

## International Intellectual Property Law

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This article summarizes patent, trademark, domain name, copyright, and traditional knowledge international law developments in 2013.<sup>1</sup>

### I. Patents\*\*

#### A. UNITED STATES

The U.S. Supreme Court clarified the balance between the first sale/patent exhaustion doctrine and a patentee's monopoly over self-replicating inventions, holding, in *Bowman v. Monsanto Co.*, that a farmer may not "reproduce patented seeds through planting and [selective] harvesting without the patent holder's permission."<sup>2</sup>

The Court held that "a naturally occurring DNA segment is a product of nature and not patent eligible merely because it has been isolated, but that cDNA is patent eligible." Myriad Genetics discovered and mapped the BRCA1 and BRCA2 genes (mutated copies of these genes can have a dramatic effect on breast and ovarian cancer risks). Despite the

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\* Melvyn J. Simburg, Simburg, Ketter, Sheppard & Purdy, LLP, Seattle, Washington, served as the editor for this 2013 review. Section editors are identified in each section.

1. For developments during 2012, see Melvyn J. Simburg et al., *International Intellectual Property Law*, 47 INT'L LAW. 213 (2013).

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2. *Bowman v. Monsanto Co.*, 133 S. Ct. 1761, 1763 (2013).

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extensive “iterative” search process required, finding the gene locations does not make them patent eligible. But cDNA sequences that are lab-created and do not occur naturally are patent eligible. The Court did not decide the patentability of gene manipulation methods, applications of knowledge of BRCA gene sequences, or altered gene sequences.<sup>3</sup>

In *Gunn et al. v. Minton*, the Court held that, despite 28 U. S. C. §1338(a) giving federal courts exclusive jurisdiction over “any civil action arising under any Act of Congress relating to patents,”<sup>4</sup> it does not bar legal malpractice claims in state court merely because they involve resolving a hypothetical patent case.<sup>5</sup>

**B. CHINA**

The 825,000 patent applications filed in 2013<sup>6</sup> surpassed the previous record of 653,000 applications filed and 217,000 patents granted in 2012.<sup>7</sup>

The State Intellectual Property Office tightened its rules for examining utility model and design patents by introducing an element of substantive examination and prior art search into what was previously a simple registration process.<sup>8</sup>

In order to handle an increasing patent infringement caseload,<sup>9</sup> the Supreme People’s Court has paved the road for local People’s Courts to hear patent disputes.<sup>10</sup>

The State Council enhanced damages provisions for Computer Software Protection Regulations<sup>11</sup> and Regulations on the Protection of New Plant Varieties.<sup>12</sup>

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3. *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2111–19 (2013).

4. *Gunn v. Minton*, 133 S. Ct. 1059, 1064 (2013).

5. *Id.* at 1068.

6. *SIPO: Invention Apps Surge*, ST. INTELL. PROP. OFF. OF THE P.R.C. (Jan. 28, 2014), [http://english.sipo.gov.cn/news/official/201401/t20140128\\_901768.html](http://english.sipo.gov.cn/news/official/201401/t20140128_901768.html).

7. *653,000 Invention Applications Were Filed in 2012*, ST. INTELL. PROP. OFF. OF THE P.R.C. (Jan. 28, 2013), [http://english.sipo.gov.cn/news/ipspecial/201301/t20130128\\_784487.html](http://english.sipo.gov.cn/news/ipspecial/201301/t20130128_784487.html).

8. Guojia Zhishi Changuan ju Guanyu Xiugai Zhuanli Shencha Zhinan de Jueding (di 67 hao) (国家知识产权局关于修改〈专利审查指南〉的决定(第67号)) [SIPO Decision on Amending Patent Examination Guidelines (No. 67)] (promulgated by the State Intellectual Prop. Office of the P.R.C., Sept. 16, 2013, effective Oct. 15, 2013) (China), *available at* [http://www.sipo.gov.cn/zwgg/jl/201311/t20131106\\_876947.html](http://www.sipo.gov.cn/zwgg/jl/201311/t20131106_876947.html).

9. 2012 Nian Zhongguo Zhishi Chanquan Baohu Zhuangkuang (2012 年中国知识产权保护状况) [The 2012 State of Intellectual Property Protection in China] (promulgated by the State Intellectual Prop. Office of the P.R.C., May, 30, 2013) (China), *available at* [http://www.sipo.gov.cn/zwgs/zscqbps/201305/t20130530\\_801068.html](http://www.sipo.gov.cn/zwgs/zscqbps/201305/t20130530_801068.html).

10. Zuigao Renmin Fayuan Guanyu Xiugai Zhigao Renmin Fayuan Guanyu Shenli Zhuanli Jiufen Anjian Shiying Falu Wenti de Ruogan Guiding de Jueding (最高人民法院关于修改〈最高人民法院关于审理专利纠纷案件适用法律问题的若干规定〉的决定) [The Decision of the Supreme People’s Court to Amend the Several Regulations of the Supreme People’s Court on Applicable Law of Trial of Patent Dispute Case] (promulgated by the Sup. People’s Ct., Apr. 1, 2013, effective Apr. 15, 2013) (China), *available at* <http://court.gmw.cn/lawdb/show.php?fid=147878>.

11. Zhonghua Renmin Gongheguo Guowuyuan Ling di 632 hao “Guowuyuan Guanyu Xiugai Jisuanji Ruanjian Baohu Tiaoli de Jueding” (中华人民共和国国务院令 第632号 《国务院关于修改〈计算机软件保护条例〉的决定》) [P.R.C. State Council Order No. 632 “Decision of the State Council on Amending the Computer Software Protection Regulations”] (promulgated by the St. Council, Jan. 30, 2013, effective Mar. 1, 2013) (China), *available at* [http://www.gov.cn/gongbao/content/2013/content\\_2339471.htm](http://www.gov.cn/gongbao/content/2013/content_2339471.htm).

12. Zhonghua Renmin Gongheguo Guowuyuan Ling di 635 hao “Guowuyuan Guanyu Xiugai Zhonghua Renmin Gongheguo Zhiwu Xinpinzhong Baohu Tiaoli de Jueding” (中华人民共和国国务院令 第635号 《国务院关于修改〈中华人民共和国植物新品种保护条例〉的决定》)

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C. SWITZERLAND

The Swiss Federal Patent Court revised its jurisprudence with respect to Article 66(1)(a) of the Swiss Patent Act to achieve legal unity regarding interpreting the extent of protection of European patents. Until recently, the Swiss Federal Supreme Court has found patent infringement by imitation under two conditions: (i) one or more features of a process or product must have been replaced by features fulfilling the same function (equivalent effect), and (ii) the equivalence of these features must have been evident to a person skilled in the art (detectability). As third parties must be able to identify what is allowed and what must be considered an imitation, Swiss jurisprudence has now adopted equivalence as a third condition. The court now also asks whether a person skilled in the art—guided by the wording of the claim and the description of the protected invention—have considered the substitute features as an equivalent solution.<sup>13</sup> This third condition had already been established in foreign jurisprudence (e.g., Germany and the United Kingdom).<sup>14</sup>

D. RUSSIA

The Intellectual Property Court of the Russian Federation opened on July 3, 2013. The court handles cases involving ownership and validity of patent and trademark rights and appeals of infringement cases. Copyright and other commercial claims may be joined only if part of patent or trademark claim filings. The court opened with thirteen judges and is expected to grow to at least thirty judges plus a cadre of scientific and technical advisors.<sup>15</sup>

Reforms in patent and intellectual property legislation resulted in Russia's admission to the World Trade Organization (WTO) in 2012, followed by the United States' repeal of the Jackson-Vanik Amendment and extension of permanent normal trade relations.<sup>16</sup> The U.S. Trade Representative must submit a report to Congress by December the twenty-first of each year on Russia's progress in implementing the WTO Agreement, including the Agreement on Trade Related Aspects of Intellectual Property Rights.<sup>17</sup> In May 2013, the Office of the U.S. Trade Representative issued its annual report and named Russia as a

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[P.R.C. State Council Order No. 635 "Decision of the State Council on Amending the Regulations on the Protection of New Varieties of Plants] (promulgated by the St. Council, Jan. 31, 2013, effective Mar. 1, 2013) (China), available at [http://www.gov.cn/zwgk/2013-02/08/content\\_2330134.htm](http://www.gov.cn/zwgk/2013-02/08/content_2330134.htm).

