reflect the position of the South Centre and its Member States.”

³ Mention has been made to Nirmalya Syam who “assisted in editing the draft manuscripts and providing intellectual inputs on the book” by the authors in the Acknowledgement at xxvi.

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⁶ From China, Brazil, Munich, Geneva, and the USA.

Two significant policy recommendations run through the entire book as a common thread: (1) need for co-ordination at the multilateral level amongst the developing countries to resist TRIPS-plus standards of IP enforcement; and (2) the necessity for increased and effective exploitation of the flexibilities available under the TRIPS to veer around the pressure of the developed countries to adopt stringent enforcement measures and *a priori* to focus on their own regional requirements and national development goals in their national legal systems.

The ten general misconceptions about the enforcement of IPR⁷ deserve special mention and reiteration: Counterfeiting and piracy includes patent infringement; counterfeit medicine equates IP infringed medicine; IP infringement poses health threat; magnitude of claimed IP infringement is enormous; Government should take the primary responsibility of enforcement; government should bear the cost of IP enforcement; WTO members are obliged to provide border procedures for all types of transactions and all forms of IPRs; WTO members are bound to provide judicial system for IPR; criminal procedures are obligatory to establish for IP-infringing products; and, customs administrations have authority to determine IP infringement. Even a cursory reading of the above myths, reveal the distorted and shocking misrepresentation made by the developed countries regarding the scope and obligations of IP enforcement under TRIPS to counter piracy and counterfeiting of IP protected goods. The strong case put forth by the author⁸ with the help of simple Tables and figures facilitate easy understanding.

The next chapter⁹ adopts a holistic approach in the identification of the stakeholders in IP enforcement and emphasizes on the current skewed policy debate and discourse tilted totally in favour of the right-holders vis-à-vis the interests of the second world and third world countries. The author¹⁰ delineates four sets of stakeholders – right-holders including licensees who exploit IP-protected subject matter, users including commercial users, licensees and the general public,¹¹ state authorities and intermediaries involved in the transfer or dissemination of IP protected matter on the Internet. The author succinctly strikes home the fact that IP enforcement “is generally connoted with the enforcement of the right-holders’ exclusive entitlements to prevent others from commercially using the IP-protected subject matter” while totally discarding the various limitations and exceptions attached to those rights. While IPRs are private rights, in recent times the trend in international agreements shows the various state authorities being vested with an increasing role in IP enforcement matter. To illustrate the point, the author has cited the recent US legislative proposal to authorize the Justice Department to file a lawsuit against any person committing a copyright violation.

The title of the next chapter “WCO SECURE: legal and economic assessment of the TRIPS-plus-plus IP enforcement” carries the argument from the previous chapter further by elaborating on the developed countries’ aggressive drive for TRIPS-plus-plus standards “as new strategic priority” for IP enforcement. This strategy is being attempted through circumvention of the

⁷ See Chapter 2, Table 2.1 at 15.

⁸ Xuan Li

⁹ Chapter 3 at 43 - 62

¹⁰ Grosse Ruse-Khan

¹¹ Interestingly, while accentuating the need for effective use of compulsory licensing provision, the author has made reference to the Delhi HC decision in *Hoffmann-La Roche Ltd. V. Cipla Ltd.*, 2008 at 50 as proof of judicial recognition accorded to the interests of the general public in having access to life-saving drugs.

negotiation talks at the traditional WTO, WIPO forums due to the mounting resistance from the developing countries and adoption of new initiatives in other international forums hitherto disconnected with IP enforcement both legally and administratively speaking, e.g., the World Customs Organization (WCO), Universal Postal Union (UPU), WHO, G8 etc. One of the most important forums emerging as the “battlefield” for IP enforcement is the WCO and the proposal to expand the power, scope and ambit of function of the national customs administration through negotiations on the Standards to be Employed by Customs for Uniform Rights Enforcement (SECURE). The “WCO SECURE Draft” initiative made in the Summit of 2008 has drawn its source supposedly from the July 2005 Declaration by the meeting of the G8 group of developed countries for “collective and concerted international action to combat counterfeiting and piracy” by developing international standards on border measures. The entire chapter has been devoted to the WCO SECURE drafting and negotiation of the SECURE Draft and a detailed Table-wise legal analysis of the salient provisions vis-à-vis WTO TRIPS Standards, besides a comparison between SECURE and WIPO Development Agenda. Due to simple style and clarity in expression, even the meticulous analysis of the legal provisions becomes an easy read.

Part II highlights three salient cases to expose the various dimensions of the challenges posed to developing countries and throws up valuable insights and some stark lessons to be learnt: Monsanto regarding the importation of soybean meal from Argentina in the European courts,¹² nuances of the 2006 *e-bay* decision and its likely impact on the development of compensatory jurisprudence relating to equitable reliefs in IP infringement cases¹³, and the US-China dispute.¹⁴ The Monsanto case plainly exemplifies the impact of TRIPS-plus transnational border measures on legitimate trade of the developing countries and the detrimental impact of the seizure of goods under “patent infringement.”¹⁵ Contrastingly, the case of *eBay, Inc v. MercExchange, LLC*¹⁶ reveals the balanced and progressive judicial thinking on the discretionary reliefs available for patent violation by holding that IP infringement *per se* does not entitle the claimant to an injunction. This is in sharp contrast to the passionate plea of the developed countries in the international fora for enforcement of the entitlements of IP right-holders. And, the last case appropriately titled “Enforcement for development: why not an agenda for the developing world?” is an exposition of the divergence of the current international IP discourse, promoted by the developed countries, from the development agenda, as demonstrated in the US-China dispute at the WTO Dispute Settlement Body.¹⁷ The author¹⁸ spells out clearly that “(T)erritoriality and minimum standards of protection are the two cornerstones of international intellectual property.¹⁹” The author puts forth an effective argument that enforcement being a territorial issue