13. Bundespatentgericht [Federal Patent Court] Mar. 21, 2013, 2, 18–19 (Switz.), available at [http://www.patentgericht.ch/assets/PDFFiles/S2013\\_001\\_Urteil\\_130321.pdf](http://www.patentgericht.ch/assets/PDFFiles/S2013_001_Urteil_130321.pdf).

14. Jonathan Radcliffe & Ulrich Worm, *Current Patent Litigation Trends: UK and Germany*, WORLD INTEL. PROP. REP., July 2012, at 1, 5–6, available at [http://www.mayerbrown.com/files/News/992b99d8-d097-43f2-b86b-a231cd90e078/Presentation/NewsAttachment/07854be0-c232-4f17-957c-a392b07806ea/Patent-Litigation-Trends\\_sept12.pdf](http://www.mayerbrown.com/files/News/992b99d8-d097-43f2-b86b-a231cd90e078/Presentation/NewsAttachment/07854be0-c232-4f17-957c-a392b07806ea/Patent-Litigation-Trends_sept12.pdf).

15. Tatiana V. Petrova, *Russia: Specialized IP Court Now Functioning*, INTABULLETIN, Aug. 1, 2013, at 1, 15, available at <http://www.inta.org/INTABulletin/Documents/INTABulletinVol68No14.pdf> ("the court for intellectual property rights is a specialized commercial court that, within its jurisdiction, considers cases regarding protection of intellectual property rights as a court of first instance . . . and cassation instance").

16. Russia and Moldova Jackson-Vanik Repeal and Sergei Magnitsky Rule of Law Accountability Act of 2012, Pub. L. No. 112-208, § 101(4), 126 Stat. 1496, 1497 (2012).

17. *Id.* § 201(a), 126 Stat. 1498.

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“Priority Watch” country due to inadequate and ineffective intellectual property protection.<sup>18</sup>

Russian courts continued a trend toward recognition and enforcement of patent rights. The Supreme Arbitration Court held that a patentee may continue an infringement action even if the patent is found to be partially invalid in an administrative revocation proceeding during the pendency of the court action.<sup>19</sup> Previously, such actions were dismissed because the pleaded patent had ceased to exist; plaintiffs had to await issuance of an amended patent and file a new infringement action.<sup>20</sup>

E. BRAZIL

As of March 2013, inventors are entitled to file patent applications online with the Brazilian Patent and Trademark Office (BPTO). The new system will facilitate and accelerate patent prosecution procedures.<sup>21</sup>

The BPTO has opened a sixty day period for public comment on new examination guidelines for patent applications in biotechnology. The guidelines formalize major understandings and restrictions commonly applied by the BPTO.<sup>22</sup>

In September 2013, the BPTO filed thirty-three lawsuits in the Federal Courts of Rio de Janeiro to reduce the validity terms of 170 patents related to agrochemical products and drugs used in the treatment of several diseases. The lawsuits stem from the BPTO’s position on the lifetime of chemical and pharmaceutical patents filed between January 1995 and May 1997 (mailbox patents).<sup>23</sup>

On April 9, 2013, the BPTO enacted Resolution No. 80/2013 establishing rules governing expedited examination of patent applications for strategic drugs.<sup>24</sup>

F. INDIA

The Supreme Court of India rejected a patent application by Novartis for a major cancer drug (Glivec or Gleevec), holding that the application was not an invention per Section 3(d) of the Patent Act.<sup>25</sup> The patent application involved two steps: forming an

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18. OFFICE OF THE U.S. TRADE REPRESENTATIVE, 2013 SPECIAL 301 REPORT 41 (2013), available at <http://www.ustr.gov/sites/default/files/05012013%202013%20Special%20301%20Report.pdf>.

19. Байер Фарма Акционерное общество против Геден Рихтер [Bayer v. Gedeon Richter], Vestnik Vysshego Arbitrazhnogo Suda RF [Vestn. VAS] [The Highest Arbitration Court of the RF Reporter] 2012, No. A-40-90149/11-51-791, available at [http://kad.arbitr.ru/PdfDocument/8062e635-b3f5-44ec-8e6e-b200b654ae2a/A40-90149-2011\\_20120221\\_Reshenija%20i%20postanovlenija.pdf](http://kad.arbitr.ru/PdfDocument/8062e635-b3f5-44ec-8e6e-b200b654ae2a/A40-90149-2011_20120221_Reshenija%20i%20postanovlenija.pdf).

20. Lisa L. Mueller, *Patentees Can Continue Patent Infringement Lawsuits in Russia Even if a Patent Is Found to Be Partially Invalid*, NAT’L L. REV. (Sept. 19, 2013), <http://www.natlawreview.com/article/patentees-can-continue-patent-infringement-lawsuits-russia-even-if-patent-found-to-b>.

21. *Two Sides to Every Story: IP in Brazil*, WORLD INTEL. PROP. REV. (Nov. 1, 2013), <http://www.worldipreview.com/article/two-sides-to-every-story>.

22. Joao Luis D’Orey Facco Vianna & Edson Souza, *Brazil: New Draft Guidelines for Patent Applications in the Biotechnology Field*, MONDAQ (Apr. 24, 2013), <http://www.mondaq.com/s/228642/Trademark/New+Draft+Guidelines+For+Patent+Applications+In+The>.

23. *Two Sides to Every Story: IP in Brazil*, supra note 21.

24. *Brazil-Examination of Pharmaceutical Patent Applications*, LYSAGHT & CO. (Apr. 15, 2013), [http://www.lysaght.co.uk/news\\_item.php?ID=153](http://www.lysaght.co.uk/news_item.php?ID=153).

25. *Novartis AG v. Union of India & Others*, (2013), 6 S.C.C. 1, ¶¶ 190–92 (India), available at <http://judis.nic.in/supremecourt/imgs1.aspx?filename=40212>.

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intermediate compound (free base form) and producing a beta crystalline form. The Court held that step one is neither an invention nor an inventive step and rejected Novartis's argument that the compound is not prior art. The Court ruled that step two merely created a new form of a known substance and failed to satisfy Section 3(d) requirements.<sup>26</sup>

The Delhi High Court ruled that an Indian national's international application (the PCT Application) with the Indian Patent Office is not "made in India" until the Patent Office grants permission.<sup>27</sup> The filing date will be the date when such permission is granted.<sup>28</sup>

The Delhi High Court held that, when a patent is revoked, the patent is not enforceable even though it remains on the Register, unless the appellate authority grants a stay.<sup>29</sup>

The Indian Patent Office launched comprehensive online patent filing services.<sup>30</sup>

**G. AFRICA**

The Ugandan Parliament passed the *Industrial Property Bill 2009*.<sup>31</sup> The bill, which repeals the former Patent Act of Uganda, creates a new registrar and will come into force after presidential approval.<sup>32</sup> The bill is controversial. Critics, including health and human rights activists, argue that the bill goes beyond Uganda's obligations in the Agreement on Trade-Related Aspects of Intellectual Property Rights.

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26. *Id.* Section 3(d) provides that "[t]he following are not inventions within the meaning of this Act . . . (d) the mere discovery of any new property or new use for a known substance or of the mere use of a known process, machine or apparatus unless such known process results in a new product or employs at least one new reactant." *Id.* ¶¶ 45, 94.

27. Puneet Kaushik & Anr v. Union of India & Others, (2013), W.P.(C) No. 1631/2013, ¶ 9 (Del. H.C.) (India), available at <http://lobis.nic.in/dhc/VKJ/judgement/23-09-2013/VKJ23092013CW16312013.pdf>.

28. *Id.* ¶ 11.

29. Sugen Inc. & Others v. A. Rao & Another, (2013), IA No.11625/2012, ¶¶ 18–19 (Del. H.C.) (India), available at <http://lobis.nic.in/dhc/RSE/judgement/19-03-2013/RSE19032013S18662012.pdf>.

30. Press Release, Ministry of Commerce & Indus., Comprehensive Online Filing Services for Patents Inaugurated (Dec. 15, 2012), available at <http://pib.nic.in/newsite/erelease.aspx?relid=90756>.

31. Industrial Property Bill 2009 No. 5 (2013) (Uganda), [http://www.iser-uganda.org/images/stories/Downloads/The\\_Industrial%20Property\\_Bill\\_2009.pdf](http://www.iser-uganda.org/images/stories/Downloads/The_Industrial%20Property_Bill_2009.pdf); David Tumusiime, *Parliament Passes Industrial Property Bill 2009*, UGANDA RADIO NETWORK (Aug. 22, 2013, 7:54 AM), <http://ugandaradionetwork.com/a/story.php?s=55636>.

32. Tumusiime, *supra* note 31.

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**II. Trademarks\***

A. UNITED STATES

The Supreme Court held that a defendant did not have legal standing to pursue trademark invalidity counterclaims once the plaintiff issued a covenant not to sue for trademark infringement.<sup>33</sup>

The Tenth Circuit Court of Appeals held that the purchase of keywords resembling a competitor's trademarks in an Internet search provider's advertisement program did not constitute trademark infringement.<sup>34</sup> To address the claim of "initial interest confusion," the court analyzed (i) whether customers were being lured to the alleged infringer's website by the advertisements and (ii) whether the defendant then passed off its services as those of the plaintiff.<sup>35</sup> The court affirmed the finding below that only a small percentage of searchers actually "clicked through" to the alleged infringer's website.<sup>36</sup>

The Sixth Circuit Court of Appeals confirmed that a third party could be held liable for contributory infringement when Coach sued Goodfellow for sales of counterfeit handbags by vendors operating out of Goodfellow's flea market.<sup>37</sup> Finding *Inwood Laboratories*<sup>38</sup> controlling, the court held that when a "distributor . . . continues to supply its product to one whom it knows or has reason to know is engaging in trademark infringement, [it] is contributorially responsible for any harm done."<sup>39</sup>

B. EUROPE

The European Court of Justice (ECJ) effectively invalidated an earlier Spanish Supreme Court ruling, holding that an older trademark need not have a later trademark declared invalid to invoke its superior rights.<sup>40</sup> The ECJ also ruled that the exclusive right of a Community trademark proprietor can be invoked against a later registered Community trademark, without first having the contested trademark declared invalid.<sup>41</sup>

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33. *Already, LLC v. Nike, Inc.*, 133 S. Ct. 721, 731–32 (2013).

34. *1-800 Contacts, Inc. v. Lens.com, Inc.*, 722 F.3d 1229, 1234 (10th Cir. 2013).

35. *Id.* at 1243–44.

36. *Id.* at 1249–50.

37. *Coach, Inc. v. Goodfellow*, 717 F.3d 498, 503–04 (6th Cir. 2013).

38. *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844 (1982).

39. *Goodfellow*, 717 F.3d at 503 (quoting *Inwood*, 456 U.S. at 854).

40. Case C-561/11, *Fédération Cynologique Internationale v. Federación Canina Internacional de Perros de Pura Raza*, 2013 EUR-Lex ¶¶ 20, 52 (Feb. 21, 2013), available at <http://curia.europa.eu/juris/document/document.jspx?text=&docid=134112&pageIndex=0&doclang=EN&mode=req&dir=&occ=first&part=1&cid=1073800>.

41. *Id.* ¶ 53.

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A trademark proprietor must use its mark during the five years following registration. The ECJ ruled that, when assessing genuine use of a Community trademark, the territorial borders of an EU Member State are not relevant.<sup>42</sup>

Genuine use of a trademark exists when a composite trademark that the mark was part of achieves a distinctive character.<sup>43</sup> The older trademark, “Levi’s,” included a separate trademark for red and blue colors in a red rectangle label, subsequently registered as a separate mark.<sup>44</sup> The ECJ found that the older trademark became distinctive through use, the younger trademark was used only with that other trademark, and the combination had been registered as a trademark.<sup>45</sup>

C. SWITZERLAND

The Commercial Court of the St. Gallen Canton upheld its decision that the Nespresso-compatible Denner coffee capsules did not infringe Nestlé’s trademark rights. Denner launched a coffee capsule line compatible with Nespresso coffeemakers. The shape mark of Nestlé’s coffee capsules was entitled to trademark protection because only the rim was technically necessary, but the unaesthetic Denner capsules’ shape differed sufficiently from Nestlé’s elegant simple shape, and there was no likelihood of confusion between the capsules.<sup>46</sup>

The Swiss Federal Court disallowed business name, trademark, and domain registrations based on an older, well-known business and its unregistered marks, finding that the registration was unfair under the Swiss Unfair Competition Act as the applicant aimed to profit from the reputation of the older business.<sup>47</sup>

D. CHINA

The number of trademark applications almost doubled to 781,797 in the second quarter of 2013. The number of registrations increased by 50 percent to 477,955.<sup>48</sup> Applicants must now follow the classes prescribed under the Nice Agreement, which came into force

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42. Case C-149/11, *Leno Merken BV v. Hagelkruis Beheer BV*, 2012 EUR-Lex ¶¶ 34, 41 (Dec. 19, 2012), available at <http://curia.europa.eu/juris/document/document.jsf?text=&docid=131968&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=243178>.

43. Case C-12/12, *Colloseum Holding AG v. Levi Strauss & Co.*, 2013 EUR-Lex ¶ 34 (Apr. 18, 2013), available at [http://curia.europa.eu/juris/document/document\\_print.jsf?doclang=EN&text=&pageIndex=0&part=1&mode=DOC&docid=136430&occ=first&cid=243913](http://curia.europa.eu/juris/document/document_print.jsf?doclang=EN&text=&pageIndex=0&part=1&mode=DOC&docid=136430&occ=first&cid=243913).

44. *Id.* ¶ 13.

45. *Id.* ¶ 36.

46. Handelsgericht Kanton St. Gallen [Commercial Court of the St. Gallen Canton] May 21, 2013 docket no. HG.2011.199 (Switz.), available at <http://www.gerichte.sg.ch/home/dienstleistungen/rechtsprechung/kantonsgericht/entscheide-2013/hg-2011-199/>.

47. Bundesgericht [BGer] [Federal Supreme Court] July 10, 2013, docket no. 4A\_100/2013, ¶ 2.3 (Switz.), available at [http://relevancy.bger.ch/php/aza/http/index.php?lang=de&type=show\\_document&highlight\\_docid=aza:/10-07-2013-4A\\_100-2013](http://relevancy.bger.ch/php/aza/http/index.php?lang=de&type=show_document&highlight_docid=aza:/10-07-2013-4A_100-2013).