¹² Chapter 5

¹³ Chapter 6

¹⁴ Chapter 7

¹⁵ See Kaitlin Mara & William New, “Concerns Continue Over Generic Drug Seizures As Legality Debates Begin” IPWatch, available at <http://www.ip-watch.org/weblog/2009/03/05/concerns-continue-over-generics-drug-seizures-as-legality-debates-begin/>; Also see, *Nokia v. Her Majesty’s Commissioners of Revenue & Customs & The International Trade Marks Association*, C-495/09 accessed at http://www.cpaglobal.com/newlegalreview/4798/blow_for_eu_trademark_holders

¹⁶ 547 U.S. 388 (2006)

¹⁷ Cf. The Indo-EU Trade Dispute regarding seizure of ‘in-transit’ drugs which was to be taken to the WTO DSB but got resolved later. (http://articles.economicstimes.indiatimes.com/2010-10-08/news/27591928_1_indian-generic-drugs-drugs-exports-drug-seizure-issue)

¹⁸ Hong Xue

¹⁹ See 149.

and recognized to be totally under the purview of the respective national regimes of the Member States under the Berne Convention, points out that TRIPS also permits modification depending on territorial requirements and constraints.²⁰ In pursuance of her premise, the author further states that enforcement measures need to be diversified depending upon the category of IP rights sought to be enforced and remonstrates the futility of adoption or advocacy of “one-size-fits-all” approach by the developed countries. The author suggests concerted efforts by developing countries to obviate the aggressive policies within the limited space provided by TRIPS.

Part III of the book addresses the challenges and the threat of TRIPS-Plus IP enforcement agenda posed by the developed countries and suggests the strategic perspectives to be considered by the developing countries in the policy debates of IP Enforcement. Chapter 8 exposes the manipulation of the developed countries to thrust TRIPS-plus enforcement upon the developing countries through the surreptitious route of WCO. With the help of several instances, it depicts the WCO as “a unique case of forum shopping”. Extra efforts to co-ordinate at the domestic levels between authorities involved in IP policy making and the customs administration has been suggested to stop the new forum shopping at WCO with hazy rules of procedure and opaque institutional functioning.

Yet another suggestion,²¹ to obviate the pressure from the developed countries for higher and stringent IP enforcement and to derive benefits from the IP system, is to recognize the importance of competition policy aspects²² in IP enforcement. The author²³ reiterates the suggestions made in the earlier chapters²⁴ that the developing countries should elbow through the “policy space” for formulating and implementing suitable competition policy in alignment with their national goals of development and to eliminate the scope for abuse of IPRs.

The last chapter²⁵ succinctly underscores the basic principle that IPRs are private rights and hence the burden and cost of their enforcement is essentially that of the right-holders and not the society at large. The 3 important characteristics that inform the present TRIPS-plus agenda of the developed countries have been summarized²⁶, the challenges posed by the TRIPS-plus agenda²⁷,

²⁰ *Ibid*, TRIPS Art. 1.1. and Art. 41.5 have been cited to bolster the argument and in contradistinction to the emphasis of the first part of Art. 41.5 for defective or indifferent enforcement, due emphasis has to be accorded to the second part of Art. 41.5 which provides for the enforcement procedure being in conformity with “their” (Members’) law.

²¹ Chapter 9

²² Cf. http://www.ccapcongress.net/archives/Paris/files/ParisOutcomesStatement_6thGlobalCongress.pdf

²³ Yusong Chen

²⁴ This idea has been stressed throughout the book.

²⁵ Chapter 10 by Xuan Li and Prof. Carlos M. Correa

²⁶ At 210-11 as: (i) wider construction of the concept of counterfeiting as applicable to all kinds of IP infringement and “methodologically flawed” wrong assessment of the economic loss caused by counterfeiting; (ii) “multi-pronged offensive at regional, global and bilateral levels” in an effort to impose new IP enforcement laws and standards and manipulative forum-shifting to non-IP and non-trade international organizations like WCO; and, (iii) shifting the burden of enforcement from right-holders to the state and the defendant entailing substantial financial burden on the law enforcement system of the developing countries.

²⁷ At 211 as: (i) allocation of scarce resources of the state between an effective IP enforcement initiative and other developmental objectives; (ii) deft balancing the interests of private right-holders vis-à-vis the public interests; (iii) prevention of IP “abuse by the right-holders through the misuse of IP enforcement procedures”.

the strategic recommendations for negating their serious and grave impact on the developing countries carrying on legitimate international trade.

The editors of the book deserve appreciation for retaining the coherence and building the subject like a rising crescendo with finesse and brevity. However, the reviewer opines that a chapter could have been devoted to the concerns of IP Enforcement in India, an important developing country in the current IP scenario. The book has a 3-page list of abbreviations used in the book which facilitates easy reference.²⁸ The Bibliography at the end of the book²⁹ running into 16 pages itself forms an additional resource to interested and serious researchers. The Appendix contains a brief write-up about the South Centre. A short description on the profiles of the contributors provides the necessary flavor for appreciating the approach and the contents of the book. Last but not the least, the publishers have to be appreciated for the neat print on quality paper without any printing errors in a paperback edition on an important area of IP law from the perspective of the developing countries.

The reviewer strongly recommends the book to anyone interested in IPRs, policy-makers of the developing countries and the developed countries, academics, researchers, law offices and negotiators. It would indeed be a welcome addition to Law and Public Policy Libraries and to advocacy groups and non-profit organizations focusing on IPR-related matters.

²⁸ At xiii – xv.

²⁹ At 213-228.