48. *Second Quarter Trademark Application & Registration Data Table*, TRADEMARK OFF. OF THE ST. ADMIN. FOR INDUSTRY & COM. OF THE PEOPLE’S REPUBLIC OF CHINA (July 29, 2013), [http://sbj.saic.gov.cn/tjxx/201307/t20130729\\_136809.html](http://sbj.saic.gov.cn/tjxx/201307/t20130729_136809.html); *Third Quarter Trademark Application & Registration Data Table*, TRADEMARK OFF. OF THE ST. ADMIN. FOR INDUSTRY & COM. OF THE PEOPLE’S REPUBLIC OF CHINA (Oct. 10, 2013), [http://sbj.saic.gov.cn/tjxx/201310/t20131010\\_138607.html](http://sbj.saic.gov.cn/tjxx/201310/t20131010_138607.html).

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on January 1, 2013.<sup>49</sup> Therefore, eighty-six goods and services have been amended, eighty-three goods and services have been added, and forty-nine goods and services have been deleted.<sup>50</sup>

Wing Wah Cake Shop Limited sued Foshan Sushi Ronghua Co., Ltd., claiming that five Sushi Ronghua products infringed the packaging and decorations of the well-known goods of Wing Wah. The Dongguan Intermediate People's Court ruled that the five products in question had infringed registered figurative trademarks of Wing Wah, and it ordered Sushi Ronghua to stop manufacturing and selling the products and to compensate Wing Wah for economic losses of RMB 500,000 (U.S. \$82,000).<sup>51</sup>

The new Trademark Law was revised on August 30, 2013, and will come into effect on May 1, 2014.<sup>52</sup> It further streamlines social economic policy and intellectual property protection.<sup>53</sup> Key elements of a trademark will now include words, devices, letters, numbers, 3D signs, color combinations, and sounds.<sup>54</sup> A new section of the law prohibits filing trademarks similar to those already filed by third parties where there is a contractual or business relationship between the applicant and the third party.<sup>55</sup>

The time for application review is now limited to nine months, and timelines are set for appeal decisions, objections, extensions, and renewal periods.<sup>56</sup>

Using a registered trademark or a non-registered well-known trademark as the trade name of an enterprise constitutes an act of unfair competition within the Anti-Unfair Competition Law, thus subjecting the infringer to additional penalties. When it is difficult to calculate losses suffered by the trademark owner, damages will be calculated according to the infringer's profits and multiples of any royalty fees that would have been paid. Damages will be capped at RMB 3 million (U.S. \$492,000).<sup>57</sup>

E. RUSSIA

The Second Circuit Court of Appeals dismissed trademark infringement claims of a Russian federal treasury enterprise for the famous STOLICHNAYA vodka brand. The

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49. Modifications to the Tenth Edition of the International Classification of Goods and Services for the Purposes of the Registration of Marks 2012 Text (promulgated by the Comm. of Experts of the Nice Union, Nov 26, 2012, effective Jan. 1, 2013) (China), available at [http://sbj.saic.gov.cn/sbyw/201212/t20121214\\_131922.html](http://sbj.saic.gov.cn/sbyw/201212/t20121214_131922.html).

50. *Id.*

51. *Dongguan Intermediate People's Court Genuine Dispute of Moon Cake Splendor Infringement Trial SU*, NANFANG DAILY (Apr. 8, 2013, 7:25 PM), [http://bo.nfdaily.cn/timeline/content/2013-04/08/content\\_66588037.htm](http://bo.nfdaily.cn/timeline/content/2013-04/08/content_66588037.htm).

52. PRC Trademark Law (2013 Revision) (promulgated by the Standing Comm. Twelfth Nat'l People's Cong., Aug. 30, 2013, effective May 1, 2014) (China), available at [http://sbj.saic.gov.cn/sbyw/201309/t20130903\\_137790.html](http://sbj.saic.gov.cn/sbyw/201309/t20130903_137790.html); HOGAN LOVELLS, CHINA'S NEW TRADEMARK LAW: WHAT'S IN STORE? 1 (Sept. 2013), available at [http://www.hoganlovells.com/files/Publication/a812c22f-d397-456b-b8d4-cd8c7f5f5bfc/Presentation/PublicationAttachment/2c129caa-c5a4-46e8-a6b1-ce6c67e162fb/China%E2%80%99s\\_new\\_Trademark\\_Law\\_what\\_s\\_in\\_store\\_-Sep\\_2013\\_.pdf](http://www.hoganlovells.com/files/Publication/a812c22f-d397-456b-b8d4-cd8c7f5f5bfc/Presentation/PublicationAttachment/2c129caa-c5a4-46e8-a6b1-ce6c67e162fb/China%E2%80%99s_new_Trademark_Law_what_s_in_store_-Sep_2013_.pdf).

53. HOGAN LOVELLS, *supra* note 52.

54. PRC Trademark Law (2013 Revision) (promulgated by the Standing Comm. Twelfth Nat'l People's Cong., Aug. 30, 2013, effective May 1, 2014), art. 8 (China), available at [http://sbj.saic.gov.cn/sbyw/201309/t20130903\\_137790.html](http://sbj.saic.gov.cn/sbyw/201309/t20130903_137790.html)

55. *Id.* art. 15.

56. *Id.* art. 28.

57. *Id.* art. 63.

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Russian government owned the Russian trademark and had designated plaintiff its assignee and legal representative, but the court held that the Russian government, as owner of the trademark, had to join as plaintiff. The court refused to apply the Russian law of “operative administration.” This holding could foreclose every federal treasury enterprise from asserting its rights in U.S. courts, despite being the legal representative of the Russian government.<sup>58</sup> The holding raises significant issues of international law.

F. INDIA

The Delhi High Court held that the Registrar cannot remove a trademark from the Register without providing mandatory notice under the Trade and Merchandise Marks Act of 1958. The Registrar may have removed many trademarks from the Register without following this procedure.<sup>59</sup>

The Calcutta High Court restrained Gillette from publishing an advertisement claiming its alkaline batteries were ten times better than ordinary batteries. If someone claims his product is better than the product of another, that person would be liable for attempted disparagement. The same applies to a class of products. Such a claim must be supported by concrete evidence.<sup>60</sup>

International registration of trademarks under the Madrid Protocol came into force on July 8, 2013.<sup>61</sup>

G. AFRICA

On May 17, 2013, Rwanda acceded to the Madrid Protocol.<sup>62</sup> On July 16, 2013, Tunisia followed.<sup>63</sup>

A High Court in Namibia held that a passing-off claim requires that (i) the defendant use a name or mark of another with an established reputation; (ii) the defendant’s use of the mark be “calculated to cause or . . . be likely to confuse the public into believing that the business of the defendant/respondent is that of, or associated with that of the plaintiff/applicant”; (iii) the wrongful act be committed with *mens rea*; and (iv) the plaintiff/applicant, as a consequence, suffer or be likely to suffer damage or injury to the goodwill of his business. The Court denied the applicant’s claim for insufficient proof, holding that the likelihood of damage cannot be assumed.<sup>64</sup>

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58. Fed. Treasury Enter. Sojuzplodoimport v. SPI Spirits Ltd., 726 F.3d 62 (2d Cir. 2013).

59. Union of India v. Malhotra Book Depot, LPA 564/2012 (Del.) (2013) (India), available at <http://lobis.nic.in/dhc/RSE/judgement/27-02-2013/RSE27022013LPA5642012.pdf>.

60. Gillette India Ltd. v. Eveready Indus. India Ltd., A.P.O. No. 321 of 2012 (Cal.) (2012) (India), available at <http://indiankanoon.org/doc/21096586/>.

61. *Members of the Madrid Union*, WORLD INTELL. PROP. ORG. (Jan. 15, 2014), [http://www.wipo.int/export/sites/www/treaties/en/documents/pdf/madrid\\_marks.pdf](http://www.wipo.int/export/sites/www/treaties/en/documents/pdf/madrid_marks.pdf).

62. *Madrid Protocol Concerning the International Registration of Marks, Accession to the Madrid Protocol: Rwanda*, WORLD INTELL. PROP. ORG. (May 30, 2013), available at [http://www.wipo.int/edocs/madrdocs/en/2013/madrid\\_2013\\_17.pdf](http://www.wipo.int/edocs/madrdocs/en/2013/madrid_2013_17.pdf).

63. *Madrid Protocol Concerning the International Registration of Marks, Accession to the Madrid Protocol: Tunisia*, WORLD INTELL. PROP. ORG. (July 31, 2013), available at [http://www.wipo.int/edocs/madrdocs/en/2013/madrid\\_2013\\_26.pdf](http://www.wipo.int/edocs/madrdocs/en/2013/madrid_2013_26.pdf).

64. *Mega Power Centre CC t/a Talisman Plant and Tool Hire v. Talisman Franchise Operations (Pty), Ltd.* [2013] NAHCMD 156 (Namib.), available at <http://www.saflii.org/na/cases/NAHCMD/2013/156.pdf>.

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H. BRAZIL

The Brazilian Superior Court of Justice held that a lawsuit may not request annulment of a trademark registration with a claim for trademark infringement damages.<sup>65</sup> Only the Brazilian Patent and Trademark Office (BPTO) may examine the reputation and fame of a trademark.

The BPTO published Resolution No. 107/13 establishing new rules for the recognition of high-reputed trademarks. The high reputation of a trademark remains in force for ten years, renewable for the same period.<sup>66</sup>

The BPTO inaugurated its Mediation Center on July 15, 2013. Parties involved in intellectual property-related conflicts may settle controversies with support of a BPTO specialist.<sup>67</sup>

I. DOMAIN NAMES

The Internet Corporation for Assigned Names and Numbers (ICANN) achieved key new generic top-level domain (gTLD) milestones, including the delegation of the first new gTLDs, five years after the inception of the new gTLD program.<sup>68</sup> ICANN published the New gTLD String Similarity Contention Sets, with only four non-identical strings: .HOTELS/.HOTEIS and .UNICORN/.UNICOM.<sup>69</sup> The Government Advisory Council recommended that ICANN reconsider its decision to allow singular and plural versions of the same strings. ICANN did not follow the GAC's advice, leaving the matter for the parties to resolve.<sup>70</sup>

ICANN's new gTLD program allows parties to challenge new gTLD applications by filing an objection based on string confusion, legal rights, limited public interest, or community opposition.<sup>71</sup> The objection period closed on March 13, 2013, with 263 admissible objections filed. More than half have been decided or terminated. The Legal Rights Objections were completed rather swiftly, with a low success rate for objectors, but most Limited Public Interest and Community Objections were still pending by the end of October 2013. String Confusion Objection determinations have resulted in inconsistencies in singular and plural versions of the same type: .SPORT and .SPORTS were found too

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65. *Quarta Turma anula registro da marca de salgadinhos Cheesekitos*, SUPERIOR TRIBUNAL JUSTICIA (Mar. 19, 2013), [http://www.stj.jus.br/portal\\_stj/publicacao/engine.wsp?tmp.area=398&tmp.texto=108943&tmp.area\\_anterior=44&tmp.argumento\\_pesquisa=1188105](http://www.stj.jus.br/portal_stj/publicacao/engine.wsp?tmp.area=398&tmp.texto=108943&tmp.area_anterior=44&tmp.argumento_pesquisa=1188105).

66. *Brazil Announces New Measures to Obtain Highly Regarded Trademark Status*, WORLD INTELL. PROP. REV. (Aug. 28, 2013), <http://www.worldipreview.com/news/brazil-announces-new-measures-to-obtain-highly-regarded-trademark-status>.

67. Philippe Bhering, *Progress at Last: Brazilian IP Reform*, WORLD INTELL. PROP. REV. (Sept. 9, 2013), <http://www.worldipreview.com/article/progress-at-last-brazilian-ip-reform>.

68. *Delegated Strings, Overview*, INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS, <http://newgtlds.icann.org/en/program-status/delegated-strings> (last visited Mar. 8, 2014).

69. *New gTLD Program: String Similarity Contention Sets*, INTERNET CORP. FOR ASSIGNED NAMES AND NUMBERS (Feb. 26, 2013), <http://newgtlds.icann.org/en/announcements-and-media/announcement-26feb13-en>.

70. *Approved Resolutions: Meeting of the New gTLD Program Committee*, INTERNET CORP. FOR ASSIGNED NAMES AND NUMBERS (June 25, 2013), <http://www.icann.org/en/groups/board/documents/resolutions-new-gtld-25jun13-en.htm#2.d>.

71. *Objection and Dispute Resolution: News & Views*, INTERNET CORP. FOR ASSIGNED NAMES AND NUMBERS, <http://newgtlds.icann.org/en/program-status/odr> (last visited Mar. 8, 2014).

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similar; .HOTEL and .HOTELS were not. We await ICANN's resolving these inconsistencies.<sup>72</sup>

Expanding from twenty two to almost 1,400 new gTLDs<sup>73</sup> could be an invaluable opportunity for brand owners to promote their key brands and areas of business, but it is also a fertile opportunity for cybersquatters.

ICANN developed Rights Protection Mechanisms that new gTLD registries will be required to implement, including a Trademark Clearinghouse, the Uniform Rapid Suspension System, and Post-Delegation Dispute Resolution Procedures.<sup>74</sup> Some Rights Protection Mechanisms have gone live, and the first Uniform Rapid Suspension decision has been issued.<sup>75</sup>

### III. Copyright\*

#### A. UNITED STATES

In *Kirtsaeng v. John Wiley & Sons, Inc.*, the Supreme Court extended the exhaustion doctrine, holding the "first sale" doctrine applicable to works lawfully manufactured and sold outside the United States, and thereby establishing the principle of international copyright exhaustion in U.S. courts. An academic textbook publisher assigned to its wholly-owned Asian subsidiary the rights to publish, print, and sell abroad foreign editions of its English language textbooks. The defendant, studying in the United States, asked friends and family in Thailand to purchase and mail him foreign edition English-language textbooks. He then sold the books on eBay.<sup>76</sup>

The publisher claimed the unauthorized importation and resale of its books infringed the publisher's exclusive right to distribute and to prohibit unauthorized imports. The student claimed that the "first sale" doctrine permitted importation and resale because his books were "lawfully made" and acquired legitimately. Agreeing with the student, the Supreme Court emphasized the undesirable outcomes that could result from adherence to a national exhaustion regime.<sup>77</sup>

In *Authors Guild, Inc. v. Google Inc.*, an organization of authors and copyright owners brought a class action suit alleging that Google committed copyright infringement by digitally reproducing more than twenty million books. The trial court held it was fair use

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72. *Objection Determinations*, INTERNET CORP. FOR ASSIGNED NAMES AND NUMBERS, <http://newgtlds.icann.org/en/program-status/odr/determination> (last visited Mar. 8, 2014).

73. *Delegated Strings, Overview*, *supra* note 68.

74. Cyrus Namazi, *Three Ways to Protect Your Trademark During the Top-Level Domain Expansion*, ICANN BLOG (Oct. 14, 2013), <http://blog.icann.org/2013/10/three-ways-to-protect-your-trademark-during-the-top-level-domain-expansion/>.

75. *Facebook, Inc. v. Radioslav*, Claim No. FA1308001515825 (2013) (Wilson, Arb.), *available at* <http://domains.adrforum.com/domains/decisions/1515825D.htm>.

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76. *Kirtsaeng v. John Wiley and Sons, Inc.*, 133 S. Ct. 1351, 1355–57 (2013).

77. *Id.*

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to digitally reproduce books and make them available for libraries to download and display “snippets” from those books to the public.<sup>78</sup> The court found Google’s use of the copyrighted works “transformative” in facilitating searches through the display of snippets, rather than a “tool to be used to read books.”<sup>79</sup> This ruling extends the concept of “transformative” from the work itself to the use made.

In *Viacom Int’l Inc. v. YouTube, Inc.*, a federal court protected YouTube under the Digital Millennium Copyright Act from liability for posted unauthorized clips from TV shows, holding that Viacom lacked specific proof that YouTube had knowledge of any specific infringement, and YouTube was not willfully blind to infringements. Neither YouTube’s decision to restrict monitoring efforts nor YouTube’s use of automated programs to direct users to content precluded application of the safe harbor provision.<sup>80</sup>

Section 203 of the 1976 U.S. Copyright Law provides a right of “termination” thirty five years after an assignment or license executed on or after January 1, 1978.<sup>81</sup> Starting in 2013, authors can recover rights previously granted in licenses and assignments. A timely notice of termination must be served upon the assignee or licensee and recorded at the U.S. Copyright Office.<sup>82</sup>

**B. EUROPEAN UNION**

In *ITV Broadcasting Ltd v. TVCatchup Ltd*,<sup>83</sup> the ECJ held that retransmission of television broadcasts by an organization other than the original broadcasters through “live” internet streaming was a “communication to the public” that the author must authorize under Article 3(1) of Directive 2001/29, even though subscribers could lawfully receive the “free-to-air” broadcast retransmitted on their television receiver.<sup>84</sup> Authorization of a protected work in a communication to the public does not exhaust the author’s right to prohibit other communications to the public of such work.<sup>85</sup>

Under Article 5(2) of Directive 2001/29, Member States may provide for exceptions or limitations to authors’ exclusive rights to authorize or prohibit reproduction of their works.<sup>86</sup> In *Verwertungsgesellschaft Wort (VG Wort) v. Kyocera*, the ECJ held that Article 5(2)(a) may be interpreted to include reproductions made by use of a printer and a personal computer, “where the two are linked together” and contribute “in a non-autono-

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78. *Authors Guild, Inc. v. Google, Inc.*, No. 05 Civ. 8136(DC), 2013 WL 6017130, at \*1, \*8 (S.D.N.Y. Nov. 14, 2013).

79. *Id.* at \* 8.

80. *Viacom Int’l, Inc. v. YouTube, Inc.*, 940 F. Supp. 2d 110, 117 (S.D.N.Y. 2013).

81. Larry Rohter, *A Copyright Victory, 35 Years Later*, N.Y. TIMES, Sept. 11, 2013, at C1, available at <http://www.nytimes.com/2013/09/11/arts/music/a-copyright-victory-35-years-later.html> (describing recovery of rights to lyrics in 1970’s hit song “YMCA”); *Scorpio Music v. Willis*, No. 11cv1557 BTM(RBB), 2013 WL 790940, at \*2–3 (S.D. Cal. Mar. 4, 2013).

82. 17 U.S.C. § 203(a)(4)(A) (2012). If the assignment or license covers the right of publication, the period begins at the end of thirty-five years from the date of publication or at the end of forty years from the assignment or license, whichever ends earlier. 17 U.S.C. § 203(a)(3) (2012).

83. Case C-607/11, *ITV Broadcasting Ltd v. TVCatchup Ltd*, 2013 EUR-Lex CELEX LEXIS 1206 (Mar. 7, 2013), available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:62011CJ0607:EN:HTML>.

84. *Id.* ¶ 1. For the facts of this case, see *id.* ¶¶ 9–15.

85. *Id.* ¶ 23.

86. Council Directive 2001/29, art. 5(2), 2001 O.J. (L 167/10), 10, 16 (EC).

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mous manner” to form a “single process of reproduction of the protected work . . . on the given medium.”<sup>87</sup> Member States may implement a system where the persons possessing the printer and personal computer pay a “fair compensation” not substantially different from that which it would have been using a single device.<sup>88</sup>

In *Amazon.com International Sales Inc. v. Austro-Mechana Gesellschaft zur Wahrnehmung mechanisch-musikalischer Urheberrechte Gesellschaft mbH*,<sup>89</sup> the ECJ decided that Article 5(2)(b) of Directive 2001/29<sup>90</sup> does not preclude legislation by a Member State that indiscriminately applies a private copying levy on the first placing on the market in its territory, for commercial purposes and for consideration, of recording media suitable for reproduction, provided there is an effective right to receive reimbursement and collection of the levy from the party furnishing the recording equipment or media rather than the final user.<sup>91</sup>

Finally, the ECJ allowed the Austrian system, in which half of the proceeds of the levy go directly to the those “entitled to such compensation,” and the other half provides indirect benefits through payment to “social and cultural institutions set up for the benefit of those entitled,” to stand, so long as such establishments benefit those entitled and the arrangements for their operation are not discriminatory.<sup>92</sup>

C. CHINA

The current Copyright Law became effective in 2010.<sup>93</sup> The second consultation draft was made public on July 6, 2012.<sup>94</sup> The third consultation draft is still pending.<sup>95</sup>

Most authors do not register their copyright in the Copyright Administration Register. But copyright registrations increased from 359,871 in 2010<sup>96</sup> to 461,363 in 2011.<sup>97</sup> According to Article 3 of the second consultation draft, an author’s “works” include writings,

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87. Joined Cases C-457/11 to C-460/11, *Verwertungsgesellschaft Wort (VG Wort) v. Kyocera*, 2013 EUR-Lex CELEX LEXIS 4088 (June 27, 2013), available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:62011CJ0457:EN:HTML>.

88. *Id.* at 16. The European Court of Justice noted that Directive 2001/29 does not expressly determine who owes the fair compensation and cited its holding in *Stichting de ThuisKopie v. Opus Supplies Deutschland GmbH* for the proposition that the Member States “enjoy a broad discretion in that regard.” *Id.* ¶ 74; see also *id.* ¶ 76. For a short discussion of *Stichting*, see Melvyn J. Simburg et al., *International Intellectual Property*, 46 INT’L LAW. 215, 226 (2012).

89. Case C-521/11, *Amazon.com Int’l Sales Inc. v. Austro-Mechana Gesellschaft zur Wahrnehmung mechanisch-musikalischer Urheberrechte Gesellschaft mbH*, 2013 EUR-Lex CELEX LEXIS 3397 (Jul. 11, 2013), available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=LEX:62011CJ0521:EN:HTML>.

90. This is the fair compensation for the private use exception provision. See Council Directive 2001/29 at art. 5(2)(b).

91. Case C-521/11, 2013 EUR-Lex CELEX LEXIS 3397 at 13.

92. *Id.*

93. Copyright Law of China (promulgated by Standing Comm. Nat’l People’s Cong., Feb. 26, 2010, effective Apr. 1, 2010) 2010 STANDING COMM. NAT’L PEOPLE’S CONG. GAZ. 159 (China).

94. Hong Xue, *One Step Ahead, Two Steps Back: Reverse Engineering the Second Draft for the Third Revision of the Chinese Copyright Law*, 28 AM. U. INT’L L. REV. 5 (2012).

95. See *id.*; *Circular on Solicitation of Public Comments on the Second Draft of the Third Revision of the Copyright Law*, NAT’L COPYRIGHT ADMIN. OF THE PEOPLE’S REPUBLIC OF CHINA (July 9, 2012), available at <http://www.ncac.gov.cn/cms/html/309/3517/201207/759867.html>.

96. 2010 Nián quánguó zuòpìn zìyuàn dengjì qǐngkuàng tóngjì [2010 National Statistics Voluntary Registration of Works] NAT’L COPYRIGHT ADMIN. OF THE PEOPLE’S REPUBLIC OF CHINA (Mar. 1, 2012), <http://www.ncac.gov.cn/chinacopyright/contents/485/17756.html>.

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oral works, music, screenplays, qiyi (traditional art), choreography, fine art, art, practical art, design, photography, video and audio, graphics, three-dimensional art, computer programs, literature, artwork, and scientific and technology works.<sup>98</sup>

A recent case involved Microsoft Windows XP Professional and Microsoft Office Professional Edition 2003, both published by Microsoft Corporation, and Tianjin Quanlian Shumatong Kema Development Co., Ltd. (Quanlian). Microsoft had registered the two copyrights in the United States. Quanlian installed the software in its computers and sold them without seeking prior approval. The Tianjin High Court held Quanlian's acts were an infringement of Microsoft's copyrights. Quanlian was enjoined and ordered to pay Microsoft compensation equivalent to RMB 200,000.00 (U.S. \$33,000).<sup>99</sup>

D. BRAZIL

The Brazilian Superior Court of Justice issued a new "binding precedent" under which it confirmed that the principle of social adequacy cannot be applied as a defense in piracy issues.<sup>100</sup> The principle of social adequacy means that, if a certain conduct is widely practiced in society, the conduct cannot be considered a crime.<sup>101</sup>

The Central Bureau for Collection and Distribution (ECAD), a non-profit private institution responsible for collecting and distributing copyright royalties among Brazilian artists, has been sanctioned by the Administrative Council for Economic Defense as a monopoly.<sup>102</sup> The Federal Legislative Branch made adjustments (with Law No. 12.853/13) in the current Copyright Law (Law No. 9.610/98) to create new rules regarding the collection of copyright royalties.<sup>103</sup> ECAD promptly filed a court action before the Federal Supreme Court to address the constitutionality of the new rule.<sup>104</sup>

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97. 2011 Nián quánguó zuòpìn ziyuàn dengjì qíngkuàng tóngjì [2011 National Statistics Voluntary Registration of Works] NAT'L COPYRIGHT ADMIN. OF THE PEOPLE'S REPUBLIC OF CHINA (June 28, 2013), <http://www.ncac.gov.cn/chinacopyright/contents/3890/151730.html>.

98. Copyright Law of China (Revised Second Draft) (promulgated by the Nat'l Copyright Admin. of the People's Republic of China, July 6, 2012, effective July 31, 2012) (China), *available at* <http://www.law-lib.com/fzdt/newshtml/20/20120706164011.htm>.

99. Source originally cached at [http://www.legalstudio.com/site/subscriber\\_ipit/ipit\\_reportedcases\\_detail.aspx?reportedcases\\_id=42199&lang=c](http://www.legalstudio.com/site/subscriber_ipit/ipit_reportedcases_detail.aspx?reportedcases_id=42199&lang=c).

100. *Súmula 502 consolida entendimento sobre criminalização da pirataria [Precedent 502 Consolidates Understanding of Criminalization of Piracy]*, SUPERIOR TRIBUNAL DE JUSTIÇA (Oct. 29, 2013), [http://www.stj.jus.br/portal\\_stj/publicacao/engine.wsp?tmp.area=398&tmp.texto=111952](http://www.stj.jus.br/portal_stj/publicacao/engine.wsp?tmp.area=398&tmp.texto=111952).

101. *Pirataria, adequação social e insignificância [Piracy, Social Adequacy and Insignificance]*, MIGALHAS (Nov. 4, 2013), <http://www.migalhas.com.br/PL/99,MI189654,91041-Pirataria+adequacao+social+e+insignificancia>.

102. *The Central Office of Collection and Distribution of Copyrights Associations Are Condemned for Cartel Formation*, CONSELHO ADMINISTRATIVO DE DEFESA ECONÔMICA [ADMINISTRATION COUNCIL FOR ECONOMIC DEFENSE], <http://www.cade.gov.br/Default.aspx?a89b6abf51c65da673c090a3b099> (last visited Feb. 3, 2014).

103. Lei No. 12.853/13, de 14 de Agosto de 2013, Diário Oficial da União [D.O.U.] de 15.8.2013 (Braz.).

104. *The Central Office of Collection and Distribution of Copyrights Associations Are Condemned for Cartel Formation*, *supra* note 102.

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E. RUSSIA

On December 20, 2012, the United States and Russia agreed to an Intellectual Property Rights Action Plan principally aimed at the protection and enforcement of copyrights.<sup>105</sup> The Plan endorses significant actions to help combat Internet piracy and to promote copyright enforcement in Russia.<sup>106</sup>

Despite such expressions of commitment, copyright enforcement in Russia is problematic. In October, the Russian social networking website Vkontakte was cleared of copyright infringement charges in a case brought by a local music label, when a St. Petersburg court ruled that the owners of the website were not responsible for the uploading of over sixty tracks because they could not monitor all content uploaded by users and determine if any copyright infringement was taking place.<sup>107</sup>

F. AFRICA

On August 22, 2013, the Republic of Mozambique acceded to the Berne Convention to protect Literary and Artistic Works.<sup>108</sup> In December 2012, the Attorney General of the Federation and Minister of Justice of Nigeria issued The Copyright (Levy on Materials) Order 2012 (Order) granting the Nigerian Copyright Commission approval to impose levies on materials used or capable of being used for copyright infringement.<sup>109</sup> The Order exempts certain materials and institutions from paying the proposed levies (section 2); imposes record keeping requirements on persons manufacturing, assembling, or importing materials for which a levy has been prescribed (section 3); offers guidelines on how the proceeds of levies paid be distributed (section 4); and empowers the Nigerian Copyright Commission to confiscate materials and seal off premises under certain circumstances (section 5).<sup>110</sup>

**IV. Intellectual Property and Traditional Knowledge\***

The Twenty-Fifth Session of the World Intellectual Property Organization Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC) continues to expedite work on its mandate to agree to an international legal instrument to provide a legal framework supporting effective protection of genetic resources, traditional knowledge, and traditional cultural expressions. The

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105. *President Obama's Signature Paves Way for Permanent Normal Trade Relations with Russia and Moldova*, OFF. OF THE U.S. TRADE REPRESENTATIVE, [www.ustr.gov/Russia](http://www.ustr.gov/Russia) (last visited Feb. 5, 2014).

106. See *United States-Russian Federation Intellectual Property Rights Action Plan*, OFF. OF THE U.S. TRADE REPRESENTATIVE, [http://www.ustr.gov/webfm\\_send/3619](http://www.ustr.gov/webfm_send/3619) (last visited Feb. 5, 2014).

107. Vladimir Kozlov, *Russian Social Networking Site Vkontakte Wins Copyright Case Against Music Label*, HOLLYWOOD REP. (Oct. 25, 2013, 1:08 PM), <http://www.hollywoodreporter.com/news/russian-social-networking-site-vkontakte-650893>.

108. *Berne Convention for the Protection of Literary and Artistic Works, Accession by the Republic of Mozambique*, WORLD INTELL. PROP. ORG. (Aug. 22, 2013), [http://www.wipo.int/treaties/en/notifications/berne/treaty\\_berne\\_259.html](http://www.wipo.int/treaties/en/notifications/berne/treaty_berne_259.html).

109. Government Notice No. (272) (2012) 99:103 O.G. (Nigeria).

110. *Id.* §§ 2–5.

\* Author: Navine Karim, Red Bull, Los Angeles, CA (on Intellectual Property and Traditional Knowledge).

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focus of IGC examination has been on (i) defining “traditional cultural expressions,” (ii) identifying the beneficiaries of protection, (iii) framing the scope of rights, and (iv) carving out appropriate exceptions and limitations.<sup>111</sup>

The New Zealand Patents Act of 2013 attempts to address concerns over the use of Maori traditional knowledge by providing for a Maori Advisory Committee to advise on whether a claimed invention may be derived from Maori traditional knowledge or from indigenous plants or animals.<sup>112</sup> Using an advisory committee is unique in New Zealand patent law.<sup>113</sup> An advisory committee was established in 2002 under the New Zealand Trademark Act to advise on whether the proposed use or registration of a trademark derivative of Maori imagery may be offensive to the Maori tradition.<sup>114</sup>

Also, the Indian Patent Office released guidelines regarding the filing of patent applications relating to traditional knowledge and biological material.<sup>115</sup> These guidelines link the Indian Biological Diversity Act of 2002<sup>116</sup> with the Indian Patents Act of 1970.<sup>117</sup> Besides the guidelines, section 10 of the Patent Act was amended to require disclosure of the source and geographical origin of genetic material to be mandatory as part of the patent application process.<sup>118</sup> New procedures for opposing and revoking patent applications on grounds of traditional knowledge were introduced in Sections 25 and 64.<sup>119</sup>

The Intellectual Property Laws Amendment Bill was introduced in South Africa.<sup>120</sup> The draft amendment protects traditional knowledge and enables traditional communities

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111. *IGC 24 Update: Negotiators Advance on Core Issues Related to Traditional Knowledge*, WORLD INTEL. PROP. ORG. (Apr. 29, 2013), [http://www.wipo.int/tk/en/news/igc/2013/news\\_0008.html](http://www.wipo.int/tk/en/news/igc/2013/news_0008.html).

112. Patents Act 2013 (N.Z.).

113. *Breaking News—New Zealand Patents Bill Passes Final Legislative Hurdle*, HENRY HUGHES (Aug. 28, 2013), [http://www.henryhughes.co.nz/Site/News\\_Articles\\_Case\\_Notes/Breaking\\_News\\_-\\_Patents\\_Bill.aspx](http://www.henryhughes.co.nz/Site/News_Articles_Case_Notes/Breaking_News_-_Patents_Bill.aspx).

114. *Id.*

115. Archana Shanker & Vidisha Garg, *Patent Protection of Traditional Knowledge and Biological Material*, LIFE SCI. INTELL. PROP. REV. (Jan. 4, 2013), <http://www.lifesciencesipreview.com/article/patent-protection-of-traditional-knowledge-and-biological-material>. Especially targeted are the *ayurveda*, *siddha*, and *unani* systems of medicines. The Indian Patent Office has been under fire for violating the law relating to the protection of traditional knowledge by granting patents for inventions related to traditional knowledge and without following the due procedure. *Id.*

116. India joined the Convention on Biological Diversity on February 18, 1994, becoming part of the movement to promote the conservation of biodiversity and the equitable sharing of benefits arising out of the use of genetic resources. *Id.*

117. The Indian legislatures made specific provisions in the second amendment to the Indian Patents Act, 1970. Sub-clause (p) was added to section 3, excluding the grant of a patent for inventions relating to traditional knowledge. Shanker & Garg, *supra* note 115; *see* India Patents (Amendment) Act, No. 15 of 2005, INDIA CODE (2005).

118. India Patents (Amendment) Act § 10.

119. *Id.* §§ 25, 64.

120. Intellectual Property Laws Amendment Bill, 2010, Bill 8-2010 (GN) (S. Afr.).

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to exploit it commercially for their own gain.<sup>121</sup> In this way, the Amendment Bill creates a property right in traditional knowledge.<sup>122</sup>

The federal court from the State of Acre in Brazil recognized the right of indigenous and local communities to control their traditional knowledge associated with genetic heritage.<sup>123</sup> These rights include (1) the right to prevent unauthorized third parties from using or carrying out tests, research, or investigations relating to associated traditional knowledge; (2) the right to prevent third parties from disclosing or broadcasting data or information that incorporate or constitute associated traditional knowledge; and (3) the right to derive profit from economic exploitation by third parties of associated traditional knowledge—a right which is owned by the community.<sup>124</sup>

Kenya is considering a proposed legal framework on protecting traditional knowledge and traditional culture expressions to protect against misappropriation, misuse, and unlawful exploitation by third parties for pharmaceutical products, therapy, arts and crafts, music, designs, and even works of architecture.<sup>125</sup>

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121. *Id.* The Republic of South Africa Intellectual Property Laws Amendment Bill sets out (i) to protect traditional knowledge as a new category of intellectual property; (ii) to provide how said intellectual property rights will be protected; (iii) to determine what is eligible for traditional knowledge intellectual property right protection and the conditions for the subsistence or termination of said protection; (iv) to provide for ownership of traditional knowledge intellectual property rights; (v) to provide for the duration, nature, and scope of traditional knowledge intellectual property rights; (vi) to provide for the enforcement of traditional knowledge rights; (vii) to regulate the licensing of traditional knowledge intellectual property rights; (viii) to provide for the establishment of a National Register of traditional knowledge; (ix) to provide for the establishment of a National Council in respect of traditional knowledge; (x) to provide for the establishment of a national trust and trust fund in respect of traditional knowledge; (xi) to provide for the regulation of the applicability of the bill to foreign countries; and (xii) to provide for the protection of performers and to provide for matters incidental thereto. *See generally id.*

122. O H DEAN, SYNOPSIS OF THE PROTECTION OF TRADITIONAL KNOWLEDGE BILL §4 (2010), available at <http://blogs.sun.ac.za/iplaw/files/2012/02/2OD2012.pdf>. The property right is constituted by the traditional knowledge right and its component rights, namely the traditional work right, the traditional design right, and the traditional mark right. *Id.*

123. Lisa L. Mueller, *Recent Brazilian Federal Court Decision Involving Genetic Heritage and Traditional Knowledge*, NAT'L L. REV. (June 27, 2013), <http://www.natlawreview.com/article/recent-brazilian-federal-court-decision-involving-genetic-heritage-and-traditional-k>. “Genetic heritage” refers to information of genetic origin contained in samples of plant, fungal, microbial, or animal specimens, in the form of molecules and substances deriving from the metabolism of such living beings within the national territory, on the continental shelf, or in an exclusive economic zone. “Associated traditional knowledge” encompasses information or practices of an indigenous or local community having real or potential value and associated with the genetic heritage. *Id.*

124. *Id.*

125. Darius Bergkamp, *Will Kenya's Policies for the Protection of Traditional Knowledge and Genetic Resources Pay Off?*, UNIV. OF CHICAGO UNDERGRADUATE L. REV. (Feb. 9, 2013). It is also pursuant to sections 11, 40(5), and 69 of the Constitution of Kenya, which require the State to protect the intellectual property rights of Kenya, which includes TK and TCEs. *Event: Unveiling of Proposed Law on Protection of Traditional Knowledge and Traditional Cultural Expressions in Kenya*, IP KENYA (May 7, 2013), <http://ipkenya.wordpress.com/2013/05/07/event-unveiling-of-proposed-law-on-protection-of-traditional-knowledge-and-traditional-cultural-expressions-in-kenya/>.

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